

determine whether the purchases were influenced by the investment by the Series in the Unaffiliated Underlying Fund. The board of the Unaffiliated Underlying Fund will consider, among other things: (a) Whether the purchases were consistent with the investment objectives and policies of the Unaffiliated Underlying Fund; (b) how the performance of securities purchased in an Affiliated Underwriting compares to the performance of comparable securities purchased during a comparable period of time in underwritings other than Affiliated Underwritings or to a benchmark such as a comparable market index; and (c) whether the amount of securities purchased by the Unaffiliated Underlying Fund in Affiliated Underwritings and the amount purchased directly from an Underwriting Affiliate have changed significantly from prior years. The board of the Unaffiliated Underlying Fund will take any appropriate actions based on its review, including, if appropriate, the institution of procedures designed to assure that purchases of securities in Affiliated Underwritings are in the best interests of shareholders.

7. An Unaffiliated Underlying Fund will maintain and preserve permanently in an easily accessible place a written copy of the procedures described in the preceding condition, and any modifications to such procedures, and will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any purchase in an Affiliated Underwriting occurred, the first two years in an easily accessible place, a written record of each purchase of securities in Affiliated Underwritings once an investment by a Series in the securities of the Unaffiliated Underlying Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate's members, the terms of the purchase, and the information or materials upon which the determinations of the board of the Unaffiliated Underlying Fund were made.

8. Before investing in an Unaffiliated Underlying Fund in excess of the limit in section 12(d)(1)(A)(i), each Series and the Unaffiliated Underlying Fund will execute a Participation Agreement stating, without limitation, that the Depositor and Trustee, and the board of directors or trustees of the Unaffiliated Underlying Fund and the investment adviser(s) to the Unaffiliated Underlying Fund, understand the terms and conditions of the order and agree to fulfill their responsibilities under the

order. At the time of its investment in shares of an Unaffiliated Underlying Fund in excess of the limit in section 12(d)(1)(A)(i), a Series will notify the Unaffiliated Underlying Fund of the investment. At such time, the Series also will transmit to the Unaffiliated Underlying Fund a list of the names of each Series Affiliate and Underwriting Affiliate. The Series will notify the Unaffiliated Underlying Fund of any changes to the list of names as soon as reasonably practicable after a change occurs. The Unaffiliated Underlying Fund and the Series will maintain and preserve a copy of the order, the Participation Agreement, and the list with any updated information for the duration of the investment, and for a period of not less than six years thereafter, the first two years in an easily accessible place.

9. Any sales charges and/or service fees charged with respect to Units of a Series will not exceed the limits applicable to a fund of funds as set forth in Rule 2830 of the Conduct Rules of the NASD.

10. No Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010-19248 Filed 8-4-10; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62604; File No. SR-NYSEArca-2010-49]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Regarding Listing and Trading of the WisdomTree Emerging Markets Local Debt Fund

July 30, 2010.

I. Introduction

On June 10, 2010, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares of the

WisdomTree Emerging Markets Local Debt Fund under NYSE Arca Equities Rule 8.600. On June 18, 2010, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on June 29, 2010.³ The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

II. Description of the Proposal

The Exchange proposes to list and trade shares ("Shares") of the WisdomTree Emerging Markets Local Debt Fund ("Fund") of the WisdomTree Trust ("Trust"), pursuant to NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange. The Fund will be an actively managed exchange-traded fund. The Shares will be offered by the Trust, which was established as a Delaware statutory trust on December 15, 2005 and is registered with the Commission as an investment company.⁴ WisdomTree Asset Management, Inc. is the investment adviser ("Adviser") to the Fund, and Mellon Capital Management Corporation serves as sub-adviser for the Fund ("Sub-Adviser").⁵ The Exchange represents that the Shares will be subject to Rule 8.600(d), which sets forth the initial and continued listing criteria applicable to Managed Fund Shares. In addition, for initial and/or continued listing, the Shares will be in compliance with Rule 10A-3 under the Exchange Act,⁶ as provided by NYSE Arca Equities Rule 5.3.

The Fund seeks to provide investors with a high level of total return consisting of both income and capital appreciation and is designed to provide exposure to a broad range of emerging market countries and issuers through investments in local currency debt instruments. Specifically, the Fund intends to invest in issuers in Asia,

³ See Securities Exchange Act Release No. 62350 (June 22, 2010), 75 FR 37502 ("Notice").

