



Information Circular 08-003

Date: October 29, 2008

Re: CurrencyShares Funds

BATS Exchange, Inc. (“BATS”) commenced operating as a national securities exchange for trading non-BATS listed securities on October 24, 2008. As a result, in the near future certain CurrencyShares index funds listed on other exchanges will be traded by BATS as an exchange on an unlisted trading privileges (UTP) basis for the first time. **See Appendix A for a listing of select CurrencyShares Trusts (“Trusts”) that will trade on BATS on a UTP basis.**

Background Information on the Trusts

The Trusts are sponsored by Rydex Specialized Products LLC, d/b/a Rydex Investments (the “Sponsor”). As more fully explained in the registration statements filed by the Sponsor, on behalf of the Trusts, the Trusts are grantor trusts formed under the laws of the State of New York pursuant to Depositary Trust Agreements. The Trusts are not registered as investment companies under the Investment Company Act of 1940 (“1940 Act”) and, according to the registration statements, are not required to be registered under the 1940 Act.

The shares (“Shares”) of each Trust represent beneficial ownership interests in the underlying net assets of the issuing Trust, each consisting only of deposits of the currency denoted by the name of the issuing Trust, less the expenses of the Trust. According to the registration statements, the investment objective of each Trust is for the Shares to reflect the price of the underlying currency. It is expected that Share prices will fluctuate in response to fluctuations in the currency.

The Bank of New York is the trustee of the Trusts (“Trustee”), JPMorgan Chase Bank, N.A., London Branch, is the depository for the Trusts (“Depository”), and Rydex Distributors, Inc. is the distributor for the Trusts (“Distributor”).

As described more fully in the registration statements, the Trusts create and redeem their Shares at their net asset value (“NAV”) only in aggregations of 50,000 Shares (each, a “Basket”), in exchange for the amount of the underlying currency represented by the Baskets being created or redeemed. The Shares are redeemable only in whole Baskets, and in exchange for the underlying currency. Except when aggregated in Baskets, the Shares may not be redeemed with the Trusts.

The registration statements for the Trusts describe the various fees and expenses for the Shares.

For a more complete description of the Trusts and the underlying currencies, visit www.CurrencyShares.com.

Other Information about the Trusts

The Trusts are subject to various fees and expenses described in the registration statements, and the amount of the underlying currencies required to create a Basket or to be delivered upon a redemption of a Basket may gradually decrease over time in the event that the Trusts are required to sell the underlying currencies to pay the Trusts’ expenses. The underlying currencies held by the Trusts will only be sold (i) if needed to pay Trust expenses, (ii) in the event the Trust terminates and liquidates its assets or (iii) as otherwise required by law or regulation.

The Shares will be evidenced by one or more global certificates that the Trustee will issue to The Depository Trust Company (“DTC”). The Shares will be available 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 Trustee calculates the Trusts’ NAV every day that the New York Stock Exchange (“NYSE”) is open for regular trading (a “Business Day”). When calculating NAV, the Trustee values the underlying currencies held by the Trusts based on the Noon Buying Rate, which is the USD/currency specific exchange rate as determined by the Federal Reserve Bank of New York as of 12:00 p.m. (Eastern Standard Time) on each Business Day. If, on a particular day, the Noon Buying Rate has not been determined and announced by 2:00 p.m. (Eastern Standard Time), the Trustee will use the most recently announced Noon Buying Rate to determine the Trusts’ NAV, unless the Trustee, in consultation with the Sponsor, determines to apply an alternative basis for evaluation as a result of extraordinary circumstances. The Trustee also determines the NAV per Share, which equals the NAV of each Trust divided by the number of outstanding Shares of each Trust.

The Sponsor publishes the NAV and NAV per Share each Business Day on the Trusts’ website, www.currencyshares.com. In addition, NAV is available to National Securities Clearing Corporation (“NSCC”) participants through data made available from NSCC.

