



"Bringing Exchange Traded Commodities to the World's Stock Exchanges"

ETFs Commodity Securities Limited

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 90959)

Prospectus for the issue of

ETFs Classic Commodity Securities

and

ETFs Forward Commodity Securities

comprising:

Classic Individual Securities	LSE code	Forward Individual Securities	LSE code
ETFs Aluminium	ALUM	ETFs Forward Aluminium	ALFO
ETFs Cocoa	COCO	ETFs Forward Coffee	FOCO
ETFs Coffee	COFF	ETFs Forward Copper	FCOP
ETFs Copper	COPA	ETFs Forward Corn	CORF
ETFs Corn	CORN	ETFs Forward Cotton	FCOT
ETFs Cotton	COTN	ETFs Forward Crude Oil	FCRU
ETFs Crude Oil	CRUD	ETFs Forward Gasoline	UGAF
ETFs Gasoline	UGAS	ETFs Forward Gold	GOLF
ETFs Gold	BULL	ETFs Forward Heating Oil	HEAF
ETFs Heating Oil	HEAT	ETFs Forward Lean Hogs	HOGF
ETFs Lead	LEED	ETFs Forward Live Cattle	CATF
ETFs Lean Hogs	HOGS	ETFs Forward Natural Gas	NGAF
ETFs Live Cattle	CATL	ETFs Forward Nickel	NICF
ETFs Natural Gas	NGAS	ETFs Forward Silver	FSIL
ETFs Nickel	NICK	ETFs Forward Soybean Oil	SYOF
ETFs Platinum	PLTM	ETFs Forward Soybeans	SYBF
ETFs Silver	SLVR	ETFs Forward Sugar	SUGF
ETFs Soybean Oil	SOYO	ETFs Forward Wheat	WEAF
ETFs Soybeans	SOYB	ETFs Forward Zinc	ZINF
ETFs Sugar	SUGA		
ETFs Tin	TINM		
ETFs Wheat	WEAT		
ETFs Zinc	ZINC		
Classic Index Securities		Forward Index Securities	
ETFs All Commodities DJ-AIGCI SM	AIGC	ETFs Forward All Commodities DJ-AIGCI-F3 SM	FAIG
ETFs Energy DJ-AIGCI SM	AIGE	ETFs Forward Energy DJ-AIGCI-F3 SM	ENEF
ETFs Petroleum DJ-AIGCI SM	AIGO	ETFs Forward Petroleum DJ-AIGCI-F3 SM	FPET
ETFs Ex-Energy DJ-AIGCI SM	AIGX	ETFs Forward Ex-Energy DJ-AIGCI-F3 SM	EXEF
ETFs Precious Metals DJ-AIGCI SM	AIGP	ETFs Forward Precious Metals DJ-AIGCI-F3 SM	FPRE
ETFs Industrial Metals DJ-AIGCI SM	AIGI	ETFs Forward Industrial Metals DJ-AIGCI-F3 SM	FIND
ETFs Agriculture DJ-AIGCI SM	AIGA	ETFs Forward Agriculture DJ-AIGCI-F3 SM	FAGR
ETFs Softs DJ-AIGCI SM	AIGS	ETFs Forward Softs DJ-AIGCI-F3 SM	SOFF
ETFs Livestock DJ-AIGCI SM	AIGL	ETFs Forward Livestock DJ-AIGCI-F3 SM	FLIV
ETFs Grains DJ-AIGCI SM	AIGG	ETFs Forward Grains DJ-AIGCI-F3 SM	GRAF

Any prospective investor intending to acquire or acquiring any Commodity Securities from any Authorised Participant or other person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 ("FSMA"), the Issuer may be responsible to the prospective investor for the Prospectus under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the prospective investor. Each prospective investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not so authorised by the Issuer, the prospective investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the prospective investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

A prospective investor intending to acquire or acquiring any Commodity Securities from an Offeror will do so, and offers and sales of the Commodity Securities to a prospective investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such prospective investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with prospective investors (other than with Authorised Participants) in connection with the offer or sale of the Commodity Securities and, accordingly, this Prospectus does not and any Pricing Supplement will not contain such information and any prospective investor must obtain such information from the Offeror.

The Issuer is issuing sixty-two separate types of Commodity Security, being forty-two classes of Individual Securities and twenty categories of Index Securities. The Individual Securities track the price of an individual commodity (such as aluminium) and Index Securities track the price of baskets of commodities (such as "All Commodities" or "Energy"). All Commodity Securities provide a total return comprising a commodity "excess return" (spot price and roll yield) and a collateral return.

The Issuer has also made available 66 separate classes of debt security being 33 classes of Short Commodity Securities and 33 classes of Leveraged Commodity Securities, as described in a separate base prospectus of the Issuer dated 14 February 2008.

Holders of Commodity Securities will earn a total return comprising an excess return and a collateral return. The excess return for all Commodity Securities will be based on Individual Commodity Indices calculated by AIG Financial Products Corp. ("AIG-FP") in conjunction with Dow Jones and published by Dow Jones. Inputs to these indices are used to construct the Dow Jones — AIG Commodity IndexSM ("DJ-AIGCISM") and the Dow Jones — AIG Commodity Index 3 Month ForwardSM ("DJ-AIGCI-F3SM"), widely followed indices designed to be liquid and diversified benchmarks for commodities investments. The DJ-AIGCISM and various sub-indices have been published since July 1998 and the Individual Commodity Indices have been published since April 2006. All simulated historical data for the DJ-AIGCISM has been calculated back to 1991. The DJ-AIGCI-F3SM has been published since July 2006, with historical data calculated back to 1991. The collateral return for Commodity Securities will accrue daily as a capital adjustment which is capitalised into the Price of each relevant Commodity Security, and the rates applicable to each of the Commodity Securities will be announced weekly in advance by the Issuer.

Each Commodity Security is backed by equivalent Commodity Contracts created under a Facility Agreement between a Commodity Contract Counterparty and the Issuer, initially being a Facility Agreement between AIG-FP and the Issuer. The payment obligations of AIG-FP under its Commodity Contracts are guaranteed to the Issuer by American International Group, Inc. ("AIG"). AIG will not guarantee the obligations of any other Commodity Contract Counterparty. All Commodity Contracts are paid for in full by the Issuer and there is no management of any cash or futures positions required of the Issuer. The Issuer is a special purpose entity owned and administered by ETF Securities Limited.

In order to provide liquidity and ensure minimal tracking error, Commodity Securities can be applied for or redeemed at any time by Authorised Participants (subject to Minimum Creation Amounts and Creation and Redemption Limits). However all other investors must buy and sell Commodity Securities through trading on the London Stock Exchange (or other exchanges if Commodity Securities are listed or traded thereon).

Programme for the issue of ETFs Commodity Securities

Terms used in this Prospectus have the meanings given to them under the heading “Definitions and Interpretation — Definitions”.

ETFs Commodity Securities Limited (the “**Issuer**”) has established a programme under which Commodity Securities (either Individual Securities or Index Securities) and Micro Securities may be issued from time to time. The Issuer reserves the right to increase the number of Commodity Securities that may be issued, and to issue Commodity Securities as Index Securities or as Individual Securities, in any proportions. The Issuer has arrangements in place to enable it to issue new Commodity Securities provided that (i) the aggregate Price of all Micro and Commodity Securities outstanding at that time, following the issue of new Commodity Securities, is not greater than US\$6 billion (US\$6,000,000,000) (this amount may be increased by agreement between the Issuer and AIG-FP) and (ii) in respect of Forward Commodity Securities only, the aggregate Price of all Forward Micro and Commodity Securities outstanding at that time, following the issue of new Forward Commodity Securities, is not greater than US\$2 billion (US\$2,000,000,000) (this amount may be increased by agreement between the Issuer and AIG-FP). Whenever any Micro or Commodity Securities are issued, notice of the number and type of such Micro and Commodity Securities will be specified in a Pricing Supplement which will be delivered to the UK Listing Authority before such Commodity Securities are issued.

Commodity Securities will be issued in the form of Individual Securities and Index Securities. Each Individual Security of a particular class is redeemable for an amount calculated by reference to one million Micro Securities of that class and may (when in Certificated Form) be surrendered in exchange for such Micro Securities in accordance with the Trust Instrument and the Conditions. Each Index Security of a particular category is redeemable for an amount calculated by reference to a defined number of Micro Securities of different classes (subject to adjustment on Rebalancing), and may (when in Certificated Form) be surrendered in exchange for such Micro Securities in accordance with the Trust Instrument and the Conditions. The term “**Micro and Commodity Securities**” means Micro Securities, Individual Securities and Index Securities.

As well as the Classic and Forward Commodity Securities, the Issuer currently issues Short Commodity Securities and Leveraged Commodity Securities as described in a separate base prospectus dated 14 February 2008.

The Micro Securities and the Commodity Securities are constituted by a Trust Instrument (as amended) entered into between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the Security Holders of each type.

Micro and Commodity Securities are debt securities which have no specified maturity date and do not bear interest. Micro and Commodity Securities confer a right to be paid an amount on redemption which is calculated by reference to Individual Commodity Indices calculated by AIG-FP in conjunction with Dow Jones and published by Dow Jones. The Individual Commodity Indices are excess return indices (as more fully described herein). The amount payable on redemption is also based on a Multiplier, which is adjusted daily reflecting the effect of a capital enhancement calculated by reference to a capital adjustment, which is a rate agreed from time to time by AIG-FP (and any other Commodity Contract Counterparty) and the Issuer and announced by the Issuer and includes the Management Fee (which is currently 0.49 per cent. per annum in respect of the Classic Securities and 0.49 per cent. per annum in respect of the Forward Securities) and the Licence Allowance (which is currently 0.05 per cent. per annum in respect of the Classic Securities and 0.05 per cent. per annum in respect of the Forward Securities). Consequently Micro and Commodity Securities are total return securities (as more fully described herein).

None of the Micro Securities, Individual Securities or Index Securities confer any rights to any physical commodities.

For all Micro or Commodity Securities which are issued, the Issuer will create equivalent Commodity Contracts pursuant to a Facility Agreement with a Commodity Contract Counterparty, under which the Commodity Contract Counterparty undertakes an equivalent liability to the Issuer which exactly matches the liability which the Issuer has to Security Holders upon redemption of Micro or Commodity

Securities. Whenever Micro and Commodity Securities are redeemed, equivalent Commodity Contracts with the Commodity Contract Counterparty will be terminated. By this means, the Issuer will seek to assure itself of having funds available to meet liabilities to Security Holders upon redemption. The Issuer currently only has a Facility Agreement with AIG-FP. The Issuer will not operate any risk-spreading policies, but may enter into Facility Agreements with other Commodity Contract Counterparties. The payment obligations of AIG-FP (but not of any other Commodity Contract Counterparty) are guaranteed to the Issuer by AIG in the AIG Guarantee.

Whenever Micro or Commodity Securities are issued or redeemed, payments for issues and redemptions are made directly between the Authorised Participant which applied for or redeemed the security, and a Commodity Contract Counterparty. The Issuer does not hold or receive any such payments.

The only assets available to the Issuer to enable it to meet its liabilities to Security Holders upon redemption of Micro and Commodity Securities are the Facility Agreement and Commodity Contracts with AIG-FP, and the AIG Guarantee (together, if there are any other Commodity Contract Counterparties, with any Facility Agreements and Commodity Contracts with such other Commodity Contract Counterparties and any related credit support).

Although Micro and Commodity Securities are backed by the assets referred to above, Micro and Commodity Securities themselves are limited recourse obligations of the Issuer alone and are not obligations of Dow Jones, AIG-FP, AIG or any member of the AIG Group. The obligations of the Issuer to Security Holders are not guaranteed by Dow Jones, AIG-FP or AIG or any member of the AIG Group.

The assets of the Issuer relating to each separate class of Micro Securities and Individual Securities (and Index Securities to the extent they comprise Micro Securities of that class) are pooled, so that all assets relating to a particular class of Micro Securities and Individual Securities (and each category of Index Securities to the extent they comprise Micro Securities of that class) are available to secure all liabilities relating to that class. A separate Security Deed applies to each Pool. If the net proceeds from the enforcement of the relevant Secured Property for a Pool are not sufficient to make all payments then due in respect of that Pool, the obligations of the Issuer will be limited to such net proceeds, and the other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any payment in excess of such net proceeds and no debt shall be owed by the Issuer in respect of such shortfall.

Under Security Deeds between the Trustee and the Issuer with respect to each Pool, the Issuer has granted to the Trustee, as trustee for the holders of each relevant type of Micro and Commodity Securities, security over all the assets attributable to the relevant Pool including rights under the Facility Agreement, all Commodity Contracts for the relevant class created pursuant to the Facility Agreement, and the rights of the Issuer under the AIG Guarantee in respect of those Commodity Contracts.

A copy of this document, which comprises a base prospectus relating to the Micro Securities of each class, the Individual Securities of each class and the Index Securities of each category in compliance with Article 3 of Directive 2003/71/EC and the Prospectus Rules made under sections 73A and 84 of the Financial Services and Markets Act 2000, has been filed with the FSA and made available to the public at the Registered Office of the Issuer in accordance with Article 14 of Directive 2003/71/EC. Micro and Commodity Securities will be available to be issued on a continuing basis during the period of 12 months from the date of this document.

Application has been made to the UK Listing Authority for all Micro and Commodity Securities issued within 12 months of the date of this document to be admitted to the Official List and to the London Stock Exchange, which operates a Regulated Market, for all such Micro and Commodity Securities to be admitted to trading on the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List).

Certain of the Micro and Commodity Securities are also listed or traded on certain other markets — see “Passporting” in Part 5 (*The Programme*).

Applications for new Commodity Securities may only be made by Authorised Participants. Micro and Commodity Securities may only be redeemed by Authorised Participants, except where there are no Authorised Participants. All other investors must buy and sell Micro and Commodity Securities on the

London Stock Exchange. The procedures for applying for and redeeming Commodity Securities and for redeeming Micro Securities are set out in this document.

An investment in Micro and Commodity Securities involves a significant degree of risk. In addition to the other information contained in this document the risk factors set out in the section headed “Risk Factors” herein should be carefully considered by prospective investors before deciding whether to invest in Micro and Commodity Securities. While the Issuer believes that the risk factors described in the section headed “Risk Factors” are the material risk factors applicable to the Programme, none of the Issuer, the Authorised Participants, AIG-FP, AIG or Dow Jones represents that such statements of the risks of holding Micro and Commodity Securities are exhaustive. It should be remembered that the value of Micro and Commodity Securities can go down as well as up.

Micro and Commodity Securities are intended for professional or institutional investors only. Micro and Commodity Securities are not intended for anyone else.

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the first paragraph on the first page of this Prospectus.

“Dow Jones”, “AIG”, “Dow Jones — AIG Commodity IndexSM”, “DJ-AIGCISM”, “Dow Jones — AIG Commodity Index 3 Month ForwardSM” and “DJ-AIGCI-F3SM” are service marks of Dow Jones and AIG or AIG-FP, as the case may be, and have been licensed for use for certain purposes by the Issuer. The Issuer’s Micro and Commodity Securities based on the DJ-AIGCISM are not sponsored, endorsed, sold or promoted by Dow Jones, AIG-FP, AIG, or any of their respective subsidiaries or affiliates, and none of Dow Jones, AIG-FP, AIG, or any of their respective subsidiaries or affiliates, makes any representation regarding the advisability of investing in such product(s).

The Issuer has been granted a licence by Dow Jones and AIG-FP to price Micro and Commodity Securities based on various commodity indices calculated by AIG-FP in conjunction with Dow Jones and published by Dow Jones. All references to indices calculated or published by Dow Jones and/or AIG-FP, and in particular the Individual Commodity Indices, are used with the permission of Dow Jones and AIG-FP.

None of Dow Jones, AIG-FP and AIG has separately verified the information contained or incorporated by reference in this Prospectus. No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted by Dow Jones or AIG-FP or AIG as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with Micro and Commodity Securities or their distribution. Each person applying for Commodity Securities in accordance with this Prospectus acknowledges that (i) such person has not relied on Dow Jones or AIG-FP or AIG, nor on any person affiliated with any of them in connection with its investment decision or its investigation of the accuracy of the information contained herein; (ii) Micro and Commodity Securities are direct, limited recourse obligations of the Issuer alone and not obligations of Dow Jones, AIG-FP, AIG or any member of the AIG Group; and (iii) the obligations of the Issuer to Security Holders under the Micro and Commodity Securities are not guaranteed by Dow Jones, AIG-FP, AIG or any other member of the AIG Group. None of the Issuer, the Trustee, the Authorised Participants and the Security Holders are, by virtue of any activities of Dow Jones or any member of the AIG Group in connection with Commodity Contracts, clients or customers of Dow Jones or any member of the AIG Group for the purpose of the FSA Handbook.

Since the Micro and Commodity Securities are secured on assets which constitute obligations of five or fewer obligors, the Issuer is required under the Prospectus Rules to include in this Prospectus so far as it is aware or is able to ascertain from information published by AIG-FP or AIG, such information relating to AIG-FP and AIG as is required by Annex VIII of the Prospectus Regulation (Regulation Number 809/2004/EC). The Issuer has included the information in Part 10 (*Particulars of AIG-FP and AIG*) based upon information made available to it by AIG-FP. The Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by AIG-FP or AIG (as the case may be), no facts have been omitted which would

render the reproduced information inaccurate or misleading. The Issuer has not made any independent verification of information contained in this Prospectus relating to the business and financial standing of AIG-FP, AIG or any other member of the AIG Group. Save to the extent information is provided to the Issuer by AIG-FP or AIG, the Issuer may not be in a position to update such information and accordingly does not represent that the information contained in this Prospectus relating to AIG-FP and AIG is accurate as of any date subsequent to the date hereof. Neither AIG-FP nor AIG accepts any responsibility or liability to investors (a) for the information contained in this Prospectus or (b) for updating such information or makes any representation, warranty or undertaking, express or implied, with respect to such information.

The arrangements entered into by AIG-FP and AIG with the Issuer in relation to the Commodity Contracts do not preclude or restrict the ability of AIG-FP, AIG or any member of the AIG Group from entering into any contracts or entering into any transactions with the Issuer, any Authorised Participant or any other person in the ordinary course of its business or otherwise. In addition, members of the AIG Group trade in commodity markets and may do so whether or not such trading could have an adverse effect on the Price, or the market price, of Micro and Commodity Securities.

The Authorised Participants have not separately verified the information contained or incorporated by reference in this Prospectus. None of the Authorised Participants makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or to the suitability of Micro and Commodity Securities for any investor. Neither this Prospectus nor any financial statements or any other information is intended to provide the basis of any credit or other evaluation of the Issuer or AIG-FP or AIG. None of the Authorised Participants undertakes to review the financial condition or affairs of the Issuer during the life of the Programme nor to advise any investor or potential investor in Micro and Commodity Securities of any information coming to the attention of any of the Authorised Participants.

Neither this Prospectus nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase Micro and Commodity Securities and should not be considered as a recommendation by the Issuer, the Authorised Participants, Dow Jones, AIG-FP or AIG or any of them that any recipient of this Prospectus or any Pricing Supplement should subscribe for or purchase Micro and Commodity Securities. Each person contemplating making an investment in Micro and Commodity Securities must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in Micro and Commodity Securities should consult its independent professional advisers.

The distribution of the Prospectus and the offering, sale and delivery of Micro and Commodity Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Micro and Commodity Securities and on the distribution of this Prospectus, see paragraphs 3 and 16 of Part 11 (*Additional Information*) and the section headed "Commodity Securities not to be Offered to the Public in France" in Part 5 (*The Programme*).

Micro and Commodity Securities have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**"), or under the securities laws of any states of the United States. Micro and Commodity Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States or to any US person (as defined in Regulation S under the Securities Act) (a "**US Person**"). The Issuer has not registered, and does not intend to register, as an investment company under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Accordingly, Micro and Commodity Securities may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit, of any US Person. Micro and Commodity Securities offered and sold outside the United States may be offered to persons who are not US Persons in reliance upon Regulation S under the Securities Act. Each of the Authorised Participants has, pursuant to its Authorised Participant Agreement with the Issuer, undertaken not to offer or sell the Micro and Commodity Securities within the United States or to any US Person, nor will it engage in any "directed selling efforts" (as such term is defined by Regulation S under the Securities Act) with respect to the Micro and Commodity Securities.

Prohibited US Persons and Prohibited Benefit Plan Investors who notwithstanding the foregoing acquire Micro and Commodity Securities should note the provisions in the Conditions under the heading "Compulsory Redemption by the Issuer or the Trustee" (Condition 9) in Part 6 (*Trust Instrument and Commodity Securities*).

A copy of this document has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to the circulation of this document. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order, 1958, to the Issuer to issue from time to time the Micro and Commodity Securities. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

Nothing in this document or anything communicated to holders or potential holders of Micro and Commodity Securities or other obligations by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for Micro and Commodity Securities or the exercise of any rights attached thereto for the purposes of the Jersey Financial Services (Jersey) Law 1998, as amended.

If at any time the Issuer is required to prepare a supplementary prospectus pursuant to Section 87G of the Financial Services and Markets Act 2000, the Issuer will either prepare and make available an appropriate amendment or supplement to this document which will constitute a supplementary prospectus as required by Section 87G of the Financial Services and Markets Act 2000 or prepare and make available a further base prospectus in compliance with Article 3 of Directive 2003/71/EC and the Prospectus Rules made under sections 73A and 84 of the Financial Services and Markets Act 2000. Subject to the terms of the Micro and Commodity Securities, the Issuer may issue other securities which if offered to the public, or admitted to trading on any market, in any jurisdiction may be the subject of a separate prospectus or listing particulars or other offering document.

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ETFS Commodity Securities Limited

Programme for the Issue of

Classic and Forward Commodity Securities

Prospectus Summary

SUMMARY

*This summary, which relates to the base prospectus (the “**Prospectus**”) of ETFS Commodity Securities Limited dated 15 September 2008, is written in generalised terms and does not discuss various exceptions to the general statements which are mentioned elsewhere in the Prospectus. This summary should be read as an introduction to the Prospectus and any decision to invest in Micro or Commodity Securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for the summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.*

ETFS Commodity Securities Limited (the “**Issuer**”) has established a programme under which Micro and Commodity Securities may be issued from time to time. Commodity Securities have been designed to enable investors to gain exposure to a total return from an investment in individual commodities (through Individual Securities) or baskets of commodities (through Index Securities) similar to the returns which could be achieved from a fully paid/collateralised investment in futures contracts. However, no trading or management of futures contracts is required of the Issuer, as it will purchase matching Commodity Contracts from AIG Financial Products Corp. (“**AIG-FP**”) or, in certain circumstances, any other Commodity Contract Counterparty. Investors can buy and sell securities through trading on the London Stock Exchange.

Dow Jones — AIG Commodity Indices and Sub-Indices

All Commodity Securities will be priced off Individual Commodity Indices published by Dow Jones & Company, Inc. (“**Dow Jones**”). These Indices are constructed and published pursuant to a joint arrangement between AIG-FP, a wholly owned subsidiary of American International Group, Inc. (“**AIG**”) and Dow Jones. The methodology used to calculate these indices is set out in the DJ-AIGCISM Handbook.

Each Individual Commodity Index tracks a designated futures contract and each Individual Commodity Index is designed to reflect two components:

- The current market price (or “spot” price) of the commodity determined from Settlement Prices on a futures exchange which trades that commodity; and
- The effect of backwardation or contango in that futures market (if the market is in backwardation, the index may tend to rise over time as lower futures prices converge to higher spot prices; if it is in contango the index may tend to fall over time, as higher futures prices converge to lower spot prices).

Dow Jones also publishes indices of all the commodities included in the Dow Jones — AIG Commodity IndexSM (“**DJ-AIGCISM**”), including the DJ-AIGCISM and the Dow Jones — AIG Commodity Index 3 Month ForwardSM (“**DJ-AIGCI-F3SM**”) and, together with the DJ-AIGCISM, the “**DJ-AIG Commodity Indices**”) and a number of sub-indices thereof and Individual Commodity Indices in respect of Cocoa, Lead, Platinum and Tin. All are constructed using the same inputs as the relevant Individual Commodity Indices. The weighting to be given to each commodity in the DJ-AIG Commodity Indices is determined and adjusted annually and the weightings for the sub-indices are adjusted accordingly.

The Issuer may, with AIG-FP’s agreement, use a different forward commodity index to Price the Forward Securities.

Commodity Securities Generally

Commodity Securities are financial instruments designed to track the price of commodity futures and give investors an exposure similar to that which could be achieved by managing a long fully cash-collateralised unleveraged position in futures contracts of specific maturities, less applicable fees. However, unlike managing a futures position, Commodity Securities involve no need to roll from one futures contract to another, no margin calls, and no other brokerage or other costs in holding or rolling futures contracts (although Security Holders incur other costs in holding Commodity Securities).

Commodity Securities provide investors with a “total return”, comprising a commodity “excess return” (spot price movement plus the roll yield from backwardation and/or contango in the relevant futures market when rolling) plus a collateral return in the form of capital enhancement.

There are two types of Commodity Securities to be issued: Individual Securities, which are based on the value of a single commodity futures contract; and Index Securities, which are based on the value of a basket of commodities futures contracts.

Individual Securities

Forty-two classes of Individual Securities will be issued, corresponding to the nineteen different commodities presently represented in the DJ-AIGCISM and the DJ-AIGCI-F3SM and the Cocoa, Lead, Platinum and Tin Individual Commodity Indices.

The Price for each class of Individual Securities will be calculated in US Dollars and will be:

$$\text{Price} = \text{Individual Commodity Index} \times \text{Multiplier} \times \text{Pool Factor} / 10$$

The Multiplier is a factor used to include in the Price the benefit from the capital enhancement component, and to reflect the Management Fee and Licence Allowance. The Pool Factor is a number that will always be 1 unless the relevant Micro or Commodity Securities are divided.

Index Securities

Twenty categories of Index Securities will be issued, corresponding to the overall index and the nine sub-indices presently represented in the DJ-AIG Commodity Indices.

Each Index Security is priced by reference to Micro Securities. The Price for each Index Security is equal to, respectively, the sum of the value of the Micro Securities or the Forward Micro Securities, comprised therein, determined in the same manner as Individual Securities.

Micro Securities

A single Commodity Contract is equivalent in Price to a single Micro Security and when an Individual Security or an Index Security is issued, a number of Commodity Contracts equivalent in the aggregate to that Individual Security or Index Security is created. A Commodity Security may (when in Certificated Form) be surrendered in exchange for the Micro Securities by reference to which the amount payable on Redemption of the Commodity Security is calculated. Micro Securities may be redeemed by Authorised Participants in the same manner as Commodity Securities. Micro Securities may (when in Certificated Form) also be surrendered in exchange for Individual Securities or Index Securities.

Calculation of Prices

The Price for each type of Micro and Commodity Security applies to both issues and redemptions of Micro and Commodity Securities — there is no spread between the issue and redemption prices.

The Multipliers for each class of Individual Security are adjusted daily based on the Capital Adjustment applicable to that class of Individual Security.

