

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 99	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 58 Amendment No. (req. for Amendments *) 1
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Filing by NYSE MKT LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Michael Last Name \* Cavalier  
 Title \* Counsel  
 E-mail \* Michael.Cavalier@theice.com  
 Telephone \* (212) 656-2474 Fax (212) 656-8101

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 09/02/2016 Senior Counsel  
 By David De Gregorio

(Name \*)

David DeGregorio,

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NYSE MKT LLC (“NYSE MKT” or the “Exchange”) proposes to amend NYSE MKT Rules 1600 et seq. (Trading of Trust Units), pursuant to which the Exchange currently lists and trades shares of the Nuveen Diversified Commodity Fund (the “Diversified Fund”) and the Nuveen Long/Short Commodity Total Return Fund (the “Long/Short Fund,” with the Diversified Fund and the Long/Short Fund each being referred to herein as a “Fund,” and collectively, as the “Funds”), and to reflect changes to the names and operation of the Funds, as described herein.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Michael Cavalier  
Counsel  
NYSE Group, Inc.  
(212) 656-2474

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

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

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

The Exchange proposes to amend NYSE MKT Rules 1600 *et seq.* (Trading of Trust Units), pursuant to which the Exchange currently lists and trades shares (“Shares”) of the Funds.<sup>3</sup> In addition, the Exchange proposes to (1) reflect changes to the operation of the Funds, as described herein, and (2) permit the continued listing and trading of Shares of the Funds on the Exchange pursuant to NYSE MKT Rules 1600 *et seq.*, as proposed to be amended, following changes to the operation of the Funds, as described below.<sup>4</sup>

The Funds are currently structured as actively managed closed-end commodity pools. On December 19, 2014, Nuveen Investments, parent company of Nuveen Commodities Asset Management, LLC (the “Manager”), announced (the “Conversion Plan Announcement”) that the Manager had approved a plan to convert the Funds into exchange-traded products (“ETPs”) that utilize a creation/redemption mechanism, subject to approval by shareholders of each Fund (such plan, with respect to each Fund, is referred to herein as the “Conversion,” and collectively, the “Conversions”). Subsequently, at meetings of shareholders

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<sup>3</sup> The Commission approved listing and trading of Shares of the Funds on the Exchange in Securities Exchange Act Release Nos. 61807 (March 31, 2010), 75 FR 17818 (April 7, 2010) (SR-NYSEAmex-2010-09) (order approving amendments to NYSE Amex LLC Rule 1600 and listing and trading of shares of the Nuveen Diversified Commodity Fund) (“Prior Diversified Order”); and 67223 (June 20, 2012) (SR-NYSEAmex-2012-24) (order approving listing and trading on NYSE Amex LLC of shares of the Nuveen Long/Short Commodity Total Return Fund under NYSE Amex LLC Rule 1600) (“Prior Long/Short Order”). See also Securities Exchange Act Release No. 61571 (February 23, 2010), 75 FR 9265 (March 1, 2010) (SR-NYSE Amex-2010-09) (notice of filing of proposed rule change amending NYSE Amex LLC Trust Unit rules and proposing the listing of the Nuveen Diversified Commodity Fund) (the “Prior Diversified Notice” and, together with the Prior Diversified Order, the “Prior Diversified Release”); and Securities Exchange Act Release No. 66887 (May 1, 2012), 77 FR 26798 (May 7, 2012) (SR-NYSEAmex-2012-24) (notice of filing of proposed rule change relating to listing Nuveen Long/Short Commodity Total Return Fund under NYSE Amex LLC Rule 1600) (the “Prior Long/Short Notice” and, together with the Prior Long/Short Order, the “Prior Long/Short Release,” with the Prior Diversified Release and the Prior Long/Short Release each being referred to herein as a “Prior Release,” and collectively, as the “Prior Releases”).

<sup>4</sup> See, for the Diversified Fund, Pre-Effective Amendment No. 1 to the registration statement on Form S-3 (File No. 333-205590), filed on November 30, 2015; see also, for the Long/Short Fund, Pre-Effective Amendment No. 1 to the registration statement on Form S-3 (File No. 333-205587), filed on November 30, 2015 (collectively referred to herein as the “Registration Statement”).

This Amendment No. 1 to SR-NYSEMKT-2016-58 replaces SR-NYSEMKT-2016-58 as originally filed and supersedes such filing in its entirety.

in 2015, shareholders of each Fund likewise approved the Conversions. The purpose of the Conversions, which would implement a process for continual creation and redemption of Shares at net asset value (“NAV”) after receipt of an order in proper form on any business day (as described below), is to promote the trading of the Funds’ Shares at prices equal to or near their NAV. Indeed, since the Conversion Plan Announcement, each Fund has traded at a substantially reduced discount to NAV,<sup>5</sup> which suggests that the Conversion will achieve its intended purpose, to the benefit of shareholders.

Accordingly, the Exchange proposes to amend NYSE MKT Rules 1600 et seq. to accommodate the implementation of continual creation and redemption of shares of Trust Units listed or traded pursuant to Rules 1600 et seq. in the manner set forth above. The proposed amendments to Rules 1600 et seq. will provide that Trust Units, which include Shares of the Funds, will be issued and redeemed on a continuous basis in specified aggregate amounts at NAV next determined.

#### Amendments to NYSE MKT Rules 1600 et seq.

To achieve the foregoing changes, the Exchange proposes to amend NYSE MKT Rules 1600 et seq. as described below. NYSE MKT Rule 1600 defines a Trust Unit as a security that is issued by a trust (“Trust”) or other similar entity that is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, and/or commodities. The Exchange proposes to amend Rule 1600 in several respects.

First, the Exchange proposes amending Rule 1600(b)(i) to delete reference to Section 1(a)(4) of the Commodity Exchange Act (“CEA”) and to state that the term “commodity” is defined in Section 1(a)(9) of the CEA. Section 1(a)(4) of the CEA was renumbered as Section 1(a)(9) under amendments adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>6</sup> Next, the Exchange proposes amending Rule 1600(b)(ii) to: (1) add the phrase “and/or securities” to the enumerated financial instruments in which Trust Units may invest (proposed Rule 1600(b)(i))<sup>7</sup>; and (2) provide that Trust Units are issued and redeemed continuously in specified aggregate amounts at the NAV next determined (proposed Rule 1600(b)(ii)).

The Exchange also proposes adding new rules. Proposed NYSE MKT Rule

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<sup>5</sup> From December 18, 2014, to March 9, 2016, the discount to NAV has been reduced for the Diversified Fund from 18.02% to 5.11% and for the Long/Short Fund from 19.80% to 3.75%.

<sup>6</sup> 12 U.S.C. 5301 et seq.

<sup>7</sup> This proposed provision is identical to the definition of Trust Units in NYSE Arca Equities Rule 8.500(b)(2).

1600(b)(iii) would define “Disclosed Portfolio” as the identities and quantities of the assets held by a Trust that will form the basis for that Trust’s calculation of the NAV at the end of the business day. Proposed Rule 1600(b)(iv) would define “Intraday Indicative Value” as the estimated indicative value of a Trust Unit based on current information regarding the value of the assets in the Disclosed Portfolio.

Proposed Rule 1600(b)(v) would define “Reporting Authority” as, in respect of a particular series of Trust Units, the Exchange, an institution, or a reporting or information service designated by the Trust or the Exchange or by the exchange that lists a particular series of Trust Units (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, (i) the Intraday Indicative Value, (ii) the Disclosed Portfolio, (iii) the amount of any cash distribution to holders of Trust Units, (iv) NAV, and (v) other information relating to the issuance, redemption, or trading of Trust Units. A series of Trust Units may have more than one Reporting Authority, each having different functions.<sup>8</sup>

Proposed Commentary .04 to Rule 1600 would provide that, if a Trust’s advisor is affiliated with a broker-dealer, the broker-dealer shall erect a “fire wall” around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust’s portfolio composition must be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the applicable portfolio.

The Exchange proposes to amend Rule 1602(a)(ii) to provide that the Exchange will obtain a representation from the issuer of each series of Trust Units that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. Additionally, the Exchange proposes amendments to Rule 1602(b)(ii) to replace the term “portfolio holdings” with “Disclosed Portfolio” and to provide that, if the Exchange becomes aware that the Disclosed Portfolio or NAV per share with respect to a series of Trust Units is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the Disclosed Portfolio or NAV per share is available to all market participants. Proposed Rule 1602(b)(iii) would provide that each series of Trust Units will be listed and/or traded subject to application of the following criteria: (1) the Intraday Indicative Value for shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Exchange; (2) the Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time; and (3) the Reporting Authority that provides the Disclosed Portfolio must implement and maintain, or be subject to, procedures

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<sup>8</sup> Proposed Rules 1600(b)(iii)-(v) are substantively similar to the current NYSE Arca Equities Rules 8.600(c)(2)-(4).

designed to prevent the use and dissemination of material, non-public information regarding the actual components of the portfolio.<sup>9</sup>

The Exchange proposes to amend Commentary .01 to Rule 1602, which provides that the Exchange will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios. The Exchange proposes to add to Commentary .01 that all statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures shall be complied with on a continuing basis and the issuer of such issue of Trust Units shall notify the Exchange of any material noncompliance with such statements and representations. The Exchange will consider the suspension of trading and delisting (if applicable) of an issue of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance.

The Exchange also proposes to delete the text of current NYSE MKT Rule 1603, which is obsolete,<sup>10</sup> and to amend NYSE MKT Rule 1605 to provide that none of the Exchange, the Reporting Authority or any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the Disclosed Portfolio; any value of underlying futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities; the current value of positions or interests if required to be deposited to the Trust in connection with

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<sup>9</sup> These proposed amendments and rule additions are substantively similar to the current NYSE Arca Equities Rule 8.600(d).

<sup>10</sup> NYSE MKT Rule 1603 would be reserved. Current Rule 1603 provides that if a Designated Market Maker (“DMM”) is operating under Rule 98 (Former) - Equities, Rule 105(b) (Former) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit a DMM, his or her member organization, other member, or approved person of such member organization or employee or officer thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any related derivative. The Exchange has deleted NYSE MKT Rule 98 (former). See Securities Exchange Act Release No. 72535 (July 3, 2014), 79 FR 39024 (July 9, 2014) (SR-NYSEMKT-2014-22), in which the Exchange stated that “[a]ll DMMs are now approved to operate under Rule 98 and are no longer subject to ‘Rule 98 (former)’”. The Exchange deleted NYSE MKT Rule 105 in SR-NYSEMKT-2012-68. See Securities Exchange Act Release No. 68306 (November 28, 2012), 77 FR 71846 (December 4, 2012) (notice of filing and immediate effectiveness of proposed rule change amending Exchange rules to delete obsolete and outdated rules).

issuance of Trust Units; NAV; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by the Exchange, the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or any agent of the Exchange, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units, futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.<sup>11</sup>

### Description of the Funds

As set forth in each Fund's respective Prior Release, each Fund is a commodity pool managed by the Manager. The Manager is a Delaware limited liability company that is registered as a commodity pool operator (the "CPO") with the Commodity Futures Trading Commission ("CFTC"). The Manager is a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen Investments"), which is an indirect wholly-owned subsidiary of TIAA, a national financial services organization. The Manager is responsible for determining the Funds' overall investment strategies and overseeing their implementation. The Manager also manages the Funds' business affairs and provides certain legal, accounting and other administrative services to the Funds.

Also as described in the Prior Releases, Gresham Investment Management LLC (the "Commodity Subadviser"), an affiliate of the Manager, manages each Fund's commodity futures investment strategy (which is described more fully below). The Commodity Subadviser is a Delaware limited liability company and is registered with the CFTC as a commodity trading advisor and as a CPO, and is a member of the National Futures Association ("NFA"). The Commodity Subadviser also is registered with the Commission as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

As set forth in the Prior Releases, Nuveen Asset Management, LLC (the "Collateral Subadviser" and, together with the Commodity Subadviser, the "Subadvisers"), an affiliate of the Manager, manages each Fund's investments in U.S. government securities, other short-term, high grade fixed income securities and cash equivalents ("collateral"). The Collateral Subadviser is registered with the Commission as an investment adviser under the Advisers Act.

As the Commodity Subadviser and the Collateral Subadviser are each registered as investment advisers under the Advisers Act, the Subadvisers and their respective related personnel are (and any future subadviser to the Funds will be)

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<sup>11</sup> Proposed NYSE MKT Rule 1605, as amended, is substantively similar to current NYSE Arca Equities Rule 8.600(e).



subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of their relationship to clients, as well as their 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 detect and 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 of the adequacy of the policies and procedures described in clause (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering such policies and procedures.

State Street Bank and Trust Company (“State Street” or the “Transfer Agent”) serves as transfer agent, registrar for the Shares, and custodian and administrator of the assets of each Fund, pursuant to which it performs NAV calculations, accounting and other fund administrative services, and, after the Conversions, it also will receive and process orders from Authorized Participants to create and redeem an aggregate of Shares of each Fund (“Baskets”).

#### Current Operation of the Funds Prior to Conversion

*Diversified Fund.* As described in the Prior Diversified Release, the Fund’s current investment objective is to generate attractive risk-adjusted total returns as compared to investments in commodity indexes.

Currently, the Fund pursues its investment objective by utilizing: (a) an actively managed rules-based commodity investment strategy, whereby the Fund invests in a diversified basket of commodity futures and forward contracts with an aggregate notional value substantially equal to the net assets of the Fund; and (b) an options strategy designed to moderate the overall risk and return characteristics of the Fund’s commodity investments, pursuant to which the Fund writes (sells) “out-of-the-money” commodity call options to obtain option premium cash flow, on individual futures and forward contracts, on baskets of commodities or on broad based commodity indices.

Currently, as described in the Prior Diversified Release, the Fund typically: (i) invests in commodity futures and forward contracts<sup>12</sup> that are traded either on

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<sup>12</sup>

While forward contracts generally are traded over the counter (“OTC”), “forward contracts” in this context refer to contracts that are traded on the London Metal Exchange and operate substantially as futures contracts. As such, all of the contracts in which the Diversified Fund invests are exchange-traded.

U.S. or non-U.S. commodity futures exchanges; and (ii) sells call options on commodity futures and forward contracts that are traded either on U.S. or non-U.S. exchanges. The Fund may also purchase put options on commodity futures and forward contracts that are traded either on U.S. or non-U.S. exchanges or may purchase OTC commodity put options through dealers pursuant to negotiated, bilateral arrangements. The Fund invests in commodity futures and forward contracts, options on commodity futures and forward contracts and over-the-counter commodity options in the following commodity groups: energy, industrial metals, precious metals, livestock, agriculturals, and tropical foods and fibers. The Fund also may invest in other commodity contracts that are presently, or may hereafter become, the subject of commodity futures trading. Except for certain limitations described below, there are no restrictions or limitations on the specific commodity investments in which the Fund may invest.

As stated in the Prior Diversified Release, to support its commodity investments, the Fund maintains collateral that is invested in short-term debt instruments with maturities of up to two years that, at the time of investment, are investment grade quality, including obligations issued or guaranteed by the U.S. government or its agencies and instrumentalities, as well as corporate obligations and asset-backed securities.

Currently, to achieve the Fund's investment objective, the Fund invests on a notional basis substantially all of its assets in commodity futures and forward contracts pursuant to the Commodity Subadviser's Tangible Asset Program ("TAP"), an actively managed, rules-based<sup>13</sup> commodity investment strategy. TAP is fundamental in nature and is designed to maintain consistent, fully collateralized exposure to commodities as an asset class. TAP does not require the existence of price trends in order to be successful.

Pursuant to the Fund's risk management program, the Fund writes (or sells) commodity call options that may be up to 20% "out-of-the-money" on a continual basis on up to approximately 50% of the notional value of each of its commodity futures and forward contract positions that have sufficient option trading volume and liquidity. The Commodity Subadviser writes call options on individual futures and forward contracts held by the Fund, on baskets of commodities or on broad based commodity indices.

According to the Prior Diversified Release, in order to seek protection against significant asset value declines, the Fund may from time to time purchase "out-of-the-money" put options on broad-based commodity indices such as the DJ-UBS Commodity Index® (subsequently renamed the Bloomberg Commodity Index), the S&P GSCI Commodity Index, or on certain custom indices, whose prices are expected to closely correspond to a substantial portion of the long commodity

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<sup>13</sup> Pursuant to TAP® the Fund invests in commodity futures and forward contracts, for commodities in each of the following groups: energy, industrial metals, precious metals, livestock, agriculturals, and tropical foods and fibers.

futures and forward contracts held by the Fund. The Fund also may purchase put options on baskets of commodities and on individual futures and forward contracts held by it.

According to the Prior Diversified Release, the Fund intends to make monthly distributions to its shareholders (stated in terms of a fixed cents per share distribution rate) based on past and projected performance of the Fund. The Fund seeks to establish a distribution rate that roughly corresponds to the Manager's projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time, although the distribution rate will not be solely dependent on the amount of income earned or capital gains realized by the Fund. The Fund's ability to make regular monthly distributions depends on a number of factors, including, most importantly, the long-term total returns generated by the Fund's portfolio investments and the risk management program.

*Long/Short Fund.* As described in the Prior Long/Short Release, the Fund's current investment objective is to generate attractive total returns. The Fund is actively managed and seeks to outperform its benchmark, the Morningstar Long/Short Commodity Index.

The Fund's investment strategy utilizes the Commodity Subadviser's long/short commodity investment program, which has three principal elements:

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

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

According to the Prior Long/Short Release, this long/short commodity investment program is an actively managed, fully collateralized, rules-based commodity investment strategy that seeks to capitalize on opportunities in both up and down commodity markets. The Fund invests in a diverse portfolio of exchange-traded commodity futures contracts with an aggregate notional value substantially equal to the net assets of the Fund. The Fund makes investments in the most actively traded commodity futures contracts in the four main commodity sectors in the global commodities markets: energy; agriculture; metals; and livestock.

