

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="31"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2020"/> - * <input type="text" value="019"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by The Nasdaq Stock Market LLC  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" 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)(5)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(6)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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 \*).

A proposed rule change to make changes to Nasdaq Rules 5705(b), 5735 and Nasdaq Rule 4120

**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 * <input type="text" value="Jonathan"/>	Last Name * <input type="text" value="Cayne"/>
Title * <input type="text" value="Principal Associate General Counsel"/>	
E-mail * <input type="text" value="Jonathan.Cayne@Nasdaq.com"/>	
Telephone * <input type="text" value="(301) 978-8493"/>	Fax <input type="text"/>

**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 <input type="text" value="05/14/2020"/>	<input type="text" value="EVP and Chief Legal Officer"/>
By <input type="text" value="John A. Zecca"/>	<input type="text"/>
(Name *)	

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 EFFF 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) The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to eliminate the requirement that the Intraday Indicative Value be disseminated as set forth under Nasdaq Rule 5705(b) (“Index Fund Shares”) for certain series of Index Fund Shares and under Nasdaq Rule 5735 (“Managed Fund Shares”) for all series of Managed Fund Shares. Additionally, the Exchange proposes to define the term “Portfolio Holdings” as it pertains to Index Fund Shares. Finally, the Exchange proposes to amend Nasdaq Rule 4120 (Limit Up-Limit Down Plan and Trading Halts) as it pertains to dissemination of the Intraday Indicative Value.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the “Board”) on September 25, 2019. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

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

Questions and comments on the proposed rule change may be directed to:

Ben Haskell  
Director, ETP Compliance  
Nasdaq, Inc.  
301 978 8092

Jonathan Cayne  
Principal Associate General Counsel  
Nasdaq, Inc.  
301 978 8493

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

a. Purpose

Nasdaq Rules 5705(b) and 5735 relate to the listing and trading of Index Fund Shares and Managed Fund Shares, respectively, on the Exchange. Among a number of other requirements, numerous subparagraphs of each of these rules require that an intraday estimate of the value of a share of each series (the "Intraday Indicative Value" or "IIV") of Index Fund Shares and Managed Fund Shares be disseminated and updated at least every 15 seconds.<sup>3</sup> The Exchange is proposing to eliminate the requirement to disseminate an IIV for all series of Managed Fund Shares<sup>4</sup> listed on the

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<sup>3</sup> See subparagraphs (3)(C), (6)(A), and (9)(B)(i)e. of Nasdaq Rule 5705(b). See also subparagraphs (c)(3), (c)(4), (d)(2)(A), (d)(2)(C)(ii), and (d)(2)(D) of Nasdaq Rule 5735.

<sup>4</sup> The Exchange notes that Nasdaq Rule 5735(d)(2)(B)(i) requires that the Disclosed Portfolio for a series of Managed Fund Shares be disseminated at least once daily and be made available to all market participants at the same time. Further, Nasdaq 5735(d)(2)(C)(ii) requires that the Exchange consider suspension of trading in and commence delisting proceedings for a series of Managed Fund Shares where the Disclosed Portfolio is not made available to all market participants at the same time. As such, the Exchange is proposing to eliminate the IIV dissemination requirements entirely from Nasdaq Rule 5735.

Exchange and for those series of Index Fund Shares that also publish their Portfolio Holdings (as defined below) on a daily basis.

As part of this proposal, the Exchange is also proposing to adopt proposed Nasdaq Rule 5705(b)(1)(F) to define the term “Portfolio Holdings” to mean the holdings of a particular series of Index Fund Shares that will form the basis for the calculation of its net asset value (“NAV”) at the end of the business day.<sup>5</sup> Existing Nasdaq Rules require issuers of Managed Fund Shares to provide IIV and daily disclosure of the Disclosed Portfolio.<sup>6</sup> Similarly, existing Exchange Rules require issuers of Index Fund Shares to disseminate an IIV for each fund, but do not universally require daily disclosure of a fund’s underlying holdings.

The dissemination of an IIV, together with disclosure of the fund’s underlying holdings, was designed to allow investors to determine the value of the underlying portfolio of such funds on a daily basis and provide a close estimate of that value throughout the trading day. However, as consistently highlighted in the adopting release of Rule 17 CFR 270.6c-11 (“Rule 6c-11”)<sup>7</sup> under the Investment Company Act of

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<sup>5</sup> For purposes of Nasdaq Rule 5705(b), Portfolio Holdings would include various information, to the extent applicable, as listed in proposed subparagraphs (1)(F)(i) through (1)(F)(xi). The proposed definition of Portfolio Holdings is substantively identical to the definition of “Disclosed Portfolio” as set forth in Nasdaq Rule 5735(c)(2).

