



BZX Information Circular 11-057
BYX Information Circular 11-057

Date: May 18, 2011

Re: Russell Exchange-Traded 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>
Russell Aggressive Growth ETF	AGRG
Russell Contrarian ETF	CNTR
Russell Consistent Growth ETF	CONG
Russell Equity Income ETF	EQIN
Russell Growth at a Reasonable Price ETF	GRPC
Russell Low P/E ETF	LWPE

Commencement of Trading on the Exchange: May 19, 2011

Issuer/Trust: Russell Exchange-Traded Funds Trust

Issuer Website: www.russelletsfs.com

Primary Listing Exchange: NYSE Arca

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 Russell Exchange-Traded Funds 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.” Russell Investment Management Company (the “Adviser” or “RIMCo”) is the investment adviser for the Funds.

AGRG seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Aggressive Growth Index (the Aggressive Index”). The Aggressive Index is designed to select securities

intended to produce performance that is similar to professional investment managers using an aggressive growth investment discipline. This discipline focuses on companies with near term forecasted earnings that are expected to increase at a faster rate than those of the average company's earnings. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the Aggressive Index includes companies that demonstrate growth potential as measured by: (1) average to high consensus forecasted earnings and (2) average to high one year historical sales growth. The Aggressive Index excludes companies with low earnings retention as measured by high dividend yields for the last four quarters. It also excludes stocks with low price to book ratios to ensure a growth orientation.

CONG seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Consistent Growth Index (the "Consistent Index"). The Consistent Index is designed to select securities intended to produce performance that is similar to professional investment managers using a consistent growth investment discipline. This discipline focuses on companies with above average earnings expectations over a long term horizon and with consistent historical earnings growth. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the Consistent Index includes companies that demonstrate growth potential as measured by: (1) average to high consensus forecasted earnings; (2) consistent earnings as measured by average to low earnings per share volatility over the past five years; and (3) efficient asset utilization as measured by average to high return on assets for the prior quarter. The Consistent Index excludes companies with low anticipated growth prospects as measured by a low price-to-book ratio.

GRPC seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Growth at a Reasonable Price Index (the "Price Index"). The Price Index is designed to select securities intended to produce performance that is similar to professional investment managers using a growth at a reasonable price investment discipline. This discipline focuses on stable companies that are moderately priced based on their long term forecasted earnings growth relative to their price-to-earnings ratio. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the Price Index includes companies: (1) with consistent earnings as measured by average to low earnings per share volatility over the past five years; (2) that are profitable as demonstrated by an average to high return on equity over the past five years; and (3) are of high quality as measured by an S&P Quality Rank of B or above or a low debt to equity ratio. The Price Index excludes stocks having a high price based on a high current P/E ratio and on price to consensus one year forecasted earnings ratio divided by its consensus five year forecasted earnings growth rate.

CNTR seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Contrarian Index (the "Contrarian Index"). The Contrarian Index is designed to select securities intended to produce performance that is similar to professional investment managers following a contrarian investment discipline. This discipline focuses on companies that have consistently lagged the market and their sector peers. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the Contrarian Index includes companies where opportunities exist for the stock price to improve as measured by a low historical price to sales multiple. The Contrarian Index excludes companies that have outperformed their market and sector peers as measured by cumulative total return over the last three to five years.

EQIN seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Equity Income Index (the "Income Index"). The Income Index is designed to select securities intended to produce performance that is similar to professional investment managers using an equity income investment discipline. This discipline focuses on companies that demonstrate the ability to pay a stable dividend. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the Income Index includes companies that are expected to pay a dividend based on consensus one year dividend forecasts or have paid a dividend in the past year. The Income Index excludes stocks with high variability in earnings as measured by high earnings per share volatility over the past five years, low profitability as demonstrated by a low return on equity over the past five years or forecasted negative earnings over the next year.

LWPE seeks investment results that closely correspond to the total return of the Russell U.S. Large Cap Low P/E Index (the “P/E Index”). The P/E Index is designed to select securities intended to produce performance that is similar to professional investment managers following a low price to earnings investment discipline. This discipline focuses on companies that are trading at lower multiples relative to their prior level and/or their sector peers. Starting with the Russell 1000 Index (an index comprised of U.S. stocks), the P/E Index includes companies that have a price to one year forecasted earnings, price to trailing earnings and/or price to cash flow multiple below their five year historical average. The P/E Index excludes stocks that have a price to sales and/or price to book multiple that exceeds their sector peers, when all three inclusionary criteria are not met.

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 100,000 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.

Income in the form of dividend distributions, if any, are generally distributed to shareholders quarterly, but may vary significantly from quarter to quarter. Net capital gains are distributed 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 and equity securities 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>
Russell Aggressive Growth ETF	NYSE Arca	AGRG	AGRG.IV	AGRG.NV
Russell Contrarian ETF	NYSE Arca	CNTR	CNTR.IV	CNTR.NV
Russell Consistent Growth ETF	NYSE Arca	CONG	CONG.IV	CONG.NV
Russell Equity Income ETF	NYSE Arca	EQIN	EQIN.IV	EQIN.NV
Russell Growth at a Reasonable Price ETF	NYSE Arca	GRPC	GRPC.IV	GRPC.NV
Russell Low P/E ETF	NYSE Arca	LWPE	LWPE.IV	LWPE.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.