

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69573; File No. SR-NYSEArca-2013-48]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To List and Trade Shares of iShares Dow Jones-UBS Roll Select Commodity Index Trust Pursuant to NYSE Arca Equities Rule 8.200

May 14, 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 May 1, 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. On May 3, 2013, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1 thereto, 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 iShares Dow Jones-UBS Roll Select Commodity Index Trust (the “Trust”) 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>5</sup> The Exchange proposes to list and trade the shares (the “Shares”) of the Trust pursuant to NYSE Arca Equities Rule 8.200.

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

The Shares represent units of beneficial interests in the Trust, as described in the Registration Statement.<sup>9</sup> The Trust is a Delaware statutory trust. The sponsor of the Trust is iShares © Delaware Trust Sponsor LLC (the “Sponsor”), a Delaware limited liability company. The Trust is operated by the Sponsor, an indirect subsidiary of BlackRock, Inc. The Sponsor is a commodity pool operator registered with the Commodity Futures Trading

<sup>5</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>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. 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>8</sup> See, e.g., Securities Exchange Act Release No. 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).

<sup>9</sup> See the pre-effective amendment to the registration statement on Form S-1 for the Trust, dated February 8, 2013 (File No. 333-178376) relating to the Shares (the “Registration Statement”). The discussion herein relating to the Trust and the Shares is based, in part, on the Registration Statement. Terms used but not defined herein are used as defined in the Registration Statement.

Commission (“CFTC”) and a member of the National Futures Association (“NFA”). BlackRock Asset Management International Inc., a Delaware corporation and an indirect subsidiary of BlackRock, Inc., is the sole member and manager of the Sponsor. BlackRock Institutional Trust Company, N.A., a national banking association, an indirect subsidiary of BlackRock, Inc., and an affiliate of the Sponsor, is the trustee of the Trust (the “Trustee”). BlackRock Fund Advisors (the “Adviser”),<sup>10</sup> a California corporation, an indirect subsidiary of BlackRock, Inc., and an affiliate of the Sponsor, serves as the commodity trading adviser of the Trust, is registered as a commodity trading adviser with the CFTC and is a member of the NFA.<sup>11</sup> State Street Bank and Trust Company, a trust company organized under the laws of Massachusetts, is the administrator (“Administrator”) of the Trust.

According to the Registration Statement, the investment objective of the Trust will be to seek investment results that correspond generally, but are not necessarily identical, to the performance of the Dow Jones-UBS Roll Select Commodity Index Total Return (the “Index”), which reflects the returns on a fully collateralized investment in the Dow Jones-UBS Roll Select Commodity Index (“DJ-UBS Roll Select CI”), before the payment of expenses and liabilities of the Trust. The DJ-UBS Roll Select CI is calculated based on the same commodities, though not always the same futures contracts, that are included in the Dow Jones-UBS Commodity Index (the “DJ-UBS CI”). The DJ-UBS CI is a liquidity- and production-weighted index of the prices of a diversified group of futures contracts on physical commodities. The DJ-UBS CI forms the base commodities index from which the DJ-UBS Roll Select CI and the Index are derived.

According to the Registration Statement, the assets of the Trust will

<sup>10</sup> The Adviser is not a broker-dealer but is affiliated with a broker-dealer and has implemented a firewall with respect to such broker-dealer affiliate as well as procedures designed to prevent the use and dissemination of material non-public information regarding the assets of the Trust.

<sup>11</sup> According to the Sponsor, the Sponsor will be responsible for the overall management of the Trust and the Trustee will be responsible for the day-to-day administration of the Trust. The Adviser will act as the commodity trading advisor for the Trust with discretionary authority to make determinations with respect to the Trust’s assets, but will not engage in any activities designed to obtain a profit from, or ameliorate losses caused by, changes to the level of the underlying index. The Sponsor represents that it will implement and maintain procedures designed to prevent the use and dissemination of material non-public information regarding the assets of the Trust.

<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.

<sup>4</sup> In Amendment No. 1, the Exchange made a technical correction and clarified that UBS Securities has implemented a fire wall with respect to its personnel regarding access to information concerning, among other things, the calculation of the values of the Index, DJ-UBS CI, and DJ-UBS Roll Select CI (as such terms are defined below).

consist of long positions in Futures Exchange<sup>12</sup>-traded index futures contracts of various expirations (“Index Futures”)<sup>13</sup> on the DJ–UBS Roll Select CI, together with cash, U.S. Treasury securities or other short-term securities and similar securities that are eligible as margin deposits for those Index Futures positions (“Collateral Assets”).<sup>14</sup> The Trust is expected to roll out of existing positions and establish new positions in Index Futures on an ongoing basis.<sup>15</sup>

According to the Registration Statement, in order to collateralize its Index Futures positions and to reflect the U.S. Treasury component of the Index, the Trust will hold Collateral Assets, from which it will post margin to its clearing futures commission merchant (the “Clearing FCM”), in an amount equal to the margin required by the relevant Futures Exchange, and transfer to its Clearing FCM any additional amounts that may be separately required by the Clearing FCM.<sup>16</sup> Any Collateral Assets not required to be posted as margin with the Clearing FCM will be held in the Trust’s accounts established at its Administrator.

According to the Registration Statement, the Trust will be a passive investor in Index Futures and the Collateral Assets held to satisfy applicable margin requirements on those Index Futures positions. At any time when Index Futures of more than one expiration date are listed on the

<sup>12</sup> As used herein, “Futures Exchange” means the Chicago Mercantile Exchange (“CME”) or one of the CME Group Inc.’s other designated contract markets, or any additional or successor designated contract markets through which the Trust trades Index Futures (as defined herein). The designated contract markets of the CME Group Inc. are the CME, Chicago Board of Trade (“CBOT”), New York Mercantile Exchange Inc. (“NYMEX”) and Commodity Exchange, Inc. (“COMEX”).

