

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2012-03 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-DTC-2012-03. 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 Section, 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 filings will also be available for inspection and copying at the principal office of DTC and on DTC's Web site at [http://www.dtcc.com/downloads/legal/rule\\_filings/2012/dtc/2012-03.pdf](http://www.dtcc.com/downloads/legal/rule_filings/2012/dtc/2012-03.pdf).

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-DTC-2012-03 and should be submitted on or before May 29, 2012.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Kevin O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-10911 Filed 5-4-12; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66887; File No. SR-NYSEAmex-2012-24]

**Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing of Proposed Rule Change to List Shares of the Nuveen Long/Short Commodity Total Return Fund Under NYSE Amex Rule 1600 et seq.**

May 1, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on April 18, 2012, NYSE Amex LLC ("Exchange" or "NYSE Amex") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been substantially 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 shares of the Nuveen Long/Short Commodity Total Return Fund under NYSE Amex Rule 1600 *et seq.* The text of the proposed rule change is available at the Exchange, [www.nyse.com](http://www.nyse.com), and 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 Amex Rule 1600 *et seq.* permits the listing of Trust Units, which are defined as securities that are issued by a trust or other similar entity that is

constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, and/or commodities. Commentary .01 to Rule 1602 provides that the Exchange will file separate proposals under Section 19(b)<sup>3</sup> of the Securities Exchange Act of 1934 ("Act")<sup>4</sup> before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets, and/or portfolios. Consequently, the Exchange is submitting this rule filing in connection with the proposed listing under Rule 1600 as Trust Units of shares ("Shares") of the Nuveen Long/Short Commodity Total Return Fund ("Fund").<sup>5</sup>

**Nuveen Long/Short Commodity Total Return Fund**

The Fund was organized as a statutory trust under Delaware law on May 25, 2011, and will be operated pursuant to a Trust Agreement.<sup>6</sup> The Fund's investment objective will be to generate attractive total returns. The Fund will be actively managed and will seek to outperform its benchmark, the Morningstar® Long/Short Commodity<sup>SM</sup> Index ("Index").<sup>7</sup>

In pursuing its investment objective, the Fund will invest directly in a diverse portfolio of exchange-traded commodity futures contracts that represent the main commodity sectors and are among the most actively traded futures contracts in the global commodity markets. Generally, individual commodity futures positions may be either long or short (or flat in the case of energy futures contracts) depending upon market conditions. The Fund's Commodity Sub-Advisor (as

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

<sup>4</sup> 15 U.S.C. 78a.

<sup>5</sup> For a complete description of the Fund and its proposed offering, see Pre-Effective Amendment No. 3 to the Fund's Form S-1 as filed with the Commission on December 20, 2011 (Registration No. 333-174764) ("Registration Statement").

<sup>6</sup> The Fund, as a commodity pool, will not be subject to registration and regulation under the Investment Company Act of 1940 ("1940 Act").

<sup>7</sup> Morningstar, Inc., the Index sponsor, owns a dually-registered investment advisor and broker-dealer subsidiary, Morningstar Investment Services, Inc., which maintains a broker-dealer registration for the limited purpose of receiving 12b-1 fees directly from the underlying funds that make up the portfolios managed by it. The Manager (as defined below) has advised the Exchange that it has been informed by Morningstar, Inc., that it has erected and maintains information firewalls between the group which is responsible for the Index and employees of the broker-dealer to prevent the flow and/or use of material non-public information regarding the Index from the personnel responsible for the Index to employees of the broker-dealer.

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>9</sup> 17 CFR 200.30-3(a)(12).

defined below) will use various rules to determine the commodity futures contracts in which the Fund will invest, their respective weightings, and whether the futures positions in each commodity are held long, short, or flat (in the case of energy futures contracts). The Fund's commodity investments will, at all times, be fully collateralized. The Fund's investments will be consistent with its investment objective and will not be used to create or enhance leverage. The Fund also will employ a commodity option writing strategy that seeks to produce option premiums for the purpose of enhancing the Fund's risk-adjusted total return over time. Option premiums generated by this strategy may also enable the Fund to more efficiently implement its distribution policy.

*The Fund is a commodity pool.* The Fund is managed by Nuveen Commodities Asset Management, LLC ("Manager"). The Manager is registered as a commodity pool operator ("CPO") and a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA").

*The Manager will serve as the CPO and a CTA of the Fund.* The Manager will determine the Fund's overall investment strategy, including: (i) The selection and ongoing monitoring of the Fund's sub-advisors; (ii) the assessment of performance and potential needs to modify strategy or change sub-advisors; (iii) the determination of the Fund's administrative policies; (iv) the management of the Fund's business affairs; and (v) the provision of certain clerical, bookkeeping, and other administrative services. Gresham Investment Management LLC ("Commodity Sub-Advisor") will be responsible for the Fund's commodity futures investment strategy and options strategy. The Commodity Sub-Advisor is a Delaware limited liability company and is registered with the CFTC as a CTA and a CPO and is a member of the NFA. The Commodity Sub-Advisor is also registered with the SEC as an investment adviser. Nuveen Asset Management, LLC ("Collateral Sub-Advisor"), an affiliate of the Manager, will invest the Fund's collateral in short-term, high-grade debt securities. The Collateral Sub-Advisor is registered with the SEC as an investment adviser.

*Commodity Investments.* The Fund's investment strategy will utilize the Commodity Sub-Advisor's proprietary long/short commodity investment program, which has three principal elements:

- An actively managed long/short portfolio of exchange-traded commodity futures contracts;
- A portfolio of exchange-traded commodity option contracts; and
- A collateral portfolio of cash equivalents and short-term, high-grade debt securities.

The Manager has advised the Exchange that the Commodity Sub-Advisor has represented that it does not believe that position limits will be an issue for its firm, but that it has reserved firm-wide capacity for the Fund so that the Fund will be able to continue to invest in futures contracts without hitting any position limits.

