

B. impose any significant burden on competition; and

C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>13</sup> and Rule 19b-4(f)(6)<sup>14</sup> thereunder.<sup>15</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2013-064 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2013-064. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements

with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2013-064, and should be submitted on or before July 23, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2013-15847 Filed 7-1-13; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69862; File No. SR-NYSEArca-2013-60]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Proposing To List and Trade Shares of Market Vectors Low Volatility Commodity ETF and Market Vectors Long/Short Commodity ETF Under NYSE Arca Equities Rule 8.200

June 26, 2013.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on June 12, 2013, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III 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 list and trade shares of Market Vectors Low Volatility Commodity ETF and Market Vectors Long/Short Commodity ETF under NYSE Arca Equities Rule 8.200. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

NYSE Arca Equities Rule 8.200, Commentary .02 permits the trading of Trust Issued Receipts ("TIRs") either by listing or pursuant to unlisted trading privileges ("UTP").<sup>4</sup> The Exchange proposes to list and trade the shares (the "Shares") of the Market Vectors Low Volatility Commodity ETF ("Low Volatility ETF") and Market Vectors Long/Short Commodity ETF ("Long/Short ETF", and, together with Low Volatility ETF, the "Funds") under NYSE Arca Equities Rule 8.200. Each Fund is a series of the Market Vectors Commodity Trust (the "Trust"), a Delaware statutory trust.<sup>5</sup>

<sup>4</sup> Commentary .02 to NYSE Arca Equities Rule 8.200 applies to TIRs that invest in "Financial Instruments". The term "Financial Instruments", as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

<sup>5</sup> The Trust filed a pre-effective amendment to its registration statements with respect to the Funds on Form S-1 under the Securities Act of 1933 ("1933 Act") on December 7, 2012 (File No. 333-179435 for the Low Volatility ETF ("Low Volatility Registration Statement") and File No. 333-179432

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

<sup>15</sup> In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this pre-filing requirement.

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

The Exchange notes that the Commission has previously approved the listing and trading of other issues of TIRs on the American Stock Exchange LLC (“Amex”),<sup>6</sup> trading on NYSE Arca pursuant to UTP,<sup>7</sup> and listing on NYSE Arca.<sup>8</sup> In addition, the Commission has approved other exchange-traded fund-like products linked to the performance of underlying commodities.<sup>9</sup>

Van Eck Absolute Return Advisers Corp. is the managing owner of the Funds (“Managing Owner”).<sup>10</sup> The Managing Owner also serves as the commodity pool operator and commodity trading advisor of the Funds. The Managing Owner is registered as a commodity pool operator and commodity trading advisor with the Commodity Futures Trading Commission (“CFTC”), and is a member of National Futures Association. Wilmington Trust, National Association (“Trustee”), a national bank with its principal place of business in Delaware, is the sole trustee of the Trust. The Bank of New York Mellon will be the custodian, administrator and transfer agent for the Funds.

#### Overview of the Funds <sup>11</sup>

According to the Low Volatility Registration Statement, the Low Volatility ETF will seek to track changes, whether positive or negative,

for the Long/Short ETF (“Long/Short Registration Statement” and, together with the Low Volatility Registration Statement, the “Registration Statements”). The descriptions of the Funds and the Shares contained herein are based, in part, on the Registration Statements.

<sup>6</sup> See, e.g., Securities Exchange Act Release No. 58161 (July 15, 2008), 73 FR 42380 (July 21, 2008) (SR-Amex-2008-39) (order approving amendments to Amex Rule 1202, Commentary .07 and listing on Amex of 14 funds of the Commodities and Currency Trust).

<sup>7</sup> See, e.g., Securities Exchange Act Release No. 58163 (July 15, 2008), 73 FR 42391 (July 21, 2008) (SR-NYSEArca-2008-73) (order approving UTP trading on NYSE Arca of 14 funds of the Commodities and Currency Trust).

<sup>8</sup> See, e.g., Securities Exchange Act Release No. 58457 (September 3, 2008), 73 FR 52711 (September 10, 2008) (SR-NYSEArca-2008-91) (order approving listing on NYSE Arca of 14 funds of the Commodities and Currency Trust).

<sup>9</sup> See, e.g., Securities Exchange Act Release Nos. 56932 (December 7, 2007), 72 FR 71178 (December 14, 2007) (SR-NYSEArca-2007-112) (order granting accelerated approval to list iShares S&P GSCI Commodity-Indexed Trust); 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR-NYSEArca-2009-40) (order granting accelerated approval for NYSE Arca listing the ETFS Gold Trust).

<sup>10</sup> The Managing Owner is affiliated with a broker-dealer and has implemented a “fire wall” with respect to such broker-dealer and has policies and procedures in place regarding access to information concerning the composition and/or changes to the Funds’ portfolio composition.

<sup>11</sup> Terms relating to the Funds, the Shares and the Indexes (as defined below) referred to, but not defined, herein are defined in the Registration Statements.

in the performance of the Morningstar® Long/Flat Commodity Index<sup>SM</sup> (the “Long/Flat Index”) over time.

According to the Long/Short Registration Statement, the Long/Short ETF will seek to track changes, whether positive or negative, in the performance of the Morningstar® Long/Short Commodity Index<sup>SM</sup> (the “Long/Short Index”) and, together with the Long/Flat Index, the “Indexes”) over time.

Each Fund will seek to achieve its respective investment objective by investing principally in exchange-traded futures contracts on commodities (“Index Commodity Contracts”) comprising the Long/Flat Index and the Long/Short Index, respectively, and U.S. Treasury bills maturing in eight weeks or less to reflect “flat” positions, and, in certain circumstances (as described below), futures contracts other than Index Commodity Contracts traded on U.S. or foreign exchanges (“Other Commodity Contracts”).<sup>12</sup> In addition, to a limited extent, the Funds may also invest in swap agreements on Index Commodity Contracts or Other Commodity Contracts cleared through a central clearing house or the clearing house’s affiliate (“Cleared Swaps”), forward contracts, exchange-traded cash-settled options (including options on one or more Index Commodity Contracts, Other Commodity Contracts or indexes that include any Index Commodity Contracts or Other Commodity Contracts), swaps other than Cleared Swaps and other over-the-counter (“OTC”) transactions that provide economic exposure to the investment returns of the commodities markets, as represented by the Indexes and their constituents (collectively, “Other Commodity Instruments,” and, together with Other Commodity Contracts and Cleared Swaps, “Other Instruments”), as described below. The Funds also may invest in U.S. Treasury bonds, other U.S. Treasury bills, and other U.S. government securities and related securities, money market funds, certificates of deposit, time deposits and other high credit quality short-term fixed income securities, as described in the Registration Statements (collectively, “Cash Instruments”). The Cash Instruments used to track flat positions in the Indexes will be U.S. Treasury bills.

