

Subsection (c) also requires, among other things, that the Index comply with the concentration requirements specifically set forth in 1009A(b)(6) regarding the Gold/Silver Index.<sup>6</sup> The Index meets all of the subsection (c) Index Options Maintenance Standards (the A.M. settlement requirement is not applicable to the Index) for continued trading of options overlying the Index, with one exception, its proposed number of components.

The Exchange proposes to expand the number of components in the Index from sixteen to thirty. The Exchange represents that the expanded Index would continue to meet all of the index maintenance requirements in subsection (c) of Rule 1009A applicable to options on narrow-based indexes, except subsection (c)(2), which indicates that the total number of component securities in the index may not increase or decrease by more than 33⅓% from the total number of securities in the index at the time of its initial listing. The Exchange also proposes to change its Index weighting methodology from capitalization-weighted to modified capitalization-weighted.<sup>7</sup>

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules

and regulations thereunder applicable to a national securities exchange<sup>8</sup> and, in particular, the requirements of Section 6 of the Act.<sup>9</sup> Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>10</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system.

#### Index Design and Index Composition

Currently, the Index is calculated using a capitalization-weighted index methodology. The value of the Index equals the aggregate value of the Index share weights, also known as the Index shares, of each of the Index securities (components) multiplied by each such security's last sale price, and divided by the divisor of the Index. The divisor serves the purpose of scaling such aggregate index value to a lower order of magnitude which is more desirable for reporting purposes. If trading in an Index security is halted on its primary listing market, the most recent last sale price for that security is used for all index computations until trading on such market resumes. Likewise, the most recent last sale price is used if trading in a security is halted on its primary listing market before the market is open.

The modified capitalization-weighted methodology is expected to retain, in general, the economic attributes of capitalization weighting, while providing enhanced diversification.

#### Listing and Trading of Options on the Index

Phlx has represented that options on an expanded thirty-component Index would continue to meet the relevant Index Options Maintenance Standards in subsection (c) of Rule 1009A for listing XAU<sup>SM</sup> options, except subsection (c)(2). Subsection (c)(2) of Phlx Rule 1009A only permits a maximum increase of 33⅓% from the total number of securities in the Index at the time of its initial listing. Additionally, the Exchange has

represented that no other changes are being made to the Index as it currently exists. Based on these representations, the Commission believes that the proposed expansion to the Index is appropriate, and that Phlx should continue to be able to list and trade options on the Index.

#### Surveillance and Capacity

The Commission notes that the Exchange has represented that it has an adequate surveillance program in place for options traded on the Index and intends to apply those same program procedures that it applies to the Exchange's current XAU<sup>SM</sup> options and other index options. Additionally, the Exchange is a member of the Intermarket Surveillance Group ("ISG") under the Intermarket Surveillance Group Agreement, dated June 20, 1994. In addition, the major futures exchanges are affiliated members of the ISG, which allows for the sharing of surveillance information for potential intermarket trading abuses. The Exchange has also represented that it has the necessary systems capacity to continue to support listing and trading XAU<sup>SM</sup> options. This order is based on these representations.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (SR-Phlx-2011-46) is hereby approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Cathy H. Ahn,**  
Deputy Secretary.

[FR Doc. 2011-13575 Filed 6-1-11; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64550; File No. SR-NYSEArca-2011-11]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change Relating to the Listing and Trading of the Guggenheim Enhanced Core Bond ETF and Guggenheim Enhanced Ultra-Short Bond ETF

May 26, 2011.

#### I. Introduction

On March 24, 2011, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities

<sup>6</sup> The maintenance provisions in subsection (c) of Rule 1009A state, in part, as applicable to XAU<sup>SM</sup>: (1) The conditions stated in subparagraphs (b)(1), (3), (6), (7), (8), (9), (10), (11) and (12), must continue to be satisfied, provided that the conditions stated in subparagraph (b)(6) must be satisfied only as to the first day of January and July in each year; (2) The total number of component securities in the index may not increase or decrease by more than 33⅓% from the number of component securities in the index at the time of its initial listing, and in no event may be less than nine component securities; (3) Trading volume of each component security in the index must be at least 500,000 shares for each of the last six months, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, trading volume must be at least 400,000 shares for each of the last six months; (4) In a capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months.