Availability of Information Regarding Currency Prices

There is no regulated source of last sale information regarding the currencies and the Securities and Exchange Commission (“SEC”) has no jurisdiction over the trading of the currencies. Currently, the Consolidated Tape Association (“CTA”) does not provide for the dissemination of the spot price of the underlying currencies over its facilities. The last sale price for the Shares, however, will be disseminated over the CTA. Market prices for the Shares will be available from a variety of sources, including brokerage firms, financial information websites, and other information service providers.

Investors may obtain, on a 24-hour basis, foreign exchange pricing information based on the currency spot price from various financial information service providers. Current currency spot prices are generally available with bid/ask spreads from 2 foreign exchange dealers. Complete realtime data for currency futures and options prices traded on the Chicago Mercantile Exchange (“CME”) and the Philadelphia Stock Exchange (“Phlx”) are available by subscription from information service providers. The CME and Phlx also provide delayed futures and options information on current and past trading sessions and market news free of charge on their respective websites.

There are a variety of other public websites that provide information on foreign currency, such as Bloomberg www.bloomberg.com/markets/currencies/eurafrcurrencies.html), which regularly reports current foreign exchange pricing for a fee. Other service providers include CBS Market Watch (www.marketwatch.com/tools/stockresearch/globalmarkets) and Yahoo! Finance (<http://finance.yahoo.com/currency>). Many of these sites offer price quotations drawn from other published sources, and as the information is supplied free of charge, it generally is subject to time delays (typically, 15 to 20 minutes).

In addition to the NAV of the Trusts and the NAV per Share, the Trusts’ website, which is publicly accessible at no charge, provides the following information: (i) the currency spot prices, including the bid and offer and the midpoint between the bid and offer for each currency spot price, updated every 5 to 10 seconds, (ii) an intraday indicative value (“IIV”) per Share calculated by multiplying the indicative spot price of the underlying currency by the quantity of the underlying currency backing each Share, on a 5 to 10- second delayed basis; (iii) a 20-minute delayed basis indicative value, which is used for calculating premium/discount information; (iv) premium/discount information, calculated on a 20-minute delayed basis; (v) accrued interest per Share; (vi) the daily Noon Buying Rate; (vii) the Basket Currency Amount; and (viii) the last sale price of the Shares as traded in the U.S. market, subject to a 20-minute delay.

Purchases and Redemptions in Creation Unit Size

BATS Members are hereby informed that procedures for purchases and redemptions of Shares in Baskets are described in the prospectus for each Trust, and that Shares are not individually redeemable but are redeemable only in Baskets or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for a Trust of the principal risks of an investment in that Trust. These include, but are not limited to, the following:

- The value of the Shares relates directly to the value of the underlying currency held by the Trust. Fluctuations in the price of the underlying currency could materially and adversely affect the value of the Shares.
- The USD/foreign currency exchange rate, like foreign exchange rates in general, can be volatile and difficult to predict. This volatility could materially and adversely affect the performance of the Shares.
- The Shares are a new securities product. Their value could decrease if unanticipated operational or trading problems were to arise.
- Shareholders will not have the protections associated with ownership of shares in an investment company registered under the 1940 Act.
- The Shares may trade at a price which is at, above, or below the NAV per Share.
- The possible sale of the underlying currency by the Trusts to pay expenses, if required, will reduce the amount of currencies represented by each Share on an ongoing basis regardless of whether the price of a Share rises or falls in response to changes in the price of the underlying currency.
- The sale of the Trusts' deposited currency, if necessary, to pay expenses at a time when the price of the currency is relatively low could adversely affect the value of the Shares.
- Substantial sales of the underlying currency by the official sector could adversely affect an investment in the Shares.
- Please note that trading in the Fund's Shares during the pre-opening session may result in additional trading risks which include: (1) lower liquidity in the pre-opening session may impact pricing, (2) higher volatility in the pre-opening session may impact pricing, (3) wider spreads may occur in the pre-opening session.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on BATS is subject to BATS equity trading rules.

Trading Hours

The Shares will trade on BATS between 8:00 a.m. and 4:00 p.m. Eastern Time.

