liquidity providing volume, and the price of the securities (with a distinction for those above and below $1.00). These factors are taken into consideration and reflected in the introduction of a reduced liquidity taking fee (provided certain volume thresholds are met) as an incentive to ETP Holders to both post and take liquidity at NSX and the more simplified fee schedule for Tape B securities (in lieu of the longer list of the fees associated with specific Designated ETF Shares [8]). NSX notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be more attractive. Accordingly, the proposed modifications attempt to keep the fees reflected in the Fee Schedule competitive with fees charged by other venues and to continue to be reasonable and equitably allocated to those ETP Holders that opt to direct orders to NSX. Based upon the information above, the Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest.

Effective Date and Notice

The Exchange intends to make operative the tape rebate structure and new Fee Schedule in accordance with the proposed rule change on February 1, 2008. Pursuant to Exchange Rule 16.1(c), the Exchange will ''provide ETP Holders with notice of all relevant dues, fees, assessments and charges of the Exchange'' through the issuance of a Regulatory Circular of the changes to the Fee Schedule and will provide a copy of the rule filing on the Exchange's Web site (*http://www.nsx.com*).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of section 6(b) of the Act,[9] in general, and section 6(b)(4) of the Act,[10] in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges. Moreover, the proposed liquidity provider rebates are not discriminatory in that all ETP Holders are eligible to trade in Tape A, B, and C securities in AutoEx and may do so at their discretion.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change is filed pursuant to section 19(b)(3)(A)(ii) of the Act [11] and subparagraph (f)(2) of Rule 19b–4 thereunder [12] because it establishes or changes a due, fee, or other charge applicable only to a member imposed by a self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.[13]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–NSX–2008–01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NSX–2008–01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of NSX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NSX–2008–01 and should be submitted on or before March 12, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–3040 Filed 2–19–08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57318; File No. SR–NYSEArca–2007–91]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of a Proposed Rule Change, and Amendment No. 1 Thereto, Relating to the Listing and Trading of Six iShares® S&P GSCI™ Commodity-Indexed Trusts

February 12, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 30, 2007, NYSE Arca, Inc. (''NYSE Arca'' or ''Exchange''), through its

[8] *See supra* note 6.

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(4).

[11] 15 U.S.C. 78s(b)(3)(A)(ii).

[12] 17 CFR 240.19b–4(f)(2).

[13] For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on February 6, 2008, the date on which NSX filed Amendment No. 1. *See* 15 U.S.C. 78s(b)(3)(C).

[14] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

wholly-owned subsidiary NYSE Arca Equities, Inc. (''NYSE Arca Equities''), filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. On February 11, 2008, the Exchange filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NYSE Arca proposes to list and trade shares of the following trusts under NYSE Arca Equities Rule 8.203: iShares® S&P GSCI™ Energy Commodity-Indexed Trust; iShares® S&P GSCI™ Natural Gas Commodity-Indexed Trust; iShares® S&P GSCI™ Industrial Metals Commodity-Indexed Trust; iShares® S&P GSCI™ Light Energy Commodity-Indexed Trust; iShares® S&P GSCI™ Livestock Commodity-Indexed Trust; and iShares® S&P GSCI™ Non-Energy Commodity-Indexed Trust.[3] The shares will represent units of beneficial interest representing fractional undivided beneficial interests in the net assets of the issuing trust.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change, and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade, under NYSE Arca Equities Rule 8.203, shares (''Shares'') of the following trusts: iShares® S&P GSCI™ Energy Commodity-Indexed Trust; iShares® S&P GSCI™ Natural Gas Commodity-Indexed Trust; iShares® S&P GSCI™ Industrial Metals Commodity-Indexed Trust; iShares® S&P GSCI™ Light Energy Commodity-Indexed Trust; iShares® S&P GSCI™ Livestock Commodity-Indexed Trust; and iShares® S&P GSCI™ Non-Energy Commodity-Indexed Trust (collectively, the ''Trusts'').[4] The objective of each Trust is for the performance of the Shares to correspond generally to the performance of the following indexes, respectively, before payment of the Trust's and the Investing Pool's (as described below) expenses and liabilities: the S&P GSCI™ Energy Total Return Index; S&P GSCI™ Natural Gas Total Return Index; S&P GSCI™ Industrial Metals Total Return Index; S&P GSCI™ Light Energy Total Return Index; S&P GSCI™ Livestock Total Return Index; and S&P GSCI™ Non-Energy Total Return Index (collectively, the ''Total Return Indexes'').[5]

The commodity component of each of the Total Return Indexes is comprised of either one or a group of commodities included in the S&P GSCI™ Commodity Index (''S&P GSCI™''), which is a production-weighted index of the prices of a diversified group of futures contracts on physical commodities. Each Total Return Index reflects the return of the corresponding S&P GSCI™ Excess Return Index, described below, together with the return on specified U.S. Treasury securities that are deemed to have been held to collateralize a hypothetical long position in the futures contracts comprising the corresponding index.

Each S&P GSCI™ Excess Return Index is calculated based on the same commodities as those in the respective Total Return Index and S&P GS Index (defined below), and reflects the returns that are potentially available through a rolling uncollateralized investment in the contracts comprising the applicable S&P GS Index, as described below. An S&P GSCI™ Excess Return Index does not reflect the return on U.S. Treasury securities used to collateralize positions in futures contracts comprising that index.[6]

Each Trust will attempt to approximate its respective Total Return Index by holding interests in an Investing Pool (described below), which, in turn, holds futures contracts (referred to as CERFs) on the corresponding Excess Return Index, together with cash or other short-term securities used to collateralize the futures positions.

a. The Trusts and Investing Pools

Each Trust is a Delaware statutory trust that will issue units of beneficial interest called Shares, representing fractional undivided beneficial interests in its net assets. Substantially all of the assets of each Trust consist of holdings of the limited liability company interests of a specified commodity pool (''Investing Pool Interests''), which are the only securities in which the Trust may invest. Specifically, the Trusts will hold interests in the following commodity pools, respectively: iShares® S&P GSCI™ Energy Commodity-Indexed Investing Pool; iShares® S&P GSCI™ Natural Gas Commodity-Indexed Investing Pool; iShares® S&P GSCI™ Industrial Metals Commodity-Indexed Investing Pool; iShares® S&P GSCI™ Light Energy Commodity-Indexed Investing Pool;

[3] iShares® is a registered trademark of Barclays Global Investors, N.A. ''S&P GSCI'' is a trademark of Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

[4] The Sponsor (defined infra) filed Form S–1 for the iShares GS Commodity Industrial Metals Indexed Trust, iShares GS Commodity Light Energy Indexed Trust, iShares GS Commodity Livestock Indexed Trust and iShares GS Commodity Non-Energy Indexed Trust on August 31, 2006. *See* Registration Nos. 333–135823 through 135826. The Sponsor filed Pre-Effective Amendment No 3 to the Form S–1 for the iShares® S&P GSCI™ Industrial Metals Commodity-Indexed Trust and iShares® S&P GSCI™ Non-Energy Commodity-Indexed Trust on June 18, 2007. *See* Registration Nos. 333–135825 and 333–135824. The Sponsor filed Form S–1 for the iShares® S&P GSCI™ Energy Commodity-Indexed Trust and iShares® S&P GSCI™ Natural Gas Commodity-Indexed Trust on January 23, 2007 and Amendment No. 1 thereto on June 18, 2007. *See* Registration Nos. 333–140162 and 333–140164. These filings are referred to collectively herein as the ''Registration Statements.''

[5] The Commission approved for listing on the New York Stock Exchange LLC (''NYSE'') shares of the iShares GS Commodity Light Energy Indexed Trust, shares of the iShares GS Commodity Industrial Metals Indexed Trust, shares of the iShares GS Commodity Livestock Indexed Trust, and shares of the iShares GS Commodity Non-Energy Indexed Trust. *See* Securities Exchange Act Release No. 55585 (April 5, 2007), 72 FR 18500 (April 12, 2007) (SR–NYSE–2006–75). None of the Trusts, however, have commenced trading on the NYSE and, following Commission approval of this proposed rule change, will be listed on NYSE Arca rather than on NYSE and will not trade on NYSE.

[6] S&P acquired the S&P GSCI (formerly known as the ''Goldman Sachs Commodity Index''), the S&P GSCI–ER and the Total Return Indexes from Goldman Sachs & Co., the prior Index Sponsor, effective May 2007. According to the Registration Statements, S&P has represented that it will not modify the determination methodology for the S&P GSCI Total Return Indexes from that existing on the date of transfer (May 9, 2007) for at least one year. Thereafter, there can be no assurance as to whether the methodology will be changed. To date, the Registration Statements for iShares GS Commodity Light Energy Indexed Trust and iShares GS Commodity Livestock Indexed Trust have not been updated to reflect S&P's index acquisitions from Goldman Sachs. The Sponsor of the Trusts, Barclays Global Investors International, Inc., has represented that the Registration Statements for iShares GS Commodity Light Energy Indexed Trust and iShares GS Commodity Livestock Indexed Trust will be updated to reflect S&P's acquisitions prior to commencement of secondary market trading of Shares of such Trusts.

iShares® S&P GSCI™ Livestock Commodity-Indexed Investing Pool; and iShares® S&P GSCI™ Non-Energy Commodity-Indexed Investing Pool (collectively, ''Investing Pools'').