<sup>7</sup> *Id.* Regarding concentration requirements, subsection (b)(6)(i) states that with respect to the Gold/Silver Index, no single component shall account for more than 35% of the weight of the Index and the three highest weighted components shall not account for more than 65% of the weight of the Index; and that if the Index fails to meet this requirement, the Exchange shall reduce position limits to 8000 contracts on the Monday following expiration of the farthest-out, then trading, non-LEAP series.

<sup>8</sup> The Exchange has noted that both weighting methodologies are acceptable per the current generic index listing standards found in Rule 1009A(b)(2).

<sup>9</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares (“Shares”) of the Guggenheim Enhanced Core Bond ETF and Guggenheim Enhanced Ultra-Short Bond ETF (each a “Fund,” and, together, the “Funds”) under NYSE Arca Equities Rule 8.600. The proposed rule change was published in the **Federal Register** on April 12, 2011.<sup>3</sup> The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

## II. Description of the Proposal

The Exchange proposes to list and trade the Shares pursuant to NYSE Arca Equities Rule 8.600. The Shares will be offered by the Claymore Exchange-Traded Fund Trust (“Trust”), a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.<sup>4</sup> The investment advisor for the Funds is Claymore Advisors, LLC (“Investment Adviser”), The Bank of New York Mellon is the custodian and transfer agent for the Funds, and Claymore Securities, Inc. is the distributor for the Funds. The Exchange states that the Investment Adviser is affiliated with a broker-dealer and has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio.<sup>5</sup>

### *Guggenheim Enhanced Core Bond ETF*

The investment objective of this Fund is to seek total returns using a quantitative strategy comprised of income and capital appreciation, and risk-adjusted returns in excess of the Barclays Capital U.S. Aggregate Bond Index (“Benchmark”), while maintaining a low-risk profile versus the Benchmark. The Fund’s quantitative strategy attempts to identify relative mispricing among the instruments of a given asset class and to estimate future returns which may arise from the correction of

these mispricing levels. The quantitative portfolio construction process then attempts to maximize expected returns due to issue-specific mispricing while controlling for interest rate and credit spread (*i.e.*, differences in yield between different debt instruments arising from differences in credit risk) risks. The average duration of the Fund’s debt holdings is expected to be generally similar to the average duration of the Benchmark components.

The Fund primarily will invest in U.S. dollar-denominated investment grade debt securities, rated Baa or higher by Moody’s Investors Service, Inc. (“Moody’s”), or equivalently rated by Standard & Poor’s Rating Group (“S&P”) or Fitch Investor Services (“Fitch”), or, if unrated, determined by the Investment Adviser to be of comparable quality.<sup>6</sup> The Fund may invest, without limitation, in U.S. dollar-denominated debt securities of foreign issuers. The Fund may also invest in debt securities denominated in foreign currencies. The Investment Adviser may attempt to reduce foreign currency exchange rate risk by entering into contracts with banks, brokers, or dealers to purchase or sell securities or foreign currencies at a future date (“forward contracts”). The Fund may invest no more than 10% in high yield securities (“junk bonds”), which are debt securities that are rated below investment grade by nationally recognized statistical rating organizations, or are unrated securities that the Investment Adviser believes are of comparable quality.

The Fund may invest in a wide range of fixed income instruments selected from, but not limited to, the following sectors: U.S. Treasury securities, corporate bonds, emerging market debt, and non-dollar denominated sovereign and corporate debt.<sup>7</sup> The Fund may

invest up to 10% of its assets in mortgage-backed securities (“MBS”) or in other asset-backed securities. This limitation does not apply to securities issued or guaranteed by Federal agencies and/or U.S. government sponsored instrumentalities, such as the Government National Mortgage Administration (“GNMA”), the Federal Housing Administration (“FHA”), the Federal National Mortgage Association (“FNMA”), and the Federal Home Loan Mortgage Corporation (“FHLMC”).