The Price for each class of Individual Security and the Price for each category of Index Security will be calculated as at the end of each Pricing Day and posted on the Issuer’s website at <http://www.etfsecurities.com/csl>.

If the Price of a Micro or Commodity Security falls below 2.5 times its Principal Amount and the Issuer has not obtained the sanction of Security Holders of the relevant type to reduce the Principal Amount by Extraordinary Resolution, the relevant Micro or Commodity Security could be Compulsorily Redeemed.

Trading of Commodity Securities

All Micro and Commodity Securities are fully transferable. All Micro and Commodity Securities in issue at the date of this document are admitted to trading on the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List) and it is the Issuer's intention that all Commodity Securities issued after the date of this document be so admitted to trading.

Certain of the Commodity Securities have been admitted to listing on Euronext Amsterdam; on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); on Euronext Paris SA; and on the ETFplus market of the Borsa Italiana.

Application has been made to the UK Listing Authority for all Micro and Commodity Securities issued within 12 months of the date of this document to be admitted to the Official List, and to the London Stock Exchange for all such Micro and Commodity Securities to be admitted to trading on the Main Market of the London Stock Exchange.

No application has been or is currently being made for the New Securities or the New Micro Securities to be admitted to listing or trading on any exchange or market outside the UK but the Issuer may cause such application to be made in respect of any or all classes of Commodity Securities on any such exchanges or markets in its discretion.

Although the Issuer intends to have all Micro Securities admitted to trading on the Main Market of the London Stock Exchange (and all the Micro Securities other than the New Micro Securities are already so admitted), the Issuer does not anticipate that an active secondary market will develop therein.

Commodity Contracts

Commodity Securities are backed by Commodity Contracts with terms corresponding to the terms of Commodity Securities. Each time Commodity Securities are issued or redeemed, matching Commodity Contracts between the Issuer and a Commodity Contract Counterparty will be created or terminated by the Issuer.

The Issuer has entered into a Facility Agreement with AIG-FP enabling the Issuer to continuously create and terminate Commodity Contracts. The Facility Agreement has a minimum term of five and a half years (from September 2006), which may be extended.

The payment obligations of AIG-FP to the Issuer under the Facility Agreement and the Commodity Contracts are guaranteed by AIG. AIG is a U.S. corporation whose shares are listed on the New York Stock Exchange.

The Issuer is a special purpose company whose only assets will be the Commodity Contracts and related contractual rights (including the rights under the AIG Guarantee), and so the ability of the Issuer to meet its obligations under Commodity Securities will be dependent on its receipt of payments under Commodity Contracts from AIG-FP or from AIG under the AIG Guarantee. The Issuer has also issued and made available for issue Short and Leveraged Commodity Securities, secured as described in the prospectus of the Issuer dated 14 February 2008. Neither Commodity Securities nor any payments in respect thereof are guaranteed by AIG-FP or AIG.

The Issuer may, but is not required to, enter into other Facility Agreements with other Commodity Contract Counterparties, although under the Facility Agreement with AIG-FP it is only able to create Commodity Contracts with other Commodity Contract Counterparties in the circumstances specified in that Facility Agreement. **The obligations of any other such Commodity Contract Counterparty will not be guaranteed by AIG under the AIG Guarantee.** It is not the Issuer's intention to enter into other Facility Agreements for the purposes of spreading counterparty risk.

The Issuer will hold separate pools of assets for each class of Micro Security and Individual Security so that holders of a particular class of Micro Security and Individual Security (and of a category of Index Security to the extent that the amount payable on Redemption thereof is calculated by reference to that class of Micro Security) will only have recourse to the security granted by the Issuer over the Commodity Contracts of the same class (as well as over the AIG Guarantee in respect of that class). These Pools will be secured in favour of the Trustee on behalf of Security Holders of the relevant type.

Application and Redemption by Authorised Participants

Commodity Securities may be applied for and redeemed and Micro Securities may be redeemed on any Issuer Business Day, but only Authorised Participants may give the requisite notices to the Issuer to apply for or redeem Commodity Securities or redeem Micro Securities. All other persons must buy and sell Micro and Commodity Securities through trading on the London Stock Exchange or other appropriate exchanges.

Pricing and Settlement

The amount payable on the issue and redemption of Micro and Commodity Securities can be established in two different ways: Agreed Pricing and Settlement Pricing.

For Agreed Pricing, the amount payable for the issue or redemption of the relevant Micro and Commodity Securities is agreed between an Authorised Participant and AIG-FP, and notified to the Issuer.

For Settlement Pricing, the amount payable for the issue or redemption of the relevant Micro and Commodity Securities is determined from the Price of the Micro Securities by reference to which the amount payable on Redemption is calculated on the relevant Pricing Day. In the case of Index Securities, it is defined numbers of different classes of Micro Securities, subject to adjustment on Rebalancing.

A single Price will be established for each Micro and Commodity Security as at the end of each Pricing Day. An issue or a redemption of Micro or Commodity Securities will be priced on the day that a valid Application Form or Redemption Form is given, unless that day is not a Pricing Day for any class of the Commodity Contracts securing the Micro and Commodity Securities in question, in which case those Commodity Contracts will be priced on the next Pricing Day for those Commodity Contracts and the price of the Micro and Commodity Securities determined accordingly. If any given day is not a Pricing Day for a particular Classic Security, then generally it will not be a Pricing Day for the Forward Security exposed to the same commodity.

Issues and redemptions which are fully priced on day T will be settled on a T+3 basis (unless Agreed Pricing is used and the Authorised Participant and AIG-FP agree a different settlement date). Settlement will be effected on a delivery versus payment basis with funds being transferred directly between the bank accounts of the relevant Authorised Participant and AIG-FP.

The Issuer will decline Applications if it cannot create corresponding Commodity Contracts under the Facility Agreement.

Fees are payable by the Authorised Participants to the Issuer upon the issue or redemption of Micro or Commodity Securities.

Administration

The parent of the Issuer, ETF Securities Limited (“**ETFSL**”), will supply, or arrange the supply of, all management and administration services to the Issuer and will pay all the management and administration costs of the Issuer, in return for which the Issuer will pay ETFSL a Management Fee initially equal to 0.49 per cent. per annum of the Price on that day of all Classic Securities, and 0.49 per cent. per annum of the Price on that day of all Forward Securities, outstanding.

AIG-FP will also pay the Issuer a Licence Allowance, which will be used to pay licence fees to Dow Jones due under the Licence Agreement (with any difference being payable to/by ETFSL). The Licence Allowance is 0.05 per cent. per annum of the daily Price of all Micro or Commodity Securities outstanding, and this rate will be varied to match approximately the fees payable to Dow Jones under the Licence Agreement.

The rate of the Management Fee and the Licence Allowance will be reflected in the adjustments to the Multiplier each day.

The Issuer will only be liable to pay the fees to ETFSL upon receipt of that amount from AIG-FP.

Investment Considerations and Risk Factors

Past performance is not an indication of expected performance and the investment performance of Micro and Commodity Securities could be volatile.

An investment in Micro and Commodity Securities involves a significant degree of risk. The following are just some of the risk factors which should be carefully considered by prospective investors before deciding whether to invest in Micro and Commodity Securities:

- Commodity prices generally and therefore the value of Micro and Commodity Securities may fluctuate widely. As Micro and Commodity Securities are priced in US Dollars their value in other currencies will also be affected by exchange rate movements.
- If the relevant part of the commodities futures curve is in contango, the Individual Commodity Index will decrease over time unless the “spot price” increases by the same rate as the rate of contango. The rate of contango could be quite significant and could last for an indeterminate period of time, and could accordingly reduce the value of a holder’s investment.
- Investors are dependent on there being Authorised Participants making a market in Micro and Commodity Securities in order to minimise tracking error and to provide investors with liquidity.
- The ability of the Issuer to pay on redemption of Micro and Commodity Securities is wholly dependent on it receiving payment from AIG-FP or AIG (or any other Commodity Contract Counterparty). No Commodity Contract Counterparty has guaranteed the performance of the Issuer’s obligations and no holder has any direct rights of enforcement against any such person.
- Futures exchanges have the potential to suffer from market disruption or suspension of trading. Such events could cause a Trading Day to be classified as a Market Disruption Day, resulting in it not being possible to price one or more classes or categories of Micro and Commodity Securities that day. This will cause a delay in the application or redemption process (where settlement pricing is being used) which could adversely affect potential or existing Security Holders.
- There are certain circumstances in which an early redemption of Micro and Commodity Securities may be imposed on investors, which may result in an investment in Micro and Commodity Securities being redeemed earlier than desired.

See “Risk Factors” in the Prospectus.

Security Arrangements

Micro and Commodity Securities constitute limited recourse obligations of the Issuer.

All rights of the Issuer in relation to the Facility Agreement, the Commodity Contracts and the AIG Guarantee, to the extent applicable to each Pool, will be the subject of security granted by the Issuer in favour of the Trustee under the Security Deeds.

RISK FACTORS

An investment in Micro and Commodity Securities involves a significant degree of risk. Prior to making an investment decision, prospective subscribers or purchasers should carefully read the entire Prospectus. In addition to the other information contained in this document, the following material risk factors should be carefully considered by prospective investors before deciding whether to invest in Micro and Commodity Securities. A Security Holder may lose some or all of their investment in Commodity Securities for reasons other than those set out below (for example, reasons not currently considered by the Issuer to be material or based on circumstances or facts of which the Issuer is not currently aware).

Prospective Security Holders should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisers to ascertain the suitability of Micro and Commodity Securities as an investment, and should conduct such independent investigation and analysis regarding the risks, security arrangements and cash-flows associated with Micro and Commodity Securities as they deem appropriate, in order to evaluate the merits and risks of an investment in Micro and Commodity Securities. In particular, prospective Security Holders should note that the Micro and Commodity Securities are intended only for professional investors and that an investment in Micro and Commodity Securities is only suitable for persons who are able to bear the economic risk of an investment in Micro and Commodity Securities for an indefinite period of time. Prospective Security Holders should be aware that their entire investment in Micro and Commodity Securities may be lost.

Commodity Security Risk Factors

Commodity Prices

The value of Micro and Commodity Securities will be affected by movements in commodity prices generally and by the way in which those prices and other factors affect the prices of the Designated Contracts (and hence of the Individual Commodity Indices).

Commodity prices generally may fluctuate widely and may be affected by numerous factors, including:

- global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major commodity producers;
- investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand;
- the weather, which can affect short-term demand or supply for some commodities;
- the future rates of economic activity and inflation, particularly in countries which are major consumers of commodities; and
- major discoveries of sources of commodities.

Prices of the Designated Month Contracts may fluctuate widely and may be affected by:

- commodity prices generally;
- trading activities on the Relevant Exchange, which might be impacted by the liquidity in the futures contracts; and
- trading activity specific to particular futures contract(s) and maturities.

Roll-Yield

Each Individual Commodity Index is priced off a futures contract of specific maturity which, as it nears expiry, needs to be “rolled” to a later dated contract. As the exchange-traded futures contracts that comprise the Individual Commodity Index approach expiration, they are replaced by similar contracts that have a later expiration. Thus, for example, a futures contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October may be replaced by a

contract for delivery in November. This process is referred to as “rolling”. If the market for these contracts is (putting aside other considerations) in “backwardation”, which means that the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield”. While some of the contracts included in the DJ-AIG Commodity Indices have historically exhibited consistent periods of backwardation, backwardation may not exist at all times.

Moreover, certain of the commodities reflected in the DJ-AIG Commodity Indices, such as gold, have historically traded in “contango” markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in a particular commodity market could result in negative “roll yields”, which could adversely affect the value of the DJ-AIG Commodity Indices and the Individual Commodity Indices and, accordingly, decrease the value of the Micro and Commodity Securities. In addition, because the Lead Futures and Next Futures in the DJ-AIGCISM are different to those used in the DJ-AIGCI-F3SM, this may result in backwardation and/or contango affecting the two indices differently if the relevant parts of the futures curve show differing amounts of backwardation or contango. However, the existence of contango (or backwardation) in a particular commodity market does not automatically result in negative (or positive) “roll yields”. The actual realisation of a potential roll yield will be dependent upon the shape of the futures curve where if the relevant part of the commodity futures curve is in backwardation — a downward sloping futures curve — then, all other factors being equal, the relevant index will tend to rise over time as lower futures prices converge to higher spot prices. The opposite effect would occur for contango.

Forward Securities

The Lead Futures and Next Futures for Forward Securities are linked to the DJ-AIGCI-F3SM and not the DJ-AIGCISM. The Forward Securities are designed to track the DJ-AIGCI-F3SM or one of its sub-indices and not the DJ-AIGCISM or one of its sub-indices. The DJ-AIGCI-F3SM is determined as of a certain date by reference to futures contracts for the same commodities as the DJ-AIGCISM but for the DJ-AIGCI-F3SM, the contracts that would be the Lead Future and Next Future for the DJ-AIGCISM in three calendar months are instead the Lead Future and Next Future in the current calendar month for the DJ-AIGCI-F3SM. This results in a shift to longer-dated futures contracts comprising the DJ-AIGCI-F3SM from that comprising the DJ-AIGCISM which may result in different sensitivities to changes in the commodity price and/or any backwardation or contango affecting the two indices. The difference in the expiry dates of the futures contracts which comprise the DJ-AIGCI-F3SM may result in the DJ-AIGCI-F3SM having significantly better or worse performance and greater or lesser volatility than that for the DJ-AIGCISM. Consequently, any return a Security Holder receives from an investment in the Forward Securities may be lesser or greater than that they would have received if the securities were linked to the DJ-AIGCISM.

Change of Forward Index

The Facility Agreement allows for a change in the DJ-AIG Commodity Index used to Price all of the Forward Securities. AIG-FP and the Issuer may agree to use a different forward commodity index published by Dow Jones and AIG-FP provided that Security Holders are given a minimum of 30 days' notice of the intended change.

Tracking Error and Liquidity Risk

At any time, the price at which Micro Classic Securities, Classic Commodity Securities, Micro Forward Securities and Forward Commodity Securities trade on the London Stock Exchange (or any other exchange or market on which they may be quoted or traded) may not reflect accurately the Price of the relevant Micro and Commodity Securities. The application and redemption procedures for Commodity Securities and the role of certain Authorised Participants as market-makers are intended to minimise this potential difference or “tracking error”. However, the market price of Micro and Commodity Securities will be a function of supply and demand amongst investors wishing to buy and sell Micro and Commodity Securities and the bid/offer spread that market-makers are willing to quote for Micro and Commodity Securities.

Although AIG-FP has agreed to supply an initial value of US\$6,000 million of Commodity Contracts (of which no more than US\$2,000 million can be represented by Forward Commodity Contracts), if demand for Commodity Securities exceeds this amount and the Issuer is not able to create more Commodity Contracts, or if the demand for issue of Commodity Securities exceeds the daily restrictions, then

Commodity Securities may trade at a premium to their underlying value (the Price). Investors who pay a premium risk losing the premium if demand for Commodity Securities abates or the Issuer is able to source more Commodity Contracts. Commodity Securities could trade at a discount to the Price if the Issuer has received redemption requests in excess of the Redemption Limit (which is a daily limit).

Micro and Commodity Securities are relatively new securities. Classic Micro and Commodity Securities were first issued in September 2006. The Forward Commodity Securities were first issued in September 2007 and have only a limited trading record. The New Securities are being issued for the first time pursuant to this Prospectus and therefore have no trading record. There can be no assurance as to the depth of the secondary market (if any) in Commodity Securities, which will affect their liquidity and market price.

It is not anticipated that any active secondary market will develop in any of the Micro Securities.

Operational Risk Factors

Currency

The Price of Micro and Commodity Securities will be set in US Dollars. To the extent that a Security Holder values Micro and Commodity Securities in another currency, that value will be affected by changes in the exchange rate between the US Dollar and that other currency.

Exchange Limits on Price Movements

U.S. futures exchanges and some other exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price”. Once the limit price has been reached in a particular contract, no trades may be made at a price beyond the limit, or trading may be limited for a set time period. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at potentially disadvantageous times or prices. These circumstances could adversely affect the value of any and all Individual Commodity Indices and, therefore, the market value of the Micro and Commodity Securities and could disrupt applications for and redemptions of Micro and Commodity Securities and the pricing thereof.

AIG-FP and AIG Credit Risk and Default

The value of Commodity Securities and the ability of the Issuer to pay the Redemption Amount is dependent on the receipt of such amount from AIG-FP (or any other Commodity Contract Counterparty) and/or AIG (or any other Guarantor), and may be affected by the deterioration of the credit and/or a downgrade in the credit rating of AIG-FP (or any other Commodity Contract Counterparty) or AIG (or any other Guarantor). Such deterioration/downgrade in the credit or credit rating of AIG-FP (or any other Commodity Contract Counterparty) or AIG (or any other Guarantor) could cause Commodity Securities to trade at a discount to the Price.

The obligations of AIG-FP under the Commodity Contracts and of AIG under the AIG Guarantee rank only as an unsecured claim against AIG-FP or AIG respectively. Commodity Contracts issued by AIG-FP are not guaranteed by any other entity within the AIG Group or by any other person. There can be no assurance that AIG-FP or AIG will be able to fulfil their payment obligations under the relevant Commodity Contracts, Facility Agreement and AIG Guarantee (as the case may be).

There are no restrictions on the future business operations or activities of AIG, and, accordingly, the ability of AIG to meet its obligations under the AIG Guarantee may be adversely affected depending on such future business operations or activities.

The Issuer will not operate any risk-spreading policies and has a Facility Agreement only with AIG-FP. The Issuer may, but is not required to, enter into other Facility Agreements with other Commodity Contract Counterparties, although under the Facility Agreement with AIG-FP it is only able to create Commodity Contracts with any other Commodity Contract Counterparty if (a) the Issuer wishes to create Commodity Contracts that would cause the value of outstanding Commodity Contracts to exceed the maximum permitted under the Facility Agreement and AIG-FP does not agree an increase which would provide at least US\$1,000,000,000 of additional unused capacity or (ii) the Issuer wishes to create Forward Commodity Contracts that would cause the value of outstanding Forward Commodity

Contracts to exceed the maximum permitted under the Facility Agreement and AIG-FP does not agree an increase which would provide at least US\$1,000,000,000 of additional unused capacity for Forward Commodity Contracts, (b) an AIG Downgrade occurs and AIG-FP has not provided certain alternative credit support in accordance with the conditions of the Facility Agreement, (c) AIG-FP gives notice under the Facility Agreement to terminate some or all of the Commodity Contracts then in existence due to a Hedging Disruption Event (as defined in the Facility Agreement) or (d) AIG-FP gives notice under the Facility Agreement that a withholding or deduction for or on account of certain taxes (as described under the heading “Commodity Contract Counterparty Withholding” below) may be or may be about to be required by any applicable law of the United States to be made in respect of any payment to be made by AIG-FP under the Facility Agreement. **The obligations of any other such Commodity Contract Counterparty will not be guaranteed by AIG under the AIG Guarantee.** It will not be the Issuer’s intention to enter into other Facility Agreements for the purposes of spreading counterparty risk.

If at any given time there are two or more Commodity Contract Counterparties and one of them, the Lower Credit, has its credit rating downgraded or has defaulted on its obligations to redeem Commodity Contracts, then, under the Pool splitting mechanism discussed under the heading “Consolidation and Division of Micro and Commodity Securities” in Part 3 (*Description of Commodity Securities*), the Issuer can separate out the Lower Credit by issuing to the relevant Security Holders new Micro and Commodity Securities supported only by the Commodity Contracts of the Lower Credit. There can be no assurance that the Issuer will be able to redeem such new Micro and Commodity Securities at their Price or even at all, and such new Micro and Commodity Securities may not be admitted to trading on any exchange.

Commodity Contract Counterparty Withholding

In certain circumstances where AIG-FP considers that an amount payable by it in respect of a Commodity Contract Termination is, may be or may be about to be required by any applicable law of the United States to be paid subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, by law (as modified by the practice of any relevant governmental revenue authority) then in effect, then it may give 30 days’ notice to the Issuer under the Facility Agreement and until the expiry of such notice it will be obliged to “gross-up” the amounts so payable by it subject (in the case where the beneficial holder of the relevant Micro or Commodity Securities being redeemed is not an Authorised Participant) to provision to AIG-FP of certain beneficial owner certifications to allow AIG-FP (if possible) to pay the relevant amount without any such deduction or withholding, or with such deduction or withholding at a reduced rate. Payment on redemption to persons who are not Authorised Participants may in these circumstances be subject to their giving to the Issuer and AIG-FP such beneficial owner certifications. Following the expiry of such 30 days’ notice, AIG-FP will not be obliged to “gross-up” any amounts payable by it and if the Issuer makes payment on Redemption only of the net amount so paid, that shall not be a Defaulted Obligation.

Activities of Dow Jones, AIG Group and Authorised Participants

Members of the AIG Group are active traders in commodities markets, including in the physical markets for commodities, in the futures markets (on each of the Exchanges and on other commodity exchanges) and the over-the-counter markets, including trading of commodity swaps, options and other derivatives. These trading activities may present a conflict between the interests of holders of the Micro and Commodity Securities and the interests that AIG-FP and its affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value of the DJ-AIG Commodity Indices or any Individual Commodity Index, could be adverse to the interests of the holders of the Micro and Commodity Securities. Moreover, AIG-FP or its affiliates have published and in the future expect to publish research reports with respect to some or all of the DJ-AIG Commodity Indices or components and physical commodities generally. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Micro or Commodity Securities. The research should not be viewed as a recommendation or endorsement of the Micro or Commodity Securities in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by AIG-FP or affiliates may affect the market price of the DJ-AIG Commodity Indices or components and the value of the DJ-AIG Commodity Indices and, therefore, the market value of the Micro and

Commodity Securities. In addition, members of the AIG Group may underwrite or issue other securities or financial instruments indexed to the DJ-AIG Commodity Indices and related indices and/or Dow Jones and AIG-FP may licence the DJ-AIG Commodity Indices or related indices for publication or for use by unaffiliated third parties. Further, the Authorised Participants or their Affiliates also trade in various sectors of the commodities markets.

These activities could give rise to conflicts of interest which are adverse to the interests of Security Holders and could change the Price of Micro and Commodity Securities. For example, a market maker in a financial instrument linked to the performance of the DJ-AIG Commodity Indices or related indices may expect to hedge some or all of its position in that financial instrument. Purchase (or selling) activity in the underlying DJ-AIG Commodity Indices components in order to hedge the market maker's position in the financial instrument may affect the market price of the futures contracts upon which the Individual Commodity Indices are based, which in turn would affect the value of those indices and thus the Micro and Commodity Securities.

With respect to any of the activities described above, none of AIG, AIG-FP, Dow Jones, the Authorised Participants or their respective Affiliates has any obligation to the Issuer to take the needs of any buyers, sellers or holders of Micro and Commodity Securities into consideration at any time.

Market Disruption

Futures exchanges have the potential to suffer from market disruption, due to trading failures at the exchange or the imposition of volume or price restrictions. Such events could cause a Trading Day to be classified as a Market Disruption Day, resulting in it not being possible to price one or more classes or categories of Micro and Commodity Securities that day. This will cause a delay in the application or redemption process (where settlement pricing is being used) which could adversely affect potential or existing Security Holders.

Limited Operating History and Management Experience

The Issuer was incorporated in 2005, and has a limited trading record. The directors and management of ETFSL and the Issuer have had experience in establishing and operating companies providing similar types of exchange-traded products, including more than 120 different types of securities. These include the Short and Leveraged Commodity Securities already in issue and securities issued by Gold Bullion Securities Limited, ETFS Oil Securities Limited and ETFS Metal Securities Limited. If it transpires that the experience of ETFSL, the Issuer and their respective management is neither adequate nor suitable to manage the Issuer, then the operations of the Issuer may be adversely affected.

Only Authorised Participants May Apply for or Redeem Commodity Securities or Redeem Micro Securities

Only Authorised Participants may deal with the Issuer in applying for or redeeming Commodity Securities or redeeming Micro Securities, save in relation to redemptions where at any time there are no Authorised Participants. The Issuer has agreed to use reasonable endeavours to ensure that at all times there are at least two Authorised Participants. There can, however, be no assurance that there will at all times be an Authorised Participant to deal with the Issuer in applying for or redeeming Commodity Securities or redeeming Micro Securities.

Under the Facility Agreement, AIG-FP has the right to give notice (with immediate or delayed effect) that an Authorised Person has ceased to be acceptable to it in certain circumstances, including if AIG-FP deems such person to be unacceptable to it as an Authorised Person for credit, compliance, general business policy or reputational reasons. As a result of any exercises of such right there could at any time be no Authorised Participants, with the result that no Commodity Securities could be created. In such event it may also be difficult or impossible to sell Micro or Commodity Securities on the London Stock Exchange at a price close to the Price therefor or within a reasonable time period, although Security Holders will be entitled to redeem their Micro or Commodity Securities.

Early Redemption of Micro and Commodity Securities

The Issuer may, at any time, upon not less than 30 days' notice (or seven days' notice in the event that the Facility Agreement is terminated) by RIS announcement to the Security Holders, redeem all

Individual Securities or Micro Securities of a particular class or all Index Securities of a particular category. The Trustee may, at any time, where an Issuer Insolvency Event or AIG Default has occurred and is continuing, upon 20 Business Days' notice to the Issuer, require the Issuer to redeem all Micro and Commodity Securities whereupon the Issuer will exercise its right to redeem such Securities.

Dow Jones may cease to publish an Individual Commodity Index. If so, all Micro Securities and Individual Securities of the class relating to that Individual Commodity Index will be redeemed.

The Conditions provide that the amount payable upon a Redemption of a Micro Security of a particular class under Settlement Pricing will be the higher of the Principal Amount for that class and the Price of such Micro Security on the applicable Pricing Day. As each class of Micro and Commodity Security is a limited recourse security as described in Condition 3.2, it is in the interests of the Security Holders of each type to ensure that the Price for each relevant class of Micro Securities does not fall below its Principal Amount. The Issuer will aim to avoid the Price of a class of Micro Security falling below its Principal Amount by the following measures: the Issuer may (i) where necessary, seek the sanction of Security Holders by Extraordinary Resolution to reduce the Principal Amount of a class of Micro Security (and of Commodity Securities to the extent they comprise Micro Securities of that class) to a level less than its Price; and/or (ii) if on any Pricing Day the Price of any class of Micro Security falls to 2.5 times the Principal Amount of such Micro Security or below, the Issuer may, at any time for so long as the Price remains below such amount and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement elect to redeem the Micro Securities of that class (and all types of Commodity Securities which are comprised, in whole or in part, of Micro Securities of that class). The right pursuant to (ii) above will cease once an Extraordinary Resolution is passed to reduce the Principal Amount such that the Price is more than 2.5 times the Principal Amount, subject to any further fall in the Price of any class of Micro Securities to 2.5 times the Principal Amount or below.

Under the Facility Agreement, AIG-FP has the right to terminate some or all of the Commodity Contracts of a particular class if for any reason it is unable to maintain the hedging positions which (acting reasonably) it attributes to the hedging of its obligations in connection with the Facility Agreement or Commodity Contracts of one or more classes. In such a case, the Issuer has, and will exercise, the right to redeem the Micro Securities and Individual Securities of that class. In some cases this may require the Issuer to redeem Index Securities if Micro Securities of that class are comprised therein.