*Long/Short Commodity Investment Program.* The Fund's long/short commodity investment program will be an actively managed, fully collateralized, rules-based commodity investment strategy that seeks to capitalize on opportunities in both up and down commodity markets. The Fund will invest in a diverse portfolio of exchange-traded commodity futures contracts with an aggregate notional value substantially equal to the net assets of the Fund. To provide diversification, the Fund will invest initially in approximately 20 commodities, and the long/short commodity investment program rules will limit weights for any individual commodity futures contract. The Fund expects to make investments in the most actively traded commodity futures contracts in the four main commodity sectors in the global commodities markets:

- Energy;
- Agriculture;
- Metals; and
- Livestock.

During temporary defensive periods or during adverse market circumstances,<sup>8</sup> the Fund may deviate from its investment objective and policies. The Sub-Advisor may invest 100% of the total assets of the Fund in short-term, high-quality debt securities and money market instruments to respond to adverse market circumstances. The Fund may invest in such instruments for extended periods, depending on the Sub-Advisor's assessment of market conditions. These debt securities and money market instruments may include shares of mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government

securities, repurchase agreements, and bonds that are rated AAA.

Generally, the program rules will be used to determine the specific commodity futures contracts in which the Fund will invest, the relative weighting for each commodity, and whether a position is either long or short (or flat in the case of energy futures contracts).

The commodity markets are dynamic and as such the long/short commodity investment program may require frequent adjustments in the Fund's commodity positions. The Commodity Sub-Advisor expects to trade each position no less frequently than once per month. The relative balance of the Fund's long/short commodity investments may vary significantly over time, and at certain times, the Fund's aggregate exposure may be all long, all short and flat, or may consist of various combinations (long, short, and/or flat) thereof. The Commodity Sub-Advisor intends to manage its overall strategy so that the notional amount of the Fund's combined long, short, and flat futures positions will not exceed 100% of the Fund's net assets. The Index had 61.85% long, 24.08% short and 14.07% flat exposure as of September 30, 2011.

The Fund has no intention to short energy futures contracts because the prices of energy futures contracts are generally more sensitive to geopolitical events than to economic factors and, as a result, significant price variations are often driven by factors other than supply-demand imbalances. References to a flat position mean that instead of shorting energy futures contracts when market signals dictate, the Fund will have no futures contracts positions, either long or short, for that energy commodity. In that circumstance, the sum of the notional value of the portfolio's futures contracts will be less than the sum of the collateral assets. The difference quantitatively equals the notional value of what would have been the short portion in energy and is generally referred to as the "flat" position in energy. Because the Fund will hold no futures contracts to express a flat position, commodity traders customarily say that being flat is the equivalent of being invested in cash. The amounts that otherwise would have been allocated to an energy futures contract will be held in cash as collateral for the Fund.

The specific commodities and the total number of futures contracts in which the Fund will invest, and the relative weighting of those contracts, will be determined annually by the Commodity Sub-Advisor based upon the composition of the Index at that

<sup>8</sup> Adverse market circumstances would include large downturns in the broad market value of two or more times current average volatility, where the Sub-Advisor views such downturns as likely to continue for an extended period of time.

time. The selected commodity futures contracts are expected to remain unchanged until the next annual reconstitution each December. Upon annual reconstitution, the target weight of any individual commodity futures contract will be set and will be limited to 10% of the Fund's net assets to provide for diversification. The Commodity Sub-Advisor expects the actual portfolio weights to vary during the year due to market movements. If price movements cause an individual commodity futures contract to represent

more than 10% of the Index at any time between monthly rebalancing, the Fund would seek to match the target weighting at the time of the monthly rebalancing. Generally, the Fund expects to invest in short-term commodity futures contracts with terms of one to three months, but may invest in commodity futures contracts with terms of up to six months.

*Eligible Contracts.* The Fund will invest in those commodity futures contracts and option contracts that are listed on an exchange with the greatest

dollar volume traded in those contracts. Listed below are the main categories of eligible commodity futures contracts. The related options contracts are traded on the same exchanges as the futures contracts on which they are based. Each commodity may have several different types of individual commodity futures contracts (e.g., hard winter wheat and soft red wheat). The Commodity Sub-Advisor will have discretion over commodity futures contract selection and may choose from the available contract types.

Group	Commodity	Primary exchange	Trading hours (eastern time)
Energy	Coal	New York Mercantile Exchange	18:00–15:00.
	Crude Oil	New York Mercantile Exchange	9:00–14:30.
	Crude Oil	ICE Futures Europe	1:00–23:00.
	Ethanol	New York Mercantile Exchange	8:50–12:05.
	Ethanol	Chicago Board of Trade	9:30–13:15.
	Gas Oil	ICE Futures Europe	1:00–23:00.
	Gasoline	New York Mercantile Exchange	9:00–14:30.
	Heating Oil	New York Mercantile Exchange	9:00–14:30.
	Natural Gas	New York Mercantile Exchange	9:00–14:30.
	Propane	New York Mercantile Exchange	Delisted.
Agriculture	Butter	Chicago Mercantile Exchange	12:05–12:15.
	Cocoa	ICE Futures US	8:00–11:50.
	Coffee	ICE Futures US	8:00–13:30.
	Corn	Chicago Board of Trade	10:30–14:15.
	Cotton	ICE Futures US	10:30–14:15.
	Diamonium Phosphate	Chicago Mercantile Exchange	Delisted.
	Lumber	Chicago Mercantile Exchange	10:00–14:05.
	Milk	Chicago Mercantile Exchange	10:05–14:10.
	Oats	Chicago Board of Trade	10:30–14:15.
	Orange Juice	ICE Futures US	10:00–13:30.
	Pulp	ICE Futures US	7:00–15:15.
	Pulp	Chicago Mercantile Exchange	17:00–16:00.
	Rice	Chicago Board of Trade	9:30–13:15.
	Soybean Meal	Chicago Board of Trade	10:30–14:15.
	Soybean Oil	Chicago Board of Trade	10:30–14:15.
	Soybeans	Chicago Board of Trade	10:30–14:15.
	Sugar	ICE Futures US	8:10–13:30.
Urea	Chicago Mercantile Exchange	Delisted.	
Urea Ammonium Nitrate	Chicago Mercantile Exchange	Delisted.	
Wheat	Chicago Board of Trade	10:30–14:15.	
Wheat	Kansas City Board of Trade	10:30–14:15.	
Metals	Aluminum	New York Mercantile Exchange	Delisted.
	Copper	New York Commodities Exchange	8:10–13:00.
	Gold	New York Commodities Exchange	8:20–13:30.
	Palladium	New York Mercantile Exchange	8:30–13:00.
	Platinum	New York Mercantile Exchange	8:20–13:05.
	Silver	New York Commodities Exchange	8:25–13:25.
Livestock	Broilers	Chicago Mercantile Exchange	Delisted.
	Feeder Cattle	Chicago Mercantile Exchange	10:05–14:00.
	Hogs	Chicago Mercantile Exchange	10:05–14:00.
	Live Cattle	Chicago Mercantile Exchange	10:05–14:00.
	Pork Bellies	Chicago Mercantile Exchange	Delisted.

