Nasdaq Nasdaq BX Nasdaq PHLX

INFORMATION CIRCULAR: EXCHANGE TRADED CONCEPTS TRUST

TO: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

FROM: NASDAQ / BX / PHLX Listing Qualifications Department

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EXCHANGE-TRADED FUND	SYMBOL	CUSIP #
REX VolMAXX Long VIX Weekly Futures Strategy ETF	VMAX	301505848
REX VolMAXX Inverse VIX Weekly Futures Strategy	VMIN	301505830

BACKGROUND INFORMATION ON THE FUNDS

The Exchange Traded Concepts Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), consisting of several investment portfolios. This circular relates only to the Funds listed above (each, a "Fund" and together, the "Funds"). The shares of the Fund are referred to herein as "Shares." Exchange Traded Concepts, LLC (the "Adviser") is the investment adviser to the Funds.

REX VolMAXX Long VIX Weekly Futures Strategy ETF

The REX VolMAXX Long VIX Weekly Futures Strategy ETF (the "VMAX Fund") seeks to provide investors with exposure to the implied volatility of the broad-based, large-cap U.S. equity market. The VMAX Fund is actively managed and is not benchmarked to the VIX Index (as defined herein), which is calculated based on the prices of put and call options on the S&P 500 Index. As such, the VMAX Fund can be expected to perform very differently from the VIX Index.

The VMAX Fund seeks to achieve its investment objective, under normal circumstances, by obtaining investment exposure to an actively managed portfolio of futures contracts based on the Chicago Board Options Exchange, Incorporated ("CBOE") Volatility Index (the "VIX Index") ("VIX Futures Contracts") with weekly and monthly expirations. The value of the VMAX Fund's Shares relates directly to the value of, and realized profit or loss from, the financial instruments and other assets held by the VMAX Fund, including VIX Futures Contracts. Fluctuations in the price of these financial instruments or assets could materially adversely affect an investment in the VMAX Fund.

The VMAX Fund expects to invest primarily in VIX Futures Contracts with less than one month to expiration, but may invest in VIX Futures Contracts with longer durations. The VMAX Fund expects the notional value of its exposure to VIX Futures Contracts to be equal to approximately 100% of

VMAX Fund assets at all times and the weighted average of time to expiry of the VIX Futures Contracts to be less than one month at all times.

The VIX Index seeks to measure the market's current expectation of 30-day volatility of the S&P 500 Index, as reflected by the prices of near-term S&P 500 options. The market's current expectation of the possible rate and magnitude of movements in an index is commonly referred to as the "implied volatility" of the index. Because S&P 500 options derive value from the possibility that the S&P 500 may experience movement before such options expire, the prices of near-term S&P 500 options are used to calculate the implied volatility of the S&P 500.

Unlike many indexes, the VIX Index is not an investable index. Rather, the VIX Index serves as a market volatility forecast. The VMAX Fund does not seek to track the performance of the VIX Index or the S&P 500 and, in fact, can be expected to perform very differently from the VIX Index over all periods of time.

The value of a VIX Futures Contract is based on the expected reading of the VIX Index at the expiration of such VIX Futures Contract, and therefore represents forward implied volatility of the S&P 500 over the 30-day period following the expiration of the VIX Futures Contracts. As a result, a movement in the VIX Index today will not necessarily result in a corresponding movement in the price of VIX Futures Contracts. For example, a VIX Futures Contract purchased in March that expires in May is a forward contract on what the VIX Index, as a measure of 30-day implied volatility, will be on the May expiration date. The forward volatility reading of the VIX Index may not correlate directly to the current volatility reading of the VIX Index because the implied volatility of the S&P 500 at a future expiration date may be different from the current implied volatility of the S&P 500. Furthermore, VIX Futures Contracts that have longer durations often may not reflect the VIX Index's readings as precisely as VIX Futures Contacts that are closer to expiration due to the increased potential for the implied volatility of the S&P 500 to shift, at a future date, from the current level of implied volatility. VIX Futures Contracts are standard futures contracts that settle for cash based on the VIX Special Opening Quotation, the final settlement value for VIX Futures Contracts that is calculated using opening prices of constituent S&P 500 options.

