



POWERSHARES FUNDS ANTICIPATED TO BEGIN TRADING ON NASDAQ ON DECEMBER 7, 2016

EXCHANGE-TRADED FUND	SYMBOL	CUSIP #
PowerShares DWA NASDAQ Momentum Portfolio	DWAQ	73935X203
PowerShares DWA SmallCap Momentum Portfolio	DWAS	73936Q744
PowerShares KBW Bank Portfolio	KBWB	73937B746
PowerShares KBW High Dividend Yield Financial Portfolio	KBWD	73936Q793
PowerShares KBW Property & Casualty Insurance Portfolio	KBWP	73936Q777
PowerShares KBW Regional Banking Portfolio	KBWR	73937B712
PowerShares KBW Premium Yield Equity REIT Portfolio	KBWY	73936Q819
PowerShares DWA Momentum Portfolio	PDP	73935X153
PowerShares High Yield Equity Dividend Achievers Portfolio	PEY	73935X302
PowerShares DWA Consumer Cyclical Momentum Portfolio	PEZ	73935X419
PowerShares DWA Financial Momentum Portfolio	PFI	73935X377
PowerShares Dividend Achievers Portfolio	PFM	73935X732
PowerShares Golden Dragon China Portfolio	PGJ	73935X401
PowerShares Water Resources Portfolio	PHO	73935X575
PowerShares International Dividend Achievers Portfolio	PID	73935X716
PowerShares DWA Emerging Markets Momentum Portfolio	PIE	73936Q207
PowerShares Global Water Portfolio	PIO	73936T623
PowerShares DWA Developed Markets Momentum Portfolio	PIZ	73936Q108
PowerShares BuyBack Achievers Portfolio	PKW	73935X286
PowerShares 1-30 Laddered Treasury Portfolio	PLW	73936T524
PowerShares DWA Industrials Momentum Portfolio	PRN	73935X369
PowerShares DWA Consumer Staples Momentum Portfolio	PSL	73935X393
PowerShares DWA Technology Momentum Portfolio	PTF	73935X344
PowerShares DWA Healthcare Momentum Portfolio	PTH	73935X351
PowerShares DWA Utilities Momentum Portfolio	PUI	73935X591
PowerShares DWA Energy Momentum Portfolio	PXI	73935X385
PowerShares DWA Basic Materials Momentum Portfolio	PYZ	73935X427

BACKGROUND INFORMATION ON THE FUNDS

PowerShares Exchange Traded Fund Trust (“Trust I”) and PowerShares Exchange Traded Fund Trust II (“Trust II”) (together the “Trusts”) are management investment companies registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trusts consist of separate exchange-traded funds (each, a “Fund”). This circular refers only to the Funds listed above. The shares of the Funds are referred to herein as “Shares.” Invesco PowerShares Capital Management LLC (the “Adviser”) serves as the investment adviser for the Funds.

Each fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the corresponding underlying index. Each fund's investment objective and the underlying Index may be changed without shareholder approval.

PowerShares Exchange Traded Fund Trust is the issuer of the following funds:

Ticker	Fund Name	Underlying Index
DWAQ	PowerShares DWA NASDAQ Momentum Portfolio	Dorsey Wright NASDAQ Technical Leaders Index
PDP	PowerShares DWA Momentum Portfolio	Dorsey Wright Technical Leaders Index
PEY	PowerShares High Yield Equity Dividend Achievers Portfolio	NASDAQ US Dividend Achievers 50 Index
PEZ	PowerShares DWA Consumer Cyclical Momentum Portfolio	Dorsey Wright Consumer Cyclical Technical Leaders Index
PFI	PowerShares DWA Financial Momentum Portfolio	Dorsey Wright Financials Technical Leaders Index
PFM	PowerShares Dividend Achievers Portfolio	NASDAQ US Broad Dividend Achievers Index
PGJ	PowerShares Golden Dragon China Portfolio	NASDAQ Golden Dragon China Index
PHO	PowerShares Water Resources Portfolio	NASDAQ OMX US Water Index
PID	PowerShares International Dividend Achievers Portfolio	NASDAQ International Dividend Achievers Index
PKW	PowerShares BuyBack Achievers Portfolio	NASDAQ US Buyback Achievers Index
PRN	PowerShares DWA Industrials Momentum Portfolio	Dorsey Wright Industrials Technical Leaders Index
PSL	PowerShares DWA Consumer Staples Momentum Portfolio	Dorsey Wright Consumer Staples Technical Leaders Index
PTF	PowerShares DWA Technology Momentum Portfolio	Dorsey Wright Technology Tech Technical Leaders Index
PTH	PowerShares DWA Healthcare Momentum Portfolio	Dorsey Wright Healthcare Technical Leaders Index
PUI	PowerShares DWA Utilities Momentum Portfolio	Dorsey Wright Utilities Technical Leaders Index
PXI	PowerShares DWA Energy Momentum Portfolio	Dorsey Wright Energy Technical Leaders Index
PYZ	PowerShares DWA Basic Materials Momentum Portfolio	Dorsey Wright Basic Materials Technical Leaders Index

