



**Date:** October 30, 2020

**TO:** MIAX PEARL Equities Members

**FROM:** MIAX PEARL Equities Listings Department

**Re:** Ecofin Digital Payments Infrastructure Fund ETF - TPAY

MIAX PEARL, LLC (“Exchange”) commenced trading of equity securities on September 25, 2020 followed by a security-by-security phase-in period. This Product Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as a UTP Derivative Security pursuant to Exchange Rule 2900, and will begin trading on MIAX PEARL during the phase-in period. See the [Exchange’s Website](#) for the phase-in schedule.

<u>Security (the “Fund”)</u>	<u>Symbol</u>
Ecofin Digital Payments Infrastructure Fund ETF	TPAY

**Issuer/Trust:** Ecofin Trust

**Issuer Website:** <https://etp.ecofininvest.com/pdf-viewer/?fundId=9439&docId=4858>

**Primary Listing Exchange:** CBOE BZX Exchange

The purpose of this Product Circular is to outline various rules and policies that will be applicable to trading in this new product pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the “Issuer Disclosure Materials.”

### **Background Information on the Fund**

The Fund is an exchange-traded fund (“ETF”) and employs a “passive management” –or indexing– investment approach designed to track the performance of the Underlying Index. The Underlying Index is a proprietary rules-based, modified market capitalization weighted, float adjusted index designed to track the overall performance of equity securities of global digital payments infrastructure companies (“Digital Payments Companies”) listed on developed country exchanges. A list of developed market exchanges is below. Digital 1 Payments Companies are those that are materially engaged in digital payments, from merchant processing and settlement, real time record keeping, settlement networks, and financial technology (“Fintech”) products or services that facilitate the ease, efficiency, and/or

speed of digital payments. The Fund will normally invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in Digital Payments Companies. A Digital payments Company is defined as a company that derives at least 50% of gross revenues, operating income, EBITDA, or assets from one or more of the industries listed below.

Global Digital Payments - Companies directly involved in the processing of a digital payment and that have material exposure as such and whose primary business is comprised of one or a combination of the following categories:

- Credit Card Networks: Credit card networks control where credit cards can be accepted and facilitate transactions between merchants and credit card users. Credit card networks receive the interchange fees, which are a portion of the amount that merchants are charged to accept a credit card transaction. There are four major credit card networks. Every digital credit card transaction must go through a credit card network.
- Digital Transaction Processing includes:
  - o Merchant acquirers: Merchant acquirers are responsible for signing merchants to card acceptance agreements which allow local merchants to accept credit cards. Merchant acquirers operate as the gateway to the credit card networks.
  - o Processors/Issuer Processors: Processors operate by providing authorization, data transmission and settlement functions. It also includes issuer processors who provide outsourced services to the credit card issuing community, such as authorization and settlements.
  - o Supporting Products or Services: Companies that provide products (such as Point of Sale terminals), or services to merchants or payment processors are included in this category.

- Credit Card Issuer: Defined as a company whose principal business is issuing credit cards.

Innovative Transaction Solutions and Services - Companies that provide a technology, generally software and services, which assist in making digital payment processes more efficient and/or help facilitate the initiation of digital transactions, including:

- Digital Payment Processing Software (Payments Fintech): Defined as a company whose principal business is providing technology solutions (generally software or services), enabling quicker, more efficient booking and processing of digital payments/ transactions.
- Online Financial Services Market Place: Defined as companies that operate primarily online and whose primary business is to make completing an online financial transaction easier. These are companies that use technology to improve traditional methods of matching counterparties for transactional-based finance. Capital markets transactions, such as the buying and selling of stock, bonds or other investment products are not included in this group.

