



BZX Information Circular 11-036
BYX Information Circular 11-036

Date: March 30, 2011

Re: Focus Morningstar ETFs

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (each referred to hereafter as “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 “Fund”)</u>	<u>Symbol</u>
Focus Morningstar Basic Materials Index ETF	FBM
Focus Morningstar Consumer Defensive Index ETF	FCD
Focus Morningstar Consumer Cyclical Index ETF	FCL
Focus Morningstar Communication Services Index ETF	FCQ
Focus Morningstar Energy Index ETF	FEG
Focus Morningstar Financial Services Index ETF	FFL
Focus Morningstar Health Care Index ETF	FHC
Focus Morningstar Industrials Index ETF	FIL
Focus Morningstar Large Cap Index ETF	FLG
Focus Morningstar MidCap Index ETF	FMM
Focus Morningstar US Market Index ETF	FMU
Focus Morningstar Small Cap Index ETF	FOS
Focus Morningstar Real Estate Index ETF	FRL
Focus Morningstar Technology Index ETF	FTQ
Focus Morningstar Utilities Index ETF	FUI

Commencement of Trading on the Exchange: March 31, 2011

Issuer/Trust: FocusShares Trust

Issuer Website: www.focusshares.com

Primary Listing Exchange: NYSE Arca

Registration Statement: Nos. 333-146327 and 811-22128

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 Fund

The FocusShares 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." FocusShares, LLC (the "Advisor") is the investment advisor for the Funds.

The Focus Morningstar US Market Index ETF (FMU) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar US Market Index (the "US Index"). The US Index measures the performance of United States ("US"), publicly traded companies as determined by Morningstar, Inc.'s ("Morningstar") proprietary index methodology.

The US Index measures the performance of 1,528 stocks issued by large-, mid-, and small-capitalization companies that are domiciled or principally traded in the US. The Morningstar index methodology defines the "US Market" as those stocks that form the top 97% of the market capitalization of the stocks eligible to be included in the Underlying Index. As of February 23, 2011, the Underlying Index, which is considered diversified, was comprised of component securities with market capitalizations greater than \$312.83 million that have a daily average traded volume of at least 421,724 over the past three months. The total market capitalization of the US Index as of February 23, 2011 was in excess of \$14.87 trillion.

The Focus Morningstar Large Cap Index ETF (FLG) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Large Cap Index (the "Large Cap Index"). The Large Cap Index measures the performance of stocks issued by large-capitalization companies as determined by Morningstar's proprietary index methodology.

The Large Cap Index measures the performance of stocks issued by large-capitalization companies that are domiciled or principally traded in the United States, as determined by Morningstar's proprietary index methodology that meet specific criteria developed by Morningstar, and is determined on the basis of capital value of component securities that are publicly held, which typifies a "float adjusted" capitalization index. The Morningstar index methodology defines "large-capitalization" stocks as those stocks that form the top 70% of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded US stocks). As of February 23, 2011, the Large Cap Index, which is considered diversified, was comprised of 259 component securities with market capitalizations greater than \$8.65 billion that have a daily average traded volume of at least 47.31 million over the past three months. The total market capitalization of the Large Cap Index as of February 23, 2011 was in excess of \$10.67 trillion.

The Focus Morningstar Mid Cap Index ETF (FMM) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Mid Cap Index (the "Mid Cap Index"). The Mid Cap Index measures the performance of stocks issued by middle-capitalization companies as determined by Morningstar's proprietary index methodology.

The Mid Cap Index measures the performance of stocks issued by middle-capitalization companies that are domiciled or principally traded in the United States, as determined by Morningstar's proprietary index methodology that meet specific criteria developed by Morningstar, and is determined on the basis of

capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index. The Morningstar index methodology defines “middle-capitalization” stocks as those stocks between the bottom 70th and 90th percentile of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded US stocks). As of February 23, 2011, the Mid Cap Index, which is considered diversified, was comprised of 555 component securities with market capitalizations between \$1.55 billion and \$15.62 billion that have a daily average traded volume of at least 421,724 over the past three months. The total market capitalization of the Mid Cap Index as of February 23, 2011 was in excess of \$3.07 trillion.