Each Fund intends to invest first in Index Commodity Contracts. Thereafter, if a Fund reaches the position limits

<sup>12</sup> The Managing Owner expects that Other Commodity Contracts in which a Fund may invest in the circumstances described below would include futures contracts of different expirations, on different commodities or traded on different exchanges than Index Commodity Contracts.

applicable to one or more Index Commodity Contracts or a “Futures Exchange”<sup>13</sup> imposes limitations on the Fund’s ability to maintain or increase its positions in an Index Commodity Contract after reaching accountability levels or a price limit is in effect on an Index Commodity Contract during the last 30 minutes of its regular trading session, the Fund’s intention is to invest first in Cleared Swaps to the extent permitted under the position limits applicable to Cleared Swaps and appropriate in light of the liquidity in the Cleared Swaps market, and then, using its commercially reasonable judgment, in Other Commodity Contracts or in Other Commodity Instruments. By using certain or all of these investments, the Managing Owner will endeavor to cause a Fund’s performance to closely track that of the Long/Flat Index or Long/Short Index, respectively, over time. The specific circumstances under which investments in Other Commodity Contracts and Other Commodity Instruments may be used are discussed below.

Consistent with seeking to achieve each Fund’s investment objective, if a Fund reaches position limits applicable to one or more Index Commodity Contracts or when a Futures Exchange has imposed limitations on a Fund’s ability to maintain or increase its positions in an Index Commodity Contract after reaching accountability levels or a price limit is in effect on an Index Commodity Contract during the last 30 minutes of its regular trading session, the Managing Owner may cause a Fund to first enter into or hold Cleared Swaps and then, if applicable, enter into and hold Other Commodity Contracts or Other Commodity Instruments. For example, certain Cleared Swaps have standardized terms similar to, and are priced by reference to, a corresponding Index Commodity Contract or Other Commodity Contract. Additionally, certain Other Commodity Instruments can generally be structured as the parties to the contract desire. Therefore, a Fund might enter into multiple Cleared Swaps and/or certain Other Commodity Instruments intended to

<sup>13</sup> The Futures Exchanges are the exchanges on which the Index Commodity Contracts are traded and include the following: the Chicago Mercantile Exchange, Inc. (“CME”), Chicago Board of Trade (“CBOT”, a division of CME), NYMEX (a division of CME), ICE Futures US (“ICE-US”), and ICE Futures Europe (“ICE-EU”). Some of a Fund’s futures trading may be conducted on commodity futures exchanges outside the United States. Trading on such exchanges is not regulated by any U.S. governmental agency and may involve certain risks not applicable to trading on U.S. exchanges, including different or diminished investor protections.

exactly replicate the performance of one or more Index Commodity Contracts or Other Commodity Contracts, or a single Other Commodity Instrument designed to replicate the performance of the applicable Index as a whole.<sup>14</sup> After reaching position limits applicable to one or more Index Commodity Contracts or when a Futures Exchange has imposed limitations on the Fund's ability to maintain or increase its positions in an Index Commodity Contract after reaching accountability levels or a price limit is in effect on an Index Commodity Contract during the last 30 minutes of its regular trading session, and after entering into or holding Cleared Swaps, a Fund might also enter into or hold Other Commodity Contracts or Other Commodity Instruments to facilitate effective trading, consistent with a Fund's long/flat or long/short strategy, as applicable. In addition, after reaching position limits applicable to one or more Index Commodity Contracts or when a Futures Exchange has imposed limitations on the Fund's ability to maintain or increase its positions in an Index Commodity Contract after reaching accountability levels or a price limit is in effect on an Index Commodity Contract during the last 30 minutes of its regular trading session, and after entering into or holding Cleared Swaps, a Fund might enter into or hold Other Commodity Contracts or Other Commodity Instruments that would be expected to alleviate overall deviation between a Fund's performance and that of the Long/Flat Index or Long/Short Index, as applicable, that may result from certain market and trading inefficiencies or other reasons.

According to the Registration Statements, by using certain or all of these investments, the Managing Owner will endeavor to cause a Fund's performance to closely track that of the Long/Flat Index or Long/Short Index, as applicable, over time. Each Fund will invest to the fullest extent possible in Index Commodity Contracts and Other Instruments without being leveraged (*i.e.*, without seeking performance that is a multiple (*e.g.*, 2X or 3X) or inverse multiple of the Fund's respective Index) or unable to satisfy its expected current or potential margin or collateral obligations with respect to its investments in Index Commodity

Contracts and Other Commodity Contracts or Other Instruments.<sup>15</sup>

Each of the Indexes is currently composed of long, flat or short (as applicable) positions in Index Commodity Contracts, each of which is subject to speculative position limits and other position limitations, as applicable, which are imposed by either the CFTC or the rules of the Futures Exchanges on which the Index Commodity Contracts are traded. These position limits prohibit any person from holding a position of more than a specific number of such Index Commodity Contracts. The purposes of these limits are to diminish, eliminate or prevent sudden or unreasonable fluctuations or unwarranted changes in the prices of futures contracts.<sup>16</sup>

<sup>15</sup> According to the Registration Statements, the Managing Owner will attempt to minimize these market and credit risks by requiring the Funds to abide by various trading limitations and policies, which will include limiting margin accounts and trading only in liquid markets. The Managing Owner will implement procedures which will include, but will not be limited to: Executing and clearing trades with creditworthy counterparties; limiting the amount of margin or premium required for any Index Commodity Contract or Other Commodity Contract or all Index Commodity Contracts or Other Commodity Contracts combined; and generally limiting transactions to Index Commodity Contracts or Other Commodity Contracts which will be traded in sufficient volume to permit the taking and liquidating of positions.

The Fund will enter into Other Commodity Instruments traded OTC (if any) with counterparties selected by the Managing Owner. The Managing Owner will select such Other Commodity Instrument (if any) counterparties giving due consideration to such factors as it deems appropriate, including, without limitation, creditworthiness, familiarity with the applicable Index, and price. Under no circumstances will the Funds enter into an Other Commodity Instrument traded OTC (if any) with any counterparty whose credit rating is lower than investment-grade at the time a contract is entered into. The Funds expect that investments in OTC Other Commodity Instruments (if any) will be made on terms that are standard in the market for such OTC Other Commodity Instruments. In connection with such OTC Other Commodity Instruments, the Funds may post or receive collateral in the form of Cash Instruments, which will be marked to market daily.