Sources: Gresham Investment Management LLC, Bloomberg L.P., <https://www.theice.com>, and <http://www.cmegroup.com>.

*Current Index Composition.* The actual signals (direction) and weights of the Morningstar® Long/Short Commodity<sup>SM</sup> Index as of September 30, 2011 are as follows:

	%
Long Commodity Futures Positions .....	61.85
Short Commodity Futures Positions .....	24.08
Flat Commodity Futures Positions .....	14.07
	100.00

  

Commodity	Signal	Weight %
<i>Energy</i>		
Crude Oil Brent .....	Long .....	8.18
Gas-Oil-Petroleum .....	Long .....	6.50
Heating Oil #2/Fuel Oil .....	Long .....	5.43
Gasoline Blendstock .....	Long .....	5.28
Long Energy Positions .....		25.39
Crude Oil WTI .....	Flat .....	8.45
Natural Gas Henry Hub .....	Flat .....	5.62
Flat Energy Positions .....		14.07
Total Energy Positions .....		39.46
<i>Agriculture</i>		
Corn .....	Long .....	5.20
Soybeans .....	Long .....	4.33
Sugar #11 .....	Long .....	4.08
Coffee 'C'/Colombian .....	Long .....	3.70
Soybean Oil .....	Long .....	3.30
Soybean Meal .....	Long .....	3.10
Long Agriculture Positions .....		23.71
Wheat/No. 2 Soft Red .....	Short .....	5.58
Wheat/No. 2 Hard Winter .....	Short .....	3.60
Cotton/1 1/16 .....	Short .....	3.59
Short Agriculture Positions .....		12.77
Total Agriculture Positions .....		36.48
<i>Metals</i>		
Gold .....	Long .....	8.58
Silver .....	Long .....	4.17
Long Metals Positions .....		12.75
Copper High Grade .....	Short .....	4.64
Short Metals Positions .....		4.64
Total Metals Positions .....		17.39
<i>Livestock</i>		
Cattle Live .....	Short .....	3.87
Hogs Lean .....	Short .....	2.80
Short Livestock Positions .....		6.67

Shown above are the actual signals and weights of the Index as of September 30, 2011. These are not the actual signals or weights of the Fund.

The Index construction rules and other information about the Index can be found on Morningstar's Web site at <http://indexes.morningstar.com>, which is publicly available at no charge.<sup>9</sup>

*Long/Short Portfolio of Commodity Futures.* The Fund will invest directly in a diverse portfolio of exchange-traded commodity futures contracts that provide long/short exposure to the

global commodity markets. By investing long/short, the Fund will seek to generate attractive total returns from positive or negative commodity price changes and positive or negative roll yield. Like most commodity futures investors, the Fund will replace expiring futures contracts with more distant contracts to avoid taking physical delivery of a commodity. This replacement of expiring contracts with more distant contracts is referred to as "roll." To maintain exposure to commodity futures over an extended period, before contracts expire, the Commodity Sub-Advisor will roll the

futures contracts throughout the year into new contracts so as to maintain a fully invested position.

The Commodity Sub-Advisor will employ a proprietary methodology in assessing commodity market movements and in determining the Fund's long/short commodity futures positions. Generally, the Commodity Sub-Advisor will employ momentum-based modeling (quantitative formulas that evaluate trend relationships between the changes in prices of futures contracts and trading volumes for a specific commodity) to estimate forward-looking prices and to evaluate

<sup>9</sup> Source: Morningstar, Inc.

the return impact of futures contract rolls. To determine the direction of the commodity futures position, either long or short (or flat in the case of energy futures contracts), the Commodity Sub-Advisor will calculate a roll-adjusted price that accounts for the current spot price and the impact of roll yield. The futures price for a commodity that has positive roll yield (described as "backwardation") is adjusted up and the price for a commodity that has negative roll yield (described as "contango") is adjusted down. Generally, if a commodity's roll-adjusted price exceeds its 12-month moving average, the Fund expects to be long the commodity futures contract. Conversely, if the roll-adjusted price is below its 12-month moving average, the Fund expects to be short the commodity futures contract except for energy contracts which will be flat, *i.e.*, in cash. The Commodity Sub-Advisor may exercise discretion in its long/short decisions and the timing and implementation of the Fund's commodity investments to seek to benefit from trading on commodity price momentum.

The Commodity Sub-Advisor's long/short commodity investment program rules are proprietary, were developed by its senior portfolio management team, and expand upon the rules governing the Index. Upon completing the initial investment of the net proceeds of the offering, the Fund expects that the commodity futures contracts, their relative weights, and long/short direction will substantially replicate the constituent holdings and weights of the Index. Although the Commodity Sub-Advisor may exercise discretion in deciding which commodities to invest in, typically, the Fund expects to follow certain rules pertaining to eligible commodity futures contracts, weights, diversification, rebalancing, and annual reconstitution that are the same as those for the Index in order to minimize the divergence between the price behavior of the Fund's commodity futures portfolio and the price behavior of the benchmark Index (referred to as "tracking error"). Over time, the Fund's commodity investments managed pursuant to the Commodity Sub-Advisor's long/short commodity investment program may differ from those of the Index.