<sup>6</sup> See subparagraphs (c)(2), (d)(1)(B), and (d)(2)(B)(i) of Nasdaq Rule 5735. The term “Disclosed Portfolio” (as defined in Nasdaq Rule 5735(c)(2)) means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company’s calculation of net asset value at the end of the business day.

<sup>7</sup> See Investment Company Act Release No. 10695 (September 25, 2019), 84 FR 57162 (October 24, 2019) (the “Adopting Release”).

1940<sup>8</sup> (the “1940 Act”), the Commission has expressed concerns regarding the accuracy of IIV estimates for certain Exchange-Traded Funds (“ETFs”).<sup>9</sup>

Specifically, the Commission noted that an IIV may not accurately reflect the value of an ETF that holds securities that trade less frequently as such IIV can be stale or inaccurate.<sup>10</sup> Similarly, the Commission also expressed concerns with the IIV of ETFs with frequently traded component securities because “in today’s fast moving markets, given the dissemination lags, an IIV may not accurately reflect the value of an ETF that holds frequently traded component securities.”<sup>11</sup> Additionally, the Commission indicated that even in circumstances when an IIV may be reliable, retail investors do not have easy access to free, publicly available IIV information.<sup>12</sup> Further, in instances when IIV may be free and publicly available, it can be delayed by up to 45 minutes.<sup>13</sup>

Aside from the fact that the disseminated IIV may provide investors with stale or misleading data, the Commission also stated that market makers and authorized participants typically calculate their own intraday value of an ETF’s portfolio with

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<sup>8</sup> 15 U.S.C. 80a-1.

<sup>9</sup> An Exchange-Traded Fund means a registered open-end investment company: (i) that issues (and redeems) creation units to (and from) authorized participants in exchange for a basket and a cash balancing amount if any; and (ii) Whose shares are listed on a national securities exchange and traded at market-determined prices. See supra note 7.

<sup>10</sup> Id. at 62.

<sup>11</sup> Id.

<sup>12</sup> Id. at 66.

<sup>13</sup> Id.

proprietary algorithms that use an ETF's daily portfolio disclosure and available pricing information.<sup>14</sup> Such information allows those market participants to support the arbitrage mechanism for ETFs.

The arbitrage mechanism is designed to help keep the market price of ETF shares at or close to the NAV per share of an ETF, and is important because it helps to ensure ETF investors are treated equitably when buying and selling fund shares.<sup>15</sup> Therefore, as market participants who engage in arbitrage typically calculate their own intraday value of an ETF's portfolio based on the ETF's daily portfolio disclosure and pricing information and use an IIV only as a secondary check to their own calculation,<sup>16</sup> the Commission noted that IIV was not necessary to support the arbitrage mechanism.<sup>17</sup>

Given this, combined with shortcomings of the IIV noted above, the Commission concluded that ETFs will not be required to disseminate an IIV under Rule 6c-11.<sup>18</sup> As such, Exchange listing rules are the only reason that a series of Managed Fund Shares is required to disseminate an IIV. Similarly, Exchange listing rules are the only reason that a series of Index Fund Shares that also publishes its Portfolio Holdings on a daily basis is required to disseminate an IIV.

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<sup>14</sup> Id. at 63.

<sup>15</sup> Id. at 12.

<sup>16</sup> Id. at 63.

<sup>17</sup> Id. at 65.

<sup>18</sup> Id. at 61.

The Exchange believes that the limitations and shortcomings of IIV as it pertains to ETFs relying on Rule 6c-11 and highlighted in the Adopting Release are equally applicable to all Managed Fund Shares listed on the Exchange and Index Fund Shares for which the Portfolio Holdings are disclosed on a daily basis. The Exchange further agrees with the conclusion of the Adopting Release that the “IIV is not necessary to support the arbitrage mechanism for ETFs that provide daily portfolio holdings disclosure.”