During temporary defensive periods or during adverse market circumstances,<sup>14</sup> the Fund may deviate from its investment objective and policies. The Subadvisers may invest 100% of the total assets of the Fund in short-term, high-quality debt securities and money market instruments to respond to adverse market circumstances. The Fund may invest in such instruments for extended periods, depending on the Commodity Subadviser's assessment of market conditions. These debt securities and money market instruments may include shares of mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities, repurchase agreements, and bonds that are rated AAA. Generally, the program rules are used to determine the specific commodity futures contracts in which the Fund invests, the relative weighting for each commodity, and whether a position is either long or short (or flat in the case of energy futures contracts). The Fund invests in those commodity futures contracts and option contracts that are listed on an exchange with the greatest dollar volume traded in those contracts.

The Fund also currently employs a commodity option writing strategy that seeks to produce option premiums for the purpose of enhancing the Fund's risk-adjusted total return over time. Pursuant to the options strategy, the Fund may sell commodity call or put options, which are all exchange-traded, on a continual basis on up to approximately 25% of the notional value of each of its corresponding commodity futures contracts that, in the Commodity Subadviser's determination, have sufficient option trading volume and liquidity. According to the Prior Long/Short Release, if the Commodity Subadviser buys the commodity futures contract, it will sell a call option on the same underlying commodity futures contract. If the Commodity Subadviser shorts the commodity futures contract, it will sell a put option on the same underlying commodity futures contract (except in the case of energy futures contracts).

When initiating new trades, the Fund expects to sell covered in-the-money options. Because the Fund holds options until expiration, the Fund may have uncovered out-of-the-money options in its portfolio depending on price movements of the underlying futures contracts.

Generally, the Fund expects to sell short-term commodity options with terms of one to three months. Subject to the foregoing limitations, the implementation of the options strategy is within the Commodity Subadviser's discretion. Over extended periods of time, the "moneyness" of the commodity options may vary significantly. Upon sale, the commodity options may be "in-the-money," "at-the-money," or "out-of-the-money."

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<sup>14</sup> Adverse market circumstances would include large downturns in the broad market value of two or more times current average volatility, where the Commodity Subadviser views such downturns as likely to continue for an extended period of time.

The Commodity Subadviser will employ a proprietary methodology in assessing commodity market movements and in determining the Fund's long/short commodity futures positions. Generally, the Commodity Subadviser will employ momentum-based modeling (quantitative formulas that evaluate trend relationships between the changes in prices of futures contracts and trading volumes for a specific commodity) to estimate forward-looking prices and to evaluate the return impact of futures contract rolls. To determine the direction of the commodity futures position, either long or short (or flat in the case of energy futures contracts), the Commodity Subadviser will calculate a roll-adjusted price that accounts for the current spot price and the impact of roll yield. The Commodity Subadviser may exercise discretion in its long/short decisions and the timing and implementation of the Fund's commodity investments to seek to benefit from trading on commodity price momentum.

According to the Prior Long/Short Release, the Fund's commodity investments will, at all times, be fully collateralized (*i.e.*, the "notional value"—the value of the underlying commodity at the contract's spot price—of the Fund's commodity exposure will not exceed the market value of the Fund's net assets). The Fund's commodity investments generally do not require significant outlays of principal. Approximately 25% of the Fund's net assets are used to secure the futures contracts.<sup>15</sup> These assets are placed in one or more commodity futures accounts and will be held in cash or invested in U.S. Treasury bills and other direct or guaranteed debt obligations of the U.S. government maturing within less than one year at the time of investment.

The remaining collateral (approximately 75% of the Fund's net assets) are held in a separate collateral investment account managed by the Collateral Subadviser. Such assets are invested in cash equivalents or short-term debt securities with final terms not exceeding one year at the time of investment. These collateral investments shall be rated at all times at the applicable highest short-term or long-term debt or deposit rating or money market fund rating as determined by at least one nationally recognized statistical rating organization. These collateral investments consist primarily of direct and guaranteed obligations of the U.S. government and senior obligations of U.S. government agencies and may also include, among others, money market funds and bank money market accounts

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<sup>15</sup> Such assets will be committed as "initial" or "variation" margin. Initially, when a Fund invests in a commodity futures contract, it will be required to deposit an amount of cash equal to a specified percentage of the contract amount. This amount is known as "initial margin." The margin deposit is intended to ensure completion of the contract if it is not terminated prior to the specified delivery date. Minimum initial margin requirements are established by the futures exchanges and may be revised. Subsequent payments, called "variation margin," will be made on a daily basis as the price of the underlying commodity fluctuates, making the futures contract more or less valuable, a process known as marking the contract to market.

invested in U.S. government securities, as well as repurchase agreements collateralized with U.S. government securities.

According to the Prior Long/Short Release, the potential Fund investments in futures contracts and options on such futures contracts are traded on U.S. and non-U.S. exchanges, including the Chicago Board of Trade (“CBOT”), the Chicago Mercantile Exchange (“CME”), the ICE Futures Europe, the ICE Futures U.S., the New York Mercantile Exchange (“NYMEX”) and the New York Commodities Exchange (“COMEX”), and the Kansas City Board of Trade (“KBOT”).

Also according to the Prior Long/Short Release, the Fund (like the Diversified Fund) intends to make monthly distributions to its shareholders (stated in terms of a fixed cents per share distribution rate) based on past and projected performance of the Fund. The Fund seeks to establish a distribution rate that roughly corresponds to the Manager’s projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time, although the distribution rate will not be solely dependent on the amount of income earned or capital gains realized by the Fund. The Fund’s ability to make regular monthly distributions depends on a number of factors, including, most importantly, the long-term total returns generated by the Fund’s portfolio investments and the risk management program.

#### Operation of the Funds Following Conversion

##### Generally

Following the Conversions, each Fund, through use of a rules-based investment methodology, will seek to obtain returns that, over time, generally match (before fees and expenses) the returns of a commodity-linked index. The Diversified Fund will take long positions in the components of the Gresham Adaptive Commodity Index (the “Adaptive Index”), while the Long/Short Fund will take positions either long or short in the components of the Gresham Long/Short Commodity Index (the “Long/Short Index”). Each of the Adaptive Index and the Long/Short Index also is referred to herein as an “Index” and, collectively, as the “Indexes.”

In contrast to certain representations made in the Prior Releases and described above, after the Conversions each Fund: (i) will no longer invest in forwards (and instead will invest solely in futures contracts), (ii) will no longer hold options or utilize options strategies, and (iii) will no longer make monthly distributions to its shareholders.

##### Names; Investment Objectives

After the Conversion, the name of the Diversified Fund will change to the

“NuShares Gresham Adaptive Commodity ETF” and the name of the Long/Short Fund will change to the “NuShares Gresham Long/Short Commodity ETF.” Each Fund’s investment objective will be to generate attractive total returns by generally tracking its respective Index. Each Fund will continue to seek to achieve its investment objective by investing in a diverse portfolio of exchange-traded commodity futures contracts that provide exposure to the global commodity markets (such futures contracts are referred to herein as “Commodity Futures”). Generally, each Fund will invest in Commodity Futures that are included in a Fund’s respective Index; however, each Fund also may invest in other commodity futures contracts that are not included in the Indexes (at times when the Commodity Subadviser believes such investments will improve a Fund’s profitability and/or reduce the potential for losses, as described more fully below).

#### The Funds’ Investments

After the Conversions, each Fund’s principal investments are not expected to change. Under normal market conditions,<sup>16</sup> each Fund will continue to invest in (i) Commodity Futures traded on U.S. and non-U.S. futures exchanges<sup>17</sup> having various expiration dates, and (ii) collateral consisting of U.S. government securities and cash equivalents, some of which are maintained on deposit with a Fund’s commodity broker as margin, to collateralize a Fund’s positions in the Commodity Futures. As stated above, the Funds will not invest in forwards or options following the Conversions.

Futures contracts on commodities reflect the expected future value of an underlying commodity on which the contract is based. Pursuant to such futures contracts, one party agrees to buy, and the other to sell, a set amount of the reference asset (or a cash equivalent) at a pre-determined price (the “spot price”) on a pre-determined future date (the “expiration date”). As the expiration date for any given Commodity Futures contract draws closer, the Commodity Subadviser will roll that Commodity Futures contract, prior to its expiration, on an ongoing basis, so as to ensure that each Fund maintains a position in such Commodity Futures contract.

For each Fund, the Commodity Subadviser employs a proprietary methodology in

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<sup>16</sup> With respect to each Fund, the term “under normal market conditions” includes, but is not limited to, the absence of extreme volatility or trading halts in the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

<sup>17</sup> Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the Intermarket Surveillance Group (“ISG”) or with which the Exchange has in place a comprehensive surveillance sharing agreement.

assessing commodity market movements. Generally, the Commodity Subadviser employs momentum-based modeling to estimate forward-looking prices and to evaluate the return impact of futures contract rolls. The Commodity Subadviser will calculate a roll-adjusted price that accounts for the current spot price and the impact of roll yield. The Commodity Subadviser may exercise discretion in its decisions and the timing and implementation of the Fund's commodity investments to seek to benefit from trading on commodity price momentum. Specifically, following the Conversion, the Diversified Fund weightings will be determined on a monthly basis--if the price of a commodity contract is higher than its six-month simple moving average, the commodity contract will be held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity weight will be reduced by half. Following the Conversion, for the Long/Short Fund, the momentum-based model will employ shorter-term moving averages (such as 6-months) to determine whether a commodity futures position in the Index is held long or short (or flat, for petroleum-related commodities).

Each Fund's Commodity Futures investments will, at all times, be fully collateralized (i.e., the "notional value"—the value of the underlying commodity at the contract's spot price—of the Fund's commodity exposure will not exceed the market value of the Fund's net assets). However, whereas the Prior Releases represented that 25% of that Fund's Collateral will be committed as "initial" and "variation" margin, the Funds now represent that, following the Conversions, approximately 10-25% of each Fund's Collateral will be committed as initial and variation margin and be segregated pursuant to the Commodity Exchange Act, and the regulations thereunder, to secure the futures contract positions. Those assets will be held in a commodity futures account maintained by SG Americas Securities, LLC ("SG"), the Funds' clearing broker, which serves as a futures commission merchant and broker-dealer registered with the CFTC and the Commission.

The remaining 75-90% of a Fund's Collateral (as opposed to a set 75%, as noted in the Prior Releases) will continue be held in a separate collateral investment account managed by the Collateral Subadviser. However, the eligible Collateral investments will change following the Conversion. The Funds will no longer invest in money market funds or repurchase agreements; instead, they will invest in short-term U.S. government securities and cash equivalents.

#### The Funds' Investment Strategies

Following the Conversions, each Fund will employ a rules-based commodity investment strategy in seeking to achieve its investment objective: the Diversified Fund will use a long-biased strategy, and the Long/Short Fund will use a long/short strategy. In doing so, each Fund, as they currently do prior to the Conversion, will invest in a diverse portfolio of exchange-traded Commodity Futures that have an aggregate notional value less than or substantially equal to



the net assets of such Fund. Generally, those Commodity Futures will be components of each Fund's respective Index; however, each Fund also may invest in other commodity futures contracts that are not included in the Indexes in seeking to improve profitability and/or reduce the potential for loss.

Each Fund will make investments in Commodity Futures in the six principal groups within the global commodities markets: agriculture; energy; foods and fibers; industrial metals; livestock; and precious metals. To provide diversification, each Fund will take positions in Commodity Futures related to approximately 30 commodities; its rules-based strategy will limit the weight of any individual Commodity Futures and also will limit the allocations to the largest two commodity groups to allow for higher allocations to the smaller commodity groups. Each Fund will continue to allocate its investments to Commodity Futures pursuant to the Commodity Subadviser's proprietary strategy.

Typically, each Fund expects to follow certain rules pertaining to eligible commodities, weights, diversification, rebalancing, and annual reconstitution that are the same as those for its respective Index, so as to minimize the divergence between the price behavior of a Fund's Commodity Futures portfolio and the price behavior of its Index (such divergence is referred to as "tracking error"). As such, each Fund's investment results, before the deduction of fees and other expenses, are expected generally to correspond to the changes, positive or negative, in the levels of its respective Index over time.

Although each Fund generally will seek to track the performance of its Index (before fees and expenses), the Funds will remain actively managed and therefore will not be obligated to always invest in the components of the Indexes. From time to time, a Fund may invest in commodity futures contracts not included in its Index and/or that have differing expiration dates and terms. Such variations from an Index are market-driven and opportunistic, and are designed to improve a Fund's profitability and reduce the potential for losses. Additionally, each Fund will continue to deviate temporarily from its investment objective and policies during adverse market circumstances.

#### Description of the Indexes

According to the Registration Statement, each Index is a proprietary index developed by the Commodity Subadviser's senior management team. The methodology for commodity selection and target weight calculation for each Index is based on the Commodity Subadviser's TAP strategy. Annual rebalancing for the TAP strategy follows a systematic, disciplined approach for establishing new target weights for commodities in the portfolio and encompasses a diverse mix of tangible Commodity Futures. TAP currently allocates to Commodity Futures relating to approximately 30 different commodities. TAP scales its position according to rankings of individual commodities based on three factors: (i) historical global production; (ii) historical global trade; and (iii) historical

contract liquidity. The TAP strategy employs portfolio construction constraints that seek liquidity, a robust and fair regulatory framework, avoidance of foreign exchange risk, and transparency, as it trades only in markets where exchange settlements are publicly disseminated. In order to ensure a high level of commodity diversification at each annual rebalance, the TAP strategy maintains certain limits on amounts allocated to commodity groups.

Each Index is rebalanced annually. Between rebalance dates, Index weights vary based on the performance of the commodity contract positions in each Index. On a monthly basis, each Index utilizes historical price trends to determine its positions and rolls its contracts to implement the new positions.

*Adaptive Index.* According to the Registration Statement, by maintaining a long-bias, the Adaptive Index seeks to benefit from rising commodity markets while still affording flexibility to reduce its target investment exposure by half of the target weighting to certain individual commodities when appropriate. On a monthly basis, each commodity's weight in the Adaptive Index will be maintained or reduced after comparing the price of each commodity with its six-month simple moving average. If the price of a commodity is higher than its six-month simple moving average, the commodity is held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity's weight is reduced by half.

*Long/Short Index.* The Long/Short Index seeks to take advantage of the persistent trends in commodities prices, often referred to as "momentum." The central principle of a persistence or momentum investment process is that if the price of an asset is rising (or falling), it is expected to continue to do so. The Long/Short Index employs a momentum rule to determine if exposure to a particular constituent Commodity Futures contract should be held long or short (or "flat," in the case of petroleum-related commodities contracts, as described below).

Whether a Long/Short Index position will be long or short (or flat) is currently determined on a monthly basis by comparing the price of each Commodity Futures contract to its six-month simple moving average. If the price of a commodity is higher than its six-month simple moving average, the commodity is assigned a long position; conversely, if the price is below the six-month simple moving average, it is assigned a short position. A long position will increase in market value if the price of the Commodity Futures is rising during the period when the position is open, whereas a short position will increase in market value if the price of the Commodity Futures is falling during the period when the position is open.

The Long/Short Index is currently constructed such that, when the price of a petroleum-related Commodity Futures contract (e.g., WTI Crude, Brent Crude, Heating Oil, RBOB Gasoline or Gas Oil) is below its six-month simple moving average, the weight of that commodity is moved to the collateral portfolio (i.e., the position is "flat"). The price of petroleum-related commodities historically

have been extremely sensitive to geopolitical events and less driven by supply and demand imbalances; as such, holding flat positions in petroleum-related commodities could serve to protect the Long/Short Fund from losses arising from such geopolitical risks. A flat position in a petroleum-related Commodity Futures contract will not provide futures market exposure to that contract.

During transitions from long to short positions or vice versa, the Fund may temporarily hold both long and short positions on the same Commodity Futures contract. In accordance with the Long/Short Fund's "long/short" commodity investment strategy, each Commodity Futures contract will be assigned a target weight and may be held in the portfolio as a long position or a short position (or flat position).

### Composition of the Indexes

*Eligible Contracts.* Listed below are the main categories of Commodity Futures contracts that are eligible to become components of each Index as of February 1, 2016. Each commodity may have several different types of individual Commodity Futures contracts (e.g., hard winter wheat and soft red wheat). The Commodity Subadviser has discretion over Commodity Futures contract selection and may choose from the available contract types. As noted above, each Fund will invest in Commodity Futures that are traded on both U.S. and non-U.S. exchanges. If the Commodity Futures in which a Fund will invest are listed on multiple exchanges, a Fund may invest in those contracts that are listed on the exchange with the greatest dollar volume traded in those contracts.

