

of the MSCI EAFE Index that are not subject to comprehensive surveillance agreements will not, in the aggregate, represent more than 20% of the weight of the index. With respect to the MSCI EM Index, non-U.S. component securities that are not subject to comprehensive surveillance agreements must not, in the aggregate, represent more than 22.5% of the weight of the index.

The proposed listing standards require that, during the time options on the MSCI EAFE Index and the MSCI EM Index are traded on the Exchange, the current index value is widely disseminated at least once every 15 seconds by one or more major market data vendors. However, the Exchange may continue to trade MSCI EAFE Index options after trading in all component securities has closed for the day and the index level is no longer widely disseminated at least once every 15 seconds by one or more major market data vendors, provided that EAFE futures contracts are trading and prices for those contracts may be used as a proxy for the current index value.<sup>16</sup>

In addition, the proposed listing standards require the Exchange to reasonably believe that it has adequate system capacity to support the trading of options on the MSCI EAFE Index and the MSCI EM Index. As noted above, the Exchange represents that it believes it and the OPRA have the necessary systems capacity to handle the additional traffic associated with the listing of new series that would result from the introduction of MSCI EAFE and MSCI EM Index options.

As a national securities exchange, the Exchange is required, under Section 6(b)(1) of the Act,<sup>17</sup> to enforce compliance by its members, and persons associated with its members, with the provisions of the Act, Commission rules and regulations thereunder, and its own rules. As noted above, the Exchange states that, except as modified by the

proposal, Exchange Rules in Chapters I through XIX, XXIV, XXIVA, and XXIVB would equally apply to MSCI EAFE and MSCI EM Index options. The Exchange also states that MSCI EAFE and MSCI EM Index options would be subject to the same rules that currently govern other CBOE index options, including sales practice rules, margin requirements, and trading rules.

The Commission further believes that the Exchange's proposed position and exercise limits, trading hours, margin, strike price intervals, minimum tick size, series openings, and other aspects of the proposed rule change are appropriate and consistent with the Act.

#### **IV. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1**

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>18</sup> for approving the proposed rule change, as modified by Amendment No. 1, prior to the 30th day after the date of publication of notice in the **Federal Register**. As noted above, the Commission previously approved the listing and trading of options on the MSCI EAFE Index and the MSCI EM Index on another exchange,<sup>19</sup> and the current proposal is substantially similar to the rules that were approved by the Commission. The prior proposals and the current proposal were each subject to a full 21-day comment period and no comments were received on any of the proposals.

The Exchange requested that the Commission accelerate approval of the proposal. The Exchange believes that accelerated approval by the Commission would enable these options to be brought to market sooner, which would broaden trading and hedging opportunities for investors by creating new options on indexes that are demonstrably popular.

The Commission finds that good cause exists to approve the proposal, as modified by Amendment No. 1, on an accelerated basis.

#### **V. Conclusion**

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>20</sup> that the proposed rule change (SR-CBOE-2015-023), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2015-08453 Filed 4-13-15; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-74680; File No. SR-NASDAQ-2015-029]**

### **Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify NASDAQ Rule 7051 Fees Relating to Pricing for Direct Circuit Connections**

April 8, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 26, 2015, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

NASDAQ is proposing to amend Rule 7051 to increase installation and monthly fees assessed for Direct Circuit Connection to NASDAQ, and to waive certain installation fees thereunder for a limited time. The exchange will implement the proposed changes on April 1, 2015.

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com> at NASDAQ's principal office, 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, NASDAQ 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

<sup>16</sup> The Exchange notes that, because trading in the components of the MSCI EAFE Index ends at approximately 11:30 a.m. (Chicago Time), there will not be a current MSCI EAFE Index level calculated and disseminated during a portion of the time when MSCI EAFE Index options would be traded (from approximately 11:30 a.m. (Chicago Time) to 3:15 p.m. (Chicago Time)). However, the Exchange states that EAFE futures contracts will be trading during this time period and that the futures prices would be a proxy for the current MSCI EAFE Index level during this time period. The Exchange states that MSCI EAFE Mini Index futures contracts are listed for trading on the Intercontinental Exchange, Inc. ("ICE") and other derivatives contracts on the MSCI EAFE Index are listed for trading in Europe. Similarly, the Exchange states that MSCI Emerging Markets Mini Index futures contracts are listed for trading on ICE and other derivatives contracts on the MSCI EM Index are listed for trading in Europe.