<sup>13</sup> The Trust’s Index Futures will be subject to the rules of the relevant Futures Exchange, which will initially be CME. The Index Futures will initially trade on GLOBEX, the CME’s electronic trading system, and are not expected to trade through open outcry on the floor of the CME.

<sup>14</sup> The Sponsor represents that the Trust will invest in Index Futures and Collateral Assets, in a manner consistent with the Trust’s investment objective and not to achieve additional leverage.

<sup>15</sup> The Index Futures initially held by the Trust will have quarterly expirations and be listed for trading by the CME. Subsequent Index Futures held by the Trust may have longer or shorter expirations, different terms, and may be listed on other Futures Exchanges.

<sup>16</sup> When establishing positions in Index Futures, the Trust will be required to deposit initial margin with a value of approximately 3% to 10% of the value of each Index Futures position at the time it is established. These margin requirements are subject to change from time to time by the Exchange or the Clearing FCM. On a daily basis, the Trust will be obligated to pay, or entitled to receive, variation margin in an amount equal to the change in the daily settlement level of its Index Futures positions.

Futures Exchange, the Sponsor will determine, pursuant to the terms of the trust agreement, which Index Futures of a given expiration will be transferred in connection with either the creation or redemption of Shares. The Adviser will not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the level of the Index or the DJ–UBS Roll Select CI or the value of the Collateral Assets.

According to the Registration Statement, the profit or loss on the Trust’s Index Futures positions should correlate with increases and decreases in the value of the DJ–UBS Roll Select CI, although this correlation is not expected to be exact. The return on the Index Futures, together with interest on the Collateral Assets, is expected to result in a total return that corresponds generally, but is not identical, to the Index.

The Index, DJ–UBS CI and DJ–UBS Roll Select CI

According to the Registration Statement, the Index reflects the value of the DJ–UBS Roll Select CI together with the returns on specified U.S. Treasury securities that are deemed to have been held to collateralize a hypothetical long position in the futures contracts comprising the DJ–UBS Roll Select CI.

According to the Registration Statement, the DJ–UBS Roll Select CI is calculated based on the same commodities, though not always the same futures contracts, that are included in the DJ–UBS CI, which is a liquidity- and production-weighted index of the prices of a diversified group of futures contracts on physical commodities. The DJ–UBS Roll Select CI seeks to minimize the effect of contango and maximize the effect of backwardation by selecting replacement futures contracts that exhibit the most backwardation or least contango among those eligible futures contracts with delivery months of up to 273 calendar days until expiration.<sup>17</sup>

According to the Registration Statement, the DJ–UBS Roll Select CI incorporates the economic effect of “rolling” the futures contracts included in the applicable index and the DJ–UBS CI reflects the economic effect of “rolling” futures contracts into front-month futures contracts. “Rolling” a futures contract means closing out a

<sup>17</sup> Markets for futures contracts can exhibit “backwardation,” which means that futures contracts with distant delivery months are priced lower than those with nearer delivery months, or can exhibit “contango,” which means that futures contracts with distant delivery months are priced higher than those with nearer delivery months.

position in an expiring futures contract and establishing an equivalent position in a new futures contract on the same commodity.

According to the Registration Statement, the DJ–UBS Roll Select CI differs from the DJ–UBS CI in that it does not roll into the futures contract with the nearest designated delivery month. Rather, the DJ–UBS Roll Select CI rolls into those eligible futures contracts with delivery months of up to 273 calendar days until expiration that exhibit the most backwardation or that exhibit the least contango.

The DJ–UBS Roll Select CI, the DJ–UBS CI and the Index are administered, calculated and published by UBS Securities LLC (“UBS Securities”) and DJI Opco, LLC, a wholly-owned subsidiary of S&P Dow Jones Indices LLC (“S&P Dow Jones Indices” and, together with UBS Securities, the “Index Co-Sponsors”).<sup>18</sup>

The DJ–UBS CI

According to the Registration Statement, the DJ–UBS CI, from which the DJ–UBS Roll Select CI is based, was created by AIG International Inc. in 1998 and acquired by UBS Securities in May 2009, at which time UBS Securities and Dow Jones entered into a joint marketing agreement to market the DJ–UBS CI and related indices. Dow Jones subsequently assigned its interest in the joint marketing agreement to CME Indexes. The Index Co-Sponsors are together responsible for calculating the DJ–UBS CI and related indices and sub-indices, including the Index and the DJ–UBS Roll Select CI.

According to the Registration Statement, the DJ–UBS CI is a benchmark index composed of futures contracts on the underlying physical commodities, the selection and weighting of which are currently determined based on the five-year average of the trading volume, adjusted by the historic U.S. dollar value of the futures contract designated for inclusion in the DJ–UBS CI, and the five-year average of production figures, adjusted

<sup>18</sup> According to the Sponsor, S&P Dow Jones Indices and its subsidiary DJI Opco, LLC are not broker-dealers and UBS Securities is a broker-dealer. UBS Securities has implemented a fire wall with respect to its personnel regarding access to information concerning the composition and/or changes to the Index, DJ–UBS CI and DJ–UBS Roll Select CI and the calculation of the values of the foregoing indexes, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Index, DJ–UBS CI and DJ–UBS Roll Select CI. The Index Co-Sponsors have implemented and maintain procedures designed to prevent the use and dissemination of material non-public information regarding the DJ–UBS Roll Select CI, the DJ–UBS CI and the Index.

by the historic U.S. dollar value of the futures contract designated for inclusion in the DJ–UBS CI. For each of the included commodities, specified futures contracts with specified delivery dates are designated for inclusion in the DJ–UBS CI. The DJ–UBS CI is reweighted and rebalanced annually, on a price-percentage basis, to reflect changes in trading volume and production figures.