Group	Commodity	Primary Exchange	Trading Hours (Eastern Time)
Energy	WTI Crude Oil	New York Mercantile Exchange	09:00 - 14:30
	Brent Crude Oil	ICE Futures Europe	20:00 - 18:00
	Gas Oil Gasoline	ICE Futures Europe	20:00 - 18:00
	Heating Oil Natural Gas	New York Mercantile Exchange New York Mercantile Exchange New York Mercantile Exchange	09:00 - 14:30 09:00 - 14:30 09:00 - 14:30
Foods and Fibers	Cotton #2	ICE Futures US ICE	21:00 - 14:20
	Sugar #11	Futures US	03:30 - 13:00
	White Sugar	ICE Futures Europe	03:45 - 12:55
	Coffee Cocoa	ICE Futures US ICE	04:15 - 13:30
		Futures US	04:45 - 13:30
	Robusta Coffee	ICE Futures Europe	04:00 - 12:30
Agriculture	Corn	Chicago Board of Trade	09:30 - 14:15

	Soybean Meal	Chicago Board of Trade	09:30 - 14:15
	Soybean Oil	Chicago Board of Trade Chicago	09:30 - 14:15
	Soybeans	Board of Trade Chicago Board of	09:30 - 14:15
	Kansas City Wheat	Trade Minneapolis Grain	09:30 - 14:15
	Minneapolis Wheat	Exchange Chicago Board of	20:00 - 14:30
	Wheat	Trade	09:30 - 14:15
Base Metals	Aluminum Copper	London Metal Exchange	15:00 - 14:45
	(LME) Copper	London Metal Exchange	15:00 - 14:45
	(COMEX) Nickel	Commodity Exchange, Inc.	08:01 - 13:00
	Zinc	London Metal Exchange	15:00 - 14:45
	Lead	London Metal Exchange	15:00 - 14:45
		London Metal Exchange	15:00 - 14:45
Precious Metals	Gold	COMEX	08:20 - 13:30
	Palladium	New York Mercantile Exchange	08:30 - 13:00
	Platinum	New York Mercantile Exchange	08:20 - 13:05
	Silver	COMEX	08:30 - 13:00
Livestock	Feeder Cattle	Chicago Mercantile Exchange	09:30 - 14:00
	Lean Hogs Live	Chicago Mercantile Exchange	09:30 - 14:00
	Cattle	Chicago Mercantile Exchange	09:30 - 14:00

*Index Composition.* Listed below are the target weights for each commodity as of February 1, 2016. These target weights are the same for each Index.

<u>Commodity Group</u>	<u>Commodity</u>	<u>Composition</u>
Energy .....	WTI Crude Oil	9.3%
	Brent Crude Oil	9.4%
	Natural Gas	7.0%
	Gas Oil	3.2%
	Heating Oil	2.5%
	Gasoline	<u>3.6%</u>
		<u>35.0%</u>
Agriculture .....	Corn	3.8%
	Kansas City Wheat	0.7%
	Minneapolis Wheat	0.2%
	Wheat	2.8%
	Soybean Meal	2.4%
	Soybean Oil	1.1%
	Soybeans	<u>5.0%</u>
	<u>16.0%</u>	
Livestock .....	Live Cattle	7.0%
	Feeder Cattle	2.0%
	Lean Hogs	<u>2.3%</u>
	<u>11.3%</u>	
Foods and Fibers .....	Sugar #11	2.2%
	Cocoa	1.0%
	White Sugar	0.2%
	Robusta Coffee	0.3%
	Coffee	1.8%

	Cotton #2	<u>1.5%</u>
		<u>7.0%</u>
Base Metals	Copper (LME)	7.1%
	Copper (COMEX)	1.4%
	Aluminum	5.3%
	Nickel	1.7%
	Zinc	1.8%
	Lead	<u>0.9%</u>
		<u>18.2%</u>
Precious Metals	Gold	8.8%
	Silver	2.5%
	Platinum	0.7%
	Palladium	<u>0.5%</u>
		<u>12.5%</u>
Total		<u>100.0%</u>

### Summary of Other Aspects Regarding the Conversion of the Funds

As set forth in its respective Prior Release, each Fund is currently structured as a closed-end commodity pool. As part of the Conversion, each Fund plans to convert to an ETP structure, which requires an amendment to each Fund's Agreement and Declaration of Trust (with respect to each Fund, the "Amendment," and collectively, the "Amendments"). Each Fund's shareholders approved the respective Amendment at annual shareholder meetings in 2015. When executed, the Amendments will add to the Funds' legal structure the creation and redemption basket features described below, which the current versions of the Funds' governing documents do not include.

After the Conversion: (i) each Fund will remain a commodity pool, (ii) investors will own the same Shares as they did before the Conversion, and (iii) investors will continue to be able to buy and sell Shares on an exchange throughout each business day at then-prevailing market prices. The Funds currently disclose portfolio holdings daily, and will continue to do so following the Conversions. However, following the Conversion, each Fund will issue and redeem Shares on a continuous basis through the creation/redemption process used by ETPs (as described below), which is intended to facilitate the trading of Shares at prices equal to or near their NAV.

The Shares will be assigned new CUSIP numbers at the time of the Conversion. Moreover, as stated above, following the Conversions, the name of the Diversified Fund will change to the NuShares Gresham Adaptive Commodity ETF, and the name of the Long/Short Fund will change to the NuShares Gresham Long/Short Commodity ETF. The Funds are not currently, and after the Conversions will not be, mutual funds or any other type of investment company within the meaning of the Investment Company Act of 1940, as amended.

In connection with the Conversions, the Manager intends to implement additional changes to both Funds that the Manager believes will better align the Funds' features with their newly-adopted ETP structure. The charts below summarize those changes.

Changes to Diversified Fund

	Before Conversion	After Conversion
Fund name	Nuveen Diversified Commodity Fund	NuShares Gresham Adaptive Commodity ETF
Ticker	CFD	GAC
Distribution Policy	Pays regular monthly distributions	Discontinue regular monthly Distributions
Share Repurchases	Active share repurchase program	Discontinue share repurchase Program
Investment Strategy	Long-only commodity strategy	Long-biased commodity strategy—weightings determined on a monthly basis; if the price of a commodity contract is higher than its six-month simple moving average, the commodity contract will be held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity weight will be reduced by half
	Option writing program	Discontinue option writing program
	Collateral invested in cash equivalents, U.S. government securities and other short-term high-grade debt securities, including corporate debt, with terms not exceeding one year	Collateral invested in U.S. government securities, with terms not exceeding one year, and cash equivalents

Changes to Long/Short Fund

	Before Conversion	After Conversion
Fund name	Nuveen Long/Short Commodity Total Return Fund	NuShares Gresham Long/Short Commodity ETF
Ticker	CTF	GLS
Distribution Policy	Pays regular monthly distributions	Discontinue regular monthly Distributions
Share Repurchases	Active share repurchase Program	Discontinue share repurchase Program
Investment	Long/short commodity futures strategy	Long/short commodity futures strategy

Strategy	based on the Morningstar Long/Short Commodity Index	based on the Gresham Long/Short Commodity Index
	Uses momentum-based model to calculate 12-month moving price averages that are used to determine whether a commodity futures position is held long or short	Long/short commodity strategy—Momentum-based model will employ shorter-term moving averages (such as 6-months) to determine whether a commodity futures position in the Index is held long or short (or flat, for petroleum-related commodities).  Weightings are determined on a monthly basis; if the price of a commodity contract is higher than its six-month simple moving average, the commodity is assigned a long position; conversely, if the price is below the six-month simple moving average, it is assigned a short position.
	Will not short energy futures—if model signals to short energy futures, positions will instead be held “flat” (i.e., in cash)	Will not short petroleum-based futures—if model signals to short petroleum-based futures, positions will instead be held “flat” (i.e., in cash)
	Option writing program	Discontinue option writing program
	Collateral invested in cash equivalents, U.S. government securities and other short-term high-grade debt securities, including corporate debt, with terms not exceeding one year	Collateral invested in short-term U.S. government securities and cash equivalents

The Manager will announce in advance the expected effective date of the Conversions via press releases and Form 8-K filings. Those press releases also will include a summary of changes to the Funds that will occur in connection with the Conversions. The Exchange will also issue a notice to members approximately 10 days prior to the date of effectiveness of the Conversion, and another notice to members on the business day prior to the date Shares of the Funds will trade under the new CUSIP.

The Manager expects that the Conversions will have the effect of further narrowing the discount in each Fund’s Share price as compared to its NAV.

#### Creation and Redemption of Shares

Following the Conversion, the Funds will issue and redeem Shares in “Baskets” of 50,000 Shares each on a continuous basis to “Authorized Participants” in exchange for cash equal to the total value of the futures contracts, cash and collateral assets (i.e., cash equivalents) that comprise one Basket (“Basket Amount”). Similarly, an Authorized Participant is entitled to receive the

corresponding Basket Amount in exchange for each Basket surrendered for redemption. The Basket represents one Creation Unit of a Fund. Except when aggregated in Baskets, the Shares are not redeemable securities of a Fund. The size of a Basket will be subject to change.

Only Authorized Participants may place orders to create and redeem Baskets. An “Authorized Participant” must (1) be a registered broker-dealer or other securities market participant, such as a bank or other financial institution exempt from registration as a broker-dealer to engage in securities transactions, (2) be a participant in The Depository Trust Company (“DTC”), and (3) have entered into a Participant Agreement. The Participant Agreement sets forth the procedures for the creation and redemption of Baskets and for the delivery of the Basket Amount required for such creations or redemptions. The Manager will have engaged at least two market participants to act as Authorized Participants with respect to the Funds prior to completing the Conversions.

Authorized Participants may sell the individual Shares included in the Baskets and purchased from each Fund to other investors on the Exchange. Otherwise, Shares will not be individually redeemable. To redeem, an investor must accumulate enough Shares to constitute a Creation Unit. Redemption orders must be placed by or through an Authorized Participant.

The Manager expects that purchasers of Creation Units will include institutional investors and arbitrageurs and that secondary market purchasers of Shares will include both institutional investors and retail investors. The Manager also expects that the price at which Shares of each Fund trade will be disciplined by arbitrage opportunities created by the option to continually purchase or redeem Creation Units at their NAV. The Manager believes that a conversion from the current closed-end structure to one that utilizes a creation/redemption process will serve to reduce the Shares’ discount to NAV, to the benefit of current shareholders.

On any business day that NYSE MKT is open for regular trading, an Authorized Participant may place an order with the Transfer Agent to create one or more Baskets. Creation orders must be placed by 10:00 a.m., Eastern time. The creation order date is the day on which the Transfer Agent receives an order in proper form to purchase the Shares in one or more Baskets. The day on which a creation order is settled is the creation order settlement date. The creation order settlement date may occur up to 3 business days after the creation order date.

The total cash payment required to create each Basket is equal to the NAV of 50,000 Shares of a Fund as of the closing time of the NYSE MKT on the creation order date. Because orders to purchase Baskets must be placed by 10:00 a.m., Eastern time, but the total payment required to create a Basket will not be determined until 4:00 p.m., Eastern time, on the date the creation order is received, Authorized Participants will not know the total amount of the payment required to create a Basket at the time they submit the creation order for the



Basket.<sup>18</sup>

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets.

The redemption proceeds from each Fund consist of the cash redemption amount. The cash redemption amount is equal to the NAV of the number of Basket(s) of a Fund requested in the Authorized Participant's redemption order as of the closing time of the NYSE MKT or the last to close of the exchanges on which its futures contracts are traded, whichever is later, on the redemption order date. The Manager will distribute the cash redemption amount at the redemption order settlement date as of 2:45 p.m., Eastern time, on the redemption order settlement date through DTC to the account of the Authorized Participant as recorded on DTC's book-entry system.

The redemption proceeds due from each Fund are delivered to the Authorized Participant at 2:45 p.m., Eastern time, on the redemption order settlement date if, by such time, a Fund's DTC account has been credited with the Baskets to be redeemed. If a Fund's DTC account has not been credited with all of the Baskets to be redeemed by such time, the redemption distribution is delivered to the extent of whole Baskets received.

For either Fund, the Manager may, in its discretion, suspend the right of redemption, or postpone the redemption order settlement date, for (1) any period during which an emergency exists as a result of which the redemption distribution is not reasonably practicable, or (2) such other period as the Manager determines to be necessary for the protection of the shareholders.

Shareholders who are not Authorized Participants will have no right to purchase or redeem their Shares directly from or to the Funds. Instead, such shareholders will continue to have the ability to purchase or sell their Shares on an exchange.

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<sup>18</sup> ETPs that invest in commodity contracts traded on the LME commonly adopt an order cut-off time prior to the close of regular trading on the LME (5 p.m., London time, or 12 p.m. Eastern time) in order to permit sufficient time to conduct necessary trading on the LME in response to creation and redemption activity. See, e.g., PowerShares DB Commodity Index Tracking Fund (DBC) (order cut-off time of 10:00 a.m., Eastern time) and United State Commodity Index Fund (USCI) (order cut-off time of the earlier of 10:30 a.m., Eastern time, or the close of regular trading on the NYSE Arca). Although Authorized Participants who place creation or redemption orders are exposed to market movements until the ETPs' NAV is struck (typically, 4 p.m., Eastern time), they are able to hedge their exposure such that they are willing and able to engage in creation and redemption activity for the purpose of capturing arbitrage opportunities.

### Net Asset Value

According to the Registration Statement, a Fund's NAV is calculated as of the close of the exchange on which it trades, on each day that such exchange is open. NAV per Share is computed by dividing the value of all assets of a Fund (including any accrued interest and dividends), less all liabilities (including accrued expenses and distributions declared but unpaid), by the total number of Shares outstanding. Each Fund publishes its NAV on its website on a daily basis, rounded to the nearest cent.

For purposes of determining the NAV of a Fund, portfolio instruments will be valued using prices provided primarily by independent pricing services approved by the Manager. A Fund's Commodity Futures generally will be valued at their final settlement price, if available, as determined by the principal exchange on which they are traded. Non-exchange traded instruments pledged as collateral will generally be valued using prices provided by independent pricing services, or prices may be obtained from other sources, such as broker-dealer quotations. Independent pricing services typically value non-exchange traded instruments using a range of market-based inputs and assumptions. For example, when available, pricing services may utilize inputs such as benchmark yields, reported trades, broker-dealer quotes, spreads, and transactions for comparable instruments. In pricing certain instruments, the pricing services may consider information about an instrument's issuer or market activity provided by the Manager. Independent pricing service valuations of non-exchange traded instruments represent the service's good faith opinion as to what the holder of an instrument would receive in an orderly transaction for an institutional round lot position under current market conditions. It is possible that these valuations could be materially different from the value that a Fund realizes upon the sale of an instrument.

If the pricing services are unable to price an instrument, if the Manager deems the pricing services valuation to be unreliable, or if a significant event occurs such that the valuation provided is deemed unreliable, a Fund may value portfolio instruments(s) at their fair value, which is generally the amount that a Fund might reasonably expect to receive upon the current sale or closing of a position. The fair value of an instrument is based on the Manager's good faith judgment and may differ from subsequent quoted or published prices. For example, events may occur after the close of the relevant market but prior to the time as of which a Fund's NAV is calculated, which materially impact the instrument's value, and the fair value on a given day would take such events into account.

### Availability of Information Regarding the Shares

The website for the Funds, <http://www.nuveen.com/CommodityInvestments>, will be publicly accessible at no charge and, following the Conversion, will contain the following information for each Fund, updated daily: (a) the prior business

day's NAV and the reported closing price or mid-point of the bid/ask spread at the time of calculation of such NAV (the "Bid/Ask Price")<sup>19</sup>; (b) calculation of the premium or discount of the closing price or Bid/Ask Price against the NAV; (c) data in chart format displaying the frequency of the discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters; (d) the prospectus; and (e) other applicable quantitative information.

After the Conversion, on each business day before commencement of trading in Shares on the Exchange, each Fund will disclose on its website the Disclosed Portfolio that will form the basis for a Fund's calculation of NAV at the end of the business day.<sup>20</sup>

Each Fund's portfolio holdings (as of the previous day's close) will also be disclosed and updated on the Funds' website on each business day that the Exchange is open for trading. Such disclosure of the Funds' portfolio holdings will include, as applicable to the type of holding: ticker symbol, name or other identifier, if any; a description of the holding (including the type of holding, such as the type of futures contract); the identity of the security, commodity or other asset or instrument underlying the holding, if any; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in a Fund's portfolio. The values of each Fund's portfolio holdings will, in each case, be determined in accordance with the Funds' valuation policies.

The daily settlement prices for the Commodity Futures contracts are publicly available on the websites of the futures exchanges trading the particular contracts. Various data vendors and news publications publish futures prices and data. The Exchange represents that futures quotes and last sale information for the commodity contracts are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, the Exchange further represents that complete real-time data for such futures is available by subscription from Reuters and Bloomberg. The relevant futures exchanges also provide delayed futures contract information on current and past trading sessions

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<sup>19</sup> The Bid/Ask Price of the Funds' Shares will be determined using the midpoint of the highest bid and the lowest offer on the Exchange as of the time of calculation of a Fund's NAV. The records relating to Bid/Ask Prices will be retained by the Funds and their service providers.

<sup>20</sup> Under accounting procedures followed by the Funds, trades made on the prior business day ("T") will be booked and reflected in NAV on the current business day ("T+1"). Accordingly, the Funds will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

and market news free of charge on their respective websites. The contract specifications for the futures contracts are also available from the futures exchanges on their websites as well as other financial informational sources.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Quotation and last sale information for the Shares will be available via the Consolidated Tape Association ("CTA") high-speed line. Price information for Collateral will be available from major market data vendors. In addition, the Intraday Indicative Value ("IIV")<sup>21</sup> will be widely disseminated at least every 15 seconds during trading on the Exchange by one or more major market data vendors.<sup>22</sup> The dissemination of the IIV, together with the Disclosed Portfolio, will allow investors to determine the value of the underlying portfolio of a Fund and provide a close estimate of that value throughout the trading day. In addition, a Basket composition file, which includes the names and weights of the instruments required to be delivered in exchange for a Fund's Basket, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the Exchange.

As described above, the NAV for each Fund will be calculated and disseminated daily. The Manager has represented to the Exchange that the NAV and all portfolio holdings will be disseminated to all market participants at the same time. The Exchange will also make available on its website daily trading volume, closing prices, and the NAV. The closing price and settlement prices of the futures contracts held by the Funds are also readily available from the relevant futures exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. In addition, the Exchange will provide a hyperlink on its website to the Funds' website.