<sup>16</sup> According to the Registration Statements, pursuant to the statutory mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was signed into law on July 21, 2010, on October 18, 2011, the CFTC adopted regulations that impose new federal position limits on futures and options on a subset of energy, metal, and agricultural commodities (the "Referenced Contracts") and economically equivalent swap transactions. In a lawsuit filed against the CFTC by the International Swaps and Derivatives Association ("ISDA") and the Securities Industry and Financial Markets Association ("SIFMA"), the U.S. District Court for the District of Columbia vacated the new position limit regulations and remanded the matter to the CFTC for further consideration consistent with the court's opinion. The CFTC may appeal the court's decision and seek a stay of the decision pending appeal, and the new position limit regulations, or other regulations with similar effect, could still become effective in the future. The regulations that were the

According to the Registration Statement, under current regulations, subject to any relevant exemptions, traders, such as each Fund, may not exceed speculative position limits, either individually, or in the aggregate with other persons with whom they are under common control or ownership. Under the proposed regulations challenged by SIFMA, the CFTC requires certain persons to aggregate exchange listed futures and economically equivalent swap positions owned or controlled by such persons.

In addition, exchanges may establish daily price fluctuation limits on futures contracts. The daily price fluctuation limit establishes the maximum amount that the price of futures contracts may vary either up or down from the previous day's settlement price. Once the daily price fluctuation limit has been reached in a particular futures contract, no trades may be made at a price beyond that limit. Futures Exchanges may also establish accountability levels applicable to futures contracts. A Futures Exchange may order a person who holds or controls aggregate positions in excess of specified position accountability levels not to further increase the positions, to comply with any prospective limit which exceeds the size of the position owned or controlled, or to reduce any open position which exceeds position accountability levels if the Futures Exchange determines that such action is necessary to maintain an orderly market. Position limits, accountability levels, and daily price fluctuation limits set by the Futures Exchanges have the potential to cause tracking error, which could cause changes in the net asset value ("NAV") per Share to substantially vary from changes in the level of the Index and prevent an investor from being able to effectively use the Fund as a way to indirectly invest in the global commodity markets.

Although the Managing Owner does not expect the Funds to have a significant exposure to Other Commodity Instruments that trade OTC, the Trust's Declaration of Trust does not limit the amount of funds that the

subject of this decision are referred to herein as the "proposed regulations." The proposed regulations would apply to each of the Funds' combined positions across these products. The Referenced Contracts subject to the proposed regulations represent approximately 68% of the Index Commodity Contracts as of February 28, 2013. The proposed regulations are extremely complex and, if ultimately implemented, whether in their current form or an alternative form, may require further guidance and interpretation by the CFTC to determine in all respects how they apply to the Funds. The Funds' investment strategy could be negatively affected by these regulations.

<sup>14</sup> According to the Registration Statements, assuming that there is no default by a counterparty to an Other Commodity Instrument, the performance of the Other Commodity Instrument should positively correlate with the performance of the Long/Flat Index or Long/Short Index, as applicable, or the applicable Index Commodity Contract.

Funds may invest in such Other Commodity Instruments. Therefore, as the amount of funds invested in Other Commodity Instruments that trade OTC increases, the applicable risks described in the Registration Statements increase correspondingly.<sup>17</sup>

#### The Long/Flat Index

According to the Low Volatility Registration Statement, the Long/Flat Index is a rules-based, fully collateralized commodity futures index that employs a momentum rule to determine if exposure to a particular commodity should be maintained with its prescribed weighting (a “long position”) or moved to cash (a “flat position”).<sup>18</sup> For each Index Commodity Contract represented by the Long/Flat Index, Morningstar®, Inc. (“Morningstar”) <sup>19</sup> calculates a “linked price” <sup>20</sup> that incorporates both price changes and roll yield.<sup>21</sup> Whether a

<sup>17</sup> According to the Registration Statements, markets in which a Fund may effect a transaction in certain Other Commodity Instruments may be in the OTC markets. The participants and dealers in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of the exchange-based markets. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem or a dispute over the terms of the contract (whether or not bona fide), thus causing the Fund to suffer a loss. See note 15, *supra*.

<sup>18</sup> A long position is a position that will increase in market price if the price of the commodities comprising the Long/Flat Index, in the aggregate, are rising during the period when the position is open. A flat position is a position that will not increase in market price whether the price of the commodities comprising the Long/Flat Index, in the aggregate, is rising or falling.

<sup>19</sup> Morningstar, Inc. is the index provider (“Index Provider” or “Morningstar”) with respect to the Indexes. Morningstar is not registered as a broker-dealer. Morningstar Investment Services (“MIS”), a wholly-owned subsidiary of the Index Provider, is a broker-dealer and a registered investment adviser under the Investment Advisers Act of 1940. Morningstar has implemented procedures designed to prevent the illicit use and dissemination of material, non-public information regarding the Indexes and has implemented a “fire wall” with respect to its affiliated broker-dealer regarding the Indexes.

<sup>20</sup> A “linking” factor is defined for each commodity that converts the price of the contract in effect at each point in time to a value that accounts for contract rolls, *i.e.*, the “linked price.” Each time a contract is rolled, the “linking” factor is adjusted by the ratio of the closing price of the current contract to the closing price of the new contract.

<sup>21</sup> According to the Registration Statements, roll yield is the amount of return generated (either positive or negative) by rolling a short-term contract into a longer-term contract and profiting or losing money from the convergence toward a higher or lower spot price. The linked price is determined on the basis of price changes and roll yields. Rolling a futures contract means closing out a position on near-dated (*i.e.*, commodity futures contracts that are nearing expiration) commodity futures contracts before they expire and establishing an equivalent position in a longer-dated futures contract (*i.e.*,

position will be long or flat is determined, at the time of a monthly repositioning, by comparing the linked price of each Index Commodity Contract to its 12-month moving average. For example, if, at a monthly repositioning, the linked price for an Index Commodity Contract exceeds its 12-month moving average, the Long/Flat Index takes the long position in the subsequent month. Conversely, if the linked price for an Index Commodity Contract is below its 12-month moving average, the Long/Flat Index moves the position to cash, *i.e.*, flat.

To be considered for inclusion in the Long/Flat Index, a commodity future must be listed on a U.S. futures exchange, be denominated in U.S. dollars and rank in the top 95% by total U.S. dollar value of the total open interest pool of all eligible commodities. The weight of each Index Commodity Contract is the product of two factors: magnitude and the direction of the momentum signal (*i.e.*, 1 for long, 0 for flat, or -1 for short). On the annual reconstitution date, the magnitude is the open interest weight of the Index Commodity Contract, calculated on the second Friday of December, using data through the last trading day of November. Individual contract weights are capped at 10%. Between reconstitution dates, the weights vary based on the performance of the individual commodity positions. The Long/Flat Index is reconstituted annually and directions (*i.e.*, whether long or flat) of each Index Commodity Contract are determined monthly on the second Friday of each month, which is one week prior to the monthly repositioning. As of February 28, 2013, the sector weightings of the Long/Flat Index were Agriculture (29.44%), Energy (50.37%), Livestock (4.48%) and Metals (15.71%).