Each commodity pool holds long positions in futures contracts on the following indexes, respectively, (collectively, the ''Excess Return Indexes'') and will post margin in the form of cash or short-term securities to collateralize these futures positions: S&P GSCI™ Energy Excess Return Index (''S&P GS Energy-ER''); S&P GSCI™ Natural Gas Excess Return Index (''S&P GS Natural Gas-ER''); S&P GSCI™ Industrial Metals Excess Return Index (''S&P GS Industrial Metals-ER''); S&P GSCI™ Light Energy Excess Return Index (''S&P GSLE-ER''); S&P GSCI™ Livestock Excess Return Index (''S&P GS-Livestock-ER''); and S&P GSCI™ Non-Energy Excess Return Index (''S&P GSNE-ER''). Trading on the Chicago Mercantile Exchange (''CME'') Globex electronic trading platform of CERFs based on the GSCI Excess Return Index commenced effective March 12, 2006 for trade date March 13, 2006. Trading in CERFs based on the other Excess Return Indexes is expected to begin shortly before the initial sale of the Shares to the public.

The Trusts and the Investing Pools are each commodity pools managed by a commodity pool operator registered as such with the Commodity Futures Trading Commission (''CFTC''). According to the Registration Statements, neither the Trusts nor the Investing Pools are investment companies registered under the Investment Company Act of 1940 (''Investment Company Act'').[7]

According to the Registration Statements, the Shares are intended to constitute a relatively cost-effective means of achieving investment exposure to the performance of the respective Total Return Indexes, which are intended to reflect the performance of a specified group of commodities. Although the Shares will not be the exact equivalent of an investment in the underlying futures contracts and Treasury securities represented by the Total Return Indexes, the Shares are intended to provide investors with an alternative way of participating in the commodities market.

b. The Sponsor and Trustee

The Sponsor of the Trusts is Barclays Global Investors International, Inc. The Sponsor's primary business function is to act as Sponsor and commodity pool operator of the Trusts and Manager of the Investing Pools, as discussed below.[8] The Advisor to the Investing Pools is Barclays Global Fund Advisors, a California corporation and an indirect subsidiary of Barclays Bank PLC.

Barclays Global Investors International, Inc. will also serve as the Manager of the Investing Pools, in which capacity it will serve as commodity pool operator of the Investing Pools and be responsible for their administration. The Manager will arrange for and pay the costs of organizing the Investing Pools. The Manager has delegated some of its responsibilities for administering the Investing Pools to the Administrator, State Street Bank and Trust Company which, in turn, has employed the Investing Pool Administrator and the Tax Administrator (PriceWaterhouse Coopers) to maintain various records on behalf of the Investing Pools.

The Trustee is Barclays Global Investors, N.A., a national banking association affiliated with the Sponsor. The Trustee is responsible for the day-to-day administration of the Trusts. Day-to-day administration includes (1) processing orders for the creation and redemption of Baskets (each Basket an aggregation of 50,000 Shares), (2) coordinating with the Manager of the Investing Pools the receipt and delivery of consideration transferred to, or by, the Trusts in connection with each issuance and redemption of Baskets, and (3) calculating the net asset value (''NAV'') of the Trusts on each Business Day.[9] The Trustee has delegated these responsibilities to the Trust Administrator, State Street Bank and Trust Company, a banking corporation that is not affiliated with the Sponsor or the Trustee.[10] Pursuant to NYSE Arca Equities Rule 8.203(e)(4)(ii), a change in the Trustee would require prior notice to and approval by the Exchange.

c. The Investing Pools

The Investing Pools will hold long positions in CERFs, which are cash-settled futures contracts listed on the CME that have a term of approximately five years after listing and whose settlement at expiration is based on the value of the respective Excess Return Indexes at that time. The Investing Pools will also earn interest on the assets used to collateralize its holdings of CERFs.

d. The Total Return Indexes

The S&P GSCI™ Industrial Metals Total Return Index is intended to reflect the performance of a group of industrial metal commodities (currently including copper, aluminum, zinc, nickel and lead). The S&P GSCI™ Light Energy Total Return Index is intended to reflect the performance of the same group of commodities included in the S&P GSCI®, but with a reduced weighting for energy commodities. The S&P GSCI™ Livestock Total Return Index is intended to reflect the performance of a group of commodities comprising the livestock component of the S&P GSCI™ (currently including live cattle, live hogs and feeder cattle). The S&P GSCI™ Non-Energy Total Return Index is intended to reflect the performance of a group of non-energy commodities. The S&P GSCI™ Energy Total Return Index is intended to reflect the performance of a group of commodities comprising the energy component of the S&P GSCI™. The S&P GSCI™ Natural Gas Total Return Index is intended to reflect the performance of the performance of natural gas included in the S&P GSCI™.

Each relevant Index is administered, calculated and published by Standard & Poor's (the ''Index Sponsor''). The Excess Return Indexes reflect the return of an uncollateralized investment in the contracts comprising the S&P GSCI™ Energy Index, the S&P GSCI™ Natural Gas Index, the S&P GSCI™ Industrial Metals Index, the S&P GSCI™ Light Energy Index, the S&P GSCI™ Livestock Index, and the S&P GSCI™ Non-Energy Index, respectively (collectively, the ''S&P GS Indexes''). In addition, the Excess Return Indexes incorporate the economic effect of ''rolling'' the contracts included in the S&P GS Indexes as they near expiration. ''Rolling'' a futures contract means closing out a position in an expiring futures contract and establishing an equivalent position in the contract on the same commodity with the next expiration date. If S&P ceases to maintain the Total Return Indexes, the Trusts, through the Investing Pools, may seek investment results that correspond generally to the performance of a fully collateralized investment in a successor, or, in the opinion of the Manager, reasonably similar indexes to the Total Return Indexes.

Each Trust, through its respective Investing Pool, will be a passive investor in CERFs and the cash or Short-

[7] 15 U.S.C. 80a *et seq.*

[8] Barclays Global Investors International, Inc. is a commodity pool operator registered with the CFTC.

[9] The Registration Statements define ''Business Day'' as any day (1) on which none of the following occurs: (a) the NYSE is closed for regular trading, (b) the CME is closed for regular trading or (c) the Federal Reserve transfer system is closed for cash wire transfers, or (2) the Trustee determines that it is able to conduct business.

[10] Except as otherwise specifically noted, the information provided in this proposed rule change relating to the Trusts and the Shares, commodities markets, and related information is based entirely on information included in the Registration Statements.

Term Securities [11] posted as margin to collateralize the Investing Pool's CERF positions. Neither such Trust nor the respective Investing Pool will engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the value of CERFs or securities posted as margin. Each Investing Pool, and some other types of market participants, will be required to deposit margin with a value equal to 100% of the value of each CERF position at the time it is established. Those market participants not subject to the 100% margin requirement are required to deposit margin generally with a value of 3% to 5% of the established position. Interest paid on the collateral deposited as margin, net of expenses, will be reinvested by the Investing Pool or, at the Trustee's discretion, may be distributed from time to time to the Shareholders. The Investing Pool's profit or loss on its CERF positions should correlate with increases and decreases in the value of the applicable Excess Return Index, although this correlation will not be exact. The interest on the collateral deposited by the Investing Pool as margin, together with the returns corresponding to the performance of the applicable Excess Return Index, is expected to result in a total return for the Investing Pool that corresponds generally, but is not identical, to the applicable Index. Differences between the returns of the Investing Pool and the applicable Index may be based on, among other factors, any differences between the return on the assets used by the Investing Pool to collateralize its CERF positions and the U.S. Treasury rate used to calculate the return component of the Index, timing differences, differences between the weighting of the Investing Pool's proportion of assets invested in CERFs versus the Index, and the payment of expenses and liabilities by the Investing Pool. Each Trust's net asset value will reflect the performance of the applicable Investing Pool, such Trust's sole investment.

The Investing Pools will be managed by the Advisor, which will invest all of the Investing Pools' assets in long positions in respective CERFs and post margin in the form of cash or Short-Term Securities to collateralize the CERF positions. Any cash that the Investing Pool accepts as consideration from the Trusts for Investing Pool Interests will be used to purchase additional CERFs, in an amount that the Advisor determines will enable the Investing Pools to achieve investment results that correspond with the applicable Index, and to collateralize the CERFs. According to the Registration Statements, the Advisor will not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in value of any of the commodities represented by the S&P GSCI™–ER Indexes or the positions or other assets held by the Investing Pool.

e. Futures Contracts on the Excess Return Indexes

The assets of the Investing Pools will consist of CERFs and cash or Short-Term Securities posted as margin to collateralize the Investing Pools' CERF positions. Futures contracts and options on futures contracts on the GSCI, which does not reflect the excess return embedded in the GSCI–ER, have been traded on the CME since 1992. CERFs are listed and traded separately from the S&P GSCI futures contracts and options on futures contracts.