The Fund may obtain exposure to the securities in which it normally invests by engaging in various investment techniques, including, but not limited to, forward purchase agreements, mortgage dollar roll, and “TBA” mortgage trading. The Fund also may invest directly in exchange-traded funds (“ETFs”) and other investment companies that provide exposure to fixed income securities similar to those securities in which the Fund may invest in directly. The Fund will normally invest at least 80% of its net assets in fixed income securities.

### *Guggenheim Enhanced Ultra-Short Bond ETF*

The investment objective of this Fund is to seek maximum current income, consistent with preservation of capital and daily liquidity. The Fund will use a low duration strategy to seek to outperform the 1–3 month Treasury Bill Index in addition to providing returns in excess of those available in U.S. Treasury bills, government repurchase agreements, and money market funds, while providing preservation of capital and daily liquidity. The Fund is not a money market fund and thus does not seek to maintain a stable net asset value of \$1.00 per Share.

Under normal circumstances, the Fund expects to hold a diversified portfolio of fixed income instruments of varying maturities, but that have an average duration of less than 1 year. The Fund primarily will invest in U.S. dollar-denominated investment grade debt securities, rated Baa or higher by Moody’s, or equivalently rated by S&P or Fitch or, if unrated, determined by the Investment Adviser to be of comparable quality. The Fund may invest, without limitation, in U.S. dollar-denominated debt securities of foreign issuers. The Fund may also

portfolio construction approach to tightly control independent risk exposures such as fixed income sector weights, sector specific yield curves, credit spreads, prepayment risks, and others. Within those risk constraints, the strategy utilizes relative value estimates to select individual securities that can provide risk adjusted outperformance relative to the Benchmark.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> See Securities Exchange Act Release No. 64224 (April 7, 2011), 76 FR 20401 (“Notice”).

<sup>4</sup> The Trust is registered under the Investment Company Act of 1940 (“1940 Act”). On July 26, 2010, the Trust filed with the Commission Form N–1A under the Securities Act of 1933 (15 U.S.C. 77a) relating to the Funds (File Nos. 333–134551 and 811–21906) (“Registration Statement”).

<sup>5</sup> See Commentary .06 to NYSE Arca Equities Rule 8.600. The Exchange represents that, in the event (a) the Investment Adviser becomes newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser becomes affiliated with a broker-dealer, such adviser and/or sub-adviser will implement a fire wall with respect to such broker-dealer regarding access to information concerning the composition and/or changes to the portfolio.

<sup>6</sup> The Investment Adviser’s analysis is comprised of multiple elements including collateral and counterparty risk, structural analysis, quantitative analysis and relative value/market value at risk analysis. Evaluation is also applied to collateral, historical market data, and proprietary statistical models to evaluate specific transactions. This analysis is applied against the macroeconomic outlook, geopolitical issues, as well as considerations that more directly affect the company’s industry to determine an internally assigned credit rating.

<sup>7</sup> The Fund will invest only in securities that the Investment Adviser deems to be sufficiently liquid. While corporate bonds and emerging market debt generally must have \$200 million or more par amount outstanding and significant par value traded to be considered as an eligible investment, at least 80% of issues of corporate bonds or corporate debt held by the Fund must have \$200 million or more par amount outstanding. The strategy follows an active quantitative investment process that seeks excess returns to the Benchmark. The strategy selects securities using a rigorous

invest in debt securities denominated in foreign currencies. The Investment Adviser may attempt to reduce foreign currency exchange rate risk by entering into contracts with banks, brokers, or dealers to purchase or sell securities or forward contracts. The Fund may invest no more than 10% in junk bonds. The Fund may also invest in municipal securities.

