

PRIMARY LISTING ON NYSE ARCA

LEAD MARKET MAKING

THE ROLE OF THE LEAD MARKET MAKER

The NYSE Arca Lead Market Maker (“LMM”) program is a unique market model that seeks to provide superior market quality for primarily listed ETPs (Exchange Traded Products) on NYSE Arca. The LMM has clearly defined quoting obligations that must be met on an ongoing basis. In addition to Market Maker Quoting Obligations, such as maintaining continuous two-sided quotes, LMMs must meet minimum performance requirements across a wide array of statistical metrics for each primarily listed ETP.

Among a LMM’s obligations are the following:

QUOTATION REQUIREMENTS

- LMMs must maintain continuous, two-sided quotes for each security in which the firm is registered as set forth by the parameters in NYSE Arca Rule 7.23.
- LMMs must meet minimum performance requirements which include a BBO requirement, minimum displayed size, minimum quoted spread and participation requirements for opening and closing auctions. Performance requirements will be determined by NYSE Arca and detailed in the LMM Requirements document.

In return for meeting obligations, LMMs will receive a superior fee structure for their LMM allocations.

ECONOMIC INCENTIVES

- Rebates for posting liquidity are as follows:

VOLUME (CADV)	LESS THAN 1 MILLION	BETWEEN 1 AND 3 MILLION	GREATER THAN 3 MILLION
Rebate per share	\$0.0045	\$0.0040	\$0.0033

- The fee for removing liquidity is \$0.0029 per share for LMM allocations.

In addition, firms that are registered as the LMM for NYSE Arca listed ETPs that have a CADV in the previous month of less than 100,000 shares will receive an additional credit for adding displayed liquidity in any Tape B Securities as follows:

# of Products with Less than 100K CADV OR <0.007% of Tape B CADV ¹	Additional Add-On Credit for Displayed Adding (All Tape B Securities, including LMM issues)
At least 75 ETFs ²	\$0.0001
At least 100 ETFs	\$0.0002
At least 200 ETPs	\$0.0003
At least 300 ETPs	\$0.0004

1. Number of ETPs in bucket based on the last day of the prior month.

2. New fee change filed September 2017 and apply to securities with prices greater than \$1.

BECOMING A LEAD MARKET MAKER ON NYSE ARCA

To participate in the program, broker-dealers who are Equities Trading Permit Holders (“ETP Holders”) must register as Market Makers on NYSE Arca and meet the additional selection criteria established for Lead Market Makers. These include (but are not limited to):

- Experience with making markets in equities and related underlying markets (if any)
- Adequacy of capital
- Willingness to promote the NYSE Arca marketplace
- Issuer preference
- Operational capacity & support personnel

FURTHER INFORMATION

If you have any questions regarding becoming a Lead Market Maker on NYSE Arca, or if you require additional information, please contact your dedicated NYSE Arca representative or email etf@nyse.com. You can also visit us at www.nyse.com/etp.