As noted above, the NAV of each Fund will be calculated once each trading day

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<sup>21</sup> The IIV is an approximate per Share value of a Fund's portfolio holdings, which is disseminated every fifteen seconds throughout the trading day by one or more market data vendors. The IIV will be based on the current market value of a Fund's Disclosed Portfolio. The IIV does not necessarily reflect the precise composition of the current portfolio holdings of a Fund at a particular point in time. The IIV should not be viewed as a "real-time" update of the NAV of a Fund because the approximate value may not be calculated in the same manner as the NAV. The quotations for certain investments may not be updated during U.S. trading hours if such holdings do not trade in the U.S., except such quotations may be updated to reflect currency fluctuations.

<sup>22</sup> It is the Exchange's current understanding that several major market data vendors display and/or make widely available IIVs taken from CTA or other data feeds.

shortly after 4:00 p.m. ET. The NAV will be disclosed on the Funds' website and the Exchange's website.

### Criteria for Continued Listing

The Funds will be subject to the criteria in Rule 1602 for continued listing of the Shares. A minimum of 100,000 Shares of a Fund will be required to be outstanding at the start of trading upon such Fund's Conversion. The Exchange believes that the anticipated minimum number of shares outstanding at the start of trading upon the Conversions is sufficient to provide adequate market liquidity and to further each Fund's objectives. Each Fund has represented to the Exchange in its Prior Release, and continues to represent here, that, for continued listing of the Shares, it will be in compliance with Section 803 of the NYSE MKT Company Guide (Independent Directors and Audit Committee) and Rule 10A-3 under the Act.<sup>23</sup>

### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to NYSE MKT Rules governing the trading of equity securities, including, among others, rules governing priority, parity and precedence of orders, DMM responsibilities and account opening and customer suitability (NYSE MKT Rule 405).

Shares of each Fund will trade on the Exchange until 4 p.m. ET each business day and will trade in the minimum price variants established under NYSE MKT Rule 62. Trading rules pertaining to odd-lot trading in NYSE MKT equities (NYSE MKT Rule 124) will also apply.

The Exchange states that NYSE MKT Rule 15A complies with Rule 611 of Regulation NMS, which requires, among other things, that the Exchange adopt and enforce written policies and procedures that are reasonably designed to prevent trade-throughs of protected quotations. The trading of the Shares will be subject to certain conflict of interest provisions set forth in NYSE MKT Equities Rule 1604.

According to NYSE MKT Rule 1602, trading in Shares of a Fund will be halted if the circuit breaker parameters of NYSE MKT Rule 80B have been reached. In addition, 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: (a) the extent to which trading is not occurring in the underlying futures contracts; or (b) 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

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<sup>23</sup>

17 CFR 240.10A-3.

pursuant to the Exchange's "circuit breaker" rule or by the halt or suspension of the trading of the underlying futures contracts.

In exercising its discretion to halt or suspend trading in the Shares, the Exchange may consider all factors, such as those set forth in NYSE MKT Rule 953NY(a), in addition to other factors that also may be relevant. In particular, if the portfolio holdings and NAV per Share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or NAV per Share occurs.

### Information Circular

The Exchange will distribute an Information Circular ("Circular") to its members in connection with the trading of the Shares. The Circular will discuss the special characteristics and risks associated with trading this type of security. Specifically, the Circular, among other things, will discuss: (i) what the Shares are; (ii) NYSE MKT Rule 405, which imposes a duty on member organizations to have a reasonable basis to believe that a customer is suitable for the particular investment prior to recommending to customers transactions in the Shares; (iii) the procedures for purchases and redemptions of Shares in Baskets (and that Shares are not individually redeemable); (iv) how information regarding the IIV and the Disclosed Portfolio is disseminated; (v) the requirement that members and member firms deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; (vi) applicable NYSE MKT rules; and (vii) trading information.

The Circular will also explain that each Fund is subject to various fees and expenses described in its Registration Statement. The Circular will also reference the fact that there is no regulated source of last sale information regarding physical commodities and the respective jurisdictions of the Commission and CFTC over the trading of physical commodities.

The Circular will also discuss any exemptive, no-action and interpretive relief granted by the Commission or the staff from any rules under the Act. The Circular will disclose that the NAV for Shares will be calculated shortly after 4:00 p.m. ET each trading day.

### Surveillance

The Exchange represents that, upon conversion of the Funds, trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market 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>24</sup>

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<sup>24</sup>

FINRA conducts cross-market surveillances on behalf of the Exchange pursuant

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 federal securities laws applicable to trading on the Exchange.

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.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares and Commodity Futures with other markets that are members of the ISG, and the Exchange or FINRA on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and Commodity Futures from such markets. In addition, the Exchange may obtain information regarding trading in the Shares and Commodity Futures from markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>25</sup>

Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the ISG or a market with which the Exchange has in place a comprehensive surveillance sharing agreement.

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

All statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules and surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Funds are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Sections 1001 through 1010 of the NYSE

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to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

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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 Disclosed Portfolio may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

MKT Company Guide.

Except for the changes noted above, all other facts presented and representations made in the Prior Releases are unchanged.

(b) Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>26</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 amendments to NYSE MKT Rules 1600 et seq. 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 Conversions will be made in a fair and orderly manner, as each Fund largely will be structured following its Conversion in the same way as it was before its Conversion: it will remain a commodity pool; shareholders will continue to own the same Shares of a Fund as they owned prior to the Conversion (i.e., there is no forced redemption of currently outstanding Shares, which will continue to be listed and traded on the Exchange); and shareholders will continue to be able to buy and sell Shares of each Fund on the Exchange throughout each business day at then prevailing market prices.

The Exchange believes that the Conversion is consistent with the Act in that the only significant change in the operation of the Funds from that described in the Prior Releases is that each Fund will issue and redeem Shares using a creation/redemption process. The shareholders of each Fund have approved each Fund's Conversion. Prior to the date of the Conversions, the Manager expects to engage multiple Authorized Participants with respect to the Funds, which the Manager believes will increase the trading volume of the Shares, and reduce the Shares' discount to NAV. The Manager represents that it believes that, by converting each Fund into an ETP structure that utilizes a creation/redemption process, Shares of each Fund are likely to trade at prices equal to or near NAV. The Manager also expects that the price at which Shares trade will be disciplined by arbitrage opportunities created by the option to continually purchase or redeem Creation Units at their NAV. The Manager believes that there will be a positive impact to this arbitrage mechanism as a result of the conversion from a closed-end structure to one that implements a creation and redemption process, and that investors in the Funds' Shares will benefit from the increased likelihood of a closer alignment between the Funds' Share prices and their NAV. Moreover, the

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<sup>26</sup>

15 U.S.C. 78f(b)(5).



proposed amendments to the definition of Trust Units in NYSE MKT Rule 1600(b) to provide for continuous issuance and redemption, the addition of requirements relating to the Disclosed Portfolio in NYSE MKT Rule 1600(b)(iii) and the IIV in NYSE MKT Rule 1600(b)(iv), would provide an additional level of transparency and enhanced pricing information for Trust Units comparable to requirements applicable to certain other ETPs, such as Managed Fund Shares.

Proposed Commentary .04 to Rule 1600 would provide that, if an issuer's adviser is affiliated with a broker-dealer, the broker-dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. The proposed amendments to Rule 1602(a)(ii) will provide that the Exchange will obtain a representation from the issuer of each series of Trust Units that the Disclosed Portfolio as well as the NAV will be made available to all market participants at the same time. Rule 1602(b)(ii) will provide for trading halt procedures comparable to those applied to certain other ETPs, including if the circuit breaker parameters have been reached or if the Disclosed Portfolio, the NAV per Share, or the IIV are not being disseminated as required. Proposed new Rule 1602(b)(iii) would provide that each series of Trust Units will be listed and/or traded subject to application of specified continued listing criteria, including that the IIV for shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Exchange, that the Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time; and 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. The proposed amendment to Commentary .01 to Rule 1602, which currently provides that the Exchange will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios, would add to Commentary .01 that all statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures must be complied with on a continuing basis and the issuer of such issue of Trust Units must notify the Exchange of any material noncompliance with such statements and representations; and that the Exchange will consider the suspension of trading and delisting (if applicable) of an issue of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance. The proposed amendment to Commentary .01 to Rule 1602 is intended to ensure that all representations in any Exchange filing pursuant to Section 19(b) of the Act regarding listing and trading an issue of Trust Units will be complied with continuously, and, therefore, such amendment would further investor protection and the public interest. The text of NYSE MKT Rule 1603 would be deleted because it is obsolete, as described above. The proposed amendments to Rule 1605 would make clearer the financial instruments that would be covered by the

rule's limitation of liability provisions.

With respect to the Shares, the proposed rule changes are designed to promote just and equitable principles of trade and to protect investors and the public interest. The Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in Rules 1600 *et seq.* All of the commodity futures contracts in which the Funds will invest will be traded on regulated exchanges. The Funds will not invest in options on commodity futures contracts, swaps, or over-the-counter derivatives. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange may obtain information regarding trading in the Shares and Commodity Futures from markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the ISG or a market with which the Exchange has in place a comprehensive surveillance sharing agreement.

The daily settlement prices of the futures contracts held by the Funds are readily available from the websites 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 websites. Quotation and last-sale information for the Shares will be available via CTA. In addition, the Funds' website will display each Fund's daily NAV. An up-to-date value for each Fund's respective Index will be available through Bloomberg and other market data vendors every 15 seconds. The Funds' portfolio holdings will be disclosed on the Funds' website daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. Each of the Manager, SG, the Commodity Subadviser, and the Collateral Subadviser has erected and maintains firewalls within its respective institution to prevent the flow and/or use of non-public information regarding the portfolio of underlying instruments from the personnel involved in the development and implementation of the investment strategy to others such as sales and trading personnel. In addition, the Commodity Subadviser, the Collateral Subadviser, any subadviser of either, and the respective related personnel of both are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics.

Each issuer of Shares has represented that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. In addition, a large amount of information is (and after the Conversion, will continue to be) publicly available regarding the Funds and the Shares, thereby promoting market transparency. Moreover, the IIV applicable to each Fund will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Funds trade on

the Exchange. On each business day, before commencement of trading in Shares on the Exchange, each Fund will disclose on its website the Disclosed Portfolio that will form the basis for that Fund's calculation of NAV at the end of the business day. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The website for the Funds will include the prospectus for each Fund and additional data relating to NAV and other applicable quantitative information. Moreover, as discussed previously, the Exchange will inform its member organizations in an Information Circular of the special characteristics and risks associated with trading the Shares prior to the commencement of trading.

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 continued listing and trading of additional types of actively managed ETPs 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 in place a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding each Fund's holdings, the IIV, the Disclosed Portfolio, and quotation and last-sale information for the Shares.

As noted above, the Manager expects that the Conversions will have the effect of further narrowing the discount in each Fund's Share price as compared to its NAV, and, since the Conversion Plan Announcement, each Fund has traded at a substantially reduced discount to NAV, which suggests that the Conversion will achieve its intended purpose, to the benefit of shareholders. A delay in Commission approval may create market uncertainty by creating additional delays in the implementation date for the Conversion. The Exchange, therefore, believes that expeditious Commission approval would further the interests and expectations of investors, who have already approved the Conversion.

4. 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 continued listing and trading of an additional type of ETP and that will enhance competition among market participants, to the benefit of investors and the marketplace.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 - Form of Notice of Proposed Rule Change for Federal Register

Exhibit 4 - Additions and Deletions from SR-NYSEMKT-2016-58, Exhibit 5 as originally filed

Exhibit 5 - Proposed Amended Rules 1600 et. seq.

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NYSEMKT-2016-58; Amendment No. 1)

[Date]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing of Proposed Rule Change Relating to Amendments to NYSE MKT Rules 1600 et seq. and to Changes to the Names and Operation of the Nuveen Diversified Commodity Fund and the Nuveen Long/Short Commodity Total Return Fund

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 September 2, 2016, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) 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 self-regulatory organization. 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 NYSE MKT Rules 1600 et seq. (Trading of Trust Units), pursuant to which the Exchange currently lists and trades shares of the Nuveen Diversified Commodity Fund (the “Diversified Fund”) and the Nuveen Long/Short Commodity Total Return Fund (the “Long/Short Fund,” with the Diversified Fund and the Long/Short Fund each being referred to herein as a “Fund,” and collectively, as the “Funds”), and to reflect changes to the names and operation of the

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<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.

Funds, as described herein. The proposed rule change is available on the Exchange's website 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend NYSE MKT Rules 1600 et seq. (Trading of Trust Units), pursuant to which the Exchange currently lists and trades shares ("Shares") of the Funds.<sup>4</sup> In addition, the Exchange proposes to (1) reflect changes to the operation

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<sup>4</sup> The Commission approved listing and trading of Shares of the Funds on the Exchange in Securities Exchange Act Release Nos. 61807 (March 31, 2010), 75 FR 17818 (April 7, 2010) (SR-NYSEAmex-2010-09) (order approving amendments to NYSE Amex LLC Rule 1600 and listing and trading of shares of the Nuveen Diversified Commodity Fund) ("Prior Diversified Order"); and 67223 (June 20, 2012) (SR-NYSEAmex-2012-24) (order approving listing and trading on NYSE Amex LLC of shares of the Nuveen Long/Short Commodity Total Return Fund under NYSE Amex LLC Rule 1600) ("Prior Long/Short Order"). See also Securities Exchange Act Release No. 61571 (February 23, 2010), 75 FR 9265 (March 1, 2010) (SR-NYSE Amex-2010-09) (notice of filing of proposed rule change amending NYSE Amex LLC Trust Unit rules and proposing the listing of the Nuveen Diversified Commodity Fund) (the "Prior Diversified Notice" and, together with the Prior Diversified Order, the "Prior Diversified Release"); and Securities Exchange Act Release No. 66887 (May 1, 2012), 77 FR

of the Funds, as described herein, and (2) permit the continued listing and trading of Shares of the Funds on the Exchange pursuant to NYSE MKT Rules 1600 et seq., as proposed to be amended, following changes to the operation of the Funds, as described below.<sup>5</sup>

The Funds are currently structured as actively managed closed-end commodity pools. On December 19, 2014, Nuveen Investments, parent company of Nuveen Commodities Asset Management, LLC (the “Manager”), announced (the “Conversion Plan Announcement”) that the Manager had approved a plan to convert the Funds into exchange-traded products (“ETPs”) that utilize a creation/redemption mechanism, subject to approval by shareholders of each Fund (such plan, with respect to each Fund, is referred to herein as the “Conversion,” and collectively, the “Conversions”). Subsequently, at meetings of shareholders in 2015, shareholders of each Fund likewise approved the Conversions. The purpose of the Conversions, which would implement a process for continual creation and redemption of Shares at net asset value (“NAV”) after receipt of an order in proper form on any business day (as described below), is to

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26798 (May 7, 2012) (SR-NYSEAmex-2012-24) (notice of filing of proposed rule change relating to listing Nuveen Long/Short Commodity Total Return Fund under NYSE Amex LLC Rule 1600) (the “Prior Long/Short Notice” and, together with the Prior Long/Short Order, the “Prior Long/Short Release,” with the Prior Diversified Release and the Prior Long/Short Release each being referred to herein as a “Prior Release,” and collectively, as the “Prior Releases”).

<sup>5</sup> See, for the Diversified Fund, Pre-Effective Amendment No. 1 to the registration statement on Form S-3 (File No. 333-205590), filed on November 30, 2015; see also, for the Long/Short Fund, Pre-Effective Amendment No. 1 to the registration statement on Form S-3 (File No. 333-205587), filed on November 30, 2015 (collectively referred to herein as the “Registration Statement”).

This Amendment No. 1 to SR-NYSEMKT-2016-58 replaces SR-NYSEMKT-2016-58 as originally filed and supersedes such filing in its entirety.

promote the trading of the Funds' Shares at prices equal to or near their NAV. Indeed, since the Conversion Plan Announcement, each Fund has traded at a substantially reduced discount to NAV,<sup>6</sup> which suggests that the Conversion will achieve its intended purpose, to the benefit of shareholders.

Accordingly, the Exchange proposes to amend NYSE MKT Rules 1600 et seq. to accommodate the implementation of continual creation and redemption of shares of Trust Units listed or traded pursuant to Rules 1600 et seq. in the manner set forth above. The proposed amendments to Rules 1600 et seq. will provide that Trust Units, which include Shares of the Funds, will be issued and redeemed on a continuous basis in specified aggregate amounts at NAV next determined.

Amendments to NYSE MKT Rules 1600 et seq.

To achieve the foregoing changes, the Exchange proposes to amend NYSE MKT Rules 1600 et seq. as described below. NYSE MKT Rule 1600 defines a Trust Unit as a security that is issued by a trust ("Trust") or other similar entity that is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, and/or commodities. The Exchange proposes to amend Rule 1600 in several respects.

First, the Exchange proposes amending Rule 1600(b)(i) to delete reference to Section 1(a)(4) of the Commodity Exchange Act ("CEA") and to state that the term "commodity" is defined in Section 1(a)(9) of the CEA. Section 1(a)(4) of the CEA was

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<sup>6</sup> From December 18, 2014, to March 9, 2016, the discount to NAV has been reduced for the Diversified Fund from 18.02% to 5.11% and for the Long/Short Fund from 19.80% to 3.75%.



renumbered as Section 1(a)(9) under amendments adopted under the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>7</sup> Next, the Exchange proposes amending Rule 1600(b)(ii) to: (1) add the phrase “and/or securities” to the enumerated financial instruments in which Trust Units may invest (proposed Rule 1600(b)(i))<sup>8</sup>; and (2) provide that Trust Units are issued and redeemed continuously in specified aggregate amounts at the NAV next determined (proposed Rule 1600(b)(ii)).