The Issuer may, at any time by not less than seven nor more than 14 Trading Days' written notice, redeem any Micro and Commodity Securities held by Prohibited US Persons or Prohibited Benefit Plan Investors, held by Security Holders who have not provided appropriate certifications as to their status in accordance with the Conditions or in certain other circumstances specified in the Conditions.

AIG-FP has only agreed to provide Commodity Contracts to the Issuer for five years and six months from 21 September 2006. If AIG-FP does not agree to provide Commodity Contracts beyond such date, then the Commodity Contracts will expire and unless AIG-FP is replaced by a new Commodity Contract Counterparty the Issuer will elect to redeem the outstanding Micro and Commodity Securities.

Consequently, an investment in Micro and Commodity Securities may be redeemed earlier than desired by a Security Holder.

General Market Risk

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of Micro and Commodity Securities. These risks are generally applicable to any investment in listed securities. Investors should note that general movements in markets and factors that affect the investor climate and investor sentiment may have different effects on each of the Classic Micro and Commodity Securities and the Forward Micro and Commodity Securities. Investors should be aware that any and all Micro and Commodity Securities can go down in price as well as up.

No Recourse Except to the Issuer and the Secured Property

Micro and Commodity Securities will be obligations solely of the Issuer. In particular, Micro and Commodity Securities will not be obligations or responsibilities of, or guaranteed by, the Trustee, the Registrar, Dow Jones, any member of the AIG Group, any direct or indirect shareholder of the Issuer or

any of the Authorised Participants. The Issuer is a special purpose company established for the purpose of issuing exchange traded commodities (ETCs) as asset-backed securities.

If the net proceeds of realisation of the Secured Property in respect of a particular Pool, following enforcement of the Security Deed applicable to that Pool, are less than the aggregate amount payable in such circumstances by the Issuer in respect of Micro Securities and Individual Securities of that class and Index Securities to the extent that they comprise Micro Securities of that class, the obligations of the Issuer in respect of such Micro Securities and Individual Securities and such Index Securities to the extent that they comprise Micro Securities of that class will be limited to the net proceeds of realisation of that Secured Property. In such circumstances the assets (if any) of the Issuer other than those attributable to the relevant Pool will not be available for payment of such shortfall, the rights of the relevant Security Holders to receive any further amounts in respect of such obligations shall be extinguished and none of the Security Holders or the Trustee may take any further action to recover such amounts.

Any claims made against the Issuer will be satisfied in order of the priority of payments in accordance with the Trust Instrument, further details of which are set out in Part 6 (*Trust Instrument and Commodity Securities*) under the heading “The Conditions — Application of Moneys”.

No Guarantee

No member of the AIG Group or any other person has guaranteed the performance of the Issuer's obligations, and no Security Holder has any direct rights of enforcement against any such person. However, the Trustee on behalf of the Security Holders may enforce the rights of the Issuer under the Commodity Contracts, the Facility Agreement and the AIG Guarantee.

No Representation

None of the Issuer, the Authorised Participants, Dow Jones, AIG-FP, AIG or the Trustee makes any representations as to (i) the suitability of any Micro or Commodity Securities for any particular investor; (ii) the appropriate accounting treatment or possible tax consequences of an investment in any Micro or Commodity Securities; or (iii) the expected performance of any Micro or Commodity Securities, either in absolute terms or relative to competing investments.

Limited Enforcement Rights

The Trustee may enforce the Security at its discretion but is only required to enforce the Security on behalf of a Security Holder if it is directed to do so:

- (a) by a Security Holder to whom a Defaulted Obligation is owed; or
- (b) if an Issuer Insolvency Event or AIG Default has occurred and is continuing, (i) in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature) of the Micro and Commodity Securities (as a whole) then outstanding, or (ii) by an Extraordinary Resolution,

in each case provided that the Trustee is indemnified and/or secured to its satisfaction.

Index Calculations by Dow Jones and AIG-FP

The Issuer is not affiliated with Dow Jones or AIG-FP in any way (except for the agreements and licensing arrangements described in this Prospectus) and has no ability to control or predict their actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the DJ-AIG Commodity Indices or related indices (including the Individual Commodity Indices). The policies of AIG-FP and Dow Jones concerning the calculation of the level of the DJ-AIG Commodity Indices or related indices (including the Individual Commodity Indices), additions, deletions or substitutions of DJ-AIG Commodity Indices components and the manner in which changes affecting the DJ-AIG Commodity Indices components are reflected in the DJ-AIG Commodity Indices could adversely affect the value of the DJ-AIG Commodity Indices or related indices (including the Individual Commodity Indices) and, therefore, the market value of the Micro and Commodity Securities.

Additional commodity futures contracts may satisfy the eligibility criteria for inclusion on the DJ-AIG Commodity Indices, and commodity futures contracts currently included in the DJ-AIG Commodity Indices may fail to satisfy such criteria. The weighting factors applied to each included futures contract may change annually, based on changes in commodity production and volume statistics. In addition, AIG-FP and Dow Jones may modify the methodology for determining the composition and weighting of the DJ-AIG Commodity Indices, for calculating their respective values in order to assure that the DJ-AIG Commodity Indices represent an adequate measure of market performance or for other reasons, or for calculating the values of the DJ-AIG Commodity Indices or related indices (including the Individual Commodity Indices). Any such changes could adversely affect the market value of the Micro and Commodity Securities.

Under the Facility Agreement, AIG-FP has agreed that in the event Dow Jones and AIG-FP as co-sponsors of the DJ-AIG Commodity Indices cease to calculate and publish any Individual Commodity Index, AIG-FP as Calculation Agent will use its reasonable endeavours to calculate settlement values of such Individual Commodity Indices for each Pricing Day using the same methodology and processes for each individual commodity as are used from time to time for the calculation of the DJ-AIG Commodity Indices, but there is no assurance that those indices will continue to be published. If the Individual Commodity Indices or any of them cease to be published, the Issuer will endeavour to ensure that replacement indices are published, but there is no assurance that this will be achieved. In that event some or all of the Micro and Commodity Securities may be redeemed.

In certain circumstances under the Facility Agreement, including where a Market Disruption Event in respect of an Individual Commodity Index occurs on five or more consecutive Trading Days (irrespective of whether an Individual Commodity Index is published for those Trading Days), the Calculation Agent is required to calculate a substitute value for each Trading Day thereafter while that circumstance persists. While the Calculation Agent is required to act in good faith and in a commercially reasonable manner (i) it owes no duty to any Security Holder or the Trustee in respect of any determination made by it and (ii) any such substitute value may differ from the Individual Commodity Index.

From time to time commodities presently represented in the DJ-AIG Commodity Indices may cease to be included therein. In that event, an Individual Commodity Index in respect of that commodity may cease to be published. If this occurs, all Micro Securities and Individual Securities of that class will be redeemed, and all Index Securities which comprise Micro Securities of that class will be Rebalanced and as a result those Index Securities will include no exposure to the value of that commodity.

Calculation Agent Conflicts of Interest

AIG-FP is the Calculation Agent, as well as the obligor, under the Facility Agreements (but not for the purposes of the Conditions, the Micro and Commodity Securities or the Trust Instrument). In acting as Calculation Agent, AIG-FP is obliged to act in good faith and in a commercially reasonable manner, but otherwise its calculations are binding in the absence of manifest error. The role of AIG-FP as Calculation Agent may give rise to conflicts of interest which are adverse to the interests of Security Holders.

Change to Designated Contracts and/or Roll Period

The choice of Designated Contracts, Designated Month Contracts and the Roll Period used to price each Individual Commodity Index is determined by AIG-FP in conjunction with Dow Jones and may be changed from time to time upon approval by the Supervisory Committee of the DJ-AIG Commodity Indices. The termination or replacement of any Designated Contract or Designated Month Contract and/or the change to a Roll Period may have an adverse impact on the value of an Individual Commodity Index.

An investment in Micro and Commodity Securities involves a significant degree of risk. While the Issuer believes that the risk factors described above are the material risk factors applicable to the Programme, none of the Issuer, the Authorised Participants, AIG-FP, AIG or Dow Jones represents that such statements of the risks of holding Micro and Commodity Securities are exhaustive or (other than the Issuer) makes any representation whatsoever in respect of such statements. It should be remembered that the value of Micro and Commodity Securities can go down as well as up.

DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this Prospectus unless the context otherwise requires:

“Acceptable Credit Rating”	means a long term senior debt credit rating of at least BBB+ from Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa1 from Moody’s Investors Service Inc. (or any successor to the ratings business thereof)
“Affiliate”	means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person
“Agreed Pricing”	has the meaning given in Condition 8.1(b)
“AIG”	means American International Group, Inc., a corporation incorporated in Delaware, USA, whose principal office is situated at 70 Pine Street, New York, New York, USA
“AIG-FP”	means AIG Financial Products Corp., a corporation incorporated in Delaware, United States, whose chief executive office is situated at 50 Danbury Road, Wilton, Connecticut, USA
“AIG Default”	means a Counterparty Event of Default in respect of AIG
“AIG Downgrade”	means AIG not having an Acceptable Credit Rating
“AIG Group”	means AIG and its Affiliates, and includes AIG-FP
“AIG Guarantee”	means the guarantee dated 21 September 2006 and the letters of confirmation in respect thereof dated 17 September 2007 and 15 September 2008, given by AIG to the Issuer of the obligations of AIG-FP to the Issuer under the Facility Agreement between AIG-FP and the Issuer
“Applicant”	means an Authorised Participant who makes an Application for Commodity Securities
“Application”	means an offer by an Applicant to the Issuer to subscribe for Commodity Securities, being an offer on terms referred to in an Application Form and this document and in accordance with the provisions of the relevant Authorised Participant Agreement
“Application Fee”	means the fee payable by an Applicant to the Issuer in respect of the issue of Commodity Securities
“Application Form”	means the application form to be used in connection with the Programme
“Application Moneys”	means, for an Application, all moneys paid or to be paid to or to the order of the Issuer by the Applicant in respect of the Application
“Authorised Participant”	means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Commodity Securities and has entered into a corresponding Direct Agreement with at least one Commodity Contract Counterparty, and which is not an Unacceptable Authorised Participant in respect of that Commodity Contract Counterparty provided that no person shall be an Authorised Participant unless and until the Security Conditions with respect to the Authorised Participant and that Commodity Contract

Counterparty shall have been satisfied and provided further that a person can be an Authorised Participant in respect of one Commodity Contract Counterparty but not another

“Authorised Participant Agreement”	means a written agreement between the Issuer and another person under which such person is appointed to act as an “Authorised Participant”, distribution agent or in a substantially similar function in relation to Micro Securities and/or Commodity Securities comprising <i>inter alia</i> Micro Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied
“Authorised Person”	means a person authorised by the FSA for the purposes of the FSMA
“Board”	means the board of directors of the Issuer
“Business Day”	means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and New York
“Calculation Agent”	means a person appointed by the Issuer to determine various matters in accordance with Condition 16, the first such Calculation Agent being AIG-FP
“cancel”	in relation to Micro or Commodity Securities means to cancel the obligations established by such Micro or Commodity Security
“Cancellation Notice”	means a notice sent by the Issuer to AIG-FP pursuant to the Facility Agreement which cancels the Equivalent Number of Commodity Contracts corresponding with the Commodity Securities referred to in such Cancellation Notice
“Capital Adjustment”	means an adjustment factor to be included in the calculation of the Multiplier which is agreed from time to time by the Commodity Contract Counterparties and the Issuer
“Capital Adjustment Agreement”	means the capital adjustment agreement dated 21 September 2006 and as amended and restated on or about 17 September 2007 between the Issuer and AIG-FP, further particulars of which are contained in paragraph 2(d) of Part 11 (<i>Additional Information</i>)
“category”	means, in relation to Index Securities, the type of Index Security determined by the mix of different classes of Micro Securities comprised in the Index Security
“CBOT”	means Chicago Board of Trade
“cents”	means United States cents, equal to one hundredth of a US Dollar
“Certificated” or “Certificated Form”	means not in Uncertificated Form
“CIP”	means “Commodity Index Percentage” as defined in the Handbook from time to time
“class”	means a class of Micro Securities or Individual Securities under which the Issuer’s obligations to make payment, and the corresponding class of Commodity Contracts under which any Commodity Contract Counterparty’s obligations to make payment, are determined by reference to a particular Individual Commodity Index, and Micro or Individual Securities, and the corresponding

class of Commodity Contracts, referable to a particular Individual Commodity Index but of different Strategies are each of a separate and distinct class

“Classic Index Securities”

means together ETFs Classic All Commodities DJ-AIGCISM category undated limited recourse secured debt securities of US\$2.3651476 in principal amount (subject to adjustment) each, ETFs Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$3.3418244 in principal amount (subject to adjustment) each, ETFs Petroleum DJ-AIGCISM category undated limited recourse secured debt securities of US\$4.57979700 in principal amount (subject to adjustment) each, ETFs Ex-Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.45205450 in principal amount (subject to adjustment) each, ETFs Precious Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.24407800 in principal amount (subject to adjustment) each, ETFs Industrial Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.96915000 in principal amount (subject to adjustment) each, ETFs Agriculture DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.97138225 in principal amount (subject to adjustment) each, ETFs Softs DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.15008550 in principal amount (subject to adjustment) each, ETFs Livestock DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.24413550 in principal amount (subject to adjustment) each and ETFs Grains DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.69245400 in principal amount (subject to adjustment) each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to a defined number of Micro Securities of different classes as specified in the Trust Instrument and these Conditions and recorded on the relevant Register of Index Securities and **“ETFs All Commodities DJ-AIGCISM Index Securities”, “ETFs Energy DJ-AIGCISM Index Securities”, “ETFs Petroleum DJ-AIGCISM Index Securities”, “ETFs Ex-Energy DJ-AIGCISM Index Securities”, “ETFs Precious Metals DJ-AIGCISM Index Securities”, “ETFs Industrial Metals DJ-AIGCISM Index Securities”, “ETFs Agriculture DJ-AIGCISM Index Securities”, “ETFs Softs DJ-AIGCISM Index Securities”, “ETFs Livestock DJ-AIGCISM Index Securities” and “ETFs Grains DJ-AIGCISM Index Securities”** shall be construed accordingly

“Classic Individual Securities”

means together the Aluminium class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Cocoa class undated limited recourse secured debt securities of US\$0.5000000 in principal amount each, Coffee class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Copper class undated limited recourse secured debt securities of US\$3.00 in principal amount each, classic Corn class undated limited recourse secured debt securities of US\$0.25 in principal amount each, Cotton class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Crude Oil class undated limited recourse secured debt securities of US\$5.00 in principal amount each, Gasoline class undated limited recourse secured debt securities of US\$5.00 in principal amount each, Gold class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Heating Oil class undated

limited recourse secured debt securities of US\$3.00 in principal amount each, Lead class undated limited recourse secured debt securities of US\$3.500000 in principal amount each, Lean Hogs class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Live Cattle class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Natural Gas class undated limited recourse secured debt securities of US\$0.300000 in principal amount each, Nickel class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Platinum class undated limited recourse secured debt securities of US\$6.500000 in principal amount each, Silver class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Soybean Oil class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Soybeans class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Sugar class undated limited recourse secured debt securities of US\$3.00 in principal amount each, Tin class undated limited recourse secured debt securities of US\$3.500000 in principal amount each, Wheat class undated limited recourse secured debt securities of US\$0.25 in principal amount each and Zinc class undated limited recourse secured debt securities of US\$1.00 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to one million Micro Securities of the relevant class and recorded on the relevant Register of Individual Securities and “**ETFS Aluminium Individual Securities**”, “**ETFS Cocoa Individual Securities**”, “**ETFS Coffee Individual Securities**”, “**ETFS Copper Individual Securities**”, “**ETFS Corn Individual Securities**”, “**ETFS Cotton Individual Securities**”, “**ETFS Crude Oil Individual Securities**”, “**ETFS Gasoline Individual Securities**”, “**ETFS Gold Individual Securities**”, “**ETFS Heating Oil Individual Securities**”, “**ETFS Lead Individual Securities**”, “**ETFS Lean Hogs Individual Securities**”, “**ETFS Live Cattle Individual Securities**”, “**ETFS Natural Gas Individual Securities**”, “**ETFS Nickel Individual Securities**”, “**ETFS Platinum Individual Securities**”, “**ETFS Silver Individual Securities**”, “**ETFS Soybean Oil Individual Securities**”, “**ETFS Soybeans Individual Securities**”, “**ETFS Sugar Individual Securities**”, “**ETFS Tin Individual Securities**”, “**ETFS Wheat Individual Securities**” and “**ETFS Zinc Individual Securities**” shall be construed accordingly

“ Classic Micro and Commodity Securities ” or “ Classic Securities ”	means Micro Classic Securities, Classic Index Securities and Classic Individual Securities and “ Classic Micro or Commodity Securities ” means any of them
“ Cleared Funds ”	means immediately available funds
“ CME ”	means Chicago Mercantile Exchange Inc.
“ Collateral Yield ”	means the Capital Adjustment plus the daily Management Fee and the Licence Allowance expressed as a percentage rate per annum
“ COMEX ”	means the COMEX Division of NYMEX
“ Commodity Contract ”	means in relation to Micro Securities of a particular class (or Commodity Securities to the extent they are comprised of Micro Securities of that class), a contract between the Issuer and a Commodity Contract Counterparty created in accordance with a Facility Agreement and giving rise to matching rights and obligations to such Micro Securities

“Commodity Contract Termination”	means the termination of Commodity Contracts by a Commodity Contract Counterparty in accordance with a Facility Agreement
“Commodity Contract Counterparty”	means the counterparty to each Facility Agreement with the Issuer and includes AIG-FP
“Commodity Contract Counterparty Downgrade”	means with respect to a Commodity Contract Counterparty, neither that Commodity Contract Counterparty nor its Guarantor (if any) having an Acceptable Credit Rating
“Commodity Securities” and “ETFs Commodity Securities”	means Individual Securities and Index Securities
“comprised in” and “comprised of”	in relation to a Commodity Security means the Micro Securities by reference to which the amount payable on Redemption of that Commodity Security is calculated and for which a Commodity Security (when in Certificated Form) may be surrendered in accordance with the provisions of the Trust Instrument and “comprise” and “comprised” shall be construed accordingly
“Compulsory Redemption”	means a Redemption of Micro or Commodity Securities in accordance with Condition 9.11
“Conditions”	means the terms and conditions of the Micro and Commodity Securities in the form set out in the Second Schedule (<i>The Conditions</i>) to the Trust Instrument and as set out in Part 6 (<i>Trust Instrument and Commodity Securities</i>) and references herein to numbered Conditions are references to the numbers assigned to the Conditions in Part 6 (<i>Trust Instrument and Commodity Securities</i>)
“Counterparty Event of Default”	means: <ul style="list-style-type: none"> (a) the failure of any Commodity Contract Counterparty to make a payment it is due to make in respect of a Commodity Contract Termination in accordance with the relevant Facility Agreement, where such failure is not rectified within five Business Days following the day on which the Commodity Contract Counterparty receives notice of the failure sent by the Issuer, or being in any other breach of the Facility Agreement provided that such breach (if capable of being rectified) is not rectified within (5) five Business Days of the Commodity Contract Counterparty receiving written notice from the Issuer of such breach; (b) any Guarantor failing to pay an amount due under the relevant Guarantee, when due; (c) any Commodity Contract Counterparty or Guarantor suffering an Insolvency Event; or (d) the expiration or termination of any Guarantee (other than where a replacement guarantee (or other form of credit support) acceptable to the Issuer and the Trustee in their sole discretion is provided to the Issuer in lieu of a Guarantee upon or prior to such expiration or termination) or the failing or ceasing of a Guarantee to be in full force and effect for the purpose of the relevant Facility Agreement, in each case other than in accordance with its terms, prior to the satisfaction of all obligations of a Commodity Contract Counterparty under the Facility Agreement to which such

Guarantee relates and without the written consent of the Issuer (and this paragraph (d) shall apply *mutatis mutandis* to any replacement guarantee (or other form of credit support))

“Creation Limits”	means the limits under the Facility Agreement on creation of Commodity Contracts (and corresponding limits on issue of Micro and Commodity Securities), as set out in Part 1 (<i>General</i>) under the heading “Creation Limits”
“Creation Notice”	means a notice sent by the Issuer to AIG-FP pursuant to the Facility Agreement creating the Equivalent Number of Commodity Contracts corresponding with the Commodity Securities referred to in such Creation Notice
“CREST”	means the system of paperless settlement of transfers and the holding of securities in Uncertificated Form administered by Euroclear UK & Ireland Limited
“Defaulted Obligation”	means the failure of the Issuer to make or procure any payment in respect of the Redemption of any Micro and Commodity Securities when due, and such failure is not remedied within 48 hours of receipt of notice requiring remedy of the same provided that if the amount paid by a Commodity Contract Counterparty under the terms of a Facility Agreement in respect of a Commodity Contract Termination as a result of such Redemption is subject to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect, and that Commodity Contract Counterparty is not obliged under that Facility Agreement to make any additional payment in respect of the withholding or deduction and the net amount is so paid or procured to be paid by the Issuer in respect of that Redemption, that shall not be a Defaulted Obligation
“Designated Contract”	means, for each commodity represented in the DJ-AIG Commodity Indices and for each Individual Commodity Index, the futures contract series which is used for the calculation of those indices, as set out in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>) in Table 2 (Designated Contracts and Designated Month Contracts), in the column headed “Designated Contract”
“Designated Month Contract”	means a futures contract, being a Designated Contract, for delivery in a particular month, which is used for the calculation of the DJ-AIG Commodity Indices and the Individual Commodity Indices, as set out in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>) in Table 2 (Designated Contracts and Designated Month Contracts), in the column headed “Designated Month Contracts”
“Direct Agreement”	means an agreement entered into between a Commodity Contract Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant
“Directors”	means the directors of the Issuer, being at the date of this document the persons whose names are listed as such in “Directors, Secretary and Advisers” below
“DJ-AIGCISM”	means the Dow Jones — AIG Commodity Index SM calculated by AIG-FP in conjunction with Dow Jones, and published by Dow

	Jones and on which further information can be found in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>)
“DJ-AIGCI-F3SM”	means the Dow Jones — AIG Commodity Index 3 Month Forward SM calculated by AIG-FP in conjunction with Dow Jones, and published by Dow Jones and on which further information can be found in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>)
“DJ-AIGCISM Handbook”	means the Dow Jones — AIG Commodity Index SM Handbook which sets out the methodology for calculation of the DJ-AIG Commodity Indices, prepared and as amended from time to time by Dow Jones and AIG-FP, a copy of which can at the date of this prospectus be downloaded from the following internet address: http://www.aigfp.com/home/commodities/djaigcihandbook
“DJ-AIG Commodity Index”	means, in respect of Classic Micro and Commodity Securities the DJ-AIGCI SM and, in respect of the Forward Micro and Commodity Securities, the DJ-AIGCI-F3 SM
“DJ-AIG Commodity Indices”	means the DJ-AIGCI SM and the DJ-AIGCI-F3 SM
“Documents”	means this document, the Trust Instrument, the Security Deeds, all Authorised Participant Agreements, all Security Assignments, the Facility Agreement with AIG-FP, the AIG Guarantee, the Registrar Agreement, the Services Agreement and the Licence Agreement
“ECIPs”	means, with respect to a DJ-AIG Commodity Index, the effective percentage weights of the constituent commodities in that DJ-AIG Commodity Index from time to time as published by Dow Jones and/or AIG-FP (or as determined by the Calculation Agent for the purposes of one or more Facility Agreements if no such percentage weights have been so published)
“Effective Date”	means the later of 16 October 2008 and 30 days following the release by the Issuer of a RIS announcement notifying Security Holders of the changes to the Conditions made by the fourth supplemental trust instrument between the Issuer and the Trustee dated 15 September 2008
“Equivalent Number”	means in relation to the issue and redemption of Commodity Securities the numbers and classes of Commodity Contracts equal to the number and classes of Micro Securities comprised in the Commodity Securities in question
“ETFSL”	means ETF Securities Limited, a company incorporated and registered in Jersey, with registered number 88370
“Exchange”	means CBOT, CME, COMEX, LME, NYBOT or NYMEX, as the case may be, and “Exchanges” means all of them
“Exchange Regulations”	means the rules, regulations, contract terms and conditions adopted by the Exchanges from time to time
“Exempt Person”	means a person who, in entering into and performing the terms of an Authorised Participant Agreement, is acting in the course of a business comprising a regulated activity in relation to which it is exempt from the need to be an Authorised Person as a result of a provision of the FSMA or associated secondary legislation
“Existing Securities”	means the Micro and Commodity Securities other than the New Securities and the New Micro Securities

“Extended Voluntary Rebalancing”	means a Voluntary Rebalancing which the Issuer has determined should be conducted over the same days as if a Required Rebalancing was occurring in that month
“Extraordinary Resolution”	means in respect of a particular type or particular types taken together of Micro and Commodity Securities either (a) a resolution passed at a duly convened meeting of the holders of Micro and Commodity Securities of such type or types and carried by a majority consisting of the holders of not less than 75 per cent. by Price (or if no Price was determined on the day of that meeting, the most recently determined Price) of the Micro and Commodity Securities of such type or types voting on such resolution or (b) a resolution in writing of holders of such type or types of Micro and Commodity Securities holding not less than 75 per cent. by Price (as at the date of the last signature (or if no Price was determined on that date, the most recently determined Price)) of such type or types of Micro and Commodity Securities, and in the cases of (a) and (b) where so provided for in the Trust Instrument or the Conditions, holders of Index Securities or Individual Securities may for these purposes be treated as holders of the relevant type or types of Micro Securities comprised therein
“Facility Agreement”	means the agreements of that name between the Issuer and different Commodity Contract Counterparties providing for the creation and termination of Commodity Contracts thereunder including an agreement of that name between the Issuer and AIG-FP dated 21 September 2006 as amended and restated by agreements dated 17 September 2007 and 15 September 2008 (the “AIG-FP Facility Agreement” and, for so long as AIG-FP is the only Commodity Contract Counterparty, the “Facility Agreement”)
“Forward Index Securities”	means together ETFs Forward All Commodities DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$2.917076500 in principal amount (subject to adjustment) each, ETFs Forward Energy DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$6.376686000 in principal amount (subject to adjustment) each, ETFs Forward Petroleum DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$1.674195000 in principal amount (subject to adjustment) each, ETFs Forward Ex-Energy DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$7.380227000 in principal amount (subject to adjustment) each, ETFs Forward Precious Metals DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$2.695051000 in principal amount (subject to adjustment) each, ETFs Forward Industrial Metals DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$1.162448500 in principal amount (subject to adjustment) each, ETFs Forward Agriculture DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$2.190805500 in principal amount (subject to adjustment) each, ETFs Forward Softs DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$1.034876500 in principal amount (subject to adjustment) each, ETFs Forward Livestock DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$0.849386000 in principal amount (subject to adjustment) each and ETFs Forward Grains DJ-AIGCI-F3 SM category undated limited recourse secured debt securities of US\$0.943797500 in principal amount (subject to adjustment) each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount

calculated by reference to a defined number of Micro Securities of different classes as specified in the Trust Instrument and these Conditions and recorded on the relevant Register of Index Securities and “**ETFS Forward All Commodities DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Energy DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Petroleum DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Ex-Energy DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Precious Metals DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Industrial Metals DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Agriculture DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Softs DJ-AIGCI-F3SM Index Securities**”, “**ETFS Forward Livestock DJ-AIGCI-F3SM Index Securities**” and “**ETFS Forward Grains DJ-AIGCI-F3SM Index Securities**” shall be construed accordingly