According to the Registration Statement, the DJ–UBS CI reflects the increased or decreased return associated with “rolling” futures contracts. The DJ–UBS CI reflects the economic impact of the roll process by reducing the weights applied to expiring futures contracts while correspondingly increasing the weights applied to the futures contracts that are replacing such expiring futures contracts. This roll simulation is generally conducted at the beginning of each month over the course of five business days, lasting from the sixth business day until the tenth business day of each month. The DJ–UBS CI conducts its roll simulations each month by rolling out of the designated futures contracts expiring in that month and rolling into those designated futures contracts with the next closest designated delivery month.

The DJ–UBS Roll Select CI

According to the Registration Statement, the DJ–UBS Roll Select CI implements its rolling methodology by selecting from the eligible contracts for each commodity on its applicable “contract selection date,” the contract that exhibits the greatest amount of backwardation or least amount of contango, on an annualized basis, relative to the contract with the immediately preceding delivery date on the same commodity. This is accomplished by first dividing the price of each eligible contract from the price of the contract immediately preceding such eligible contract, to determine the percentage difference between the two prices. Because this price difference may be affected by the relative time between the eligible contract and its

immediately preceding contract, this price difference is multiplied by 365 and divided by the number of actual days between the delivery dates of the two contracts, to arrive at a measure of the relative annualized contango/backwardation, referred to as the “annualized spread,” exhibited between the eligible contract and the contract immediately preceding it. Based on a comparison of these annualized spreads, the eligible contract that has the highest annualized spread relative to its immediately preceding contract is the one selected as the contract for the DJ–UBS Roll Select CI to establish new positions in. This roll selection process generally occurs every month on the fourth business day of the month, subject to changes or adjustments to this process implemented by the Index Co-Sponsors.

According to the Registration Statement, the Index Futures in which the Trust will invest will be based on the DJ–UBS Roll Select CI. The DJ–UBS Roll Select CI is a version of the DJ–UBS CI that tries to mitigate the effects of contango arising from the rolling process. Rather than incorporating the economic effect of rolling into futures contracts with the next closest designated delivery month, the DJ–UBS Roll Select CI incorporates the economic effect of rolling into applicable futures contracts that exhibit the least contango or, if applicable, the most backwardation, in each case relative to the contracts of the immediately preceding delivery month.

Because the DJ–UBS Roll Select CI utilizes a different designated contract selection process than the DJ–UBS CI, the futures contracts comprising the DJ–UBS Roll Select CI at any particular time may have different delivery months than those comprising the DJ–UBS CI, and the levels of the DJ–UBS Roll Select CI and the DJ–UBS CI may correspondingly differ. In addition, as a result of this difference in rolling processes, both the performance of the DJ–UBS Roll Select CI and the DJ–UBS

CI and the dollar-value weights of their respective underlying futures contracts are expected to differ over time.

Determination of DJ–UBS CI Index Constituents

According to the Registration Statement, the Index Co-Sponsors have established a two-tier oversight structure for the DJ–UBS CI, the DJ–UBS Roll Select CI and the Index comprised of the “Supervisory Committee” and the “Advisory Committee.”<sup>19</sup> The composition of the DJ–UBS CI is determined by UBS Securities each year under the supervision of, and in accordance with the procedures adopted by, the Supervisory Committee. The final composition of the DJ–UBS CI for each calendar year is subject to the approval of the Supervisory Committee in consultation with the Advisory Committee, and once this approval has been obtained, the new composition of the DJ–UBS CI is publicly announced, and takes effect in the month of January of the relevant calendar year.

The relative weight of a commodity eligible for inclusion in the DJ–UBS CI, or its commodity index percentage (“CIP”), is initially determined based on (i) the relative production percentages of the commodities eligible for inclusion in the DJ–UBS CI and (ii) the relative liquidity of the futures contracts that have been designated as the eligible reference contracts for those commodities. This initial CIP calculation is then adjusted to give effect to caps and floors on such CIPs and to adjust the weights for gold and silver, the relative production numbers of which, according to the Dow Jones–UBS Commodity Index<sup>SM</sup> Handbook, last published by the Index Co-Sponsors as of May 2012, understate their economic significance.

According to the Registration Statement, the commodities and related designated futures contracts currently included in the DJ–UBS CI and their respective final CIPs for 2013 are as follows:

Commodity	Designated contract	Exchange*	Units	CIP** (percent)	Trading hours (E.T.)***
Aluminum .....	High Grade Primary Aluminum.	LME .....	25 metric tons .....	4.913	First session: 6:55AM to 7:00AM, 7:55AM to 8:00AM; second session: 10:15AM to 10:20AM, 10:55AM to 11:00AM.
Coffee .....	Coffee “C” .....	ICE Futures U.S. ....	37,500 lbs .....	2.442	3:30AM to 2:00PM.
Copper .....	Copper .....	COMEX .....	25,000 lbs .....	7.277	6:00PM to 5:15PM Next Day.
Corn .....	Corn .....	CBOT .....	5,000 bushels .....	7.053	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.

<sup>19</sup> The Supervisory Committee and the Advisory Committee are subject to procedures designed to

prevent the improper use and dissemination of

material, non-public information regarding the Index, DJ–UBS Roll Select CI and DJ–UBS CI.