For more information regarding the investment strategies of the Funds issued by Trust I, please read the [prospectus](#) for the Funds.

PowerShares Exchange Traded Fund Trust II is the issuer of the following funds:

Ticker	Fund Name	Underlying Index
DWAS	PowerShares DWA SmallCap Momentum Portfolio	Dorsey Wright SmallCap Tech Leaders Index
KBWB	PowerShares KBW Bank Portfolio	KBW Nasdaq Bank Index
KBWD	PowerShares KBW High Dividend Yield Financial Portfolio	KBW Nasdaq Financial Sector Dividend Yield Index
KBWP	PowerShares KBW Property & Casualty Insurance Portfolio	KBW Nasdaq Property & Casualty Index
KBWR	PowerShares KBW Regional Banking Portfolio	KBW Nasdaq Regional Banking Index
KBWY	PowerShares KBW Premium Yield Equity REIT Portfolio	KBW Nasdaq Premium Yield Equity REIT Index
PIE	PowerShares DWA Emerging Markets Momentum Portfolio	Dorsey Wright Emerging Markets Technical Leaders Index
PIO	PowerShares Global Water Portfolio	NASDAQ OMX Global Water Index
PIZ	PowerShares DWA Developed Markets Momentum Portfolio	Dorsey Wright Developed Markets Technical Leaders Index
PLW	PowerShares 1-30 Laddered Treasury Portfolio	Ryan/NASDAQ U.S. 1-30 Year Treasury Laddered Index

For more information regarding the investment strategies of the Funds issued by Trust II, please read the [prospectus](#) for the Funds.

As described more fully in the prospectus' and Statements of Additional Information ("SAI"), the Funds issue and redeem Shares at net asset value ("NAV") only in large blocks of shares, respectively, (each block of Shares called a "Creation Unit") or multiples thereof. Each Creation Unit consists of 50,000 shares. 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.

Dividends from net investment income, if any, are declared and paid quarterly by each Fund, except for PEY, PTF and PLW which declare and pay dividends from net investment income, if any, monthly. Distributions of net realized securities gains, if any, generally are declared and paid annually.

Shares are held in book-entry form, which means that no share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares and is recognized as the owner of all Shares for all purposes.

The NAV of the 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 Funds are calculated by dividing the value of the net assets of each Fund (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of each Fund, generally rounded to the nearest cent.

The registration statement for the Funds describes the various fees and expenses for the Shares. For a more complete description of the Funds and the underlying indexes, visit the Funds' website at www.invescopowershares.com

PURCHASES AND REDEMPTIONS IN CREATION UNIT SIZE

Nasdaq members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and SAI, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

CONTINUOUS OFFERING

The method by which Creation Unit Aggregations of shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of shares are issued and sold by the Funds on an ongoing basis, at any point a "distribution," as such term is used in the Securities Act, may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with the Distributor, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in shares, whether or not participating in the distribution of shares, generally are required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. Firms that incur a prospectus delivery obligation with respect to shares of the Funds are reminded that, pursuant to Rule 153 under the Securities Act, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with a sale on the Listing Exchange is satisfied by the fact that the prospectus is available at the Listing Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

PRINCIPAL RISKS

Interested persons are referred to the discussion in the prospectus for each Fund of the principal risks of an investment in each Fund. These include: ADR and GDR Risk, Banking Industry Concentration Risk, Basic Materials Sector Risk, Biotechnology and Genome Industry Risk, China Exposure Risk, Clean Energy Industry Risk, Consumer Discretionary Sector Risk, Consumer Staples Sector Risk, Dividend Paying Security Risk, Emerging Markets Investment Risk, Energy Sector Risk, Equity Risk, Financial Sector Risk, Financial Services Sector Risk, Foreign Securities Risk, Geographic Concentration Risk, Healthcare Sector Risk, High Dividend Paying Securities Risk, High Yield Securities Risk, Index Risk, Industrials Sector Risk, Industry Concentration Risk, Issuer-Specific Changes, Machinery Industry Risk, Market Risk, Market Trading Risk, Mid-Capitalization Company Risk, Momentum Investing Risk, Non-Correlation Risk, Non-Diversified Fund Risk, Oil and Gas Services Industry Risk, Portfolio Turnover Risk, Real Estate Risk, Regional, Small and Medium Bank Risk, REIT Risk, Risk of Investing in BDCs, Small- and Mid-Capitalization Company Risk, Small Capitalization Company Risk, Technology Sector Risk, Tracking Stock Risk, Utilities Sector Risk, and Water Industry Risk.

