



Cboe BZX Exchange, Inc. Information Circular 18-183
Cboe BYX Exchange, Inc. Information Circular 18-183
Cboe EDGA Exchange, Inc. Information Circular 18-183
Cboe EDGX Exchange, Inc. Information Circular 18-183

Date: November 19, 2018

Re: ETF Series Solutions

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 “Exchanges”), 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 Exchanges as UTP Derivative Securities pursuant to Chapter XIV of the Exchanges’ Rules.

<u>Securities (the “Funds”)</u>	<u>Symbol</u>
Gadsden Dynamic Growth ETF	GDG
Gadsden Dynamic Multi-Asset ETF	GDMA

Commencement of Trading on the Exchanges: November 20, 2018

Issuer/Trust: ETF Series Solutions

Issuer/Trust Website: www.gadsdenetfs.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 Funds (“Shares”) issued by ETF Series Solutions (“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 Exchanges’ 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 Securities

Gadsden Dynamic Growth ETF (GDG): The Gadsden Dynamic Growth ETF (the “Fund” or the “Growth Fund”) seeks total return.

The Fund is an actively-managed exchange-traded fund (“ETF”) that seeks to achieve its investment objective by investing (i) approximately 80% of its total assets with exposure to global equity securities generally based on a long-term view of macroeconomic factors (the “strategic sleeve”) and (ii) approximately 20% of its total assets to add or reduce exposure to one or more asset classes generally based on a short-term view of the market (the “tactical sleeve”). The Fund’s investment adviser, Gadsden, LLC (the “Adviser”), selects the global equity market segments and asset classes to be included in the strategic and tactical sleeves, respectively, rather than individual securities or other instruments. For each global equity market segment and asset class in which the Fund invests, the Fund’s sub-adviser will determine whether the Fund will invest directly in securities or other instruments of such market segment or asset class or indirectly through one or more pooled vehicles (e.g., other ETFs) that primarily invest in such securities or other instruments. Consequently, the Fund’s investments in other investment companies may range from 0% to 100% of the Fund’s portfolio.

The Fund’s strategic sleeve seeks to identify segments of the global equity market, including emerging markets, that are likely to grow in value over periods of several years. The strategic sleeve is expected to be predominantly invested to gain exposure to equity securities of certain countries, regions, sectors, industries, or market capitalizations based on the Adviser’s assessment of the long-term (typically more than three years) correlation of such segments to each other and their correlation and sensitivity to macroeconomic factors (e.g., inflation, employment, interest rates). The Fund may focus its investments in certain sectors, regions, or countries, and in companies of any market capitalization, which allocations may change over time. From time to time, the Fund’s strategic sleeve may be comprised of significantly more or less than 80% of the Fund’s total assets (e.g., when the Adviser believes that the Fund’s strategic sleeve is more or less likely to achieve greater total return than the tactical sleeve).

The Fund’s tactical sleeve is expected to be approximately 20% of the Fund’s total assets, which may increase or decrease depending on the market environment and investment opportunities perceived by the Adviser. The Fund’s tactical sleeve employs a shorter-term (typically less than three years) view of market opportunities and threats than the Fund’s strategic sleeve and is designed to adjust overall the portfolio risk/reward profile either higher or lower. The Adviser makes allocation decisions within the tactical sleeve based on its judgment of the projected investment environment for particular asset classes (e.g., currencies, equities, fixed income instruments, real assets, commodities), the attractiveness of each asset class, and expected future returns of each asset class. Within the tactical sleeve, the Fund may invest globally in any asset class, and may at times have significant exposure to a single asset class.



The Fund's portfolio construction blends fundamental and quantitative methods to select investments across a variety of global asset classes, though the Fund is expected to be predominantly exposed to domestic or foreign equity securities. Other asset classes in the Fund's tactical sleeve may include corporate, government (U.S. or foreign), inflation-linked, and high-yield debt instruments (also known as "junk" bonds); cash and cash equivalents; commodity interests (including foreign currencies, precious metals, and other physical or non-physical commodities); and real estate investment trusts ("REITs"). The Fund's investments in fixed income instruments may include those of any maturity or credit quality. The Fund's portfolio may also utilize inverse, leveraged, and inverse leveraged ETVs (defined below) to obtain exposure to one or more asset classes.