#### The Long/Short Index

According to the Long/Short Registration Statement, the Long/Short Index is a rules-based, fully collateralized commodity futures index that employs a momentum rule to determine if exposure to a particular Index Commodity Contract should be maintained with its prescribed weighting (a “long position”) or moved

to a short weighting (a “short position”).<sup>22</sup> For each Index Commodity Contract represented by the Long/Short Index, Morningstar calculates a “linked price” <sup>23</sup> that incorporates both price changes and roll yield.<sup>24</sup> Whether a position will be long or short (or cash, *i.e.*, flat in the case of energy futures contracts, as described below) is determined, at the time of a monthly repositioning, by comparing the linked price of each Index Commodity Contract to its 12-month moving average. For example, if, at a monthly repositioning, the linked price for an Index Commodity Contract exceeds its 12-month moving average, the Long/Short Index takes a long position in the subsequent month. Conversely, if the linked price for an Index Commodity Contract is below its 12-month moving average, the Long/Short Index takes a short position. An exception is made for commodities in the energy sector. If the signal for an Index Commodity Contract in the energy sector is short, the weight of that Index Commodity Contract is moved to cash (*i.e.*, flat). According to the Long/Short Registration Statement, energy is unique in that its price is extremely sensitive to geopolitical events and not necessarily driven purely by demand-supply imbalances.

To be considered for inclusion in the Long/Short Index, a commodity future must be listed on a U.S. futures exchange, be denominated in U.S. dollars and rank in the top 95% by total U.S. dollar value of the total open interest pool of all eligible commodities.

<sup>22</sup> A short position is a position that will increase in market price if the price of the Index Commodity Contracts comprising the Long/Short Index, in the aggregate, are falling during the period when the position is open. The Long/Short Index includes short positions in Index Commodity Contracts. The Long/Short ETF may also obtain a short position relative to certain Index Commodity Contracts by establishing a short position with a counterparty by investing in Other Instruments. According to the Long/Short Registration Statement, the Long/Short ETF will profit if the price of a short position in an Index Commodity Contract or Other Instrument that provides exposure to a short position in such Index Commodity Contract falls while the position is open and the Long/Short ETF will suffer loss if the price of a short position in an Index Commodity Contract or Other Instrument that provides exposure to a short position in such Index Commodity Contract rises while the position is open. Because the value of the Index Commodity Contract or Other Instrument could rise an unlimited amount, a short position in an Index Commodity Contract or Other Instrument that provides exposure to a short position in such Index Commodity Contract theoretically will expose the Long/Short ETF to unlimited losses. In circumstances where a market has reached its maximum price limits imposed by the applicable exchange, the Long/Short ETF may be unable to offset its short position until the next trading day, when prices could expand again in rapid trading.

<sup>23</sup> See note 20, *supra*.

<sup>24</sup> See note 21, *supra*.

The weight of each individual Index Commodity Contract is the product of two factors: Magnitude and the direction of the momentum signal (*i.e.*, 1 for long, 0 for flat, or -1 for short). On the annual reconstitution date, the magnitude is the open interest weight of the Index Commodity Contract, calculated on the second Friday of December, using data through the last trading day of November. Individual

contract weights are capped at 10%. Between reconstitution dates, the weights vary based on the performance of the individual Index Commodity Contract positions. The Long/Short Index is reconstituted annually and directions (*i.e.*, whether long, flat or short) of each Index Commodity Contract are determined monthly on the second Friday of each month, which is one week prior to the monthly

repositioning. As of February 28, 2013, the sector weightings of the Long/Short Index were Agriculture (29.40%), Energy (49.57%), Livestock (4.69%) and Metals (16.34%). The inception date of the Index was December 21, 1979.

Composition of the Indexes

The following chart provides the composition of the Indexes as of February 28, 2013:

Commodity	Futures exchange <sup>25</sup>	Long/flat index		Long/short index	
		Signal	Index weight (percent)	Signal	Index weight (percent)
<b>Agricultural:</b>					
Coffee 'C'/Colombian .....	ICE-US .....	Flat .....	1.71	Short .....	1.72
Corn/No. 2 Yellow .....	CBOT .....	Long .....	7.42	Long .....	7.30
Cotton/1-1/16" .....	ICE-US .....	Long .....	1.34	Long .....	1.21
Soybean Meal/48% Protein .....	CBOT .....	Long .....	1.79	Long .....	1.76
Soybean Oil/Crude .....	CBOT .....	Flat .....	1.93	Short .....	1.90
Soybeans/No. 2 Yellow .....	CBOT .....	Long .....	9.00	Long .....	8.87
Sugar #11/World Raw .....	ICE-US .....	Flat .....	3.11	Short .....	3.21
Wheat/No. 2 Soft Red .....	CBOT .....	Flat .....	3.137	Short .....	3.43
		<i>Total Long</i> .....	<i>19.55</i>	<i>Total Long</i> .....	<i>0</i>
		<i>Total Short</i> .....	<i>N/A</i>	<i>Total Short</i> .....	<i>10.27</i>
		<i>Total Flat</i> .....	<i>9.88</i>	<i>Total Flat</i> .....	<i>19.14</i>
		<i>Total Agricultural</i> .....	<i>29.44</i>	<i>Total Agricultural</i> .....	<i>29.40</i>
<b>Energy:</b>					
Crude Oil WTI/Global Spot .....	NYMEX .....	Flat .....	9.88	Flat .....	9.72
Crude Oil Brent/Global Spot .....	ICE-UK .....	Long .....	10.20	Long .....	10.03
Gas-Oil-Petroleum .....	ICE-UK .....	Long .....	9.634	Long .....	9.48
Natural Gas Henry Hub .....	NYMEX .....	Flat .....	6.81	Flat .....	6.70
Heating Oil #2/Fuel Oil .....	NYMEX .....	Long .....	6.91	Long .....	6.79
Gasoline Blendstock .....	NYMEX .....	Long .....	6.95	Long .....	6.84
		<i>Total Long</i> .....	<i>33.69</i>	<i>Total</i> .....	
				Long .....	33.15
		<i>Total Flat</i> .....	<i>16.68</i>	<i>Total Flat</i> .....	<i>16.42</i>
		<i>Total Energy</i> .....	<i>50.37</i>	<i>Total Energy</i> .....	<i>49.57</i>
<b>Livestock:</b>					
Cattle Live/Choice Average .....	CME .....	Flat .....	2.98	Short .....	3.11
Hogs Lean/Average Iowa/S Minn .....			1.50		1.58
		<i>Total Long</i> .....	<i>0.00</i>	<i>Total Long</i> .....	<i>0</i>
		<i>Total Short</i> .....	<i>N/A</i>	<i>Total Short</i> .....	<i>4.69</i>
		<i>Total Flat</i> .....	<i>4.48</i>	<i>Total Flat</i> .....	<i>0</i>
	4.48 .....	<i>Total Livestock</i> .....	<i>4.48</i>	<i>Total Livestock</i> .....	<i>4.69</i>
<b>Metals:</b>					
Copper High Grade/Scrap No. 2 Wire .....	NYMEX .....	Long .....	2.40	Long .....	2.36
Gold .....	NYMEX .....	Flat .....	9.82	Short .....	10.32
Silver .....	NYMEX .....	Long .....	3.49	Long .....	3.66
		<i>Total Long</i> .....	<i>5.89</i>	<i>Total Long</i> .....	<i>6.02</i>
		<i>Total Short</i> .....	<i>N/A</i>	<i>Total Short</i> .....	<i>10.32</i>
		<i>Total Flat</i> .....	<i>9.82</i>	<i>Total Flat</i> .....	<i>0</i>
		<i>Total Metals</i> .....	<i>15.71</i>	<i>Total Metals</i> .....	<i>16.34</i>