In addition, in actively managing the Fund's long/short portfolio of commodity futures contracts, the Commodity Sub-Advisor will seek to add value compared with the Index by implementing the following proprietary investment methods: (i) Trading contracts in advance of monthly index rolls; (ii) individual commodity futures

contract selection; and (iii) active implementation. As a result, the roll dates, terms, underlying contracts, and contract prices selected by the Commodity Sub-Advisor may vary significantly from the Index based upon the Commodity Sub-Advisor's implementation of the long/short commodity investment program in light of the relative value of different contract terms. The Commodity Sub-Advisor's active management approach will be market-driven and opportunistic and is intended to minimize market impact and avoid market congestion during certain days of the trading month. The Manager has entered into a non-exclusive license agreement with Morningstar, Inc. relating to the Index which serves as the Fund's performance benchmark. The license agreement provides that, in exchange for the payment of a one-time set-up fee and an annual fee to Morningstar, the Fund is entitled to refer to the Index in the Fund's prospectus and other documents, and to receive and utilize information concerning the Index, including the constituents thereof. The license agreement has an initial term of three years, and will renew automatically for subsequent one-year periods unless either party gives notice of termination. The license agreement provides that the Manager will indemnify Morningstar for third party claims arising out of or relating to the Fund.

*Integrated Options Strategy.* The Fund will employ a commodity option writing strategy that seeks to produce option premiums for the purpose of enhancing the Fund's risk-adjusted total return over time. Option premiums generated by this strategy may also enable the Fund to more efficiently implement its distribution policy. There can be no assurance that the Fund's options strategy will be successful.

Pursuant to the options strategy, the Fund may sell commodity call or put options, which will all be exchange-traded, on a continual basis on up to approximately 25% of the notional value of each of its corresponding commodity futures contracts that, in the Commodity Sub-Advisor's determination, have sufficient option trading volume and liquidity. Initially, the Fund expects to sell commodity options on approximately 15% of the notional value of each of its commodity futures contracts. If the Commodity Sub-Advisor buys the commodity futures contract, they will sell a call option on the same underlying commodity futures contract. If the Commodity Sub-Advisor shorts the commodity futures contract, they will sell a put option on the same

underlying commodity futures contract (except in the case of energy futures contracts). The Commodity Sub-Advisor may exercise discretion with respect to commodity futures contract selection. Due to trading and liquidity considerations, the Commodity Sub-Advisor may determine that it is in the best interest of Fund shareholders to sell options on like commodities (for example, gas oil and heating oil are like commodities) and not matched commodity futures contracts.

Since the Fund's option overwrite is initially expected to represent 15% of the notional value of each of its commodity futures contract positions, the Fund will retain the ability to benefit from the full capital appreciation potential beyond the strike price on the majority (85% or more) of its long and/or short commodity futures contracts. An important objective of the Fund's long/short commodity investment strategy will be to retain capital appreciation potential with respect to the major portion of the Fund's portfolio.

When initiating new trades, the Fund expects to sell covered in-the-money options. Because the Fund will hold options until expiration, the Fund may have uncovered out-of-the-money options in its portfolio depending on price movements of the underlying futures contracts.<sup>10</sup> This element of the Fund's options strategy increases the Fund's gap risk, which is the risk that a commodity price will change from one level to another with no trading in between. In the event of an extreme market change or gap move in the price of a single commodity, the Fund's options strategy may result in increased exposure to that commodity from any uncovered options.

Generally, the Fund expects to sell short-term commodity options with

<sup>10</sup> While the Fund intends to only write covered options, in certain circumstances as described below, the Fund may continue to hold options that due to subsequent trades become out-of-the-money and would be uncovered options. An out-of-the-money option becomes worthless after its expiration and there is no expectation that it will be exercised (and there is no resulting exposure risk for the Fund). For example, if the Fund is long wheat futures and sells covered call options on wheat futures, subsequent price movements in wheat futures may result in the Commodity Sub-Advisor, on behalf of the Fund, reversing from a long position to a short position. In this example, the Commodity Sub-Advisor would then sell its long wheat futures contracts and hold onto the out-of-the-money call option. At the same time, to effect its short position, the Commodity Sub-Advisor would short wheat futures contracts and sell covered put options on wheat futures. The Fund will rebalance its positions no less frequently than monthly and as such it is anticipated that no out-of-the-money option position would be uncovered for longer than one month.

terms of one to three months. Subject to the foregoing limitations, the implementation of the options strategy will be within the Commodity Sub-Advisor's discretion. Over extended periods of time, the "moneyness" of the commodity options may vary significantly. Upon sale, the commodity options may be "in-the-money," "at-the-money," or "out-of-the-money." A call option is said to be "in-the-money" if the exercise price is below current market levels, "out-of-the-money" if the exercise price is above current market levels, and "at-the-money" if the exercise price is at current market levels. Conversely, a put option is said to be "in-the-money" if the exercise price is above the current market levels and "out-of-the-money" if the exercise price is below current market levels.

If the Commodity Sub-Advisor determines the Fund should have long exposure to an individual commodity futures contract, it will invest long in the commodity futures contract and sell call options on the same underlying commodity futures contract with the same strike price and expiration date. If the Commodity Sub-Advisor determines the Fund should have short exposure to an individual commodity futures contract, it will short the commodity futures contract and sell put options on the same underlying commodity futures contract with the same strike price and expiration date.

An exception is made for commodities in the energy sector since prices of those contracts are extremely sensitive to geopolitical events and not necessarily driven by supply-demand imbalances. If the Commodity Sub-Advisor determines the Fund should have long exposure to an energy futures contract, the Fund will only sell call options on that contract. If the Commodity Sub-Advisor determines the Fund should have short exposure to an energy futures contract, the Fund will move to cash (*i.e.*, a flat position) for that contract and will not sell call or put options on that contract.

**Collateral Portfolio.** The Fund's commodity investments will, at all times, be fully collateralized. The notional value of the Fund's commodity exposure is expected to be approximately equal to the market value of the collateral. The Fund's commodity investments generally will not require significant outlays of principal. Approximately 25% of the Fund's net assets will be initially committed as "initial" and "variation" margin to secure the futures contracts. These assets will be placed in one or more commodity futures accounts maintained by the Fund at Barclays Capital Inc.

("BCI") and will be held in cash or invested in U.S. Treasury bills and other direct or guaranteed debt obligations of the U.S. government maturing within less than one year at the time of investment. The remaining collateral (approximately 75% of the Fund's net assets) will be held in a separate collateral investment account managed by the Collateral Sub-Advisor.