The Fund may invest a substantial portion of its assets in short-term instruments, such as commercial paper and/or repurchase agreements. The Fund may also invest in a wide range of fixed income instruments selected from, but not limited to, the following sectors: U.S. Treasury securities, corporate bonds, emerging market debt, and non-dollar denominated sovereign and corporate debt.<sup>8</sup> The Fund may invest up to 10% of its assets in MBS or in other asset-backed securities. This limitation does not apply to securities issued or guaranteed by Federal agencies and/or U.S. government sponsored instrumentalities, such as the GNMA, FHA, FNMA, and FHLMC.

The Fund may obtain exposure to the securities in which it normally invests by engaging in various investment techniques, including, but not limited to, forward purchase agreements, mortgage dollar roll, and "TBA" mortgage trading. The Fund also may invest directly in ETFs and other investment companies that provide exposure to fixed income securities similar to those securities in which the Fund may invest in directly. The Fund will normally invest at least 80% of its net assets in fixed income securities.

#### *Other Investments of the Funds*

Each Fund may invest up to an aggregate amount of 15% of its net assets in: (1) Illiquid securities; and (2) Rule 144A securities. Illiquid securities include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets. With respect to investment in illiquid securities, if changes in the values of a Fund's securities cause the Fund's holdings of illiquid securities to exceed the 15% limitation (as if liquid securities have become illiquid), the Fund will take such actions as it deems appropriate and practicable to attempt to reduce its holdings of illiquid

securities. In addition, the Funds are considered non-diversified under the 1940 Act and can invest a greater portion of assets in securities of individual issuers than a diversified fund. The Funds intend to maintain the level of diversification necessary to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. In addition, the Funds will not invest in non-U.S. equity securities, options contracts, futures contracts, or swap agreements.

Additional information regarding the Trust and the Shares, the Funds' investment strategies, risks, creation and redemption procedures, fees, portfolio holdings and disclosure policies, distributions and taxes, availability of information, trading rules and halts, and surveillance procedures, among other things, can be found in the Notice and the Registration Statement, as applicable.<sup>9</sup>

#### **III. Discussion and Commission's Findings**

The Commission has carefully reviewed the proposed rule change and finds that it is consistent with the requirements of Section 6 of the Act<sup>10</sup> and the rules and regulations thereunder applicable to a national securities exchange.<sup>11</sup> In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,<sup>12</sup> which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,<sup>13</sup> which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information

with respect to quotations for, and transactions in, securities. Quotation and last-sale information for the Shares will be available via the Consolidated Tape Association high-speed line. In addition, the Portfolio Indicative Value, as defined in NYSE Arca Equities Rule 8.600(c)(3), will be disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Funds will disclose on their Web site the Disclosed Portfolio, as defined in NYSE Arca Equities Rule 8.600(c)(2), that will form the basis for each Fund's calculation of the net asset value ("NAV") at the end of the business day.<sup>14</sup> The NAV of each of the Funds will normally be determined as of the close of the regular trading session on the New York Stock Exchange ("NYSE") (ordinarily 4:00 p.m. Eastern Time) on each business day. Price information for the debt securities held by the Funds will be available through major market data vendors, and a basket composition file, which includes the security names and share quantities required to be delivered in exchange for Fund shares, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the NYSE via the National Securities Clearing Corporation. Information regarding market price and trading volume of the Shares is and will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services, and information regarding the previous day's closing price and trading volume information will be published daily in the financial section of newspapers. The Funds' Web site will also include a form of the prospectus for the Funds, information relating to NAV, and other quantitative and trading information.

The Commission further believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Commission notes that the Exchange will obtain a representation from the issuer of the Shares that the NAV will

<sup>8</sup> The Fund will invest only in securities that the Investment Adviser deems to be sufficiently liquid. While corporate bonds and emerging market debt generally must have \$200 million or more par amount outstanding and significant par value traded to be considered as an eligible investment, at least 80% of issues of corporate bonds or corporate debt held by the Fund must have \$200 million or more par amount outstanding.

<sup>9</sup> See Notice and Registration Statement, *supra* notes 3 and 4, respectively.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>12</sup> 17 U.S.C. 78f(b)(5).