The following chart provides the Futures Exchanges, trading symbol and

trading hours (Eastern time ("E.T.)) for the Index components:

	Exchange	Symbol	Trading hours E.T.
<b>Agricultural:</b>			
Coffee 'C'/Colombian .....	ICE-US .....	KC .....	3:30 a.m.-2:00 p.m.
Corn/No. 2 Yellow .....	CBOT .....	C .....	10:30 a.m.-3:00 p.m.
Cotton/1-1/16" .....	ICE-US .....	CT .....	9:00 p.m.-2:30 p.m.
Soybean Meal/48 Protein .....	CBOT .....	SM .....	10:30 a.m.-3:00 p.m.
Soybean Oil/Crude .....	CBOT .....	BO .....	10:30 a.m.-3:00 p.m.
Soybeans/No. 2 Yellow .....	CBOT .....	S .....	10:30 a.m.-3:00 p.m.
Sugar #11/World Raw .....	ICE-US .....	SB .....	2:30 a.m.-2:00 p.m.

<sup>25</sup> See note 13, *supra*.

	Exchange	Symbol	Trading hours E.T.
Wheat/No. 2 Soft Red .....	CBOT .....	W .....	10:30 a.m.–3:00 p.m.
Energy:			
Crude Oil WTI/Global Spot .....	NYMEX .....	CL .....	9:00 a.m.–2:30 p.m.
Crude Oil Brent/Global Spot .....	ICE-UK .....	B .....	8:00 p.m.–6:00 p.m.— next day.
Gas-Oil-Petroleum .....	ICE-UK .....	G .....	8:00 p.m.–6:00 p.m.— next day.
Natural Gas Henry Hub .....	NYMEX .....	NG .....	9:00 a.m.–2:30 p.m.
Heating Oil #2/Fuel Oil .....	NYMEX .....	HO .....	9:00 a.m.–2:30 p.m.
Gasoline Blendstock .....	NYMEX .....	RB .....	9:00 a.m.–2:30 p.m.
Livestock:			
Cattle Live/Choice Average .....	CME .....	LC .....	10:05 a.m.–2:00 p.m.
Hogs Lean/Average Iowa/S Minn .....	CME .....	LH .....	10:05 a.m.–2:00 p.m.
Metals:			
Copper High Grade/Scrap No. 2 Wire .....	NYMEX .....	HG .....	8:10 a.m.–1:00 p.m.
Gold .....	NYMEX .....	GC .....	8:20 a.m.–1:30 p.m.
Silver .....	NYMEX .....	SI .....	8:25 a.m.–1:25 p.m.

With respect to each of the Indexes, the following are excluded:

(1) Financial futures contracts (*e.g.*, securities, currencies, interest rates, etc.).

(2) Commodity futures contracts not denominated in U.S. dollars.

(3) Commodity futures contracts with less than twelve months of pricing.

Morningstar sorts all commodity futures contracts that meet the above eligibility requirements in descending order by the total U.S. dollar value of open interest. All commodity futures contracts that make up the top 95% of the total open interest pool of all eligible commodity futures contracts, starting with the one with the largest open interest value, will be included in each of the Indexes.

The weight of each Index Commodity Contract in the Indexes is the product of two factors: magnitude and the direction of the momentum signal. Morningstar initially sets the magnitude based on the 12-month average of the dollar value of open interest of each Index Commodity Contract. Morningstar then caps the top magnitude at 10%, redistributing any overage to the magnitudes of the remaining Index Commodity Contracts. Morningstar chooses this capped open-interest weighting system in order to reflect the importance of each Index Commodity Contract in a global economy and to keep the Indexes diversified across commodities.

Each of the Indexes is reconstituted and rebalanced—*i.e.*, the Indexes' membership and constituent weights are reset—annually, on the third Friday of December after the day's closing values of the Indexes have been determined. The reconstitution is effective at the open of trading on first trading day after the third Friday of December.

Morningstar implements all futures contract rolls on the third Friday of each month to coincide with portfolio

repositioning and the rolling of the U.S. Treasury bills used for collateral. If the third Friday of the month is a trading holiday, Morningstar rolls and rebalances or reconstitutes on the trading day prior to the third Friday. To ensure that contracts are rolled before becoming committed to receive physical delivery, contracts are selected so that the delivery month is at least two months away from the upcoming month. On each potential roll date, the delivery month of the current contract is compared to the delivery month of the nearest contract whose delivery month is at least two months away from the upcoming month. If the latter is further into the future than the former, the contract is rolled.

