



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Subject: Grail American Beacon Large Cap Value ETF

Background Information on the Fund

As more fully explained in the Registration Statement (Nos. 811-22154 and 333-148082) for the Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act").

The Fund uses an actively managed investment strategy. The Fund is not an index fund and does not seek to replicate the performance of a specified index. Thus, the Fund's investment sub-advisers have the discretion on a daily basis to choose securities for the Fund's portfolio consistent with the Fund's investment objective.

The Fund's investment objective is long-term capital appreciation and current income. Ordinarily, at least 80% of the Fund's net assets (plus the amount of any borrowings for investment purposes) are primarily invested in equity securities of large market capitalization U.S. companies. These companies generally have market capitalizations similar to the market capitalizations of the companies in the Russell 1000 Index at the time of investment. The Russell 1000 Index measures the performance of the 1,000 largest U.S. companies based on total market capitalization. The Fund's investments may include common stocks, preferred stocks, securities convertible into U.S. common stocks, U.S. dollar-denominated American Depositary Receipts, and U.S. dollar-denominated foreign stocks traded on U.S. exchanges. The Fund will not purchase or sell securities in markets outside the U.S.

According to the Registration Statement, the Fund's investment sub-advisers will select stocks that, in their opinion, have most or all of the following characteristics (relative to the Russell 1000 Index): above-average earnings growth potential; below-average price to earnings ratio; below-average price to book value ratio; and above-average dividend yields.

According to the Registration Statement, in addition to the investment strategies described in the prospectus for the Fund, the Fund may invest up to 20% of its total assets in debt securities that are investment grade at the time of purchase, including obligations of the U.S. Government, its agencies and instrumentalities, corporate debt securities, mortgage-backed securities, asset-backed securities, master-demand notes, Yankee dollar and Eurodollar bank certificates of deposit, time deposits, bankers' acceptances, commercial paper and other notes, inflation-indexed securities, and other debt securities.

According to the Registration Statement, under adverse market conditions, the Fund may, for temporary defensive purposes, invest up to 100% of its assets in cash or cash equivalents, including investment grade short-term obligations.

Although not currently anticipated, the Fund may use options and futures for various purposes, including for hedging and investment purposes. In addition, the Fund may purchase or otherwise receive warrants or rights, or convertible and non-convertible preferred and preference stocks. The Fund may also invest in over-the-counter options. To the extent consistent with applicable law, the Fund may invest in futures contracts on, among other things, financial instruments (such as a U.S. government security or other fixed income security), individual equity securities (“single stock futures”), securities indices, interest rates, currencies, inflation indices, and commodities or commodities indices. The Fund’s purchase and sale of index futures is limited to contracts and exchanges approved by the U. S. Commodity Futures Trading Commission.

According to the Registration Statement, the Fund may engage in transactions involving the use of interest rate futures; use options on futures contracts, interest rate caps, floors, and collars; and directly or indirectly use various different types of swaps, such as swaps on securities and securities indices, interest rate swaps, currency swaps, credit default swaps, commodity swaps, inflation swaps, and other types of available swap agreements. The Fund may enter into repurchase agreements with banks and broker-dealers. The Fund may temporarily invest a portion of its assets in cash or cash items pending other investments or to maintain liquid assets required in connection with some of the Fund’s investments. The Fund may invest in pooled real estate investment vehicles. In addition, the Fund may invest up to 15% of its net assets in illiquid securities. For this purpose, “illiquid securities” are securities that a Fund may not sell or dispose of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities. The Fund may invest in the securities of other investment companies to the extent permitted by law.

As described more fully in the Trust’s prospectus (“Prospectus”) and Statement of Additional Information (“SAI”), the Fund issues and redeems shares on a continuous basis at its net asset value (“NAV”) only in large blocks of 50,000 Shares (each, a “Creation Unit”), principally in-kind for securities included in a specified universe. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.

Availability of Information

The Fund’s Web site (<http://www.grailadvisors.com/>), which will be publicly available prior to the public offering of Shares, will include a form of the Prospectus for the Fund that may be downloaded. The Fund’s Web site will include additional quantitative information updated on a daily basis, including, for the Fund, (1) daily trading volume, the prior business day’s reported closing price, NAV and mid-point of the bid/ask spread at the time of calculation of such NAV (the “Bid/Ask Price”), and a calculation of the premium and discount of the Bid/Ask Price against the NAV, and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Fund will disclose on its Web site the Disclosed Portfolio as defined in proposed Rule 8.600(c)(2) that will form the basis for the Fund’s calculation of NAV at the end of the business day. In addition, a basket composition file, which includes the security names and share quantities required to be delivered in exchange for Fund shares, together with estimates and actual cash components, is publicly disseminated daily prior to the opening of the NYSE Arca via the National Securities Clearing Corporation. The Web site information will be publicly available at no charge.