“Forward Individual Securities” means together the Forward Aluminium class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Coffee class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Copper class undated limited recourse secured debt securities of US\$5.00000000 in principal amount each, Forward Corn class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Cotton class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Crude Oil class undated limited recourse secured debt securities of US\$8.00000000 in principal amount each, Forward Gasoline class undated limited recourse secured debt securities of US\$8.00000000 in principal amount each, Forward Gold class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Heating Oil class undated limited recourse secured debt securities of US\$5.00000000 in principal amount each, Forward Lean Hogs class undated limited recourse secured debt securities of US\$3.00000000 in principal amount each, Forward Live Cattle class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Natural Gas class undated limited recourse secured debt securities of US\$3.00000000 in principal amount each, Forward Nickel class undated limited recourse secured debt securities of US\$5.00000000 in principal amount each, Forward Silver class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Soybean Oil class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Soybeans class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Sugar class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Wheat class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each and Forward Zinc class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to one million Micro Securities of the relevant class and recorded on the relevant Register of Individual Securities and “**ETFS Forward Aluminium Individual Securities**”, “**ETFS Forward Coffee Individual Securities**”, “**ETFS Forward Copper Individual Securities**”, “**ETFS Forward Corn Individual Securities**”, “**ETFS**

Forward Cotton Individual Securities”, “ETFS Forward Crude Oil Individual Securities”, “ETFS Forward Gasoline Individual Securities”, “ETFS Forward Gold Individual Securities”, “ETFS Forward Heating Oil Individual Securities”, “ETFS Forward Lean Hogs Individual Securities”, “ETFS Forward Live Cattle Individual Securities”, “ETFS Forward Natural Gas Individual Securities”, “ETFS Forward Nickel Individual Securities”, “ETFS Forward Silver Individual Securities”, “ETFS Forward Soybean Oil Individual Securities”, “ETFS Forward Soybeans Individual Securities”, “ETFS Forward Sugar Individual Securities”, “ETFS Forward Wheat Individual Securities” and “ETFS Forward Zinc Individual Securities” shall be construed accordingly

“Forward Micro and Commodity Securities” or “Forward Securities”	means Micro Forward Securities, Forward Index Securities and Forward Individual Securities and “Forward Micro or Commodity Securities” means any of them
“FSA”	means the Financial Services Authority of the United Kingdom
“FSA Glossary”	means the glossary giving the meaning of the defined expressions used in the FSA Handbook
“FSA Handbook”	means the FSA’s Handbook of Rules and Guidance as amended
“FSMA”	means Financial Services and Markets Act 2000 as amended
“General Trading Day”	means a “Business Day” as defined in the Handbook from time to time (and meaning as at the date of the Trust Instrument “any day on which the sum of the CIPs for those Index Commodities that are open for trading is greater than 50 per cent.” where “Index Commodities” has the meaning given to it in the Handbook)
“Guarantee”	means in respect of any Commodity Contract Counterparty, any guarantee or other credit support agreement provided by a guarantor or other credit support provider in respect of such Commodity Contract Counterparty’s obligations under the relevant Facility Agreement insofar as it relates to the Pool and includes the AIG Guarantee
“Guarantor”	means in respect of any Commodity Contract Counterparty, any guarantor or other credit support provider who has entered into a Guarantee in respect of such Commodity Contract Counterparty’s obligations under the relevant Facility Agreement insofar as it relates to the relevant Pool and includes AIG
“Guarantor Tax Event”	means at any time AIG becoming subject to an obligation to gross up for withholding tax in respect of payments due at that time under the AIG Guarantee
“Handbook”	means the document called “DJ-AIGCI SM Handbook” and its appendices which sets out the methodology for calculation of the DJ-AIGCI SM and the DJ-AIGCI-F3 SM , prepared and as amended from time to time by Dow Jones and AIG-FP, a copy of which, as at the date of the Trust Instrument, can be obtained from the following address: http://www.aigfp.com/home/commodities/djaigcihandbook
“Hedge Roll Day”	means each of the fifth to ninth (inclusive) General Trading Days of each Month, provided that if the ninth General Trading Day of that Month is not a Pricing Day for one or more Individual Commodity Indices, the next following Pricing Day for each such Individual Commodity Index shall also be a Hedge Roll Day for Micro Securities of that particular class

“Hedging Disruption Event”	means an event, circumstance or cause that a Commodity Contract Counterparty reasonably and in good faith determines has had or would reasonably be expected to have a materially adverse effect on that Commodity Contract Counterparty’s ability to hedge its positions in connection with the relevant Facility Agreement or Commodity Contracts of the relevant class, including, without limitation, any limitation or prohibition associated with acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction in connection with the relevant Facility Agreement or such Commodity Contracts, in each case whether due to market illiquidity, position limits in respect of any futures contract, illegality, the adoption of or change in any law or other regulatory instrument, lack of availability of hedging transaction market participants or the occurrence or existence of any other circumstance or event
“holding company”	has the meaning given to that term in the Companies Act 1985 (as amended)
“ICE”	means the Intercontinental Exchange, Inc.
“Index Securities”	means together the Classic Index Securities and the Forward Index Securities
“Individual Commodity Index”	means an index for an individual commodity (as adjusted through the addition or removal of other Individual Commodity Indices) as calculated by Dow Jones in conjunction with AIG-FP and published by Dow Jones from time to time, more information on which is set out in Part 3 (<i>Description of Commodity Securities</i>) under the heading “Individual Commodity Indices” and in relation to a class of Micro Securities (and the corresponding class of Commodity Contracts) means the Individual Commodity Index specified in relation to such class in the Sixth Schedule (<i>Classes of Micro and Commodity Securities</i>) to the Trust Instrument
“Individual Securities”	means together the Classic Individual Securities and the Forward Individual Securities
“Investment Company Act”	means the Investment Company Act of 1940 of the United States
“Issuer”	means ETFS Commodity Securities Limited, a company incorporated and registered in Jersey with registered number 90959
“Issuer Business Day”	means a day which is both a General Trading Day and a London Business Day
“Issuer Insolvency Event”	means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer en désastre pursuant to the Bankruptcy (Désastre) (Jersey) Law 1990, as amended; (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed,

discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (10) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; **provided that** no action taken by the Trustee in respect of the Issuer shall constitute an Issuer Insolvency Event save where acts of the Trustee fall within one or more of clauses (1) to (9) and are taken in respect of security taken over Commodity Contracts, a Facility Agreement or a Guarantee

“Jersey”	means the Island of Jersey, Channel Islands
“Lead Future”	means for each Individual Commodity Index and each Trading Day, the particular futures contract which is the “Lead Future” (as defined in the Handbook) for that Individual Commodity Index
“Licence Agreement”	means together the Licence agreement dated as of 14 September 2006 as amended and restated on 17 September 2007, between Dow Jones, AIG-FP and ETFSL and the sub-licence agreement dated 21 September 2006 between the Issuer, Dow Jones, AIG-FP and ETFSL as each may be amended from time to time, under which Dow Jones and AIG-FP grant to ETFSL and ETFSL grants to the Issuer the right to use and refer to the DJ-AIG Commodity Indices and related sub-indices, and certain intellectual property of Dow Jones and AIG-FP, in relation to Micro and Commodity Securities
“Licence Allowance”	means the amount payable by the Issuer to ETFSL to be applied in paying fees to Dow Jones under the Licence Agreement, as set out in Part 1 (<i>General</i>) under “Management Fee”, as that amount may be adjusted from time to time
“Listing”	means the admission of a particular class of Micro and Commodity Securities to the Official List in accordance with the Listing Rules and admission of a particular class of Micro and Commodity Securities to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective
“Listing Rules”	means the Listing Rules of the UK Listing Authority from time to time, made under section 73A of the FSMA
“LME”	means The London Metal Exchange Limited and its subsidiaries and affiliates
“London Business Day”	means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in London

“London Stock Exchange”	means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require
“Main Market”	means the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities (being securities admitted to the Official List)
“Management Fee”	means the management fee payable by the Issuer to ETFSL in consideration for the provision by ETFSL of all management and administration services in relation to the Programme, as set out in Part 1 (<i>General</i>) under “Management Fee”, as that amount may be adjusted from time to time
“Market Disruption Day”	means, in respect of an Individual Commodity Index, a Trading Day on which a Market Disruption Event occurs or is continuing, in the Relevant Market on the Relevant Exchange for that Individual Commodity Index
“Market Disruption Event”	means, in respect of a particular Individual Commodity Index, any of the following events: <ul style="list-style-type: none"> (a) the Relevant Exchange fails to determine, announce or publish the relevant Settlement Price(s); or (b) the termination or suspension of, or material limitation or disruption in the trading of, any Lead Future or Next Future used in the calculation of an Individual Commodity Index; or (c) the Settlement Price of the Lead Future or Next Future used in the calculation of the Individual Commodity Index reflects the maximum permitted price change (as set from time to time by the Relevant Exchange for that Lead Future or Next Future) from the previous day’s Settlement Price
“Micro and Commodity Securities”	means Micro Securities, Index Securities and Individual Securities and “Micro or Commodity Securities” means any of them
“Micro Classic Securities”	means together the Aluminium class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, the Cocoa class undated limited recourse secured debt securities of US\$0.0000005 in principal amount each, Coffee class undated limited recourse secured debt securities of US\$0.000000500 in principal amount each, Copper class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, Corn class undated limited recourse secured debt securities of US\$0.00000025 in principal amount each, Cotton class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Crude Oil class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Gasoline class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Gold class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Heating Oil class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, the Lead class undated limited recourse secured debt securities of US\$0.0000035 in principal amount each, Lean Hogs class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Live Cattle class undated limited recourse secured debt securities of US\$0.00000200 in principal amount each, Natural Gas class undated limited recourse secured debt securities of

US\$0.0000030 in principal amount each, Nickel class undated limited recourse secured debt securities of US\$0.0000200 in principal amount each, the Platinum class undated limited recourse secured debt securities of US\$0.000065 in principal amount each, Silver class undated limited recourse secured debt securities of US\$0.0000200 in principal amount each, Soybean Oil class undated limited recourse secured debt securities of US\$0.0000100 in principal amount each, Soybeans class undated limited recourse secured debt securities of US\$0.0000200 in principal amount each, Sugar class undated limited recourse secured debt securities of US\$0.0000300 in principal amount each, the Tin class undated limited recourse secured debt securities of US\$0.000035 in principal amount each, Wheat class undated limited recourse secured debt securities of US\$0.0000025 in principal amount each and Zinc class undated limited recourse secured debt securities of US\$0.0000100 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Micro Securities and “**Aluminium Micro Securities**”, “**Cocoa Micro Securities**”, “**Coffee Micro Securities**”, “**Copper Micro Securities**”, “**Corn Micro Securities**”, “**Cotton Micro Securities**”, “**Crude Oil Micro Securities**”, “**Gasoline Micro Securities**”, “**Gold Micro Securities**”, “**Heating Oil Micro Securities**”, “**Lead Micro Securities**”, “**Lean Hogs Micro Securities**”, “**Live Cattle Micro Securities**”, “**Natural Gas Micro Securities**”, “**Nickel Micro Securities**”, “**Platinum Micro Securities**”, “**Silver Micro Securities**”, “**Soybean Oil Micro Securities**”, “**Soybeans Micro Securities**”, “**Sugar Micro Securities**”, “**Tin Micro Securities**”, “**Wheat Micro Securities**” and “**Zinc Micro Securities**” shall be construed accordingly

“Micro Forward Securities”

means together the Forward Aluminium class undated limited recourse secured debt securities of US\$0.0000100 in principal amount each, Forward Coffee class undated limited recourse secured debt securities of US\$0.0000050 in principal amount each, Forward Copper class undated limited recourse secured debt securities of US\$0.0000500 in principal amount each, Forward Corn class undated limited recourse secured debt securities of US\$0.0000050 in principal amount each, Forward Cotton class undated limited recourse secured debt securities of US\$0.0000050 in principal amount each, Forward Crude Oil class undated limited recourse secured debt securities of US\$0.0000800 in principal amount each, Forward Gasoline class undated limited recourse secured debt securities of US\$0.0000800 in principal amount each, Forward Gold class undated limited recourse secured debt securities of US\$0.0000100 in principal amount each, Forward Heating Oil class undated limited recourse secured debt securities of US\$0.0000500 in principal amount each, Forward Lean Hogs class undated limited recourse secured debt securities of US\$0.0000300 in principal amount each, Forward Live Cattle class undated limited recourse secured debt securities of US\$0.0000150 in principal amount each, Forward Natural Gas class undated limited recourse secured debt securities of US\$0.0000300 in principal amount each, Forward Nickel class undated limited recourse secured debt securities of US\$0.0000500 in principal amount each, Forward Silver class undated limited recourse secured debt securities of US\$0.0000150 in principal amount each, Forward Soybean Oil class undated limited recourse secured debt securities of

US\$0.00000100 in principal amount each, Forward Soybeans class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Forward Sugar class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, Forward Wheat class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each and Forward Zinc class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Micro Forward Securities and “**Aluminium Micro Forward Securities**”, “**Coffee Micro Forward Securities**”, “**Copper Micro Forward Securities**”, “**Corn Micro Forward Securities**”, “**Cotton Micro Forward Securities**”, “**Crude Oil Micro Forward Securities**”, “**Gasoline Micro Forward Securities**”, “**Gold Micro Forward Securities**”, “**Heating Oil Micro Forward Securities**”, “**Lean Hogs Micro Forward Securities**”, “**Live Cattle Micro Forward Securities**”, “**Natural Gas Micro Forward Securities**”, “**Nickel Micro Forward Securities**”, “**Silver Micro Forward Securities**”, “**Soybean Oil Micro Forward Securities**”, “**Soybeans Micro Forward Securities**”, “**Sugar Micro Forward Securities**”, “**Wheat Micro Forward Securities**” and “**Zinc Micro Forward Securities**” shall be construed accordingly

“Micro Securities”	means together the Classic Micro Securities and the Forward Micro Securities
“Minimum Creation Amount”	means the minimum amount stipulated under the Facility Agreement for creation of Commodity Contracts (and the corresponding minima on the issue of Commodity Securities), as set out in Part 1 (<i>General</i>)
“Month”	means calendar month
“Multiplier”	means the number determined in accordance with Condition 6
“New Micro Securities”	means the Cocoa Micro Securities, the Lead Micro Securities, the Platinum Micro Securities and the Tin Micro Securities
“New Securities”	means the Cocoa Individual Securities, the Lead Individual Securities, the Platinum Individual Securities and the Tin Individual Securities
“New York Business Day”	means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in New York
“Next Future”	means for each Individual Commodity Index and each Trading Day, the particular futures contract which is the “Next Future” (as defined in the Handbook) for that Individual Commodity Index on that Trading Day
“Notice Deadline”	means, on a General Trading Day, the earlier of 2.30 p.m. or such other time determined by the Issuer as the Notice Deadline in respect of a particular General Trading Day or generally
“NYBOT”	means Board of Trade of the City of New York, Inc. and its subsidiaries and affiliates, known as the New York Board of Trade
“NYMEX”	means New York Mercantile Exchange, Inc. and its subsidiaries and affiliates
“Official List”	means the official list maintained by the UK Listing Authority for the purpose of Part VI of FSMA

“outstanding”	<p>means in relation to each type of Micro or Commodity Securities, all the Micro or Commodity Securities of that type issued and in respect of which there is for the time being an entry in the Register other than:</p> <ul style="list-style-type: none"> (a) Micro or Commodity Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and (b) Micro or Commodity Securities which have been purchased and cancelled pursuant to the Trust Instrument; <p>PROVIDED THAT for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Micro and Commodity Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) a Commodity Contract Counterparty, (C) ETFs Securities Limited or a Guarantor, (D) any subsidiary of the Issuer or of a Commodity Contract Counterparty, (E) any individual Controller of the Issuer or Guarantor or (F) any person controlled by any such persons listed in (A) to (E) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Micro and Commodity Securities shall be deemed not to be Security Holders</p>
“Overseas Person”	<p>means a person whose activities are not subject to the prohibition in Section 19 of the FSMA by virtue of its not carrying on such activities in the United Kingdom, whose head office is situated outside the United Kingdom and whose ordinary business involves carrying on activities of the kind specified by any of articles 14, 21, 25, 37, 40, 45, 51, 52 and 53 or, so far as relevant to any of those articles, article 64 of the RAO (or would do so apart from any exclusion from any of those articles made by the RAO)</p>
“Pool”	<p>means a separate fund or pool to which Micro Securities of a particular class (and Commodity Securities to the extent that they are comprised of that class of Micro Securities) are attributable</p>
“Pool Factor”	<p>means at any time in respect of any Pool and the Micro Securities and Individual Securities and Index Securities (to the extent that they comprise Micro Securities of that class) attributable to that Pool the number determined as at that time in accordance with Conditions 5.4 and 20.3 and more information on which is set out under the heading “Consolidation and Division of Micro and Commodity Securities” in Part 3 (<i>Description of Micro and Commodity Securities</i>)</p>
“Price”	<p>means:</p> <ul style="list-style-type: none"> (a) for a Micro Security or a class of Micro Securities, the price determined in accordance with Condition 5; and (b) for a Commodity Security or type of Commodity Securities, the sum of the Prices of each and every Micro Security comprised in that Commodity Security or that type of Commodity Securities; <p>and “Pricing” (other than when used in the terms Pricing Date and Pricing Day) shall be construed accordingly</p>
“Pricing Day”	<p>means, for each class of Micro Securities, a Trading Day for the Individual Commodity Index applicable to that class of Micro Securities that is not a Market Disruption Day for that Individual</p>

Commodity Index (other than a Market Disruption Day for which a substitute value for that Individual Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements)

"Pricing Notice"	means a Redemption Form or a Withdrawal Notice
"Pricing Supplement"	means a pricing supplement in or substantially in the form annexed hereto
"Principal Amount"	in respect of each Micro Security and each Individual Security means the amount specified as such in respect of such Micro Security or Individual Security as set out in paragraph 5 of Part 11 (<i>Additional Information</i>) and in respect of each Index Security means the amount specified as such in respect of such Index Security subject to adjustment on Rebalancing as provided for in the Conditions, as initially set out in paragraph 5 of Part 11 (<i>Additional Information</i>)
"Programme"	means the programme for the issuance of Commodity Securities described in this document
"Prohibited Benefit Plan Investor"	means any "employee benefit plan" within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (" ERISA "), subject to Part 4. Subtitle B of Title I of ERISA, any "plan" to which section 4975 of the United States Internal Revenue Code of 1986, (the " Code ") applies (collectively, " Plans "), any entity whose underlying assets include "plan assets" of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan's investment in such entity, any governmental or church plan that is subject to any United States Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Micro or Commodity Securities on behalf of, for the benefit of or with any assets of any such Plan or entity
"Prohibited US Person"	means a US Person who is not a Qualified Purchaser, or any person who holds Commodity Securities for the benefit of a US Person who is not a Qualified Purchaser
"Prospectus"	means this base Prospectus of the Issuer
"Prospectus Directive"	means Directive 2003/71/EC of the European Parliament
"Qualified Purchaser"	means a "qualified purchaser" as defined under the Investment Company Act
"RAO"	means the (Regulated Activities) Order 2001 made under the FSMA
"Rebalancing"	means an adjustment to the number (and if applicable classes) of Micro Securities comprised in an Index Security and the Principal Amount of an Index Security, in accordance with Condition 14 and more information on which is set out in Part 3 (<i>Description of Commodity Securities</i>) under the heading "Rebalancing of Index Securities"
"Rebalancing Calculation Date"	means, for a Required Rebalancing and for an Extended Voluntary Rebalancing, the fourth General Trading Day of the Month in which the Rebalancing is to be effected (or, if that day is not a Full Pricing Day, the first prior Full Pricing Day); and for any other Voluntary Rebalancing, the first General Trading Day following the last Hedge Roll Day of the relevant Month

“Redemption”	means the redemption of Micro and Commodity Securities by the Issuer in accordance with the Conditions (and “ Redeem ” shall be construed accordingly)
“Redemption Amount”	means the amount payable by the Issuer to the Security Holder upon the Redemption of Micro and Commodity Securities, as may be reduced for any withholdings or deductions for or on account of tax as set out in Condition 10.5
“Redemption Fee”	means the fee payable by a Security Holder upon Redemption of Micro and Commodity Securities in accordance with Condition 11 and on which more information can be found under the heading “Application Fees and Redemption Fees” in Part 3 (<i>Description of Commodity Securities</i>)
“Redemption Form”	means an Agreed Redemption Form or a Settlement Redemption Form in the form prescribed from time to time by the Issuer and in accordance with these Conditions, as the case may be
“Redemption Instructions”	means the instructions provided by a Security Holder redeeming Micro and Commodity Securities to the Registrar in a form approved by the Issuer
“Redemption Limits”	means the limits on Redemption set out in Condition 8.7 and on which more information is set out in Part 1 (<i>General</i>) under the heading “Redemption Limit”
“Redemption Payment Date”	means: <ul style="list-style-type: none"> (a) in the case of a Redemption pursuant to a Settlement Redemption Form, the third London Business Day following the Pricing Date of that Redemption; provided that if that day is not a New York Business Day then the Redemption Payment Date shall be on the next following Business Day; or (b) in the case of a Redemption pursuant to an Agreed Redemption Form, the London Business Day specified for such payment in that form; provided that the date so specified shall be not earlier than one London Business Day following the day upon which that form was deemed to have been received by the Issuer; or (c) in the case of a Redemption in accordance with a Listing Failure, the third London Business Day following the relevant Listing Failure Date; provided that if that day is not a New York Business Day then the Redemption Payment Date shall be the next following Business Day, or such other Business Day as may be agreed by the relevant Commodity Contract Counterparty and the Authorised Participant who submitted the relevant Redemption Form; or (d) in the case of a Redemption following the nomination of a Compulsory Redemption Date, the London Business Day which is the third London Business Day following the last Pricing Day on which the Price of Micro and Commodity Securities being Redeemed was determined in accordance with these Conditions; provided that if that day is not a New York Business Day then the Redemption Payment Date shall be the next following Business Day
“Registered Address”	means, in relation to a Security Holder, the address recorded in the Register for that Security Holder or where there is more than one

	Security Holder registered in respect of any Micro and Commodity Securities, the address recorded in the Register for the first named Security Holder in respect of those Micro and Commodity Securities
“Registers”	means the registers of Security Holders of each type kept and maintained by the Registrar and “Register” shall be construed accordingly. At the date of the Trust Instrument there are 104 Registers, one for each of the 96 different types of Micro and Commodity Securities currently envisaged to be created pursuant to the Trust Instrument
“Registrar”	means Computershare Investor Services (Channel Islands) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers, to receive and process applications for Micro and Commodity Securities, to receive and process applications for Redemptions of Micro and Commodity Securities and receive and process applications for exchanges of Commodity Securities for Micro Securities and vice versa
“Registrar Agreement”	means the registrar agreement dated 21 September 2006, as amended, between the Registrar and the Issuer
“Regulated Market”	means a regulated market for the purposes of EU Directive 2004/39/EC (the Markets in Financial Instruments Directive)
“Relevant DJ-AIG Commodity Index”	means in the case of Classic Commodity Securities the DJ-AIGCI SM and in the case of Forward Commodity Securities the DJ-AIGCI-F3 SM
“Relevant Exchange”	means, for each Individual Commodity Index, the futures exchange on which is traded the futures contract by reference to the prices of which that Individual Commodity Index is calculated and on which more information is set out in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>) under the heading “Calculation of the DJ-AIG Commodity Indices and other Indices” in Table 2 (Designated Contracts and Designated Month Contracts), in the column headed “Exchange”
“Relevant Market”	means the LME market for aluminium futures, the NYBOT market for cocoa futures, the NYBOT market for coffee futures, the COMEX market for copper futures, the CBOT market for corn futures, the NYBOT market for cotton futures, the NYMEX market for West Texas Intermediate crude oil futures, the COMEX market for gold futures, the NYMEX market for heating oil futures, the LME market for lead futures, the CME market for lean hogs futures, the CME market for live cattle futures, the NYMEX market for natural gas futures, the LME market for nickel futures, the NYMEX market for platinum futures, the COMEX market for silver futures, the CBOT market for soybean oil futures, the CBOT market for soybeans futures, the NYBOT market for sugar futures, the NYMEX market for gasoline futures, the LME market for tin futures, the CBOT market for wheat futures, or the LME market for zinc futures, as applicable
“Required Rebalancing”	means, with respect to an Index Security, a Rebalancing necessitated by and carried out in conjunction with a rebalancing of the Relevant DJ-AIG Commodity Index
“RIS”	means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer
“Roll Period”	means in respect of a month each of the sixth to tenth (inclusive) General Trading Days of that month

“Secured Obligations”	<p>means:</p> <p>(a) all present and future obligations (which, for the avoidance of doubt, are all limited recourse obligations) of the Issuer to the relevant Commodity Contract Counterparty on account of Creation Amounts and interest thereon; and</p> <p>(b) all losses, damages, legal and other costs, charges and expenses sustained, suffered or incurred by the relevant Commodity Contract Counterparty arising out of or in connection with any act, matter or thing done or omitted to be done by the Issuer under the Facility Agreement or the Security Assignment</p>
“Secured Property”	<p>means (in respect of Micro Securities of any class and of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of the corresponding class) all rights of the Issuer under the corresponding Facility Agreement(s), Commodity Contracts and any Guarantee to the extent that they apply to payments due in respect of Micro and Commodity Securities of that type, or any part thereof, and which are subject to the security created in favour of the Trustee pursuant to the applicable Security Deed</p>
“Securities Act”	<p>means the Securities Act of 1933 of the United States</p>
“Security”	<p>means in respect of each Pool the security constituted by the applicable Security Deed</p>
“Security Assignment”	<p>means, in respect of each Authorised Participant Agreement and each Commodity Contract Counterparty, the Security Assignment pertaining to that Authorised Participant Agreement as it applies in relation to that Commodity Contract Counterparty entered into between the Issuer and the relevant Commodity Contract Counterparty and securing the Secured Obligations of the Issuer to that Commodity Contract Counterparty</p>
“Security Deed”	<p>means in respect of each Pool and the corresponding class of Commodity Contracts, the security deed pertaining to that Pool entered into between the Issuer and the Trustee</p>
“Security Holder”	<p>means a registered holder of Micro or Commodity Securities</p>
“Services Agreement”	<p>means the Services Agreement dated 21 September 2006, as amended, between ETFSL and the Issuer providing for certain services to be provided by ETFSL to the Issuer in relation to Micro and Commodity Securities</p>
“Settlement Price”	<p>means, in relation to any Pricing Day and a futures contract traded on a Relevant Exchange, the official settlement price of the Relevant Exchange for such day in relation to such futures contract as determined in accordance with the regulations of the Relevant Exchange</p>
“Settlement Pricing”	<p>has the meaning given in Condition 8.1(a)</p>
“Short and Leveraged Commodity Securities”	<p>means the securities of the Issuer known as Short and Leveraged Commodity Securities constituted by the Short and Leveraged Trust Instrument as more fully described in the base prospectus of the Issuer dated 14 February 2008</p>

“Short and Leveraged Facility Agreement”	means the agreement between the Issuer and AIG-FP dated 8 February 2008
“Short and Leveraged Trust Instrument”	means the trust instrument between the Issuer and the Trustee dated 8 February 2008 as may be amended further from time to time
“Spread”	means the Spread agreed between the Issuer and AIG-FP for the purposes of the Capital Adjustment Agreement (initially agreed to be 0.45 per cent. per annum in respect of the Classic Securities and 0.6 per cent. per annum in respect of the Forward Securities)
“subsidiary”	has the meaning given to that term in section 736 of the Companies Act 1985 (as amended)
“Supervisory Committee”	means the committee which reviews and approves the DJ-AIGCI SM Handbook and the target composition of the revised Index each year, as described in Part 2 (<i>Dow Jones — AIG Commodity Indices</i>) under the heading “Dow Jones — AIG Commodity Index and Sub-Indices”
“Strategy”	means each of the groups of Micro and Commodity Securities provided for in this Prospectus, being Classic Micro and Commodity Securities and Forward Micro and Commodity Securities
“tax”	means any VAT, tax, income tax, capital gains tax, corporation tax, goods and services tax, withholding tax, stamp, financial institutions, registration and other duties, bank accounts debits tax, import/export tax or tariff and any other taxes, levies, imposts, deductions, interest, penalties and charges imposed or levied by a government or government agency
“terminate”	in relation to a Commodity Contract means ‘terminate’ or ‘close out’ the obligations established by such Commodity Contract
“Trading Day”	means, for each Individual Commodity Index, a day on which the Relevant Exchange for that Individual Commodity Index is open for trading during its regular trading session, notwithstanding such Relevant Exchange closing prior to its scheduled closing time
“Trust Instrument”	means the trust instrument dated 21 September 2006 between the Issuer and the Trustee constituting Micro and Commodity Securities as amended and supplemented by trust instruments between the Issuer and the Trustee supplemental thereto
“Trustee”	means The Law Debenture Trust Corporation p.l.c. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument
“type”	means, in relation to Micro Securities and Individual Securities, a class thereof and, in relation to Index Securities, the category thereof
“UCITS Fund”	means a collective investment scheme which in accordance with the UCITS directive (Council Directive No. 85/611/EEC) as amended is an undertaking for collective investment in transferable securities subject to that directive and includes a UCITS Scheme
“UCITS Scheme”	means a scheme that falls within the definition of a “UCITS Scheme” contained in the FSA Glossary
“UK”	means the United Kingdom of Great Britain and Northern Ireland

“UK Listing Authority”	means the FSA in its capacity as the competent authority for the purposes of Part VI of the FSMA
“Unacceptable Authorised Participant”	means an Authorised Participant in respect of which the relevant Commodity Contract Counterparty has given and not withdrawn notice under the relevant Facility Agreement that the Authorised Participant has ceased to be acceptable to such Commodity Contract Counterparty
“Uncertificated Form”	means recorded on a Register as being held in uncertificated form, title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland
“United States” or “U.S.”	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Dollars” or “US\$”	means the lawful currency of the USA
“US Person”	means a “US person” as defined in Regulation S under the Securities Act
“Value”	means, in relation to a Micro Security and a day, the Price of a Commodity Contract of the same class as that Micro Security on that same day
“VAT”	means value added tax
“Voluntary Rebalancing”	means a Rebalancing other than a Required Rebalancing

References in this document to a particular time are references to the time applicable in London, United Kingdom.