The Exchange also proposes adding new rules. Proposed NYSE MKT Rule 1600(b)(iii) would define “Disclosed Portfolio” as the identities and quantities of the assets held by a Trust that will form the basis for that Trust’s calculation of the NAV at the end of the business day. Proposed Rule 1600(b)(iv) would define “Intraday Indicative Value” as the estimated indicative value of a Trust Unit based on current information regarding the value of the assets in the Disclosed Portfolio.

Proposed Rule 1600(b)(v) would define “Reporting Authority” as, in respect of a particular series of Trust Units, the Exchange, an institution, or a reporting or information service designated by the Trust or the Exchange or by the exchange that lists a particular series of Trust Units (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, (i) the Intraday Indicative Value, (ii) the Disclosed Portfolio, (iii) the amount of any cash distribution to holders of Trust Units, (iv) NAV, and (v) other information relating to the issuance, redemption, or trading of Trust Units.

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<sup>7</sup> 12 U.S.C. 5301 et seq.

<sup>8</sup> This proposed provision is identical to the definition of Trust Units in NYSE Arca Equities Rule 8.500(b)(2).

A series of Trust Units may have more than one Reporting Authority, each having different functions.<sup>9</sup>

Proposed Commentary .04 to Rule 1600 would provide that, if a Trust's advisor is affiliated with a broker-dealer, the broker-dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the applicable portfolio.

The Exchange proposes to amend Rule 1602(a)(ii) to provide that the Exchange will obtain a representation from the issuer of each series of Trust Units that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. Additionally, the Exchange proposes amendments to Rule 1602(b)(ii) to replace the term "portfolio holdings" with "Disclosed Portfolio" and to provide that, if the Exchange becomes aware that the Disclosed Portfolio or NAV per share with respect to a series of Trust Units is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the Disclosed Portfolio or NAV per share is available to all market participants. Proposed Rule 1602(b)(iii) would provide that each series of Trust Units will be listed and/or traded subject to application of the following criteria: (1) the Intraday Indicative Value for shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Exchange; (2) the Disclosed Portfolio will be disseminated at

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<sup>9</sup> Proposed Rules 1600(b)(iii)-(v) are substantively similar to the current NYSE Arca Equities Rules 8.600(c)(2)-(4).

least once daily and will be made available to all market participants at the same time; and (3) 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>10</sup>

The Exchange proposes to amend Commentary .01 to Rule 1602, which provides that the Exchange will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios. The Exchange proposes to add to Commentary .01 that all statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures shall be complied with on a continuing basis and the issuer of such issue of Trust Units shall notify the Exchange of any material noncompliance with such statements and representations. The Exchange will consider the suspension of trading and delisting (if applicable) of an issue of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance.

The Exchange also proposes to delete the text of current NYSE MKT Rule 1603, which is obsolete,<sup>11</sup> and to amend NYSE MKT Rule 1605 to provide that none of the

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<sup>10</sup> These proposed amendments and rule additions are substantively similar to the current NYSE Arca Equities Rule 8.600(d).

<sup>11</sup> NYSE MKT Rule 1603 would be reserved. Current Rule 1603 provides that if a Designated Market Maker (“DMM”) is operating under Rule 98 (Former) - Equities, Rule 105(b) (Former) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit a DMM, his or her member organization, other member, or approved person of such member organization or employee or

Exchange, the Reporting Authority or any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the Disclosed Portfolio; any value of underlying futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities; the current value of positions or interests if required to be deposited to the Trust in connection with issuance of Trust Units; NAV; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by the Exchange, the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or any agent of the Exchange, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units, futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.<sup>12</sup>

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officer thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any related derivative. The Exchange has deleted NYSE MKT Rule 98 (former). See Securities Exchange Act Release No. 72535 (July 3, 2014), 79 FR 39024 (July 9, 2014) (SR-NYSEMKT-2014-22), in which the Exchange stated that “[a]ll DMMs are now approved to operate under Rule 98 and are no longer subject to ‘Rule 98 (former)’”. The Exchange deleted NYSE MKT Rule 105 in SR-NYSEMKT-2012-68. See Securities Exchange Act Release No. 68306 (November 28, 2012), 77 FR 71846 (December 4, 2012) (notice of filing and immediate effectiveness of proposed rule change amending Exchange rules to delete obsolete and outdated rules).

<sup>12</sup> Proposed NYSE MKT Rule 1605, as amended, is substantively similar to current NYSE Arca Equities Rule 8.600(e).

### Description of the Funds

As set forth in each Fund's respective Prior Release, each Fund is a commodity pool managed by the Manager. The Manager is a Delaware limited liability company that is registered as a commodity pool operator (the "CPO") with the Commodity Futures Trading Commission ("CFTC"). The Manager is a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen Investments"), which is an indirect wholly-owned subsidiary of TIAA, a national financial services organization. The Manager is responsible for determining the Funds' overall investment strategies and overseeing their implementation. The Manager also manages the Funds' business affairs and provides certain legal, accounting and other administrative services to the Funds.

Also as described in the Prior Releases, Gresham Investment Management LLC (the "Commodity Subadviser"), an affiliate of the Manager, manages each Fund's commodity futures investment strategy (which is described more fully below). The Commodity Subadviser is a Delaware limited liability company and is registered with the CFTC as a commodity trading advisor and as a CPO, and is a member of the National Futures Association ("NFA"). The Commodity Subadviser also is registered with the Commission as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

As set forth in the Prior Releases, Nuveen Asset Management, LLC (the "Collateral Subadviser" and, together with the Commodity Subadviser, the "Subadvisers"), an affiliate of the Manager, manages each Fund's investments in U.S. government securities, other short-term, high grade fixed income securities and cash

equivalents (“collateral”). The Collateral Subadviser is registered with the Commission as an investment adviser under the Advisers Act.

As the Commodity Subadviser and the Collateral Subadviser are each registered as investment advisers under the Advisers Act, the Subadvisers and their respective related personnel are (and any future subadviser to the Funds will be) subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of their relationship to clients, as well as their 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 detect and 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 of the adequacy of the policies and procedures described in clause (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering such policies and procedures.

State Street Bank and Trust Company (“State Street” or the “Transfer Agent”) serves as transfer agent, registrar for the Shares, and custodian and administrator of the assets of each Fund, pursuant to which it performs NAV calculations, accounting and other fund administrative services, and, after the Conversions, it also will receive and

process orders from Authorized Participants to create and redeem an aggregate of Shares of each Fund (“Baskets”).

#### Current Operation of the Funds Prior to Conversion

*Diversified Fund.* As described in the Prior Diversified Release, the Fund’s current investment objective is to generate attractive risk-adjusted total returns as compared to investments in commodity indexes.

Currently, the Fund pursues its investment objective by utilizing: (a) an actively managed rules-based commodity investment strategy, whereby the Fund invests in a diversified basket of commodity futures and forward contracts with an aggregate notional value substantially equal to the net assets of the Fund; and (b) an options strategy designed to moderate the overall risk and return characteristics of the Fund’s commodity investments, pursuant to which the Fund writes (sells) “out-of-the-money” commodity call options to obtain option premium cash flow, on individual futures and forward contracts, on baskets of commodities or on broad based commodity indices.

Currently, as described in the Prior Diversified Release, the Fund typically: (i) invests in commodity futures and forward contracts<sup>13</sup> that are traded either on U.S. or non-U.S. commodity futures exchanges; and (ii) sells call options on commodity futures and forward contracts that are traded either on U.S. or non-U.S. exchanges. The Fund may also purchase put options on commodity futures and forward contracts that are traded either on U.S. or non-U.S. exchanges or may purchase OTC commodity put options through dealers pursuant to negotiated, bi-lateral arrangements. The Fund invests

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<sup>13</sup> While forward contracts generally are traded over the counter (“OTC”), “forward contracts” in this context refer to contracts that are traded on the London Metal Exchange and operate substantially as futures contracts. As such, all of the contracts in which the Diversified Fund invests are exchange-traded.

in commodity futures and forward contracts, options on commodity futures and forward contracts and over-the-counter commodity options in the following commodity groups: energy, industrial metals, precious metals, livestock, agriculturals, and tropical foods and fibers. The Fund also may invest in other commodity contracts that are presently, or may hereafter become, the subject of commodity futures trading. Except for certain limitations described below, there are no restrictions or limitations on the specific commodity investments in which the Fund may invest.

As stated in the Prior Diversified Release, to support its commodity investments, the Fund maintains collateral that is invested in short-term debt instruments with maturities of up to two years that, at the time of investment, are investment grade quality, including obligations issued or guaranteed by the U.S. government or its agencies and instrumentalities, as well as corporate obligations and asset-backed securities.

Currently, to achieve the Fund's investment objective, the Fund invests on a notional basis substantially all of its assets in commodity futures and forward contracts pursuant to the Commodity Subadviser's Tangible Asset Program ("TAP"), an actively managed, rules-based<sup>14</sup> commodity investment strategy. TAP is fundamental in nature and is designed to maintain consistent, fully collateralized exposure to commodities as an asset class. TAP does not require the existence of price trends in order to be successful.

Pursuant to the Fund's risk management program, the Fund writes (or sells) commodity call options that may be up to 20% "out-of-the-money" on a continual basis on up to approximately 50% of the notional value of each of its commodity futures and

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<sup>14</sup> Pursuant to TAP® the Fund invests in commodity futures and forward contracts, for commodities in each of the following groups: energy, industrial metals, precious metals, livestock, agriculturals, and tropical foods and fibers.



forward contract positions that have sufficient option trading volume and liquidity. The Commodity Subadviser writes call options on individual futures and forward contracts held by the Fund, on baskets of commodities or on broad based commodity indices.

According to the Prior Diversified Release, in order to seek protection against significant asset value declines, the Fund may from time to time purchase “out-of-the-money” put options on broad-based commodity indices such as the DJ-UBS Commodity Index® (subsequently renamed the Bloomberg Commodity Index), the S&P GSCI Commodity Index, or on certain custom indices, whose prices are expected to closely correspond to a substantial portion of the long commodity futures and forward contracts held by the Fund. The Fund also may purchase put options on baskets of commodities and on individual futures and forward contracts held by it.

According to the Prior Diversified Release, the Fund intends to make monthly distributions to its shareholders (stated in terms of a fixed cents per share distribution rate) based on past and projected performance of the Fund. The Fund seeks to establish a distribution rate that roughly corresponds to the Manager’s projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time, although the distribution rate will not be solely dependent on the amount of income earned or capital gains realized by the Fund. The Fund’s ability to make regular monthly distributions depends on a number of factors, including, most importantly, the long-term total returns generated by the Fund’s portfolio investments and the risk management program.

*Long/Short Fund.* As described in the Prior Long/Short Release, the Fund's current investment objective is to generate attractive total returns. The Fund is actively managed and seeks to outperform its benchmark, the Morningstar Long/Short Commodity Index.

The Fund's investment strategy utilizes the Commodity Subadviser's long/short commodity investment program, which has three principal elements:

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

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

According to the Prior Long/Short Release, this long/short commodity investment program is an actively managed, fully collateralized, rules-based commodity investment strategy that seeks to capitalize on opportunities in both up and down commodity markets. The Fund invests in a diverse portfolio of exchange-traded commodity futures contracts with an aggregate notional value substantially equal to the net assets of the Fund. The Fund makes investments in the most actively traded commodity futures

contracts in the four main commodity sectors in the global commodities markets: energy; agriculture; metals; and livestock.

During temporary defensive periods or during adverse market circumstances,<sup>15</sup> the Fund may deviate from its investment objective and policies. The Subadvisers may invest 100% of the total assets of the Fund in short-term, high-quality debt securities and money market instruments to respond to adverse market circumstances. The Fund may invest in such instruments for extended periods, depending on the Commodity Subadviser's assessment of market conditions. These debt securities and money market instruments may include shares of mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities, repurchase agreements, and bonds that are rated AAA. Generally, the program rules are used to determine the specific commodity futures contracts in which the Fund invests, the relative weighting for each commodity, and whether a position is either long or short (or flat in the case of energy futures contracts). The Fund invests in those commodity futures contracts and option contracts that are listed on an exchange with the greatest dollar volume traded in those contracts.

The Fund also currently employs a commodity option writing strategy that seeks to produce option premiums for the purpose of enhancing the Fund's risk-adjusted total return over time. Pursuant to the options strategy, the Fund may sell commodity call or put options, which are all exchange-traded, on a continual basis on up to approximately 25% of the notional value of each of its corresponding commodity futures contracts that,

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<sup>15</sup> Adverse market circumstances would include large downturns in the broad market value of two or more times current average volatility, where the Commodity Subadviser views such downturns as likely to continue for an extended period of time.

in the Commodity Subadviser's determination, have sufficient option trading volume and liquidity. According to the Prior Long/Short Release, if the Commodity Subadviser buys the commodity futures contract, it will sell a call option on the same underlying commodity futures contract. If the Commodity Subadviser shorts the commodity futures contract, it will sell a put option on the same underlying commodity futures contract (except in the case of energy futures contracts).

When initiating new trades, the Fund expects to sell covered in-the-money options. Because the Fund holds options until expiration, the Fund may have uncovered out-of-the-money options in its portfolio depending on price movements of the underlying futures contracts.

Generally, the Fund expects to sell short-term commodity options with terms of one to three months. Subject to the foregoing limitations, the implementation of the options strategy is within the Commodity Subadviser's discretion. Over extended periods of time, the "moneyness" of the commodity options may vary significantly. Upon sale, the commodity options may be "in-the-money," "at-the-money," or "out-of-the-money."

The Commodity Subadviser will employ a proprietary methodology in assessing commodity market movements and in determining the Fund's long/short commodity futures positions. Generally, the Commodity Subadviser will employ momentum-based modeling (quantitative formulas that evaluate trend relationships between the changes in prices of futures contracts and trading volumes for a specific commodity) to estimate forward-looking prices and to evaluate the return impact of futures contract rolls. To determine the direction of the commodity futures position, either long or short (or flat in the case of energy futures contracts), the Commodity Subadviser will calculate a roll-

adjusted price that accounts for the current spot price and the impact of roll yield. The Commodity Subadviser may exercise discretion in its long/short decisions and the timing and implementation of the Fund's commodity investments to seek to benefit from trading on commodity price momentum.

According to the Prior Long/Short Release, the Fund's commodity investments will, at all times, be fully collateralized (i.e., the "notional value"—the value of the underlying commodity at the contract's spot price—of the Fund's commodity exposure will not exceed the market value of the Fund's net assets). The Fund's commodity investments generally do not require significant outlays of principal. Approximately 25% of the Fund's net assets are used to secure the futures contracts.<sup>16</sup> These assets are placed in one or more commodity futures accounts and will be held in cash or invested in U.S. Treasury bills and other direct or guaranteed debt obligations of the U.S. government maturing within less than one year at the time of investment.

The remaining collateral (approximately 75% of the Fund's net assets) are held in a separate collateral investment account managed by the Collateral Subadviser. Such assets are invested in cash equivalents or short-term debt securities with final terms not exceeding one year at the time of investment. These collateral investments shall be rated at all times at the applicable highest short-term or long-term debt or deposit rating

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<sup>16</sup> Such assets will be committed as "initial" or "variation" margin. Initially, when a Fund invests in a commodity futures contract, it will be required to deposit an amount of cash equal to a specified percentage of the contract amount. This amount is known as "initial margin." The margin deposit is intended to ensure completion of the contract if it is not terminated prior to the specified delivery date. Minimum initial margin requirements are established by the futures exchanges and may be revised. Subsequent payments, called "variation margin," will be made on a daily basis as the price of the underlying commodity fluctuates, making the futures contract more or less valuable, a process known as marking the contract to market.

or money market fund rating as determined by at least one nationally recognized statistical rating organization. These collateral investments consist primarily of direct and guaranteed obligations of the U.S. government and senior obligations of U.S. government agencies and may also include, among others, money market funds and bank money market accounts invested in U.S. government securities, as well as repurchase agreements collateralized with U.S. government securities.

According to the Prior Long/Short Release, the potential Fund investments in futures contracts and options on such futures contracts are traded on U.S. and non-U.S. exchanges, including the Chicago Board of Trade (“CBOT”), the Chicago Mercantile Exchange (“CME”), the ICE Futures Europe, the ICE Futures U.S., the New York Mercantile Exchange (“NYMEX”) and the New York Commodities Exchange (“COMEX”), and the Kansas City Board of Trade (“KBOT”).

Also according to the Prior Long/Short Release, the Fund (like the Diversified Fund) intends to make monthly distributions to its shareholders (stated in terms of a fixed cents per share distribution rate) based on past and projected performance of the Fund. The Fund seeks to establish a distribution rate that roughly corresponds to the Manager’s projections of the total return that could reasonably be expected to be generated by the Fund over an extended period of time, although the distribution rate will not be solely dependent on the amount of income earned or capital gains realized by the Fund. The Fund’s ability to make regular monthly distributions depends on a number of factors, including, most importantly, the long-term total returns generated by the Fund’s portfolio investments and the risk management program.

## Operation of the Funds Following Conversion

### Generally

Following the Conversions, each Fund, through use of a rules-based investment methodology, will seek to obtain returns that, over time, generally match (before fees and expenses) the returns of a commodity-linked index. The Diversified Fund will take long positions in the components of the Gresham Adaptive Commodity Index (the “Adaptive Index”), while the Long/Short Fund will take positions either long or short in the components of the Gresham Long/Short Commodity Index (the “Long/Short Index”). Each of the Adaptive Index and the Long/Short Index also is referred to herein as an “Index” and, collectively, as the “Indexes.”

In contrast to certain representations made in the Prior Releases and described above, after the Conversions each Fund: (i) will no longer invest in forwards (and instead will invest solely in futures contracts), (ii) will no longer hold options or utilize options strategies, and (iii) will no longer make monthly distributions to its shareholders.