CERFs trading is subject to the rules of the CME. According to the Registration Statements, CERFs trade on GLOBEX, the CME's electronic trading system, and do not trade through open outcry on the floor of the CME.[12] Transactions in CERFs are cleared through the CME clearinghouse by the trader's futures commission merchant acting as its agent. Under these clearing arrangements, the CME clearinghouse becomes the buyer to each member futures commission merchant representing a seller of the contract and the seller to each member futures commission merchant representing a buyer of the contract. As a result of these clearing arrangements, each trader holding a position in CERFs is subject to the credit risk of the CME clearinghouse and the futures commission merchant carrying its position in CERFs.

Each CERF is a contract that provides for cash settlement, at expiration, based upon the final settlement value of the applicable Excess Return Index at the expiration of the contract, multiplied by a fixed dollar multiplier. On a daily basis, most market participants with positions in CERFs are obligated to pay, or entitled to receive, cash (known as ''variation margin'') in an amount equal to the change in the daily settlement level of the CERF from the preceding trading day's settlement level (or, initially, the contract price at which the position was entered into). Specifically, if the daily settlement price of the contract increases over the previous day's price, the seller of the contract must pay the difference to the buyer, and if the daily settlement price is less than the previous day's price, the buyer of the contract must pay the difference to the seller.

Futures contracts also typically require deposits of initial margin as well as payments of daily variation margin as the value of the contracts fluctuate. For most market participants, the initial margin requirement for CERFs is generally expected to be 3% to 5%. Certain market participants (known as ''100% margin participants''), however, will be required to deposit with their futures commission merchant (''FCM'') initial margin in an amount equal to 100% of the value of the CERF on the date the position is established. The FCM, in turn, will be required to deliver to the CME clearinghouse initial margin in a specified amount and pledge to the clearinghouse, pursuant to a separate custody arrangement, an amount equal to the remainder of the 100% margin amount posted by 100% margin participants, either from amounts posted by those 100% margin participants or from its own assets. The separate custody arrangement will be either an account with the FCM or a third party custody account.

As a result of these arrangements, a 100% margin participant buying a CERF will be subject to substantially greater initial margin requirements than other market participants, but will not be required to pay any additional amounts to its futures commission merchant as variation margin if the value of the CERFs declines. Instead, the futures commission merchant will be obligated to make variation margin payments to the clearinghouse in respect of CERFs held by 100% margin participants, which it will withdraw from the separate custody account (and, in turn, from the 100% margin posted by those participants).

If the daily settlement price increases, the futures commission merchant will receive variation margin from the clearinghouse for the account of the 100% margin participant, which it will hold in the separate custody account for the benefit of 100% margin participants. The buyer will not, however, be entitled to receive this variation margin from its futures commission merchant (until the liquidation or final settlement of its CERF position). The buyer will be entitled to receive interest or other income on the assets it has deposited as

[11] ''Short-Term Securities'' means U.S. Treasury Securities or other short-term securities and similar securities, in each case that are eligible as margin deposits under the rules of the CME.

[12] Trading hours for CERFs on GLOBEX will be as follows: Sunday, 6 p.m. to 2:40 p.m. (next day) (New York Time); Monday to Thursday, 6 p.m. to 2:40 p.m. (next day) and 3 p.m. to 5 p.m. (New York Time).

margin or that are credited to the custody account on its behalf from time to time.

Upon liquidation or settlement of a CERF, a 100% margin participant will receive from its futures commission merchant its initial margin deposit, adjusted for variation margin paid or received by the futures commission merchant with respect to the contract during the time it was held by the participant (or the proceeds from liquidation of any investments made with such funds for the benefit of the participant under the terms of its custody arrangement with the carrying futures commission merchant).

The 100% margin participants will include any market participant that is (1) an investment company registered under the Investment Company Act or (2) an investment fund, commodity pool, or other similar type of pooled trading vehicle (other than a pension plan or fund) that is offered to the public pursuant to an effective registration statement filed under the Securities Act of 1933,[13] regardless of whether it is also registered under the Investment Company Act, and that has its principal place of business in the United States.

The Investing Pools will be a 100% margin participants. The Investing Pools will satisfy the 100% margin requirement by depositing with the Clearing FCM[14] cash or Short-Term Securities with a value equal to 100% of the value of each long position in CERFs.

According to the Registration Statements, CERFs also differ from traditional futures contracts in another significant respect. In contrast to other types of futures contracts, which are typically listed with monthly, bimonthly or quarterly expirations, CERFs will be listed only with approximately five-year expirations. A buyer or seller of CERFs will be able to trade CERFs on the market maintained by the CME and will consequently be able to liquidate its position at any time, subject to the existence of a liquid market. If a party to a CERF wishes to hold its position to expiration, however, it will be necessary to maintain the position for up to five years. According to the Registration Statements, as a CERF nears expiration, it is anticipated, but there can be no assurance, that the CME will list an additional CERF with an approximately five-year expiration.

f. The S&P GSCI™ and S&P GS Indexes

The S&P GSCI™ itself is an index on a production-weighted basket of principal physical commodities that satisfy specified criteria. The S&P GSCI™ reflects the level of commodity prices at a given time and is designed to be a measure of the performance over time of the markets for these commodities. The commodities represented in the S&P GSCI™ are those physical commodities on which active and liquid contracts are traded on trading facilities in major industrialized countries. The commodities included in the S&P GSCI™ are weighted, on a production basis, to reflect the relative significance (in the view of the Index Sponsor) of those commodities to the world economy. The fluctuations in the level of the S&P GSCI™ are intended generally to correlate with changes in the prices of those physical commodities in global markets.

The Index Sponsor makes the official calculations of the value of the S&P GSCI™ and S&P GS Indexes. At present, these calculations are performed continuously and are reported on Reuters Pages GSCI (for S&P GSCI), GSNG (for S&P GS Natural Gas), GSCO (for S&P GS Industrial Metals), GSLE (for S&P GS Light Energy), GSCL (for S&P GS Livestock), GSCN (for S&P GS Non-Energy), and GSCP (for S&P GS Energy), and is updated on Reuters at least every 15 seconds during NYSE Arca Core Trading Session and during business hours on each Business Day on which the offices of the Index Sponsor in New York City are open for business. The calculation for each applicable Index is also updated on Reuters at least every 15 seconds. The settlement price for each Excess Return Index is also reported on the Reuters Pages noted above. If Reuters ceases to publish the value of the S&P GSCI or applicable S&P GS Index or the settlement price of the S&P GSCI™–ER or the Excess Return Indexes, the Index Sponsor has undertaken to use commercially reasonable efforts to ensure that a comparable reporting service publishes the S&P GSCI™ or applicable S&P GS Index and the applicable Excess Return Index so long as any Shares are outstanding.

g. The Index Committee and Index Advisory Panel

The Index Sponsor has established an Index Committee to oversee the daily management and operations of the S&P GSCI™, and is responsible for all analytical methods and calculations. The Index Committee is comprised of three full-time professional members of S&P's staff and two members of Goldman Sachs Group. At each meeting, the Index Committee reviews any issues that may affect index constituents, statistics comparing the composition of the indices to the market, commodities that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting commodities, or other matters.

S&P considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

In addition, the Index Sponsor has established an Index Advisory Panel to assist it with the operation of the S&P GSCI™. The principal purpose of the Index Advisory Panel is to advise the Index Sponsor with respect to, among other things, the calculation of the S&P GSCI™, the effectiveness of the S&P GSCI™ as a measure of commodity futures market performance and the need for changes in the composition or the methodology of the S&P GSCI™. The Index Advisory Panel acts solely in an advisory and consultative capacity. All decisions with respect to the composition, calculation and operation of the S&P GSCI™ are made by the Index Committee.

The Index Advisory Panel generally meets in October of each year. Prior to the meeting, the Index Sponsor determines the commodities to be included in the S&P GSCI™ for the following calendar year and the weighting factors for each commodity. The Index Advisory Panel's members receive the proposed composition of the S&P GSCI™ in advance of the meeting and discuss the composition at the meeting. The Index Sponsor also consults the Index Advisory Panel on any other significant matters with respect to the calculation and operation of the S&P GSCI™. The Index Advisory Panel may, if necessary or practicable, meet at other times during the year as issues arise that warrant its consideration.

h. Composition of the S&P GSCI™

In order to be included in the S&P GSCI™, and the S&P GS Indexes, a contract must satisfy the following eligibility criteria:

(1) The contract must:

(a) Be in respect of a physical commodity and not a financial commodity;

(b) have a specified expiration or term, or provide in some other manner for delivery or settlement at a specified

[13] 15 U.S.C. 77a, *et seq.*

[14] The term ''Clearing FCM'' is defined in the Registration Statement as Goldman, Sachs & Co. or any other futures commission merchant appointed by the Manager as clearing futures commission merchant for the Investing Pool.

time, or within a specified period, in the future; and

(c) be available, at any given point in time, for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement.