DIRECTORS, SECRETARY AND ADVISERS

Directors of the Issuer	Graham Tuckwell, Chairman Leanne Baker Ben Cukier Vince FitzGerald Graeme Ross Craig Stewart Jim Wiandt All the Directors are non-executive
Secretary of the Issuer	R&H Fund Services (Jersey) Limited
Registered Office of the Issuer and address of directors and secretary of the Issuer	The address of all the directors and secretary of the Issuer is the registered office of the Issuer, which is: Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands Tel: +44 1534 825230
Administrator	ETF Securities Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands
Trustee	The Law Debenture Trust Corporation p.l.c. Fifth Floor 100 Wood Street London EC2V 7EX
Calculation Agent	AIG Financial Products Corp. 50 Danbury Road Wilton Connecticut U.S.A. 06897-4444
English Legal Advisers to the Issuer	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ United Kingdom
Jersey Legal Advisers to the Issuer	Mourant du Feu & Jeune 22 Grenville Street St. Helier Jersey JE4 8PX Channel Islands
Dutch Legal Advisers to the Issuer	Stibbe Strawinskylaan 2001 Postbus 75640 1070 AP Amsterdam The Netherlands

Dutch Listing and Paying Agent	Fortis Bank (Nederland) N.V. Rokin 55 1012 KK Amsterdam The Netherlands
German Legal Advisers to the Issuer	Dechert LLP Theresienstrasse 6 80333 Munich Germany
German Listing and Paying Agent	HSBC Trinkhaus & Burkhardt AG Königsallee 21/23 40212 Düsseldorf Germany
French Legal Advisers to the Issuer	Simmons & Simmons 5 Boulevard de la Madeleine 75001 Paris France
French Listing and Paying Agent	HSBC France 103 Avenue des Champs-Élysées 75008 Paris France
Italian Legal Advisers to the Issuer	Studio Legale Cieri Crocenzi Via A. Bertoloni, 41 00197 Roma Italy
English Legal Advisers to the Trustee	Simmons & Simmons CityPoint 1 Ropemaker Street London EC2Y 9SS United Kingdom
Jersey Legal Advisers to the Trustee	Ogier & Le Masurier Whiteley Chambers Don Street St. Helier Jersey JE4 9WG Channel Islands
Auditors of the Issuer	Ernst & Young LLP Unity Chambers 28 Halkett Street St. Helier Jersey JE1 1EY Channel Islands
	Ernst & Young LLP is authorised by the Jersey Financial Services Commission to be appointed an auditor of a Jersey incorporated company under Article 109 of the Companies (Jersey) Law 199.
Registrar	Computershare Investor Services (Channel Islands) Limited Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW Channel Islands

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated in this document by reference and are available at the Issuer's website at <http://www.ETFSecurities.com/csl> and at the registered office of the Issuer as set out in paragraph 14 of Part 11 (*Additional Information*):

1. the following sections of the base prospectus of the Issuer dated 18 September 2007:
 - (a) pages 179 to 209 which set out the published audited reports and accounts of the Issuer for the period ended 31 December 2006; and
 - (b) pages 88 to 126 which set out the Conditions applicable to the Micro and Commodity Securities (other than the New Securities and the New Micro Securities) until the Effective Date (subject as set out in the announcement referred to at 2 below);
2. the RIS announcement of the Issuer published through the Regulatory News Service of the London Stock Exchange on 24 April 2008 entitled "Changes to the Trust Instrument and Conditions of Commodity Securities"; and
3. the published audited reports and accounts of the Issuer for the year ended 31 December 2007 as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 26 June 2008.

PART 1

GENERAL

Introduction

The Issuer has created and issued fifty-eight different types of Existing Securities, of two different kinds:

- Individual Securities, which track the price of a single commodity; and
- Index Securities, which will track the price of a group of commodities.

These comprise thirty-eight different classes of Individual Securities (representing nineteen different commodities and two different maturities) and twenty different categories of Index Securities (representing ten different combinations of commodities and two different maturities).

The Issuer is now making available for issue four further different classes of Classic Individual Securities being the New Securities:

- Cocoa Individual Securities
- Lead Individual Securities
- Platinum Individual Securities
- Tin Individual Securities

The Classic Securities track the DJ-AIGCISM and the relevant Individual Commodity Indices. The Forward Securities track the DJ-AIGCI-F3SM (which tracks the same commodities as the DJ-AIGCISM but for the DJ-AIGCI-F3SM, the contracts that would be the Lead Future and Next Future for the DJ-AIGCISM in three calendar months are instead the Lead Future and Next Future in the current calendar month for the DJ-AIGCI-F3SM) and the relevant forward Individual Commodity Indices. Since these two indices are exposed to different parts (maturities) of the futures curve, Classic Securities and Forward Securities based on the same Individual Commodities will provide investors with different investment returns depending on the relevant Individual Commodity Index's sensitivity to changes in the commodity price and rate of any backwardation or contango.

The pricing of all Commodity Securities will be based on Individual Commodity Indices published by Dow Jones and calculated in accordance with the Dow Jones — AIG Commodity IndexSM Handbook (the "**DJ-AIGCISM Handbook**"). A copy of the DJ-AIGCISM Handbook can be downloaded from the following internet address: <http://www.aigfp.com/home/commodities/djaigcihandbook>.

The DJ-AIG Commodity Indices are widely followed indices which in the case of the DJ-AIGCISM has been published since 1998, with simulated historical data calculated back to January 1991 and in the case of the DJ-AIGCI-F3SM has been published since July 2006, with simulated historical data calculated back to 1991. The Individual Securities will track the Individual Commodity Indices of each of the commodities presently included in the DJ-AIG Commodity Indices and the Index Securities are designed to closely replicate the Relevant DJ-AIG Commodity Index and its various sub-indices. Further information on the Individual Commodity Indices and the DJ-AIG Commodity Indices is set out in Part 2 (*Dow Jones — AIG Commodity Indices*).

The Facility Agreement allows for a change in the DJ-AIG Commodity Index used to Price all of the Forward Securities. AIG-FP and the Issuer may agree to use a different forward commodity index published by Dow Jones and AIG-FP provided that Security Holders are given a minimum of 30 days' notice of the intended change.

The following table shows, in each box, the different types of Classic Commodity Security and Forward Commodity Security that are available for issue. The table also shows the commodities included in each type of Index Securities:

Table 1 — Commodity Securities Available for Issue

Individual Securities	Index Securities					
Natural Gas	All Commodities	Energy	Petroleum			
Crude Oil						
Gasoline						
Heating Oil						
Aluminium		Ex-Energy	Industrial Metals			
Copper						
Zinc						
Nickel						
Gold			Precious Metals			
Silver						
Live Cattle			Livestock			
Lean Hogs						
Wheat			Agriculture	Grains		
Corn						
Soybeans						
Sugar				Softs		
Cotton						
Coffee						
Soybean Oil						
Cocoa*						
Lead*						
Platinum*						
Tin*						

*Forward Commodity Securities of these types are not currently available for issue and micro securities of these types are not currently comprised in any category or categories of Index Securities

General Description of Commodity Securities

Commodity Securities have been designed to enable investors to gain exposure to movements in commodity prices without needing to purchase or take physical delivery of those commodities or to trade in futures contracts, and to buy and sell the exposure through the trading of a security on the London Stock Exchange.

Commodity Securities give investors a long exposure which is similar to that which an investor could achieve by managing a fully-collateralised unleveraged long position in the futures market, without the need to manage any such futures position. Commodity Securities involve no margin calls and no requirement to roll from one futures contract to the next, and no brokerage or other fees are incurred when rolling. All of the exposure is obtained through the terms of Commodity Securities, which (unlike futures contracts) do not expire.

The Issuer achieves a matching exposure by holding corresponding Commodity Contracts from AIG-FP, which also do not require any management by the Issuer of futures positions.

Commodity Securities give investors the following:

- exposure to the prices of individual commodities or groups of commodities, using the particular futures market contracts and roll periods determined by one of the world's leading providers of commodity indices;
- a choice of "long" exposure of two different parts of the commodities futures curve;
- exposure to a "total return", comprising:
 - a commodity "excess return" (spot price movement plus a positive (negative) roll yield from backwardation (contango) in the relevant futures market when rolling); plus
 - a collateral return (equivalent to an interest return net of all fees), at a rate announced each week in advance, in the form of capital adjustment;
- exposure which is unleveraged and which changes directly with changes in the price(s) of the different parts of the commodity futures curve, both up and down;
- pricing which is transparent, based on indices published by Dow Jones at the end of each Business Day (and which in turn are based on end-of-day Settlement Prices for designated futures contracts on specified futures exchanges); and
- securities traded on the London Stock Exchange and certain other stock exchanges.

Commodity Securities confer no right to receive physical commodities. Rather, they are purely financial instruments.

Pricing and Trading of Commodity Securities

Individual Securities

The Price of each class of Classic Individual Security and Forward Individual Security will be determined as at the end of each Pricing Day and will be equal to:

$$\text{Individual Commodity Index} \times \text{Multiplier} \times \text{Pool Factor}/10$$

The Individual Commodity Indices will be as published by Dow Jones.

As at 11 September 2008 the Multiplier for all classes of Classic Commodity Securities was 1.0532672 and for all classes of Forward Commodity Securities was 1.0108096. The Multiplier changes daily, reflecting cumulative capital enhancement (less the Management Fee and the Licence Allowance payable to the Issuer). Further information on the formula for the Multiplier is shown in Part 3 (*Description of Commodity Securities*) under the heading "Multiplier". The Pool Factor is a number that will always be 1 unless Micro or Commodity Securities are divided as described under the heading "Consolidation and Division of Micro and Commodity Securities" in Part 3 (*Description of Commodity Securities*).

Index Securities

The Price of all categories of Index Security will be the sum of the Prices for the Micro Securities comprised therein, as detailed in Part 3 (*Description of Commodity Securities*).

Publication of Pricing Information

The Multipliers, Capital Adjustments and the Prices for all types of Commodity Securities will be calculated by or on behalf of the Issuer as at the end of each Pricing Day for the components of each type of Commodity Securities (after the Individual Commodity Indices have been published for that day) and prior to trading commencing on the following Pricing Day.

The Multipliers, Capital Adjustment, and all Prices will be posted on the Issuer's website at <http://www.etfsecurities.com/csl>.

Listing and Trading

All Micro and Commodity Securities are fully transferable. The Issuer has applied to the UK Listing Authority for all of the Micro Securities and Commodity Securities to be issued within 12 months from the date of this document to be admitted to the Official List and to the London Stock Exchange for all of such Micro Securities and Commodity Securities to be admitted to trading on its Main Market. However, it is intended that an active secondary market on the Domestic Market will develop only in Commodity Securities (and not Micro Securities). No application has been or is currently being made for the New Securities or New Micro Securities to be admitted to listing or trading on any exchange or market outside the UK but the Issuer may cause such application to be made in respect of any or all classes of Commodity Securities on any such exchanges or markets in its discretion. The role of Micro Securities is explained in Part 3 (*Description of Commodity Securities*) under the headings “Commodity Securities are Priced by Reference to Micro Securities” and “Micro Securities”.

In order to provide liquidity to investors and to minimise any tracking error, the Issuer hopes at all times to have at least two Authorised Participants making a market on the London Stock Exchange in some or all of the Commodity Securities (or on other exchanges if the Issuer decides to apply for listing of Commodity Securities on such exchanges). Authorised Participants will have the right to effect applications or redemptions — see below under “Applications and Redemptions” and Part 3 (*Description of Commodity Securities*) under the heading “Applications and Redemptions” for further details.

Each class of Commodity Securities traded on the London Stock Exchange may have different market makers, bid/offer spreads and depth of liquidity and may be traded using different platforms. The Issuer hopes that some of the more liquid Commodity Securities will be traded on the Sets-MM platform but can give no assurance as to which Commodity Securities might attract the most and the least amount of trading activity. The Issuer does not anticipate that an active secondary market will develop in any of the Micro Securities.

Commodity Contracts and Facility Agreement

The liability of the Issuer to Security Holders upon redemption of Commodity Securities will be backed by Commodity Contracts with corresponding terms. Each time Commodity Securities are issued or redeemed by the Issuer, corresponding Commodity Contracts will be created or terminated by the Issuer under Facility Agreements.

The Issuer has entered into a Facility Agreement with AIG-FP (as the counterparty to the Commodity Contracts), a wholly-owned subsidiary of AIG. In addition, the Issuer has received credit support from AIG for the payment obligations of AIG-FP under the Commodity Contracts and the Facility Agreement, in the AIG Guarantee. Information relating to AIG-FP and AIG is set out in Part 10 (*Particulars of AIG-FP and AIG*).

Under the terms of the Facility Agreement with AIG-FP, the Issuer can create and terminate Commodity Contracts on a continuous basis, subject to the Creation Limits and the Redemption Limit (and days not being Market Disruption Days) and certain other conditions. Further information on the Creation Limits and the Redemption Limit is set out below.

The Issuer is only permitted to issue new Commodity Securities if it can create corresponding Commodity Contracts under a Facility Agreement.

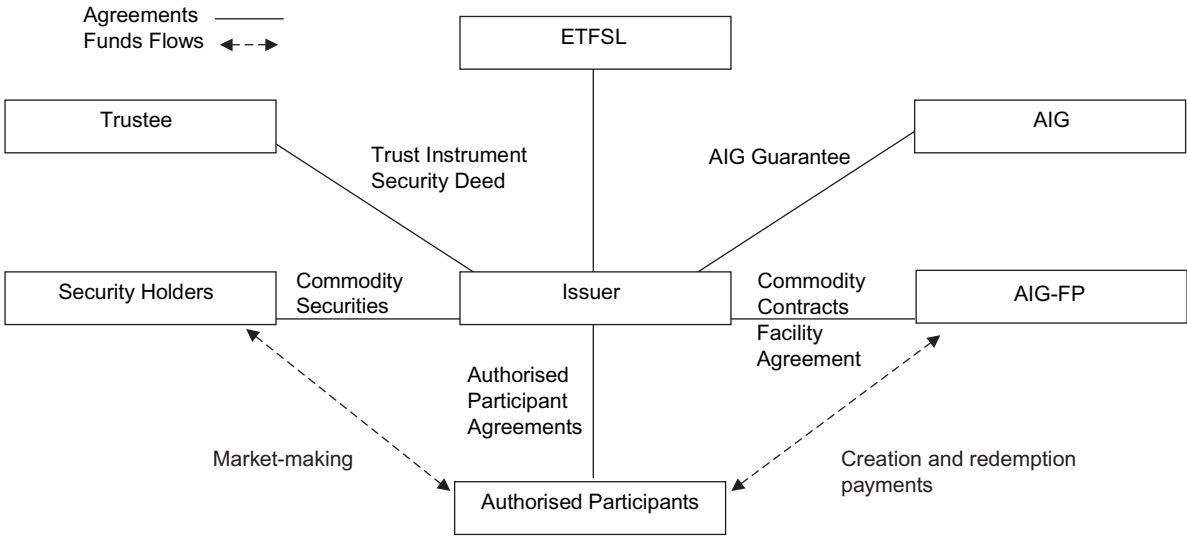
Further information on Commodity Contracts, the Facility Agreement with AIG-FP and the AIG Guarantee are set out in Part 4 (*Description of Facility Agreement and Commodity Contracts*).

Contract Structure for Commodity Securities

Micro and Commodity Securities are constituted by the Trust Instrument (as amended). Under the terms of the Trust Instrument, the Trustee acts as trustee for the Security Holders of each type of Micro and Commodity Securities.

The obligations of the Issuer in respect of each class of Micro Securities, the same class of Individual Securities and each category of Index Securities to the extent it comprises Micro Securities of that class will be secured by a charge over the equivalent class of Commodity Contracts held by the Issuer and over the rights of the Issuer in respect of those Commodity Contracts under the Facility Agreement and the AIG Guarantee.

A diagrammatic representation of the principal aspects of the structure as currently in place appears below.



Applications and Redemptions

Commodity Securities can be issued or redeemed at any time, subject to conditions (including not exceeding the Creation Limits and Redemption Limit), by Authorised Participants. The issue and redemption mechanism is intended to ensure that Commodity Securities have sufficient liquidity and that the price at which they trade on the London Stock Exchange tracks the relevant Price formula. Only an Authorised Participant may apply for or (unless there are at any given time no Authorised Participants) redeem Commodity Securities — all other persons must buy and sell Commodity Securities through trading on the London Stock Exchange or other relevant exchanges on which the Commodity Securities are admitted to trading.

Commodity Securities can only be issued or redeemed if corresponding Commodity Contracts can be created or terminated. There are limits on the creation and termination of Commodity Contracts, which means that there are corresponding limits on the issue and redemption of Commodity Securities.

Creation and Redemption Limits

There are two separate Creation Limits, one a total limit and the other a daily limit. Unless otherwise agreed by AIG-FP, the total limit is that Commodity Contracts cannot be created under the AIG-FP Facility Agreement to the extent that the total exposure of AIG-FP (that is, the sum of the Prices at that time of every Commodity Contract then in existence) would exceed US\$6,000,000,000 in respect of all Micro and Commodity Securities and of which no more than US\$2,000,000,000 should be in respect of Forward Micro and Commodity Securities.

The daily limit is class-specific. Unless otherwise agreed by AIG-FP, Commodity Contracts of a particular class may not be created under the AIG-FP Facility Agreement on a day to the extent that the sum of the Prices of all Commodity Contracts of that class which are created under the AIG-FP Facility Agreement on that day would exceed an amount equal to US\$250 million in respect of the Classic Commodity Securities, other than the Cocoa, Lead, Platinum and Tin Classic Individual Securities; US\$250 million in respect of the Forward Commodity Securities multiplied in each such case by the CIP of the relevant commodity on that day, rounded upwards to the next million US Dollars; and US\$7.5 million in respect of each of Cocoa, Lead, Platinum and Tin Classic Individual Securities.

The Redemption Limit is also a daily limit, and also class-specific. It is the same amount per class as the daily Creation Limit (unless AIG-FP otherwise agrees).

For the purposes of the Creation and Redemption Limits, Application and Redemption Forms are dealt with in strict time priority by reference to the date and time of their receipt.

The Creation and Redemption Limits may be amended by written agreement of the Issuer and AIG-FP. If they are amended, the Issuer will make an announcement by RIS.

Authorised Participants

The Issuer has agreed to use reasonable endeavours to ensure that at all times there are at least two Authorised Participants. However, if at any given time there are no Authorised Participants, Security Holders are permitted to redeem Micro and Commodity Securities held by them.

As at the date of this document ABN Amro Bank N.V. (London Branch), Barclays Capital Securities Limited, Banca IMI S.p.A., Bayerische Hypo-Vereinsbank AG, Fortis Bank Global Clearing N.V. (London Branch), Goldman Sachs International, Merrill Lynch International, Morgan Stanley & Co. International Limited and UBS AG, are Authorised Participants. Additional Authorised Participants may be introduced in due course.

Payments for Applications and Redemptions

Payment for the issue of Micro and Commodity Securities (and the corresponding creation of Commodity Contracts) will be made directly from the relevant Authorised Participant(s) to AIG-FP, and payment upon redemption of Micro and Commodity Securities (and termination of the corresponding Commodity Contracts) will (save where there are no Authorised Participants or in the case of compulsory redemptions) be made directly from AIG-FP to the relevant Authorised Participant(s). Payments from or to Authorised Participants will be made via the CREST system on a delivery versus payment basis. In the cases of compulsory redemptions and redemptions where there are no Authorised Participants, AIG-FP will make payment to accounts of the Issuer secured for the benefit of the Security Holders of the relevant classes or to the Trustee for the benefit of such Security Holders.

Further details of the application and redemption process are set out in Part 3 (*Description of Commodity Securities*) under the heading "Applications and Redemptions".

Security Structure

A security structure has been established to provide security for the payment obligations of the Issuer to Security Holders upon redemption of Micro and Commodity Securities.

The Issuer has been established as an "umbrella" or "multi-class" company with separate Pools of assets so that the Issuer can issue separate classes of securities, based on different prices or having some other different characteristics, but on terms that each such separate class of securities would have recourse only to the Pool attributable to that class and not to the assets attributable to any other class. The assets and liabilities attributable to each class of Micro Securities and Individual Securities (and the Index Securities to the extent they comprise such Micro Securities) will represent the Pool for that class.

Thus there are forty-two separate Pools currently applicable to Commodity Securities. A single Pool secures all Micro Securities and Individual Securities of a single class and all Index Securities to the extent they comprise such Micro Securities.

The Issuer has also created 66 separate pools in respect of the Short and Leveraged Commodity Securities, which it has issued and made available as set out in the prospectus of the Issuer dated 14 February 2008 (and as referred to under the heading "Short and Leveraged Commodity Securities" below) and which are constituted by the Short and Leveraged Trust Instrument. Holders of any particular type of Short and Leveraged Commodity Securities will not have recourse to any Pool created in respect of a class of Classic and Forward Commodity Securities and correspondingly the Classic and Forward Commodity Securities will not have recourse to any pools in respect of the Short and Leveraged Commodity Securities of any type.

Micro and Commodity Securities are constituted under the Trust Instrument (as amended). The Trustee holds all rights and entitlements under the Trust Instrument on trust for the Security Holders.

In addition, the Issuer and the Trustee have entered into a separate Security Deed in respect of each Pool. The rights and entitlements held by the Trustee under each Security Deed are held by the Trustee on trust for the Security Holders of that particular type of Micro or Commodity Securities.

Under the terms of each Security Deed, the Issuer has assigned to the Trustee by way of security the contractual rights of the Issuer relating to such class under the Facility Agreement, and granted a first-ranking floating charge in favour of the Trustee over all of the Issuer's rights in relation to the Secured Property attributable to the applicable Pool, including but not limited to its rights under the Facility Agreement, Commodity Contracts of that class and the Issuer's rights under the AIG Guarantee.

If the amounts received from the relevant Secured Property are insufficient to make payment of all amounts due in respect of the relevant Pool, no other assets of the Issuer shall be available to meet that shortfall and all further claims of the holders in respect of such class of Micro Securities and Individual Securities (and the Index Securities to the extent they comprise such Micro Securities) will be extinguished.

Under the terms of the Trust Instrument, it is agreed that the Security Holders, or the Trustee on their behalf, will not, in relation to Micro and Commodity Securities, institute against, or join any person in instituting against, the Issuer any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (except for the appointment of a receiver and manager pursuant to the relevant Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable for all outstanding Micro and Commodity Securities issued by the Issuer are repaid.

Further details of the Trust Instrument are set out in Part 6 (*Trust Instrument and Commodity Securities*). Further details of the Security Deeds are set out in Part 7 (*Particulars of the Security Deeds*).

Short and Leveraged Commodity Securities

The Issuer has separately made available the Short and Leveraged Commodity Securities which have different characteristics as described in a separate prospectus of the Issuer dated 14 February 2008. The Short and Leveraged Commodity Securities are constituted by a separate trust instrument entered into between the Issuer and The Law Debenture Trust Corporation p.l.c. and are backed by commodity contracts created under a separate facility agreement or facility agreements (currently being a facility agreement between AIG-FP and the Issuer). Each authorised participant in respect of the Short and Leveraged Commodity Securities is required to enter into a separate authorised participant agreement in respect of the Classic and Forward Commodity Securities. Accordingly the rights attached to the Short and Leveraged Commodity Securities are separate from and different to the rights attached to the Classic and Forward Commodity Securities.