To be included in the Underlying Index, a company must be a Digital Payments Company that is listed on a developed country stock exchange. Tortoise Index Solutions, LLC (the "Adviser"), the Fund's investment adviser, considers exchanges to be developed if they are classified as such by at least 3 of the following five groups: Dow Jones, FTSE, MSCI, Russell and S&P. As of December 31, 2019, this list included Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States to be developed countries. The Underlying Index may include small and medium capitalization companies. Eligible constituents must also have a total equity market capitalization of at least \$400 million for two consecutive quarters prior to the reference date at the time of inclusion in the Underlying Index. In order to remain in the Underlying Index, a company must maintain an average equity market capitalization of at least \$300 million for a minimum of 20 trading days prior to next reference date of the Underlying Index. In addition, eligible constituents must obtain a minimum liquidity turnover of 0.15 for two consecutive

quarters prior to a reference date to be eligible for inclusion in the Underlying Index and must maintain a minimum liquidity turnover of at least 0.10 to remain in the Underlying Index. Index constituents who fail to meet a minimum liquidity turnover for two consecutive quarters will be dropped from the Underlying Index. Liquidity turnover is calculated by dividing a company's three-month average daily trading volume in U.S. dollars by the company's total U.S. dollar market capitalization at the end of the three-month period. In an index that is weighted primarily by market capitalization, scaling the liquidity requirement to the size of the company provides a better gauge of relative liquidity than a strict dollar limitation. Companies that have recently undergone an initial public offering only need to meet liquidity and capitalization requirements for the first quarter following the initial public offering in order to be included in the Underlying Index. Additionally, any constituent of the Underlying Index that does not meet at least a 0.05 liquidity turnover will be dropped without the two quarter requirement. The Underlying Index will include a minimum of 30 securities. Should the number of securities that meet the index inclusion criteria fall below 30, the Underlying Index may include additional Digital Payments Companies that fall below the market capitalization or the liquidity turnover threshold otherwise required for inclusion. This will ensure the Underlying Index remains investible and diversified. For the Underlying Index as a whole, no individual security may be more than 4.5% of the total market capitalization of the Underlying Index as of the reference date. Should the weighting of any individual security be more than 4.5% of the total index market capitalization as of the reference date for the next rebalance, excess market capitalization will be distributed evenly to other constituents of the Underlying Index that do not currently exceed the 4.5% threshold. In seeking to achieve its objective as an index fund, the Fund will invest at least 80% of its net assets (excluding any collateral held from securities lending) in global common stocks and American depository receipts ("ADRs") of Digital Payments Companies that comprise the Underlying Index. ADRs are negotiable receipts issued by a U.S. bank or trust company that evidence ownership of securities in a foreign company which have been deposited with such bank or trust company's office or agent in a foreign country. The Fund may also invest in Global Depository Receipts ("GDRs"), European Depository Receipts ("EDRs"), and International Depository Receipts ("IDRs") (collectively, with ADRs, "Depository Receipts"). Under normal conditions, the Fund generally will invest in substantially all of the securities that comprise the Underlying Index in proportion to their weightings in the Underlying Index; however, under various circumstances, it may not be possible or practicable to purchase all of the securities in the Underlying Index in those weightings. In those circumstances, the Fund may purchase a sample of the securities in the Underlying Index or utilize various combinations of other available investment techniques in seeking performance that corresponds to the performance of the Underlying Index. The Fund may invest up to 20% of its assets in certain index futures, options, options on index futures, swap contracts or other derivatives related to the Underlying Index and its components, cash and cash equivalents, other investment companies, as well as in securities and other instruments not included in the Underlying Index but which Vident Investment Advisory, LLC ("VIA" or the "Sub-Adviser") believes will help the Fund track the Underlying Index. As of the March 20, 2020 rebalance, the Underlying Index was comprised of 49 constituents. The Underlying Index will rebalance quarterly in March, June, September and December. The rebalancing of the Underlying Index will be based on data as of a reference date approximately ten days prior to the rebalance date. No constituents will be added to the Underlying Index between rebalance dates. Constituents are reviewed annually, at the September rebalance, to determine that they continue to meet the definition of a Digital Payments Company under the Underlying Index methodology. Constituents in the Underlying Index may be deleted from the Underlying Index due to corporate events such as mergers, acquisitions, bankruptcies, takeovers, or delistings. Underlying Index constituent changes and updates as well as any changes to the methodology will be posted to [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com). The Underlying Index was established in 2018 and is owned by the Adviser. The Adviser (also referred to herein as the "Index Provider") provides the Underlying Index for use by

the Fund's at no cost to the Fund. The Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or group of industries to approximately the same extent that the Underlying Index concentrates in an industry or group of industries. The Underlying Index and the Fund will be concentrated in the digital payments industry.