### Names; Investment Objectives

After the Conversion, the name of the Diversified Fund will change to the “NuShares Gresham Adaptive Commodity ETF” and the name of the Long/Short Fund will change to the “NuShares Gresham Long/Short Commodity ETF.” Each Fund’s investment objective will be to generate attractive total returns by generally tracking its respective Index. Each Fund will continue to seek to achieve its investment objective by investing in a diverse portfolio of exchange-traded commodity futures contracts that provide exposure to the global commodity markets (such futures contracts are referred to herein as “Commodity Futures”). Generally, each Fund will invest in Commodity Futures

that are included in a Fund's respective Index; however, each Fund also may invest in other commodity futures contracts that are not included in the Indexes (at times when the Commodity Subadviser believes such investments will improve a Fund's profitability and/or reduce the potential for losses, as described more fully below).

### The Funds' Investments

After the Conversions, each Fund's principal investments are not expected to change. Under normal market conditions,<sup>17</sup> each Fund will continue to invest in (i) Commodity Futures traded on U.S. and non-U.S. futures exchanges<sup>18</sup> having various expiration dates, and (ii) collateral consisting of U.S. government securities and cash equivalents, some of which are maintained on deposit with a Fund's commodity broker as margin, to collateralize a Fund's positions in the Commodity Futures. As stated above, the Funds will not invest in forwards or options following the Conversions.

Futures contracts on commodities reflect the expected future value of an underlying commodity on which the contract is based. Pursuant to such futures contracts, one party agrees to buy, and the other to sell, a set amount of the reference asset (or a cash equivalent) at a pre-determined price (the "spot price") on a pre-determined future date (the "expiration date"). As the expiration date for any given Commodity Futures contract draws closer, the Commodity Subadviser will roll that Commodity Futures

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<sup>17</sup> With respect to each Fund, the term "under normal market conditions" includes, but is not limited to, the absence of extreme volatility or trading halts in the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

<sup>18</sup> Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the Intermarket Surveillance Group ("ISG") or with which the Exchange has in place a comprehensive surveillance sharing agreement.



contract, prior to its expiration, on an ongoing basis, so as to ensure that each Fund maintains a position in such Commodity Futures contract.

For each Fund, the Commodity Subadviser employs a proprietary methodology in assessing commodity market movements. Generally, the Commodity Subadviser employs momentum-based modeling to estimate forward-looking prices and to evaluate the return impact of futures contract rolls. The Commodity Subadviser will calculate a roll-adjusted price that accounts for the current spot price and the impact of roll yield. The Commodity Subadviser may exercise discretion in its decisions and the timing and implementation of the Fund's commodity investments to seek to benefit from trading on commodity price momentum. Specifically, following the Conversion, the Diversified Fund weightings will be determined on a monthly basis--if the price of a commodity contract is higher than its six-month simple moving average, the commodity contract will be held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity weight will be reduced by half. Following the Conversion, for the Long/Short Fund, the momentum-based model will employ shorter-term moving averages (such as 6-months) to determine whether a commodity futures position in the Index is held long or short (or flat, for petroleum-related commodities).

Each Fund's Commodity Futures investments will, at all times, be fully collateralized (i.e., the "notional value"—the value of the underlying commodity at the contract's spot price—of the Fund's commodity exposure will not exceed the market value of the Fund's net assets). However, whereas the Prior Releases represented that 25% of that Fund's Collateral will be committed as "initial" and "variation" margin, the Funds now represent that, following the Conversions, approximately 10-25% of each

Fund's Collateral will be committed as initial and variation margin and be segregated pursuant to the Commodity Exchange Act, and the regulations thereunder, to secure the futures contract positions. Those assets will be held in a commodity futures account maintained by SG Americas Securities, LLC ("SG"), the Funds' clearing broker, which serves as a futures commission merchant and broker-dealer registered with the CFTC and the Commission.

The remaining 75-90% of a Fund's Collateral (as opposed to a set 75%, as noted in the Prior Releases) will continue be held in a separate collateral investment account managed by the Collateral Subadviser. However, the eligible Collateral investments will change following the Conversion. The Funds will no longer invest in money market funds or repurchase agreements; instead, they will invest in short-term U.S. government securities and cash equivalents.

#### The Funds' Investment Strategies

Following the Conversions, each Fund will employ a rules-based commodity investment strategy in seeking to achieve its investment objective: the Diversified Fund will use a long-biased strategy, and the Long/Short Fund will use a long/short strategy. In doing so, each Fund, as they currently do prior to the Conversion, will invest in a diverse portfolio of exchange-traded Commodity Futures that have an aggregate notional value less than or substantially equal to the net assets of such Fund. Generally, those Commodity Futures will be components of each Fund's respective Index; however, each Fund also may invest in other commodity futures contracts that are not included in the Indexes in seeking to improve profitability and/or reduce the potential for loss.

Each Fund will make investments in Commodity Futures in the six principal groups within the global commodities markets: agriculture; energy; foods and fibers; industrial metals; livestock; and precious metals. To provide diversification, each Fund will take positions in Commodity Futures related to approximately 30 commodities; its rules-based strategy will limit the weight of any individual Commodity Futures and also will limit the allocations to the largest two commodity groups to allow for higher allocations to the smaller commodity groups. Each Fund will continue to allocate its investments to Commodity Futures pursuant to the Commodity Subadviser's proprietary strategy.

Typically, each Fund expects to follow certain rules pertaining to eligible commodities, weights, diversification, rebalancing, and annual reconstitution that are the same as those for its respective Index, so as to minimize the divergence between the price behavior of a Fund's Commodity Futures portfolio and the price behavior of its Index (such divergence is referred to as "tracking error"). As such, each Fund's investment results, before the deduction of fees and other expenses, are expected generally to correspond to the changes, positive or negative, in the levels of its respective Index over time.

Although each Fund generally will seek to track the performance of its Index (before fees and expenses), the Funds will remain actively managed and therefore will not be obligated to always invest in the components of the Indexes. From time to time, a Fund may invest in commodity futures contracts not included in its Index and/or that have differing expiration dates and terms. Such variations from an Index are market-driven and opportunistic, and are designed to improve a Fund's profitability and reduce

the potential for losses. Additionally, each Fund will continue to deviate temporarily from its investment objective and policies during adverse market circumstances.

#### Description of the Indexes

According to the Registration Statement, each Index is a proprietary index developed by the Commodity Subadviser's senior management team. The methodology for commodity selection and target weight calculation for each Index is based on the Commodity Subadviser's TAP strategy. Annual rebalancing for the TAP strategy follows a systematic, disciplined approach for establishing new target weights for commodities in the portfolio and encompasses a diverse mix of tangible Commodity Futures. TAP currently allocates to Commodity Futures relating to approximately 30 different commodities. TAP scales its position according to rankings of individual commodities based on three factors: (i) historical global production; (ii) historical global trade; and (iii) historical contract liquidity. The TAP strategy employs portfolio construction constraints that seek liquidity, a robust and fair regulatory framework, avoidance of foreign exchange risk, and transparency, as it trades only in markets where exchange settlements are publicly disseminated. In order to ensure a high level of commodity diversification at each annual rebalance, the TAP strategy maintains certain limits on amounts allocated to commodity groups.

Each Index is rebalanced annually. Between rebalance dates, Index weights vary based on the performance of the commodity contract positions in each Index. On a monthly basis, each Index utilizes historical price trends to determine its positions and rolls its contracts to implement the new positions.

*Adaptive Index.* According to the Registration Statement, by maintaining a long-bias, the Adaptive Index seeks to benefit from rising commodity markets while still affording flexibility to reduce its target investment exposure by half of the target weighting to certain individual commodities when appropriate. On a monthly basis, each commodity's weight in the Adaptive Index will be maintained or reduced after comparing the price of each commodity with its six-month simple moving average. If the price of a commodity is higher than its six-month simple moving average, the commodity is held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity's weight is reduced by half.

*Long/Short Index.* The Long/Short Index seeks to take advantage of the persistent trends in commodities prices, often referred to as "momentum." The central principle of a persistence or momentum investment process is that if the price of an asset is rising (or falling), it is expected to continue to do so. The Long/Short Index employs a momentum rule to determine if exposure to a particular constituent Commodity Futures contract should be held long or short (or "flat," in the case of petroleum-related commodities contracts, as described below).

Whether a Long/Short Index position will be long or short (or flat) is currently determined on a monthly basis by comparing the price of each Commodity Futures contract to its six-month simple moving average. If the price of a commodity is higher than its six-month simple moving average, the commodity is assigned a long position; conversely, if the price is below the six-month simple moving average, it is assigned a short position. A long position will increase in market value if the price of the Commodity Futures is rising during the period when the position is open, whereas a short

position will increase in market value if the price of the Commodity Futures is falling during the period when the position is open.

The Long/Short Index is currently constructed such that, when the price of a petroleum-related Commodity Futures contract (e.g., WTI Crude, Brent Crude, Heating Oil, RBOB Gasoline or Gas Oil) is below its six-month simple moving average, the weight of that commodity is moved to the collateral portfolio (i.e., the position is “flat”). The price of petroleum-related commodities historically have been extremely sensitive to geopolitical events and less driven by supply and demand imbalances; as such, holding flat positions in petroleum-related commodities could serve to protect the Long/Short Fund from losses arising from such geopolitical risks. A flat position in a petroleum-related Commodity Futures contract will not provide futures market exposure to that contract.

During transitions from long to short positions or vice versa, the Fund may temporarily hold both long and short positions on the same Commodity Futures contract. In accordance with the Long/Short Fund’s “long/short” commodity investment strategy, each Commodity Futures contract will be assigned a target weight and may be held in the portfolio as a long position or a short position (or flat position).

#### Composition of the Indexes

*Eligible Contracts.* Listed below are the main categories of Commodity Futures contracts that are eligible to become components of each Index as of February 1, 2016. Each commodity may have several different types of individual Commodity Futures contracts (e.g., hard winter wheat and soft red wheat). The Commodity Subadviser has discretion over Commodity Futures contract selection and may choose from the available

contract types. As noted above, each Fund will invest in Commodity Futures that are traded on both U.S. and non-U.S. exchanges. If the Commodity Futures in which a Fund will invest are listed on multiple exchanges, a Fund may invest in those contracts that are listed on the exchange with the greatest dollar volume traded in those contracts.

Group	Commodity	Primary Exchange	Trading Hours (Eastern Time)
Energy	WTI Crude Oil	New York Mercantile Exchange	09:00 - 14:30
	Brent Crude Oil	ICE Futures Europe	20:00 - 18:00
	Gas Oil Gasoline	ICE Futures Europe	20:00 - 18:00
	Heating Oil Natural Gas	New York Mercantile Exchange New York Mercantile Exchange New York Mercantile Exchange	09:00 - 14:30 09:00 - 14:30 09:00 - 14:30
Foods and Fibers	Cotton #2	ICE Futures US ICE	21:00 - 14:20
	Sugar #11	Futures US	03:30 - 13:00
	White Sugar	ICE Futures Europe	03:45 - 12:55
	Coffee Cocoa	ICE Futures US ICE	04:15 - 13:30
		Futures US	04:45 - 13:30
	Robusta Coffee	ICE Futures Europe	04:00 - 12:30
Agriculture	Corn	Chicago Board of Trade	09:30 - 14:15
	Soybean Meal	Chicago Board of Trade	09:30 - 14:15
	Soybean Oil	Chicago Board of Trade Chicago Board of Trade	09:30 - 14:15
	Soybeans	Board of Trade Chicago Board of Trade	09:30 - 14:15
	Kansas City Wheat	Trade Minneapolis Grain Exchange	09:30 - 14:15
	Minneapolis Wheat	Exchange Chicago Board of Trade	20:00 - 14:30 09:30 - 14:15
Base Metals	Aluminum Copper	London Metal Exchange	15:00 - 14:45
	(LME) Copper	London Metal Exchange	15:00 - 14:45
	(COMEX) Nickel	Commodity Exchange, Inc.	08:01 - 13:00
	Zinc	London Metal Exchange	15:00 - 14:45
	Lead	London Metal Exchange London Metal Exchange	15:00 - 14:45 15:00 - 14:45
Precious Metals	Gold	COMEX	08:20 - 13:30
	Palladium	New York Mercantile Exchange	08:30 - 13:00
	Platinum	New York Mercantile Exchange	08:20 - 13:05
	Silver	COMEX	08:30 - 13:00
Livestock	Feeder Cattle	Chicago Mercantile Exchange	09:30 - 14:00
	Lean Hogs Live Cattle	Chicago Mercantile Exchange	09:30 - 14:00
		Chicago Mercantile Exchange	09:30 - 14:00

*Index Composition.* Listed below are the target weights for each commodity as of February 1, 2016. These target weights are the same for each Index.

<u>Commodity Group</u>	<u>Commodity</u>	<u>Composition</u>
Energy .....	WTI Crude Oil	9.3%
	Brent Crude Oil	9.4%
	Natural Gas	7.0%
	Gas Oil	3.2%
	Heating Oil	2.5%
	Gasoline	<u>3.6%</u>
		<u>35.0%</u>
Agriculture .....	Corn	3.8%
	Kansas City Wheat	0.7%
	Minneapolis Wheat	0.2%
	Wheat	2.8%
	Soybean Meal	2.4%
	Soybean Oil	1.1%
	Soybeans	<u>5.0%</u>
	<u>16.0%</u>	
Livestock .....	Live Cattle	7.0%
	Feeder Cattle	2.0%
	Lean Hogs	<u>2.3%</u>
	<u>11.3%</u>	
Foods and Fibers .....	Sugar #11	2.2%
	Cocoa	1.0%
	White Sugar	0.2%
	Robusta Coffee	0.3%
	Coffee	1.8%
	Cotton #2	<u>1.5%</u>
		<u>7.0%</u>
Base Metals .....	Copper (LME)	7.1%
	Copper (COMEX)	1.4%
	Aluminum	5.3%
	Nickel	1.7%
	Zinc	1.8%
	Lead	<u>0.9%</u>
	<u>18.2%</u>	
Precious Metals .....	Gold	8.8%
	Silver	2.5%
	Platinum	0.7%
	Palladium	<u>0.5%</u>
	<u>12.5%</u>	
Total		<u>100.0%</u>

Summary of Other Aspects Regarding the Conversion of the Funds



As set forth in its respective Prior Release, each Fund is currently structured as a closed-end commodity pool. As part of the Conversion, each Fund plans to convert to an ETP structure, which requires an amendment to each Fund's Agreement and Declaration of Trust (with respect to each Fund, the "Amendment," and collectively, the "Amendments"). Each Fund's shareholders approved the respective Amendment at annual shareholder meetings in 2015. When executed, the Amendments will add to the Funds' legal structure the creation and redemption basket features described below, which the current versions of the Funds' governing documents do not include.

After the Conversion: (i) each Fund will remain a commodity pool, (ii) investors will own the same Shares as they did before the Conversion, and (iii) investors will continue to be able to buy and sell Shares on an exchange throughout each business day at then-prevailing market prices. The Funds currently disclose portfolio holdings daily, and will continue to do so following the Conversions. However, following the Conversion, each Fund will issue and redeem Shares on a continuous basis through the creation/redemption process used by ETPs (as described below), which is intended to facilitate the trading of Shares at prices equal to or near their NAV.

The Shares will be assigned new CUSIP numbers at the time of the Conversion. Moreover, as stated above, following the Conversions, the name of the Diversified Fund will change to the NuShares Gresham Adaptive Commodity ETF, and the name of the Long/Short Fund will change to the NuShares Gresham Long/Short Commodity ETF. The Funds are not currently, and after the Conversions will not be, mutual funds or any other type of investment company within the meaning of the Investment Company Act of 1940, as amended.

In connection with the Conversions, the Manager intends to implement additional changes to both Funds that the Manager believes will better align the Funds' features with their newly-adopted ETP structure. The charts below summarize those changes.

Changes to Diversified Fund

	Before Conversion	After Conversion
Fund name	Nuveen Diversified Commodity Fund	NuShares Gresham Adaptive Commodity ETF
Ticker	CFD	GAC
Distribution Policy	Pays regular monthly distributions	Discontinue regular monthly Distributions
Share Repurchases	Active share repurchase program	Discontinue share repurchase Program
Investment Strategy	Long-only commodity strategy	Long-biased commodity strategy— weightings determined on a monthly basis; if the price of a commodity contract is higher than its six-month simple moving average, the commodity contract will be held at its target weight; conversely, if the price is below the six-month simple moving average, the commodity weight will be reduced by half
	Option writing program	Discontinue option writing program
	Collateral invested in cash equivalents, U.S. government securities and other short-term high-grade debt securities, including corporate debt, with terms not exceeding one year	Collateral invested in U.S. government securities, with terms not exceeding one year, and cash equivalents

Changes to Long/Short Fund

	Before Conversion	After Conversion
Fund name	Nuveen Long/Short Commodity Total Return Fund	NuShares Gresham Long/Short Commodity ETF
Ticker	CTF	GLS
Distribution Policy	Pays regular monthly distributions	Discontinue regular monthly Distributions
Share Repurchases	Active share repurchase Program	Discontinue share repurchase Program

Investment Strategy	Long/short commodity futures strategy based on the Morningstar Long/Short Commodity Index	Long/short commodity futures strategy based on the Gresham Long/Short Commodity Index
	Uses momentum-based model to calculate 12-month moving price averages that are used to determine whether a commodity futures position is held long or short	Long/short commodity strategy—Momentum-based model will employ shorter-term moving averages (such as 6-months) to determine whether a commodity futures position in the Index is held long or short (or flat, for petroleum-related commodities).  Weightings are determined on a monthly basis; if the price of a commodity contract is higher than its six-month simple moving average, the commodity is assigned a long position; conversely, if the price is below the six-month simple moving average, it is assigned a short position.
	Will not short energy futures—if model signals to short energy futures, positions will instead be held “flat” (i.e., in cash)	Will not short petroleum-based futures—if model signals to short petroleum-based futures, positions will instead be held “flat” (i.e., in cash)
	Option writing program	Discontinue option writing program
	Collateral invested in cash equivalents, U.S. government securities and other short-term high-grade debt securities, including corporate debt, with terms not exceeding one year	Collateral invested in short-term U.S. government securities and cash equivalents

The Manager will announce in advance the expected effective date of the Conversions via press releases and Form 8-K filings. Those press releases also will include a summary of changes to the Funds that will occur in connection with the Conversions. The Exchange will also issue a notice to members approximately 10 days prior to the date of effectiveness of the Conversion, and another notice to members on the business day prior to the date Shares of the Funds will trade under the new CUSIP.