#### Net Asset Value

According to the Registration Statements, NAV means the total assets of each Fund including, but not limited to, all cash and cash equivalents or other debt securities less total liabilities of a Fund, each determined on the basis of generally accepted accounting principles. In particular, NAV includes any unrealized profit or loss on open Index Commodity Contracts, Other Instruments and any Cash Instruments or other credit or debit accruing to a Fund but unpaid or not received by a Fund. The amount of any distribution will be a liability of a Fund from the day when the distribution is declared until it is paid. All open commodity futures contracts traded on a U.S. or non-U.S. exchange will be calculated at their then current market value, which will be based upon the settlement price for that particular commodity futures contract traded on the applicable U.S. or non-U.S. exchange on the date with respect to which NAV is being determined; provided, that if a commodity futures contract traded on a U.S. or on a non-U.S. exchange could not be liquidated

on such day, due to the operation of daily limits (if applicable) or other rules of the exchange upon which that position is traded or otherwise, the settlement price on the most recent day on which the position could have been liquidated will be the basis for determining the market value of such position for such day. The Managing Owner may in its discretion (and under extraordinary circumstances, including, but not limited to, periods during which a settlement price of a futures contract is not available due to exchange limit orders or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) value any asset of a Fund pursuant to such other principles as the Managing Owner deems fair and equitable so long as such principles are consistent with normal industry standards.

The value of Cleared Swaps will be determined based on the value of the Index Commodity Contract in connection with each specific Cleared Swap. In calculating the NAV of a Fund, the settlement value of a Cleared Swap (if any) and an OTC Other Commodity Instrument (if any) will be determined by either applying the then-current disseminated value for the related Index Commodity Contracts or the terms as provided under the applicable Cleared Swap or OTC Other Commodity Instrument, as applicable. However, in the event that one or more of the related Index Commodity Contracts are not trading due to the operation of daily limits or otherwise, the Managing Owner may in its sole discretion choose to value the applicable Fund's Cleared Swaps or OTC Other Commodity Instruments (if any) on a fair value basis in order to calculate such Fund's NAV. These fair value prices would be generally determined based on available

inputs about the current value of the Index Commodity Contract to which the Cleared Swap or OTC Other Commodity Instrument relates and would be based on principles that the Managing Owner deems fair and equitable so long as such principles are consistent with normal industry standards. Exchange-traded Other Commodity Instruments will be valued at their market prices on the exchanges on which such instruments trade.

NAV per Share will be the NAV of each Fund divided by the number of its outstanding Shares.

#### Creation and Redemption Procedures

With respect to each of the Funds, on any business day, an authorized participant may place an order with the Managing Owner to create one or more blocks of 50,000 Shares ("Baskets"). Purchase orders must be placed by 1:00 p.m., E.T. The day on which the Managing Owner receives a valid purchase order is the purchase order date. Purchase orders are irrevocable.

The total cash payment required to create each Basket is the NAV of 50,000 Shares of a Fund as of the closing time of NYSE Arca or the last to close of the Futures Exchanges on which Index Commodity Contracts are traded, whichever is latest, on the purchase order date. Baskets are issued on the business day immediately following the purchase order date at the applicable NAV as of the closing time of NYSE Arca or the last to close of the Futures Exchanges on which the corresponding Index Commodity Contracts are traded, whichever is latest, on the purchase order date, but only if the required payment has been timely received.

The procedures by which an authorized participant can redeem one or more Baskets mirror the procedures for the creation of Baskets. On any business day, an authorized participant may place an order with the Managing Owner to redeem one or more Baskets. Redemption orders must be placed by 1:00 p.m., E.T. The day on which the Managing Owner receives a valid redemption order is the redemption order date. Redemption orders are irrevocable.

The redemption proceeds from a Fund will consist of the cash redemption amount. The cash redemption amount is equal to the NAV of the number of Baskets of the Fund requested in the authorized participant's redemption order as of the closing time of NYSE Arca or the last to close of the Futures Exchanges on which the Index Commodity Contracts are traded, whichever is latest, on the redemption order date. The Managing Owner will

distribute the cash redemption amount on the business day immediately following the redemption order date through Depository Trust Company ("DTC") to the account of the authorized participant as recorded on DTC's book-entry system.

Because the Funds are subject to speculative position limits, accountability levels and other position limitations, as applicable, the Funds' ability to issue new Baskets or to reinvest income in additional Index Commodity Contracts may be limited to the extent these activities would cause a Fund to exceed its applicable limits unless a Fund trades Other Instruments (if any) in addition to and as a proxy for Index Commodity Contracts.

The Exchange will obtain a representation (prior to listing of each Fund) from the Trust that the NAV per Share will be calculated daily and made available to all market participants at the same time.

Each Fund will meet the initial and continued listing requirements applicable to TIRs in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. With respect to application of Rule 10A-3<sup>26</sup> under the Act, the Funds rely on the exception contained in Rule 10A-3(c)(7).<sup>27</sup> A minimum of 100,000 Shares of each Fund will be outstanding as of the start of trading on the Exchange.

Each Fund's investments will be consistent with such Fund's investment objective and will not be used to enhance leverage. That is, a Fund's investments will not be used to seek performance that is a multiple (e.g., 2X or 3X) or inverse multiple of the Fund's respective Index.

A more detailed description of the Shares, the Funds, the Indexes and the Index Commodity Contracts, as well as investment risks, creation and redemption procedures and fees is set forth in the Registration Statements.

#### Availability of Information Regarding the Shares

The Web site for the Funds and/or the Exchange's Web site, which will be publicly accessible at no charge, will contain the following information: (a) The prior business day's NAV per Share and the reported closing price; (b) the prospectus; and (c) other applicable quantitative information. Each Fund will also disseminate its respective holdings on a daily basis on the Funds' Web site, which will include, as applicable, the names, quantity, price and market value of Index Commodity

Contracts, Other Instruments (including forward contracts, OTC swaps and other OTC transactions) and Cash Instruments.

This Web site disclosure of the portfolio composition of the Funds will occur at the same time as the disclosure by the Managing Owner of the portfolio composition to authorized participants so that all market participants are provided portfolio composition information at the same time. Therefore, the same portfolio information will be provided on the public Web site as well as in electronic files provided to authorized participants. Accordingly, each investor will have access to the current portfolio composition of the Funds through the Funds' Web site. The prices of the Index Commodity Contracts, Other Instruments (except as described below) and Cash Instruments will be available from the applicable exchanges and market data vendors. The Managing Owner will publish the NAV of each Fund and the NAV per Share daily. Disclosure regarding the components of each Index, the percentage weightings of the components of each Index, and the long, short or flat positions therein is available at <http://corporate.morningstar.com/US/asp/subject.aspx?page=2649&filter=Commodity&xmlfile=2738.xml>.

The intra-day level and the most recent end-of-day closing level of each Index will be published by NYSE Arca once every 15 seconds throughout the Exchange's Core Trading Session and as of the close of business for NYSE Arca, respectively.

Any adjustments made to an Index will be published on Morningstar's (which serves as the Index Provider) Web site noted above.

