BZX Information Circular 13-005
BYX Information Circular 13-005

Date: January 15, 2013

Re: ALPS ETF Trust

Pursuant to Rule 14.11(j)(2) of the Rules of BATS Exchange, Inc. and 14.1(c)(2) of the Rules of 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 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.

Securities (the "Funds")	Symbol
ALPS/GS Momentum Builder Asia ex-Japan Equities and U.S. Treasuries Index ETF	GSAX
ALPS/GS Momentum Builder Growth Markets Equities and U.S. Treasuries Index ETF	GSGO
ALPS/GS Momentum Builder Multi-Asset Index ETF	GSMA
ALPS/GS Risk-Adjusted Return U.S. Large Cap Index ETF	GSRA

Commencement of Trading on the Exchange: January 16, 2013

Issuer/Trust: ALPS ETF Trust

Issuer Website: www.alpsfunds.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 ALPS 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 Fund

The ALPS ETF 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." ALPS Advisors, Inc. (the "Adviser") is the investment adviser for the Funds.

GSGO seeks investment results that correspond generally, before fees and expenses, to the performance of the GS Momentum Builder Growth Markets Equities and U.S. Treasuries Index (the "Index").

The Fund is an index-based exchange traded fund ("ETF") that seeks investment results that correspond generally, before fees and expenses, to the performance of the Index. The Fund is a "fund of funds" as it principally invests its assets in the ETFs included in the Index ("Underlying ETFs"), instead of individual securities. The Underlying ETFs are also passively managed and seek investment results that correspond to their own indexes. The Underlying ETFs primarily invest in emerging markets equity securities and U.S. Treasury securities. The Fund will invest at least 80% of its total assets in securities of the Underlying ETFs that comprise the Index. The Fund is required to provide 60 days' notice to its shareholders prior to a change in this policy.

The Index is comprised of shares of ETFs whose underlying indexes track the equity markets of the following emerging market countries ("growth markets"): Brazil, Russia, India, China, Mexico, South Korea, Indonesia, and Turkey, as well as shares of ETFs whose underlying indexes track U.S. Treasury securities. Using a methodology (the "Methodology") developed by Goldman, Sachs & Co. (the "Index Provider"), the Index seeks to provide exposure to price momentum of these equity emerging markets and U.S. Treasury securities by reflecting the combination of Underlying ETF weightings that would have provided the highest six-month historical return, subject to the constraints on maximum and minimum weights and volatility controls described below. The Index is rebalanced monthly, but may also be rebalanced as frequently as daily if the daily volatility control is triggered.

Two levels of volatility control are applied to the Index. The monthly volatility control is performed on each monthly rebalancing date so that the Index is rebalanced in a manner which sets a maximum limit on the annualized historic six-month "realized" volatility (as defined below) of any selected combination of ETF weights (such limit being a "Volatility Target"). The daily volatility control rebalances a portion or all of the current Index components into ETFs, which invest in short-term U.S. Treasury securities, in order to reduce volatility when the annualized historic three-month volatility of the current Index components exceeds a predetermined level (such level being the "Daily Volatility Control Level"). The Fund will rebalance its portfolio in accordance with any such Index rebalances. Accordingly, the Fund may invest up to 100% of its assets in such U.S. Treasury ETFs from time to time. Following any rebalance resulting from the Index components' volatility exceeding the Daily Volatility Control Level, the Index is rebalanced into its prior composition when the annualized historic three-month volatility of such composition declines below the Daily Volatility Control Level.

Realized volatility is an historical calculation of the degree of movement based on prices or values of an asset observed periodically in the market over a specific period. The realized volatility of an asset is characterized by the frequency of the observations of the asset price used in the calculation and the period over which observations are made. The Methodology utilizes six-month realized volatility with respect to each monthly rebalance of the Index, while the Daily Volatility Control Level utilizes three month realized volatility. In each case, realized volatility is calculated by Structured Solutions AG (the "Calculation Agent") from daily closing prices of the shares of the Underlying ETFs over the applicable period and then annualized.