The transparency that comes from daily portfolio holdings disclosure provides market participants with sufficient information to facilitate the intraday valuation of the shares of an ETF, including Managed Fund Shares and Index Fund Shares for which Portfolio Holdings are disclosed daily, which, ignoring the many criticisms of IIV in the Adopting Order, renders IIV at the very least duplicative and unnecessary. The Commission has previously approved a proposed rule change by Cboe BZX Exchange, Inc. (“Cboe BZX”) that is substantively identical to the proposed amendments to Nasdaq Rules 5705(b) and 5735.<sup>19</sup>

Therefore, the Exchange is proposing to eliminate the requirement for the dissemination of the IIV for all series of Managed Fund Shares and for Index Fund Shares for which Portfolio Holdings are disclosed on a daily basis.

In addition, the Exchange is proposing to amend Nasdaq Rule 4120(a)(9) to

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<sup>19</sup> See Securities Exchange Act Release No. 88558 (April 3, 2020), 85 FR 20012 (April 9, 2020) (SR-CboeBZX-2020-007) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Eliminate the Requirement That an Intraday Indicative Value Be Disseminated as Set Forth Under Rule 14.11(c) for Certain Series of Index Fund Shares and Under Rule 14.11(i) for All Series of Managed Fund Shares).

remove certain references to Managed Fund Shares as it relates to halting a series of Managed Fund Shares for not disseminating an IIV. Managed Fund Shares are not required to disseminate and underlying index value and, as a result of this rule proposal, would not be required to disseminate an IIV. Nasdaq believes that including Managed Fund Shares as a security that can be halted for not disseminating an underlying index value or an IIV is no longer necessary. The Exchange notes that this proposal does not seek to remove certain references to Index Fund Shares because Nasdaq Rule 4120(a)(9) only applies to Index Fund Shares if dissemination of an underlying index value or IIV is required.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>20</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>21</sup> in particular, in that it is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The proposed amendment seeks to eliminate the requirement that Managed Fund Shares and Index Fund Shares for which the Portfolio Holdings are disclosed daily

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

<sup>21</sup> 15 U.S.C. 78f(b)(5).

disseminate an IIV for the same reasons articulated in the Adopting Order for Rule 6c-11, which does not require the dissemination of IIV. The Exchange believes that the proposed amendment will eliminate the dissemination of potentially stale and misleading IIV information to market participants, as was also noted in the Adopting Order. Further, as the proposed rule text would only eliminate the requirement for series of Index Fund Shares<sup>22</sup> and Managed Fund Shares<sup>23</sup> that provide full daily portfolio transparency, such full daily portfolio transparency would provide market participants with a tool to calculate the IIV of a series of Managed Fund Shares or Index Fund Shares, which the Exchange believes generally mitigates the need for the dissemination of an IIV. Nonetheless, nothing in this proposal limits the ability of such Index Fund Shares or Managed Fund Shares from disseminating the IIV should they choose to do so. Further, the Exchange notes that its rules still include certain circumstances in which an issuer would be required to disseminate an IIV.<sup>24</sup>

As a result of the proposed rule change, the Exchange believes issuers may

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<sup>22</sup> As provided in proposed Rules 5705(b)(3)(C) and 5705(b)(6)(A), a series of Index Fund Shares would only be exempt from IIV dissemination requirements where there is daily public website disclosure of Portfolio Holdings.

<sup>23</sup> See supra note 4.

<sup>24</sup> For example, a series of Index Fund Shares that does not provide daily portfolio transparency would still be required to disseminate an IIV. Additionally, IIV dissemination will continue to be required for certain products that are not subject to the 1940 Act. Moreover, the Exchange notes that Nasdaq Rules related to the listing and trading of other product types (that is, products that are not listed pursuant to Nasdaq Rule 5705(b) or 5735) require the dissemination of an IIV, which the Exchange is not proposing to eliminate at this time. Specifically, the Exchange is only proposing to remove the requirement of IIV dissemination as it pertains to certain Index Fund Shares and all Managed Fund Shares because such product types represent the vast majority of products listed on the Exchange and may consider proposing to eliminate the IIV dissemination requirement for other product types in a future proposal.

benefit from cost savings because of the eliminated requirement to disseminate an IIV. The reduced cost could also result in lower barriers to entry for new issuers and new series of Managed Fund Shares and Index Fund Shares for which the Portfolio Holdings are disclosed daily, which will result in enhanced competition among products and issuers of such funds, which can lead to lower fees for investors, encourage financial innovation, and increase investor choice in the ETF market.

Finally, with respect to the proposed change to Nasdaq Rule 4120(a)(9) to remove Managed Fund Shares, the Exchange believes that this strengthens the consistency among Nasdaq's rules and benefits investors and the marketplace by making clear rules that lessen potential confusion for market participants.