The Manager expects that the Conversions will have the effect of further narrowing the discount in each Fund’s Share price as compared to its NAV.

### Creation and Redemption of Shares

Following the Conversion, the Funds will issue and redeem Shares in “Baskets” of 50,000 Shares each on a continuous basis to “Authorized Participants” in exchange for cash equal to the total value of the futures contracts, cash and collateral assets (i.e., cash equivalents) that comprise one Basket (“Basket Amount”). Similarly, an Authorized Participant is entitled to receive the corresponding Basket Amount in exchange for each Basket surrendered for redemption. The Basket represents one Creation Unit of a Fund. Except when aggregated in Baskets, the Shares are not redeemable securities of a Fund. The size of a Basket will be subject to change.

Only Authorized Participants may place orders to create and redeem Baskets. An “Authorized Participant” must (1) be a registered broker-dealer or other securities market participant, such as a bank or other financial institution exempt from registration as a broker-dealer to engage in securities transactions, (2) be a participant in The Depository Trust Company (“DTC”), and (3) have entered into a Participant Agreement. The Participant Agreement sets forth the procedures for the creation and redemption of Baskets and for the delivery of the Basket Amount required for such creations or redemptions. The Manager will have engaged at least two market participants to act as Authorized Participants with respect to the Funds prior to completing the Conversions.

Authorized Participants may sell the individual Shares included in the Baskets and purchased from each Fund to other investors on the Exchange. Otherwise, Shares will not be individually redeemable. To redeem, an investor must accumulate enough Shares to constitute a Creation Unit. Redemption orders must be placed by or through an Authorized Participant.

The Manager expects that purchasers of Creation Units will include institutional investors and arbitrageurs and that secondary market purchasers of Shares will include both institutional investors and retail investors. The Manager also expects that the price at which Shares of each Fund trade will be disciplined by arbitrage opportunities created by the option to continually purchase or redeem Creation Units at their NAV. The Manager believes that a conversion from the current closed-end structure to one that utilizes a creation/redemption process will serve to reduce the Shares' discount to NAV, to the benefit of current shareholders.

On any business day that NYSE MKT is open for regular trading, an Authorized Participant may place an order with the Transfer Agent to create one or more Baskets. Creation orders must be placed by 10:00 a.m., Eastern time. The creation order date is the day on which the Transfer Agent receives an order in proper form to purchase the Shares in one or more Baskets. The day on which a creation order is settled is the creation order settlement date. The creation order settlement date may occur up to 3 business days after the creation order date.

The total cash payment required to create each Basket is equal to the NAV of 50,000 Shares of a Fund as of the closing time of the NYSE MKT on the creation order date. Because orders to purchase Baskets must be placed by 10:00 a.m., Eastern time, but the total payment required to create a Basket will not be determined until 4:00 p.m., Eastern time, on the date the creation order is received, Authorized Participants will not

know the total amount of the payment required to create a Basket at the time they submit the creation order for the Basket.<sup>19</sup>

The procedures by which an Authorized Participant can redeem one or more Baskets mirror the procedures for the creation of Baskets.

The redemption proceeds from each Fund consist of the cash redemption amount. The cash redemption amount is equal to the NAV of the number of Basket(s) of a Fund requested in the Authorized Participant's redemption order as of the closing time of the NYSE MKT or the last to close of the exchanges on which its futures contracts are traded, whichever is later, on the redemption order date. The Manager will distribute the cash redemption amount at the redemption order settlement date as of 2:45 p.m., Eastern time, on the redemption order settlement date through DTC to the account of the Authorized Participant as recorded on DTC's book-entry system.

The redemption proceeds due from each Fund are delivered to the Authorized Participant at 2:45 p.m., Eastern time, on the redemption order settlement date if, by such time, a Fund's DTC account has been credited with the Baskets to be redeemed. If a

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<sup>19</sup> ETPs that invest in commodity contracts traded on the LME commonly adopt an order cut-off time prior to the close of regular trading on the LME (5 p.m., London time, or 12 p.m. Eastern time) in order to permit sufficient time to conduct necessary trading on the LME in response to creation and redemption activity. See, e.g., PowerShares DB Commodity Index Tracking Fund (DBC) (order cut-off time of 10:00 a.m., Eastern time) and United State Commodity Index Fund (USCI) (order cut-off time of the earlier of 10:30 a.m., Eastern time, or the close of regular trading on the NYSE Arca). Although Authorized Participants who place creation or redemption orders are exposed to market movements until the ETPs' NAV is struck (typically, 4 p.m., Eastern time), they are able to hedge their exposure such that they are willing and able to engage in creation and redemption activity for the purpose of capturing arbitrage opportunities.

Fund's DTC account has not been credited with all of the Baskets to be redeemed by such time, the redemption distribution is delivered to the extent of whole Baskets received.

For either Fund, the Manager may, in its discretion, suspend the right of redemption, or postpone the redemption order settlement date, for (1) any period during which an emergency exists as a result of which the redemption distribution is not reasonably practicable, or (2) such other period as the Manager determines to be necessary for the protection of the shareholders.

Shareholders who are not Authorized Participants will have no right to purchase or redeem their Shares directly from or to the Funds. Instead, such shareholders will continue to have the ability to purchase or sell their Shares on an exchange.

#### Net Asset Value

According to the Registration Statement, a Fund's NAV is calculated as of the close of the exchange on which it trades, on each day that such exchange is open. NAV per Share is computed by dividing the value of all assets of a Fund (including any accrued interest and dividends), less all liabilities (including accrued expenses and distributions declared but unpaid), by the total number of Shares outstanding. Each Fund publishes its NAV on its website on a daily basis, rounded to the nearest cent.

For purposes of determining the NAV of a Fund, portfolio instruments will be valued using prices provided primarily by independent pricing services approved by the Manager. A Fund's Commodity Futures generally will be valued at their final settlement price, if available, as determined by the principal exchange on which they are traded. Non-exchange traded instruments pledged as collateral will generally be valued using prices provided by independent pricing services, or prices may be obtained from other

sources, such as broker-dealer quotations. Independent pricing services typically value non-exchange traded instruments using a range of market-based inputs and assumptions. For example, when available, pricing services may utilize inputs such as benchmark yields, reported trades, broker-dealer quotes, spreads, and transactions for comparable instruments. In pricing certain instruments, the pricing services may consider information about an instrument's issuer or market activity provided by the Manager. Independent pricing service valuations of non-exchange traded instruments represent the service's good faith opinion as to what the holder of an instrument would receive in an orderly transaction for an institutional round lot position under current market conditions. It is possible that these valuations could be materially different from the value that a Fund realizes upon the sale of an instrument.

If the pricing services are unable to price an instrument, if the Manager deems the pricing services valuation to be unreliable, or if a significant event occurs such that the valuation provided is deemed unreliable, a Fund may value portfolio instrument(s) at their fair value, which is generally the amount that a Fund might reasonably expect to receive upon the current sale or closing of a position. The fair value of an instrument is based on the Manager's good faith judgment and may differ from subsequent quoted or published prices. For example, events may occur after the close of the relevant market but prior to the time as of which a Fund's NAV is calculated, which materially impact the instrument's value, and the fair value on a given day would take such events into account.



Availability of Information Regarding the Shares

The website for the Funds, <http://www.nuveen.com/CommodityInvestments>, will be publicly accessible at no charge and, following the Conversion, will contain the following information for each Fund, updated daily: (a) the prior business day's NAV and the reported closing price or mid-point of the bid/ask spread at the time of calculation of such NAV (the "Bid/Ask Price")<sup>20</sup>; (b) calculation of the premium or discount of the closing price or Bid/Ask Price against the NAV; (c) data in chart format displaying the frequency of the discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters; (d) the prospectus; and (e) other applicable quantitative information.

After the Conversion, on each business day before commencement of trading in Shares on the Exchange, each Fund will disclose on its website the Disclosed Portfolio that will form the basis for a Fund's calculation of NAV at the end of the business day.<sup>21</sup>

Each Fund's portfolio holdings (as of the previous day's close) will also be disclosed and updated on the Funds' website on each business day that the Exchange is open for trading. Such disclosure of the Funds' portfolio holdings will include, as applicable to the type of holding: ticker symbol, name or other identifier, if any; a description of the holding (including the type of holding, such as the type of futures

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<sup>20</sup> The Bid/Ask Price of the Funds' Shares will be determined using the midpoint of the highest bid and the lowest offer on the Exchange as of the time of calculation of a Fund's NAV. The records relating to Bid/Ask Prices will be retained by the Funds and their service providers.

<sup>21</sup> Under accounting procedures followed by the Funds, trades made on the prior business day ("T") will be booked and reflected in NAV on the current business day ("T+1"). Accordingly, the Funds will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

contract); the identity of the security, commodity or other asset or instrument underlying the holding, if any; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in a Fund's portfolio. The values of each Fund's portfolio holdings will, in each case, be determined in accordance with the Funds' valuation policies.

The daily settlement prices for the Commodity Futures contracts are publicly available on the websites of the futures exchanges trading the particular contracts. Various data vendors and news publications publish futures prices and data. The Exchange represents that futures quotes and last sale information for the commodity contracts are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, the Exchange further represents that complete real-time data for such futures is available by subscription from Reuters and Bloomberg. The relevant futures exchanges also provide delayed futures contract information on current and past trading sessions and market news free of charge on their respective websites. The contract specifications for the futures contracts are also available from the futures exchanges on their websites as well as other financial informational sources.

Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Quotation and last sale information for the Shares will be available via the Consolidated Tape Association ("CTA") high-speed line. Price information for Collateral will be available from major market data vendors. In addition,

the Intraday Indicative Value (“IIV”)<sup>22</sup> will be widely disseminated at least every 15 seconds during trading on the Exchange by one or more major market data vendors.<sup>23</sup>

The dissemination of the IIV, together with the Disclosed Portfolio, will allow investors to determine the value of the underlying portfolio of a Fund and provide a close estimate of that value throughout the trading day. In addition, a Basket composition file, which includes the names and weights of the instruments required to be delivered in exchange for a Fund’s Basket, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the Exchange.

As described above, the NAV for each Fund will be calculated and disseminated daily. The Manager has represented to the Exchange that the NAV and all portfolio holdings will be disseminated to all market participants at the same time. The Exchange will also make available on its website daily trading volume, closing prices, and the NAV. The closing price and settlement prices of the futures contracts held by the Funds are also readily available from the relevant futures exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. In addition, the Exchange will provide a hyperlink on its website to the Funds’ website.

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<sup>22</sup> The IIV is an approximate per Share value of a Fund’s portfolio holdings, which is disseminated every fifteen seconds throughout the trading day by one or more market data vendors. The IIV will be based on the current market value of a Fund’s Disclosed Portfolio. The IIV does not necessarily reflect the precise composition of the current portfolio holdings of a Fund at a particular point in time. The IIV should not be viewed as a “real-time” update of the NAV of a Fund because the approximate value may not be calculated in the same manner as the NAV. The quotations for certain investments may not be updated during U.S. trading hours if such holdings do not trade in the U.S., except such quotations may be updated to reflect currency fluctuations.

<sup>23</sup> It is the Exchange’s current understanding that several major market data vendors display and/or make widely available IIVs taken from CTA or other data feeds.

As noted above, the NAV of each Fund will be calculated once each trading day shortly after 4:00 p.m. ET. The NAV will be disclosed on the Funds' website and the Exchange's website.

#### Criteria for Continued Listing

The Funds will be subject to the criteria in Rule 1602 for continued listing of the Shares. A minimum of 100,000 Shares of a Fund will be required to be outstanding at the start of trading upon such Fund's Conversion. The Exchange believes that the anticipated minimum number of shares outstanding at the start of trading upon the Conversions is sufficient to provide adequate market liquidity and to further each Fund's objectives. Each Fund has represented to the Exchange in its Prior Release, and continues to represent here, that, for continued listing of the Shares, it will be in compliance with Section 803 of the NYSE MKT Company Guide (Independent Directors and Audit Committee) and Rule 10A-3 under the Act.<sup>24</sup>

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to NYSE MKT Rules governing the trading of equity securities, including, among others, rules governing priority, parity and precedence of orders, DMM responsibilities and account opening and customer suitability (NYSE MKT Rule 405).

Shares of each Fund will trade on the Exchange until 4 p.m. ET each business day and will trade in the minimum price variants established under NYSE MKT Rule 62.

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<sup>24</sup> 17 CFR 240.10A-3.

Trading rules pertaining to odd-lot trading in NYSE MKT equities (NYSE MKT Rule 124) will also apply.

The Exchange states that NYSE MKT Rule 15A complies with Rule 611 of Regulation NMS, which requires, among other things, that the Exchange adopt and enforce written policies and procedures that are reasonably designed to prevent trade-throughs of protected quotations. The trading of the Shares will be subject to certain conflict of interest provisions set forth in NYSE MKT Equities Rule 1604.

According to NYSE MKT Rule 1602, trading in Shares of a Fund will be halted if the circuit breaker parameters of NYSE MKT Rule 80B have been reached. In addition, 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: (a) the extent to which trading is not occurring in the underlying futures contracts; or (b) 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 or by the halt or suspension of the trading of the underlying futures contracts.

In exercising its discretion to halt or suspend trading in the Shares, the Exchange may consider all factors, such as those set forth in NYSE MKT Rule 953NY(a), in addition to other factors that also may be relevant. In particular, if the portfolio holdings and NAV per Share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the portfolio holdings or NAV per Share occurs.

Information Circular

The Exchange will distribute an Information Circular (“Circular”) to its members in connection with the trading of the Shares. The Circular will discuss the special characteristics and risks associated with trading this type of security. Specifically, the Circular, among other things, will discuss: (i) what the Shares are; (ii) NYSE MKT Rule 405, which imposes a duty on member organizations to have a reasonable basis to believe that a customer is suitable for the particular investment prior to recommending to customers transactions in the Shares; (iii) the procedures for purchases and redemptions of Shares in Baskets (and that Shares are not individually redeemable); (iv) how information regarding the IIV and the Disclosed Portfolio is disseminated; (v) the requirement that members and member firms deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; (vi) applicable NYSE MKT rules; and (vii) trading information.

The Circular will also explain that each Fund is subject to various fees and expenses described in its Registration Statement. The Circular will also reference the fact that there is no regulated source of last sale information regarding physical commodities and the respective jurisdictions of the Commission and CFTC over the trading of physical commodities.

The Circular will also discuss any exemptive, no-action and interpretive relief granted by the Commission or the staff from any rules under the Act. The Circular will disclose that the NAV for Shares will be calculated shortly after 4:00 p.m. ET each trading day.

## Surveillance

The Exchange represents that, upon conversion of the Funds, trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market 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>25</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 federal securities laws applicable to trading on the Exchange.

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.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares and Commodity Futures with other markets that are members of the ISG, and the Exchange or FINRA on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares and Commodity Futures from such markets. In addition, the Exchange may obtain information regarding trading

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<sup>25</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

in the Shares and Commodity Futures from markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>26</sup>

Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the ISG or a market with which the Exchange has in place a comprehensive surveillance sharing agreement.

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

All statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules and surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Funds are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Sections 1001 through 1010 of the NYSE MKT Company Guide.

Except for the changes noted above, all other facts presented and representations made in the Prior Releases are unchanged.

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<sup>26</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 Disclosed Portfolio may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.



## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>27</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 amendments to NYSE MKT Rules 1600 et seq. 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 Conversions will be made in a fair and orderly manner, as each Fund largely will be structured following its Conversion in the same way as it was before its Conversion: it will remain a commodity pool; shareholders will continue to own the same Shares of a Fund as they owned prior to the Conversion (i.e., there is no forced redemption of currently outstanding Shares, which will continue to be listed and traded on the Exchange); and shareholders will continue to be able to buy and sell Shares of each Fund on the Exchange throughout each business day at then prevailing market prices.

The Exchange believes that the Conversion is consistent with the Act in that the only significant change in the operation of the Funds from that described in the Prior Releases is that each Fund will issue and redeem Shares using a creation/redemption process. The shareholders of each Fund have approved each Fund's Conversion. Prior to

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<sup>27</sup> 15 U.S.C. 78f(b)(5).

the date of the Conversions, the Manager expects to engage multiple Authorized Participants with respect to the Funds, which the Manager believes will increase the trading volume of the Shares, and reduce the Shares' discount to NAV. The Manager represents that it believes that, by converting each Fund into an ETP structure that utilizes a creation/redemption process, Shares of each Fund are likely to trade at prices equal to or near NAV. The Manager also expects that the price at which Shares trade will be disciplined by arbitrage opportunities created by the option to continually purchase or redeem Creation Units at their NAV. The Manager believes that there will be a positive impact to this arbitrage mechanism as a result of the conversion from a closed-end structure to one that implements a creation and redemption process, and that investors in the Funds' Shares will benefit from the increased likelihood of a closer alignment between the Funds' Share prices and their NAV. Moreover, the proposed amendments to the definition of Trust Units in NYSE MKT Rule 1600(b) to provide for continuous issuance and redemption, the addition of requirements relating to the Disclosed Portfolio in NYSE MKT Rule 1600(b)(iii) and the IIV in NYSE MKT Rule 1600(b)(iv), would provide an additional level of transparency and enhanced pricing information for Trust Units comparable to requirements applicable to certain other ETPs, such as Managed Fund Shares.