The Adviser, using a replication strategy, generally invests in all of the Underlying ETFs comprising the Index in proportion to their weightings in the Index. However, under various circumstances, it may not be possible or practicable to purchase all of those Underlying ETFs in those weightings. In those circumstances, the Fund may purchase a sample of the Underlying ETFs in the Index. There may also be instances in which the Adviser may choose to overweight another Underlying ETF in the Index, purchase securities or ETFs not in the Index which Adviser believes are appropriate to substitute for certain Underlying ETFs in the Index or utilize various combinations of other available investment techniques in seeking to track the Index. The Fund may sell Underlying ETFs that are represented in the Index in anticipation of their removal from the Index or purchase Underlying ETFs not represented in the Index in anticipation of their addition to the Index.

GSMA seeks investment results that closely correspond generally, before fees and expenses, to the performance of the GS Momentum Builder Multi-Asset Index (the “Multi- Asset Index”).

The Fund is an index-based exchange traded fund (“ETF”) that seeks investment results that correspond generally, before fees and expenses, to the performance of the Multi- Index. The Fund is a fund of funds as it principally invests its assets in the ETFs included in the Index (“Underlying ETFs”), instead of individual securities. The Underlying ETFs are also passively managed and seek investment results that correspond to their own indexes (with the exception of one Underlying ETF which is actively managed). The Underlying ETFs invest across asset classes. The Underlying ETFs primarily invest in global equities, including emerging markets, as well as commodities, real estate and U.S. and international fixed income securities. The Fund will invest at least 80% of its total assets in securities of the Underlying ETFs that comprise the Multi-Asset Index. The Fund required to provide 60 days’ notice to its shareholders prior to a change in this policy.

The Multi-Asset Index is comprised of shares of ETFs whose underlying indexes track U.S., international, developed and emerging equity markets, commodity markets, real estate markets and U.S. and international fixed income markets (The fixed income securities in which Underlying ETFs may invest include U.S. Treasury securities and investment grade, high yield, international and emerging market bonds, and may include bonds with a wide range of maturities (though typically not less than one year). Using a methodology (the “Methodology”) developed by Goldman, Sachs & Co. (the “Index Provider”), the Multi-Asset Index seeks to provide exposure to price momentum of these markets and U.S. Treasury securities by reflecting the combination of Underlying ETF weightings that would have provided the highest six-month historical return, subject to the constraints on maximum and minimum weights and volatility controls described below. The Multi-Asset Index is rebalanced monthly, but may also be rebalanced as frequently as daily if the daily volatility control is triggered.

Two levels of volatility control are applied to the Multi-Asset Index. The monthly volatility control is performed on each monthly rebalancing date so that the Multi-Asset Index is rebalanced in a manner which sets a maximum limit on the annualized historic six-month “realized” volatility (as defined below) of any selected combination of ETF weights (such limit being a “Volatility Target”). The daily volatility control rebalances a portion or all of the current Index components into ETFs, which invest in short-term U.S. Treasury securities, in order to reduce volatility when the annualized historic three-month volatility of the current Index components exceeds a predetermined level (such level being the “Daily Volatility Control Level”). The Fund will rebalance its portfolio in accordance with any such Index rebalances. Accordingly, the Fund may invest up to 100% of its assets in such U.S. Treasury ETFs from time to time. Following any rebalance resulting from the Index components volatility exceeding the Daily Volatility Control Level, the Multi-Asset Index is rebalanced into its prior composition when the annualized historic three-month volatility of such composition declines below the Daily Volatility Control Level.