The Fund's assets held in this separate collateral account will be invested in cash equivalents or short-term debt securities with final terms not exceeding one year at the time of investment. These collateral investments shall be rated at all times at the applicable highest short-term or long-term debt or deposit rating or money market fund rating as determined by at least one nationally recognized statistical rating organization. These collateral investments will consist primarily of direct and guaranteed obligations of the U.S. government and senior obligations of U.S. government agencies and may also include, among others, money market funds and bank money market accounts invested in U.S. government securities, as well as repurchase agreements collateralized with U.S. government securities.

#### *Commodity Futures Contracts and Related Options*

Investments in individual commodity futures contracts and options on futures contracts historically have had a high degree of price variability and may be subject to rapid and substantial price changes, which could affect the value of the Shares. The Fund will invest in a diverse portfolio of exchange-traded commodity futures contracts and exchange-traded options on commodity futures contracts. The Fund expects to make investments in the most actively traded commodity futures contracts in the four main commodity sectors in the global commodities markets, as described above. Options on commodity futures contracts are contracts giving the purchaser the right, as opposed to the obligation, to acquire or to dispose of the commodity futures contract underlying the option on or before a future date at a specified price.

The potential Fund investments in futures contracts and options on such futures contracts are traded on U.S. and non-U.S. exchanges, including the Chicago Board of Trade ("CBOT"), the Chicago Mercantile Exchange ("CME"), the ICE Futures Europe, the ICE Futures U.S., the New York Mercantile Exchange ("NYMEX") and the New York Commodities Exchange

("COMEX"), and the Kansas City Board of Trade ("KBOT").

#### *Structure of the Fund*

**The Fund.** The Fund is a statutory trust formed pursuant to the Delaware Statutory Trust Act and will issue Shares that represent units of fractional undivided beneficial interest in and ownership of the Fund.

**Trustee.** Wilmington Trust Company is the Delaware Trustee of the Fund. The Delaware Trustee is unaffiliated with the Manager.

**Independent Committee of the Manager.** The Manager has established within its organization an independent committee, comprised of three members who are unaffiliated with the Manager, which will fulfill the audit committee and nominating committee functions for the Fund, those functions required under the NYSE Amex listing standards, and certain other functions as set forth in the Trust Agreement.

**Manager.** The Manager is a Delaware limited liability company that is registered with the CFTC as a CPO and a CTA and is a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen Investments"). The Manager will serve as the CPO and a CTA of the Fund and through the Commodity Sub-Advisor will be responsible for determining the Fund's overall investment strategy and its implementation. Pursuant to the Fund's Trust Agreement, the Manager will possess and exercise all authority (other than the limited functions performed by the independent committee of the Manager which will fulfill the Fund's audit committee and nominating committee functions) to operate the business of the Fund and will be responsible for the conduct of the Fund's commodity affairs. As a registered CPO and CTA, the Manager is required to comply with various regulatory requirements under the Commodities Exchange Act ("CEA") and the rules and regulations of the CFTC and the NFA.

**Commodity Sub-Advisor.** The Commodity Sub-Advisor is a Delaware limited liability company that is registered with the CFTC as a CTA and a CPO and is a member of the NFA. As a registered CPO and CTA, the Commodity Sub-Advisor is required to comply with various regulatory requirements under the CEA and the rules and regulations of the CFTC and the NFA. The Commodity Sub-Advisor is also registered with the SEC as an investment adviser. Nuveen Investments and the Commodity Sub-Advisor have announced the execution of an agreement pursuant to which Nuveen

Investments would acquire a 60% interest in the Commodity Sub-Advisor, which would make the Commodity Sub-Advisor an affiliate of the Manager.

**Collateral Sub-Advisor.** The Collateral Sub-Advisor is an affiliate of the Manager and a wholly-owned subsidiary of Nuveen Investments. The Collateral Sub-Advisor is registered with the Commission as an investment adviser.

**Custodian, Transfer Agent, and Registrar.** State Street Bank and Trust Company ("State Street") will be the Custodian and Accounting Agent for the assets of the Fund and its affiliate, Computershare Shareholder Services, Inc., will be the Transfer Agent and Registrar for the Shares of the Fund.

**Commodity Broker.** BCI will serve as the Fund's clearing broker to execute and clear the Fund's futures transactions and provide other brokerage-related services. BCI is a registered securities broker-dealer and futures commission merchant. BCI is wholly owned by Barclays Bank PLC, which is authorized and regulated by the U.K. Financial Services Authority.

The Exchange notes that each of the Manager, BCI, the Commodity Sub-Advisor and the Collateral Sub-Advisor has represented to the Exchange that it has erected and maintains firewalls within its respective institution to prevent the flow and/or use of non-public information regarding the portfolio of underlying securities from the personnel involved in the development and implementation of the investment strategy to others such as sales and trading personnel. In the event that there is any new manager, adviser, sub-adviser, or commodity broker, such new entity will maintain a firewall within its respective institution to prevent the flow and/or use of non-public information regarding the portfolio of underlying commodity futures contracts.<sup>11</sup>

<sup>11</sup> The Commodity Sub-Advisor and the Collateral Sub-Advisor are each registered under the Investment Advisers Act of 1940 ("Advisers Act"). As a result, the Commodity Sub-Advisor, the Collateral Sub-Advisor, any sub-adviser of either, and the respective related personnel of both are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its

### Product Description

The Shares represent units of fractional undivided beneficial interest in and ownership of the Fund. Following the original issuance, the Shares will be traded on the Exchange similar to other equity securities.

Commencing with the Fund's first distribution, the Fund intends to make regular monthly distributions to its shareholders (stated in terms of a fixed cents per share distribution rate) based on the past and projected performance of the Fund. Among other factors, the Fund will seek to establish a distribution rate that roughly corresponds to the Manager's projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time. Each monthly distribution will not be solely dependent on the amount of income earned or capital gains realized by the Fund, and such distributions may from time to time represent a return of capital and may require that the Fund liquidate investments. As market conditions and portfolio performance may change, the rate of distributions on the Shares and the Fund's distribution policy could change. The Fund reserves the right to change its distribution policy and the basis for establishing the rate of its monthly distributions, or may temporarily suspend or reduce distributions without a change in policy, at any time and may do so without prior notice to shareholders.