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 purposes of the Act. To the contrary, the Exchange believes that issuers may benefit from cost savings and lower barriers to entry because of the eliminated requirement to disseminate an IIV. In turn, the proposed rule change will enable increased product competition among issuers of such funds, which can lead to lower fees for investors, encourage financial innovation, and increase investor choice in the ETF market.

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b-4(f)(6) thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that this proposal does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition and will serve to enhance competition, because it will lead to consistent listing standards that are substantially similar to the rules of Cboe BZX,<sup>25</sup> which the SEC has recently approved. Specifically, the Exchange proposes to amend Nasdaq Rule 5705(b) and Nasdaq Rule 5735 to eliminate the requirement for the dissemination of the IIV for Index Fund Shares for which Portfolio Holdings are disclosed on a daily basis and for all series Managed Fund Shares, respectively. The Exchange believes this proposed change does not significantly affect the protection of investors or the public interest because it simplifies compliance for issuers with products on each exchange and is consistent with, and will further, the SEC's goals in adopting Rule 6c-11.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for

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<sup>25</sup> See supra note 19.

the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) to eliminate the requirement for the dissemination of the IIV for all series of Managed Fund Shares and for Index Fund Shares for which Portfolio Holdings are disclosed on a daily basis because the proposed rule change will lead to consistent listing standards that are substantially similar to the rules of Cboe BZX,<sup>26</sup> which the SEC has recently approved.

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

The proposal to amend Nasdaq Rule 5705(b) and Nasdaq Rule 5735 is substantially similar to SR-CboeBZX-2020-007.<sup>27</sup>

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

Not applicable.

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<sup>26</sup> Id.

<sup>27</sup> Id.

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

Not applicable.

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.
5. Text of the proposed rule change.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-NASDAQ-2020-019)

May \_\_, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make Certain Amendments to Rules 5705(b), 5735 and Rule 4120

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 14, 2020, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to eliminate the requirement that the Intraday Indicative Value be disseminated as set forth under Nasdaq Rule 5705(b) (“Index Fund Shares”) for certain series of Index Fund Shares and under Nasdaq Rule 5735 (“Managed Fund Shares”) for all series of Managed Fund Shares. Additionally, the Exchange proposes to define the term “Portfolio Holdings” as it pertains to Index Fund Shares. Finally, the Exchange proposes to amend Nasdaq Rule 4120 (Limit Up-Limit Down Plan and Trading Halts) as it pertains to dissemination of the Intraday Indicative Value.

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

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

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Nasdaq Rules 5705(b) and 5735 relate to the listing and trading of Index Fund Shares and Managed Fund Shares, respectively, on the Exchange. Among a number of other requirements, numerous subparagraphs of each of these rules require that an intraday estimate of the value of a share of each series (the "Intraday Indicative Value" or "IIV") of Index Fund Shares and Managed Fund Shares be disseminated and updated at least every 15 seconds.<sup>3</sup> The Exchange is proposing to eliminate the requirement to disseminate an IIV for all series of Managed Fund Shares<sup>4</sup> listed on the

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<sup>3</sup> See subparagraphs (3)(C), (6)(A), and (9)(B)(i)e. of Nasdaq Rule 5705(b). See also subparagraphs (c)(3), (c)(4), (d)(2)(A), (d)(2)(C)(ii), and (d)(2)(D) of Nasdaq Rule 5735.

<sup>4</sup> The Exchange notes that Nasdaq Rule 5735(d)(2)(B)(i) requires that the Disclosed Portfolio for a series of Managed Fund Shares be disseminated at least once daily and be made available to all market participants at the same time. Further, Nasdaq 5735(d)(2)(C)(ii) requires that the Exchange consider suspension of trading in and

Exchange and for those series of Index Fund Shares that also publish their Portfolio Holdings (as defined below) on a daily basis.

As part of this proposal, the Exchange is also proposing to adopt proposed Nasdaq Rule 5705(b)(1)(F) to define the term “Portfolio Holdings” to mean the holdings of a particular series of Index Fund Shares that will form the basis for the calculation of its net asset value (“NAV”) at the end of the business day.<sup>5</sup> Existing Nasdaq Rules require issuers of Managed Fund Shares to provide IIV and daily disclosure of the Disclosed Portfolio.<sup>6</sup> Similarly, existing Exchange Rules require issuers of Index Fund Shares to disseminate an IIV for each fund, but do not universally require daily disclosure of a fund’s underlying holdings.

