



Information Circular 10-059

Date: May 26, 2010

Re: FaithShares Trust ETFs

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. ("BATS" or the "Exchange"), this Information Circular is being issued to advise you that the following security has been approved for trading on the Exchange as a UTP Derivative Security pursuant to Chapter XIV of the Exchange's Rules.

<u>Securities (the "Funds")</u>	<u>Symbol</u>
FaithShares Lutheran Values Fund	FKL
FaithShares Baptist Values Fund	FZB

Commencement of Trading: May 27, 2010

Issuer/Trust: The FaithShares Trust

Issuer Website: www.faithshares.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-09-200 (December 15, 2009)

Registration Statement: Nos. 811-22263 and 333-156529

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products 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 Funds

The FaithShares Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of several exchange-traded funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the Funds listed above. The shares of each of the Funds listed above are referred to herein as "Shares." FaithShares Advisors, LLC (the "Adviser") serves as the investment adviser for the Funds.

The Baptist Values Fund employs a "passive management" investment strategy designed to track the total return performance of the FaithShares Baptist Values Index, a custom index developed by FTSE KLD (the "BV Index" or "Index"). The BV Index is designed to measure the performance of U.S. large capitalization companies that are in accordance with the guidelines for social screening recommended by various entities of the Baptist denomination (the "Baptist Guidelines"). U.S. large capitalization companies are considered to be the 400 largest market capitalization U.S. companies among the following industries: basic materials, consumer goods, consumer services, financials, health care, industrials, oil and gas,

technology, telecommunications and utilities. The BV Index has zero tolerance for, and therefore excludes from its Index, companies involved in the following activities: direct participation or support of abortion; the manufacture of alcoholic beverages; the ownership or operation of, or support of, gambling facilities, products or services; production of military weapons; the production, sale or distribution of pornography; and manufacture of tobacco products. The BV Index is comprised of 100 securities each of whose weighting in the BV Index is rebalanced each year in June to 1%. Companies can only be added to the BV Index at reconstitution each year. Companies may be removed at any time during the year due to certain corporate actions (such as the merger or sale of a company where the Index opts not to take shares of the new company). Companies included in the BV Index that, after reconstitution, no longer continue to satisfy the screening guidelines for the Baptist Values Fund will not be removed from the BV Index until reconstitution, and the Baptist Values Fund, to the extent it has invested in such companies, will continue to hold their securities until the next reconstitution.

KLD selects securities for the BV Index by using proprietary ratings covering environmental, social and governance and ethics criteria to evaluate the performance (“ESG performance”) of the 400 largest U.S. companies (as described above), determined by float-adjusted market capitalization (capitalization calculated by using shares that are readily available for purchase on the open market rather than total shares outstanding). KLD identifies the companies that conflict with the Baptist Guidelines and eliminates them from the selection process. KLD then selects the companies with the highest ESG scores by industry targeting 100 companies that match in market capitalizations the industry weighting of the FTSE U.S. Index.

The Adviser will normally invest at least 80% of the Baptist Value Fund’s total assets in securities that comprise the BV Index. This is a non-fundamental policy that may be changed upon 60 days’ prior written notice to shareholders. The Baptist Values Fund generally will invest in all of the securities comprising the BV Index in proportion to the weightings in the BV Index although, under various circumstances where it may not be possible or practicable to purchase all of the securities in the BV Index, the Adviser may utilize a sampling methodology. Sampling means that the Adviser uses quantitative analysis to select securities that represent a sample of the securities in the BV Index that have a similar investment profile as the BV Index in terms of key risk factors, performance attributes and other characteristics. The Baptist Values Fund may invest up to 20% of its assets in cash and cash equivalents, such as money market instruments, or in other types of investments not included in the BV Index, including in certain futures, options, swap contracts and other derivatives, that the Adviser believes will help the Baptist Values Fund track the BV Index. The Baptist Values Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or sector to approximately the same extent that the BV Index is so concentrated.