Commodity	Designated contract	Exchange*	Units	CIP** (percent)	Trading hours (E.T.)***
Cotton	Cotton	ICE Futures U.S.	50,000 lbs	1.766	9:00PM to 2:30PM Next Day.
Crude Oil	Light, Sweet Crude Oil.	NYMEX	1,000 barrels	9.206	6:00PM to 5:15PM Next Day.
	Brent Crude Oil	ICE Futures U.S.	1,000 barrels	5.794	8:00PM to 6:00PM Next Day.
Gold	Gold	COMEX	100 troy oz.	10.819	6:00PM to 5:15PM Next Day.
Heating Oil	Heating Oil	NYMEX	42,000 gallons	3.519	6:00PM to 5:15PM Next Day.
Live Cattle	Live Cattle	CME	40,000 lbs	3.283	Mon: 10:05AM to 5:00PM; Tue–Thurs: 6:00PM to 5:00PM Next Day; Fri: 6:00PM to 2:55PM Next Day.
Lean Hogs	Lean Hogs	CME	40,000 lbs	1.900	Mon: 10:05AM to 5:00PM; Tue–Thurs: 6:00PM to 5:00PM Next Day; Fri: 6:00PM to 2:55PM Next Day.
Natural Gas	Henry Hub Natural Gas.	NYMEX	10,000 mmbtu	10.424	6:00PM to 5:15PM Next Day.
Nickel	Primary Nickel	LME	6 metric tons	2.244	First session: 6:15AM to 6:20AM, 8:00AM to 8:05AM; second session: 10:25AM to 10:30AM, 11:05AM to 11:10AM.
Silver	Silver	COMEX	5000 troy oz.	3.898	6:00PM to 5:15PM Next Day.
Soybeans	Soybeans	CBOT	5,000 bushels	5.495	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.
Soybean Meal	Soybean Meal	CBOT	100 short tons	2.607	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.
Soybean Oil	Soybean Oil	CBOT	60,000 lbs	2.743	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.
Sugar	World Sugar No. 11	ICE Futures U.S.	112,000 lbs	3.884	2:30AM to 2:00PM.
Unleaded Gasoline	Reformulated Blendstock for Oxygen Blending.	NYMEX	42,000 gallons	3.461	6:00PM to 5:15PM Next Day.
Wheat (Chicago)	Soft Wheat	CBOT	5,000 bushels	3.433	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.
Wheat (Kansas)	Hard Red Winter Wheat.	KCBOT	5,000 bushels	1.321	Sun–Fri: 8:00PM to 8:45 AM Next Day; Mon–Fri: 9:30AM to 2:15PM.
Zinc	Special High Grade Zinc.	LME	25 metric tons	2.519	First session: 7:10AM to 7:15AM, 7:50AM to 7:55AM; second session: 10:05AM to 10:10AM, 10:45AM to 10:50AM.

\*“LME” refers to the London Metal Exchange, and “ICE Futures U.S.” refers to ICE Futures U.S., Inc.

\*\* Rounded to the nearest thousandth of a percentage. May not total to 100% due to rounding.

\*\*\* Trading hours for the CME, CBOT, NYMEX and COMEX represent weekday electronic trading hours through CME Globex (electronic platform). Trading hours for LME represent ring trading times during each of first and second sessions; excludes kerb trading times.

Calculation of the Index, DJ–UBS CI and DJ–UBS Roll Select CI

According to the Registration Statement, the level of the DJ–UBS CI was set to be equal to 100 as of December 31, 1990. Subsequent levels of the DJ–UBS CI are determined by multiplying the level of the DJ–UBS CI as of the previous day by a fraction equal to (i) the weighted average value (“WAV”) of the DJ–UBS CI as of the current day divided by (ii) the WAV of the DJ–UBS CI as of the previous day, subject to adjustment for roll periods as described below. The WAV of the DJ–UBS CI on any given day is calculated by summing the products of the settlement prices of the designated futures contracts for each commodity multiplied by the commodity index

multiplier (“CIM”) of such designated contract.

According to the Registration Statement, the CIMs of the designated contracts in the DJ–UBS CI are determined annually, generally on the fourth business day of each year (the date of such determination, the “CIM Determination Date”). On the CIM Determination Date, initial CIMs (“ICIMs”) are calculated for each designated contract by multiplying such designated contract’s CIP by 1,000, then dividing such product by the designated contract’s settlement price as of the CIM Determination Date. To determine the final CIM for each designated contract for the new year, each ICIM is multiplied by an adjustment factor, which is a fraction equal to (i) the WAV

of the DJ–UBS CI as of the CIM Determination Date, as calculated using the CIMs from the prior year, divided by (ii) 1,000. This adjustment factor is intended to preserve WAV continuity from one year to the next.

According to the Registration Statement, during roll periods, which generally occur during the sixth through tenth business days of each month, the level of the DJ–UBS CI is calculated using a blended WAV formula that reflects the fact that the DJ–UBS CI is rolling out of expiring contracts and into replacement contracts. The WAV associated with the existing index components (“Old WAV”) begins weighted at 100% as of the business day preceding the roll period and decreases by 20% on each subsequent business

day until reduced to zero; it has no further effect on the level of the DJ-UBS CI by the fifth business day of such roll period. The WAV associated with the new index components ("New WAV") begins weighted at 0% as of the business day preceding the roll period and increases by 20% on each subsequent business day such that by the fifth business day of such roll period, the level of the DJ-UBS CI is determined based entirely on the New WAV.

