



Cboe BZX Exchange, Inc. Information Circular 17-160
Cboe BYX Exchange, Inc. Information Circular 17-160
Cboe EDGA Exchange, Inc. Information Circular 17-160
Cboe EDGX Exchange, Inc. Information Circular 17-160

Date: November 8, 2017

Re: Franklin Templeton ETF Trust

Pursuant to the Rules of Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc. and Cboe EDGX Exchange, Inc. (together referred to hereafter as the “Exchange”), this Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange’s Rules.

<u>Securities (the “Fund”)</u>	<u>Symbol</u>
Franklin FTSE Australia ETF	FLAU
Franklin FTSE Brazil ETF	FLBR
Franklin FTSE Canada ETF	FLCA
Franklin FTSE China ETF	FLCH
Franklin FTSE France ETF	FLFR
Franklin FTSE Germany ETF	FLGR
Franklin FTSE Hong Kong ETF	FLHK
Franklin FTSE Italy ETF	FLIY
Franklin FTSE Japan ETF	FLJP
Franklin FTSE Mexico ETF	FLMX
Franklin FTSE South Korea ETF	FLKR
Franklin FTSE Taiwan ETF	FLTW
Franklin FTSE United Kingdom ETF	FLGB
Franklin FTSE Europe ETF	FLEE
Franklin FTSE Europe Hedged ETF	FLEH
Franklin FTSE Japan Hedged ETF	FLJH

Commencement of Trading on the Exchange: November 9, 2017

Issuer/Trust: Franklin Templeton ETF Trust

Issuer/Trust Website: www.libertyshares.com

Primary Listing Exchange: NYSE Arca



Compliance and supervisory personnel should note that, among other things, this Information Circular discusses the need to deliver a prospectus to customers purchasing shares of the Fund (“Shares”) issued by Franklin Templeton ETF Trust (“Trust”). Please forward this Information Circular to other interested persons within your organization.

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 or examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus and the Issuer Registration Statement are hereafter collectively referred to as the “Issuer Disclosure Materials.”

Background Information on the Funds

Each Fund seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of an underlying index. Each Fund employs a "passive management" - or indexing - investment approach designed to track the performance of its underlying index.

Franklin FTSE Australia ETF (FLAU): FLAU seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Australia RIC Capped Index (the “FTSE Australia Capped Index”). The FTSE Australia Capped Index is based on the FTSE Australia Index and is designed to measure the performance of Australian large- and midcapitalization stocks. The Index Provider determines eligible securities for the FTSE Australia Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Brazil ETF (FLBR): FLBR seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Brazil RIC Capped Index (the “FTSE Brazil Capped Index”). The FTSE Brazil Capped Index is based on the FTSE Brazil Index and is The Index Provider determines eligible securities for the FTSE Brazil Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Canada ETF (FLCA): FLCA seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Canada RIC Capped Index (the “FTSE Canada Capped Index”). The FTSE Canada Capped Index is based on the FTSE Canada Index and is designed to measure the performance of Canadian large- and midcapitalization stocks. The Index Provider determines eligible securities for the FTSE Canada Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.



Franklin FTSE China ETF (FLCH): FLCH seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE China RIC Capped Index (the “FTSE China Capped Index”). The FTSE China Capped Index is based on the FTSE China Index and is designed to measure the performance of Chinese large- and mid-capitalization stocks, as represented by H-Shares (securities of companies incorporated in the People’s Republic of China (the “PRC”) that are denominated in Hong Kong dollars and listed on the Hong Kong Exchange) and B-Shares (securities of companies incorporated in the PRC and listed for foreign investment on either the Shanghai or Shenzhen stock exchanges). The FTSE China Capped Index also includes certain securities listed outside of the PRC known as N-Shares (issued by companies incorporated in certain foreign jurisdictions, which are controlled, directly or indirectly, by entities, companies or individuals in the PRC, derive substantial revenues or allocate substantial assets in the PRC and are listed on the NYSE, NASDAQ or the NYSE American), Red-Chips (issued by companies incorporated in certain foreign jurisdictions, which are controlled, directly or indirectly, by entities owned by the national government or local governments in the PRC, derive substantial revenues or allocate substantial assets in the PRC and are listed on the Hong Kong Exchange), P-Chips (issued by companies incorporated in certain foreign jurisdictions, which are controlled, directly or indirectly, by individuals in the PRC, derive substantial revenues or allocate substantial assets in the PRC and are listed on the Hong Kong Exchange) and S-Chips (issued by companies incorporated in certain foreign jurisdictions, which are controlled, directly or indirectly, by entities, companies or individuals in the PRC, derive substantial revenues or allocate substantial assets in the PRC and are listed on the Singapore Exchange). The Index Provider determines eligible securities for the FTSE China Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE France ETF (FLFR): FLFR seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE France RIC Capped Index (the “FTSE France Capped Index”). The FTSE France Capped Index is based on the FTSE France Index and is designed to measure the performance of French large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE France Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Germany ETF (FLGR): FLGR seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Germany RIC Capped Index (the “FTSE Germany Capped Index”). The FTSE Germany Capped Index is based on the FTSE Germany Index and is designed to measure the performance of German large- and midcapitalization stocks. The Index Provider determines eligible securities for the FTSE Germany Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Hong Kong ETF (FLHK): FLHK seeks to provide investment results that closely correspond, before fees and expenses, to the performance of FTSE Hong Kong RIC Capped Index (the