<sup>17</sup> 15 U.S.C. 78f(b)(1).

<sup>18</sup> 15 U.S.C. 78s(b)(2).

<sup>19</sup> See *supra* note 15.

<sup>20</sup> 15 U.S.C. 78s(b)(2).

<sup>21</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.

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

NASDAQ is proposing to amend Rule 7051 entitled "Direct Connectivity to Nasdaq" to increase the installation and monthly fees assessed for 1Gb and 10Gb connectivity to the Exchange. Direct connectivity offers market participants one of several means by which they may connect to NASDAQ.<sup>3</sup> Currently, the Exchange offers a 10Gb circuit connection, a 1Gb circuit connection, and a 1Gb Ultra connection, all of which provide connectivity to the NASDAQ System.<sup>4</sup> The offerings are differentiated by the total capacity of the fiber connection (represented in Gigabytes or "Gb") and the type of switch used. A switch is a type of network hardware that acts as the "gatekeeper" for all clients' orders sent to the System<sup>5</sup> and orders them in sequence for entry into the System for execution. The 1Gb "Ultra" fiber connection offering uses lower latency<sup>6</sup> switches than the 1Gb fiber connection offering.<sup>7</sup>

The Exchange assesses separate installation and ongoing monthly fees for subscription to each option. For 1Gb connectivity, the Exchange assesses an installation fee of \$1,000 and ongoing monthly fees of \$1,000. For 10Gb connectivity, the Exchange charges an installation fee of \$1,000 and ongoing monthly fees of \$5,000. For 1Gb Ultra, the Exchange charges an installation fee of \$1,500 and ongoing monthly fees of \$1,500. The Exchange adopted 10Gb and 1Gb offering and related fees in August 2010, and has not increase [sic]

fees for these offerings since.<sup>8</sup> The Exchange adopted 1Gb Ultra in August 2014, and has not increased fees for the offering since.<sup>9</sup>

In light of increased costs in offering these fiber connectivity options, and declining subscribership to 1Gb connectivity, the Exchange is proposing to increase the fees assessed for all three of the offerings. In terms of installation fees, the Exchange is proposing to harmonize the cost of installation by increasing the installation fees assessed for 10Gb and 1Gb connectivity from \$1,000 to \$1,500, which is the fee currently assessed for installation of 1Gb Ultra connectivity. The Exchange is proposing to waive the installation fees for the months of April through July, 2015, for all three connectivity options. As such, both new subscriptions and customers transferring from one connectivity option to another during that time will not be assessed the installation fee. The Exchange notes that this will allow customers to move from one offering to another, or to move the location of their connectivity from one direct connectivity access point to another, with no penalty in the form of an installation fee.

The Exchange is also proposing to increase the ongoing monthly fees for each connectivity option. Specifically, the Exchange is proposing to increase the ongoing monthly fees for 10Gb connectivity from \$5,000 to \$7,500. The Exchange is proposing to increase the ongoing monthly fee for 1Gb connectivity from \$1,000 to \$2,500. Lastly, the Exchange is proposing to increase the ongoing monthly fee for 1Gb Ultra from \$1,500 to \$2,500.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>10</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>11</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed increased fees are reasonable because they allow the Exchange to realign the fees assessed for the service with the costs incurred by NASDAQ in

offering the service, which have increased since the offerings were first adopted. Specifically, NASDAQ has incurred increases in the cost of labor and networks in the installation and maintenance of equipment. The Exchange notes that the 1Gb and 10Gb infrastructures have been upgraded over the last 5 years with improvements in network performance along with a continued increase in bandwidth capacity constraints due to market data feeds growing. Consequently, this has resulted in higher networking costs that NASDAQ is now proposing to pass on through connectivity fees. In terms of labor, installation effort and costs have increased, which include NASDAQ data center operations and network engineering teams in multiple locations, data center vendor costs, and optical equipment that needs to be purchased, installed and maintained. The Exchange notes that it is not increasing the charge for installation of 1Gb Ultra connectivity because the fee implemented in 2014 already incorporated these elevated costs and continues to cover the installation costs.