Under the Fund's intended operational procedures, the Fund's net asset value ("NAV") will be calculated after the close of the Exchange (normally 4:00 p.m. E.T.), on each day that the Exchange is open.<sup>12</sup> The normal

supervised persons, of the Advisers Act and the Commission rules adopted there under; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

<sup>12</sup> NAV per Share will be computed by dividing the value of all assets of the Fund (including any accrued interest and dividends), less all liabilities (including accrued expenses and distributions declared but unpaid), by the total number of Shares outstanding. The Fund will publish its NAV on its Web site on a daily basis, rounded to the nearest cent.

For purposes of determining the NAV of the Fund, portfolio instruments will be valued primarily by independent pricing services approved by the Manager at their market value. The Manager will review the values as determined by the independent pricing service and discuss those valuations with the pricing service if appropriate based on pricing oversight guidelines established by the Manager that it believes are consistent with industry standards. If the pricing services are unable to provide a market value or if a significant

trading hours for those investments of the Fund traded on the various commodity exchanges may differ from the normal trading hours of the Exchange, which are from 9:30 a.m. to 4:00 p.m. ET. Therefore, there may be time periods during the trading day where the Shares will be trading on the Exchange, but the futures contracts on various commodity exchanges will not be trading. The value of the Shares may accordingly be influenced by the non-concurrent trading hours between the Exchange and the various futures exchanges on which the futures contracts based on the underlying commodities are traded.

The Fund will not continuously offer Shares and will not provide daily redemptions. Rather, if a shareholder determines to buy additional Shares or sell Shares already held, the shareholder may do so by trading on the Exchange through a broker or otherwise. Shares of the Fund may trade on the Exchange at prices higher or lower than NAV. Because the market value of the Fund's Shares may be influenced by such factors as distribution levels (which are in turn affected by expenses), distribution stability, NAV, relative demand for and supply of such Shares in the market, general market and economic conditions, and other factors beyond the Fund's control, the Fund cannot guarantee that Shares will trade at a price equal to or higher than NAV in the future.

Shares will be registered in book entry form through the Depository Trust & Clearing Corporation.

### Underlying Commodity Interests Information

The daily settlement prices for the commodity futures contracts and options contracts which will be held by the Fund are publicly available on the Web sites of the futures exchanges trading the particular contracts. Various data vendors and news publications publish futures prices and data. Futures and related exchange-traded options quotes and last-sale information for the commodity futures contracts are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. Complete real-time data for such futures and exchange traded options is available

event occurs such that the valuation(s) provided are deemed unreliable, the Fund may value portfolio instrument(s) at their fair value, which will be generally the amount that the Fund might reasonably expect to receive upon the current sale or closing of a position. The fair value of an instrument will be based on the Manager's good faith judgment and may differ from subsequent quoted or published prices.

by subscription from Reuters and Bloomberg. The relevant futures exchanges also provide intraday trading prices (some exchanges have real-time data and others publish prices with short time delays) and commodity futures contract and options contract information on current and past trading sessions and market news free of charge on their respective Web sites.

#### Index Information

Daily returns for the Index (*i.e.*, percentage change from the previous day) are posted on the Morningstar Web site by 8:00 a.m. E.T. on the following business day. The Index value is disseminated through Bloomberg and other market data vendors every 15 seconds from 9:30 a.m. to 5:15 p.m. E.T. The Index construction rules and other information about the Index can be found on Morningstar's Web site at <http://indexes.morningstar.com>, which is publicly available at no charge.

#### Availability of Information Regarding the Shares

The Web site for the Fund and the Manager, <http://www.nuveen.com/CTF>, which will be publicly accessible at no charge, will contain the following information: (a) The prior business day's NAV and the reported closing price; (b) calculation of the premium or discount of such price against such NAV; and (c) other applicable quantitative information. The Fund will not publish an intraday indicative value for the Shares.<sup>13</sup> The Fund's intraday price per Share will be published and available on public Web sites or on-line information services such as Bloomberg or Reuters. Depending on the source, the Fund's intraday price per Share data is available real-time or with short time

<sup>13</sup> Exchange traded funds ("ETFs") (and commodity pools that seek to replicate an ETF structure) publish intraday indicative values generally every 15 seconds (along with full transparency of portfolio holdings) in order to facilitate the arbitrage mechanism that is intended to minimize any deviation between the ETF's market price and the per share NAV of the ETF shares, which in turn facilitates the creation/redemption mechanism that is fundamental to ETFs. The creation/redemption mechanism is the process by which institutional investors make and redeem investments in large "Creation Units" of ETF Shares. Unlike ETFs, the Fund will not redeem its Shares, and therefore will not rely on a creation/redemption mechanism to create an arbitrage mechanism. Instead, the Manager has advised the Exchange that it expects the Shares to have trading characteristics similar to those of exchange-traded closed-end funds. Because the Fund has no creation/redemption mechanism, the Manager has advised the Exchange that it believes that the publishing of an intraday indicative value for the Fund would serve no useful purpose for investors or the market as a whole, and because the Fund is actively managed, publication of its trades in advance would be harmful to the Fund and its shareholders.

delays (*i.e.*, 15 minute delay). The Fund's prospectus or a disclosure document complying with relevant CFTC rules and regulations also will be available on the Fund's Web site.

The Fund's monthly account statement and the Fund's total portfolio composition and the composition of the collateral portfolio will be disclosed on its Web site at <http://www.nuveen.com/CTF> on each business day that the Exchange is open for trading.<sup>14</sup> This Web site disclosure of portfolio holdings and the Fund's NAV per Share (as of the previous day's close) will be made daily and will include, as applicable: (a) The name, number of contracts or options, value per contract or option, and total value and percentage of the Fund's total value represented by each individual commodity futures contract or option to purchase a commodity futures contract invested in by the Fund; (b) the total value of the collateral as represented by cash; (c) cash equivalents; and (d) debt securities rated at the applicable highest short-term or long-term debt or deposit rating or money market fund rating as determined by at least one nationally recognized statistical rating organization held in the Fund's portfolio. The values of the Fund's portfolio holdings will, in each case, be determined in accordance with the Fund's valuation policies.