(2) The commodity must be the subject of a contract that:

(a) Is denominated in U.S. dollars; and

(b) Is traded on or through an exchange, facility or other platform, referred to as a ''trading facility,'' that has its principal place of business or operations in a country that is a member of the Organization for Economic Cooperation and Development and:

i. Makes price quotations generally available to its members or participants (and, if the Index Sponsor is not such a member or participant, to the Index Sponsor) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time;

ii. Makes reliable trading volume information available to the Index Sponsor with at least the frequency required by the Index Sponsor to make the monthly determinations;

iii. Accepts bids and offers from multiple participants or price providers; and

iv. Is accessible by a sufficiently broad range of participants.

(3) The price of the relevant contract that is used as a reference or benchmark by market participants, referred to as the ''daily contract reference price,'' generally must have been available on a continuous basis for at least two years prior to the proposed date of inclusion in the S&P GSCI™. In appropriate circumstances, however, the Index Sponsor may determine that a shorter time period is sufficient or that historical daily contract reference prices for that contract may be derived from daily contract reference prices for a similar or related contract. The daily contract reference price may be (but is not required to be) the settlement price or other similar price published by the relevant trading facility for purposes of margining transactions or for other purposes.

(4) At and after the time a contract is included in the S&P GSCI™, the daily contract reference price for that contract must be published between 10:00 a.m. and 4:00 p.m., New York Time, on each Business Day relating to that contract by the trading facility on or through which it is traded and must generally be available to all members of, or participants in, that trading facility (and, if the Index Sponsor is not such a member or participant, to the Index Sponsor) on the same day from the trading facility or through a recognized third-party data vendor. Such publication must include, at all times, daily contract reference prices for at least one expiration or settlement date that is five months or more from the date the determination is made, as well as for all expiration or settlement dates during that five-month period.

(5) Volume data with respect to the contract must be available for at least the three months immediately preceding the date on which the determination is made.

(6) A contract that is not included in the S&P GSCI™ at the time of determination and that is based on a commodity that is not represented in the S&P GSCI™ at that time must, in order to be added to the S&P GSCI™ at that time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least $15 billion. The total dollar value traded is the dollar value of the total quantity of the commodity underlying transactions in the relevant contract over the period for which the calculation is made, based on the average of the daily contract reference prices on the last day of each month during the period.

(7) A contract that is already included in the S&P GSCI™ at the time of determination and that is the only contract on the relevant commodity included in the S&P GSCI™ must, in order to continue to be included in the S&P GSCI™ after that time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least $5 billion and at least $10 billion during at least one of the three most recent annual periods used in making the determination.

(8) A contract that is not included in the S&P GSCI™ at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI™ at that time must, in order to be added to the S&P GSCI™ at that time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least $30 billion.

(9) A contract that is already included in the S&P GSCI™ at the time of determination and that is based on a commodity on which there are one or more contracts already included in the S&P GSCI™ at that time must, in order to continue to be included in the S&P GSCI™ after that time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least $10 billion and at least $20 billion during at least one of the three most recent annual periods used in making the determination.

(10) A contract that is:

(a) Already included in the S&P GSCI™ at the time of determination must, in order to continue to be included after that time, have a reference percentage dollar weight of at least 0.10%. The ''reference percentage dollar weight'' of a contract represents the current value of the quantity of the underlying commodity that is included in the Index at a given time. This figure is determined by multiplying the contract production weight of a contract, or ''CPW,'' by the average of its daily contract reference prices on the last day of each month during the relevant period. These amounts are summed for all contracts included in the S&P GSCI™ and each contract's percentage of the total is then determined. The CPW of a contract is its weight in the Index.

(b) not included in the S&P GSCI™ at the time of determination must, in order to be added to the S&P GSCI™ at that time, have a reference percentage dollar weight of at least 0.75%.

(11) In the event that two or more contracts on the same commodity satisfy the eligibility criteria:

(a) Such contracts will be included in the S&P GSCI™ in the order of their respective total quantity traded during the relevant period (determined as the total quantity of the commodity underlying transactions in the relevant contract), with the contract having the highest total quantity traded being included first, provided that no further contracts will be included if such inclusion would result in the portion of the S&P GSCI™ attributable to that commodity exceeding a particular level.

(b) if additional contracts could be included with respect to several commodities at the same time, that procedure is first applied with respect to the commodity that has the smallest portion of the S&P GSCI™ attributable to it at the time of determination. Subject to the other eligibility criteria described above, the contract with the highest total quantity traded on that commodity will be included. Before any additional contracts on the same commodity or on any other commodity are included, the portion of the S&P GSCI™ attributable to all commodities is recalculated. The selection procedure described above is then repeated with respect to the contracts on the commodity that then has the smallest portion of the S&P GSCI™ attributable to it.

Beginning in 2007, in order for a contract to be included in the S&P

GSCI™, (1) the trading facility in which the contract is traded must allow market participants to execute spread transactions, through a single order entry, between the pairs of contract expirations included in the S&P GSCI™ that at any given point in time will be involved in the rolls to be effected in the next three roll periods and (2) a contract that is not included in the S&P GSCI™ at the time of determination must, in order to be added to the S&P GSCI™ at that time, have a reference percentage dollar weight of at least 1.00%.

The contracts currently included in the S&P GSCI™ are all futures contracts traded on the New York Mercantile Exchange, Inc. (''NYM''), the ICE Futures (''ICE'') and its subsidiary, the New York Board of Trade (''NYBOT''), the CME, the Chicago Board of Trade (''CBT''), the Coffee, Sugar & Cocoa Exchange, Inc. (''CSC''), the New York Cotton Exchange (''NYC''), the Kansas City Board of Trade (''KBT''), the COMEX Division of the New York Mercantile Exchange, Inc. (''CMX'') and the London Metal Exchange (''LME'').

The futures contracts currently included in the S&P GSCI™ Energy Index, Average Daily Trading Volume (''ADTV'') for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
WTI Crude Oil	51.43	200,605	CL	NYM	1,000 index points.
Brent Crude Oil	20.86	235,918	LCO	ICE	1,000 barrels.
Natural Gas	10.23	111,548	NG	NYM	42,000 U.S. gallons.
Heating Oil	8.27	70,791	HO	NYM	42,000 U.S. gallons.
Gas Oil	7.39	88,417	LGO	ICE	100 metric tons.
RBOB Oil	1.82	79,665	RB	NYM	50,000 X PADD.

The futures contracts currently included in the S&P GSCI™ Natural Gas Index, ADTV for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
Natural Gas	100.00	111,548	NG	NYM	42,000 U.S. gallons.

The futures contracts currently included in the S&P GSCI™ Industrial Metals Index, ADTV for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
Copper	40.66	14,793	MCU	NYM	25,000 lbs.
Aluminum	30.14	155,886	MAL	LME	25 metric tons.
Primary Nickel	11.13	14,543	MNI	LME	6 metric tons.
Zinc	11.05	48,483	MZN	LME	25 metric tons.
Standard Lead	7.02	16,998	MPB	LME	25 metric tons.

The futures contracts currently included in the S&P GSCI™ Light Energy Index, ADTV for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
WTI Crude Oil	18.97	200,605	CL	NYM	1,000 index points.
Copper	8.56	14,793	MCU	NYM	25,000 lbs.
Chicago Wheat	8.10	75,587	W	CBOT	5,000 bushels.
Brent Crude Oil	7.69	235,918	LCO	ICE	1,000 barrels.
Aluminum	6.35	155,886	MAL	LME	25 metric tons.
Corn	6.24	244,756	C	CBOT	5,000 bushels.
Live Cattle	5.50	36,530	LC	CME	40,000 lbs.
Gold	4.21	89,976	GC	NYM	100 troy ounces.
Soybeans	4.17	121,036	S	CBOT	5,000 bushels.
Natural Gas	3.77	111,548	NG	NYM	42,000 U.S. gallons.
Lean Hogs	3.16	30,698	LH	CME	40,000 lbs.
Heating Oil	3.05%	70,791	HO	NYM	42,000 U.S. gallons.
Kansas City Wheat	2.76	17,238	KW	KCE	5,000 bushels.

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
Gas Oil	2.72	88,417	LGO	ICE	100 metric tons.
Nickel	2.34	14,543	MNI	LME	6 metric tons.
Zinc	2.33	48,483	MZN	LME	25 metric tons.
Sugar	2.17	90,166	SB	NYBOT	112,000 lbs.
Cotton	1.91	26,092	CT	NYBOT	50,000 lbs.
Coffee	1.51	20,383	KC	NYBOT	37,500 lbs.
Lead	1.48	16,998	MPB	LME	25 metric tons.
Feeder Cattle	1.32	4,416	FC	CME	50,000 lbs.
RBOB Gas	0.67	79,665	RB	NYM	50,000 X PADD.
Silver	0.57	24,292	SI	NYM	5,000 troy ounces.
Cocoa	0.45	13,397	CC	NYBOT	10 metric tons.