The Exchange also believes that the proposed increases in the ongoing monthly fees for all three connectivity options are reasonable. The Exchange notes that it is increasing the ongoing monthly fees for each of the connectivity options in light of the higher networking and labor costs NASDAQ incurs in supporting the services. In addition, the Exchange has lost subscribers to the 1Gb connectivity option, which has resulted in fewer subscribers over which to spread the fixed costs of the service. As a consequence, the Exchange believes that it is reasonable to increase the monthly charge more than it is increasing the monthly charge for the 1Gb Ultra connectivity offering, which will result in the same monthly charge for both 1Gb and 1Gb Ultra connectivity offerings but will allow NASDAQ to compensate for the lower subscribership of the 1Gb connectivity option. The Exchange notes that the fees are similar to the fees NASDAQ charges member firms for co-location connectivity.<sup>12</sup> Lastly, the proposed fees are comparable to the fees charged for similar connectivity by other exchanges. For example, the International Securities Exchange LLC ("ISE") offers four connectivity options that provide access to its two markets. ISE charges the following monthly fees for connectivity: \$750 for its 1Gb option, \$4,000 for its 10Gb option, \$7,000 for its 10Gb low latency option, and \$12,500 for its 40Gb

<sup>3</sup> Market participants may also connect to NASDAQ through the colocation facility or third parties. Direct connectivity is offered through data centers in Carteret, NJ, Secaucus, NJ, Ashburn, VA, and Chicago, IL.

<sup>4</sup> See Securities Exchange Act Release No. 62663 (August 9, 2010), 75 FR 49543 (August 13, 2010) (SR-NASDAQ-2010-077).

<sup>5</sup> As defined in Rule 4751(a).

<sup>6</sup> The term "latency" for the purposes of this rule filing means a measure of the time it takes for an order to enter into a switch and then exit for entry into the System.

<sup>7</sup> Each of NASDAQ's connection offerings use [sic] different switches, but the switches are of uniform type within each offering (i.e., all 1G connectivity options currently use the same switches). As a consequence, all client subscribers to a particular connectivity option receive the same latency in terms of the capabilities of their switches.

<sup>8</sup> *Supra* note 4.

<sup>9</sup> See Securities Exchange Act Release No. 72811 (August 11, 2014), 79 FR 48262 (August 15, 2014) (SR-NASDAQ-2014-079).

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

<sup>11</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>12</sup> See Rule 7034(b).

low latency option. The Exchange notes that its connectivity options provide access to three exchanges (NASDAQ, NASDAQ OMX BX and NASDAQ OMX PHLX), which is reflected in the premium above the comparable ISE connectivity.<sup>13</sup>

The Exchange believes that the fees for these services are equitably allocated consistent with Section 6(b)(4) of the Act and are non-discriminatory consistent with Section 6(b)(5) of the Act in that all direct connect clients are offered the same service and there is no differentiation among them with regard to the fees charged for such services. In particular, the proposed fees are equitably allocated because all member firms that subscribe to a particular connectivity option under the rule will be assessed the same fee. The proposed installation fees are [sic] and are not unfairly discriminatory because the Exchange is increasing the fees for each service in amounts that are reflective of the increased costs associated with offering each of the connectivity options, and are in amounts representative of the value provided to their subscribers. The proposed waiver of the installation fees is both equitable and not unfairly discriminatory because it will allow all subscribers the option to subscribe to another connectivity offering, to the extent the proposed connectivity fees of their existing connections are deemed too high in relationship to the benefit received. With regard to the ongoing monthly fee increases, the 10Gb connectivity option provides the fastest connectivity option with the greatest capacity and also represents the greatest cost to NASDAQ in offering it among the three options. Accordingly, NASDAQ is increasing the fee the most to users that receive the greatest benefit. As noted above, NASDAQ is increasing the 1Gb ongoing monthly fees more than the 1Gb Ultra connectivity option, which provides the same capacity but lower latency than the 1Gb option. The Exchange believes that the proposed increase in the 1Gb connectivity option monthly fee is both an equitable allocation of a fee and not unfairly discriminatory because lower subscribership to the option has resulted in fewer subscribers to bear the increased costs of offering the service.