TRADING HALTS

When evaluating the necessity of imposing a trading halt in an ETF, Nasdaq may consider, among other factors:

- The extent to which trading has ceased in the underlying security(s);

- Whether trading has been halted or suspended in the primary market(s) for any combination of underlying securities accounting for 20% or more of the applicable current index group value. The value being established to be the value at the close of the prior trading day;
- The presence of other unusual conditions or circumstances deemed to be detrimental to the maintenance of a fair and orderly market.

The trading of an ETF, that has been the subject of a trading halt or suspension, may resume when Nasdaq determines that the conditions which led to the halt or suspension are no longer present or that the interests of a fair and orderly market are served by a resumption of trading.

DISSEMINATION OF FUND DATA

Quotation and trade data for Nasdaq-listed ETFs are disseminated via [UTP Level 1](#), [Nasdaq Basic](#), [Nasdaq Level 2](#) and [Nasdaq TotalView®](#) using the trading symbol listed above.

Dissemination of the daily valuation information for the Funds will begin on December 7, 2016 with the following data elements and identifiers:

Issue Name for ETF	Nasdaq-listed Trading Symbol	Intraday Portfolio Value	Estimated Cash Amount Per Creation Unit	Total Cash Amount Per Creation Unit	Net Asset Value	Total Shares Outstanding
PowerShares DWA NASDAQ Momentum Portfolio	DWAQ	DWAQ.IV	DWAQ.EU	DWAQ.TC	DWAQ.NV	DWAQ.SO
PowerShares DWA SmallCap Momentum Portfolio	DWAS	DWAS.IV	DWAS.EU	DWAS.TC	DWAS.NV	DWAS.SO
PowerShares KBW Bank Portfolio	KBWB	KBWB.IV	KBWB.EU	KBWB.TC	KBWB.NV	KBWB.SO
PowerShares KBW High Dividend Yield Financial Portfolio	KBWD	KBWD.IV	KBWD.EU	KBWD.TC	KBWD.NV	KBWD.SO
PowerShares KBW Property & Casualty Insurance Portfolio	KBWP	KBWP.IV	KBWP.EU	KBWP.TC	KBWP.NV	KBWP.SO
PowerShares KBW Regional Banking Portfolio	KBWR	KBWR.IV	KBWR.EU	KBWR.TC	KBWR.NV	KBWR.SO
PowerShares KBW Premium Yield Equity REIT Portfolio	KBWY	KBWY.IV	KBWY.EU	KBWY.TC	KBWY.NV	KBWY.SO
PowerShares DWA Momentum Portfolio	PDP	PDP.IV	PDP.EU	PDP.TC	PDP.NV	PDP.SO

Issue Name for ETF	Nasdaq-listed Trading Symbol	Intraday Portfolio Value	Estimated Cash Amount Per Creation Unit	Total Cash Amount Per Creation Unit	Net Asset Value	Total Shares Outstanding
PowerShares High Yield Equity Dividend Achievers Portfolio	PEY	PEY.IV	PEY.EU	PEY.TC	PEY.NV	PEY.SO
PowerShares DWA Consumer Cyclical Momentum Portfolio	PEZ	PEZ.IV	PEZ.EU	PEZ.TC	PEZ.NV	PEZ.SO
PowerShares DWA Financial Momentum Portfolio	PFI	PFI.IV	PFI.EU	PFI.TC	PFI.NV	PFI.SO
PowerShares Dividend Achievers Portfolio	PFM	PFM.IV	PFM.EU	PFM.TC	PFM.NV	PFM.SO
PowerShares Golden Dragon China Portfolio	PGJ	PGJ.IV	PGJ.EU	PGJ.TC	PGJ.NV	PGJ.SO
PowerShares Water Resources Portfolio	PHO	PHO.IV	PHO.EU	PHO.TC	PHO.NV	PHO.SO
PowerShares International Dividend Achievers Portfolio	PID	PID.IV	PID.EU	PID.TC	PID.NV	PID.SO
PowerShares DWA Emerging Markets Momentum Portfolio	PIE	PIE.IV	PIE.EU	PIE.TC	PIE.NV	PIE.SO
PowerShares Global Water Portfolio	PIO	PIO.IV	PIO.EU	PIO.TC	PIO.NV	PIO.SO
PowerShares DWA Developed Markets Momentum Portfolio	PIZ	PIZ.IV	PIZ.EU	PIZ.TC	PIZ.NV	PIZ.SO
PowerShares BuyBack Achievers Portfolio	PKW	PKW.IV	PKW.EU	PKW.TC	PKW.NV	PKW.SO
PowerShares 1-30 Laddered Treasury Portfolio	PLW	PLW.IV	PLW.EU	PLW.TC	PLW.NV	PLW.SO
PowerShares DWA Industrials Momentum Portfolio	PRN	PRN.IV	PRN.EU	PRN.TC	PRN.NV	PRN.SO
PowerShares DWA Consumer Staples Momentum Portfolio	PSL	PSL.IV	PSL.EU	PSL.TC	PSL.NV	PSL.SO