The NAV of the Fund will normally be determined as of the close of the regular trading session (ordinarily 4:00 p.m. Eastern time) on each business day. NAV is calculated by dividing the value of the net assets of the Fund (i.e., the total value of its assets less all liabilities) by the number of Shares outstanding, rounded to the nearest cent. NAV will be available from the Distributor and will also be available to National Securities Clearing Corporation participants through data made available from NSCC.

Investors can also obtain the Trust's Statement of Additional Information ("SAI"), the Fund's Shareholder Reports, and its Form N-CSR and Form N-SAR, filed twice a year. The Trust's SAI and Shareholder Reports are available free upon request from the Trust, and those documents and the Form N-CSR and Form N-SAR may be viewed on-screen or downloaded from the Commission's Web site at <http://www.sec.gov>. Information regarding market price and trading volume of the Shares is and will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information will be published daily in the financial section of newspapers.

An estimated value for the Fund on a per-Share basis (the "Portfolio Indicative Value") will disseminate at least every 15 seconds through the facilities of the Consolidated Tape Association. The Portfolio Indicative Value is designed to provide investors with a reference value which can be used in connection with other related market information.

The Exchanges do not guarantee the accuracy or completeness of the Portfolio Indicative Value. The Portfolio Indicative Value is determined by dividing the "Estimated Fund Value" as of the time of the calculation by the total Shares outstanding. "Estimated Fund Value" is the sum of the estimated amount of cash held in the Fund's portfolio, the estimated value of the securities held in the Fund's portfolio and the estimated amount of accrued interest, minus the estimated amount of liabilities. The Portfolio Indicative Value on a per-Share basis disseminated should not be viewed as a real time update of the NAV, which is calculated only once a day.

Additional information regarding the Shares and the Fund, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions and taxes is included in the Registration Statement. All terms relating to the Fund that are referred to, but not defined in, this proposed rule change are defined in the Registration Statement.

Creation and Redemption Procedures

Investors can purchase Shares directly from the Fund only in Creation Units or multiples thereof. The number of Shares in a Creation Unit may, but is not expected to, change over time. The Fund will not issue fractional Creation Units. Creation Units may generally be purchased in exchange for a basket of securities, as discussed in the Registration Statement.

To purchase Shares directly from an ETF, the investor must be an Authorized Participant or must purchase through a broker that is an Authorized Participant, as described in the Registration Statement. An "Authorized Participant" is a participant of the Continuous Net Settlement System of the NSCC or the DTC that has executed a Participant Agreement with the Distributor. The Fund will impose a "Creation Transaction Fee" on each purchase of Creation Units.

An investor may redeem Shares of the ETFs only in Creation Units or multiples thereof. To redeem Shares directly with an ETF, the investor must be an Authorized Participant or must redeem through an Authorized Participant. Creation Units generally may be redeemed in exchange for a basket of securities, as described in the Registration Statement.

Grail Advisors, LLC is the investment manager to the Fund. ALPS Distributors, Inc. is the distributor for the Fund ("Distributor"). The Bank of New York Mellon Corporation is the administrator, fund accountant and transfer agent for the Fund.

The Fund pays out dividends from its net investment income to shareholders annually.

The Fund distributes its net capital gains, if any, annually.

The Fund is subject to the risks identified in the Prospectus as applicable to the Fund.

The Fund's registration statement describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the underlying portfolio, visit <http://www.grailadvisors.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 the risk that the Fund's return may not match the return of its index for a number of reasons including the incursion by the Fund of operating expenses and costs not applicable to its index. 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 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 Fund

The Shares 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.

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 Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's 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. For further information about the Fund, please refer to the Trust's registration statement.

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

The Commission has issued a letter dated April 30, 2009 (the "No- Action Letter") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for the Fund.

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 Fund 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 to paragraph (d)(4) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

SEC Rule 14e-5

The No-Action Letter grants an exemption from Rule 14e-5 to permit any person acting as dealer-manager of a tender offer for an equity security to: (1) redeem Shares of the Fund in

Creation Unit size aggregations with the Trust for In-Kind Redemption Securities that may include a security subject to the tender offer; and (2) purchase Shares of the Fund during such offer.

SEC 10b-17

Rule 10b-17, with certain exceptions, requires an issuer of a class of publicly traded securities to give notice of certain specified actions (for example, a dividend distribution, stock split, or rights offering) relating to such class of securities in accordance with Rule 10b-17(b). The Commission has granted an exemption from the 1940 Act to register the Trust as an open-end management investment company notwithstanding the fact that it issues Shares with limited redeemability.

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

Appendix A

Ticker	Fund Name
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GVT	Grail American Beacon Large Cap Value ETF
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