As described above, the NAV for the Fund will be calculated and disseminated daily. The Manager has represented to the Exchange that the NAV will be disseminated to all market participants at the same time. The Exchange will also make available on its Web site daily trading volume, closing prices, and the NAV. The closing price and settlement prices of the futures contracts and options on futures contracts held by the Fund are also readily available from the relevant futures exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. In addition, the Exchange will provide a hyperlink on its Web site at <http://www.nyse.com> to the Manager's Web site. Quotation and last-sale information regarding the Shares will be available through the facilities of the Consolidated Tape Association ("CTA").

#### Criteria for Initial and Continued Listing

The Fund will be subject to the criteria in Rule 1602 for initial and continued listing of the Shares. A minimum of 2,000,000 Shares will be

<sup>14</sup> The total portfolio holdings will be disseminated to all market participants at the same time.

required to be publicly distributed at the start of trading. It is anticipated that the initial price of a Share will be approximately \$25. The Fund will accept subscriptions for a minimum of 100 Shares during the initial offering which is expected to last no more than 60 days. After the completion of the initial offering, Shares can be bought and sold throughout the trading day like any other publicly-traded security.

The Fund has represented to the Exchange that, for initial and continued listing of the Shares, it will be in compliance with Section 803 of the NYSE Amex Company Guide (Independent Directors and Audit Committee) and Rule 10A-3 under the Act.

#### Suitability

The Information Circular (described below) will inform member organizations of the characteristics of the Fund and of applicable Exchange rules, as well as of the requirements of Rule 405—NYSE Amex Equities (Diligence as to Accounts).

The Exchange notes that, pursuant to Rule 405—NYSE Amex Equities, member organizations are required in connection with recommending transactions in the Shares to have a reasonable basis to believe that a customer is suitable for the particular investment given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such member.

#### Information Circular

The Exchange will distribute an Information Circular ("Circular") to its members in connection with the trading of the Shares. The Circular will discuss the special characteristics and risks of trading this type of security. Specifically, the Circular, among other things, will discuss what the Shares are, the requirement that members and member firms deliver a prospectus to investors purchasing the Shares prior to or concurrently with the confirmation of a transaction during the initial public offering, applicable NYSE Amex rules, and trading information and applicable suitability rules. The Circular will also explain that the Fund is subject to various fees and expenses described in the Registration Statement. The Circular will also reference the fact that there is no regulated source of last-sale information regarding physical commodities and note the respective jurisdictions of the SEC and CFTC.

The Circular will advise members of their suitability obligations with respect to recommended transactions to

customers in the Shares. The Circular will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act.

The Circular will also disclose the trading hours of the Shares and that the NAV for the Shares is calculated after 4:00 p.m. E.T. each trading day. The Circular will disclose that information about the Shares is publicly available on the Fund's Web site.

#### *Surveillance*

The Exchange intends to utilize its existing surveillance procedures to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares and to deter and detect violations of Exchange rules and applicable federal securities laws.

The Exchange's current trading surveillances focus on detecting securities trading outside their normal patterns. 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. The Exchange will be able to obtain information regarding trading in the Shares, the physical commodities underlying the futures or options on futures held by the Fund, or options, futures or options on futures held by the Fund, through member organizations, in connection with such member organizations' proprietary or customer trades through member organizations which they effect on any relevant market.<sup>15</sup> The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions occurring on exchanges that are members of the Intermarket Surveillance Group ("ISG"), including CME, CBOT, COMEX, NYMEX (all of which are part of CME Group, Inc.), and ICE Futures US. In addition, the Exchange currently has in place a comprehensive surveillance sharing agreement with each of CME, NYMEX, ICE Futures Europe, and KCBOT for the purpose of providing information in connection with trading in or related to futures contracts or options on futures contracts traded on those markets. A list of ISG members is available at [www.isgportal.org](http://www.isgportal.org).<sup>16</sup>

<sup>15</sup> See discussion of Rules 1603 and 1604 under the heading "Trading Rules" below.

<sup>16</sup> The Exchange notes that in the future the Fund may invest in futures contracts or options on futures contracts which trade on markets that are not members of ISG or with which the Exchange does not have in place a comprehensive surveillance sharing agreement. The Manager has

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

#### *Trading Halts*

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. Rule 1602—NYSE Amex Equities provides that the Exchange will halt trading in a series of Trust Units, such as the Shares, if the circuit breaker parameters of Rule 80B—NYSE Amex Equities have been reached. In exercising its discretion to halt or suspend trading in the Shares, the Exchange may consider factors such as those set forth in Exchange Rule 953NY(a),<sup>17</sup> in addition to other factors that may be relevant. In particular, if the portfolio holdings and NAV per Share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or NAV per Share occurs. If the interruption to the dissemination of the portfolio holdings or NAV per Share 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.

#### *Trading Rules*

The Shares will be equity securities subject to NYSE Amex Rules governing the trading of equity securities, including, among others, rules governing priority, parity and precedence of orders, Designated Market Makers ("DMM") responsibilities and account opening, and customer suitability (Rule 405—NYSE Amex Equities). Initial equity margin

represented to the Exchange that such instruments will never represent more than 10% of the Fund's holdings.

<sup>17</sup> Rule 953NY(a) is an NYSE Amex Options rule. It provides that trading on the Exchange in any option contract shall be halted or suspended whenever the Exchange deems such action appropriate in the interests of a fair and orderly market and to protect investors. Among the factors that may be considered are that:

- (1) Trading in the underlying stock or Exchange-Traded Fund Share has been halted or suspended in the primary market;
- (2) the opening of such underlying stock or Exchange-Traded Fund Share in the primary market has been delayed because of unusual circumstances;
- (3) the Exchange has been advised that the issuer of the underlying stock or Exchange-Traded Fund Share is about to make an important announcement affecting such issuer; or
- (4) other unusual conditions or circumstances are present.

requirements of 50% will apply to transactions in the Shares. Shares will trade on the Exchange between 9.30 a.m. and 4.00 p.m. ET each business day and will trade in the minimum price variants established under Rule 62—NYSE Amex Equities. Trading rules pertaining to odd-lot trading in NYSE Amex equities (Rule 124—NYSE Amex Equities) will also be applicable. Rule 15A—NYSE Amex Equities complies with Rule 611 of Regulation NMS, which requires among other things, that the Exchange adopt and enforce written policies and procedures that are reasonably designed to prevent trade-throughs of protected quotations. The trading of the Shares will be subject to certain conflict of interest provisions set forth in NYSE Amex Equities Rules 1603 and 1604.