The intra-day indicative value ("IIV") per Share of each Fund will be based on the prior day's final NAV per Share, adjusted every 15 seconds during the Core Trading Session to reflect the continuous price changes of a Fund's Index Commodity Contracts and other holdings. The IIV per Share will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session.<sup>28</sup>

The normal trading hours for Index Commodity Contracts may begin after 9:30 a.m. and end before 4:00 p.m. E.T., and there will be a gap in time at the beginning and the end of each day during which the Funds' Shares will be

<sup>28</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available IIVs taken from Consolidated Tape Association ("CTA") or other data feeds.

<sup>26</sup> 17 CFR 240.10A-3.

<sup>27</sup> 17 CFR 240.10A-3(c)(7).

traded on the NYSE Arca, but real-time trading prices for at least some of the Index Commodity Contracts held by the Funds are not available. As a result, during those gaps the IIVs will be updated but will reflect the closing prices for such Index Commodity Contracts that have stopped trading before the NAV is calculated.

The final NAV of each Fund and the final NAV per Share will be calculated as of the closing time of NYSE Arca Core Trading Session or the last to close of the Futures Exchanges on which the Index Commodity Contracts or Other Commodity Contracts (which are listed on futures exchanges other than Futures Exchanges) are traded, whichever is later, and posted in the same manner. Although a time gap may exist between the close of the NYSE Arca Core Trading Session and the close of the Futures Exchanges on which the Index Commodity Contracts or Other Commodity Contracts are traded, there will be no effect on the NAV calculations as a result.

The value of the Shares may be influenced by non-concurrent trading hours between NYSE Arca and the various Futures Exchanges on which the Index Commodity Contracts are traded. The trading hours for the Futures Exchanges may not necessarily coincide during the times that the Shares trade on NYSE Arca.<sup>29</sup>

The NAV for each Fund will be disseminated to all market participants at the same time. The Exchange will also make available on its Web site daily trading volume of the Shares, closing prices of such Shares, and the corresponding NAV. The closing prices and settlement prices of Index Commodity Contracts or Other Commodity Contracts are also readily available from the Web sites of the applicable Futures Exchanges, other futures exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The relevant futures exchanges on which the Index Commodity Contracts or Other Commodity Contracts are listed also provide delayed futures information on current and past trading sessions and

<sup>29</sup> For example, while the Shares generally will trade on NYSE Arca until 8:00 p.m. E.T., NYMEX closes at 1:30 p.m. E.T. As a result, during periods when NYSE Arca is open and the futures exchanges on which the gold Index Commodity Contracts or Other Commodity Contracts are traded (such as NYMEX) are closed, liquidity in the applicable Index Commodity Contracts or Other Commodity Contracts will be reduced or extremely limited. As a result, trading spreads and the resulting premium or discount on the Shares may widen, increasing the difference between the price of the Shares and the NAV of such Shares.

market news free of charge on their respective Web sites. The specific contract specifications for the Index Commodity Contracts or Other Commodity Contracts are also available on such Web sites, as well as other financial informational sources. The prices of forward agreements, swaps and other OTC transactions are not available from the exchanges, but will be available from major market data vendors and financial information service providers such as Reuters and Bloomberg and will be included in: (i) The calculation of the NAV for the Shares, which is disseminated daily; and (ii) the IIV for the Shares, which is widely disseminated at least every 15 seconds during the Core Trading Session by one or more market data vendors. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA.

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.

The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in TIRs to facilitate surveillance. See "Surveillance" below for more information.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading may 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 Index Commodity Contracts or Other Instruments, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule<sup>30</sup> or by the halt or suspension of

<sup>30</sup> See NYSE Arca Equities Rule 7.12.

trading of the underlying futures contracts.

The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV, an Index value or the value of the Index Commodity Contracts or Other Instruments occurs. If the interruption to the dissemination of the IIV, an Index value or the value of the Index Commodity Contracts or Other Instruments 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. In addition, if the Exchange becomes aware that the NAV 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 is available to all market participants.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>31</sup> The Exchange represents that these 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.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, futures contracts and exchange-traded options with other markets and other entities that are members of the Intermarket Surveillance Group ("ISG") and FINRA may obtain trading information regarding trading in the Shares, futures contracts and exchange-traded options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, futures contracts and exchange-

<sup>31</sup> FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

traded options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>32</sup> CME Group, Inc., (which includes CME, CBOT, and NYMEX), and ICE-US are members of ISG. In addition, the Exchange has entered into a comprehensive surveillance sharing agreement with ICE-UK that applies with respect to trading in Index Commodity Contracts. A list of ISG members is available at [www.isgportal.org](http://www.isgportal.org).

In addition, with respect to assets of the Funds traded on exchanges, not more than 10% of the weight of such assets in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

#### Information Bulletin

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: (1) The risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated IIV will not be calculated or publicly disseminated, as well as during the Core Trading Session where the IIV may be based in part on static underlying values; (2) the procedures for purchases and redemptions of Shares in Baskets (and that Shares are not individually redeemable); (3) 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; (4) how information regarding the IIV is disseminated; (5) 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 (6) trading information.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Funds. The Exchange notes that investors purchasing Shares

directly from the Funds will receive a prospectus. ETP Holders purchasing Shares from the Funds for resale to investors will deliver a prospectus to such investors. The Information Bulletin will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

In addition, the Information Bulletin will reference that the Funds are subject to various fees and expenses described in the Registration Statements. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the futures contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares of the Funds and that the NAV for the Shares will be calculated as of 4:00 p.m. E.T. each trading day. The Bulletin will disclose that information about the Shares of the Funds is publicly available on the Funds' Web site.

#### 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>33</sup> that an exchange have rules that are 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, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Managing Owner is affiliated with a broker-dealer and has implemented a "fire wall" with respect to such broker-dealer and has policies and procedures in place regarding access to information concerning the composition and/or changes to the Funds' portfolio composition. The Index Provider is not registered as a broker-dealer and has implemented procedures designed to prevent the illicit use and dissemination of material, non-public information regarding the Indexes and has implemented a "fire wall" with respect to its affiliated broker-dealer regarding the Indexes. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities

laws. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, futures contracts and exchange-traded options with other markets and other entities that are members of the ISG and FINRA may obtain trading information regarding trading in the Shares, futures contracts and exchange-traded options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, futures contracts and exchange-traded options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. With respect to assets of the Funds traded on exchanges, not more than 10% of the weight of such assets in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement. Each Fund will also disseminate each Fund's holdings on a daily basis on the Funds' Web site, which will include, as applicable, the names, quantity, price and market value of Index Commodity Contracts, Other Instruments and Cash Instruments. This Web site disclosure of the portfolio composition of the Funds will occur at the same time as the disclosure by the Managing Owner of the portfolio composition to authorized participants so that all market participants are provided portfolio composition information at the same time. The prices of the Index Commodity Contracts, Other Instruments and Cash Instruments will be available from the applicable exchanges and market data vendors. The Managing Owner will publish the NAV of each Fund and the NAV per Share daily. There will be publicly available Web site disclosure regarding the components of each Index and the long, short or flat positions therein. Trading may 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 underlying futures contracts, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule or by the halt or suspension of trading of the Index Commodity Contracts. The Exchange may halt trading during the day in which an interruption to the