POWERSHARES FUNDS ANTICIPATED TO BEGIN TRADING ON NASDAQ ON DECEMBER

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Issue Name for ETF	Nasdaq-listed Trading Symbol	Intraday Portfolio Value	Estimated Cash Amount Per Creation Unit	Total Cash Amount Per Creation Unit	Net Asset Value	Total Shares Outstanding
PowerShares DWA Technology Momentum Portfolio	PTF	PTF.IV	PTF.EU	PTF.TC	PTF.NV	PTF.SO
PowerShares DWA Healthcare Momentum Portfolio	PTH	PTH.IV	PTH.EU	PTH.TC	PTH.NV	PTH.SO
PowerShares DWA Utilities Momentum Portfolio	PUI	PUI.IV	PUI.EU	PUI.TC	PUI.NV	PUI.SO
PowerShares DWA Energy Momentum Portfolio	PXI	PXI.IV	PXI.EU	PXI.TC	PXI.NV	PXI.SO
PowerShares DWA Basic Materials Momentum Portfolio	PYZ	PYZ.IV	PYZ.EU	PYZ.TC	PYZ.NV	PYZ.SO

Expressed as a dollar amount per share, the IPV will be disseminated at least every 15 seconds from 9:15:00 a.m. to 5:16:00 p.m., ET.

SUITABILITY

Trading in the Shares on Nasdaq will be subject to the provisions of [Nasdaq Rule 2111A](#). Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. Members must have a reasonable basis to believe that the recommendation is suitable for a customer based on information obtained through reasonable diligence to ascertain the customer's investment profile. A customer's investment profile includes, but is not limited to: the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation. Members must also consider the complexity of, and risks associated with, the Shares. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the Nasdaq Conduct Rules ([Nasdaq Rule 2090A](#)).

Members also should 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.

FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged, and inverse leveraged securities and options on such securities, as described in FINRA Regulatory Notices [09-31 \(June 2009\)](#), [09-53 \(August 2009\)](#) and [09-65 \(November 2009\)](#) ("FINRA Regulatory Notices"). Members that carry customer accounts will be required to follow the FINRA guidance set forth in the FINRA Regulatory Notices.

Nasdaq notes that, for such inverse, leveraged, and inverse leveraged securities, the corresponding fund seeks leveraged, inverse, or leveraged inverse returns on a daily basis, and do not seek to achieve their stated investment objective over a period of time greater than one day because compounding prevents the fund from perfectly achieving such results. Accordingly, results over periods of time greater than one day typically will not be a leveraged multiple (+200%), the inverse (-100%) or a leveraged inverse multiple (-200%) of the period return of the applicable benchmark and may differ significantly from these multiples.

DELIVERY OF A PROSPECTUS

NASDAQ members 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 each Fund does not contain all of the information set forth in each Fund's 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 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, [Nasdaq Rule 5705 \(b\)\(2\)](#) requires that Nasdaq members 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, Nasdaq 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 Nasdaq 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 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."

A Nasdaq 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 Nasdaq member under this rule.

Upon request of a customer, Nasdaq members also 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 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 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 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 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 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.

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 should consult the Funds' prospectus and/or the [Funds' website](#) for relevant information.

Inquiries regarding this Information Circular should be directed to:

- [Ben Haskell](#), Nasdaq Listing Qualifications, at 301.978.8092
- [Nasdaq Market Sales](#) at 800.846.0477