The Adviser, using a replication strategy, generally invests in all of the Underlying ETFs comprising the Index in proportion to their weightings in the Multi-Asset Index. However, under various circumstances, it may not be possible or practicable to purchase all of those Underlying ETFs in those weightings. In those circumstances, the Fund may purchase a sample of the Underlying ETFs in the Multi-Asset Index. There may also be instances in which the Adviser may choose to overweight another Underlying ETF in the Multi-Asset Index, purchase securities or ETFs not in the Multi-Asset Index which the Adviser believes are appropriate to substitute for certain Underlying ETFs in the Multi- Asset Index or utilize various combinations of other available investment techniques, in seeking to track the Multi-Asset Index. The Fund may sell Underlying ETFs that are represented in the Multi-Asset Index in anticipation of their removal from the Multi-Asset Index or purchase Underlying ETFs not represented in the Multi-Asset Index in anticipation of their addition to the Multi-Asset Index.

The Adviser seeks a correlation over time of 0.95 or better between the Fund's performance, before fees and expenses, and the performance of the Multi-Asset Index. A figure of 1.00 would represent perfect correlation.

GSAX seeks investment results that correspond generally, before fees and expenses, to the performance of the GS Momentum Builder Asia ex-Japan Equities and U.S. Treasuries Index (the "Asia Index").

The Fund is an index-based exchange traded fund ("ETF") that seeks investment results that correspond generally, before fees and expenses, to the performance of the Asia Index. The Fund is a fund of funds as it principally invests its assets in the ETFs included in the Asia Index ("Underlying ETFs"), instead of individual securities. The Underlying ETFs are also passively managed and seek investment results that correspond to their own indexes. The Underlying ETFs invest primarily in securities of equity markets in Asia (excluding Japan) and U.S. Treasury securities. The Fund will invest at least 80% of its total assets in securities of the Underlying ETFs that comprise the Asia Index. In addition, under normal circumstances, the Fund will invest at least 80% of its total assets in Underlying ETFs which invest in securities of equity markets in Asia (excluding Japan) and U.S. Treasury securities. The Fund is required to provide 60 days' notice to its shareholders prior to a change in either 80% investment policy.

The Asia Index is comprised of shares of ETFs whose underlying indexes track the equity markets of the following countries in Asia: India, China, Thailand, Taiwan, Hong Kong, Indonesia, Singapore, Malaysia, South Korea and Australia ("Asia ex-Japan markets"), as well as shares of ETFs whose underlying indexes track U.S. Treasury securities. Using a methodology (the "Methodology") developed by Goldman, Sachs & Co. (the "Index Provider"), the Asia Index seeks to provide exposure to price momentum of these equity markets and U.S. Treasury securities by reflecting the combination of Underlying ETF weightings that would have provided the highest six-month historical return, subject to the constraints on maximum and minimum weights and volatility controls described below. The Asia Index is rebalanced monthly, but may also be rebalanced as frequently as daily if the daily volatility control is triggered.

Two levels of volatility control are applied to the Asia Index. The monthly volatility control is performed on each monthly rebalancing date so that the Asia Index is rebalanced in a manner which sets a maximum limit on the annualized historic six-month "realized" volatility (as defined below) of any selected combination of ETF weights(such limit being a "Volatility Target"). The daily volatility control rebalances a portion or all of the current Index components into ETFs, which invest in short-term U.S. Treasury securities, in order to reduce volatility when the annualized historic three-month volatility of the current Asia Index components exceeds a predetermined level (such level being the "Daily Volatility Control Level"). The Fund will rebalance its portfolio in accordance with any such Asia Index rebalances. Accordingly, the Fund may invest up to 100% of its assets in such U.S. Treasury ETFs from time to time. Following any rebalance resulting from the Asia Index components' volatility exceeding the Daily Volatility Control Level, the Index is rebalanced into its prior composition when the annualized historic three- month volatility of such composition declines below the Daily Volatility Control Level.