“FTSE Hong Kong Capped Index”). The FTSE Hong Kong Capped Index is based on the FTSE Hong Kong Index and is designed to measure the performance of Hong Kong large- and midcapitalization stocks. The Index Provider determines eligible securities for the FTSE Hong Kong Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Italy ETF (FLIY): FLIY seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Italy RIC Capped Index (the “FTSE Italy Capped Index”). The Italy Underlying Index is based on the FTSE Italy Index and is designed to measure the performance of Italian large- and mid-capitalization stocks. The FTSE Italy Capped Index is based on the FTSE Italy Index and is designed to measure the performance of Italian large and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE Italy Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Japan ETF (FLJP): FLJP seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Japan RIC Capped Index (the “FTSE Japan Capped Index”). The FTSE Japan Capped Index is based on the FTSE Japan Index and is designed to measure the performance of Japanese large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE Japan Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Mexico ETF (FLMX): FLMX seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the TSE Mexico RIC Capped Index (the “FTSE Mexico Capped Index”). The FTSE Mexico Capped Index is based on the FTSE Mexico Index and is designed to measure the performance of Mexican large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE Mexico Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE South Korea ETF (FLKR): FLKR seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE South Korea RIC Capped Index (the “FTSE South Korea Capped Index”). The FTSE South Korea Capped Index is based on the FTSE South Korea Index and is designed to measure the performance of South Korean large and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE South Korea Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Taiwan ETF (FLTW): FLTW seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Taiwan RIC Capped Index (the “FTSE



Taiwan Capped Index”). The FTSE Taiwan Capped Index is based on the FTSE Taiwan Index and is designed to measure the performance of Taiwanese large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE Taiwan Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE United Kingdom ETF (FLGB): FLGB seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE UK RIC Capped Index (the “FTSE UK Capped Index”). The FTSE UK Capped Index is based on the FTSE UK Index and is designed to measure the performance of United Kingdom large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE UK Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Europe ETF (FLEE): FLEE seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Developed Europe RIC Capped Index (the “FTSE Developed Europe Capped Index”). The FTSE Developed Europe Capped Index is based on the FTSE Developed Europe Index and is designed to measure the performance of large- and mid-capitalization stocks from developed European countries. The Index Provider determines eligible securities for the FTSE Developed Europe Capped Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination.

Franklin FTSE Europe Hedged ETF (FLEH): FLEH seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Developed Europe RIC Capped Hedged to USD Index (the “FTSE Developed Europe Capped Hedged Index”). The FTSE Developed Europe Capped Hedged Index is based on the FTSE Developed Europe Hedged to USD Index and is designed to measure the performance of large- and mid-capitalization stocks from developed European countries. The Index Provider determines eligible securities for the FTSE Developed Europe Capped Hedged to USD Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of production and currency of denomination. The FTSE Developed Europe Capped Hedged Index incorporates a hedge against the currency risk of the securities included in the FTSE Developed Europe Capped Hedged Index against the U.S. dollar.

Franklin FTSE Japan Hedged ETF (FLJH): FLJH seeks to provide investment results that closely correspond, before fees and expenses, to the performance of the FTSE Japan RIC Capped Hedged to USD Index (the “FTSE Japan Capped Hedged Index”). The FTSE Japan Capped Hedged Index is based on the FTSE Japan Hedged to USD Index and is designed to measure the performance of Japanese large- and mid-capitalization stocks. The Index Provider determines eligible securities for the FTSE Japan Capped Hedged to USD Index based on measures such as the company’s place of incorporation, quality of investor protection, tax domicile, location of headquarters/factors of



production and currency of denomination. The FTSE Japan Capped Hedged Index incorporates a hedge against the currency risk of the securities included in the FTSE Japan Capped Hedged Index against the U.S. dollar.