The Fund will issue (or redeem) shares to certain institutional investors (typically market makers or other broker-dealers) only in large blocks of at least 50,000 shares known as "Creation Units." Creation Unit transactions are typically conducted in exchange for the deposit or delivery of in-kind securities and/or cash constituting a substantial replication, or a representation, of the securities included in the relevant benchmark index. Individual shares may only be purchased and sold on a national securities exchange through a broker dealer. You can purchase and sell individual shares of the Fund throughout the trading day like any publicly traded security. The Fund's shares are listed on the CBOE BZX Exchange (the "Exchange"). The price of the Fund's shares is based on market price, and because exchange-traded fund shares trade at market prices rather than NAV, the Fund's shares may trade at a price greater than NAV (premium) or less than NAV (discount). Except when aggregated in Creation Units, the Fund's shares are not redeemable securities.

### **Principal Risks**

Interested persons are referred to the discussion in the prospectus for the Fund of the principal risks of an investment in the Fund. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, concentration risk, equity securities risk, sector risk and passive investment risk.

### **Exchange Rules Applicable to Trading in the Shares**

Trading in the Shares on MIAX PEARL is subject to MIAX PEARL trading rules.

### **Trading Hours**

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on MIAX PEARL between 9:30 a.m. and 4:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

### **Dissemination of Data**

The Consolidated Tape Association will disseminate real time trade and quote information for the Shares to Tape B.

Name	Listing Market	Trading Symbol	IOPV Symbol	NAV Symbol
Ecofin Digital Payments Infrastructure Fund ETF	CBOE BZX Exchange	TPAY	TPAY.IV	TPAY.NV

**Delivery of a Prospectus**

MIAX PEARL Equity Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund’s website. The prospectus for the Fund does not contain all of the information set forth in the Fund’s Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, MIAX PEARL Rules requires that MIAX PEARL Equity Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, MIAX PEARL Equity Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by an MIAX PEARL Equity Member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: “A circular describing the terms and characteristics of [the UTP Exchange Traded Products] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the UTP Exchange Traded Products].”

A MIAX PEARL Equity Member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to MIAX PEARL Equity Member under this rule.

Upon request of a customer, MIAX PEARL Members also shall provide a copy of the Prospectus.

**Suitability**

Trading in the securities on the Exchange will be subject to the provisions of MIAX PEARL Rule 2107 and other applicable suitability rules. Equity Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

## **Trading Halts**

MIAX PEARL will halt trading in the Shares of a security in accordance with MIAX PEARL Rules. The grounds for a halt under MIAX PEARL Rules include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, MIAX PEARL will stop trading the Shares of a security if the primary market de-lists the security.

## **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission (the “SEC”) has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO- ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

## **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M prohibit any “distribution participant” and its “affiliated purchasers” from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Fund to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Fund (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Fund for redemption does not constitute a bid for or purchase of any of the Fund’s securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

## **Rule 10b-10 (Customer Confirmations for Creation or Redemption of Fund Shares)**

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of

shares of the individual securities tendered to the Fund for purposes of purchasing Creation Unit Aggregations (“Deposit Securities”) or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder (“Redemption Securities”). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemption is subject to the following conditions:

- 1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- 2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c); and
- 3) Except for the identity, number, and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

#### **Rule 10b-17 (Untimely Announcement of Record Dates)**

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

#### **Section 11(d)(1); Rule 11d1-2 (Customer Margin)**

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

#### **Rule 14e-5**

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- 1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or

- any reference security, does not comprise more than 5% of the value of the basket purchase;  
or
- 2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
  - 3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

**SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)**

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

This Product Circular is not a statutory prospectus. MIAX PEARL Equity Members should consult the prospectus for a security and the security's website for relevant information.

Please direct product listing questions to MIAX PEARL Equities Listings at [Listings@MIAXOptions.com](mailto:Listings@MIAXOptions.com) or (609) 897-7308.

Please direct regulatory questions to the MIAX PEARL Regulatory Department at [Regulatory@MIAXOptions.com](mailto:Regulatory@MIAXOptions.com) or (609) 897-7309.