The Focus Morningstar Small Cap Index ETF (FOS) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Small Cap Index (the “Small Cap Index”). The Small Cap Index measures the performance of stocks issued by small-capitalization companies as determined by Morningstar’s proprietary index methodology.

The Small Cap Index measures the performance of stocks issued by small-capitalization companies that are domiciled or principally traded in the United States, as determined by Morningstar’s proprietary index methodology that meet specific criteria developed by Morningstar, and is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index. The Small Cap Index methodology defines “small-capitalization” stocks as those stocks between the bottom 90th and 97th percentile of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded US stocks). As of February 23, 2011, the Small Cap Index, which is considered diversified, was comprised of 714 component securities with market capitalizations between \$312.83 million and \$7.11 billion that have a daily average traded volume of at least 505,287 over the past three months. The total market capitalization of the Small Cap Index as of February 23, 2011 was in excess of \$1.12 trillion.

The Focus Morningstar Basic Materials Index ETF (FBM) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Basic Materials Index (the “Materials Index”). The Materials Index is a subset of the Morningstar US Market Index and consists of companies that manufacture chemicals, building materials and paper products. This sector also includes companies engaged in commodities exploration and processing.

The Basic Materials Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and is a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Basic Materials Index consists of companies that manufacture chemicals, building materials and paper products. This sector also includes companies engaged in commodities exploration and processing that meet specific criteria developed by Morningstar based on the standard industrial classification (“SIC”) codes attributable to the industries covered by the Basic Materials Index. As of February 23, 2011, the Basic Materials Index was comprised of 97 component securities with market capitalizations greater than \$736.31 million that have a daily average traded volume of at least 421,724 over the past three months. The total market capitalization of the Basic Materials Index as of February 23, 2011 was in excess of \$623.73 billion.

The Focus Morningstar Communication Services Index ETF (FCQ) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Communication Services Index (the “Communication Index”). The Communication Index is a subset of the Morningstar US Market Index and consists of companies that provide communication services using fixed-line networks or those that provide wireless access and services. This sector also includes companies that provide internet services such as access, navigation and internet related software and services.

The Communication Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and is a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Communication Index consists of companies that provide internet services such as access, navigation and internet related software and services that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Communication Index. As of February 23, 2011, the Communication Index was comprised of 30 component securities with market capitalizations greater than \$792.03 million that have a daily average traded volume of at least 1.94 million over the past three months. The total market capitalization of the Communication Index as of February 23, 2011 was in excess of \$524.98 billion.

The Focus Morningstar Consumer Cyclical Index ETF (FCL) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Consumer Cyclical Index (the “Cyclical Index”). The Cyclical Index is a subset of the Morningstar US Market Index and includes retail stores, auto & auto parts manufacturers, companies engaged in residential construction, lodging facilities, restaurants and entertainment companies.

The Cyclical Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and is a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Cyclical Index consists of retail stores, auto & auto parts manufacturers, companies engaged in residential construction, lodging facilities, restaurants and entertainment companies that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Cyclical Index. As of February 23, 2011, the Cyclical Index was comprised of 231 component securities with market capitalizations greater than \$332.82 million that have a daily average traded volume of at least 1.61 million over the past three months. The total market capitalization of the Cyclical Index as of February 23, 2011 was in excess of \$1.55 trillion.

The Focus Morningstar Consumer Defensive Index ETF (FCD) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Consumer Defensive Index (the “Defensive Index”). The Defensive Index is a subset of the Morningstar US Market Index and consists of companies engaged in the manufacturing of food, beverages, household and personal products, packaging, or tobacco. This sector also includes companies that provide services such as education & training services.

The Defensive Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Defensive Index consists of companies engaged in the manufacturing of food, beverages, household and personal products, packaging, or tobacco. This sector also includes companies that provide services such as education & training services that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Defensive Index. As of February 23, 2011, the Defensive Index was comprised of 98 component securities with market capitalizations greater than \$601.54 million that have a daily average traded volume of at least 1.17 million over the past three months. The total market capitalization of the Defensive Index as of February 23, 2011 was in excess of \$1.51 trillion.