The Exchange notes that should a particular exchange charges [sic] excessive fees for direct connectivity services affected members will opt to terminate their direct connectivity arrangements with that exchange, and pursue a range of alternative trading

strategies not dependent upon the exchange's direct connectivity services. Accordingly, the exchange charging excessive fees would stand to lose not only direct connectivity revenues, but also any other revenues associated with the customer's operations. Moreover, all of the Exchange's fees for these services are equitably allocated consistent with Section 6(b)(4) of the Act and consistent with Section 6(b)(5) of the Act are non-discriminatory in that all direct connect clients are offered the same service and there is no differentiation among them with regard to the fees charged for such services.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>14</sup> As discussed above, the Exchange believes that the proposed fees for direct connectivity services are comparable to the fees charged for the same service provided to other exchanges' customers. Additionally, such costs are constrained by the robust competition for order flow among exchanges and non-exchange markets, because direct connectivity exists to advance that competition, and excessive fees for direct connectivity services would serve to impair an exchange's ability to compete for order flow. Therefore, the Exchange believes that the proposed rule change enhances, rather than burdens, competition.

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

Written comments were neither solicited nor received.

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

The foregoing change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>15</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings

to determine whether the proposed rule should be approved or disapproved.

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

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

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR–NASDAQ–2015–029 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR–NASDAQ–2015–029. 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 also will 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 Number SR–NASDAQ–2015–029 and should be submitted on or before May 5, 2015.

<sup>13</sup> See ISE Fee Schedule, Section IV.B. available at <http://www.ise.com/fees>.

<sup>14</sup> 15 U.S.C. 78f(b)(8).

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

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

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-08452 Filed 4-13-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74675; File No. SR-NYSEArca-2015-05]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving a Proposed Rule Change To List and Trade Shares of WisdomTree Put Write Strategy Fund Under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3)

April 8, 2015.

#### I. Introduction

On February 3, 2015, NYSE Arca, Inc. ("NYSEArca" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares ("Shares") of the WisdomTree Put Write Strategy Fund ("Fund"). The proposed rule change was published for comment in the **Federal Register** on February 24, 2015.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

#### II. Description of Proposed Rule Change

##### A. In General

The Exchange proposes to list and trade the Shares under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3), which governs the listing and trading of Investment Company Units ("Units") on the Exchange.<sup>4</sup> The Exchange may generically list Units that meet all of the requirements of Commentary .01. The Exchange represents that the Fund and the Index meet all of the requirements of the listing standards for Units in Rule 5.2(j)(3) and the requirements of

Commentary .01, except the requirements in Commentary .01(a)(A)(1)–(5), which set forth requirements for components of an index or portfolio of US Component Stocks.<sup>5</sup> As discussed in the Notice, the index underlying the Fund will consist primarily of S&P 500 Index put options ("SPX Puts"), which are not US Component Stocks,<sup>6</sup> and therefore the index does not satisfy the requirements of Commentary .01(a)(A)(1)–(5).

The Shares will be offered by the WisdomTree Trust ("Trust"),<sup>7</sup> a registered investment company. WisdomTree Asset Management, Inc. will be the investment adviser ("Adviser") to the Fund.<sup>8</sup> The Exchange represents that the Adviser is not registered as, or affiliated with, a broker-dealer. Mellon Capital Management will serve as sub-adviser for the Fund ("Sub-Adviser").<sup>9</sup> State Street Bank and Trust Company will be the administrator, custodian and transfer agent for the

<sup>5</sup> NYSE Arca Equities Rule 5.2(j)(3) defines the term "US Component Stock" as an equity security that is registered under Sections 12(b) or 12(g) of the Act and an American Depositary receipt, the underlying equity securities of which is registered under Sections 12(b) or 12(g) of the Act.