Rule 1603—NYSE Amex Equities provides that, if a DMM unit is operating under Rule 98 (Former)—NYSE Amex Equities, Rule 105(b) (Former)—NYSE Amex Equities and Section (m) of the Guidelines thereunder shall be deemed to prohibit a DMM, his or her member organization, other member, or approved person of such member organization or employee or officer thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any related derivative. If an approved person of a DMM unit is entitled to an exemption from Rule 105(b) (Former) under Rule 98 (Former), such approved person may act in a market making capacity, other than as a specialist in Trust Units on another market center, in the underlying asset or commodity, related futures or options on futures, or any other related derivatives. NYSE Amex Equities Rule 1603 provides that, if a DMM unit is operating under Rule 98—NYSE Amex Equities, Rule 105(b)—NYSE Amex Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit the DMM unit or officer or employee thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any other related derivatives.

Rule 1604—Amex Equities provides that DMMs handling the Shares must maintain in a readily accessible place and provide to the Exchange upon request, and keep current a list identifying all accounts for trading the underlying physical assets or commodities, related futures or options on futures, or any other related

derivatives, which the DMM may have or over which it may exercise investment discretion.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>18</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 Rule 1600 *et seq.* All of the commodity futures contracts and options on commodity futures contracts in which the Fund will invest will be traded on regulated exchanges. The Fund will not invest in swaps or over-the-counter derivatives. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange 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 (the Manager has represented to the Exchange that, while the Fund may invest in futures contracts or options on futures contracts which trade on markets that are not members of ISG or with which the Exchange does not have in place a comprehensive surveillance sharing agreement, such instruments will never represent more than 10% of the Fund's holdings). The daily settlement prices of the futures contracts and options on futures contracts held by the Fund are readily available from the Web sites of the relevant futures exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The relevant futures exchanges also provide delayed futures information on current and past trading sessions and market news free of charge on their respective Web sites. Quotation and last-sale information for the Shares will be available via CTA. In addition, the Fund's Web site will display the daily NAV, Morningstar's Web site will display the daily returns for the Index,

and an up-to-date Index value will be available through Bloomberg and other market data vendors every 15 seconds. The Fund's total portfolio composition and the composition of the collateral portfolio will be disclosed on the Fund's Web site. Each of the Manager, BCI, the Commodity Sub-Advisor, and the Collateral Sub-Advisor has erected and maintains firewalls within its respective institution to prevent the flow and/or use of non-public information regarding the portfolio of underlying securities from the personnel involved in the development and implementation of the investment strategy to others such as sales and trading personnel. In addition, the Commodity Sub-Advisor, the Collateral Sub-Advisor, any sub-adviser of either, and the respective related personnel of both are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. Morningstar, Inc. has erected and maintains information firewalls between the group which is responsible for the Index and employees of its broker-dealer subsidiary to prevent the flow and/or use of material non-public information regarding the Index from the personnel responsible for the Index to employees of the broker-dealer.

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 Fund and the Shares, thereby promoting market transparency. 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. Rule 1602—NYSE Amex Equities provides that the Exchange will halt trading in a series of Trust Units, such as the Shares, if the circuit breaker parameters of Rule 80B—NYSE Amex Equities have been reached. In exercising its discretion to halt or suspend trading in the Shares, the Exchange may consider factors such as those set forth in Exchange Rule 953NY(a), in addition to other factors that may be relevant. In particular, if the portfolio holdings and NAV per Share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or NAV per Share occurs. Moreover, prior to the commencement of trading, the Exchange will inform its member organizations in the Circular 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 an additional series of Trust Units 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 Fund's holdings 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.

### *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:

<sup>18</sup> 15 U.S.C. 78f(b)(5).

*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-NYSEAmex-2012-24 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-NYSEAmex-2012-24. 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 Section, 100 F Street NE., Washington, DC 20549-1090, on official business days between 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSEAmex-2012-24 and should be submitted on or before May 29, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-10876 Filed 5-4-12; 8:45 am]

**BILLING CODE P**

<sup>19</sup> 17 CFR 200.30-3(a)(12).

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66890; File No. SR-BYX-2012-008]

**Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify Exchange Rule 11.9 To Allow Optional Attribution of Orders**

May 1, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 25, 2012, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("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 is filing with the Commission a proposal to amend Rule 11.9, entitled "Orders and Modifiers", to allow optional attribution of orders submitted to the Exchange in Exchange data feeds.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.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 Exchange 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 these 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

The purpose of this filing is to allow Users to optionally enter orders into the Exchange's systems that will be displayed in Exchange data feeds with such User's market participant identifiers or "MPIDs". Specifically, the Exchange proposes to amend Rule 11.9 to add a definition of an Attributable Order, which shall mean an order that is designated for display (price and size) including the User's MPID. The Exchange also proposes to adopt a definition in Rule 11.9 for a Non-Attributable Order, which shall mean an order that is designated for display (price and size) on an anonymous basis by the Exchange. The proposed definitions of Attributable Order and Non-Attributable Order are substantively identical to definitions contained in the Rules of The NASDAQ Stock Market LLC ("Nasdaq"), as described in further detail below.

All display-eligible orders entered into the Exchange are currently displayed by the Exchange on an anonymous basis without attribution to the entering User. The Exchange is proposing to allow Users to utilize Attributable Orders to include their MPID on published quotations in the Exchange's data feeds. The Exchange believes that such display is consistent with traditional market making on the floor of an exchange as well as existing rules of at least one of the Exchange's competitors.<sup>3</sup> The addition of Attributable Orders will allow a party engaged in market making to identify itself as the party willing to buy or sell securities on the Exchange.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>4</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act,<sup>5</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system. The Exchange believes that the proposal will benefit market participants and help to

<sup>3</sup> See Nasdaq Rule 4751(e)(1) and (2).

<sup>4</sup> 15 U.S.C. 78f(b).

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

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

<sup>2</sup> 17 CFR 240.19b-4.