The Issuer and ETFSL

The Issuer is a public company incorporated in Jersey for the purpose of issuing debt securities the price of which is related to commodities or commodity indices and entering into the Documents and agreements relating to other types or classes of commodity securities.

The shares in the Issuer are all held by ETFSL, a company incorporated in Jersey which acts, *inter alia*, as the holding company and manager of the Issuer. The Issuer is neither directly or indirectly owned or controlled by any other party to the Programme. The Issuer is dependent upon ETFSL to provide management and administration services to it, as further described below under the heading "Administration". ETFSL intends to promote and to provide management and other services to both the Issuer and other companies issuing commodity-based securities and currently also provides such services to the Issuer in relation to its programme for the issue of Short and Leveraged Commodity Securities and to ETFS Metal Securities Limited and ETFS Oil Securities Limited.

The Issuer is a special purpose company established for the purpose of issuing the Commodity Securities, and whose only assets attributable to Micro and Commodity Securities of each class are the Commodity Contracts and rights under the Facility Agreement and the AIG Guarantee (together, if there are any other Commodity Contract Counterparties, with any Facility Agreements and Commodity Contracts with such other Commodity Contract Counterparties and any related credit support) to the extent attributable to that class. The Issuer has also issued and made available for issue Short and Leveraged Commodity Securities, secured as described in the prospectus of the Issuer dated 14 February 2008. The Issuer's obligations are primarily its obligations under the Short and Leveraged Commodity Securities and the Classic and Forward Commodity Securities.

The directors of the Issuer and ETFSL are the same, and their respective biographies are set out below under the heading "Directors and Secretary".

Administration

ETFSL will, pursuant to the Services Agreement, supply all management and administration services for the Issuer and will pay all the management and administration costs of the Issuer.

ETFSL may engage third parties to provide some or all of these services. In particular, ETFSL has entered into a corporate administration agreement with R&H Fund Services (Jersey) Limited (the "Secretary") whereby the Secretary will perform certain administration duties for the Issuer and Computershare Investor Services (Channel Islands) Limited has been appointed to provide services as Registrar and receiving agent, and will maintain the Registers in Jersey.

The Service Agreement may be terminated by ETFSL at any time on three months' notice or earlier in the event of certain breaches or the insolvency of either party.

Management Fee and Licence Allowance

In return for ETFSL supplying to the Issuer all management and administration services, the Issuer is liable under the Services Agreement to pay ETFSL a fee equal to the Management Fee paid to the Issuer by AIG-FP under the Capital Adjustment Agreement. The Management Fee, as at the date of this Prospectus, is 0.49 per cent. per annum of the Price on that day of all Classic Micro and Commodity Securities outstanding and 0.49 per cent. per annum of the Price on that day of all Forward Micro and Commodity Securities outstanding. The fee rate may be varied by the Issuer from time to time.

AIG-FP will also pay the Issuer a Licence Allowance, which will be used to pay licence fees to Dow Jones due under the Licence Agreement (with any difference being payable to/by ETFSL). The Licence Allowance is 0.05 per cent. per annum of the daily Price of all Micro or Commodity Securities outstanding, and this rate will be varied to match approximately the fees payable to Dow Jones under the Licence Agreement.

The Issuer will only be liable to pay the fees to ETFSL upon receipt of the relevant amounts from AIG-FP.

For the Classic Micro and Commodity Securities and the Forward Micro and Commodity Securities the rate of the Management Fee and Licence Allowance will be reflected in the adjustments to the Multiplier each day, commencing upon Commodity Securities first being issued.

If the Management Fee or the Licence Allowance is amended, such amendment will be notified through an RIS, and will not take effect for at least 30 days following the publication of the RIS.

AIG-FP Fees

Neither AIG-FP nor AIG charges the Issuer or ETFSL any fees or expenses in relation to the Facility Agreement or the AIG Guarantee. However, AIG-FP will have the use of the funds paid to it for the creation of Commodity Contracts (net of redemptions) and the amount they pay for this benefit will be reflected in the rate of the Capital Adjustment, which rate will be agreed from time to time by AIG-FP and the Issuer. The rate of the Capital Adjustment is currently the weekly 3-month US Treasury Bill rate less a spread of 0.45 per cent. in the case of Classic Commodity Contracts and a spread of 0.60 per cent. in the case of Forward Commodity Contracts (reflecting the risk taken by AIG-FP) and less the Management Fee and the Licence Allowance.

AIG-FP is responsible for all costs associated with it hedging its exposures and managing the cash arising from the Issuer purchasing and terminating Commodity Contracts at any time. ETFSL has entered into a supplemental funding rate agreement with AIG-FP pursuant to which AIG-FP may make payments to ETFSL from time to time. This will not affect the Price of the Commodity Securities. To the extent that the cost to AIG-FP of the Capital Adjustment (before deduction of the Management Fee and the Licence Allowance) and any such payments to ETFSL differs from the value to AIG-FP of managing the exposures and having the use of cash, AIG-FP will make a profit or loss from the transaction.

If the Issuer has Commodity Contracts outstanding with more than one Commodity Contract Counterparty in relation to any Pool, the Capital Adjustment for that Pool (and the Micro Securities and Individual Securities of that class and the Index Securities to the extent that they comprise Micro Securities of that class) will be the weighted average of the Daily Adjustment on all Commodity Contracts attributable to that Pool.

The Capital Adjustment may or may not be less than the rate of interest which an investor could earn by depositing funds in money markets at overnight rates, or by fully collateralizing an investment in futures contracts. As at 11 September 2008, the rate of the Capital Adjustment was as follows:

	Daily †	Annual *
Classic Micro and Commodity Securities	0.00200%	0.73%
Forward Micro and Commodity Securities	0.00159%	0.58%

† as of 11 September 2008 (rate changes weekly)

* is the Daily rate compounded over 366 days

Calculation Agent

AIG-FP is required to act as Calculation Agent under and solely for the purposes of its Facility Agreement with the Issuer and each other Facility Agreement that may be entered into with other Commodity Contract Counterparties.

More information on the role of AIG-FP as Calculation Agent is set out in Part 4 (*Description of Facility Agreement and Commodity Contracts*) under the heading “Calculation Agent”.

Directors and Secretary

The Directors and the secretary of the Issuer (and of ETFSL) at the date of this document are:

Graham Tuckwell — Chairman

Mr Tuckwell is the founder and chairman of ETF Securities Limited and ETFS Commodity Securities Limited and four other companies issuing exchange-traded commodities: Gold Bullion Securities Limited in Jersey and Gold Bullion Securities Limited in Australia (which two companies obtained the world’s first listings of a commodity on a stock exchange), ETFS Oil Securities Limited and ETFS Metal Securities Limited. He is also a director of ETFS Fund Company public limited company and of its manager ETFS Management Company Limited. Assets under management in those four companies are in excess of US\$8 billion. Previously, Mr Tuckwell was the founder and managing director of Investor Resources Limited, a boutique corporate advisory firm, which specialised in providing financial, technical and strategic advice to the resources industry. He has more than 20 years of corporate and investment banking experience. Prior to the above activities, Mr Tuckwell was Head of Mining Asia/Pacific at Salomon Brothers, Group Executive Director at Normandy Mining responsible for Strategy and Acquisitions and Head of Mergers and Acquisitions at Credit Suisse First Boston in Australia. He holds a Bachelor of Economics (Honours) and a Bachelor of Laws degree from the Australian National University.

Dr Leanne Baker — Non-Executive Director

Dr Baker is managing director of Investor Resources LLC, a U.S.-based corporate advisory firm that provides financial, investment banking and investor relations expertise to the natural resources industry. She holds her required U.S. regulatory licences as an independent contractor with broker-dealer Puplava Securities Inc. She has more than 20 years of Wall Street research and banking experience, including managing the commodity research team at Philipp Brothers, Inc. in the 1980s and helping to build a metals and mining equity research/banking franchise at Salomon Brothers Inc. in the 1990s. She is a non-executive director of ETFS Oil Securities Limited and ETFS Metal Securities Limited and also serves on the boards of directors of Agnico-Eagle Mines Ltd., U.S. Gold Corporation and New Sleeper Gold Corporation. Dr Baker received her M.S. and Ph.D. degrees in mineral economics from Colorado School of Mines.

Ben Cukier — Non-Executive Director

Mr Cukier is a Partner of Financial Technology Management, L.L.C. with investment responsibilities in Business Services and Asset Management. Mr Cukier was previously with the Telecommunications and Media Team at Madison Dearborn Partners in Chicago. Prior to joining Madison Dearborn Partners, Mr Cukier was with McKinsey & Co. in New York, where he consulted to clients in the telecommunications, Internet, and healthcare industries. Prior to joining FTVentures, Mr Cukier spent a summer working in the Business Development group at Allegiance Telecom. He is also a non-executive director of ETFS Metal Securities Limited and ETFS Oil Securities Limited. He is also a director of ETFS Fund Company

public limited company and of its manager ETFS Management Company Limited. Mr Cukier received his BS and BA from the University of Pennsylvania and an MBA from Stanford.

Dr Vince FitzGerald — Non-Executive Director

Dr FitzGerald is Chairman of The Allen Consulting Group Pty Ltd; an Australian consulting company in economics, public policy and economic and financial regulation. He has been a director of that company since 1989, soon after its foundation. Prior to that time, he was a senior government official in Canberra, his career involving assignments in the Treasury, Prime Minister and Cabinet, Finance (Deputy Secretary), Trade (Secretary) and Employment, Education and Training (Secretary). He is a well known expert on the superannuation industry in Australia, and is a superannuation fund trustee. During the 10 years to 2004, Dr FitzGerald was a director of ING Australia Holdings Ltd. and its subsidiaries, and was Chairman of its Audit and Risk Management Committees. He is a non-executive director of Gold Bullion Securities Limited in Jersey and Australia, of ETFS Metal Securities Limited and of ETFS Oil Securities Limited and chairs the group's Risk Management and Audit Committee. He holds a Bachelor of Economics (First class Honours in Econometrics) from the University of Queensland and a Ph.D. in Economics from Harvard University.

Graeme Ross — Non-Executive Director

Mr Ross graduated from Abertay University in 1980 and joined Arthur Young McClelland Moores in Perth, Scotland. He qualified as a chartered accountant in 1984 and joined KPMG Peat Marwick's practice in Jersey shortly afterwards. Graeme joined the Jersey practice of Rawlinson & Hunter, Chartered Accountants, in 1986 as a manager in the fund administration division. In 1994 he was admitted to the Jersey partnership. Graeme has been the managing director of R&H Fund Services (Jersey) Limited since 1996 and has in-depth knowledge and experience of the fund management industry and in particular retail funds. He has worked in the offshore fund management industry for 18 years and also served as a committee member of the Jersey Fund Managers Association for three years. Graeme is also a director of Computershare Investor Services (Channel Islands) Limited and one of his roles is to maintain the day to day operations of the Issuer in Jersey and of Gold Bullion Securities Limited, ETFS Metal Securities and ETFS Oil Securities Limited (he is a non-executive director of each of those companies).

Craig Stewart — Non-Executive Director

Mr Stewart graduated from Edinburgh University in 1987 with a degree in Politics and worked in commercial roles for two blue chip companies headquartered in London. In 1993, he joined Arthur Andersen's Audit and Business Advisory practice in Jersey and qualified as a chartered accountant in 1996. He has specialised in the investment fund sector and been particularly involved with retail, institutional and private equity funds. In 1997, he was promoted to manager with sole responsibility for Andersen's asset management clients in European offshore jurisdictions. He was also the manager on a significant number of consulting assignments including controls reviews, operational reviews, due diligence projects, benchmarking studies and forensic investigations. In April 2000, he joined Rawlinson & Hunter's fund administration division and in January 2001 he was promoted to Director of R&H Fund Services (Jersey) Limited. Mr Stewart is also a director of Computershare Investor Services (Channel Islands) Limited and a non-executive director of Gold Bullion Securities Limited in Jersey, ETFS Metal Securities Limited and ETFS Oil Securities Limited.

Jim Wiandt — Non-Executive Director

Mr Wiandt graduated in 1991 from Tufts University and is editor of the Journal of Indexes and Publisher of IndexUniverse.com and Exchange-Traded Funds Report (ETFR). The Journal of Indexes (JoI) was originally founded by John Prestbo of Dow Jones Indexes, and has served as the 'book of record' for the index industry since 1999. Mr Wiandt took over as editor of JoI in 2001, and the company he heads, Index Publications LLC, purchased the ETFR in 2003 and IndexUniverse.com in 2005. He also oversees the Index Research Group and Financial Technology and Design Group (FTDG) subsidiaries of Index Publications LLC, which provide research and consulting services to many companies in the index and ETF business. He is also a non-executive director of ETFS Oil Securities Limited and ETFS Metal Securities Limited. In his past, he has served as editor of IndexFunds.com and a researcher for Compton's encyclopedia and has worked as a writer and editor (as well as a legal assistant, teacher and Peace Corps volunteer) in Boston, London, Japan, New York, West Africa, Venezuela, San Francisco and now Spain.

R&H Fund Services (Jersey) Limited — Company Secretary

R&H Fund Services (Jersey) Limited is a company incorporated in Jersey on 29 November 1988 with limited liability whose issued and paid up share capital is £25,000. It is not involved in any other business activities other than that of acting as manager and administrator of collective investment schemes and is a wholly owned subsidiary of Rawlinson & Hunter, Chartered Accountants in Jersey. The directors of R&H Fund Services (Jersey) Limited are:

Graeme David Ross
Martin Willaume Richardson
Angus Spencer-Nairn
Craig Andrew Stewart
David Gustave Goar

Conflicts of Interest

All the Directors of the Issuer are also directors of ETFSL, a provider of services to the Issuer. Messrs Ross and Stewart are also directors of the Registrar and of the company secretary. While these roles could potentially lead to conflicts of interest the Directors do not believe there are any actual or potential conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interests and/or other duties which they have.

Save as specifically stated in relation to Mr Tuckwell and Mr Ross, save (in each case) for their directorships of ETFSL, save (in the cases of Mr Tuckwell and Mr Cukier) for their directorships of ETFS Fund Company public limited company and ETFS Management Company Limited and save (in the cases of Mr Tuckwell, Dr FitzGerald, Mr Ross and Mr Stewart) for their directorships of Gold Bullion Securities Limited (Jersey), none of the principal activities performed by the Directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme.

Further Information

Information regarding United Kingdom, Jersey, Dutch, German, French and Italian taxation in respect of the Programme and Micro and Commodity Securities is set out in Part 11 (*Additional Information*). If an investor is in any doubt about the tax position, it should consult a professional adviser.

Your attention is drawn to the remainder of this document which contains further information relating to the Programme and Micro and Commodity Securities.

PART 2

DOW JONES — AIG COMMODITY INDICES

Dow Jones — AIG Commodity Index and Sub-Indices

All Commodity Securities will be priced off Individual Commodity Indices published by Dow Jones. These indices are constructed and published pursuant to a joint arrangement between AIG-FP and Dow Jones & Company, Inc. (“Dow Jones”). The DJ-AIG Commodity Indices and their sub-indices (including the Individual Commodity Indices) are published on Dow Jones Indexes’ website at <http://www.djindexes.com/mdsidx/?event=showAigHome>. The website provides simulated historical values of each of the indices on a daily basis from the beginning of 1991. The data file is updated each day and is provided in Excel format, enabling users to calculate historic performance and volatility.

The methodology used to calculate these indices is set out in the DJ-AIGCISM Handbook, which at the date of this prospectus is available at the above website and also at: <http://www.aigfp.com/home/commodities/djaigcihandbook>. The DJ-AIG Commodity Indices are widely followed indices which in the case of the DJ-AIGCISM has been published since 1998, with simulated historical data calculated back to January 1991 and in the case of the DJ-AIGCI-F3SM has been published since July 2006, with simulated historical data calculated back to 1991. The cocoa, lead, platinum and tin Individual Commodity Indices have been published since March 2008 with simulated historical data calculated back to 1991. At the beginning of 1991 each index started at 100 and is increased or decreased each day pursuant to the calculation methodology set out in the DJ-AIGCISM Handbook by reference to prices of the relevant constituent futures contracts. Consequently the Individual Commodity Indices are excess return indices.

The same input components used for DJ-AIG Commodity Indices are also used by AIG-FP and Dow Jones to construct indices representing smaller groups of commodities and the Individual Commodity Indices.

A Supervisory Committee, comprising persons selected from academic, financial and legal communities, reviews and approves amendments to the DJ-AIGCISM Handbook, which sets out the procedures for determining, amongst other things:

- the commodities to be included in the DJ-AIG Commodity Indices;
- the Exchanges and the Designated Contracts to be used to price each Individual Commodity Index;
- the Roll Period for each Designated Contract;
- the weighting of each commodity in the DJ-AIG Commodity Indices;
- determining when a Market Disruption Event occurs and the consequences of such;
- the formulae to calculate each index; and
- changes to any of the above.

Any changes implemented by the Supervisory Committee which are reflected in the DJ-AIGCISM Handbook and which affect the Individual Commodity Indices will be notified to Security Holders through an RIS made as soon as practical after the change is notified to the Issuer.

Composition and Weightings

The weightings of the components in the DJ-AIGCISM, and hence in the composite sub-indices, are subject to change periodically. Apart from changes to the weightings, there can be changes to the actual commodities and Designated Contracts included in the DJ-AIGCISM. At present there are twenty-three commodities eligible for inclusion in the DJ-AIGCISM but four of those commodities are currently not included in the DJ-AIGCISM, namely: Cocoa, Lead, Platinum and Tin. The same commodities and unit weightings used in the DJ-AIGCISM are also used in the DJ-AIGCI-F3SM and hence in the composite 3-month forward sub-indices.

A complete description of the procedures involved in recalculating the composition of the DJ-AIG Commodity Indices each year is set out in the Handbook and the appendices thereto. As part of those procedures, the following diversification rules are applied in determining the Commodity Index Percentages (CIPs), i.e. the weights, in the DJ-AIGCISM:

- No single commodity may constitute less than 2 per cent. or more than 15 per cent. of the Index;
- No single commodity, together with its derivatives (e.g., crude oil, together with heating oil and gasoline), may constitute more than 25 per cent. of the Index; and
- No related group of commodities (e.g., energy, precious metals, livestock or grains) may constitute more than 33 per cent. of the Index.

The DJ-AIG Commodity Indices are re-balanced annually on a price percentage basis, within the confines of the above parameters, and each sub-index is rebalanced proportionally (without any further limitations on the weights). Once approved by the Supervisory Committee, the target composition of the revised Index is announced in July and takes effect the following January. At the time of a rebalancing of the DJ-AIGCISM, it is possible that additional commodities not presently represented in the DJ-AIGCISM will be added, or that one or more commodities presently represented will be removed.

Whenever the DJ-AIG Commodity Indices are rebalanced, the corresponding Index Securities will also be Rebalanced as explained in Part 3 (*Description of Commodity Securities*) under the heading “Rebalancing of Index Securities”.

Designated Contracts

For each commodity included in the DJ-AIGCISM a particular futures contract on a futures exchange is selected and for that contract, certain designated contract months are selected. For most of the commodities the Designated Contract is a futures contract traded on various exchanges in the USA, with the balance being futures contracts traded on the LME in London. Within each Designated Contract, there are a number of futures contracts for delivery in different months. Not all of them are used for the calculation of the DJ-AIGCISM. Rather, a number of Designated Month Contracts are selected, and intermediate futures contracts are ignored for the purposes of this calculation. This reduces the number of Roll Periods required for each commodity while still enabling pricing to be based on one of the more liquid near month contracts.

The Designated Contracts, and Designated Month Contracts, for each of the 23 commodities are currently as follows:

Table 2a — Designated Contracts and Designated Month Contracts

Commodity	Relevant		Designated Month Contracts ⁽¹⁾						
	Exchange	Designated Contract and (Exchange Code)	Jan	Mar	May	Jul	Sep	Nov	
Natural Gas	NYMEX	Henry Hub Natural Gas (NG)	Jan	Mar	May	Jul	Sep	Nov	
Crude Oil	NYMEX	Light, Sweet Crude Oil (CL)	Jan	Mar	May	Jul	Sep	Nov	
Gasoline	NYMEX	RBOB Gasoline (RB)	Jan	Mar	May	Jul	Sep	Nov	
Heating Oil	NYMEX	Heating Oil (HO)	Jan	Mar	May	Jul	Sep	Nov	
Aluminium	LME	High Grade Primary Aluminium (AL)	Jan	Mar	May	Jul	Sep	Nov	
Copper	COMEX	Copper (HG)	Mar	May	Jul	Sep	Dec		
Zinc	LME	Special High Grade Zinc (ZN)	Jan	Mar	May	Jul	Sep	Nov	
Nickel	LME	Primary Nickel (NI)	Jan	Mar	May	Jul	Sep	Nov	
Gold	COMEX	Gold (GC)	Feb	Apr	Jun	Aug	Dec		
Silver	COMEX	Silver (SI)	Mar	May	Jul	Sep	Dec		
Live Cattle	CME ⁽²⁾	Live Cattle (LC)	Feb	Apr	Jun	Aug	Oct	Dec	
Lean Hogs	CME ⁽²⁾	Lean Hogs (LH)	Feb	Apr	Jun	Jul	Aug	Oct	Dec
Wheat	CBOT ⁽²⁾	Wheat (W)	Mar	May	Jul	Sep	Dec		
Corn	CBOT ⁽²⁾	Corn (C)	Mar	May	Jul	Sep	Dec		
Soybeans	CBOT ⁽²⁾	Soybeans (S)	Mar	May	Jul	Nov	Jan		
Sugar	NYBOT ⁽³⁾	World Sugar No. 11 (SB)	Mar	May	Jul	Oct			
Cotton	NYBOT ⁽³⁾	Cotton (CT)	Mar	May	Jul	Dec			
Coffee	NYBOT ⁽³⁾	Coffee “C” (KC)	Mar	May	Jul	Sep	Dec		
Soybean Oil	CBOT ⁽²⁾	Soybean Oil (BO)	Mar	May	Jul	Dec	Jan		
Cocoa	NYBOT ⁽³⁾	Cocoa (CC)	Mar	May	Jul	Sep	Dec		
Lead	LME	Refined Standard Lead (LL)	Jan	Mar	May	Jul	Sep	Nov	
Platinum	NYMEX	Platinum (PL)	Jan	Apr	Jul	Oct			
Tin	LME	Refined Tin (LT)	Jan	Mar	May	Jul	Sep	Nov	

(1) The contract months are as named by the Exchange in question, irrespective of the particular delivery dates

(2) Chicago Board of Trade and Chicago Mercantile Exchange merged in 2007

(3) Now acquired by ICE

For the DJ-AIGCI-F3SM the designated month contracts are exactly the same as for the DJ-AIGCISM save that for the DJ-AIGCI-F3SM, the contracts that would be the Lead Future and Next Future for the DJ-AIGCISM in three calendar months are instead the Lead Future and Next Future in the current calendar month for the DJ-AIGCI-F3SM. The current Lead Future contracts for the DJ-AIGCISM are shown in Table 2(b). For each month of the year, a Designated Contract is used as the Lead Contract in calculating the various DJ-AIG Commodity IndicesSM. The month of the year is shown across the top row. The relevant Individual Commodity Index is shown along the left hand side. The months in the body of the table indicate the specific Lead Contract to apply in each month labelled at the top of each column. If today is 14 September 2007, then the Lead Contract for the DJ-AIGCI Natural Gas IndexSM is the Natural Gas contract for delivery in November 2007. The Lead Contract for the DJ-AIGCI Natural Gas 3 Months Forward IndexSM is therefore the Lead Contract which will be the Lead Contract for the DJ-AIGCI Natural Gas IndexSM in December, which is the Natural Gas contract for delivery in January 2008.

Table 2b — Lead Futures for DJ-AIGCISM

Commodity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Natural Gas	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Crude Oil	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Unleaded Gas	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Heating Oil	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Live Cattle	Feb	Apr	Apr	Jun	Jun	Aug	Aug	Oct	Oct	Dec	Dec	Feb
Lean Hogs	Feb	Apr	Apr	Jun	Jun	Jul	Aug	Oct	Oct	Dec	Dec	Feb
Wheat	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar
Corn	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar
Soybeans	Mar	Mar	May	May	Jul	Jul	Nov	Nov	Nov	Nov	Jan	Jan
Soybean Oil	Mar	Mar	May	May	Jul	Jul	Dec	Dec	Dec	Dec	Jan	Jan
Aluminium	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Copper	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar
Zinc	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Nickel	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Lead	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Tin	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Nov	Nov	Jan	Jan
Gold	Feb	Apr	Apr	Jun	Jun	Aug	Aug	Dec	Dec	Dec	Dec	Feb
Silver	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar
Platinum	Apr	Apr	Apr	Jul	Jul	Jul	Oct	Oct	Oct	Jan	Jan	Jan
Sugar	Mar	Mar	May	May	Jul	Jul	Oct	Oct	Oct	Mar	Mar	Mar
Cotton	Mar	Mar	May	May	Jul	Jul	Dec	Dec	Dec	Dec	Dec	Mar
Coffee	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar
Cocoa	Mar	Mar	May	May	Jul	Jul	Sep	Sep	Dec	Dec	Dec	Mar

The termination or replacement of a futures contract on an established exchange occurs infrequently. If a Designated Contract were to be terminated or replaced, a comparable futures contract would be selected, if available, to replace that Designated Contract.

Roll Process

The DJ-AIG Commodity Indices and the composite sub-indices are calculated each General Trading Day, using the Settlement Prices of near dated futures contracts.

Because futures contracts expire periodically, the DJ-AIG Commodity Indices calculations must change from using one futures contract (the “Lead Future”) to using a subsequent futures contract (the “Next Future”). This process is called “rolling”, and normally happens proportionally over a five day period (the “Roll Period”), on the sixth, seventh, eighth, ninth and tenth General Trading Days of a month but only if that day and the prior General Trading Day is a Pricing Day for the relevant commodity. If not, the change for the relevant commodity is deferred until the next following Pricing Day, and implemented in addition to the change which would otherwise be implemented on that day.

The current Designated Month Contracts are listed above in the far right column of Table 2.

For the DJ-AIGCISM, a contract is the Lead Future in the month prior to its named month (so that for Natural Gas, the January contract is the Lead Future in December) and in any earlier months, as

required (so that the January contract is also the Lead Future for Natural Gas in November). Pricing is rolled from the Lead Future to the Next Future in the month prior to its named month (so that pricing for Natural Gas rolls in early December from the January contract to the March contract).

For the DJ-AIGCI-F3SM the process is similar save that the contracts that would be the Lead Future and Next Future for the DJ-AIGCISM in three calendar months are instead the Lead Future and Next Future in the current calendar month for the DJ-AIGCI-F3SM.

As can be seen in Table 2, not all commodities have the same named months or number of Designated Month Contracts. Consequently, the commodities to be rolled each month will vary from month to month.