The VMAX Fund will experience positive or negative performance based on changes in the implied level of future market volatility to the extent these changes are reflected in the price of VIX Futures Contracts. The VMAX Fund generally will experience positive performance, before accounting for fees and expenses, to the extent that the value of its long positions in VIX Futures Contracts increases. Similarly, the VMAX Fund generally will experience negative performance, before accounting for fees and expenses, to the extent that the implied level of future volatility decreases.

The VMAX Fund expects to gain exposure to VIX Futures Contracts, which are considered commodities, primarily by investing up to 25% of its total assets, as measured at the end of every quarter of the VMAX Fund's taxable year, in a wholly-owned and controlled Cayman Islands subsidiary (the "Subsidiary"). The Subsidiary generally will invest in long positions in VIX Futures Contracts and will periodically sell VIX Futures Contracts to unwind a portion of its long positions. The Subsidiary may also invest in other commodity futures, option, and swap contracts; fixed income securities; pooled investment vehicles, including those that are not registered pursuant to the 1940 Act; and other investments intended to serve as margin or collateral for the Subsidiary's derivatives positions. The Subsidiary is advised by the Adviser, managed on a day-to-day basis by Vident

Investment Advisory, LLC (the "Sub-Adviser"), and has the same investment objective as the VMAX Fund. Unlike the VMAX Fund, the Subsidiary may invest to a greater extent in commodities, including VIX Futures Contracts, than the VMAX Fund. The Subsidiary's investments in such instruments will be subject to limits on leverage imposed by the Investment Company Act of 1940 (the "1940 Act"). The VMAX Fund's investment in the Subsidiary is expected to provide the VMAX Fund with an effective means of obtaining exposure to VIX Futures Contracts in a manner consistent with U.S. federal tax law requirements applicable to regulated investment companies. The VMAX Fund may also invest in VIX Futures Contracts directly to a limited extent, consistent with limitations imposed by the federal securities laws.

Futures contracts, by their terms, have stated expirations and, at a specified point in time prior to expiration, trading in a futures contract for the current delivery month will cease. Therefore, in order to maintain consistent exposure to VIX Futures Contracts, the VMAX Fund must periodically migrate out of VIX Futures Contracts nearing expiration and into VIX Futures Contracts with later expirations — a process referred to as "rolling." The effect of this continuous process of selling contracts nearing expiration and buying longer-dated contracts is called "roll yield."

Investments in derivative instruments, such as futures, options and swap agreements, have the economic effect of creating financial leverage in the VMAX Fund's portfolio because such investments may give rise to losses that exceed the amount the VMAX Fund has invested in those instruments. Financial leverage will magnify, sometimes significantly, the VMAX Fund's exposure to any increase or decrease in prices associated with a particular reference asset resulting in increased volatility in the value of the VMAX Fund's portfolio. The value of the VMAX Fund's portfolio is likely to experience greater volatility over short-term periods. While such financial leverage has the potential to produce greater gains, it also may result in greater losses, which in some cases may cause the VMAX Fund to liquidate other portfolio investments at a loss to comply with limits on leverage and asset segregation requirements imposed by the 1940 Act or to meet redemption requests.

In addition to the VMAX Fund's investment in the Subsidiary and in VIX Futures Contracts, the VMAX Fund may also invest in (1) swap agreements that provide exposure to VIX Futures Contracts; (2) exchange-traded funds ("ETFs"), exchange-traded closed-end funds, other investment companies registered under the 1940 Act, and other pooled investment vehicles (collectively, "Underlying Funds") that provide exposure to VIX Futures Contracts; (3) exchange-traded notes ("ETNs") that provide exposure to VIX Futures Contracts; and (4) fixed income securities (namely, commercial paper and U.S. government obligations), bank instruments, cash, and other cash equivalents to collateralize its exposure to the VIX Futures Contracts and for investment purposes. The VMAX Fund may also take short positions with respect to ETFs and/or ETNs that provide exposure to VIX Futures Contracts. The VMAX Fund will seek notional exposure to VIX Futures Contracts via these investments in circumstances where investing in VIX Futures Contracts directly or through the Subsidiary, as discussed, may be constrained, including circumstances where the notional value of the Subsidiary's exposure to VIX Futures Contracts is limited to less than 100% of VMAX Fund assets.