The futures contracts currently included in the S&P GSCI™ Livestock Index, ADTV for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
Live Cattle	55.08	36,530	LC	CME	40,000 lbs.
Lean Hogs	31.72	30,698	LH	CME	40,000 lbs.
Feeder Cattle	13.20	4,416	FC	CME	50,000 lbs.

The futures contracts currently included in the S&P GSCI™ Non-Energy Index, ADTV for January 2007 through July 2007, percentage dollar weights (as of August 13, 2007), market symbols and the exchanges on which they are traded are as follows:

Commodity	Weight 8/13/07 (percent)	ADTV (contracts)	Market symbol	Trading facility	Units
Copper	13.56	14,793	MCU	NYM	25,000 lbs.
Chicago Wheat	12.83	75,587	W	CBOT	5,000 bushels.
Aluminum	10.06	155,886	MAL	LME	25 metric tons.
Corn	9.89	244,756	C	CBOT	5,000 bushels.
Live Cattle	8.71	36,530	LC	CME	40,000 lbs.
Gold	6.66	89,976	GC	NYM	100 troy ounces.
Soybeans	6.61	121,036	S	CBOT	5,000 bushels.
Lean Hogs	5.01	30,698	LH	CME	40,000 lbs.
Kansas City Wheat	4.37	17,238	KW	KCE	5,000 bushels.
Nickel	3.71	14,543	MNI	LME	6 metric tons.
Zinc	3.69	48,483	MZN	LME	25 metric tons.
Sugar	3.44	90,166	SB	NYBOT	112,000 lbs.
Cotton	3.03	26,092	CT	NYBOT	50,000 lbs.
Coffee	2.39	20,383	KC	NYBOT	37,500 lbs.
Lead	2.34	16,998	MPB	LME	25 metric tons.
Feeder Cattle	2.09	4,416	FC	CME	50,000 lbs.
Silver	0.90	24,292	SI	NYM	5,000 troy ounces.
Cocoa	0.71	13,397	CC	NYBOT	10 metric tons.

The hours of trading (New York Time) of the commodities in the charts above are as follows:

Commodity	Trading facility	Trading hours (NY time)
Crude Oil	NYM	10 a.m.–2:30 p.m.
Brent Crude Oil	ICE	8 p.m.–5 p.m. (next day).
Natural Gas	NYM	10 a.m.–2:30 p.m.
Heating Oil	NYM	10:05 a.m.–2:30 p.m.
RBOB Gasoline	NYM	10:05 a.m.–2:30 p.m.
Gas Oil	ICE	8 p.m.–5 p.m. (next day).
Live Cattle	CME	10:05 a.m.–2 p.m.
Wheat	CBT	10:30 a.m.–2:15 p.m.
Aluminum	LME	6:55 a.m.–12 p.m.

Commodity	Trading facility	Trading hours (NY time)
Corn	CBT	10:30 a.m.–2:15 p.m.
Copper	LME	7 a.m.–12 p.m.
Soybeans	CBT	10:30 a.m.–2:15 p.m.
Lean Hogs	CME	9:10 a.m.–1 p.m.
Gold	CMX	8:20 a.m.–1:30 p.m.
Sugar	CSC	9 a.m.–12 p.m.
Cotton	NYC	10:30 a.m.–2:15 p.m.
Red Wheat	KBT	10:30 a.m.–2:15 p.m.
Coffee	CSC	9:15 a.m.–12:30 p.m.
Standard Lead	LME	7:05 a.m.–11:50 a.m.
Feeder Cattle	CME	10:05 a.m.– 2 p.m.
Zinc	LME	7:10 a.m.–11:55 a.m.
Primary Nickel	LME	7:10 a.m.–11:55 a.m.
Cocoa	CSC	8 a.m.–11:50 a.m.
Silver	CMX	8:25 a.m.–1:25 p.m.

The quantity of each of the contracts included in the S&P GSCI™ is determined on the basis of a five-year average, referred to as the ''world production average,'' of the production quantity of the underlying commodity as published by the United Nations Statistical Yearbook, the Industrial Commodity Statistics Yearbook and other official sources. However, if a commodity is primarily a regional commodity, based on its production, use, pricing, transportation or other factors, the Index Sponsor, may calculate the weight of that commodity based on regional, rather than world, production data. At present, natural gas is the only commodity the weights of which are calculated on the basis of regional production data, with the relevant region defined as North America.

The five-year moving average is updated annually for each commodity included in the S&P GSCI™, based on the most recent five-year period (ending approximately two years prior to the date of calculation and moving backwards) for which complete data for all commodities is available. The CPWs used in calculating the S&P GSCI™ are derived from world or regional production averages, as applicable, of the relevant commodities, and are calculated based on the total quantity traded for the relevant contract and the world or regional production average, as applicable, of the underlying commodity. However, if the volume of trading in the relevant contract, as a multiple of the production levels of the commodity, is below specified thresholds, the CPW of the contract is reduced until the threshold is satisfied. This is designed to ensure that trading in each contract is sufficiently liquid relative to the production of the commodity.

In addition, the Index Sponsor performs this calculation on a monthly basis and, if the multiple of any contract is below the prescribed threshold, the composition of the S&P GSCI™ is reevaluated, based on the criteria and weighting procedure described above. This procedure is undertaken to allow the S&P GSCI™ to shift from contracts that have lost substantial liquidity into more liquid contracts during the course of a given year. As a result, it is possible that the composition or weighting of the S&P GSCI™ will change on one or more of these monthly evaluation dates. The likely circumstances under which the Index Sponsor would be expected to change the composition of the Index during a given year, however, are (1) a substantial shift of liquidity away from a contract included in the Index or its subsidiaries as described above, or (2) an emergency, such as a natural disaster or act of war or terrorism, that causes trading in a particular contract to cease permanently or for an extended period of time. In either event, the Index Sponsor will consult with the Index Committee in connection with the changes to be made and will publish the nature of the changes, through Web sites, news media or other outlets, with as much prior notice to market participants as is reasonably practicable. Moreover, regardless of whether any changes have occurred during the year, the Index Sponsor reevaluates the composition of the S&P GSCI™, in consultation with its Index Committee, at the conclusion of each year, based on the above criteria. Other commodities that satisfy that criteria, if any, will be added to the S&P GSCI™. Commodities included in the S&P GSCI™ that no longer satisfy that criteria, if any, will be deleted.

The Index Sponsor also determines whether modifications in the selection criteria or the methodology for determining the composition and weights of and for calculating the S&P GSCI™ are necessary or appropriate in order to assure that the S&P GSCI™ represents a measure of commodity market performance. The Index Sponsor has the discretion to make any such modifications.

i. Total Dollar Weight of the S&P GSCI and S&P GS Indexes

The total dollar weight of the S&P GSCI™ and each S&P GS Index is the sum of the dollar weight of each of the underlying commodities. The dollar weight of each such commodity on any given day is equal to:

- The daily contract reference price;
- Multiplied by the appropriate CPW; and
- During a roll period, the appropriate ''roll weights''(discussed below).

The daily contract reference price used in calculating the dollar weight of each commodity on any given day is the most recent daily contract reference price made available by the relevant trading facility, except that the daily contract reference price for the most recent prior day will be used if the exchange is closed or otherwise fails to publish a daily contract reference price on that day. In addition, if the trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of the Index Sponsor, reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected; provided, that, if the price is not made available or corrected by 4 p.m. New York Time, the Index Sponsor may, if it deems that action to be appropriate under the circumstances, determine the appropriate daily contract reference price for the applicable futures contract in its reasonable judgment for purposes of the relevant Index calculation.

j. Calculation of Total Return Indexes

The Total Return Indexes to which the performance of the Shares is linked were established in May of 1991, with the exception of the S&P GSCI™ Light Energy Total Return Index, which was established in April, 2004. Each Total Return Index reflects the return of the applicable Excess Return Index, together with the return on specified U.S. Treasury securities that are deemed to have been held to collateralize a hypothetical long position in the futures contracts comprising the applicable S&P GS Index.

k. Calculation of the Excess Return Indexes

Because futures contracts have scheduled expirations, or delivery months, as one contract nears expiration it becomes necessary to close out the position in that delivery month and establish a position in the next available delivery month. This process is referred to as ''rolling'' the position forward. Each Excess Return Index is designed to reflect the return from rolling each contract included in the S&P GSCI™ or applicable S&P GS Index in this manner into the next available delivery month as it nears expiration. This is accomplished by selling the position in the first delivery month and purchasing a position of equivalent value in the second delivery month. If the price of the second contract is lower than the price of the first contract, the ''rolling'' process results in a greater quantity of the second contract being acquired for the same value. Conversely, if the price of the second contract is higher than the price of the first contract, the ''rolling'' process results in a smaller quantity of the second contract being acquired for the same value.

The value of each Excess Return Index on any S&P GSCI™ Business Day is equal to the product of (1) the value of the applicable Excess Return Index on the immediately preceding S&P GSCI™ Business Day multiplied by (2) one plus the contract daily return on the S&P GSCI™ Business Day on which the calculation is made.