The dissemination of an IIV, together with disclosure of the fund’s underlying holdings, was designed to allow investors to determine the value of the underlying portfolio of such funds on a daily basis and provide a close estimate of that value throughout the trading day. However, as consistently highlighted in the adopting release

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commence delisting proceedings for a series of Managed Fund Shares where the Disclosed Portfolio is not made available to all market participants at the same time. As such, the Exchange is proposing to eliminate the IIV dissemination requirements entirely from Nasdaq Rule 5735.

<sup>5</sup> For purposes of Nasdaq Rule 5705(b), Portfolio Holdings would include various information, to the extent applicable, as listed in proposed subparagraphs (1)(F)(i) through (1)(F)(xi). The proposed definition of Portfolio Holdings is substantively identical to the definition of “Disclosed Portfolio” as set forth in Nasdaq Rule 5735(c)(2).

<sup>6</sup> See subparagraphs (c)(2), (d)(1)(B), and (d)(2)(B)(i) of Nasdaq Rule 5735. The term “Disclosed Portfolio” (as defined in Nasdaq Rule 5735(c)(2)) means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the Investment Company’s calculation of net asset value at the end of the business day.

of Rule 17 CFR 270.6c-11 (“Rule 6c-11”)<sup>7</sup> under the Investment Company Act of 1940<sup>8</sup> (the “1940 Act”), the Commission has expressed concerns regarding the accuracy of IIV estimates for certain Exchange-Traded Funds (“ETFs”).<sup>9</sup>

Specifically, the Commission noted that an IIV may not accurately reflect the value of an ETF that holds securities that trade less frequently as such IIV can be stale or inaccurate.<sup>10</sup> Similarly, the Commission also expressed concerns with the IIV of ETFs with frequently traded component securities because “in today’s fast moving markets, given the dissemination lags, an IIV may not accurately reflect the value of an ETF that holds frequently traded component securities.”<sup>11</sup> Additionally, the Commission indicated that even in circumstances when an IIV may be reliable, retail investors do not have easy access to free, publicly available IIV information.<sup>12</sup> Further, in instances when IIV may be free and publicly available, it can be delayed by up to 45 minutes.<sup>13</sup>

Aside from the fact that the disseminated IIV may provide investors with stale

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<sup>7</sup> See Investment Company Act Release No. 10695 (September 25, 2019), 84 FR 57162 (October 24, 2019) (the “Adopting Release”).

<sup>8</sup> 15 U.S.C. 80a-1.

<sup>9</sup> An Exchange-Traded Fund means a registered open-end investment company: (i) that issues (and redeems) creation units to (and from) authorized participants in exchange for a basket and a cash balancing amount if any; and (ii) Whose shares are listed on a national securities exchange and traded at market-determined prices. See supra note 7.

<sup>10</sup> Id. at 62.

<sup>11</sup> Id.

<sup>12</sup> Id. at 66.

<sup>13</sup> Id.

or misleading data, the Commission also stated that market makers and authorized participants typically calculate their own intraday value of an ETF's portfolio with proprietary algorithms that use an ETF's daily portfolio disclosure and available pricing information.<sup>14</sup> Such information allows those market participants to support the arbitrage mechanism for ETFs.

The arbitrage mechanism is designed to help keep the market price of ETF shares at or close to the NAV per share of an ETF, and is important because it helps to ensure ETF investors are treated equitably when buying and selling fund shares.<sup>15</sup> Therefore, as market participants who engage in arbitrage typically calculate their own intraday value of an ETF's portfolio based on the ETF's daily portfolio disclosure and pricing information and use an IIV only as a secondary check to their own calculation,<sup>16</sup> the Commission noted that IIV was not necessary to support the arbitrage mechanism.<sup>17</sup>

Given this, combined with shortcomings of the IIV noted above, the Commission concluded that ETFs will not be required to disseminate an IIV under Rule 6c-11.<sup>18</sup> As such, Exchange listing rules are the only reason that a series of Managed Fund Shares is required to disseminate an IIV. Similarly, Exchange listing

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<sup>14</sup> Id. at 63.

<sup>15</sup> Id. at 12.

<sup>16</sup> Id. at 63.

<sup>17</sup> Id. at 65.

<sup>18</sup> Id. at 61.

rules are the only reason that a series of Index Fund Shares that also publishes its Portfolio Holdings on a daily basis is required to disseminate an IIV.