Gadsden Dynamic Multi-Asset ETF (GDMA): The Gadsden Dynamic Multi-Asset ETF (the "Fund" or the "Multi-Asset Fund") seeks total return.

The Fund is an actively-managed exchange-traded fund ("ETF") that seeks to achieve its investment objective by investing (i) approximately 80% of its total assets with exposure to a variety of asset classes, geographies, and market capitalizations generally based on a long-term view of macroeconomic factors (the "strategic sleeve") and (ii) approximately 20% of its total assets to add or reduce exposure to one or more asset classes generally based on a short-term view of the market (the "tactical sleeve"). The Fund's investment adviser, Gadsden, LLC (the "Adviser"), selects the asset classes to be included in the strategic and tactical sleeves, rather than individual securities or other instruments. For each asset class in which the Fund invests, the Fund's sub-adviser will determine whether the Fund will invest directly in securities or other instruments of such asset class or indirectly through one or more pooled vehicles (e.g., other ETFs) that primarily invest in such securities or other instruments. Consequently, the Fund's investments in other investment companies may range from 0% to 100% of the Fund's portfolio.

The Fund's strategic sleeve invests in a variety of asset classes (e.g., currencies, equities, fixed income instruments, real assets, commodities), geographies (including emerging markets), and market capitalizations based on the Adviser's assessment of the long-term (typically more than three years) correlation of such segments to each other and their correlation and sensitivity to macroeconomic factors (e.g., inflation, employment, interest rates). The Adviser considers such correlations in seeking to create a blend of investments across multiple asset classes that will grow in value across rising and falling markets. The Fund may focus its investments in certain asset classes, sectors, regions, or countries, and in companies of any market capitalization, which allocations may change over time. Additionally, the Fund may invest in assets classes that are considered lower-risk (e.g., inflation-linked bonds or fixed income securities), higher-risk (e.g., equities or real estate investment trusts ("REITs")), or a mix of both groups. From time to time, the Fund's strategic sleeve may be comprised of significantly more or less than 80% of the Fund's total assets (e.g., when the Adviser believes that the Fund's strategic sleeve is more or less likely to achieve greater total return than the tactical sleeve).

The Fund's tactical sleeve is expected to be approximately 20% of the Fund's total assets, which may increase or decrease depending on the market environment and investment opportunities perceived



by the Adviser. The Fund's tactical sleeve employs a shorter-term (typically less than three years) view of market opportunities and threats than the Fund's strategic sleeve and is designed to adjust the overall portfolio risk/reward profile either higher or lower. The Adviser makes allocation decisions within the tactical sleeve based on its judgment of the projected investment environment for particular asset classes, the attractiveness of each asset class, and expected future returns of each asset class. Within the tactical sleeve, the Fund may invest globally in any asset class and may at times have significant exposure to a single asset class.

The Fund's portfolio construction blends fundamental and quantitative methods to select investments across a variety of global asset classes, including corporate, government (U.S. or foreign), inflation-linked, and high-yield debt instruments (also known as "junk" bonds); cash and cash equivalents; commodity interests (including foreign currencies, precious metals, and other physical or non-physical commodities); and REITs. The Fund's investments in fixed income instruments may include those of any maturity or credit quality. The Fund's portfolio may also utilize inverse, leveraged, and inverse leveraged ETVs (defined below) to obtain exposure to one or more asset classes.

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 25,000 Shares. 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 the Funds' Registration Statement for a description of risks associated with an investment in a Fund. These may include, but are not limited to, equity investing



risk, asset class risk, concentration risk, industry/sector risk, issuer risk, liquidity risk, market risk, asset class risk, interest rate risk, tax risk and valuation risk.

In addition, the market prices of each Fund's Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares. As a result, the Shares of a Fund may trade at market prices that may differ from their NAV. The NAV of the Shares of each Fund will fluctuate with changes in the market value of such Fund's holdings.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on the Exchanges is subject to the Exchanges' 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 Exchanges' 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>
Gadsden Dynamic Growth ETF	GDG	GDG.IV	GDG.NV
Gadsden Dynamic Multi-Asset ETF	GDMA	GDMA.IV	GDMA.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 Exchanges 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 Exchanges 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.