The value of each Total Return Index on any S&P GSCI™ Business Day is equal to the product of (1) the value of the Index on the immediately preceding S&P GSCI™ Business Day multiplied by (2) one plus the sum of the contract daily return [15] and the Treasury bill return on the S&P GSCI™ Business Day on which the calculation is made, multiplied by (3) one plus the Treasury bill return for each non-S&P GSCI™ Business Day since the immediately preceding S&P GSCI™ Business Day. The Treasury bill return is the return on a hypothetical investment at a rate equal to the interest rate on a specified U.S. Treasury bill.

2. Valuation of CERFs; Computation of Trusts' Net Asset Value

On each Business Day on which the NYSE is open for regular trading, as soon as practicable after the close of regular trading of the Shares on the NYSE (normally, 4:15 p.m., New York Time), the Trustee will determine the NAV of the Trusts as of that time.

The Trustee will value the Trusts' assets based upon the determination by the Manager, which may act through the Investing Pool Administrator, of the net asset value of the Investing Pool. The Manager will determine the net asset value of the Investing Pool as of the same time that the Trustee determines the net asset value of the Trusts.

The Manager will value the Investing Pools' long position in CERFs on the basis of that day's announced CME settlement price for the CERFs. The value of the Investing Pools' CERF position (including any related margin) will equal the product of (a) the number of CERF contracts owned by the particular Investing Pool and (b) the settlement price on the date of calculation. If there is no announced CME settlement price for the CERF on a Business Day, the Manager will use the most recently announced CME settlement price unless the Manager determines that that price is inappropriate as a basis for evaluation.[16] The daily settlement price for the CERF is established by the CME shortly after the close of trading in Chicago on each trading day.

Once the value of the CERFs and interest earned on any assets posted as margin and any other assets of the Investing Pool has been determined, the Manager will subtract all accrued expenses and liabilities of each Investing Pool as of the time of calculation in order to calculate the net asset value of the Investing Pool. The Manager, or the Investing Pool Administrator on its behalf, will then calculate the value of the applicable Trust's Investing Pool Interest and provide this information to the Trustee.

Once the value of the Trusts' Investing Pool Interests have been determined and provided to the Trustee, the Trustee will subtract all accrued expenses and other liabilities of each Trust from the total value of the assets of the Trust, in each case as of the calculation time. The resulting amount is the net asset value of the Trust. The Trustee will determine the NAV by dividing the net asset value of the Trust by the number of Shares outstanding at the time the calculation is made.

The NAV for each Business Day on which the NYSE is open for regular trading will be distributed through major market data vendors and will be published online at *http://www.ishares.com*, or any successor thereto. The Trusts will update the NAV as soon as practicable after each subsequent NAV is calculated.

3. Creations of Baskets

According to the Registration Statements, creation and redemption of interests in the Trusts, and the corresponding creation and redemption of interests in the respective Investing Pools, will generally be effected through transactions in ''exchanges of futures for physicals,'' or ''EFPs.'' EFPs involve contemporaneous transactions in futures contracts and the underlying cash commodity or a closely related commodity. In a typical EFP, the buyer of the futures contract sells the underlying commodity to the seller of the futures contract in exchange for a cash payment reflecting the value of the commodity and the relationship between the price of the commodity and the related futures contract. According to the Registration Statements, in the context of CERFs, CME rules permit the execution of EFPs consisting of simultaneous purchases (sales) of CERFs and sales (purchases) of Shares. This mechanism will generally be used by the Trusts in connection with the creation and redemption of Baskets. Specifically, it is anticipated that an Authorized Participant (as described

[15] The contract daily return on any given day is equal to the sum, for each of the commodities included in the S&P GSCI™ or the applicable S&P GS Index, of the applicable daily contract reference price on the relevant contract multiplied by the appropriate CPW and the appropriate ''roll weight,'' divided by the total dollar weight of the such Index on the preceding day, minus one.

The ''roll weight'' of each commodity reflects the fact that the positions in contracts must be liquidated or rolled forward into more distant contract expirations as they near expiration. If actual positions in the relevant markets were rolled forward, the roll would likely need to take place over a period of days. Since the S&P GSCI™ and S&P GS Indexes are designed to replicate the performance of actual investments in the underlying contracts, the rolling process incorporated in such Indexes also takes place over a period of days at the beginning of each month, referred to as the ''roll period.'' On each day of the roll period, the ''roll weights'' of the first nearby contract expirations on a particular commodity and the more distant contract expiration into which it is rolled are adjusted, so that the hypothetical position in the contract on the commodity that is included in the applicable Index is gradually shifted from the first nearby contract expiration to the more distant contract expiration.

[16] The Exchange states that the Manager's use of a price that is not the most recently announced CME settlement price, other than on a temporary basis based on extraordinary circumstances, would require Commission approval of an Exchange proposed rule change pursuant to Rule 19b–4.

below) requesting the creation of additional Baskets typically will transfer CERFs and cash (or, in the discretion of the Trustee, Short-Term Securities in lieu of cash) to the Trusts in return for Shares. Baskets may be created and redeemed only by Authorized Participants. Each Authorized Participant must: (1) Be a registered broker-dealer and, if required in connection with its activities, a registered futures commission merchant; (2) be a DTC Participant; (3) have entered into an Authorized Participant Agreement; and (4) be in a position to transfer CERFs and the required cash or Short-Term Securities to, and take delivery of these assets from, the Trustee through one or more accounts.

The Trusts will simultaneously contribute to the Investing Pools the CERFs (and any cash or securities) received from the Authorized Participant in return for an increase in its Investing Pool Interests. If an EFP is executed in connection with the redemption of one or more Baskets, an Authorized Participant will transfer to the applicable Trust the interests being redeemed and the Trust will transfer to the Authorized Participant CERFs, cash or Short-Term Securities. In order to obtain the CERFs, cash or Short-Term Securities to be transferred to the Authorized Participant, the Trust will redeem an equivalent portion of its interest in the Investing Pool Interests.

The Trusts will offer Shares on a continuous basis on each Business Day, but only in Baskets consisting of 50,000 Shares. Baskets will be typically issued only in exchange for an amount of CERFs and cash (or, in the discretion of the Trustee, Short-Term Securities in lieu of cash) equal to the Basket Amount [17] for the Business Day on which the creation order was received by the Trustee. The Basket Amount for a Business Day will have a per Share value equal to the NAV as of such day. However, orders received by the Trustee after 2:40 p.m., New York Time, will be treated as received on the next following Business Day. The Trustee will notify the Authorized Participants of the Basket Amount on each Business Day.

Before the Trusts will issue any Baskets to an Authorized Participant, that Authorized Participant must deliver to the Trustee a creation order indicating the number of Baskets it intends to purchase and providing other details with respect to the procedures by which the Baskets will be transferred. The Trustee will acknowledge the creation order unless it or the Sponsor decides to refuse the order as described in the prospectus.

Upon the transfer of (1) the required consideration of CERFs and cash (or, in the discretion of the Trustee, Short-Term Securities in lieu of cash) in the amounts, and to the accounts, specified by the Trustee, and (2) the Trustee's transaction fee per Basket (described below), the Trustee will deliver the appropriate number of Baskets to the Depository Trust Company (''DTC'') account of the Authorized Participant. In limited circumstances and with the approval of the Trustee, Baskets may be created for cash, in which case the Authorized Participant will be required to pay any additional issuance costs, including the costs to the applicable Investing Pool of establishing the corresponding CERF position.

Only Authorized Participants can transfer the required consideration and receive Baskets in exchange. Authorized Participants may act for their own accounts or as agents for broker-dealers, custodians and other securities market participants that wish to create or redeem Baskets. An Authorized Participant will have no obligation to create or redeem Baskets for itself or on behalf of other persons. An order for one or more baskets may be placed by an Authorized Participant on behalf of multiple clients. The Sponsor and the Trustee will maintain a current list of Authorized Participants.

No Shares will be issued unless and until the Trustee receives confirmation that (1) the required consideration has been received in the account or accounts specified by the Trustee and (2) the Manager confirms that Investing Pool Interests with an initial value equal to the consideration received for the Shares have been issued to the Trust. It is expected that delivery of the Shares will be made against transfer of consideration on the next Business Day (T+1) following the Business Day on which the creation order is received by the Trustee. If the Trustee has not received the required consideration for the Shares to be delivered on the delivery date, by 11 a.m., New York Time, the Trustee may cancel the creation order.[18]

4. Redemptions of Baskets

Authorized Participants may typically surrender Baskets in exchange only for an amount of CERFs and cash (or, in the discretion of the Trustee, Short-Term Securities in lieu of cash) equal to the Basket Amount on the Business Day the redemption request is received by the Trustee. However, redemption requests received by the Trustee after 2:40 p.m., New York Time (or, on any day on which the CME is scheduled to close early, after the close of trading of CERFs on the CME on such day), will be treated as received on the next following Business Day. Holders of Baskets who are not Authorized Participants will be able to redeem their Baskets only through an Authorized Participant. It is expected that Authorized Participants may redeem Baskets for their own accounts or on behalf of Shareholders who are not Authorized Participants, but they are under no obligation to do so.