The Exchange believes that the limitations and shortcomings of IIV as it pertains to ETFs relying on Rule 6c-11 and highlighted in the Adopting Release are equally applicable to all Managed Fund Shares listed on the Exchange and Index Fund Shares for which the Portfolio Holdings are disclosed on a daily basis. The Exchange further agrees with the conclusion of the Adopting Release that the “IIV is not necessary to support the arbitrage mechanism for ETFs that provide daily portfolio holdings disclosure.”

The transparency that comes from daily portfolio holdings disclosure provides market participants with sufficient information to facilitate the intraday valuation of the shares of an ETF, including Managed Fund Shares and Index Fund Shares for which Portfolio Holdings are disclosed daily, which, ignoring the many criticisms of IIV in the Adopting Order, renders IIV at the very least duplicative and unnecessary. The Commission has previously approved a proposed rule change by Cboe BZX Exchange, Inc. (“Cboe BZX”) that is substantively identical to the proposed amendments to Nasdaq Rules 5705(b) and 5735.<sup>19</sup>

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<sup>19</sup> See Securities Exchange Act Release No. 88558 (April 3, 2020), 85 FR 20012 (April 9, 2020) (SR-CboeBZX-2020-007) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, To Eliminate the Requirement That an Intraday Indicative Value Be Disseminated as Set Forth Under Rule 14.11(c) for Certain Series of Index Fund Shares and Under Rule 14.11(i) for All Series of Managed Fund Shares).

Therefore, the Exchange is proposing to eliminate the requirement for the dissemination of the IIV for all series of Managed Fund Shares and for Index Fund Shares for which Portfolio Holdings are disclosed on a daily basis.

In addition, the Exchange is proposing to amend Nasdaq Rule 4120(a)(9) to remove certain references to Managed Fund Shares as it relates to halting a series of Managed Fund Shares for not disseminating an IIV. Managed Fund Shares are not required to disseminate and underlying index value and, as a result of this rule proposal, would not be required to disseminate an IIV. Nasdaq believes that including Managed Fund Shares as a security that can be halted for not disseminating an underlying index value or an IIV is no longer necessary. The Exchange notes that this proposal does not seek to remove certain references to Index Fund Shares because Nasdaq Rule 4120(a)(9) only applies to Index Fund Shares if dissemination of an underlying index value or IIV is required.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>20</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>21</sup> in particular, in that it is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the

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

<sup>21</sup> 15 U.S.C. 78f(b)(5).

mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The proposed amendment seeks to eliminate the requirement that Managed Fund Shares and Index Fund Shares for which the Portfolio Holdings are disclosed daily disseminate an IIV for the same reasons articulated in the Adopting Order for Rule 6c-11, which does not require the dissemination of IIV. The Exchange believes that the proposed amendment will eliminate the dissemination of potentially stale and misleading IIV information to market participants, as was also noted in the Adopting Order. Further, as the proposed rule text would only eliminate the requirement for series of Index Fund Shares<sup>22</sup> and Managed Fund Shares<sup>23</sup> that provide full daily portfolio transparency, such full daily portfolio transparency would provide market participants with a tool to calculate the IIV of a series of Managed Fund Shares or Index Fund Shares, which the Exchange believes generally mitigates the need for the dissemination of an IIV. Nonetheless, nothing in this proposal limits the ability of such Index Fund Shares or Managed Fund Shares from disseminating the IIV should they choose to do so. Further, the Exchange notes that its rules still include certain circumstances in which an issuer would be required to disseminate an IIV.<sup>24</sup>

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<sup>22</sup> As provided in proposed Rules 5705(b)(3)(C) and 5705(b)(6)(A), a series of Index Fund Shares would only be exempt from IIV dissemination requirements where there is daily public website disclosure of Portfolio Holdings.

<sup>23</sup> See supra note 4.

<sup>24</sup> For example, a series of Index Fund Shares that does not provide daily portfolio transparency would still be required to disseminate an IIV. Additionally, IIV dissemination will continue to be required for certain products that are not subject to the 1940 Act. Moreover, the Exchange notes that Nasdaq Rules related to the listing and trading of other product types (that is, products that are not listed pursuant to Nasdaq Rule 5705(b) or 5735) require the dissemination of an IIV,

As a result of the proposed rule change, the Exchange believes issuers may benefit from cost savings because of the eliminated requirement to disseminate an IIV. The reduced cost could also result in lower barriers to entry for new issuers and new series of Managed Fund Shares and Index Fund Shares for which the Portfolio Holdings are disclosed daily, which will result in enhanced competition among products and issuers of such funds, which can lead to lower fees for investors, encourage financial innovation, and increase investor choice in the ETF market.

