October 8, 2014

Mr. Kevin O'Neill
Deputy Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number SR-NASDAQ-2014-065

Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change to Adopt New Rule 5713 and List Paired Class Shares Issued by AccuShares® Commodities Trust I

The Paired Class Shares Issued by AccuShares is one of the most innovative product structures that I have seen in my 36 years following the securities industry. I highly recommend that the Proposed Rule Change be approved. Let me explain why.

1) Spot exposure: The Up Shares and Down Shares are written on spot market benchmark indexes that provide investors with the price exposures they want. VIX is a great example. Investors would like the ability to trade the cash index because of its hedging properties. The same logic can be applied to commodities like spot crude oil and natural gas. Large segments of the asset management community want to hold spot crude and gas because both can be great portfolio diversifiers.

2) Transparency: Even if the futures index price movements were highly correlated with the underlying spot commodity, there is the important issue of transparency, especially in the case of retail customers. Fact of the matter is that the futures indexes are complicated dynamic futures trading strategies, as opposed to AccuShares' Up Shares and Down Shares which are direct investments in readily-observable spot market benchmarks.

3) Simple design. Up Shares provide a long exposure to a benchmark index and Down Shares provide a short exposure. The daily change in the Class Value per Share of the Funds is purely mechanical. It corresponds directly to the price change in the index. This is distinctly different from many current products.

4) No issuer market risk. Up Shares and Down Shares are created and redeemed in cash by authorized participants. The Funds have no market risk exposure in the portfolio because they have equal numbers of each type of Shares. They are simply a cash portfolio consisting of short-term government securities. This is quite different than ETNs, which expose their holders to credit risk.

5) Distributions: Regular, special, and corrective distributions occur on specified dates or on large and rare index moves. The regular and special distributions are in cash. Assuming the index moved up since the last distribution date, the Up Shares receive

cash in the amount of the increase in the index level which can be re-invested in more Up Shares to maintain his/her risk position and redeployed in some other way. A corrective distribution is straightforward in that it provides the investor with an equal number of Up Shares and Down Shares. Consequently, it is equivalent to cash. The investor can choose to liquidate all of the shares for cash or one leg of the distribution of shares to maintain his/her current risk position. The overall effect of these trades will help eliminate the significant premiums and discounts for other ETPs that have been observed in recent years.

6) Passive structure: The ETP industry seems to be moving toward ETPs involving active products, which is adding additional complexity to the ETP market. AccuShares' Paired Class Shares are passive. The returns are linked directly to passive benchmark indexes.

7) Exact holding period returns: Finally, another important feature is that the Funds deliver the return that investors expect, that is, the holding period return over the length of time they hold the security. This is in distinct contrast with the levered and inverse funds that implicitly rebalance daily. This can be a source of confusion for retail customers.

In conclusion, the AccuShares' products are simple and transparent, and provide investors, institutions and retail customers alike, with the returns that they want. In my view, the Proposed Rule change should be approved.

Sincerely,

Robert E. Whaley
Valere Blair Potter Professor of Finance, and
Director, Financial Markets Research Center
Vanderbilt Owen Graduate School of Management
401 21st Avenue South
Nashville, TN 37215