The Adviser, using a replication strategy, generally invests in all of the Underlying ETFs comprising the Index in proportion to their weightings in the Asia Index. However, under various circumstances, it may not be possible or practicable to purchase all of those Underlying ETFs in those weightings. In those circumstances, the Fund may purchase a sample of the Underlying ETFs in the Asia Index. There may also be instances in which the Adviser may choose to overweight another Underlying ETF in the Asia Index, purchase securities or ETFs not in the Asia Index which the Adviser believes are appropriate to substitute for certain Underlying ETFs in the Asia Index or utilize various combinations of other available investment techniques, in seeking to track the Asia Index. The Fund may sell Underlying ETFs that are represented in the Asia Index in anticipation of their removal from the Asia Index or purchase Underlying ETFs not represented in the Asia Index in anticipation of their addition to the Asia Index.

The Adviser seeks a correlation over time of 0.95 or better between the Fund's performance, before fees and expenses, and the performance of the Asia Index. A figure of 1.00 would represent perfect correlation.

GSRA seeks investment results that correspond generally, before fees and expenses, to the performance of the GS Risk-Adjusted Return U.S. Large Cap Index (the "Large Cap Index").

The Fund is an index-based exchange traded fund ("ETF") that seeks investment results that closely correspond to the total return of the Index. The Index includes U.S. securities within the Russell 1000 Index selected in accordance with the proprietary methodology described below.

The Fund's investment adviser, ALPS Advisors, Inc. (the "Adviser"), uses a "passive" or indexing approach to try to achieve the Fund's investment objective. Unlike many other funds, the Fund does not try to "beat" the Large Cap Index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued. The Fund will invest at least 80% of its total assets in the securities that comprise the Large Cap Index. The Fund is required to provide 60 days' notice to its shareholders prior to a change in this policy. The Fund's investment objective and the Large Cap Index which the Fund seeks to track may be changed without shareholder approval.

The Large Cap Index is designed to reflect the performance of a hypothetical portfolio of U.S. stocks that are anticipated to have the highest risk-adjusted returns based on a methodology (the "Methodology") developed by Goldman, Sachs & Co. (the "Index Provider"). The Methodology selects a target of 50 stocks for inclusion in the Large Cap Index from a subset of U.S. equity securities within the Russell 1000 Index that meet the minimum analysts coverage, liquidity and market capitalization requirements set forth below. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest capitalization securities in such index.

The Methodology classifies the stocks by sector, then sorts by the highest risk adjusted returns within each sector. Risk-adjusted returns are based on I/B/E/S (Institutional Brokers' Estimate System) consensus 12-month target prices adjusted by their six month "realized" volatility (as defined below). All stocks are equally weighted and the number of stocks from each sector is determined by sector weightings using a risk-parity approach. Under this approach, the volatility of each sector is computed based on realized six- month volatility and sectors with relatively high realized volatility contribute proportionately fewer securities while sectors with relatively low realized volatility contribute proportionately more securities. The Large Cap Index is rebalanced semiannually.

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.

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 Funds' prospectus for more information regarding the Funds and their investment objectives.

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 fixed income risk and foreign 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.

Name	***Listing Market***	***Trading Symbol***	***IOPV Symbol***	***NAV Symbol***
ALPS/GS Momentum Builder Asia ex-Japan Equities and U.S. Treasuries Index ETF	NYSE Arca	GSAX	GSAX.IV	GSAX.NV
ALPS/GS Momentum Builder Growth Markets Equities and U.S. Treasuries Index ETF	NYSE Arca	GSGO	GSGO.IV	GSGO.NV

ALPS/GS Momentum Builder Multi-Asset Index ETF	NYSE Arca	GSMA	GSMA.IV	GSMA.NV
ALPS/GS Risk-Adjusted Return U.S. Large Cap Index ETF	NYSE Arca	GSRA	GSRA.IV	GSRA.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 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, BATS Rule 14.1(c)(3) require 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 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 Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Funds for redemption does not constitute a bid for or purchase of any of the 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 Funds for purposes of purchasing Creation Unit Aggregations (“Deposit Securities”) or the identity, number and price of shares to be delivered by the Trust for the Funds to the redeeming holder (“Redemption Securities”). The composition of the securities required to be tendered to the Funds 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 Funds (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the 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. 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.