Market Disruption Days

If a Market Disruption Day occurs in the Relevant Market for an Individual Commodity Index, that Individual Commodity Index may or may not be calculated and published by Dow Jones on that day. Irrespective of whether an Individual Commodity Index is so published by Dow Jones, that day will not be a Pricing Day for purposes of pricing the relevant class of Micro Security. If there are five or more consecutive Market Disruption Days, then on each subsequent Market Disruption Day (up to a maximum continuous period of 30 days (each Trading Day during that period being a Pricing Day)) the Calculation Agent will calculate and publish a substitute value for the Individual Commodity Index and those days will be Pricing Days. If the relevant disruption is continuing on the expiry of that period, the Issuer and the Calculation Agent will negotiate to agree a replacement for that Individual Commodity Index. Failing agreement within a further period of 30 days, the Issuer may exercise its right to redeem the relevant Micro Securities and/or Commodity Securities.

Simulated Historic Investment Returns

Tables 3(a) and 3(b) show simulated historical investment returns since 1991 from an investment in Individual Securities and Forward Individual Securities.

In the table the figure given for the "Multiplier" is the Multiplier as at the end of the year assuming the first securities were issued on 1 January 1991 and that the Management Fee, Licence Allowance and Spread remained the same as at the date of this Prospectus throughout this period, the figure given for the "Index Value" is the value of the Individual Commodity Index as at the end of the year, the figure given for the "Index Return" is the percentage change in the Individual Commodity Index during the relevant year, the figure given for the "Individual Security Value" is the Price of the Individual Security as at the end of the year and the figure given for "Individual Security Return" is the percentage change in the Price of the Individual Security during the relevant year.

The data for the current year is up to and including 18 August 2008 and has not been annualized. The Compound Annual Return column has been calculated for the full period from 1 January 1991 to 18 August 2008.

The period shown includes all data made available by Dow Jones Indexes and simulated back to 1 January 1991. These tables do not constitute a forecast. Past performance is not an indication of expected performance and the investment performance of a Commodity Security could be volatile and the return for Commodity Securities may differ from the simulated historical returns.

Historical data enabling users to calculate historic performance and volatility is published on the website of Dow Jones Indexes (<http://www.djindexes.com/mdsidx/index.cfm?event=showAigDataCharts>).

Table 3a — Simulated Historical Investment Returns for Classic Individual Securities

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Multiplier	1.046	1.074	1.097	1.135	1.189	1.240	1.294	1.346	1.398
Individual Commodity Indices:									
Natural Gas									
Index Value	66	98	103	66	66	96	84	48	47
Index Return	-34%	49%	6%	-36%	-1%	47%	-12%	-43%	-1%
Individual Security Value	6.9	10.5	11.3	7.5	7.8	11.9	10.9	6.4	6.6
Individual Security Return	-31%	53%	8%	-34%	3%	53%	-9%	-41%	3%
Crude Oil									
Index Value	86	89	58	73	89	177	119	59	125
Index Return	-14%	3%	-34%	25%	22%	98%	-32%	-50%	111%
Individual Security Value	9.0	9.6	6.4	8.3	10.6	21.9	15.5	8.0	17.5
Individual Security Return	-10%	6%	-33%	30%	27%	107%	-29%	-48%	120%
Gasoline									
Index Value	100	95	63	71	91	138	116	62	110
Index Return	0%	-5%	-34%	13%	29%	52%	-16%	-46%	78%
Individual Security Value	10.4	10.2	6.9	8.0	10.9	17.2	15.0	8.4	15.4
Individual Security Return	4%	-2%	-33%	17%	35%	58%	-13%	-44%	85%
Heating Oil									
Index Value	83	86	60	68	74	125	86	42	71
Index Return	-17%	4%	-31%	14%	8%	70%	-31%	-51%	68%
Individual Security Value	8.7	9.3	6.6	7.7	8.8	15.5	11.2	5.7	10.0
Individual Security Return	-13%	6%	-29%	18%	13%	77%	-28%	-49%	75%
Aluminium									
Index Value	67	67	56	93	75	63	61	46	57
Index Return	-33%	1%	-17%	66%	-19%	-16%	-3%	-25%	24%
Individual Security Value	7.0	7.2	6.1	10.5	8.9	7.8	7.9	6.2	8.0
Individual Security Return	-30%	3%	-15%	72%	-15%	-13%	1%	-21%	28%
Copper									
Index Value	89	94	72	124	127	121	104	85	102
Index Return	-11%	6%	-23%	71%	2%	-5%	-14%	-18%	20%
Individual Security Value	9.3	10.1	8.0	14.0	15.1	15.0	13.4	11.4	14.3
Individual Security Return	-7%	9%	-21%	77%	7%	-1%	-10%	-15%	25%
Zinc									
Index Value	92	96	86	89	71	67	74	57	73
Index Return	-8%	4%	-11%	4%	-20%	-5%	9%	-22%	27%
Individual Security Value	9.6	10.3	9.4	10.1	8.5	8.4	9.5	7.7	10.2
Individual Security Return	-4%	7%	-9%	7%	-16%	-1%	14%	-19%	32%
Nickel									
Index Value	86	68	58	92	77	59	53	33	67
Index Return	-14%	-21%	-15%	60%	-16%	-23%	-11%	-37%	101%
Individual Security Value	9.0	7.3	6.3	10.5	9.2	7.4	6.8	4.5	9.4
Individual Security Return	-10%	-19%	-13%	66%	-12%	-20%	-8%	-34%	108%
Lead									
Index Value	81	62	59	73	74	77	59	50	51
Index Return	-19%	-24%	-5%	25%	1%	4%	-23%	-16%	2%
Individual Security Value	8.5	6.6	6.4	8.3	8.8	9.5	7.7	6.7	7.1
Individual Security Return	-15%	-22%	-3%	29%	6%	-20%	-19%	-13%	6%
Tin									
Index Value	94	96	77	93	96	87	79	80	94
Index Return	-6%	1%	-19%	21%	4%	-10%	-9%	1%	18%
Individual Security Value	9.9	10.3	8.4	10.6	11.5	10.8	10.2	10.8	13.2
Individual Security Return	-1%	4%	-18%	25%	9%	-6%	-5%	5%	22%
Gold									
Index Value	86	79	90	84	81	74	57	54	52
Index Return	-14%	-9%	15%	-6%	-4%	-8%	-24%	-4%	-3%
Individual Security Value	9.0	8.4	9.9	9.6	9.7	9.2	7.3	7.3	7.3
Individual Security Return	-10%	-7%	17%	-3%	1%	-4%	-21%	0%	0%
Silver									
Index Value	88	79	106	96	96	83	99	81	86
Index Return	-12%	-10%	34%	-9%	0%	-13%	18%	-17%	6%
Individual Security Value	9.2	8.5	11.6	10.9	11.4	10.3	12.8	11.0	12.1
Individual Security Return	-8%	-7%	37%	-6%	5%	-10%	23%	-14%	10%
Platinum									
Index Value	79	82	92	95	90	81	81	81	97
Index Return	-21%	4%	13%	3%	-6%	-9%	0%	0%	19%
Individual Security Value	8.2	8.8	10.1	10.8	10.6	10.1	10.5	10.9	13.6
Individual Security Return	-18%	7%	15%	6%	-1%	-5%	4%	4%	24%
Live Cattle									
Index Value	95	118	124	120	115	115	110	86	93
Index Return	-5%	24%	5%	-3%	-4%	0%	-4%	-22%	8%
Individual Security Value	10.0	12.7	13.6	13.6	13.6	14.3	14.2	11.6	12.9
Individual Security Return	0%	27%	8%	0%	0%	5%	0%	-19%	12%
Lean Hogs									
Index Value	96	115	120	83	86	108	84	40	46
Index Return	-4%	19%	5%	-31%	4%	26%	-22%	-53%	17%
Individual Security Value	10.1	12.3	13.2	9.4	10.2	13.4	10.8	5.3	6.5
Individual Security Return	1%	22%	7%	-29%	8%	31%	-19%	-51%	22%
Wheat									
Index Value	135	119	145	149	184	150	114	77	54
Index Return	35%	-12%	22%	3%	24%	-19%	-24%	-33%	-30%
Individual Security Value	14.1	12.8	15.9	16.9	21.9	18.6	14.7	10.4	7.5
Individual Security Return	41%	-9%	24%	6%	30%	-15%	-20%	-30%	-27%
Corn									
Index Value	96	73	90	63	90	81	83	56	45
Index Return	-4%	-24%	23%	-30%	44%	-10%	2%	-32%	-21%
Individual Security Value	10.0	7.8	9.9	7.1	10.7	10.0	10.7	7.6	6.2
Individual Security Return	0%	-22%	26%	-28%	51%	-6%	7%	-29%	-18%
Soybeans									
Index Value	89	86	104	82	99	93	110	90	71
Index Return	-11%	-3%	21%	-21%	20%	-6%	19%	-19%	-20%
Individual Security Value	9.3	9.2	11.4	9.3	11.7	11.5	14.3	12.1	10.0
Individual Security Return	-7%	-1%	23%	-18%	26%	-2%	24%	-15%	-17%
Sugar									
Index Value	111	117	126	164	168	191	210	127	96
Index Return	11%	6%	8%	31%	3%	14%	10%	-40%	-24%
Individual Security Value	11.6	12.5	13.8	18.6	20.0	23.7	27.2	17.1	13.5
Individual Security Return	16%	8%	10%	35%	8%	19%	14%	-37%	-21%
Cotton									
Index Value	90	81	89	121	162	148	120	102	81
Index Return	-10%	-10%	10%	36%	34%	-9%	-19%	-14%	-21%
Individual Security Value	9.4	8.7	9.8	13.7	19.3	18.3	15.5	13.8	11.3
Individual Security Return	-6%	-7%	12%	40%	41%	-5%	-16%	-11%	-18%
Coffee									
Index Value	75	61	46	101	57	85	183	154	149
Index Return	-25%	-18%	-25%	118%	-44%	51%	115%	-16%	-3%
Individual Security Value	7.8	6.6	5.1	11.4	6.7	10.6	23.7	20.8	20.8
Individual Security Return	-22%	-16%	-23%	125%	-41%	57%	124%	-12%	0%
Soybean Oil									
Index Value	82	83	113	118	111	93	93	81	51
Index Return	-18%	2%	35%	5%	-7%	-16%	0%	-12%	-38%
Individual Security Value	8.6	9.0	12.4	13.4	13.2	11.5	12.0	10.9	7.1
Individual Security Return	-14%	4%	38%	9%	-2%	-13%	4%	-9%	-35%
Cocoa									
Index Value	89	53	53	52	46	44	46	35	18
Index Return	-11%	-40%	0%	-3%	-12%	-3%	3%	-24%	-48%
Individual Security Value	9.3	5.7	5.9	5.9	5.4	5.5	5.9	4.7	2.5
Individual Security Return	-7%	-39%	2%	0%	-8%	2%	8%	-21%	-46%

	2000	2001	2002	2003	2004	2005	2006	2007	18 August 2008*	Compound Annual Return*	
Multiplier	1.470	1.508	1.518	1.519	1.526	1.561	1.623	1.682	1.692	3.0%	
Individual Commodity Indices:											
Natural Gas	Index Value	199	42	58	73	54	82	23	18	18	-9.3%
	Index Return	323%	-79%	37%	26%	-26%	53%	-72%	-23%	2%	
	Individual Security Value	29.3	6.3	8.8	11.1	8.2	12.8	3.7	3.0	3.0	-6.5%
	Individual Security Return	344%	-78%	38%	26%	-26%	56%	-71%	-20%	3%	
Crude Oil	Index Value	167	125	194	259	381	464	387	542	644	11.1%
	Index Return	33%	-25%	55%	33%	47%	22%	-17%	40%	19%	
	Individual Security Value	24.5	18.9	29.5	39.3	58.1	72.5	62.8	91.2	108.9	14.5%
	Individual Security Return	40%	-23%	56%	33%	48%	25%	-13%	45%	20%	
Gasoline	Index Value	168	136	202	269	333	455	330	481	508	9.6%
	Index Return	52%	-19%	49%	33%	24%	36%	-27%	46%	5%	
	Individual Security Value	24.7	20.5	30.7	40.8	50.9	71.0	53.5	81.0	85.9	13.0%
	Individual Security Return	60%	-17%	50%	33%	25%	40%	-25%	51%	6%	
Heating Oil	Index Value	117	78	112	144	209	275	203	298	357	7.5%
	Index Return	65%	-34%	43%	29%	45%	32%	-26%	47%	20%	
	Individual Security Value	17.2	11.8	17.0	21.8	31.8	43.0	33.0	50.1	60.4	10.7%
	Individual Security Return	73%	-32%	44%	29%	46%	35%	-23%	52%	20%	
Aluminium	Index Value	53	44	42	50	62	71	85	69	76	-1.6%
	Index Return	-7%	-17%	-4%	19%	22%	16%	19%	-19%	10%	
	Individual Security Value	7.8	6.7	6.4	7.7	9.4	11.1	13.8	11.6	12.8	1.4%
	Individual Security Return	-2%	-14%	-3%	19%	23%	18%	24%	-16%	10%	
Copper	Index Value	95	71	72	104	148	231	335	349	380	7.9%
	Index Return	-7%	-26%	2%	45%	42%	56%	45%	4%	9%	
	Individual Security Value	14.0	10.7	10.9	15.8	22.6	36.0	54.4	58.7	64.3	11.1%
	Individual Security Return	-2%	-24%	2%	45%	43%	60%	51%	8%	10%	
Zinc	Index Value	61	43	38	47	55	79	181	103	70	-2.0%
	Index Return	-17%	-30%	-11%	24%	17%	45%	127%	-43%	-32%	
	Individual Security Value	8.9	6.4	5.7	7.1	8.4	12.4	29.3	17.2	11.9	1.0%
	Individual Security Return	-13%	-28%	-10%	24%	17%	49%	136%	-41%	-31%	
Nickel	Index Value	61	53	69	163	154	142	379	315	214	4.4%
	Index Return	-8%	-13%	30%	136%	-6%	-8%	167%	-17%	-32%	
	Individual Security Value	9.0	8.0	10.5	24.8	23.6	22.1	61.5	53.0	36.2	7.6%
	Individual Security Return	-4%	-11%	31%	136%	-5%	-6%	178%	-14%	-32%	
Lead	Index Value	44	46	36	59	95	111	179	287	191	3.7%
	Index Return	-12%	4%	-22%	64%	61%	17%	61%	61%	-34%	
	Individual Security Value	6.5	6.9	5.5	9.0	14.6	17.4	29.0	48.3	32.2	6.9%
	Individual Security Return	-8%	6%	-21%	65%	62%	19%	67%	67%	-33%	
Tin	Index Value	78	57	61	93	119	104	185	263	309	6.6%
	Index Return	-17%	-27%	7%	53%	27%	-12%	77%	43%	17%	
	Individual Security Value	11.5	8.6	9.3	14.2	18.1	16.3	30.0	44.2	52.3	9.8%
	Individual Security Return	-13%	-25%	8%	53%	28%	-10%	84%	48%	18%	
Gold	Index Value	47	46	57	67	69	79	91	113	106	0.3%
	Index Return	-11%	-1%	23%	18%	3%	14%	16%	24%	-7%	
	Individual Security Value	6.9	7.0	8.6	10.1	10.5	12.3	14.8	19.0	17.9	3.4%
	Individual Security Return	-6%	2%	23%	18%	4%	16%	21%	29%	-6%	
Silver	Index Value	70	66	68	83	93	117	161	175	151	2.4%
	Index Return	-19%	-5%	2%	22%	12%	25%	38%	9%	-14%	
	Individual Security Value	10.3	10.0	10.3	12.6	14.2	18.2	26.1	29.5	25.6	5.5%
	Individual Security Return	-15%	-3%	3%	22%	13%	28%	43%	13%	-13%	
Platinum	Index Value	155	130	168	243	268	305	345	448	407	8.3%
	Index Return	60%	-16%	30%	45%	10%	14%	13%	30%	-9%	
	Individual Security Value	22.8	19.5	25.5	36.9	40.9	47.7	56.0	75.3	68.9	11.6%
	Individual Security Return	68%	-14%	30%	45%	11%	17%	17%	34%	-8%	
Live Cattle	Index Value	95	83	84	95	107	112	104	98	90	-0.6%
	Index Return	3%	-13%	1%	13%	12%	5%	-7%	-6%	-8%	
	Individual Security Value	14.0	12.5	12.7	14.4	16.3	17.6	16.9	16.5	15.2	2.4%
	Individual Security Return	8%	-11%	2%	13%	13%	8%	-4%	-3%	-7%	
Lean Hogs	Index Value	47	53	36	28	39	34	29	20	19	-9.0%
	Index Return	2%	11%	-31%	-24%	43%	-13%	-15%	-30%	-7%	
	Individual Security Value	7.0	7.9	5.5	4.2	6.0	5.3	4.7	3.4	3.2	-6.2%
	Individual Security Return	7%	14%	-31%	-24%	44%	-11%	-11%	-27%	-7%	
Wheat	Index Value	46	38	38	40	28	25	30	46	42	-4.8%
	Index Return	-15%	-17%	1%	4%	-30%	-9%	20%	52%	-9%	
	Individual Security Value	6.7	5.8	5.8	6.1	4.3	4.0	4.9	7.8	7.2	-1.9%
	Individual Security Return	-11%	-15%	2%	4%	-30%	-7%	25%	58%	-8%	
Corn	Index Value	40	29	28	27	19	15	21	21	24	-7.8%
	Index Return	-11%	-28%	-4%	-4%	-29%	-18%	40%	-2%	13%	
	Individual Security Value	5.9	4.3	4.2	4.0	2.9	2.4	3.5	3.5	4.0	-5.1%
	Individual Security Return	-6%	-26%	-3%	-4%	-29%	-17%	45%	1%	14%	
Soybeans	Index Value	71	58	81	124	106	111	109	168	175	3.2%
	Index Return	-1%	-18%	39%	53%	-15%	4%	-2%	54%	4%	
	Individual Security Value	10.4	8.8	12.3	18.8	16.2	17.3	17.7	28.3	29.7	6.4%
	Individual Security Return	4%	-15%	40%	53%	-14%	7%	2%	60%	5%	
Sugar	Index Value	157	129	171	135	166	240	170	145	151	2.4%
	Index Return	63%	-18%	33%	-21%	22%	45%	-29%	-15%	4%	
	Individual Security Value	23.1	19.4	25.9	20.6	25.3	37.4	27.6	24.4	25.6	5.5%
	Individual Security Return	72%	-16%	33%	-21%	23%	48%	-26%	-12%	5%	
Cotton	Index Value	84	40	46	55	31	30	25	23	20	-8.8%
	Index Return	3%	-52%	14%	19%	-44%	-2%	-19%	-2%	-18%	
	Individual Security Value	12.3	6.1	7.0	8.3	4.7	4.7	4.0	4.0	3.3	-6.0%
	Individual Security Return	8%	-51%	15%	19%	-44%	1%	-15%	1%	-17%	
Coffee	Index Value	62	33	33	29	38	34	34	32	30	-6.7%
	Index Return	-58%	-47%	-1%	-13%	34%	-12%	1%	-6%	-7%	
	Individual Security Value	9.2	5.0	5.0	4.3	5.8	5.3	5.5	5.3	5.0	-3.8%
	Individual Security Return	-56%	-45%	-1%	-13%	34%	-10%	5%	-3%	-6%	
Soybean Oil	Index Value	41	38	49	65	54	53	65	98	100	0.0%
	Index Return	-20%	-8%	30%	33%	-16%	-2%	21%	52%	2%	
	Individual Security Value	6.0	5.7	7.4	9.9	8.3	8.3	10.5	16.5	16.9	3.0%
	Individual Security Return	-16%	-6%	31%	33%	-16%	1%	26%	57%	3%	
Cocoa	Index Value	13	22	35	29	29	26	25	29	36	-5.7%
	Index Return	-27%	66%	58%	-17%	-1%	-10%	-2%	15%	23%	
	Individual Security Value	1.9	3.3	5.3	4.4	4.4	4.0	4.1	4.8	6.0	-2.8%
	Individual Security Return	-23%	71%	59%	-17%	-1%	-8%	2%	19%	24%	

*The data for the current year is up to and including 18 August 2008 and has not been annualized. The Compound Annual Return column has been calculated for the full period from 1 January 1991 to 18 August 2008.

Table 3b — Simulated Historical Investment Returns for Forward Individual Securities

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Multiplier	1.044	1.070	1.090	1.126	1.178	1.226	1.277	1.326	1.374
Individual Commodity Indices:									
Natural Gas									
Index Value	75	92	106	90	86	127	175	150	174
Index Return	-25%	23%	15%	-15%	-5%	48%	38%	-14%	16%
Individual Security Value	7.8	9.8	11.5	10.2	10.1	15.5	22.3	19.9	23.9
Individual Security Return	-22%	26%	18%	-12%	-1%	54%	44%	-11%	20%
Crude Oil									
Index Value	88	92	66	75	81	125	102	59	121
Index Return	-12%	4%	-29%	14%	8%	55%	-19%	-42%	103%
Individual Security Value	9.2	9.8	7.2	8.4	9.5	15.3	13.0	7.9	16.6
Individual Security Return	-8%	7%	-27%	17%	13%	61%	-15%	-39%	111%
Gasoline									
Index Value	99	100	73	80	85	126	111	74	127
Index Return	-2%	2%	-27%	10%	7%	48%	-12%	-33%	72%
Individual Security Value	10.3	10.7	7.9	9.0	10.0	15.5	14.2	9.8	17.5
Individual Security Return	3%	4%	-26%	13%	12%	54%	-8%	-31%	78%
Heating Oil									
Index Value	88	97	72	75	76	111	91	53	91
Index Return	-12%	10%	-26%	4%	1%	46%	-19%	-42%	73%
Individual Security Value	9.2	10.4	7.9	8.5	9.0	13.6	11.6	7.0	12.5
Individual Security Return	-8%	13%	-24%	7%	6%	52%	-15%	-40%	79%
Aluminium									
Index Value	68	69	57	97	85	72	70	54	68
Index Return	-32%	1%	-17%	69%	-12%	-16%	-2%	-24%	27%
Individual Security Value	7.1	7.4	6.2	10.9	10.0	8.8	9.0	7.1	9.3
Individual Security Return	-29%	4%	-16%	75%	-8%	-12%	2%	-21%	31%
Copper									
Index Value	90	96	74	122	127	117	105	87	107
Index Return	-10%	7%	-22%	64%	4%	-7%	-10%	-17%	22%
Individual Security Value	9.4	10.2	8.1	13.8	14.9	14.4	13.4	11.6	14.7
Individual Security Return	-6%	9%	-21%	70%	8%	-4%	-7%	-14%	27%
Zinc									
Index Value	88	87	78	83	70	67	72	57	75
Index Return	-12%	-2%	-11%	7%	-16%	-4%	7%	-21%	31%
Individual Security Value	9.2	9.3	8.5	9.4	8.2	8.2	9.2	7.5	10.3
Individual Security Return	-8%	1%	-9%	11%	-12%	0%	12%	-18%	36%
Nickel									
Index Value	87	70	59	96	83	65	58	37	77
Index Return	-13%	-20%	-15%	62%	-13%	-22%	-10%	-36%	106%
Individual Security Value	9.1	7.5	6.5	10.8	9.8	7.9	7.4	4.9	10.5
Individual Security Return	-9%	-18%	-14%	67%	-9%	-19%	-7%	-33%	113%
Gold									
Index Value	86	78	89	85	81	74	56	54	52
Index Return	-14%	-10%	15%	-6%	-5%	-8%	-25%	-4%	-3%
Individual Security Value	9.0	8.3	9.8	9.5	9.5	9.1	7.1	7.1	7.2
Individual Security Return	-10%	-7%	17%	-2%	0%	-4%	-21%	0%	1%
Silver									
Index Value	87	79	104	96	95	83	98	82	88
Index Return	-13%	-10%	33%	-8%	0%	-13%	18%	-17%	7%
Individual Security Value	9.1	8.4	11.4	10.8	11.2	10.2	12.5	10.8	12.0
Individual Security Return	-9%	-8%	36%	-5%	4%	-9%	23%	-13%	11%
Live Cattle									
Index Value	96	114	118	114	113	120	113	95	100
Index Return	-4%	19%	3%	-3%	-1%	6%	-6%	-16%	6%
Individual Security Value	10.0	12.2	12.9	12.9	13.3	14.8	14.4	12.6	13.8
Individual Security Return	0%	22%	5%	0%	3%	11%	-2%	-13%	10%
Lean Hogs									
Index Value	89	97	120	103	117	143	133	79	80
Index Return	-11%	9%	24%	-15%	14%	23%	-8%	-41%	2%
Individual Security Value	9.3	10.4	13.1	11.5	13.7	17.6	16.9	10.5	11.0
Individual Security Return	-7%	12%	26%	-12%	19%	28%	-4%	-38%	5%
Wheat									
Index Value	131	127	143	157	218	186	167	121	89
Index Return	31%	-3%	12%	10%	39%	-15%	-10%	-28%	-27%
Individual Security Value	13.7	13.6	15.6	17.7	25.7	22.9	21.3	16.0	12.2
Individual Security Return	37%	-1%	14%	14%	45%	-11%	-7%	-25%	-24%
Corn									
Index Value	99	80	98	76	110	100	103	74	61
Index Return	-1%	-19%	23%	-23%	45%	-9%	3%	-28%	-19%
Individual Security Value	10.4	8.6	10.7	8.6	12.9	12.2	13.2	9.9	8.3
Individual Security Return	4%	-17%	25%	-20%	51%	-5%	8%	-25%	-16%
Soybeans									
Index Value	88	83	99	79	97	89	100	78	63
Index Return	-12%	-5%	18%	-20%	23%	-9%	13%	-22%	-19%
Individual Security Value	9.2	8.9	10.8	8.9	11.5	10.9	12.7	10.4	8.7
Individual Security Return	-8%	-3%	21%	-17%	29%	-5%	17%	-19%	-16%
Sugar									
Index Value	99	94	131	198	165	185	206	123	90
Index Return	-1%	-5%	39%	51%	-16%	12%	12%	-40%	-27%
Individual Security Value	10.3	10.0	14.3	22.3	19.5	22.6	26.3	16.3	12.4
Individual Security Return	3%	-2%	42%	56%	-12%	16%	16%	-38%	-24%
Cotton									
Index Value	99	87	98	130	154	151	129	106	87
Index Return	-1%	-12%	12%	33%	19%	-2%	-14%	-18%	-18%
Individual Security Value	10.3	9.3	10.7	14.7	18.2	18.5	16.5	14.1	11.9
Individual Security Return	3%	-10%	14%	37%	24%	2%	-11%	-14%	-15%
Coffee									
Index Value	76	63	49	105	60	80	158	135	136
Index Return	-24%	-18%	-22%	114%	-43%	34%	97%	-14%	1%
Individual Security Value	8.0	6.7	5.3	11.8	7.0	9.8	20.2	17.9	18.7
Individual Security Return	-20%	-16%	-21%	122%	-41%	40%	105%	-11%	5%
Soybean Oil									
Index Value	84	85	116	120	121	102	106	99	63
Index Return	-16%	1%	36%	4%	1%	-16%	3%	-7%	-36%
Individual Security Value	8.8	9.1	12.6	13.5	14.2	12.5	13.5	13.1	8.6
Individual Security Return	-12%	4%	38%	7%	5%	-12%	8%	-3%	-34%