REX VolMAXX Inverse VIX Weekly Futures Strategy

The REX VolMAXX Inverse VIX Weekly Futures Strategy ETF (the "VMIN Fund") seeks to provide investors with inverse exposure to the implied volatility of the broad-based, large-cap U.S. equity market. The VMIN Fund is actively managed and is not benchmarked to the VIX Index (as defined herein), which is calculated based on the prices of put and call options on the S&P 500 Index. As such, the VMIN Fund can be expected to perform very differently from the inverse (-1x) of the performance of the VIX Index.

The VMIN Fund seeks to achieve its investment objective, under normal circumstances, by obtaining investment exposure to an actively managed portfolio of short positions in futures contracts based on the Chicago Board Options Exchange, Incorporated ("CBOE") Volatility Index (the "VIX Index") ("VIX Futures Contracts") with weekly and monthly expirations. The value of the VMIN Fund's Shares relates directly to the value of, and realized profit or loss from, the financial instruments and other assets held by the VMIN Fund, including VIX Futures Contracts. Fluctuations in the price of these financial instruments or assets could materially adversely affect an investment in the VMIN Fund.

The VMIN Fund expects to primarily take short positions in VIX Futures Contracts with less than one month to expiration, but may take short positions in VIX Futures Contracts with longer durations. The VMIN Fund expects the notional value of its exposure to VIX Futures Contracts to be equal to approximately 100% of VMIN Fund assets at the close of each trading day and the weighted average of time to expiry of the VIX Futures Contracts to be less than one month at all times.

The VIX Index seeks to measure the market's current expectation of 30-day volatility of the S&P 500 Index, as reflected by the prices of near-term S&P 500 options. The market's current expectation of the possible rate and magnitude of movements in an index is commonly referred to as the "implied volatility" of the index. Because S&P 500 options derive value from the possibility that the S&P 500 may experience movement before such options expire, the prices of near-term S&P 500 options are used to calculate the implied volatility of the S&P 500.

Unlike many indexes, the VIX Index is not an investable index. Rather, the VIX Index serves as a market volatility forecast. The VMIN Fund does not seek to track the performance of the VIX Index or the S&P 500 and, in fact, can be expected to perform very differently from the VIX Index over all periods of time.

The value of a VIX Futures Contract is based on the expected reading of the VIX Index at the expiration of such VIX Futures Contract, and therefore represents forward implied volatility of the S&P 500 over the 30-day period following the expiration of the VIX Futures Contracts. As a result, a movement in the VIX Index today will not necessarily result in a corresponding movement in the price of VIX Futures Contracts. For example, a VIX Futures Contract purchased in March that expires in May is a forward contract on what the VIX Index, as a measure of 30-day implied volatility, will be on the May expiration date. The forward volatility reading of the VIX Index may not correlate directly to the current volatility reading of the VIX Index because the implied volatility of the S&P 500 at a future expiration date may be different from the current implied volatility of the S&P 500. Furthermore, VIX Futures Contracts that have longer durations often may not reflect the VIX Index's readings as precisely as VIX Futures Contacts that are closer to expiration due to the increased potential for the implied volatility of the S&P 500 to shift, at a future date, from the current level of implied volatility. VIX Futures Contracts are standard futures contracts that settle for cash based on the VIX Special Opening Quotation, the final settlement value for VIX Futures Contracts that is calculated using opening prices of constituent S&P 500 options.

The VMIN Fund will experience positive or negative performance based on changes in the implied level of future market volatility to the extent these changes are reflected in the price of VIX Futures

Contracts. The VMIN Fund generally will experience positive performance, before accounting for fees and expenses, to the extent that the implied level of future volatility, as reflected by the value of the VMIN Fund's short position in VIX Futures Contracts, decreases. Similarly, the VMIN Fund generally will experience negative performance, before accounting for fees and expenses, to the extent that the implied level of future volatility increases.