Accordingly, during a roll period, the level of the DJ-UBS CI on any given day can be calculated as the product of the level of the DJ-UBS CI as of the previous day, multiplied by a fraction equal to: (i)  $\text{Old WAV} \times (1 - 0.2n) + \text{New WAV} \times (0.2n)$ , using the Old WAV and New WAV values as of such day, divided by (ii)  $\text{Old WAV} \times (1 - 0.2n) + \text{New WAV} \times (0.2n)$ , using the Old WAV and New WAV values as of the previous day. The variable "n" in this equation represents the number of business days that have elapsed for such roll period through and including the relevant date of determination. According to the Registration Statement, the DJ-UBS Roll Select CI will be calculated using the same general methodology as the DJ-UBS CI and using the same CIPs and CIMs used in connection with calculating the DJ-UBS CI. However, because the roll process for the DJ-UBS Roll Select CI is different from that of the DJ-UBS CI, its constituent futures contracts may differ from those included in the DJ-UBS CI. This difference is expected to cause the dollar-value weights and the weighted average value of the futures contracts included in each index to differ over time, and, as a result, cause the performance of the two indices to diverge.

According to the Registration Statement, the Index combines the returns of the DJ-UBS Roll Select CI with the returns of the most recent weekly auction high rate for three-month U.S. Treasury bills, as reported on the Web site <http://publicdebt.treas.gov/AI/OFBills> under the column headed "Discount Rate %" published by the Bureau of the Public Debt of the U.S. Treasury, or any successor source. The level of the Index, which was set at a hypothetical level of 100 as of December 31, 1990, can be calculated on any given day as the product of the level of the Index as of the previous day, multiplied by the sum of (i) 1.00 plus (ii) the positive or negative percentage return on the DJ-UBS Roll Select CI on such day plus (iii) the daily return based on the

auction high rate for three-month U.S. Treasury bills described above.

The Supervisory Committee and the Advisory Committee

According to the Registration Statement, the Supervisory Committee is comprised of three members, two of whom are appointed by UBS Securities and one of whom is appointed by S&P Dow Jones Indices, and makes all final decisions relating to the DJ-UBS CI, taking into consideration any advice and recommendations of the Advisory Committee. The Advisory Committee consists of six to twelve members drawn from the financial and academic communities. Both the Supervisory and Advisory Committees meet annually to consider any changes to be made to the DJ-UBS CI for the coming year. These committees may also meet at such other times as may be necessary for the purposes of their respective responsibilities in connection with the oversight of the DJ-UBS CI.

The Supervisory Committee has a significant degree of discretion in exercising its supervisory duties with respect to the DJ-UBS CI and related indices and sub-indices, including the Index and the DJ-UBS Roll Select CI.

Additional information regarding the composition of the Index, DJ-UBS Roll Select CI, DJ-UBS CI and their index methodologies is included in the Registration Statement and at the Index Co-Sponsors' Web site, [www.djindexes.com](http://www.djindexes.com).

Net Asset Value

According to the Registration Statement, the Trustee will determine the net asset value of the Trust and the net asset value per Share ("NAV") as of 4:00 p.m. (Eastern Time ("E.T.)) on each Business Day<sup>20</sup> on which the Exchange is open for regular trading, as soon as practicable after that time.

According to the Registration Statement, the Trustee will value the Trust's long positions in Index Futures on the basis of that day's settlement prices for the Index Futures held by the Trust, as announced by the applicable Futures Exchange. The value of the Trust's positions in any particular Index Future will equal the product of (a) The number of such Index Futures of such expiration owned by the Trust, (b) the settlement price of such Index Futures on the date of calculation and (c) the

<sup>20</sup> A "Business Day" is defined as a day (1) on which none of the following occurs: (a) the Exchange is closed for regular trading, (b) a Futures Exchange is closed for regular trading or (c) the Federal Reserve wire transfer system is closed for cash wire transfers, or (2) that the Trustee determines that it is able to conduct business.

multiplier of such Index Futures.<sup>21</sup> If there is no announced settlement price for a particular Index Future contract on a Business Day, the Trustee will use the most recently announced settlement price unless the Trustee, in consultation with the Sponsor, determines that such price is inappropriate as a basis for valuation. The daily settlement prices for the Index Futures initially held by the Trust will be established by the CME shortly after the close of trading for such Index Futures, which is generally 2:40 p.m. E.T.

According to the Registration Statement, the Trustee will value all other holdings of the Trust at (a) current market value, if quotations for such property are readily available, or (b) fair value, as reasonably determined by the Trustee, if the current market value cannot be determined.

According to the Registration Statement, once the value of the Index Futures and interest earned on the Trust's Collateral Assets has been determined, the Trustee will subtract all accrued expenses and liabilities of the Trust as of the time of calculation in order to calculate the net asset value of the Trust.

According to the Registration Statement, once the net asset value of the Trust has been calculated, the Trustee will determine the NAV by dividing the net asset value of the Trust by the number of Shares outstanding at the time the calculation is made. Any changes to NAV that may result from creation and redemption activity occurring on any Business Day will not be reflected in NAV until the following Business Day.

Creation and Redemption of Shares

According to the Registration Statement, the Trust will create and redeem Shares from time to time in one or more "Baskets" of 50,000 Shares each. Baskets may be created or redeemed only by authorized participants.

According to the Registration Statement, Baskets will be typically issued or redeemed only in exchange for an amount of Index Futures and cash (or, in the discretion of the Sponsor, other Collateral Assets) equal to the "Basket Amount" for the Business Day on which the creation or redemption order is received by the Trustee.<sup>22</sup> The

<sup>21</sup> According to the Adviser, the multiplier reflects the contract size for a futures contract. The multiplier for the Index Futures is expected to be \$100.