Finally, with respect to the proposed change to Nasdaq Rule 4120(a)(9) to remove Managed Fund Shares, the Exchange believes that this strengthens the consistency among Nasdaq's rules and benefits investors and the marketplace by making clear rules that lessen potential confusion for market participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that issuers may benefit from cost savings and lower barriers to entry because of the eliminated requirement to disseminate an IIV. In turn, the proposed rule change will enable increased product competition among issuers of such funds, which can lead to lower fees for investors, encourage financial innovation, and increase investor choice in the ETF market.

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which the Exchange is not proposing to eliminate at this time. Specifically, the Exchange is only proposing to remove the requirement of IIV dissemination as it pertains to certain Index Fund Shares and all Managed Fund Shares because such product types represent the vast majority of products listed on the Exchange and may consider proposing to eliminate the IIV dissemination requirement for other product types in a future proposal.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>25</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>26</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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<sup>25</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>26</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

#### 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-NASDAQ-2020-019 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NASDAQ-2020-019. 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 Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for 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-NASDAQ-2020-019 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>27</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>27</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined>.

**The Nasdaq Stock Market LLC Rules**

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**4120. Limit Up-Limit Down Plan and Trading Halts****(a) Authority to Initiate Trading Halts or Pauses**

In circumstances in which Nasdaq deems it necessary to protect investors and the public interest, Nasdaq, pursuant to the procedures set forth in paragraph (c):

(1) – (8) No Change.

(9) may halt trading in a series of Portfolio Depository Receipts, Index Fund Shares [or Managed Fund Shares ](as defined in Rule[s] 5705[ and 5735, respectively]), Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, and Managed Trust Securities (as defined in Rule 5711(a) - (h) and (j), respectively), or NextShares (as defined in Rule 5745) listed on Nasdaq if the Intraday Indicative Value (as defined in Rule 5705), for Portfolio Depository Receipts or Index Fund Shares, for derivative securities as defined in Rule 5711(a), (b), and (d) - (h), Rule 5711(j) for Managed Trust Securities, [Rule 5735 for Managed Fund Shares,] or Rule 5745 for NextShares) or the index value applicable to that series is not being disseminated as required, during the day in which the interruption to the dissemination of the Intraday Indicative Value or the index value occurs. If the interruption to the dissemination of the Intraday Indicative Value or the index value persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. Nasdaq may also exercise discretion to halt trading in a series of Portfolio Depository Receipts, Index Fund Shares, Exchange Traded Fund Shares (as defined in Rule 5704), Managed Fund Shares, Index-Linked Exchangeable Notes, Equity Gold Shares, Trust Certificates, Commodity-Based Trust Shares, Currency Trust Shares, Commodity Index Trust Shares, Commodity Futures Trust Shares, Partnership Units, Trust Units (as defined in Rule 5711(i)), Managed Trust Securities, Currency Warrants (as defined in Rule 5711(k)), or NextShares based on a consideration of the following factors: (A) trading in underlying securities comprising the index or portfolio applicable to that series has been halted in the primary market(s), (B) the extent to which trading has ceased in securities underlying the index or portfolio, or (C) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market.

(10) – (13) No Change.

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**5705. Exchange Traded Funds: Portfolio Depositary Receipts and Index Fund Shares**

(a) No Change.

(b) Index Fund Shares

(1) Definitions. The following terms shall, unless the context otherwise requires, have the meanings herein specified:

(A) – (E) No Change.

(F) Portfolio Holdings. The term “Portfolio Holdings” means the holdings of a particular series of Index Fund Shares that will form the basis for the calculation of its net asset value at the end of the business day. For purposes of this rule, Portfolio Holdings includes the following information, to the extent applicable:

(i) Ticker symbol;

(ii) CUSIP or other identifier;

(iii) Description of the holding;

(iv) Identity of the security, commodity, index, or other asset upon which the derivative is based;

(v) The strike price for any options;

(vi) The quantity of each security or other asset held as measured by:

(a) Par value;

(b) Notional value;

(c) Number of shares;

(d) Number of contracts; and

(e) Number of units;

(vii) Maturity date;

(viii) Coupon rate;

(ix) Effective date;

(x) Market value; and

(xi) Percentage weighting of the holding in the portfolio.

(2) No Change.

(3) Equity. Nasdaq may approve a series of Index Fund Shares for listing and trading pursuant to Rule 19b-4(e) under the Act provided each of the following criteria is satisfied, on an initial and, except for paragraph (D) below, continued listing basis:

(A) – (B) No Change.