<sup>6</sup> NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(5) provides that all securities in the applicable index or portfolio shall be US Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 under Regulation NMS of the Act. Each component stock of the S&P 500 Index is a US Component Stock that is listed on a national securities exchange and is an NMS Stock. See Notice, *supra* note 3, 80 FR at 9820, n.13. Options are excluded from the definition of NMS Stock. The S&P 500 Index consists of US Component Stocks and satisfies the requirements of Commentary .01(a)(A)(1)–(5). See *id.*

<sup>7</sup> The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1) ("1940 Act"). According to the Exchange, on December 15, 2014, the Trust filed with the Commission an amendment to its registration statement on Form N-1A relating to the Fund (File Nos. 333-132380 and 811-21864) ("Registration Statement"). In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28171 (October 27, 2008) (File No. 812-13458).

<sup>8</sup> WisdomTree Investments, Inc. is the parent company of WisdomTree Asset Management.

<sup>9</sup> The Exchange further represents that the Sub-Adviser is affiliated with multiple broker-dealers and has implemented a "fire wall" with respect to such broker-dealers and their personnel regarding access to information concerning the composition and/or changes to the Index. In addition, according to the Exchange, in the event (a) the Adviser or Sub-Adviser becomes registered as a broker-dealer or newly affiliated with, a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with, a broker-dealer, the Adviser or any new adviser or Sub-Adviser or new sub-adviser, as applicable, will implement a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition of and changes to the Fund's portfolio, and will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding such portfolio.

Trust. Foreside Fund Services, LLC will serve as the distributor for the Fund ("Distributor").

The Fund is an index-based exchange traded fund ("ETF") that will seek investment results that before fees and expenses, closely correspond to the price and yield performance of the CBOE S&P 500 Put Write Index ("Index"). The Index was developed and is maintained by the Chicago Board Options Exchange, Inc. ("CBOE" or the "Index Provider"). Neither the Trust, the Adviser, the Sub-Adviser, State Street Bank and Trust Company, nor the Distributor is affiliated with the Index Provider.<sup>10</sup>

##### B. The Exchange's Description of the Fund

The Exchange has made the following representations and statements in describing the Fund and its investment strategies, including other portfolio holdings and investment restrictions.<sup>11</sup>

##### 1. Principal Investments of the Fund

The Fund will seek investment results that, before fees and expenses, closely correspond to the price and yield performance of the Index. The Index tracks the value of a passive investment strategy, which consists of overlaying "SPX Puts" over a money market account invested in one and three-month Treasury bills ("PUT Strategy").<sup>12</sup>

The Fund will invest at least 80% of its assets in SPX Puts and short-term U.S. Treasury securities.<sup>13</sup> The Fund's investment strategy will be designed to sell a sequence of one-month, at-the-money, SPX Puts and to invest cash at

<sup>10</sup> See Notice, *supra* note 3, 80 FR at 9819.

<sup>11</sup> Additional information regarding the Trust, the Fund, and the Shares, including investment strategies, risks, net asset value ("NAV") calculation, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes, among other information, is included in the Notice and the Registration Statement, as applicable. See Notice, *supra* note 3 and Registration Statement, *supra* note 7.

<sup>12</sup> The put-write strategy of selling cash-secured SPX Puts has the potential to appeal to investors who wish to add income and attempt to boost risk-adjusted returns, in return for risking under-performance during bull markets. An investor who engages in a cash-secured (*i.e.*, collateralized) put sales strategy sells (or "writes") a put option contract and at the same time deposits the full cash amount necessary for a possible purchase of underlying shares in the investor's brokerage account. Additional information on the methodology used to calculate the Index can be found at: <http://www.cboe.com/micro/put/PutWriteMethodology.pdf>.

<sup>13</sup> The Treasury securities in which the Fund may invest will include variable rate Treasury securities, whose rates are adjusted daily (or at such other increment as may later be determined by the Department of the Treasury) to correspond with the rate paid on one-month or three-month Treasury securities, as applicable.

<sup>16</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.

<sup>3</sup> See Securities Exchange Act Release No. 74290 (Feb. 18, 2015), 80 FR 9818 ("Notice").

<sup>4</sup> NYSE Arca Equities Rule 5.2(j)(3)(A) provides that an Investment Company Unit is a security that represents an interest in a registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities).