



| EDGA & EDGX STOCK EXCHANGES | | | |
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| Regulatory Information Circular | | | |
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Subject: Russell Small Cap Aggressive Growth ETF
Russell Small Cap Consistent Growth ETF
Russell Small Cap Contrarian ETF
Russell Small Cap Low P/E ETF

Background Information on the Funds

As more fully explained in the Registration Statement (Nos. 333-143964 and 811-21944), Russell Exchange Traded Funds Trust (the "Trust") is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust currently consists of separate investment portfolios, including the Funds listed above (each, a "Fund" and collectively, the "Funds"). The Funds are exchange-traded "index funds." The shares of the Funds are referred to herein as "Shares."

Russell Investment Management Company ("RIMCo") serves as the investment adviser to the Funds. ALPS Distributors, Inc. is the Distributor for the Funds. State Street Bank and Trust Company is the Transfer Agent, Custodian and Portfolio Accountant for the Funds.

Russell Small Cap Aggressive Growth ETF

Russell Small Cap Aggressive Growth ETF ("Fund") seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Aggressive Growth Index (the "Index"). RIMCo uses a "passive" or indexing approach to try to achieve the Fund's investment objective. The Fund will normally invest at least 80% of its total assets in common stocks that comprise the respective Index. The 80% investment requirement applies at the time the Fund invests its assets.

The Index is designed to select securities intended to produce performance that is similar to professional investment managers using a small cap aggressive growth investment discipline. This discipline focuses on companies with near term forecasted earnings that are expected to increase at a faster rate than those of the average company's earnings. Starting with the Russell 2500[®] Index (an index comprised of U.S. stocks), the Index includes stocks that demonstrate growth potential as measured by: (1) average to high consensus forecasted earnings and (2) average to high one year historical sales growth. The Index excludes stocks with low earnings retention as measured by high dividend yields for the last four quarters. It also excludes stocks with low price to book ratios to ensure a growth orientation. The Index constituents are weighted based on a composite score of their growth and momentum characteristics. The Index is reconstituted quarterly.

Russell Small Cap Consistent Growth ETF

Russell Small Cap Consistent Growth ETF (“Fund”) seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Consistent Growth Index.

The Fund is an index-based exchange-traded fund that seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Consistent Growth Index (the “Index”). RIMCo uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. The Fund will normally invest at least 80% of its total assets in common stocks that comprise the Index. The 80% investment requirement applies at the time the Fund invests its assets.

The Index is designed to select securities intended to produce performance that is similar to professional investment managers using a small cap consistent growth investment discipline. This discipline focuses on companies with above average earnings expectations over a long term horizon and with consistent historical earnings growth. Starting with the Russell 2500® Index (an index comprised of U.S. stocks), the Index includes stocks that demonstrate growth potential as measured by: (1) average to high consensus forecasted earnings and (2) consistent earnings as measured by average to low earnings per share volatility over the past five years. The Index excludes stocks with low anticipated growth prospects as measured by a low price to book ratio, low price to cash flow and low price to sales. The Index constituents are weighted based on a composite score of their growth and quality characteristics. The Index is reconstituted quarterly.

Russell Small Cap Contrarian ETF

Russell Small Cap Contrarian ETF (“Fund”) seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Contrarian Index. The Fund is an index-based exchange-traded fund that seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Contrarian Index (the “Index”). RIMCo, uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. The Fund will normally invest at least 80% of its total assets in common stocks that comprise the Index. The 80% investment requirement applies at the time the Fund invests its assets.

The Index is designed to select securities intended to produce performance that is similar to professional investment managers following a small cap contrarian, deep value investment discipline. This discipline focuses on companies that have lagged the market but where opportunities exist for the stock price to improve. Starting with the Russell 2500® Index (an index comprised of U.S. stocks), the Index includes stocks with low historical price to sales and low book and cash flow multiples. The Index excludes stocks that have significantly outperformed the market as measured by cumulative total return over the last one to three years. The Index constituents are equally weighted. The Index is reconstituted semi-annually.

Russell Small Cap Low P/E ETF

Russell Small Cap Low P/E ETF (“Fund”) seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Low P/E Index. The Fund is an index-based exchange-traded fund that seeks investment results that closely correspond to the total return of the Russell U.S. Small Cap Low P/E Index (the “Index”). RIMCo uses a “passive” or

indexing approach to try to achieve the Fund's investment objective. The Fund will normally invest at least 80% of its total assets in common stocks that comprise the Index. The 80% investment requirement applies at the time the Fund invests its assets.