Proposed Commentary .04 to Rule 1600 would provide that, if an issuer's adviser is affiliated with a broker-dealer, the broker-dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. The proposed amendments to Rule 1602(a)(ii) will provide that the Exchange will obtain a representation from the issuer of each series of Trust Units that

the Disclosed Portfolio as well as the NAV will be made available to all market participants at the same time. Rule 1602(b)(ii) will provide for trading halt procedures comparable to those applied to certain other ETPs, including if the circuit breaker parameters have been reached or if the Disclosed Portfolio, the NAV per Share, or the IIV are not being disseminated as required. Proposed new Rule 1602(b)(iii) would provide that each series of Trust Units will be listed and/or traded subject to application of specified continued listing criteria, including that the IIV for shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Exchange, that the Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time; and 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. The proposed amendment to Commentary .01 to Rule 1602, which currently provides that the Exchange will file separate proposals under Section 19(b) of the Act before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios, would add to Commentary .01 that all statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures must be complied with on a continuing basis and the issuer of such issue of Trust Units must notify the Exchange of any material noncompliance with such statements and representations; and that the Exchange will consider the suspension of trading and delisting (if applicable) of an issue

of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance. The proposed amendment to Commentary .01 to Rule 1602 is intended to ensure that all representations in any Exchange filing pursuant to Section 19(b) of the Act regarding listing and trading an issue of Trust Units will be complied with continuously, and, therefore, such amendment would further investor protection and the public interest. The text of NYSE MKT Rule 1603 would be deleted because it is obsolete, as described above. The proposed amendments to Rule 1605 would make clearer the financial instruments that would be covered by the rule's limitation of liability provisions.

With respect to the Shares, the proposed rule changes are designed to promote just and equitable principles of trade and to protect investors and the public interest. The Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in Rules 1600 et seq. All of the commodity futures contracts in which the Funds will invest will be traded on regulated exchanges. The Funds will not invest in options on commodity futures contracts, swaps, or over-the-counter derivatives. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange may obtain information regarding trading in the Shares and Commodity Futures from markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. Not more than 10% of the net assets of a Fund, in the aggregate, shall consist of futures contracts whose principal market is not a member of the ISG or a market with which the Exchange has in place a comprehensive surveillance sharing agreement.

The daily settlement prices of the futures contracts held by the Funds are readily available from the websites 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 websites. Quotation and last-sale information for the Shares will be available via CTA. In addition, the Funds' website will display each Fund's daily NAV. An up-to-date value for each Fund's respective Index will be available through Bloomberg and other market data vendors every 15 seconds. The Funds' portfolio holdings will be disclosed on the Funds' website daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. Each of the Manager, SG, the Commodity Subadviser, and the Collateral Subadviser has erected and maintains firewalls within its respective institution to prevent the flow and/or use of non-public information regarding the portfolio of underlying instruments from the personnel involved in the development and implementation of the investment strategy to others such as sales and trading personnel. In addition, the Commodity Subadviser, the Collateral Subadviser, any subadviser of either, and the respective related personnel of both are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics.

Each issuer of Shares has represented that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. In addition, a large amount of information is (and after the Conversion, will continue to be) publicly available regarding the Funds and the Shares,

thereby promoting market transparency. Moreover, the IIV applicable to each Fund will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Funds trade on the Exchange. On each business day, before commencement of trading in Shares on the Exchange, each Fund will disclose on its website the Disclosed Portfolio that will form the basis for that Fund's calculation of NAV at the end of the business day. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The website for the Funds will include the prospectus for each Fund and additional data relating to NAV and other applicable quantitative information. Moreover, as discussed previously, the Exchange will inform its member organizations in an Information Circular of the special characteristics and risks associated with trading the Shares prior to the commencement of trading.

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 continued listing and trading of additional types of actively managed ETPs 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 in place a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding each Fund's holdings, the IIV, the Disclosed Portfolio, and quotation and last-sale information for the Shares.

As noted above, the Manager expects that the Conversions will have the effect of further narrowing the discount in each Fund's Share price as compared to its NAV, and, since the Conversion Plan Announcement, each Fund has traded at a substantially reduced discount to NAV, which suggests that the Conversion will achieve its intended purpose, to the benefit of shareholders. A delay in Commission approval may create market uncertainty by creating additional delays in the implementation date for the Conversion. The Exchange, therefore, believes that expeditious Commission approval would further the interests and expectations of investors, who have already approved the Conversion.

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 continued listing and trading of an additional type of ETP and 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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory

organization consents, the Commission will:

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

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEMKT-2016-58 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSEMKT-2016-58. This file number should be included on the subject line if e-mail 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 website (<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 website 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-NYSEMKT-2016-58 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

Robert W. Errett  
Deputy Secretary

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<sup>28</sup> 17 CFR 200.30-3(a)(12).

Addition: Underlined

Deletions: [Bracketed]

***Bold italics*** indicate changes from Exhibit 5 to SR-NYSEMKT-2016-58

## Rules of the NYSE MKT LLC

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### Rule 1600. Trading of Trust Units

(a) **Applicability.** The Rules in this Chapter (Trading of Trust Units) are applicable only to Trust Units. Except to the extent that specific Rules in this Chapter govern, or unless the context otherwise requires, the rules and policies of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Trust Units are included within the definitions of "security" or "securities" as such terms are used in the Rules of the Exchange.

(b) **Definitions.** The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

- (i) **Commodity.** The term "commodity" is defined in Section 1(a)([4]9) of the Commodity Exchange Act.
- (ii) **Trust Units.** The term "Trust Units" for purposes of this Rule means a security that is issued by a trust ("Trust") or other similar entity that (i) is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, [and/or] commodities and/or securities, and (ii) is issued and redeemed continuously in specified aggregate amounts at the next applicable net asset value.
- (iii) **Disclosed Portfolio.** The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Trust that will form the basis for the Trust's calculation of net asset value at the end of the business day.
- (iv) **Intraday Indicative Value.** The term "Intraday Indicative Value" is the estimated indicative value of a Trust Unit based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.
- (v) **Reporting Authority.** The term "Reporting Authority" in respect of a particular series of Trust Units means the Exchange, an institution, or a reporting or information service designated by the Exchange or by the Trust or the exchange that lists a particular series of Trust Units (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and

reporting information relating to such series, including, but not limited to, the Intraday Indicative Value; the Disclosed Portfolio; the amount of any cash distribution to holders of Trust Units, net asset value, or other information relating to the issuance, redemption or trading of Trust Units. A series of Trust Units may have more than one Reporting Authority, each having different functions.

••• *Commentary* -----

**.01** The Exchange requires that members and member organizations provide to all purchasers of newly issued Trust Units a prospectus for the series of Trust Units.

**.02** Transactions in Trust Units will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

**.03** A trust or other similar entity that issues trust units may also hold investments in high credit quality short-term fixed income securities or other securities for margin purposes.

**.04** If the Trust's advisor is affiliated with a broker-dealer, the broker-dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Trust portfolio.

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**Rule 1602. Initial and Continued Listing**

Trust Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(a) Initial Listing

- (i) The Exchange will establish a minimum number of Trust Units required to be outstanding at the time of commencement of trading on the Exchange.
- (ii) The Exchange will obtain a representation from the issuer of each series of Trust Units that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(b) Continued Listing

- (i) The Exchange will remove from listing Trust Units under any of the following circumstances:

- (A) if following the initial twelve month period following the commencement of trading of Trust Units, (A) the trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Units for 30 or more consecutive trading days; (B) if the trust has fewer than 50,000 Trust Units issued and outstanding; or (C) if the market value of all Trust Units issued and outstanding is less than \$1,000,000;
- (B) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.
- (ii) The Exchange will halt trading in a series of Trust Units if the if the circuit breaker parameters of Rule 80B- Equities have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, the Exchange may consider factors such as those set forth in Rule 953NY(a), in addition to other factors that may be relevant. In particular, if the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value [and] or net asset value per share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value or net asset value per share occurs. If the interruption to the dissemination of the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value or net asset value per share persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Trust Units is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

Upon termination of a trust, the Exchange requires that Trust Units issued in connection with such trust be removed from Exchange listing. A trust will terminate in accordance with the provisions of the prospectus.

- (iii) Each series of Trust Units will be listed and/or traded on the Exchange subject to application of the following continued listing criteria:
- (a) Intraday Indicative Value. The Intraday Indicative Value for Trust Units will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Corporation.
- (b) Disclosed Portfolio.
- (i) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(ii) 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.

(c) Term — The stated term of the trust shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the prospectus.

(d) Trustee — The following requirements apply:

(i) The trustee of a trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must also be appointed as co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(e) Voting — Voting rights shall be as set forth in the applicable prospectus

••• *Commentary* -----

***.01 The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios. All statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures shall be complied with on a continuing basis and the issuer of such issue of Trust Units shall notify the Exchange of any material noncompliance with such statements and representations.***

***The Exchange will consider the suspension of trading and delisting (if applicable) of an issue of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance.***

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#### **Rule 1603. Reserved [DMM Prohibitions**

If a DMM unit is operating under Rule 98 (Former) - Equities, Rule 105(b) (Former) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit a DMM, his or her member organization, other member, or approved person of such member organization or employee or officer thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying

asset or commodity, related futures or options on futures, or any related derivative. If an approved person of a DMM unit is entitled to an exemption from Rule 105(b) (Former) under Rule 98 (Former), such approved person may act in a market making capacity, other than as a specialist in Trust Units on another market center, in the underlying asset or commodity, related futures or options on futures, or any other related derivatives.

If a DMM unit is operating under Rule 98 - Equities, Rule 105(b) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit the DMM unit or officer or employee thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any other related derivatives. ]

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### **Rule 1605. Limitation on Exchange Liability**

Neither the Exchange, the Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating [any underlying portfolio value] the Disclosed Portfolio; any value of underlying futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities; the current value of positions or interests if required to be deposited to the trust in connection with issuance of Trust Units; net asset value; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by the Exchange, the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units, futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.

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Addition: Underlined  
Deletions: [Bracketed]

## Rules of the NYSE MKT LLC

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### Rule 1600. Trading of Trust Units

(a) Applicability. The Rules in this Chapter (Trading of Trust Units) are applicable only to Trust Units. Except to the extent that specific Rules in this Chapter govern, or unless the context otherwise requires, the rules and policies of the Board of Directors shall be applicable to the trading on the Exchange of such securities. Trust Units are included within the definitions of "security" or "securities" as such terms are used in the Rules of the Exchange.

(b) Definitions. The following terms as used in the Rules shall, unless the context otherwise requires, have the meanings herein specified:

- (i) *Commodity*. The term "commodity" is defined in Section 1(a)([4]9) of the Commodity Exchange Act.
- (ii) *Trust Units*. The term "Trust Units" for purposes of this Rule means a security that is issued by a trust ("Trust") or other similar entity that (i) is constituted as a commodity pool that holds investments comprising or otherwise based on any combination of futures contracts, options on futures contracts, forward contracts, swap contracts, [and/or] commodities and/or securities, and (ii) is issued and redeemed continuously in specified aggregate amounts at the next applicable net asset value.
- (iii) *Disclosed Portfolio*. The term "Disclosed Portfolio" means the identities and quantities of the securities and other assets held by the Trust that will form the basis for the Trust's calculation of net asset value at the end of the business day.
- (iv) *Intraday Indicative Value*. The term "Intraday Indicative Value" is the estimated indicative value of a Trust Unit based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.
- (v) *Reporting Authority*. The term "Reporting Authority" in respect of a particular series of Trust Units means the Exchange, an institution, or a reporting or information service designated by the Exchange or by the Trust or the exchange that lists a particular series of Trust Units (if the Exchange is trading such series pursuant to unlisted trading privileges) as the official source for calculating and reporting information relating to such series, including, but not limited to, the

Intraday Indicative Value; the Disclosed Portfolio; the amount of any cash distribution to holders of Trust Units, net asset value, or other information relating to the issuance, redemption or trading of Trust Units. A series of Trust Units may have more than one Reporting Authority, each having different functions.

••• *Commentary* -----

.01 The Exchange requires that members and member organizations provide to all purchasers of newly issued Trust Units a prospectus for the series of Trust Units.

.02 Transactions in Trust Units will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series, as specified by the Exchange.

.03 A trust or other similar entity that issues trust units may also hold investments in high credit quality short-term fixed income securities or other securities for margin purposes.

.04 If the Trust's advisor is affiliated with a broker-dealer, the broker-dealer shall erect a "fire wall" around the personnel who have access to information concerning changes and adjustments to the Disclosed Portfolio. Personnel who make decisions on the Trust's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable Trust portfolio.

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### **Rule 1602. Initial and Continued Listing**

Trust Units will be listed and/or traded on the Exchange subject to application of the following criteria:

(a) Initial Listing

(i) The Exchange will establish a minimum number of Trust Units required to be outstanding at the time of commencement of trading on the Exchange.

(ii) The Exchange will obtain a representation from the issuer of each series of Trust Units that the net asset value per share for the series will be calculated daily and that the net asset value and the Disclosed Portfolio will be made available to all market participants at the same time.

(b) Continued Listing

(i) The Exchange will remove from listing Trust Units under any of the following circumstances:



- (A) if following the initial twelve month period following the commencement of trading of Trust Units, (A) the trust has more than 60 days remaining until termination and there are fewer than 50 record and/or beneficial holders of Trust Units for 30 or more consecutive trading days; (B) if the trust has fewer than 50,000 Trust Units issued and outstanding; or (C) if the market value of all Trust Units issued and outstanding is less than \$1,000,000;
- (B) if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.
- (ii) The Exchange will halt trading in a series of Trust Units if the if the circuit breaker parameters of Rule 80B- Equities have been reached. In exercising its discretion to halt or suspend trading in a series of Trust Units, the Exchange may consider factors such as those set forth in Rule 953NY(a), in addition to other factors that may be relevant. In particular, if the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value [and] or net asset value per share are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value or net asset value per share occurs. If the interruption to the dissemination of the [portfolio holdings] Disclosed Portfolio, Intraday Indicative Value or net asset value per share persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Trust Units is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value or the Disclosed Portfolio is available to all market participants.

Upon termination of a trust, the Exchange requires that Trust Units issued in connection with such trust be removed from Exchange listing. A trust will terminate in accordance with the provisions of the prospectus.

- (iii) Each series of Trust Units will be listed and/or traded on the Exchange subject to application of the following continued listing criteria:
- (a) Intraday Indicative Value. The Intraday Indicative Value for Trust Units will be widely disseminated by one or more major market data vendors at least every 15 seconds during the time when the Trust Units trade on the Corporation.
- (b) Disclosed Portfolio.
- (i) The Disclosed Portfolio will be disseminated at least once daily and will be made available to all market participants at the same time.

(ii) 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.

(c) Term — The stated term of the trust shall be as stated in the prospectus. However, such entity may be terminated under such earlier circumstances as may be specified in the prospectus.

(d) Trustee — The following requirements apply:

(i) The trustee of a trust must be a trust company or banking institution having substantial capital and surplus and the experience and facilities for handling corporate trust business. In cases where, for any reason, an individual has been appointed as trustee, a qualified trust company or banking institution must also be appointed as co-trustee.

(ii) No change is to be made in the trustee of a listed issue without prior notice to and approval of the Exchange.

(e) Voting — Voting rights shall be as set forth in the applicable prospectus

••• *Commentary* -----

.01 The Exchange will file separate proposals under Section 19(b) of the Securities Exchange Act of 1934 before listing and trading separate and distinct Trust Units designated on different underlying investments, commodities, assets and/or portfolios. All statements and representations contained in such proposal regarding (a) the description of the portfolio holdings, (b) limitations on portfolio holdings, or (c) the applicability of Exchange rules and surveillance procedures shall be complied with on a continuing basis and the issuer of such issue of Trust Units shall notify the Exchange of any material noncompliance with such statements and representations.

The Exchange will consider the suspension of trading and delisting (if applicable) of an issue of Trust Units under Sections 1001 through 1010 of the NYSE MKT Company Guide if the issuer of such security notifies the Exchange of an event of material noncompliance.

**Rule 1603. Reserved [DMM Prohibitions**

If a DMM unit is operating under Rule 98 (Former) - Equities, Rule 105(b) (Former) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit a DMM, his or her member organization, other member, or approved person of such member organization or employee or officer thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any related derivative. If an approved person of a DMM unit is entitled to an exemption from Rule 105(b) (Former)

under Rule 98 (Former), such approved person may act in a market making capacity, other than as a specialist in Trust Units on another market center, in the underlying asset or commodity, related futures or options on futures, or any other related derivatives.

If a DMM unit is operating under Rule 98 - Equities, Rule 105(b) - Equities and section (m) of the Guidelines thereunder shall be deemed to prohibit the DMM unit or officer or employee thereof from acting as a market maker or functioning in any capacity involving market-marking responsibilities in an underlying asset or commodity, related futures or options on futures, or any other related derivatives. ]

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#### **Rule 1605. Limitation on Exchange Liability**

Neither the Exchange, the Reporting Authority, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating [any underlying portfolio value] the Disclosed Portfolio; any value of underlying futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities; the current value of positions or interests if required to be deposited to the trust in connection with issuance of Trust Units; net asset value; or other information relating to the purchase, redemption or trading of Trust Units, resulting from any negligent act or omission by the Exchange, the Reporting Authority, or any agent of the Exchange, or any act, condition or cause beyond the reasonable control of the Exchange or its agent, or the Reporting Authority, including, but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; or any error, omission or delay in the reports of transactions in the Trust Units, futures contracts, options on futures contracts, forward contracts, swap contracts, commodities and/or securities.

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