The Lutheran Values Fund employs a “passive management” investment strategy designed to track the total return performance of the FaithShares Lutheran Values Index, a custom index developed by FTSE KLD (the “LV Index” or “Index”). The LV Index is designed to measure the performance of U.S. large capitalization companies that operate in accordance with the guidelines for social investing and shareholder advocacy recommended by the Evangelical Lutheran Church in America Board of Pensions. U.S. large capitalization companies are considered to be the 400 largest market capitalization U.S. companies among the following industries: basic materials, consumer goods, consumer services, financials, health care, industrials, oil and gas, technology, telecommunications and utilities. The LV Index has zero tolerance, and therefore excludes from its Index, companies involved in the following activities: manufacture of distilled alcohol; ownership or operation of, or support of, gambling facilities or products or services; research and development of nuclear, biological or chemical weapons; production, sale or distribution of pornography; and manufacture of tobacco products. The LV Index also has zero tolerance for companies that are major producers of toxic chemicals or have significant toxic waste releases, significant hazardous waste sites, or significant environmental penalties liabilities. The LV Index strives to include companies involved in the following: community development, affordable housing, corporate policies to purchase from women and minority business, sustainable forestry and renewable energy. The LV Index is comprised of 100 securities each of whose weighting in the Index is rebalanced each year in June to 1%. Companies can only be added to the LV Index at reconstitution each year. Companies may be removed at any time during the year due to certain corporate actions (such as the merger or sale of a

company where the Index opts not to take shares of the new company). Companies included in the LV Index that, after reconstitution, no longer continue to satisfy the screening guidelines for the Lutheran Values Fund will not be removed from the LV Index until reconstitution, and the Lutheran Values Fund, to the extent it has invested in such companies, will continue to hold their securities until the next reconstitution.

KLD selects securities for the LV Index by using proprietary ratings covering environmental, social and governance and ethics criteria to evaluate the performance (“ESG performance”) of the 400 largest U.S. companies (as described above), determined by float-adjusted market capitalization (capitalization calculated by using shares that are readily available for purchase on the open market rather than total shares outstanding). KLD identifies the companies that conflict with the guidelines recommended by the Evangelical Lutheran Church in America Board of Pensions and eliminates them from the selection process. KLD then selects the companies with the highest ESG scores by industry targeting 100 companies that match in market capitalizations the industry weighting of the FTSE U.S. Index.

The Adviser will normally invest at least 80% of the Lutheran Values Fund’s total assets in securities that comprise the LV Index. This is a non-fundamental policy that may be changed upon 60 days’ prior written notice to shareholders. The Lutheran Values Fund generally will invest in all of the securities comprising the LV Index in proportion to the weightings in the LV Index although, under various circumstances where it may not be possible or practicable to purchase all of the securities in the LV Index, the Adviser may utilize a sampling methodology. Sampling means that the Adviser uses quantitative analysis to select securities that represent a sample of the securities in the LV Index that have a similar investment profile as the LV Index in terms of key risk factors, performance attributes and other characteristics.

The Lutheran Values Fund may invest up to 20% of its assets in cash and cash equivalents, such as money market instruments, or in other types of investments not included in the LV Index, including in certain futures, options, swap contracts and other derivatives, that the Adviser believes will help the Lutheran Values Fund track the LV Index. The Lutheran Values Fund will concentrate its investments (i.e., hold 25% or more of its total assets) in a particular industry or sector to approximately the same extent that the LV Index is so concentrated.

For more information regarding each Fund’s investment strategy, please read the prospectus for the Funds.

As described more fully in the Trust’s prospectus and Statement of Additional Information (“SAI”), the Funds issue and redeem Shares at net asset value (“NAV”) only in large blocks of 50,000 Shares (each block of Shares called a “Creation Unit”) or multiples thereof. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Each Fund pays out dividends from its net investment income to investors at least quarterly. The Funds distribute net capital gains, if any, annually. Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or “ET”) of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The registration statement for the Funds describes the various fees and expenses for the Funds’ Shares. For a more complete description of the Funds and the underlying indexes, visit the Issuer Website.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. 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, derivatives risk and concentration risk.

Exchange Rules Applicable to Trading in the Shares

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

Trading Hours

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

The Shares will trade on BATS between 8:00 a.m. and 5:00 p.m. ET. Please note that trading in the Shares during the Exchange's Pre-Opening and Post-Close Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and Post-Close Sessions, (2) lower liquidity in the Pre-Opening and Post-Close Sessions may impact pricing, (3) higher volatility in the Pre-Opening and Post-Close Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and Post-Close Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or Post-Close 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.

Delivery of a Prospectus

BATS Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds. Prospectuses may be obtained through the Funds' website. The prospectus for the Funds do not contain all of the information set forth in the Funds' 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 Funds, please refer to its Registration Statement.

In the event that the Funds 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, BATS Rule 14.1(c)(3) requires that BATS 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 Funds, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, BATS 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 a BATS 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 BATS 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 BATS member under this rule.

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

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

BATS will halt trading in the Shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) 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, BATS 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 Funds 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 Funds (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 Funds 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 Funds 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 Funds (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 Funds 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 Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Eric Swanson at 913.815.7000 with any inquiries regarding this Information Circular.