⁴ The Fund has filed a registration statement on Form N-1A ("Registration Statement") with the Commission. See Post-Effective Amendment No. 32 to Registration Statement on Form N-1A for the Trust, dated March 19, 2010 (File Nos. 333-132380 and 811-21864), as amended on June 8, 2010.

⁵ The Exchange represents that, while the Adviser is not affiliated with any broker-dealer, the Sub-Adviser is affiliated with multiple broker-dealers and has implemented a "fire wall" with respect to such broker-dealers regarding access to information concerning the composition and/or changes to the Fund's portfolio. In addition, MCM personnel who make decisions regarding the Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Fund's portfolio. See Commentary .06 to NYSE Arca Equities Rule 8.600.

⁶ See 17 CFR 240.10A-3.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Latin America, Eastern Europe, Africa, and the Middle East. Likely country exposures include Brazil, Chile, Colombia, Hungary, Indonesia, Israel, Malaysia, Mexico, Peru, Poland, Russia, South Africa, South Korea, Thailand, and Turkey. The Fund intends to invest at least 70% of its net assets in debt instruments denominated in a currency other than the U.S. dollar issued by emerging market governments, government agencies, corporations, and supranational issuers, which include international organizations such as the European Investment Bank, International Bank for Reconstruction and Development, International Finance Corporation, or other regional development banks (collectively, "Debt Instruments"). The Fund expects to invest up to 20% of its net assets in emerging market corporate bonds. The Fund will invest only in corporate bonds that the Adviser or Sub-Adviser deems to be sufficiently liquid. Generally, a corporate bond must have \$200 million or more par amount outstanding and significant par value traded to be considered as an eligible investment. Economic and other conditions in specific countries may, from time to time, lead to a decrease in the average par amount outstanding of bond issuances. Therefore, although the Fund does not intend to do so, the Fund may invest up to 5% of its net assets in corporate bonds with less than \$200 million par amount outstanding if (i) the Adviser or Sub-Adviser deems such security to be sufficiently liquid based on its analysis of the market for such security (based on, for example, broker-dealer quotations or its analysis of the trading history of the security or the trading history of other securities issued by the issuer), (ii) such investment is consistent with the Fund's goal of providing exposure to a broad range of countries and issuers, and (iii) such investment is deemed by the Adviser or Sub-Adviser to be in the best interest of the Fund.

The Fund will invest in both investment grade and non-investment grade securities in a manner designed to provide exposure to broad-based emerging market debt. The Fund currently expects that it will have 75% or more of its assets invested in investment grade securities, and no more than 25% of its assets invested in non-investment grade securities. Because the Fund is designed to provide exposure to a broad range of emerging market countries and issuers and because the debt ratings of such countries and issuers will change from time to time, the exact percentage of the

Fund's investments in investment grade and non-investment grade debt will change from time to time in response to economic events and changes to the credit ratings of such government and corporate issuers. Within the non-investment grade category some issuers and instruments are considered to be of lower credit quality and at higher risk of default. In order to limit its exposure to these more speculative credits, the Fund will not invest more than 15% of its assets in securities rated B or below by Moody's, or equivalently rated by S&P or Fitch. The Fund does not intend to invest in unrated securities. However, it may do so to a limited extent, such as where a rated security becomes unrated, if such security is determined by the Adviser and Sub-Adviser to be of comparable quality. In determining whether a security is of "comparable quality," the Adviser and Sub-Adviser will consider, for example, whether the issuer of the security has issued other rated securities.

With respect to its limited investments in instruments other than Debt Instruments, the Fund may purchase short-term obligations issued or guaranteed by the U.S. Treasury or the agencies or instrumentalities of the U.S. government; may invest in short-term securities issued or guaranteed by non-U.S. governments, agencies and instrumentalities; may invest in deposits and other obligations of U.S. and non-U.S. banks and financial institutions; may invest in deposits and obligations of banks and financial institutions including certificates of deposit, time deposits, and bankers' acceptances.