<sup>22</sup> The "Basket Amount" is the amount of Index Futures and cash (or, in the discretion of the Sponsor, other Collateral Assets), that an authorized

Basket Amount for a Business Day will have a per Share value equal to the NAV as of such day, and the assets included in the Basket Amount will be valued in the same manner and on the same basis as the Trust's NAV calculations for its assets generally. Creation orders or redemption requests received after 2:40 E.T. will not be deemed received until the following Business Day. In limited circumstances and subject to the approval of the Trustee, Baskets may be created for cash equal to the NAV of the Shares constituting a Basket as determined on the date the related creation order was received, plus the costs incurred by the Trust in establishing the corresponding Index Futures positions and acquiring the related Collateral Assets. Creation orders for Baskets paid for solely in cash that are received after 10:00 a.m. E.T. will be deemed received as of the following Business Day. The Trustee will notify the authorized participants of the Basket Amount on each Business Day.

According to the Registration Statement, creation and redemption of interests in the Trust generally will be effected through an "EFRP," which is an exchange for related positions that involve contemporaneous transactions in futures contracts and the underlying cash commodity or a closely related commodity. In a typical EFRP, the buyer of the futures contract sells the underlying commodity to the seller of the futures contract. The CME permits the execution of EFRPs consisting of simultaneous purchases (sales) of Index Futures and sales (purchases) of Shares. This mechanism generally is expected to be used by the Trust in connection with the creation and redemption of Baskets.

Specifically, according to the Registration Statement, it is anticipated that an authorized participant requesting the creation of additional Baskets typically will transfer Index Futures and cash (or, in the discretion of the Sponsor, other Collateral Assets) to the Trust in return for Shares. If an EFRP is executed in connection with the redemption of one or more Baskets, an authorized participant will transfer to the Trust the interests being redeemed and the Trust will transfer to the authorized participant Index Futures and cash or other Collateral Assets. The Trust may include Index Futures with different terms and expirations in the creation and redemption of Baskets, and

participant must deliver in exchange for one Basket, or that an authorized participant is entitled to receive in exchange for each Basket surrendered for redemption.

the Index Futures included in creation Baskets may differ from those included in redemption Baskets.

It is expected that delivery of the Shares or, in the case of a redemption, the Index Futures and cash or other Collateral Assets, will be made against transfer of consideration or Baskets, as the case may be, on the next Business Day following the Business Day on which the creation order or redemption request is received by the Trustee, which is referred to as a T+1 settlement cycle.

When a Basket is created, upon the transfer of (1) the required consideration of Index Futures in the amounts and of the type specified by the Trustee, cash (or, in the discretion of the Sponsor, other Collateral Assets) in the amounts specified to the Trustee, in each case to the accounts specified by the Trustee, and (2) any and all transaction fees associated with creations per Basket, the Trustee will deliver the appropriate number of Baskets to the Depository Trust Company ("DTC") account of the authorized participant.

According to the Registration Statement, when a Basket is redeemed, after the delivery by the authorized participant to the Trustee's DTC account of the total number of Shares to be redeemed by an authorized participant, the Trustee will deliver to the order of the redeeming authorized participant redemption proceeds consisting of Index Futures and cash (or, in the discretion of the Sponsor, other Collateral Assets). The assets included in the redemption proceeds will be valued in the same manner and on the same basis as the Trust's NAV calculations for its assets generally. In connection with a redemption order, the redeeming authorized participant authorizes the Trustee to deduct from the proceeds of redemption any and all transaction fees associated with redemptions. Shares can be surrendered for redemption only in Baskets.

The Trust 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>23</sup> under the Act, the Trust relies on the exception contained in Rule 10A-3(c)(7).<sup>24</sup> A minimum of 100,000 Shares of the Trust will be outstanding as of the start of trading on the Exchange.

A more detailed description of the Shares, the Trust, the Index and the Index Futures, as well as investment risks, creation and redemption

procedures and fees is set forth in the Registration Statement.

Availability of Information Regarding the Shares

The NAV for the Shares 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 and the closing prices of such Shares.

The intraday, closing prices and settlement prices of the Index Futures and the futures contracts included in the Index, DJ-UBS Roll Select CI and DJ-UBS CI are or will be 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. The specific contract specifications for the Index Futures and for the underlying futures contracts in the Index, DJ-UBS Roll Select CI and DJ-UBS CI are also available on such Web sites, as well as other financial informational sources. Information regarding the Collateral Assets will be available from applicable exchanges and market data vendors. Quotation and last sale information for the Shares will be available via the Consolidated Tape Association ("CTA") high-speed line.

The Sponsor's Web site, <http://www.ishares.com>, and/or the Exchange's Web site, which are publicly accessible at no charge, will contain the following information: (a) The current NAV per Share daily and the prior business day's NAV and the reported closing price; (b) the midpoint of the bid-ask price in relation to the NAV as of the time the NAV is calculated (the "Bid-Ask Price")<sup>25</sup>; and (c) the prospectus. The Trust will also disseminate Trust holdings on a daily basis on the Trust's Web site.

The Trust will provide Web site disclosure of portfolio holdings daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, quantity, price and market value of each Index Future and Collateral Asset, and the characteristics of such Index Futures and Collateral Assets, and (iii) the amount of cash held in the portfolio of the Trust.

<sup>25</sup> The Bid/Ask Price will be determined using the mid-point of the highest bid and the lowest offer on the Exchange as of the time of calculation of the NAV. The records relating to Bid/Ask Prices will be retained by the Trust and its service providers.

<sup>23</sup> 17 CFR 240.10A-3.

<sup>24</sup> 17 CFR 240.10A-3(c)(7).

This Web site disclosure of the portfolio composition of the Trust will occur at the same time as the disclosure by the Sponsor 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 Trust through the Trust's Web site.