Before surrendering Baskets for redemption, an Authorized Participant must deliver to the Trustee a written request indicating the number of Baskets it intends to redeem and providing other details with respect to the procedures by which the required Basket Amount will be transferred. The Trustee will acknowledge the redemption order unless it or the Sponsor decides to refuse the redemption order as described in the Trusts' prospectuses.

After the delivery by the Authorized Participant to the Trustee's DTC account of the total number of Shares to be redeemed by an Authorized Participant, the Trustee will deliver to the order of the redeeming Authorized Participant redemption proceeds consisting of CERFs and cash (or, in the discretion of the Trustee, Short-term Securities in lieu of cash). In connection with a redemption order, the redeeming Authorized Participant authorizes the Trustee to deduct from the proceeds of redemption a transaction fee per Basket (described below). In limited circumstances and with the approval of the Trustee, Baskets may be redeemed for cash, in which case the Authorized Participants will be required to pay any additional redemption costs, including the costs to the Investing Pool of liquidating the corresponding CERF position. The Trust will receive these redemption proceeds pursuant to the Trust's contemporaneous redemption of Investing Pool Interests of

[17] The Basket Amount represents the amount of CERFs and cash (or, in the discretion of the Sponsor, Short-Term Securities in lieu of cash), that an Authorized Participant must transfer in exchange for one Basket, or that an Authorized Participant is entitled to receive in exchange for each Basket surrendered for redemption. The value of the Basket Amount will equal the product of the NAV per Share and the number of Shares constituting a Basket, in each case as of the time of determination.

[18] The price at which the Shares trade should be disciplined by arbitrage opportunities created by the ability to purchase or redeem shares of the Trust in Basket size. This should help ensure that the Shares will not trade at a material discount or premium to their net asset value or redemption value.

corresponding value. Shares can be surrendered for redemption only in Baskets consisting of 50,000 Shares each.

It is expected that delivery of the CERFs, cash or Short-term Securities to the redeeming Shareholder will be made against transfer of the Baskets on the next Business Day following the Business Day on which the redemption request is received by the Trustee. If the Trustee's DTC account has not been credited with the total number of Shares to be redeemed pursuant to the redemption order by 11 a.m., New York Time, on the delivery date, the Trustee may cancel the redemption order.

DTC will accept the Shares for settlement through its book-entry settlement system. Shares do not have any voting rights.

5. Fees and Expenses of the Trustee

Each order for the creation of Baskets must be accompanied by a payment to the Trustee of a transaction fee per Basket of $6.50 multiplied by the number of CERFs included in the Basket Amount. For redemption orders, the redeeming Authorized Participant will authorize the Trustee to deduct from the proceeds of the redemption a transaction fee per Basket equal to $6.50 multiplied by the number of CERFs included in the Basket Amount, plus any expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees) related to the creation or surrender for redemption. The creation and redemption transaction fee per basket is subject to modification from time to time.

The Trustee will be entitled to reimburse itself from the assets of the Trusts for all expenses and disbursements incurred by it for extraordinary services it may provide to the Trusts or in connection with any discretionary action the Trustee may take to protect the Trusts or the interests of the holders to the extent not paid by the Sponsor.

6. Dissemination of Information Relating to the Shares

The Web site for the Trusts (*http://www.ishares.com*), which will be publicly accessible at no charge, will contain the following information: (a) The prior Business Day's NAV on a per Share basis and the reported closing price; (b) the mid-point of the bid-ask price [19] in relation to the NAV as of the time the NAV is calculated (the "Bid-Ask Price"); (c) calculation of the premium or discount of such price against such NAV; (d) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four previous calendar quarters; (e) the prospectus; (f) the holdings of the Trusts, including CERFs, cash and Treasury securities; (g) the Basket Amount, and (h) other applicable quantitative information. The Exchange on its Web site at *http://www.nyse.com* will include a hyperlink to the Trusts' Web site at *http://www.ishares.com.*

As described above, the NAV for the Fund will be calculated and disseminated daily. In addition, during the NYSE Arca Core Trading Session (9:30 a.m. to 4:15 p.m., New York Time) for the Trusts, one or more major market data vendors will disseminate information with respect to the Indicative Intra-day Value (as discussed below), recent NAV, and Shares outstanding on a daily basis.

The Sponsor for the Trusts (Barclays Global Investors International, Inc.) has represented to the Exchange that the Trustee for the Trusts will make the NAV per Share available to all market participants at the same time.

At present, official calculation by the Index Sponsor of the value of each GS Index is performed continuously and is updated on Reuters at least every 15 seconds during NYSE trading hours for the Shares and during business hours on each Business Day (as defined above) on which the offices of the Index Sponsor in New York City are open for business. In the event that the Exchange is open for business on a day that is not an S&P GSCI Business Day, the Exchange will not permit trading of the Shares on that day.

In addition, values updated at least every 15 seconds are disseminated on Reuters for the Total Return Indexes during Exchange trading hours. Daily settlement values for the S&P GSCI and S&P GS Indexes, Total Return Indexes and Excess Return Indexes are also widely disseminated.

If the relevant trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of the Index Sponsor, reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected; provided, that, if the price is not made available or corrected by 4 p.m. New York Time, the Index Sponsor may, if it deems that action to be appropriate under the circumstances, determine the appropriate daily contract reference price for the applicable futures contract in its reasonable judgment for purposes of the relevant calculation. If such actions by the Index Sponsor are implemented on more than a temporary basis, the Exchange will contact the Commission Staff and, as necessary, make an appropriate filing under Rule 19b–4.

Various data vendors and news publications publish futures prices and data. Futures quotes and last sale information for the commodities underlying the Index are widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, complete real-time data for such futures is available by subscription from Reuters and Bloomberg. The futures exchanges or which the underlying commodities and CERFs trade also provide delayed futures information on current and past trading sessions and market news generally free of charge on their respective Web sites. The specific contract specifications for the futures contracts are also available from the futures exchanges on their Web sites as well as other financial informational sources.

7. Indicative Intra-day Value

In order to provide updated information relating to the Trusts for use by investors, professionals, and other persons, one or more major market data vendors will disseminate an updated Indicative Intra-day Value ("IIV") on a per Share basis. The IIV will be disseminated at least every 15 seconds from 9:30 a.m. to 4:15 p.m., New York Time. The IIV will be calculated based on the cash and collateral in a Basket Amount divided by 50,000, adjusted to reflect the market value of the investments held by the applicable Investing Pool, *i.e.* CERFs. The IIV will not reflect price changes to the price of an underlying commodity between the close of trading of the futures contract at the relevant futures exchange and the close of the Core Trading Session on NYSE Arca at 4:15 p.m. New York Time. The value of a Share may accordingly be influenced by non-concurrent trading hours between NYSE Arca and the various futures exchanges on which the futures contracts based on the Index commodities are traded. The table above lists the trading hours for each of the Index commodities underlying the futures contracts.

When the market for futures trading for each of the relevant Index commodities is open, the IIV can be expected to approximate the value per Share of the Basket Amount. IIV on a per Share basis disseminated during the NYSE Arca Core Trading Session should

[19] The bid-ask price of Shares is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

not be viewed as a real time update of the NAV, which is calculated only once a day.

8. Other Characteristics of the Shares

General Information. A minimum of two Baskets, representing 100,000 Shares, will be outstanding for each Trust at the commencement of trading on the Exchange.

The trading hours for the Shares on the Exchange are the same as those set forth in NYSE Arca Equities Rule 7.34 (Opening, Core Trading, and Late Trading Sessions, 4 a.m. to 8 p.m., New York Time). The minimum trading increment for Shares on the Exchange will be $0.01.

Continued Listing Criteria. Under the applicable continued listing criteria, the Shares may be delisted as follows: (1) Following the initial twelve-month period beginning upon the commencement of trading of the Shares, there are fewer than 50 record and/or beneficial holders of the Shares for 30 or more consecutive trading days; (2) the value of the Total Return Indexes cease to be calculated by or available from a major market data vendor on at least a 15-second basis from a source unaffiliated with the Sponsor, the Trust or the Trustee; (3) the IIV ceases to be available on at least a 15-second delayed basis from a major market data vendor; or (4) such other event shall occur or condition exist that, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable. The Exchange will remove Shares from listing and trading upon termination of the Trust.

In addition, the Exchange will file a proposed change pursuant to Rule 19b–4 under the Act seeking approval to continue trading the Shares and, unless approved, the Exchange will commence delisting the Shares, if: (1) The Index Sponsor substantially changes either the applicable Index component selection methodology or the weighting methodology; (2) a new component is added to the Index (or pricing information is used for a new or existing component) that constitutes more than 10% of the weight of the Index with whose principal trading market the Exchange does not have a comprehensive surveillance sharing agreement; (3) the Manager uses a price to value the Investing Pool's long position in CERFs based on a price other than the most recently announced CME settlement price, other than on a temporary basis based on extraordinary circumstances; or (4) a successor or substitute index is used in connection with the Shares. With respect to the successor or substitute index, the Rule 19b–4 filing will address, among other things, the listing and trading characteristics of such index and the Exchange's surveillance procedures applicable thereto.

9. Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Trading in the Shares on the Exchange will occur in accordance with NYSE Arca Equities Rule 7.34(a). The Exchange has appropriate rules to facilitate transactions in the Shares during this time.

Further, NYSE Arca Equities Rules 8.203(g)–(i) sets forth certain restrictions on equity trading permit holders (''ETP Holders'') acting as registered Market Makers in Commodity Index Trust Shares to facilitate surveillance. NYSE Arca Equities Rule 8.203(h) requires that the ETP Holder acting as a registered Market Maker in the Shares provide the Exchange with information relating to its trading in the applicable physical commodities included in, or options, futures or options on futures on, the applicable Index or any other derivatives based on the Index. NYSE Arca Equities Rule 8.203(i) prohibits the ETP Holder acting as a registered Market Maker in the Shares from using any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in the applicable physical commodities included in, or options, futures or options on futures on, the Index or any other derivatives based on the Index (including the Shares). In addition, as stated above, NYSE Arca Equities Rule 8.203(g) prohibits the ETP Holder acting as a registered Market Maker in the Shares from being affiliated with a market maker in the applicable physical commodities included in, or options, futures or options on futures on, the Index or any other derivatives based on the Index unless adequate information barriers are in place, as provided in NYSE Arca Equities Rule 7.26.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading on the Exchange in the Shares may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in CERFs or the futures contracts included in the applicable Index or Indexes; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's ''circuit breaker'' rule.[20] If the value of the Total Return Index associated with a Trust's Shares or the applicable IIV is not being disseminated on at least a 15 second basis during the hours the Shares trade on the Exchange, the Exchange may halt trading during the day in which the interruption to the dissemination of the IIV or the Index value occurs. If the interruption to the dissemination of the IIV or the Index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. Additionally, if the Exchange becomes aware that the NAV is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and any person or entity controlling an ETP Holder. The Exchange also has regulatory jurisdiction over a subsidiary or affiliate of an ETP Holder that is in the securities business. A subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts would not be subject to Exchange jurisdiction, but the Exchange could obtain certain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations of which such subsidiary or affiliate is a member.

10. Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules.

The Exchange's current trading surveillances focus on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations. The Exchange is able to obtain information regarding trading in the Shares, the physical commodities

[20] *See* NYSE ARCA Equities Rule 7.12.

included in, or options, futures or options on futures on, an index underlying an issue of Commodity Index Trust Shares or any other derivatives based on such index, through ETP Holders, in connection with such ETP Holders' proprietary or customer trades which they effect on any relevant market. With regard to the Index components, the Exchange can obtain market surveillance information, including customer identity information, with respect to transactions occurring on the NYM, the Kansas City Board of Trade, ICE and the LME, pursuant to its comprehensive information sharing agreements with each of those exchanges. All of the other trading venues on which current Index components are traded are members of the Intermarket Surveillance Group (''ISG'') and the Exchange therefore has access to all relevant trading information with respect to those contracts without any further action being required on the part of the Exchange. A list of ISG members and affiliate members is available at *http://www.isgportal.com.*

In addition, the Exchange will file a proposed change pursuant to Rule 19b–4 under the Act seeking approval to continue trading the Shares if the Index Sponsor adds a new component to an Index (or pricing information is used for a new or existing component) that constitutes more than 10% of the weight of the Index where the principal trading market for such component is not a member or affiliate of ISG or where the Exchange does not have a comprehensive surveillance sharing agreement with such market.

11. Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares, including risks inherent with trading the Shares during the Opening and Late Trading Sessions when the updated IIV is not calculated and disseminated and suitability recommendation requirements.

Specifically, the Information Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Baskets; (2) NYSE Arca Equities Rule 9.2(a),[21] which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) how information regarding the IIV is disseminated; (4) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (5) trading information. For example, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Trusts. The Exchange notes that investors purchasing Shares directly from the Trusts (by delivery of the Basket Amount) will receive a prospectus. ETP Holders purchasing Shares from the Trusts for resale to investors will deliver a prospectus to such investors.

In addition, the Information Bulletin will reference that the Trusts are subject to various fees and expenses described in the Registration Statements. The Information Bulletin will also reference the fact that there is no regulated source of last sale information regarding physical commodities, that the Commission has no jurisdiction over the trading of physical commodities or the futures contracts on which the value of the Shares is based.

12. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under section 6(b)(5)[22] that an Exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve such proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

The Commission is considering granting accelerated approval of the proposed rule change at the end of a 15-day comment period.[23]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–NYSEArca–2007–91 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSEArca–2007–91. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/*

[21] NYSE Arca Equities Rule 9.2(a) (''Diligence as to Accounts'') provides that ETP Holders, before recommending a transaction, must have reasonable grounds to believe that the recommendation is suitable for the customer based on any facts disclosed by the customer as to his other security holdings and as to his financial situation and needs. Further, the rule provides, with a limited exception, that prior to the execution of a transaction recommended to a non-institutional customer, the ETP Holders shall make reasonable efforts to obtain information concerning the customer's financial status, tax status, investment objectives, and any other information that they believe would be useful to make a recommendation. *See* Securities Exchange Act Release No. 54026 (June 21, 2006), 71 FR 36850 (June 28, 2006) (SR–PCX–2005–115).

[22] 15 U.S.C. 78f(b)(5).

[23] NYSE Arca requested accelerated approval of this proposed rule change prior to the 30th day after the date of publication of the notice of the filing thereof.

rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEArca–2007–91 and should be submitted on or before March 6, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8–3042 Filed 2–19–08; 8:45 am]

BILLING CODE 8011–01–P

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57320; File No. SR–NYSEArca–2008–15]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Continue To List and Trade the Shares of the iShares MSCI Mexico Index Fund

February 13, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 28, 2008, NYSE Arca, Inc. (''NYSE Arca'' or ''Exchange''), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (''NYSE Arca Equities''), filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. NYSE Arca filed the proposal pursuant to Section 19(b)(3)(A) of the Act[3] and Rule 19b–4(f)(6) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to continue to list and trade the shares (''Shares'') of the iShares MSCI Mexico Index Fund (''Fund''). The Fund seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the aggregate in the Mexican market, as represented by the MSCI Mexico Investable Market Index (''Index''). The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and www.nyse.com.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to continue to list and trade the Shares of the Fund under NYSE Arca Equities Rule 5.2(j)(3), the Exchange's listing standards for Investment Company Units (''ICUs'').[5] Although the Shares are currently listed and traded on NYSE Arca, the Exchange submits this proposed rule change because, as a result of revisions to the methodology for calculating the Index that were implemented on December 1, 2007, the Shares no longer satisfy all of the ''generic'' listing requirements of Commentary .01(a)(B) to NYSE Arca Equities Rule 5.2(j)(3) applicable to ICUs based on an international or global index or portfolio.[6]

Specifically, the revised Index fails to satisfy the provisions of Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3), which requires that: (1) The most heavily weighted component shall not exceed 25% of the weight of the Index; and (2) the five most heavily weighted component stocks shall not exceed 60% of the weight of the Index.[7] The Exchange represents that, except for Commentary .01(a)(B)(3) to NYSE Arca Equities Rule 5.2(j)(3), the Shares currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(3), and the continued listing standards under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2) applicable to ICUs continue to apply to the Shares. The Exchange further represents that iShares, Inc. is required to comply with Rule 10A–3 under the Act[8] for the initial and continued listing of the Shares.

Detailed descriptions of the Fund, Index (including the methodology used to determine the composition of the Index), procedures and payment requirements for creating and redeeming Shares, transaction fees and expenses, dividends, distributions, taxes, and reports to be distributed to beneficial owners of the Shares can be found in the Registration Statement[9] or on the Internet Web site for the Fund (http://www.iShares.com), as applicable.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(6).

[5] ICUs are securities that represent an interest in a registered investment company or similar entity that (1) holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities, or (2) holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities. *See* NYSE Arca Equities Rule 5.2(j)(3)(A)(i).

[6] The generic listing requirements under NYSE Arca Equities Rule 5.2(j)(3) permit the listing and trading of ICUs pursuant to Rule 19b–4(e) under the Act (17 CFR 240.19b–4(e)). Rule 19b–4(e) provides that the listing and trading of a new derivative securities product by a self-regulatory organization (''SRO'') shall not be deemed a proposed rule change, pursuant to Rule 19b–4(c)(1), if the Commission has approved, pursuant to Section 19(b) of the Act, the SRO's trading rules, procedures, and listing standards for the product class that would include the new derivatives securities product, and the SRO has a surveillance program for the product class.

[7] The Exchange represents that, as of December 3, 2007, the most heavily weighted component of the Index represented 32.2% of the Index weight, and the five most heavily weighted component stocks represented 65.2% of the Index weight.

[8] 17 CFR 240.10A–3.

[9] *See* Registration Statement on Form N–1A (Post-Effective Amendment) filed by iShares, Inc. with the Commission on December 28, 2007 (File Nos. 033–97598 and 811–09102) (''Registration Statement'').