<sup>13</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>14</sup> On a daily basis, the Investment Adviser will disclose for each portfolio security or other financial instrument of the Funds the following information: Ticker symbol (if applicable), name of security or financial instrument, number of shares or dollar value of financial instruments held in the portfolio, and percentage weighting of the security or financial instrument in the portfolio.

be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.<sup>15</sup> In addition, the Exchange will halt trading in the Shares under the specific circumstances set forth in NYSE Arca Equities Rule 8.600(d)(2)(D), and may halt trading in the Shares to the extent to which trading is not occurring in the securities and/or the financial instruments comprising the Disclosed Portfolio of the Funds, or whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.<sup>16</sup> Moreover, the Exchange represents that the Investment Adviser is affiliated with a broker-dealer and has implemented a "fire wall" with respect to the affiliated broker-dealer regarding access to information concerning the composition and/or changes to the Funds' portfolio.<sup>17</sup> Further, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the portfolio.<sup>18</sup>

The Exchange represents that the Shares are deemed to be equity securities, thus rendering trading in the

Shares subject to the Exchange's existing rules governing the trading of equity securities. In support of this proposal, the Exchange has made representations, including:

(1) The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.600.

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

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

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

(5) For initial and/or continued listing, the Funds will be in compliance with Rule 10A-3 under the Act,<sup>19</sup> as provided by NYSE Arca Equities Rule 5.3.

(6) The Funds will not invest in non-U.S. equity securities, options contracts, futures contracts, or swap agreements.

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

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

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>20</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>21</sup> that the proposed rule change (SR-NYSEArca-2011-11) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

Cathy H. Ahn,  
Deputy Secretary.

[FR Doc. 2011-13576 Filed 6-1-11; 8:45 am]

BILLING CODE 8011-01-P

#### DEPARTMENT OF STATE

[Public Notice: 7489]

#### 30-Day Notice of Proposed Information Collections: RPPR Public Diplomacy Surveys

**ACTION:** Notice of request for public comment and submission to OMB of proposed collections of information.

**SUMMARY:** The Department of State has submitted the following information collection requests to the Office of Management and Budget (OMB) for approval in accordance with the Paperwork Reduction Act of 1995.

- *Title of Information Collection:* Advancing Public Diplomacy Impact (APDI)—Public Diplomacy Participants Study.

- *OMB Control Number:* None.
- *Type of Request:* New Collection.
- *Originating Office:* Office of the Under Secretary for Public Diplomacy and Public Affairs, Office of Policy Planning and Resources, Evaluation and Measurement Unit, (R/PPR-EMU).
- *Form Number:* Survey number assigned as needed.

- *Respondents:* U.S. public diplomacy participants in select foreign countries.

- *Estimated Number of Respondents:* 3,300.

- *Estimated Number of Responses:* 3,300.

- *Average Hours Per Response:* 30 minutes per response.

- *Total Estimated Burden:* 1,650.
- *Frequency:* On Occasion.
- *Obligation to Respond:* Voluntary.

- *Title of Information Collection:* Advancing Public Diplomacy Impact—Public Diplomacy Non-Participants Study.

- *OMB Control Number:* None.
- *Type of Request:* New Collection.
- *Originating Office:* Office of the Under Secretary for Public Diplomacy

<sup>15</sup> See NYSE Arca Equities Rule 8.600(d)(2)(D).

<sup>16</sup> See NYSE Arca Equities Rule 8.600(d)(2)(C)(ii). With respect to trading halts, the Exchange may consider other relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Funds. Trading in Shares of the Funds will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

<sup>17</sup> See *supra* note 5 and accompanying text. With respect to the Funds, the Exchange represents that the Investment Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Investment Advisers Act of 1940 ("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 supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (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>18</sup> See NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

<sup>19</sup> See 17 CFR 240.10A-3.

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78s(b)(2).

<sup>22</sup> 17 CFR 200.30-3(a)(12).