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

As described more fully in the Issuer's prospectus and Statement of Additional Information, each Fund will issue and redeem Shares on a continuous basis at their net asset value ("NAV"). Each Fund will issue or redeem shares that have been aggregated into blocks of shares and or multiples thereof ("Creation Units") to authorized participants who have entered into agreements with the Funds' distributor. A Creation Unit consists of: 50,000 shares with respect to the Franklin FTSE Australia ETF, Franklin FTSE Canada ETF, Franklin FTSE Italy ETF, Franklin FTSE Mexico ETF and Franklin FTSE United Kingdom ETF; 200,000 shares with respect to the Franklin FTSE Brazil ETF, Franklin FTSE Taiwan ETF, Franklin FTSE Europe ETF and Franklin FTSE Europe Hedged ETF; 400,000 shares with respect to the Franklin FTSE China ETF and 100,000 shares with respect to the Franklin FTSE France ETF, Franklin FTSE Germany ETF and Franklin FTSE South Korea ETF; 300,000 shares with respect to the Franklin FTSE Hong Kong ETF; and 600,000 shares with respect to the Franklin FTSE Japan ETF and Franklin FTSE Japan Hedged ETF; or multiples thereof. The Funds generally will issue or redeem Creation Units in return for a designated portfolio of securities (and an amount of cash) that the Funds specify each day.

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 and is recognized as the owner of all Shares for all purposes.

The NAV of each Fund is generally determined as of the close of trading (normally 4:00 p.m., Eastern Time) on each day the New York Stock Exchange is open for business. The NAV of the Fund is calculated 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 outstanding shares of the Fund, generally rounded to the nearest cent.

Principal Risks

Interested persons are referred to each Fund's Prospectus for a description of risks associated with an investment in each Fund. These risks include, but are not limited to, market risk, foreign securities risk, emerging market countries risk, regional risk, currency hedging risk, derivative instruments risk, depository receipts risk, indexing risk, authorized participant concentration risk, market trading risk, concentration risk, midsize companies risk, non-diversification risk, representative sampling risk, cash transactions risk, and international closed market trading risk. In addition, the market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the



Shares. As a result, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of each Fund's holdings.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on the Exchange is subject to the Exchange 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 Cboe BZX Exchange, Inc. and Cboe BYX Exchange, Inc. between 8:00 a.m. and 5:00 p.m. ET. The Shares will trade on Cboe EDGA Exchange, Inc. and Cboe EDGX Exchange, Inc. between 8:00 a.m. and 8:00 p.m. ET. Please note that trading in the Shares during the Exchange's Pre-Opening and After Hours/Post-Closing Trading Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market 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>Trading Symbol</i>	<i>IOPV Symbol</i>	<i>NAV Symbol</i>
Franklin FTSE Australia ETF	FLAU	FLAU.IV	FLAU.NV
Franklin FTSE Brazil ETF	FLBR	FLBR.IV	FLBR.NV
Franklin FTSE Canada ETF	FLCA	FLCA.IV	FLCA.NV
Franklin FTSE China ETF	FLCH	FLCH.IV	FLCH.NV



Franklin FTSE France ETF	FLFR	FLFR.IV	FLFR.NV
Franklin FTSE Germany ETF	FLGR	FLGR.IV	FLGR.NV
Franklin FTSE Hong Kong ETF	FLHK	FLHK.IV	FLHK.NV
Franklin FTSE Italy ETF	FLIY	FLIY.IV	FLIY.NV
Franklin FTSE Japan ETF	FLJP	FLJP.IV	FLJP.NV
Franklin FTSE Mexico ETF	FLMX	FLMX.IV	FLMX.NV
Franklin FTSE South Korea ETF	FLKR	FLKR.IV	FLKR.NV
Franklin FTSE Taiwan ETF	FLTW	FLTW.IV	FLTW.NV
Franklin FTSE United Kingdom ETF	FLGB	FLGB.IV	FLGB.NV
Franklin FTSE Europe ETF	FLEE	FLEE.IV	FLEE.NV
Franklin FTSE Europe Hedged ETF	FLEH	FLEH.IV	FLEH.NV
Franklin FTSE Japan Hedged ETF	FLJH	FLJH.IV	FLJH.NV

Delivery of a Prospectus

Exchange 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 Fund's 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 1940 Act and in the future make available a written product description, Exchange Rules require that Exchange 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, Exchange 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 an Exchange 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*].”

An Exchange 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 such Exchange member under this rule.

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

Suitability

Trading in the securities on the Exchange 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

The Exchange will halt trading in the Shares of a security in accordance with Exchange Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

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 Funds’ 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).

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

Section 11(d)(1) of the 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 participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of a Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the Fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, 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 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.

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

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. Members should consult the Prospectus for a security and the security's website for relevant information.

Please contact Listings Services at 913.815.7024 with any inquiries regarding this Information Circular.