The Fund also may invest in corporate debt obligations with less than 397 calendar days remaining to maturity, purchase floating rate and adjustable rate obligations, such as demand notes, bonds, and commercial paper, and pursue its investment objective by investing some of its assets in other WisdomTree Funds based on foreign currencies. In addition, the Fund may use derivative instruments as part of its investment strategies. The examples of derivative instruments include forward currency contracts, non-deliverable forward currency contracts, currency and interest rate swaps, currency options, futures contracts, options on futures contracts, and swap agreements. The Fund's use of derivative instruments will be underpinned by investments in short term, high-quality U.S. money market securities. The Fund expects that no more than 30% of the value of the Fund's net assets will be invested in derivative instruments. Such

investments will be consistent with the Fund's investment objective and will not be used to enhance leverage.

With respect to certain kinds of derivative transactions entered into by the Fund that involve obligations to make future payments to third parties, including, but not limited to, futures, forward contracts, swap contracts, the purchase of securities on a when-issued or delayed delivery basis, or reverse repurchase agreements, under applicable Federal securities laws, rules, and interpretations thereof, the Fund must "set aside" liquid assets or engage in other measures to "cover" open positions with respect to such transactions.

The Fund may engage in foreign currency transactions and may invest directly in foreign currencies in the form of bank and financial institution deposits, certificates of deposit, and bankers acceptances denominated in a specified non-U.S. currency. The Fund may also enter into forward currency contracts in order to "lock in" the exchange rate between the currency it will deliver and the currency it will receive for the duration of the contract.

The Fund may enter into swap agreements, including interest rate swaps and currency swaps, and may buy or sell put and call options on foreign currencies either on exchanges or in the over-the-counter market. The Fund may also enter into repurchase agreements with counterparties that are deemed to present acceptable credit risks and reverse repurchase agreements involving the sale of securities held by the Fund, subject to its agreement to repurchase the securities at an agreed upon date or upon demand and at a price reflecting a market rate of interest.

Lastly, the Fund may invest in the securities of other investment companies (including money market funds and exchange-traded funds). The Fund may invest up to an aggregate amount of 10% of its net assets in illiquid securities. Illiquid securities include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets. The Fund will not invest in non-U.S. equity securities.

Additional details regarding the investment and trading policies of the Fund, creations and redemptions of the Shares, investment risks, NAV calculation, the dissemination of key values and availability of information about the underlying assets, trading halts, applicable trading rules, surveillance, and the Information Bulletin, among other things, can be

found in the Notice and/or the Registration Statement, as applicable.⁷

III. Discussion and Commission's Findings

After careful consideration, the Commission finds that the proposed rule change to list and trade the Shares of the Fund is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁸ In particular, the Commission finds that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act,⁹ which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Commission finds that the proposal to list and trade the Shares on the Exchange is also consistent with Section 11A(a)(1)(C)(iii) of the Act,¹⁰ which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities. Quotation and last-sale information regarding the Shares will be available via the Consolidated Tape Association's high-speed line. On each business day before commencement of trading in the Shares in the Core Trading Session on the Exchange, the Trust will disclose on its Web site the identities and quantities of the portfolio of securities and other assets ("Disclosed Portfolio") held by the Fund that will form the basis for the Fund's calculation of the NAV at the end of the business day.¹¹ The Disclosed Portfolio will

include, as applicable, the names, quantity, percentage weighting and market value of securities, and other assets held by the Fund and the characteristics of such assets. In addition, an estimated value that reflects an estimated intraday value of the Fund's portfolio, defined in NYSE Arca Equities Rule 8.600 as the "Portfolio Indicative Value," will also be disseminated. The Portfolio Indicative Value will be based upon the current value for the components of the Disclosed Portfolio and will be updated and disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session on the Exchange. In addition, during hours when the markets for securities in the Fund's portfolio are closed, the Portfolio Indicative Value will be updated at least every 15 seconds during the Core Trading Session to reflect currency exchange fluctuations. The Web site for the Fund (<http://www.wisdomtree.com>) will contain the prospectus and additional data relating to NAV and other applicable quantitative information.