The Index Co-Sponsors will calculate and publish the value of the Index, the DJ-UBS Roll Select CI and DJ-UBS CI continuously on each business day, with such values updated at least every 15 seconds during the Core Trading Session (from 9:30 a.m. to 4:00 p.m. E.T.) and disseminated by S&P Dow Jones Indices to market data vendors. The contents and percentage weighting of the Index, the DJ-UBS Roll Select CI and DJ-UBS CI, will be available at the Index Co-Sponsors' Web site, [www.djindexes.com](http://www.djindexes.com), and distributed to third-party data providers.

The intra-day indicative value ("IIV") per Share of the Trust 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 the Trust's Index Futures 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>26</sup>

The Trustee will determine the net asset value of the Trust and the NAV as of 4:00 p.m. E.T., on each Business Day<sup>27</sup> on which the Exchange is open

<sup>26</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available IIVs published on CTA or other data feeds. In addition, although not likely, circumstances may arise in which the NYSE Arca Core Trading Session is in progress, but trading in Index Futures is not occurring. Such circumstances may result from reasons including, but not limited to, the applicable Futures Exchange having a separate holiday schedule than the NYSE Arca or closing prior to the close of the NYSE Arca, price fluctuation limits being reached in an Index Future, or the applicable Futures Exchange imposing any other suspension or limitation on trading in an Index Future. In such instances, the value of the applicable Index Futures held by the Fund would be static or priced by the Fund at the applicable early cut-off time of the Futures Exchange trading the applicable Index Future. Moreover, any cash held by the Fund for collateralization purposes will be invested in Collateral Assets that do not have market exposure, such that their value would not change throughout the trading day. As such, during such periods, the disseminated IIV for the Fund will be static.

<sup>27</sup> See note 20, *supra*.

for regular trading, or as soon as practicable after that time.

#### Suitability

Currently, NYSE Arca Equities Rule 9.2(a) (Diligence as to Accounts) provides that an Equity Trading Permit ("ETP") Holder, before recommending a transaction in any security, must have reasonable grounds to believe that the recommendation is suitable for the customer based on any facts disclosed by the customer as to its other security holdings and as to its financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holder must make reasonable efforts to obtain information concerning the customer's financial status, tax status, investment objectives, and any other information that such ETP Holder believes would be useful to make a recommendation.

Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2(a) in an Information Bulletin ("Bulletin"). Specifically, ETP Holders will be reminded in the Bulletin that, in recommending transactions in these securities, they must have a reasonable basis to believe that (1) The recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such member, and (2) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Shares. In connection with the suitability obligation, the Bulletin will also provide that members must make reasonable efforts to obtain the following information: (1) The customer's financial status; (2) the customer's tax status; (3) the customer's investment objectives; and (4) such other information used or considered to be reasonable by such member or registered representative in making recommendations to the customer.

FINRA has issued a regulatory notice providing guidance to firms about the supervision of complex products, as described in FINRA Regulatory Notice 12-03 (January 2012) ("FINRA Regulatory Notice"). While the FINRA Regulatory Notice does not provide a definition of what constitutes a "complex product," it does identify characteristics that may make a product "complex" for purposes of determining whether the product should be subject to heightened supervisory and

compliance procedures.<sup>28</sup> The Fund's characteristics may raise issues similar to those raised in the FINRA Regulatory Notice. Therefore, the Bulletin will state that ETP Holders that carry customer accounts should follow the FINRA Regulatory Notice with respect to suitability.

#### 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. As provided in NYSE Arca Equities Rule 7.6, Commentary .03, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00, for which the MPV for order entry is \$0.0001.

The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on 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 Futures, 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>29</sup> or by the halt or suspension of trading of the underlying futures contracts.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IIV, the Index value or the value of the Index Futures occurs. If the interruption to the dissemination of the IIV, the Index value or the value of the Index Futures persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the

<sup>28</sup> See FINRA Regulatory Notice, at 3-4.

<sup>29</sup> See NYSE Arca Equities Rule 7.12.

trading day following an 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>30</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 with other markets that are members of the Intermarket Surveillance Group ("ISG") or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>31</sup> The CME, CBOT, NYMEX and ICE Futures U.S. are members of ISG, and the Exchange may obtain market surveillance information with respect to transactions occurring on the COMEX pursuant to the ISG memberships of CME and NYMEX. In addition, the Exchange has entered into a comprehensive surveillance sharing agreement with the LME that applies with respect to trading in futures contracts currently included in the DJ-UBS CI and DJ-UBS Roll Select CI.

In addition, with respect to Index Futures traded on exchanges, not more than 10% of the weight of such Index Futures in the aggregate shall consist of futures contracts whose principal

trading market (a) is not a member of ISG or (b) is a market with which the Exchange does not have a comprehensive surveillance sharing agreement, provided that, so long as the Exchange may obtain market surveillance information with respect to transactions occurring on the COMEX pursuant to the ISG memberships of CME and NYMEX, futures contracts whose principal trading market is COMEX shall not be subject to the prohibition in (a), above.