The VMIN Fund expects to gain exposure to VIX Futures Contracts, which are considered commodities, primarily by investing up to 25% of its total assets, as measured at the end of every quarter of the VMIN Fund's taxable year, in a wholly-owned and controlled Cayman Islands subsidiary (the "Subsidiary"). The Subsidiary generally will invest in short positions in VIX Futures Contracts and will periodically buy VIX Futures Contracts to unwind a portion of its short positions. The Subsidiary may also invest in other commodity futures, option, and swap contracts; fixed income securities; pooled investment vehicles, including those that are not registered pursuant to the 1940 Act; and other investments intended to serve as margin or collateral for the Subsidiary's derivatives positions. The Subsidiary is advised by the Adviser, managed on a day-to-day basis by Vident Investment Advisory, LLC (the "Sub-Adviser"), and has the same investment objective as the VMIN Fund. Unlike the VMIN Fund, the Subsidiary may invest to a greater extent in commodities, including VIX Futures Contracts, than the VMIN Fund. The Subsidiary's investments in such instruments will be subject to limits on leverage imposed by the Investment Company Act of 1940 (the "1940 Act"). The VMIN Fund's investment in the Subsidiary is expected to provide the VMIN Fund with an effective means of obtaining exposure to VIX Futures Contracts in a manner consistent with U.S. federal tax law requirements applicable to regulated investment companies. The VMIN Fund may also invest in VIX Futures Contracts directly to a limited extent, consistent with limitations imposed by the federal securities laws.

Futures contracts, by their terms, have stated expirations and, at a specified point in time prior to expiration, trading in a futures contract for the current delivery month will cease. Therefore, in order to maintain consistent exposure to VIX Futures Contracts, the VMIN Fund must periodically migrate out of VIX Futures Contracts nearing expiration and into VIX Futures Contracts with later expirations — a process referred to as "rolling." The effect of this continuous process of selling contracts nearing expiration and buying longer-dated contracts is called "roll yield."

Investments in derivative instruments, such as futures, options and swap agreements, have the economic effect of creating financial leverage in the VMIN Fund's portfolio because such investments may give rise to losses that exceed the amount the VMIN Fund has invested in those instruments. Financial leverage will magnify, sometimes significantly, the VMIN Fund's exposure to any increase or decrease in prices associated with a particular reference asset resulting in increased volatility in the value of the VMIN Fund's portfolio. The value of the VMIN Fund's portfolio is likely to experience greater volatility over short-term periods. While such financial leverage has the potential to produce greater gains, it also may result in greater losses, which in some cases may cause the VMIN Fund to liquidate other portfolio investments at a loss to comply with limits on leverage and asset segregation requirements imposed by the 1940 Act or to meet redemption requests.

In addition to the VMIN Fund's investment in the Subsidiary and in VIX Futures Contracts, the VMIN Fund may also invest in (1) swap agreements that provide exposure to VIX Futures Contracts; (2) exchange-traded funds ("ETFs"), exchange-traded closed-end funds, other investment companies registered under the 1940 Act, and other pooled investment vehicles (collectively, "Underlying Funds") that provide exposure to VIX Futures Contracts; (3) exchange-traded notes ("ETNs") that provide exposure to VIX Futures Contracts; and (4) fixed income securities (namely, commercial paper and U.S. government obligations), bank instruments, cash, and other cash equivalents to collateralize its exposure to the VIX Futures Contracts and for investment purposes. The VMIN Fund may also take short positions with respect to ETFs and/or ETNs that provide exposure to VIX Futures Contracts. The VMIN Fund will seek notional exposure to VIX Futures Contracts via these investments in circumstances where investing in VIX Futures Contracts directly or through the Subsidiary, as discussed, may be constrained, including circumstances where the notional value of the Subsidiary's exposure to VIX Futures Contracts is limited to less than 100% of VMIN Fund assets.

At the close of each trading day, the VMIN Fund will seek to position its portfolio so that the notional value of its short exposure to VIX Futures Contracts equals approximately 100% of VMIN Fund assets at the close of each trading day. Movements of the VIX Futures Contracts during the day will affect whether the VMIN Fund's portfolio needs to be repositioned. For example, if the levels of the VIX Futures Contracts have risen on a given day, net assets of the VMIN Fund should fall. As a result, the VMIN Fund's inverse exposure will need to be decreased. Conversely, if the levels of the VIX Futures Contracts have fallen on a given day, net assets of the VMIN Fund should rise. As a result, the VMIN Fund's inverse exposure will need to be increased.

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

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"). 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.

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 Funds' website at www.volmaxx.com.