The Index is designed to select securities intended to produce performance that is similar to professional investment managers following a small cap low price to earnings investment discipline. This discipline focuses on companies that are trading at lower multiples relative to their prior level and/or their industry peers. Starting with the Russell 2500[®] Index (an index comprised of U.S. stocks), the Index includes stocks that have three or more of the following characteristics which are below their industry average: price to one year forecasted earnings, price to trailing earnings or price to cash flow below their five year historical average and price to book or price to sales below their industry average. The Index excludes stocks with high price to cash flow or price to sales relative to their industry. The Index constituents are equally weighted. The Index is reconstituted semi-annually.

For each of the Funds, RIMCo, using a replication strategy, generally invests in all of the stocks comprising the Index in proportion to their weightings in the Index. However, under various circumstances, it may not be possible or practicable to purchase all of those stocks in those weightings due to, for example, limited liquidity in the market for a particular stock. In those circumstances, the Fund may (i) purchase a sample of stocks in the Index; (ii) overweight another stock in the Index; (iii) purchase securities not in the Index which RIMCo believes are appropriate to substitute for certain securities in the Index or (iv) utilize various combinations of the foregoing, or other available investment techniques, in seeking to track the Index. The Fund may sell stocks that are represented in the Index in anticipation of their removal from the Index or purchase stocks not represented in the Index in anticipation of their addition to the Index.

As described more fully in the Funds' prospectus ("Prospectus") and Statement of Additional Information ("SAI"), a Fund will issue (or redeem) shares to certain large institutional investors (typically market makers or other large broker-dealers) known as "Authorized Participants" only in large blocks of 100,000 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 Fund's benchmark index. An investor may incur brokerage costs in purchasing enough shares to constitute a Creation Unit.

Individual shares of a Fund may only be purchased and sold on an exchange at market prices. Individual shares are not redeemable directly to a Fund. Because Fund shares trade at market prices rather than net asset value ("NAV"), shares may trade at a price that is equal to NAV, greater than NAV (premium) or less than NAV (discount).

Dividends from net investment income, if any, are generally declared and paid quarterly for each Fund, but may vary significantly from period to period. Distributions of net realized securities gains, if any, generally are declared and paid once a year, but the Trust may make distributions on a more frequent basis for a Fund to improve index tracking or to comply with the distribution requirements of the Internal Revenue Code, in all events in a manner consistent with the provisions of the 1940 Act.

The Depository Trust Company ("DTC") will serve as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share of the Funds will be determined as of the close of trading (normally, 4:00 p.m. Eastern Time (“ET”)) on each day that the Exchanges are open for business. NAVs will be available from the Distributor and is also available to National Securities Clearing Corporation (“NSCC”) participants through data made available from NSCC.

The Trust’s registration statement describes the various fees and expenses for the Funds’ Shares. For a more complete description of the Funds and the Underlying Indexes, visit www.russellets.com.

Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include market risk, passive strategy/index risk, tracking error risk, equity securities risk, growth stocks risk, aggressive growth investing risk, market trading risks, concentration risk, reliability of data risk, and new index risk. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the applicable Fund’s holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

Exchange Rules Applicable to Trading in the Shares

The Shares of the Funds are considered equity securities, thus rendering trading in the Shares subject to the Exchange’s existing rules governing the trading of equity securities.

Trading Hours

Trading in the shares on EDGA and EDGX Exchanges (the “Exchanges”) is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value (“IIV”). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Suitability

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition,

members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Funds (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Funds’ website. The Prospectus does not contain all of the information set forth in the 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 (the “Commission”). For further information about the Funds, please refer to the Trust’s registration statement.

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

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

Members are referred to such letters, available at www.sec.gov, regarding applicable relief.

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 Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a 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 Commission has clarified that the tender of fund shares to the Funds for redemption does not constitute a bid for or purchase of any of the Funds’ securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter relating 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.

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

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Units 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 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 redemptions 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);
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).

SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of 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 has been issued under Rule 14e-5 states that 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, it must be made in conformance with the following:

- i. 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 purchased; or
- ii. 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
- iii. such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a

selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of a Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Funds' website for relevant information.

Appendix A

| Ticker | Fund Name | CUSIP |
|---------------|---|--------------|
| SGGG | Russell Small Cap Aggressive Growth ETF | 782474514 |
| SCOG | Russell Small Cap Consistent Growth ETF | 782474498 |
| SCTR | Russell Small Cap Contrarian ETF | 782474480 |
| SCLP | Russell Small Cap Low P/E ETF | 782474472 |