The Focus Morningstar Energy Index ETF (FEG) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Energy Index (the “Energy Index”). The Energy Index is a subset of the Morningstar US Market Index and consists of companies that produce or refine oil and gas, oil field services and equipment companies, and pipeline operators. This sector also includes companies engaged in the mining of coal.

The Energy Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Energy Index consists of companies that produce or refine oil and gas, oil field services and equipment companies, and pipeline operators. This sector also includes companies engaged in the mining of coal that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Energy Index. As of February 23, 2011, the Energy Index was comprised of 96 component securities with market capitalizations greater than \$904.60 million that have a daily average traded volume of at least 5.17 million over the past three months. The total market capitalization of the Energy Index as of February 23, 2011 was in excess of \$1.76 trillion.

The Focus Morningstar Financial Services Index ETF (FFL) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Financial Services Index (the “Financial Index”). The Financial Index is a subset of the Morningstar US Market Index and consists of companies that provide financial services which includes banks, savings and loans, asset management companies, credit services, investment brokerage firms, and insurance companies.

The Financial Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Financial Index consists of companies that provide financial services which includes banks, savings and loans, asset management companies, credit services, investment brokerage firms, and insurance companies that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Financial Index. As of February 23, 2011, the Financial Index was comprised of 205 component securities with market capitalizations greater than \$312.83 million that have a daily average traded volume of at least 505,287 over the past three months. The total market capitalization of the Financial Index as of February 23, 2011 was in excess of \$2.09 trillion.

The Focus Morningstar Health Care Index ETF (FHC) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Health Care Index (the “Health Care Index”). The Health Care Index is a subset of the Morningstar US Market Index and consist of companies involved in biotechnology, pharmaceuticals, research services, home health care, hospitals, long-term care facilities, and medical equipment and supplies.

The Health Care Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Health Care Index consists of companies involved in biotechnology, pharmaceuticals, research services, home health care, hospitals, long-term care facilities, and medical equipment and supplies that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Health Care Index. As of March 9, 2011, the Health Care Index was comprised of 131 component securities with market capitalizations greater than \$675.75 million that have a daily average traded volume of at least 1.81 million over the past three months. As of March 9, 2011, the total market capitalization of the Health Care Index was in excess of \$1.59 trillion and the average market capitalization of the component securities of the Health Care Index was \$12.16 billion.

The Focus Morningstar Industrials Index ETF (FIL) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Industrials Index (the “Industrials Index”). The Industrials Index is a subset of the Morningstar US Market Index and consists of companies that manufacture machinery, hand-held tools and industrial products. This sector also includes aerospace and defense firms as well as companies engaged in transportations and logistic services.

The Industrials Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Industrials Index consists of companies that manufacture machinery, hand-held tools and industrial products. This sector also includes aerospace and defense firms as well as companies engaged in transportations and logistic services that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Industrials Index. As of March 9, 2011, the Industrials Index was comprised of 245 component securities with market capitalizations greater than \$496.31 million that have a daily average traded volume of at least 1.82 million over the past three months. As of March 9, 2011, the total market capitalization of the Industrials Index was in excess of \$1.94 trillion and the average market capitalization of the component securities of the Industrials Index was \$7.95 billion.

The Focus Morningstar Real Estate Index ETF (FRL) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Real Estate Index (the “Real Estate Index”). The Real Estate Index is a subset of the Morningstar US Market Index and consists of mortgage companies, property management companies and REITs.

The Real Estate Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Real Estate Index consists of mortgage companies, property management companies and REITs that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Real Estate Index. As of March 9, 2011, the Real Estate Index was comprised of 85 component securities with market capitalizations greater than \$769.82 million that have a daily average traded volume of at least 970,659 over the past three months. As of March 9, 2011, the total market capitalization of the Real Estate Index was in excess of \$346.53 billion and the average market capitalization of the component securities of the Real Estate Index was \$4.08 billion.