PURCHASES AND REDEMPTIONS IN CREATION UNIT SIZE

NASDAQ members, BX members and PHLX members and member organizations are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the

Trust’s prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

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), active management riskm authorized participant concentration risk, cash transactions risk, commodity pool regulatory risk, compounding risk, counter party risk, derivatives risk, VIX futures contracts risk, options risk, swap agreement risk, early closing risk, ETN risk, futures rolling risk, historic correlations risk, index calculation and VIX futures contract pricing risk, interest rate risk, inverse exposure risk, leveraging risk, liquidity risk, market risk, new fund risk, non-diversification risk, portfolio turnover risk, short sale exposure risk, short sales risk, subsidiary risk, tax risk, trading risk, underlying funds risk, U.S. government securities risk, and volatility risk.

EXCHANGE RULES APPLICABLE TO TRADING IN THE SHARES

Trading in the Shares on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading of the Shares on BX is on a UTP basis and is subject to BX equity trading rules. Trading of the Shares on PHLX’s PSX system is on a UTP basis and is subject to PHLX rules.

TRADING HOURS

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. ET. The Shares will trade on BX between 8:00 a.m. and 7:00 p.m. ET. The Shares will trade on PSX between 9:00 a.m. and 5:00 p.m. ET. For trading during each market’s pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Funds during these sessions, when the underlying index’s values, intraday indicative value, or similar value may not be disseminated or calculated.

DISSEMINATION OF FUND DATA

The Consolidated Tape Association will disseminate real time trade and quote information for the Funds to Tape B.

Fund Name	Listing Market	Trading Symbol	IOPV Symbol	NAV Symbol
REX VolMAXX Long VIX Weekly Futures Strategy	BATS	VMAX	VMAX.IV	VMAX.NV

REX VolMAXX Inverse VIX Weekly Futures Strategy	BATS	VMIN	VMIN.IV	VMIN.NV

SUITABILITY

Trading in the Shares on NASDAQ will be subject to the provisions of NASDAQ Rule 2310. Trading in the Shares on BX will be subject to the provisions of BX Equity Rule 2310. Shares trading on PSX will be subject to the provisions of PHLX Rule 763. Members and member organizations recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in both the NASDAQ Conduct Rules and the BX Conduct Rules.

NASDAQ members, BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

TRADING HALTS

NASDAQ will halt trading in the Shares of a Fund in accordance with NASDAQ Rule 4120. BX will halt trading in the Shares of a Fund in accordance with BX Equity Rule 4120. PHLX will halt trading in the Shares of a Fund in accordance with PHLX Rule 3100. The grounds for a halt under these rules include a halt by the primary market because the intraday indicative value of the Fund, the value of its underlying index, or a similar value are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Shares of a Fund if the primary market delists the Fund.

DELIVERY OF A PROSPECTUS

NASDAQ members, BX members and PHLX members and member organizations should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds.

Prospectuses may be obtained through the Funds' website. The prospectus for the Funds 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 Securities and Exchange Commission ("SEC"). For further information about the Funds, please refer to the registration statement.

In the event that the Funds rely 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, NASDAQ Rules 5705 and 5740, BX Equity Rules 4420 and 4421, and PHLX Rule 803 require that members and member organizations, respectively, provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Funds, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, members and member organizations 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 members or member organizations 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 Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

Any NASDAQ, BX or PHLX member or member organization 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 NASDAQ members, BX members and PHLX members or member organizations under this rule.

Upon request of a customer, NASDAQ members, BX members and PHLX members or member organizations shall provide a copy of the prospectus.

EXEMPTIVE, INTERPRETIVE AND NO-ACTION RELIEF UNDER FEDERAL SECURITIES REGULATIONS

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Funds.

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.

CUSTOMER CONFIRMATIONS FOR CREATION OR REDEMPTION OF FUND SHARES (SEC RULE 10B-10)

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 a 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 redemptions 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);

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).

SEC 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 a 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 a 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 purchased; 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.

Section 11(d)(1); SEC 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 the 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.

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. NASDAQ members, BX members and PHLX members and member organizations should consult the Funds' prospectus and/or the Funds' website for relevant information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Listing Qualifications, at 301.978.8088
- NASDAQ / BX / PSX Market Sales, at 800.846.0477