The Commission further believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Commission notes that the Exchange will obtain a representation from the issuer of the Shares that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. If the Exchange becomes aware that the NAV or Disclosed Portfolio with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV or Disclosed Portfolio is available to all market participants. Further, the Exchange may halt trading during the day in which an interruption to the dissemination of the Portfolio Indicative Value occurs. If the interruption to the dissemination of the Portfolio Indicative Value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.¹² The

Exchange also represents that the Sub-Adviser, which is affiliated with multiple broker-dealers, has implemented a "fire wall" with respect to such broker-dealers regarding access to information concerning the composition and/or changes to the Fund's portfolio. In addition, Sub-Adviser personnel who make decisions regarding the Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Fund's portfolio.¹³ Finally, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.¹⁴

The Exchange has represented that the Shares are deemed equity securities subject to the Exchange's rules governing the trading of equity securities. In support of this proposal, the Exchange has made representations, including the following:

(1) The Shares will be subject to NYSE Arca Equities Rule 8.600(d), which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.

(2) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.

(3) The Exchange's surveillance procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable Federal securities laws.

(4) Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (a) The procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (b) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (c) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (d) how information

detrimental to the maintenance of a fair and orderly market are present.

¹³ See *supra* note 5 and accompanying text.

¹⁴ See NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

⁷ See *supra* notes 3 and 4.

⁸ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78k-1(a)(1)(C)(iii).

¹¹ Under accounting procedures followed by the Fund, trades made on the prior business day ("T") will be booked and reflected in NAV on the current business day ("T+1"). Notwithstanding the foregoing, portfolio trades that are executed prior to the opening of the Exchange on any business day may be booked and reflected in NAV on such business day. Accordingly, the Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

¹² See NYSE Arca Equities Rule 8.600(d)(2)(D). Trading in the Shares may also be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in the securities comprising the Disclosed Portfolio and/or the financial instruments of the Fund; or (2) whether other unusual conditions or circumstances

regarding the Portfolio Indicative Value is disseminated; (e) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

(5) A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.

(6) For initial and continued listing, the Shares must be in compliance with Rule 10A-3 under the Act.¹⁵

This approval order is based on the Exchange's representations.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁶ that the proposed rule change (SR-NYSEArca-2010-49), as modified by Amendment No. 1 thereto, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Florence E. Harmon,

Deputy Secretary.

[FR Doc. 2010-19246 Filed 8-3-10; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62606; File No. SR-NYSEAmex-2010-74]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Amex LLC That Constitutes a Stated Interpretation With Respect to the Meaning, Administration, and Enforcement of Rule 128(g)

July 30, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 28, 2010, NYSE Amex LLC ("NYSE Amex" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is

publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to constitute [sic] a stated interpretation with respect to the meaning, administration, and enforcement of NYSE Amex Equities Rule 128(g). The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <http://www.nyse.com>.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to adopt a stated interpretation with respect to the meaning, administration, and enforcement of NYSE Amex Equities Rule 128(g), concerning the ability of an Exchange Officer to act on his or her own motion to review potentially erroneous executions.

Rule 128(g) provides that an Officer, acting on his or her own motion, may review potentially erroneous executions that occur on the Exchange and may, among other things, declare such transaction(s) null and void. When extraordinary circumstances exist, any such action must be taken by no later than the start of the Regular Trading Hours of the Exchange on the trading day following the date of execution(s) under review.

For purposes of Rule 128(g), the Exchange believes that a series of transactions in a particular security on one or more trading days may be viewed as one event if all such transactions were effected based on incorrect or grossly misinterpreted structural or issuance information, resulting in a severe pricing dislocation for all such transactions (the "Event"). In such

circumstances, the Event may be considered to constitute extraordinary circumstances pursuant to Rule 128(g). An Officer acting on his or her own motion may take action to declare all transactions that occurred during the Event null and void not later than before the start of the next trading date following the last such transaction in the Event. If the security is halted immediately following the last transaction in the Event, and before pricing ceases to be dislocated, the next trading date for all transactions comprising the Event will be the date on which trading resumes following the halt.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),³ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁴ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that the proposed stated interpretation promotes just and equitable principles of trade because it ensures that a potentially erroneous execution may be reviewed if such executions are based on incorrect or grossly misinterpreted structural or issuance information, resulting in a severe pricing dislocation for all such transactions. The stated interpretation also enables the Exchange to declare null and void such potentially erroneous executions during a halt in trading, but before trading resumes at a price based on the corrected information.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

¹⁵ See *supra* note 6.

¹⁶ 15 U.S.C. 78f(b)(2).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.