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; (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) that a static IIV may be disseminated, between the close of trading on the applicable futures exchange and the close of the NYSE Arca Core Trading Session;<sup>32</sup> (6) 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 (7) 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 Trust. The Exchange notes that investors purchasing Shares directly from the Trust will receive a prospectus. ETP Holders purchasing Shares from the Trust 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 Trust is subject to various fees and expenses described

in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over Index Futures traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares of the Trust and that the NAV for the Shares will be calculated after 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 Trust's 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 Trust seeks to achieve its investment objective by investing in Index Futures and Collateral Assets posted as margin and held to collateralize the Trust's Index Futures positions. The Sponsor represents that the Trust will invest in Index Futures and Collateral Assets, in a manner consistent with the Trust's investment objective and not to achieve additional leverage. With respect to Index Futures traded on exchanges, not more than 10% of the weight of such Index Futures in the aggregate shall consist of futures contracts whose principal trading market (a) is not a member of ISG or (b) is a market with which the Exchange does not have a comprehensive surveillance sharing agreement, provided that, so long as the Exchange may obtain market surveillance information with respect to transactions occurring on the COMEX pursuant to the ISG memberships of CME and NYMEX, futures contracts whose principal trading market is COMEX shall not be subject to the prohibition in (a), above. 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

<sup>30</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.

<sup>31</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all components of the portfolio for the Shares may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>32</sup> See note 26, *supra*.

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



laws. Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2(a) in a Bulletin. The Bulletin will state that ETP Holders that carry customer accounts should follow the FINRA Regulatory Notice with respect to suitability. 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 Adviser is not a broker-dealer but is affiliated with a broker-dealer and has implemented a firewall with respect to such broker-dealer affiliate as well as procedures designed to prevent the use and dissemination of material non-public information regarding the assets of the Trust. UBS Securities has implemented a fire wall with respect to its personnel regarding access to information concerning the composition and/or changes to the Index, DJ-UBS CI and DJ-UBS Roll Select CI and the calculation of the values of the foregoing indexes, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Index, DJ-UBS CI and DJ-UBS Roll Select CI. The Index Co-Sponsors have implemented and maintain procedures designed to prevent the use and dissemination of material non-public information regarding the DJ-UBS Roll Select CI, the DJ-UBS CI and the Index. The Supervisory Committee and the Advisory Committee are subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the Index, DJ-UBS Roll Select CI and DJ-UBS CI.

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 Futures, 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 Designated Contracts. The Exchange represents that the Exchange may halt trading during the day in which the interruption to the dissemination of the IIV, the Index value or the value of the Index Futures occurs. If the interruption to the dissemination of the IIV, the Index value or the value of the Index Futures

persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following an 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.

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 Trust and the Shares, thereby promoting market transparency. The NAV for the Shares 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. Trading in Shares of the Trust 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 Trust will provide Web site disclosure of portfolio holdings daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, quantity, price and market value of each Index Future and Collateral Asset, and the characteristics of such Index Futures and Collateral Assets, and (iii) the amount of cash held in the portfolio of the Trust. The value of the Index, DJ-UBS Roll Select CI and DJ-UBS CI will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. The intraday, closing prices and settlement prices of the Index Futures and the futures contracts included in the Index, DJ-UBS Roll Select CI and DJ-UBS CI are or will be 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 contents and percentage weighting of the Index, the DJ-UBS Roll Select CI and DJ-UBS CI, will be available at the Index Co-Sponsors' Web site, [www.djindexes.com](http://www.djindexes.com), and distributed to third-party data providers. The Exchange will also make available on its Web site daily trading volume of

each of the Shares and the closing prices of such Shares. The prices of the Index Futures and Collateral Assets will be available from the applicable exchanges and market data vendors.

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 type of exchange-traded product 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 Trust's 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 purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of exchange-traded product 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, as modified by Amendment No. 1 thereto, 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-2013-48 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-2013-48. 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-2013-48 and should be submitted on or before June 10, 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. 2013-11897 Filed 5-17-13; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-69570; File No. SR-C2-2013-020]**

#### **Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule**

May 14, 2013.

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 May 01, 2013, C2 Options Exchange, Incorporated (the "Exchange" or "C2") 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 amend its Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.c2exchange.com/Legal/>), at the Exchange's Office of the Secretary, 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 aspects of such statements.

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

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

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

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

##### 1. Purpose

The Exchange proposes to amend its Fees Schedule. First, the Exchange proposes to make changes to its fees for orders in all multiply-listed index and ETF options classes. Currently, the Exchange offers a rebate for Public Customer complex orders, including those that trade against simple (non-complex) orders (excluding trades on the open, for which no fees are assessed or rebates given). However, the Exchange also offers a rebate for all Maker simple orders (excluding trades on the open, for which no fees are assessed or rebates given). Therefore, in circumstances when a Public Customer complex order trades against a simple Maker order, the Exchange pays a rebate to both market participants and takes in no fees. The Exchange has determined that this is not economically viable. Therefore, the Exchange proposes to add a note that applies to the listing of all Maker rebates in Section 1A of the Fees Schedule (which discusses fees for simple, non-complex orders in all multiply-listed index and ETF options classes) that states "Rebates do not apply to orders that trade with Public Customer complex orders. In such a circumstance, there will be no fee or rebate." The Exchange also proposes to amend the note that already applies to the listing of all Public Customer rebates in Section 1D [sic]<sup>3</sup> of the Fees Schedule (which discusses fees for complex orders in all multiply-listed index and ETF options classes). This note currently states that the rebate for Public Customer complex orders does not apply to Public Customer orders that trade with other Public Customer orders. In such a circumstance, there will be no Maker or Taker fee or rebate. The Exchange proposes to amend this note to state that the rebate (for Public Customer complex orders) will only apply to Public Customer complex orders that trade with non-Public Customer complex orders. In other circumstances, there will be no Maker or Taker fee or rebate. This simple language achieves the goal of excepting out Public Customer complex orders that trade with simple orders from receiving the rebate (as well as excepting out Public Customer complex orders that trade with other Public Customer complex orders, which were already excepted out of receiving the

<sup>3</sup> The Commission notes that the proposed change modifies section 1C of the Fees Schedule, not 1D.