The Focus Morningstar Technology Index ETF (FTQ) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Technology Index (the “Technology Index”). The Technology Index is a subset of the Morningstar US Market Index and consists of companies engaged in the design, development, and support of computer operating systems and applications. This sector also includes companies that provide computer technology consulting services and companies engaged in the manufacturing of computer equipment, data storage products, networking products, semiconductors, and components.

The Technology Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Technology Index consists of companies engaged in the design, development, and support of computer operating systems and applications. This sector also includes companies that provide computer technology consulting services and companies engaged in the manufacturing of computer equipment, data storage products, networking products, semiconductors, and components that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Technology Index. As of March 9, 2011, the Technology Index was comprised of 234 component securities with market capitalizations greater than \$541.09 million that have a daily average traded volume of at least 1.37 million over the past three months. As of March 9, 2011, the total market capitalization of the Technology Index was in excess of \$2.54 trillion and the average market capitalization of the component securities of the Technology Index was \$10.88 billion.

The Focus Morningstar Utilities Index ETF (FUI) seeks to provide investment results that correspond, before fees and expenses, generally to the price and yield performance of the Morningstar Utilities Index

(the “Utilities Index”). The Utilities Index is a subset of the Morningstar US Market Index and consists of electric, gas, and water utilities.

The Utilities Index is determined on the basis of capital value of component securities that are publicly held, which typifies a “float adjusted” capitalization index and a subset of the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly-traded companies that are domiciled or principally traded in the United States). The Utilities Index consists of companies that are electric, gas, and water utilities that meet specific criteria developed by Morningstar based on the SIC codes attributable to the industries covered by the Utilities Index. As of March 9, 2011, the Utilities Index was comprised of 74 component securities with market capitalizations greater than \$635.44 million that have a daily average traded volume of at least 2.22 million over the past three months. As of March 9, 2011, the total market capitalization of the Utilities Index was in excess of \$486.44 billion and the average market capitalization of the component securities of the Utilities Index was \$6.57 billion.

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.

Net investment income and net capital gains are typically distributed to shareholders at least 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.

Please see the Fund’s prospectus for more information regarding the Fund and its investment objective.

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, indexing 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 After Hours Trading 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 After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading 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.

<i>Name</i>	<i>Listing Market</i>	<i>Trading Symbol</i>	<i>IOPV Symbol</i>	<i>NAV Symbol</i>
Focus Morningstar Basic Materials Index ETF	NYSE Arca	FBM	FBM.IV	FBM.NV
Focus Morningstar Consumer Defensive Index ETF	NYSE Arca	FCD	FCD.IV	FCD.NV
Focus Morningstar Consumer Cyclical Index ETF	NYSE Arca	FCL	FCL.IV	FCL.NV
Focus Morningstar Communication Services Index ETF	NYSE Arca	FCQ	FCQ.IV	FCQ.NV
Focus Morningstar Energy Index ETF	NYSE Arca	FEG	FEG.IV	FEG.NV
Focus Morningstar Financial Services Index ETF	NYSE Arca	FFL	FFL.IV	FFL.NV

Focus Morningstar Health Care Index ETF	NYSE Arca	FHC	FHC.IV	FHC.NV
Focus Morningstar Industrials Index ETF	NYSE Arca	FIL	FIL.IV	FIL.NV
Focus Morningstar Large Cap Index ETF	NYSE Arca	FLG	FLG.IV	FLG.NV
Focus Morningstar MidCap Index ETF	NYSE Arca	FMM	FMM.IV	FMM.NV
Focus Morningstar US Market Index ETF	NYSE Arca	FMU	FMU.IV	FMU.NV
Focus Morningstar Small Cap Index ETF	NYSE Arca	FOS	FOS.IV	FOS.NV
Focus Morningstar Real Estate Index ETF	NYSE Arca	FRL	FRL.IV	FRL.NV
Focus Morningstar Technology Index ETF	NYSE Arca	FTQ	FTQ.IV	FTQ.NV
Focus Morningstar Utilities Index ETF	NYSE Arca	FUI	FUI.IV	FUI.NV

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 Fund. Prospectuses may be obtained through the Funds' website. The prospectus for the Fund does 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 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, 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 Fund, 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 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 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 Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.