Trading Halts

BATS will halt trading in the Shares of a Trust in accordance with BATS Rule 14.1(c)(4)(A). 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, BATS will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Delivery of a Prospectus

Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Trusts. Prospectuses may be obtained through the Trust's website at www.currencyshares.com. The prospectus for a Trust does not contain all of the information set forth in the Trust'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 Securities and Exchange Commission ("SEC"). For further information about a Trust, please refer to its registration statement.

In the event that the Trusts rely upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, BATS Rule 14.1(c) requires that Members provide to all purchasers of Shares a written description of the terms and characteristics of the Shares, not later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, Members must 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 a 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 Derivative Securities*] 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 Derivative Securities*]."

A 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 the Member under this rule.

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

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

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the Shares. As this is only a summary of the relief granted by the SEC, interested members should consult the Letter dated June 21, 2006 from Racquel L. Russell, Esq., Branch Chief, Division of Market Regulation, to George T. Simon, Foley & Lardner LLP, and the Letter dated January 19, 2006 from James A. Brigagliano, Assistant Director, SEC Division of Market Regulation to Michael Schmidtberger, Sidley, Austin, Brown & Wood, for more complete information regarding the trading practices relief granted by the SEC.

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, and affiliated purchasers of such persons.

The SEC has granted an exemption from paragraph (d) of Rule 101 under Regulation M to permit persons who may be deemed to be participating in a distribution of Shares to bid for or purchase Shares during their participation in such distribution. The SEC also has granted an exemption from Rule 101 to permit the Distributor to publish research during the applicable restricted period on the Trusts' website.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. The SEC has granted an exemption from paragraph (e) of Rule 102 to permit the Trusts and their respective affiliated purchasers to redeem Shares during the continuous offering of the Shares.

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

Section 11(d)(1) of the Exchange 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 or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The SEC has taken a no-action position under Section 11(d)(1) of the Exchange Act if broker-dealers (other than the Distributor) that do not create or redeem Shares but engage in both proprietary and customer transactions in Shares exclusively in the secondary market extend or maintain or arrange for the extension or maintenance of credit on Shares in connection with such secondary market transactions. The SEC has also taken a no-action position under Section 11(d)(1) of the Exchange Act that broker-dealers (other than the Distributor) may treat Shares of the Trusts, 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 the 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.

The SEC has also taken a no-action position under Section 11(d) of the Exchange Act if an Authorized Participant ("AP") extends or maintains or arranges for the extension or maintenance of credit on Shares in reliance on the class exemption granted in the Letter re: Derivative Products Committee of the Securities Industry Association ("SIA") (November 21, 2005), provided (1) that the AP does not receive from the Trust, directly or indirectly, any payment, compensation or other economic incentive to promote or sell the Shares to persons outside the Trust, other than non-cash compensation permitted under FINRA Rule 2830(l)(5)(A), (B), or (C); and (2) the AP does not extend, maintain or arrange for the extension or maintenance of credit to or for a customer on Shares before thirty days from the start of trading in the Shares (except as otherwise permitted pursuant to Rule 11d1-1). (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to SIA Derivative Products Committee, dated November 21, 2005, available on <http://www.sec.gov>.)

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a Trust and the Trusts' website at www.currencyshares.com for relevant information.

Please contact Eric Swanson, 212.378.8523, eswanson@batstrading.com, with any inquiries regarding this Information Circular.

Appendix A –CurrencyShares

<u>Ticker</u>	<u>Fund Name</u>	<u>CUSIP</u>
FXA	CurrencyShares Australian Dollar Trust	23129U 10 1
FXB	CurrencyShares British Pound Sterling Trust	23129S 10 6
FXC	CurrencyShares Canadian Dollar Trust	23129X 10 5
FXE	CurrencyShares Euro Trust	23130C 10 8
FXF	CurrencyShares Swiss Franc Trust	23129V 10 9
FXM	CurrencyShares Mexican Peso Trust	23130H 10 7
FXS	CurrencyShares Swedish Krona Trust	23129R 10 8
FXY	CurrencyShares Japanese Yen Trust	23130A 10 2