



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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**Subject: CurrencyShares Russian Ruble Trust**

### **Background Information on the Fund**

For a more complete description of the CurrencyShares Russian Ruble Trust, the Shares and the foreign currency market, visit the Trust's website, [www.currencyshares.com](http://www.currencyshares.com), or consult the Trust's prospectus.

Rydex Specialized Products LLC is the sponsor of the Trust ("Sponsor"), The Bank of New York is the trustee ("Trustee"), JPMorgan Chase Bank, N.A., London Branch, is the depository ("Depository"), and Rydex Distributors, Inc. is the distributor ("Distributor"). The Sponsor, Trustee, Depository and Distributor are not affiliated with one another, with the exception that the Sponsor and Distributor are affiliated.

According to the Registration Statement, the Trust is not registered as investment companies under the Investment Company Act and is not required to register under such Act.

### **Description of the Trust**

According to the Registration Statement for the Trust, the Trust will be formed under the laws of the State of New York as of the date the Sponsor and the Trustee sign the Depositary Trust Agreement and the Initial Purchaser makes the initial deposit for the issuance of three Baskets. A Basket is a block of 50,000 Shares. The Trust holds Russian Ruble and is expected from time to time to issue Baskets in exchange for deposits of Russian Ruble and to distribute Russian Ruble in connection with redemptions of Baskets. The investment objective of the Trust is for the Shares to reflect the price of Russian Ruble. The Shares represent units of fractional undivided beneficial interest in, and ownership of, the Trust. The Trust is not managed like a business corporation or an active investment vehicle. The Russian Rubles held by the Trust will only be sold (1) if needed to pay Trust expenses, (2) in the event the Trust terminates and liquidates its assets or (3) as otherwise required by law or regulation. The sale of foreign currency by the Trust is a taxable event to Shareholders.

The creation and redemption of Baskets requires the delivery to the Trust or the distribution by the Trust of the amount of foreign currency represented by the Baskets being created or redeemed. This amount is based on the combined NAV per Share of the number of Shares included in the Baskets being created or redeemed. Baskets may be created or redeemed only by Authorized Participants, which pay a transaction fee of \$500 for each order to create or redeem Baskets (which order may include multiple baskets). Authorized Participants may sell to other investors all or part of the Shares included in the Baskets that they purchase from the

Trust. Shares are not individually redeemable but are redeemable only in Baskets of 50,000 shares or multiples thereof.

The Trustee will calculate, and the Sponsor will publish, the Trust's NAV each business day. To calculate the NAV, the Trustee will add to the amount of Russian Rubles in the Trust at the end of the preceding day accrued but unpaid interest, Russian Rubles receivable under pending purchase orders and the value of other Trust assets, and will subtract the accrued but unpaid Sponsor's fee, Russian Rubles payable under pending redemption orders and other Trust expenses and liabilities, if any.

The Trust will terminate upon the occurrence of any of the termination events listed in the Depositary Trust Agreement and will otherwise terminate on August 7, 2048.

### **Risk Factors to Investing in the Shares**

Interested persons are referred to the Prospectuses for a complete description of all of the risks associated with an investment in the Shares including but not limited to:

- The value of the Shares relates directly to the value of the Russian Rubles held by the Trust. Fluctuations in the price of the Russian Ruble could materially and adversely affect the value of the Shares;
- The Russian Ruble/USD exchange rate, like foreign exchange rates in general, can be volatile and difficult to predict. This volatility could materially and adversely affect the performance of the Shares;
- If interest earned by the Trust does not exceed expenses, the Trustee will withdraw Russian Rubles from the Trust to pay these excess expenses which will reduce the amount of Russian Rubles represented by each Share on an ongoing basis and may result in adverse tax consequences;
- If the Trust incurs expenses in USD, the Trust would be required to sell Russian Rubles to pay these expenses. The sale of the Trust's Russian Rubles to pay expenses in USD at a time of low Russian Ruble prices could adversely affect the value of the Shares;
- Purchasing activity in the Russian Ruble market associated with the purchase of Baskets from the Trust may cause a temporary increase in the price of the Russian Ruble. This increase may adversely affect an investment in the Shares;
- The Deposit Accounts are not entitled to payment at any office of JPMorgan Chase Bank, N.A. located in the United States; and
- Shareholders will not have the protections associated with ownership of a demand deposit account insured in the United States by the Federal Deposit Insurance Corporation or the full protection provided for bank deposits under English law.

### **Availability of Information Regarding Foreign Currency Prices**

Investors may obtain, 24 hours a day, Russian Ruble pricing information based on the spot price of Russian Ruble various financial information service providers. Current spot prices are also generally available with bid/ask spreads from foreign exchange dealers. In addition, the Trust's website, [www.currencyshares.com](http://www.currencyshares.com), will provide ongoing pricing information for foreign currency spot prices and the Shares. Market prices for the Shares are available from a variety of sources, including brokerage firms, financial information websites and other information service providers. The NAV of the Trust is published by the Sponsor on each day that the NYSE Arca is open for regular trading and will be posted on the Trust's website.

There is no regulated source of “last sale” information regarding foreign currencies, and the SEC and the NYSE Arca have no jurisdiction over the trading of foreign currencies. However, participants in the U.S. over-the-counter market for foreign currencies are generally regulated by their oversight regulators. For example, participating banks are regulated by the banking authorities (such as the Office of the Comptroller of the Currency).

### **Exchange Rules Applicable to Trading in the Shares**

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

### **Trading Hours**

Trading in the shares on EDGA and EDGX Exchanges (the “Exchanges”) is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value (“IIV”). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members 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 Exchange Rules 3.7.

Members also should review FINRA 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.

## **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the 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 the Trust's registration statement.

## **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The Commission has issued exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding trading in the Shares, which is summarized below. As this is only a summary of the relief granted by the SEC, the Exchange also advises interested members to consult the Letter dated June 21, 2006 ("June 21, 2006 Letter") from Racquel L. Russell, Esq., Branch Chief, Division of Market Regulation, to George T. Simon, Foley & Lardner LLP, and Letter dated January 19, 2006 ("January 19, 2006 Letter") from James A Brigagliano, Assistant Director, SEC Division of Market Regulation to Michael Schmidtberger, Sidley, Austin, Brown & Wood, for more complete information regarding the trading practices relief granted by the SEC. The Trust Sponsor is relying on the June 21, 2006 Letter regarding Rules 101 and 102 of Regulation M under the Exchange Act, and is relying on the January 19, 2006 Letter regarding Section 11(d)(1) of the Exchange Act and Rule 11d1-2 thereunder. In addition, the Exchange has taken an interpretive position with respect to its short sale rule. A description of the SEC's exemptive relief follows; however, in the event of any discrepancy between this description and the SEC Letters referred to above, the text of the SEC Letters controls.

## **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 Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the Commission has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

### **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 Commission 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 (I)(5)(A), (B) or (C). See letter dated November 21, 2005 from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act states 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.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>Cusip</b>
XRU	CurrencyShares Russina Ruble Trust	23130M106