(C) Disseminated Information. Where a series of Index Fund Shares does not publish its Portfolio Holdings on its website on a daily basis, [T]the Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value") during Nasdaq's regular market session. The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value will be updated at least every 15 seconds during Nasdaq's regular market session; to reflect changes in the exchange rate between the U.S. dollar and the currency in which any component stock is denominated. If the Intraday Indicative Value does not change during some or all of the period when trading is occurring on Nasdaq, then the last official calculated Intraday Indicative Value must remain available throughout Nasdaq's trading hours. All requirements set forth in this paragraph must be satisfied on an initial and continued listing basis. Where a series of Index Fund Shares publishes its Portfolio Holdings on its website on a daily basis, there is no obligation to disseminate an Intraday Indicative Value.

(D) – (F) No Change.

(4) – (5) No Change.

(6) The following provisions shall apply to all series of Index Fund Shares listed pursuant Rules 5705(b)(4) and (5) above on an initial and, except for paragraph (B) below, continued listing basis:

(A) Disseminated Information. Where a series of Index Fund Shares does not publish its Portfolio Holdings on its website on a daily basis, [T]the Reporting Authority will disseminate for each series of Index Fund Shares an estimate, updated at least every 15 seconds, of the value of a share of each series (the "Intraday Indicative Value"). The Intraday Indicative Value may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new shares of the series or upon the index value. The Intraday Indicative Value may be calculated by Nasdaq or by an independent third party throughout the day using prices obtained from independent market data providers or other independent pricing sources such as a broker-dealer or price evaluation services. Where a series of Index Fund Shares publishes its Portfolio Holdings on its website on a daily basis, there is no obligation to disseminate an Intraday Indicative Value.

(B) – (C) No Change.

(7) – (8) No Change.

(9) Each series of Index Fund Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(A) No Change.

(B) Continued Listing —

(i) Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Index Fund Shares under any of the following circumstances:

a. – d. No Change.

e. if the Intraday Indicative Value, if applicable, is no longer disseminated at least every 15 seconds during Nasdaq's regular market session and the interruption to the dissemination persists past the trading day in which it occurred; or

f. No Change.

(C) No Change.

(10) – (11) No Change.

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### **5735. Managed Fund Shares**

(a) – (b) No Change.

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

(1) – (2) No Change.

(3) [Intraday Indicative Value. The term "Intraday Indicative Value" is the estimated indicative value of a Managed Fund Share based on current information regarding the value of the securities and other assets in the Disclosed Portfolio.]Reserved.

(4) Reporting Authority. The term "Reporting Authority" in respect of a particular series of Managed Fund Shares means Nasdaq, an institution, or a reporting service designated by Nasdaq or by the exchange that lists a particular series of Managed Fund Shares (if Nasdaq 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 Managed Fund Shares, net asset value, or other information relating to the issuance, redemption or trading of Managed Fund Shares. A series of Managed Fund Shares may have more than one Reporting Authority, each having different functions.

(5) – (6) No Change.

(d) Initial and Continued Listing — Managed Fund Shares will be listed and traded on Nasdaq subject to application of the following criteria:

(1) No Change.

(2) Continued Listing — Each series of Managed Fund Shares will be listed and traded on Nasdaq subject to application of the following continued listing criteria:

(A) [Intraday Indicative Value. The Intraday Indicative Value for Managed Fund Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session (as defined in Nasdaq Rule 4120(b)).]Reserved.

(B) No Change.

(C) Suspension of trading or removal. Nasdaq will consider the suspension of trading in, and will initiate delisting proceedings under the Rule 5800 Series of, a series of Managed Fund Shares under any of the following circumstances:

(i) No Change.

(ii) if [the an interruption to the dissemination of value of the Intraday Indicative Value persists past the trading day in which it occurred or is no longer calculated or available or ]the Disclosed Portfolio is not made available to all market participants at the same time;

(iii) - (vi) No Change.

(D) Trading Halt. [If the Intraday Indicative Value of a series of Managed Fund Shares is not being disseminated as required, Nasdaq may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value occurs. If the interruption to the dissemination of the Intraday Indicative Value persists past the trading day in which it occurred, Nasdaq will halt trading no later than the beginning of the trading day following the interruption. In addition, i]If Nasdaq becomes aware that the net asset value or the Disclosed Portfolio with respect to a series of Managed Fund Shares 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.

(E) - (F) No Change.

(e) – (g) No Change.

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