S&P DJI Response to Securities and Exchange Commission ("SEC") Request for Comment: Release No. 34-75165; File No. S7-11-15

In June 2012, S&P Dow Jones Indices LLC ("S&P DJI") was formed as a joint venture between S&P Indices and Dow Jones Indexes. S&P DJI is home to iconic brands, such as the S&P 500® and the Dow Jones Industrial Average™. With more than 115 years of experience and over 1 million indices published daily, S&P DJI offers a wide variety of indices used for, among other things, the basis of many Exchange Traded Products ("ETPs") such as Exchange Traded Funds ("ETFs") as well as various other financial instruments and investment vehicles; however, as an independent index provider, S&P DJI does not issue, trade, structure or otherwise create any financial instruments (including ETFs or ETPs) or investment vehicles themselves. For more information, please visit www.spdji.com.

S&P DJI is pleased to have the opportunity to provide our input to the SEC's Request for Comment on Exchange Traded Products. Although S&P DJI does not have comments or positions on many of the specific questions included in File No S7-11-15, we at S&P DJI would like to offer the following comments and observations.

S&P DJI believes that ETPs fulfill a very important need of the market and market participants: a relatively low-cost, transparent and convenient way for investors to realize their investment objectives. However, it is important to assess the risks for investors and distinguish among those ETPs available to investors. There should be a greater level of regulatory scrutiny applied to those ETPs with lower transparency or those with a greater degree of potential conflicts of interest than to those ETPs that are more transparent and relatively free of conflicts of interest. Whether an ETP is complex or novel is not an issue provided the potential of conflicts of interest is managed and the appropriate level of portfolio and methodological transparency is provided. On the other hand, any ETPs that are opaque or active or that utilize indices produced and administered by the same entities issuing the ETPs warrant further discussion and more regulatory scrutiny.

S&P DJI's mission is to bring independent, transparent and cost effective solutions to the global investment community. Our overall governance and control framework is comprised of a variety of components that, together, protect the integrity and quality of our indices. Such framework includes practices designed to prevent fraudulent and manipulative acts within our benchmarks, a standard imposed by the Exchange Act and found in exchange listing requirements as referenced in this Request for Comment. The employment of a sound governance regime and a segregation of responsibilities that separates editorial and analytical functions from commercial functions mitigate conflicts of interest. The dissemination of transparent methodologies and data inputs that, to the extent practical, are generated on/from regulated exchanges and are anchored in market transactions all contribute to a robust index that can be used in the creation of ETPs that benefit the market place and market participants.

ETPs that passively track indices, such as the S&P 500, the S&P Europe 350, or the Dow Jones Industrial Average (the "Dow"), function as we believe appropriately serve the market place. These ETPs are highly liquid, transparent and efficient vehicles that democratize investment management by allowing investors to have access to a range of strategies with a relatively low cost. Even those ETPs that passively track or utilize more complex indices that employ alternative weighting and/or screening processes benefit the market and market participants provided, again, that the fundamental standards of sound governance and transparency are followed. An appropriate index methodology describes the objective of an index as well as, among other information, the formula used to calculate the index and what occurs during market disruptions. We feel that these methodologies as well as the transparency given by the ETP providers on the composition of the portfolio are important for investors to understand whether the product is appropriate for their needs.

While there are many types of ETPs, for the purposes of this discussion, we think it is useful to categorize ETPs into several buckets. The first category is passive ETPs, which we feel are the most suitable for ETFs due to their transparency, existence of a reference benchmark, and, in the case of independent index providers, a lack of conflicts of interest in the creation of such benchmarks. The second is the current generation of active ETFs which reveal the holdings in their portfolios on a daily basis. While these groups lack some of the transparency and safeguards enjoyed by passive ETFs, the transparency of their portfolio holdings by the ETF provider will encourage more liquidity and provide investors with a better sense of their exposures. Finally, the third category is active ETFs that do not provide transparency into their portfolio holdings on a daily basis, such as Exchange Traded Managed Fund Shares (ETMFs). This category is the least appropriate for ETF investors as such investors will have little insight into what they are buying and won't know whether tracking error arises from active tilts from the benchmark or mispricing of underlying constituents, or other trading activity. We feel that the potential for investor confusion is also quite significant for these ETMFs.

To conclude, S&P DJI believes that ETPs fulfill the important mission of becoming a low-cost, transparent and convenient way for investors to realize their investment objectives; however, some care must be taken to categorize the various ETPs available and their corresponding risks to investors ensuring that the proper level of regulatory scrutiny and restrictions are given to ETPs in the opaque, active and self-indexed categories.

We would be happy to discuss these views more in depth at your convenience.