<sup>32</sup> The Exchange notes that not all instruments held by the Funds may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>33</sup> 15 U.S.C. 78f(b)(5).

dissemination of the IIV, an Index value or the value of the Index Commodity Contracts or Other Instruments occurs. If the interruption to the dissemination of the IIV, an Index value or the value of the Index Commodity Contracts or Other Instruments 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. In addition, if the Exchange becomes aware that the NAV 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 is available to all market participants. Disclosure regarding the components of each Index, the percentage weightings of the components of each Index, and the long, short or flat positions therein is publicly available [sic]. The NAV for each Fund will be disseminated to all market participants at the same time. If the Exchange becomes aware that the NAV 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 is available to all market participants. Each Fund intends to invest first in Index Commodity Contracts. Thereafter, if a Fund reaches the position limits applicable to one or more Index Commodity Contracts or a Futures Exchange imposes limitations on the Fund's ability to maintain or increase its positions in an Index Commodity Contract after reaching accountability levels or a price limit is in effect on an Index Commodity Contract during the last 30 minutes of its regular trading session, each Fund's intention is to invest first in Cleared Swaps to the extent permitted under the position limits applicable to Cleared Swaps and appropriate in light of the liquidity in the Cleared Swaps market, and then, using its commercially reasonable judgment, in Other Commodity Contracts or in Other Commodity Instruments.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information is publicly available regarding the Funds and the Shares, thereby promoting market transparency. The NAV for each Fund will be disseminated to all market participants at the same time. The IIV per Share will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session and on the Managing Owner's Web site. Trading in Shares of the Funds will be halted if the circuit

breaker parameters in NYSE Arca Equities Rule 7.12 have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. Moreover, 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.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of additional types of exchange-traded products that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding the Funds' holdings, IIV, and quotation and last sale information for the Shares.

#### *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. The Exchange notes that the proposed rule change will facilitate the listing and trading of additional types of exchange-traded products that will enhance competition among market participants, to the benefit of investors and the marketplace.

#### *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.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2013-60 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2013-60. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-NYSEArca-2013-60 and should be submitted on or before July 23, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>34</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2013-15779 Filed 7-1-13; 8:45 am]

**BILLING CODE 8011-01-P**

**SMALL BUSINESS ADMINISTRATION**

**Reporting and Recordkeeping Requirements Under OMB Review**

**AGENCY:** Small Business Administration.

**ACTION:** Notice of 30 day Reporting Requirements Submitted for OMB Review.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

**DATES:** Submit comments on or before August 1, 2013. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

*Copies:* Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

**ADDRESSES:** Address all comments concerning this notice to: *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street SW., 5th Floor, Washington, DC 20416; and *OMB Reviewer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Curtis Rich, Agency Clearance Officer, (202) 205-7030 *curtis.rich@sba.gov*

**SUPPLEMENTARY INFORMATION:**

*Title:* HUBZone Electronic Data Survey Form.

*Frequency:* On Occasion.

*SBA Form Number:* 2298.

*Description of Respondents:* Small Business concerns.

*Responses:* 4926.

*Annual Burden:* 2463.

**Curtis Rich,**  
*Management Analyst.*

[FR Doc. 2013-15864 Filed 7-1-13; 8:45 am]

**BILLING CODE 8025-01-P**

**SMALL BUSINESS ADMINISTRATION**

**Salem Halifax Capital Partners, L.P.**

[License No. 04/04-0300]

**Notice Seeking Exemption Under the Small Business Investment Act, Conflicts of Interest**

Notice is hereby given that Salem Halifax Capital Partners, L.P., 2849 Paces Ferry Road, Overlook I, Suite 660, Atlanta, GA 30339, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the financing of a small concern, has sought an exemption under Section 312 of the Act and Section 107.730, Financings which Constitute Conflicts of Interest of the Small Business Administration ("SBA") Rules and Regulations (13 CFR 107.730). Salem Halifax Capital Partners, L.P. is seeking post-financing approval from SBA for a debt and equity financing it made to XL Associates, Inc., 1650 Tysons Boulevard, Suite 720, McLean, VA 22102 ("XL").

The financing is brought within the purview of § 107.730(a)(1) and § 107.730(d)(1) of the Regulations because Salem Halifax Capital Partners, L.P. invested in XL, which is considered an Associate of Salem Halifax Capital Partners, L.P., through Halifax Capital Partners', an Associate of Salem Halifax Capital Partners, L.P., ownership of more than 10% of XL's equity. Therefore this transaction is considered a financing constituting a conflict of interest requiring prior SBA approval. Salem Halifax Capital Partners, L.P. has already made its investment in XL and is seeking post-financing SBA approval.

Notice is hereby given that any interested person may submit written comments on the transaction, within fifteen days of the date of this publication, to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416.

**Harry Haskins,**  
*Acting Associate Administrator for Investment.*

[FR Doc. 2013-15653 Filed 7-1-13; 8:45 am]

**BILLING CODE 8025-01-P**

**SMALL BUSINESS ADMINISTRATION**

[Disaster Declaration #13639 and #13640]

**Standing Rock Sioux Tribe Disaster #SD-00058**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the Standing Rock Indian Reservation (FEMA-4123-DR), dated 06/25/2013.

*Incident:* Severe Storms and Flooding.

*Incident Period:* 05/25/2013 through 06/01/2013.

*Effective Date:* 06/25/2013.

*Physical Loan Application Deadline Date:* 08/26/2013.

*Economic Injury (EIDL) Loan Application Deadline Date:* 03/25/2014.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing And Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 06/25/2013, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

*Primary Area:* Standing Rock Indian Reservation.

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations With Credit Available Elsewhere .....	2.875
Non-Profit Organizations Without Credit Available Elsewhere .....	2.875
For Economic Injury:	
Non-Profit Organizations Without Credit Available Elsewhere .....	2.875

The number assigned to this disaster for physical damage is 13639B and for economic injury is 13640B.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**  
*Associate Administrator for Disaster Assistance.*

[FR Doc. 2013-15857 Filed 7-1-13; 8:45 am]

**BILLING CODE 8025-01-P**

<sup>34</sup> 17 CFR 200.30-3(a)(12).