

## PIP Data Compliance Checklist

Relying on the FINRA guidance, we have prepared a checklist of necessary compliance items for firms distributing ETP communications that contain PIP data to institutional investors.

<input type="checkbox"/>	<p>Firm reasonably believes that the material is distributed only to “institutional investors.”</p> <ul style="list-style-type: none"> <li>• Firm will instruct financial intermediaries to not circulate the communication to noninstitutional clients.</li> <li>• Firm will cease distributing materials containing PIP data to a financial intermediary that has further distributed materials to noninstitutional clients.</li> </ul>
<input type="checkbox"/>	The products covered in the materials are passively managed ETPs.
<input type="checkbox"/>	The indexes on which the ETPs are based are subject to a pre-defined set of rules that cannot be altered except under extraordinary market, political, or macroeconomic conditions.
<input type="checkbox"/>	A description of the index’s underlying methodology has been made available to the recipient, either in a written offer (for paper materials) or a hyperlink (for electronic materials).
<input type="checkbox"/>	<p>Performance presentation:</p> <ul style="list-style-type: none"> <li>• PIP data reflects the deduction of fees and expenses.</li> <li>• PIP data covers a period of time that covers multiple securities market environments.</li> <li>• PIP data covers a period of at least 10 years.</li> <li>• PIP data is current as of the most recently ended calendar quarter.</li> <li>• PIP data and actual data are clearly labeled and separately presented.</li> <li>• Specific dates are included for PIP data and actual data.</li> <li>• If the ETP has actual performance of at least one year, actual performance is prominently presented since inception, which is net of fees and expenses.</li> </ul>
<input type="checkbox"/>	PIP data is not inconsistent with the ETP’s current prospectus.
<input type="checkbox"/>	<p>Each of the following disclosures are included in the communication:</p> <ul style="list-style-type: none"> <li>• “For use with institutions only, not for use with retail investors.”</li> <li>• ETP is a new product and prior performance is hypothetical.</li> <li>• Identity of any index provider paid for by the sponsor and the nature of the arrangement.</li> <li>• “PIP data results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance, and cannot account for all financial risk that may affect the actual performance of the ETP.”</li> <li>• “Actual performance of the ETP may vary significantly from the PIP data.”</li> <li>• Reasons why the PIP data would have differed from actual performance during the period shown.</li> </ul>
<input type="checkbox"/>	Communication complies with all other applicable FINRA rules and federal securities laws.
<input type="checkbox"/>	Communication is subject to the appropriate supervisory and approval requirements.
<input type="checkbox"/>	With respect to suitability, firm does not give excess weight to PIP data and considers available actual performance of the sponsor/adviser/index provider for similar ETPs.
<input type="checkbox"/>	Firm understands the methodology underlying the PIP data.
<input type="checkbox"/>	Firm has considered the reputation of the entity that created the PIP data and any conflicts of interest.
<input type="checkbox"/>	Firm has considered conditions where PIP data may not be effective.
<input type="checkbox"/>	Firm is familiar with the source used to create the PIP data and the extent of the testing related to the PIP data’s creation.

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