		2000	2001	2002	2003	2004	2005	2006	2007	18 August 2008*	Compound Annual Return*
Multiplier		1.442	1.477	1.484	1.482	1.486	1.518	1.574	1.628	1.636	2.8%
Individual Commodity Indices:											
Natural Gas	Index Value	460	198	278	340	439	789	327	298	321	6.8%
	Index Return	164%	-57%	41%	22%	29%	80%	-59%	-9%	8%	
	Individual Security Value	66.3	29.2	41.3	50.5	65.3	119.8	51.6	48.6	52.6	9.9%
	Individual Security Return	177%	-56%	41%	22%	29%	83%	-57%	-6%	8%	
Crude Oil	Index Value	168	151	231	316	510	742	698	1,004	1,241	15.3%
	Index Return	39%	-10%	53%	37%	61%	45%	-6%	44%	24%	
	Individual Security Value	24.2	22.4	34.3	46.8	75.8	112.6	109.9	163.5	203.1	18.6%
	Individual Security Return	46%	-8%	54%	36%	62%	49%	-2%	49%	24%	
Gasoline	Index Value	190	169	245	325	498	762	697	1,060	1,187	15.0%
	Index Return	50%	-11%	45%	33%	53%	53%	-9%	52%	12%	
	Individual Security Value	27.4	24.9	36.3	48.1	74.0	115.7	109.8	172.7	194.2	18.3%
	Individual Security Return	57%	-9%	46%	32%	54%	56%	-5%	57%	12%	
Heating Oil	Index Value	141	114	163	212	342	535	469	674	838	12.8%
	Index Return	55%	-19%	42%	30%	61%	57%	-12%	44%	24%	
	Individual Security Value	20.3	16.9	24.1	31.4	50.8	81.3	73.9	109.8	137.1	16.0%
	Individual Security Return	63%	-17%	43%	30%	62%	60%	-9%	49%	25%	
Aluminium	Index Value	64	54	52	61	77	93	118	103	114	0.8%
	Index Return	-6%	-15%	-4%	18%	25%	21%	27%	-12%	11%	
	Individual Security Value	9.2	8.0	7.7	9.1	11.4	14.0	18.6	16.8	18.7	3.6%
	Individual Security Return	-1%	-13%	-3%	18%	25%	23%	32%	-9%	11%	
Copper	Index Value	102	78	80	116	178	294	473	519	571	10.4%
	Index Return	-4%	-24%	3%	45%	53%	65%	61%	10%	10%	
	Individual Security Value	14.8	11.5	11.9	17.2	26.5	44.6	74.5	84.5	93.5	13.5%
	Individual Security Return	1%	-22%	3%	45%	54%	68%	67%	13%	11%	
Zinc	Index Value	65	46	41	53	63	96	236	142	98	-0.1%
	Index Return	-13%	-29%	-10%	28%	20%	53%	145%	-40%	-31%	
	Individual Security Value	9.3	6.8	6.1	7.8	9.4	14.6	37.2	23.1	16.1	2.7%
	Individual Security Return	-9%	-28%	-10%	27%	20%	56%	154%	-38%	-31%	
Nickel	Index Value	69	59	76	183	190	187	521	476	322	6.9%
	Index Return	-9%	-15%	30%	140%	4%	-2%	178%	-9%	-32%	
	Individual Security Value	10.0	8.7	11.3	27.1	28.3	28.4	82.0	77.5	52.8	9.9%
	Individual Security Return	-5%	-13%	30%	139%	4%	0%	189%	-5%	-32%	
Gold	Index Value	47	46	57	67	70	80	93	116	108	0.4%
	Index Return	-10%	-2%	23%	18%	4%	14%	17%	24%	-6%	
	Individual Security Value	6.8	6.8	8.5	10.0	10.4	12.1	14.6	18.8	17.7	3.3%
	Individual Security Return	-6%	1%	24%	18%	4%	17%	21%	28%	-6%	
Silver	Index Value	72	68	71	87	98	124	175	192	166	2.9%
	Index Return	-17%	-6%	4%	22%	13%	27%	41%	9%	-14%	
	Individual Security Value	10.4	10.1	10.5	12.8	14.6	18.9	27.6	31.2	27.1	5.8%
	Individual Security Return	-13%	-3%	4%	22%	14%	29%	46%	13%	-13%	
Live Cattle	Index Value	101	92	94	99	119	139	139	150	153	2.4%
	Index Return	0%	-9%	2%	6%	20%	17%	0%	8%	2%	
	Individual Security Value	14.5	13.6	13.9	14.7	17.7	21.1	21.9	24.5	25.0	5.3%
	Individual Security Return	5%	-6%	2%	6%	20%	19%	4%	12%	2%	
Lean Hogs	Index Value	93	110	103	106	206	236	274	267	271	5.8%
	Index Return	16%	19%	-7%	3%	94%	15%	16%	-3%	1%	
	Individual Security Value	13.4	16.3	15.3	15.7	30.6	35.8	43.2	43.5	44.4	8.8%
	Individual Security Return	22%	21%	-6%	3%	95%	17%	21%	1%	2%	
Wheat	Index Value	79	66	74	85	65	64	82	144	155	2.5%
	Index Return	-10%	-17%	12%	16%	-23%	-2%	29%	75%	8%	
	Individual Security Value	11.5	9.7	10.9	12.6	9.7	9.7	12.9	23.4	25.4	5.4%
	Individual Security Return	-6%	-15%	12%	16%	-23%	0%	33%	81%	8%	
Corn	Index Value	57	42	41	40	33	29	42	46	55	-3.4%
	Index Return	-6%	-26%	-2%	-3%	-19%	-11%	46%	10%	18%	
	Individual Security Value	8.2	6.2	6.1	5.9	4.8	4.4	6.6	7.6	8.9	-0.6%
	Individual Security Return	-2%	-24%	-2%	-3%	-18%	-10%	52%	14%	18%	
Soybeans	Index Value	63	49	64	105	90	101	105	169	191	3.7%
	Index Return	-1%	-21%	30%	63%	-14%	12%	5%	60%	13%	
	Individual Security Value	9.0	7.3	9.5	15.5	13.4	15.3	16.6	27.5	31.2	6.7%
	Individual Security Return	4%	-19%	31%	63%	-14%	14%	9%	66%	13%	
Sugar	Index Value	134	113	124	114	171	271	217	187	211	4.3%
	Index Return	49%	-15%	9%	-8%	49%	59%	-20%	-14%	12%	
	Individual Security Value	19.3	16.7	18.4	17.0	25.4	41.1	34.2	30.5	34.5	7.3%
	Individual Security Return	56%	-13%	10%	-8%	50%	62%	-17%	-11%	13%	
Cotton	Index Value	103	53	63	80	46	48	44	46	41	-4.9%
	Index Return	19%	-49%	18%	28%	-43%	5%	-9%	5%	-11%	
	Individual Security Value	14.9	7.8	9.3	11.8	6.8	7.3	6.9	7.4	6.7	-2.2%
	Individual Security Return	25%	-47%	19%	28%	-42%	7%	-6%	9%	-10%	
Coffee	Index Value	61	34	37	33	45	41	43	41	38	-5.3%
	Index Return	-55%	-44%	6%	-10%	36%	-8%	5%	-6%	-6%	
	Individual Security Value	8.9	5.1	5.4	4.9	6.7	6.3	6.8	6.6	6.3	-2.6%
	Individual Security Return	-53%	-43%	6%	-10%	37%	-6%	8%	-2%	-5%	
Soybean Oil	Index Value	51	47	61	84	74	78	99	153	159	2.7%
	Index Return	-18%	-8%	29%	39%	-12%	5%	26%	55%	4%	
	Individual Security Value	7.4	7.0	9.0	12.5	11.1	11.9	15.5	24.9	26.0	5.6%
	Individual Security Return	-14%	-6%	30%	38%	-11%	8%	31%	60%	4%	

*The data for the current year is up to and including 18 August 2008 and has not been annualized. The Compound Annual Return column has been calculated for the full period from 1 January 1991 to 18 August 2008.

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The Micro and Commodity Securities are not sponsored, endorsed, sold or promoted by Dow Jones, AIG, AIG-FP, or any of their subsidiaries or affiliates. None of Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates makes any representation or warranty, express or implied, to the owners of or counterparts to the Micro and Commodity Securities or any member of the public regarding the advisability of investing in securities or commodities generally or in the Micro and Commodity Securities particularly. The only relationship of Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates to the Issuer is the licensing of certain trademarks, trade names and service marks and of the DJ-AIG Commodity Indices, which are determined, composed and calculated by AIG-FP in conjunction with Dow Jones without regard to the Issuer or the Micro and Commodity Securities. Dow Jones and AIG-FP have no obligation to take the needs of the Issuer or the owners of the Micro and Commodity Securities into consideration in determining, composing or calculating the DJ-AIG Commodity Indices. None of Dow Jones, AIG, AIG-FP or any of their respective subsidiaries or affiliates is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Micro and Commodity Securities to be issued or in the determination or calculation of the equation by which the Micro and Commodity Securities are to be converted into cash. None of Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates shall have any obligation or liability, including, without limitation, to Micro and Commodity Securities customers, in connection with the administration, marketing or trading of the Micro and Commodity Securities. Notwithstanding the foregoing, AIG-FP, AIG and their respective subsidiaries and affiliates may independently issue and/or sponsor financial products unrelated to the Micro and Commodity Securities currently being issued by the Issuer, but which may be similar to and competitive with the Micro and Commodity Securities. In addition, AIG, AIG-FP and their subsidiaries and affiliates actively trade commodities, commodity indexes and commodity futures (including the DJ-AIG Commodity Indices and DJ-AIG Commodity Index Total ReturnSM), as well as swaps, options and derivatives which are linked to the performance of such commodities, commodity indexes and commodity futures. It is possible that this trading activity will affect the value of the DJ-AIG Commodity Indices, and Micro and Commodity Securities.

This Prospectus relates only to Micro and Commodity Securities and does not relate to the exchange-traded physical commodities underlying any of the DJ-AIG Commodity Indices components. Purchasers of the Micro and Commodity Securities should not conclude that the inclusion of a futures contract in the DJ-AIG Commodity Indices is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates. The information in this Prospectus regarding the DJ-AIG Commodity Indices components has been derived solely from publicly available documents. None of Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the DJ-AIG Commodity Indices components in connection with Micro and Commodity Securities. None of Dow Jones, AIG, AIG-FP or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the DJ-AIG Commodity Indices components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

NONE OF DOW JONES, AIG, AIG-FP OR ANY OF THEIR SUBSIDIARIES OR AFFILIATES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE DJ-AIG COMMODITY INDICES OR ANY DATA INCLUDED THEREIN AND NONE OF DOW JONES, AIG, AIG-FP OR ANY OF THEIR SUBSIDIARIES OR AFFILIATES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NONE OF DOW JONES, AIG, AIG-FP OR ANY OF THEIR SUBSIDIARIES OR AFFILIATES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER, OWNERS OF MICRO AND COMMODITY SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DJ-AIG COMMODITY INDICES OR ANY DATA INCLUDED THEREIN. NONE OF DOW JONES, AIG, AIG-FP OR ANY OF THEIR SUBSIDIARIES OR AFFILIATES MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE DJ-AIG COMMODITY INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL DOW JONES, AIG, AIG-FP OR ANY OF THEIR SUBSIDIARIES OR AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS AMONG DOW JONES, AIG-FP AND THE ISSUER, OTHER THAN AIG.

PART 3

DESCRIPTION OF COMMODITY SECURITIES

The following is a description of the rights attaching to Commodity Securities and is included in this Prospectus for illustrative purposes only. The legally binding Conditions of Commodity Securities are set out in Part 6 (Trust Instrument and Commodity Securities) of this Prospectus or, in relation to all Micro and Commodity Securities other than the New Securities prior to the Effective Date, in Part 6 of the base prospectus dated 18 September 2007 (as amended as announced by the Issuer on 24 April 2008). The Conditions set out in Part 6 of the base prospectus of the Issuer dated 18 September 2007 and the announcement made by the Issuer on 24 April 2008 are each incorporated by reference herein as described under the heading "Documents incorporated by reference" above. Copies of the Trust Instrument, by which Commodity Securities are constituted, are available for inspection as set out in paragraph 11 of Part 11 (Additional Information) under the heading "Documents Available for Inspection".

Commodity Securities are Priced by Reference to Micro Securities

For convenience, this Prospectus generally refers to Commodity Securities, being Individual Securities or Index Securities. To facilitate the establishment and Rebalancing of Index Securities, the Commodity Securities are priced by reference to Micro Securities, with each such Commodity Security being notionally equivalent to a number of Micro Securities of one or more classes (which in this Prospectus are referred to as being 'comprised in' the Commodity Securities). Individual Securities and Index Securities are however separate securities from the Micro Securities and are recorded on a separate Register (for each class), but the amount payable on their Redemption is determined by reference to the price of Micro Securities and they can (when in Certificated Form) be surrendered in exchange for such Micro Securities (which is why such Commodity Securities are said in this Prospectus to be "comprised of" Micro Securities). The appropriate numbers and classes of Micro Securities may likewise be surrendered in exchange for Commodity Securities. Micro Securities will generally only be issued on surrender in exchange for Commodity Securities or when an Index Security cannot be fully priced (as described below under "Settlement Pricing") but may be redeemed in the same manner as Commodity Securities. However the Redemption Fee will be applicable to such redemption, irrespective of the number of Micro Securities redeemed. Applications for Micro Securities will not be accepted unless the Issuer in its discretion determines to do so. If an application for Micro Securities is accepted, the same procedures as apply to applications for Individual Securities will apply.

A Micro Security is an undated limited recourse secured debt security of the Issuer to be issued pursuant to, and constituted by, the Trust Instrument.

A Micro Security of a particular class at any time has a Price equal to one millionth of the Price of an Individual Security of that same class at that same time and an Individual Security is comprised of one million Micro Securities of that same class.

An Index Security is comprised of a defined number of Micro Securities of a number of different classes. The numbers and classes of Micro Securities which together comprise an Index Security are subject to change from time to time, as set out below under the heading "Rebalancing of Index Securities".

Pricing of Commodity Securities

A Commodity Security entitles an Authorised Participant (subject to certain conditions) to require the redemption of the Commodity Security at the Price of that Commodity Security calculated on the relevant Pricing Day (day T) and to receive such amount, in US Dollars, on the Redemption Payment Date (normally day T+3).

Individual Securities will usually be priced on each day on which there is trading in the Designated Contract on the Relevant Exchange and pricing will be based on the relevant Individual Commodity Index published by Dow Jones at the end of the day (subject to Market Disruption Events occurring, which will result in pricing being deferred until the next available Pricing Day). Index Securities will only be priced on a day where each and every commodity represented in the relevant Index Security is priced that day.

Not all classes of Individual Securities have the same Pricing Days (because the Exchanges used in calculating the Individual Commodity Indices are different). However, if a day is not a Pricing Day for a particular class of Classic Individual Security, then it will generally not be a pricing day for the class of Forward Individual Security priced by reference to the same Individual Commodity Index. Consequently there will be days on which Prices are calculated and published for some classes of Individual Securities but not others and consequently for some Index Securities but not others.

Prices will be calculated for each Commodity Security following the end of each day which is a Pricing Day for each component of that Commodity Security, and posted on the Issuer’s website at <http://www.etfsecurities.com/csl>.

In certain circumstances the Calculation Agent may under a Facility Agreement declare a day to be a Market Disruption Day for one or more Individual Commodity Indices and, if so, the Individual Securities and Index Securities which use such Indices to determine their price will not be priced that day even if Dow Jones publishes Individual Commodity Indices for such on that day, whereupon the mechanism described under the heading “Market Disruption Days” in Part 2 (*Dow-Jones — AIG Commodity Indices*) and under the headings “Applications and Redemptions — Settlement Pricing” and “Applications and Redemptions — Redemption Processes” below will operate.

Forty-two classes of Individual Securities will be issued under this programme: 23 classes of Classic Individual Securities and 19 classes of Forward Individual Securities. These are shown below in the first column of Table 4.

Commodity Securities will be priced and settled in US Dollars. A Price will be calculated by the Issuer for each class of Individual Security on each day that is a Pricing Day for that class. The Individual Commodity Indices will be those calculated by AIG-FP in conjunction with Dow Jones and published by Dow Jones for that Pricing Day. The Indices are currently published to three places of decimals. The Price will be calculated to seven places of decimals with 0.0000005 rounded upwards.

Pricing of Individual Securities

The Price for each class of Classic Individual Security and Forward Individual Security, for each Pricing Day for that class, will be as follows:

$$Price_{(i,t)} = I_{(i,t)} \times M_{(t)} \times PF_{(i,t)}/10$$

where:

- i refers to the relevant class of Individual Security;
- t refers to the applicable Pricing Day;
- Price_(i,t) is the Price of an Individual Security of class i for day t;
- I_(i,t) is the closing settlement price level of the Individual Commodity Index applicable to an Individual Security of class i for day t;
- M_(t) is the Multiplier for day t; and
- PF_(i,t) is the Pool Factor applicable to the relevant class of Individual Security on day t.

Multiplier

The Multiplier as at 11 September 2008 for all classes of Classic Individual Securities was precisely 1.0532672 and for the Forward Individual Securities was precisely 1.0108096. The Multiplier is calculated as follows:

$$M_{(i,t)} = M_{(i,t-1)} \times (1 + CA_{(i,t)});$$

where:

- i refers to the relevant class of Individual Security;
- t refers to the applicable day;
- M_(i,t) is the Multiplier of a Classic Individual Security or Forward Individual Security of class i for day t;

- $M_{(i,t-1)}$ is the Multiplier of a Classic Individual Security or Forward Individual Security of class i for the previous day $t-1$; and
- $CA_{(i,t)}$ is the Capital Adjustment of a Classic Individual Security or Forward Individual Security of class i applicable on day t, expressed as a decimal.

The Multiplier for Classic Securities and Forward Securities reflects the Capital Adjustment which includes any Collateral Yield paid by a Commodity Contract Counterparty to the Issuer less the Management Fee and Licence Allowance. As at the date of this Prospectus, the Multiplier is the same for all classes of Classic Individual Securities and all classes of Forward Individual Securities however, the Multiplier for Forward Securities is not the same as the Multiplier for Classic Securities. In future, the Capital Adjustment could be changed so that the Multiplier is different for all classes of Classic Securities or Forward Securities. The Multipliers will be calculated daily by the Issuer to seven places of decimals with 0.0000005 rounded upwards.

Capital Adjustment

As at the date of this Prospectus the Capital Adjustment is the same for all classes of Classic Individual Securities and all class of Forward Individual Securities, however, the Capital Adjustment for Forward Securities is not the same as the Capital Adjustment for Classic Securities. In future, the Capital Adjustment could be changed so that it is different for all classes of Classic Securities or Forward Securities. The Capital Adjustment is a daily rate expressed as a percentage, which will be as agreed from time to time by each Commodity Contract Counterparty and the Issuer. The Capital Adjustment reflects the benefit to the Commodity Contract Counterparty of selling the relevant Commodity Contracts to the Issuer, less the Management Fee and Licence Allowance.

Whenever the Capital Adjustment changes, the Issuer will calculate the Collateral Yield. The Multiplier, the Capital Adjustment and the Collateral Yield applying to each type of Commodity Security on each day will be posted by the Issuer on its website, at <http://www.ETFSecurities.com/csl>.

As at 11 September 2008, the Capital Adjustment and Collateral Yield for all classes of Classic Individual Securities were 0.00200 per cent. and 1.27 per cent. respectively and for all classes of Forward Individual Securities were 0.00159 per cent. and 1.12 per cent. respectively.

Index Securities

Twenty categories of Index Securities will be available for issue consisting of ten Classic Index Securities and ten Forward Index Securities, with each category comprising a different mix and number of Micro Securities (thereby producing different percentage weightings for each commodity). The classes and number of Micro Securities comprised in each category of Index Security as at the date of this document are shown in the last four columns of Table 4(a) in respect of Classic Index Securities and in the last four columns of Table 4(b) in respect of Forward Index Securities.

Table 4(a) — Micro Classic Securities comprised in each Classic Index Security as at the date of this Prospectus

Classes of Micro Classic Securities	Number of Micro Classic Securities comprised in each Classic Index Security				
	All Commodities	Energy			
Natural Gas	1,263,381	5,490,608		Petroleum	
Crude Oil	47,045	205,652		554,501	
Gasoline	15,437	67,481		181,974	
Heating Oil	25,086	109,659		295,714	
		Ex-Energy		Industrial Metals	
Aluminium	192,626	181,365		990,469	
Copper	37,351	35,120		191,870	
Zinc	54,475	51,395		281,818	
Nickel	15,768	14,843		81,203	
				Precious Metals	
Gold	122,122	114,594		852,451	
Silver	28,838	27,139		202,423	
				Livestock	
Live Cattle	97,471	91,403		385,824	
Lean Hogs	247,875	233,421		977,767	
				Agriculture	
Wheat	190,841	179,077		276,751	Grains
Corn	505,242	475,298		713,332	392,959
Soybeans	84,719	79,497		122,857	1,035,760
					174,444
					Softs
Sugar	40,104	37,715		59,958	146,405
Cotton	196,316	184,214		283,174	716,603
Coffee	186,626	175,622		277,468	683,996
Soybean Oil	53,856	50,536		78,099	
Cocoa*					
Lead*					
Platinum*					
Tin*					

*Micro Securities of these types are not currently comprised in any category or categories of Index Securities

Table 4(a) shows the number of Micro Classic Securities which comprise each category of Classic Index Security as at the date of this Prospectus and which have been in effect since 15 January 2008. Initially, the number of Micro Classic Securities was set so that the Price of each Classic Index Security was equal to one tenth of the value of the DJ-AIGCISM (for the ETFS All Commodities Index Security) and various of the sub-indices (for the other Classic Index Securities) (expressed in dollars and divided by ten) as at the completion of rebalancing on 17 January 2006.

Table 4(b) — Micro Forward Securities comprised in each Forward Index Security as at the date of this Prospectus

Classes of Micro Forward Securities	Number of Micro Forward Securities comprised in each Forward Index Security			
	All Commodities	Energy		
Natural Gas	135,732	900,785	Petroleum	
Crude Oil	45,265	301,866	596,619	
Gasoline	12,423	82,850	163,746	
Heating Oil	19,722	131,525	259,948	
		Ex-Energy	Industrial Metals	
Aluminium	231,951	197,938	957,270	
Copper	44,763	38,250	185,929	
Zinc	71,311	60,851	294,666	
Nickel	18,706	15,974	77,734	
			Precious Metals	
Gold	213,567	182,380	867,797	
Silver	47,229	40,366	192,761	
			Livestock	
Live Cattle	112,270	95,737	919,208	
Lean Hogs	33,298	28,431	272,549	
			Agriculture	
Wheat	109,657	93,571	143,383	Grains
Corn	407,097	349,420	524,454	210,072
Soybeans	150,201	128,167	196,396	778,779
				287,742
				Softs
Sugar	55,673	47,493	74,060	169,007
Cotton	183,478	156,562	239,908	558,319
Coffee	261,009	222,920	345,291	795,116
Soybean Oil	59,656	52,543	80,515	

Table 4(b) shows the number of Micro Forward Securities which comprise each category of Forward Index Security as at the date of this Prospectus and which have been in effect since 16 January 2008. Initially, the number of Micro Forward Securities was set so that the Price of each Forward Index Security was equal to one tenth of the value of the DJ-AIGCI-F3SM (for the ETFS Forward All Commodities Index Security) and various of the sub-indices (for the other Forward Index Securities) (expressed in dollars and divided by ten) as at 7 September 2007.

Excluding the impact of the Multiplier, the Classic Index Securities and the Forward Index Securities have been designed to closely replicate the relevant DJ-AIG Commodity Index and its various sub-indices published by the Dow Jones. However, the Index Securities are not priced directly off such indices and differences may arise between the prices of such Index Securities (excluding the Multiplier) and the published levels for the DJ-AIG Commodity Indices and the sub-indices. In order to minimise any such differences, the Index Securities may be rebalanced from time to time as described below under “Rebalancing of Index Securities”.

Pricing of Index Securities

A Price will be calculated by the Issuer for each category of Classic Index Security and Forward Index Security for each day that is a Pricing Day for all of the classes of Micro Securities that are comprised in that category of Index Security. The Price of each Micro Security is 1 millionth of the Price of an Individual Security of the same class. The Price of each Index Security will be the sum of the Prices of

all Micro Securities comprised in the Index Security. The Price will be calculated to seven places of decimals with 0.0000005 rounded upwards.

If a Market Disruption Day occurs on the Relevant Exchange for a particular Individual Commodity Index, then that day will not be a Pricing Day for the corresponding class of Micro Security and the mechanism described under “Market Disruption Days” in Part 2 (*Dow Jones — AIG Commodity Indices*) will operate.

Further information is contained under “Settlement Pricing” below.

Illustration of Pricing Calculations

The following table illustrates how the Price for Individual Securities and Index Securities will be calculated, using the Individual Commodity Indices as at 7 September 2007 and assuming the Multiplier and Pool Factor were both precisely 1.0 on that day:

	Live Cattle	Lean Hogs	Livestock
Individual Securities:			
Index (I)	105.142	27.782	
Multiplier (M)	1.00000	1.0000	
Price (I x M/10)	10.5142	2.7782	
Index Security:			
Number of Micro Securities (MS)	428,299	775,075	
Price per Micro Security (P)	0.0000105142	0.0000027782	
Total Value (MS x P)	4.50322	2.15331	6.65653

Rebalancing of Index Securities

Whenever the DJ-AIGCISM is re-weighted, which is expected to occur each January, the DJ-AIGCI-F3SM will also be rebalanced. As a result, any rebalancing of the DJ-AIGCISM will cause a rebalancing of all categories of Index Security.

Index Securities will be Rebalanced by changing the number of Micro Securities comprised in each category of Index Security (a “Required Rebalancing”). In addition, at any time during the year the Issuer may effect a Rebalancing to help reduce tracking error with the DJ-AIG Commodity Indices or any of the sub-indices (a “Voluntary Rebalancing”). There will be no change in the value of an Index Security due to a Rebalancing and no action is required on the part of a Security Holder. The consequence of a Rebalancing is that, following the Rebalancing, fewer of some classes of Micro Securities, and more of other classes of Micro Securities, will be comprised in an Index Security. A Rebalancing takes effect as a modification of the terms of an Index Security, including as to the numbers and classes of Micro Security in exchange for which it may be surrendered, but no Micro Securities are in fact created, issued, cancelled or redeemed.

Because there is no change to the value of an Index Security through the Rebalancing process, there will be no cash payment to or from the Issuer.

The Issuer will advise Security Holders of any Rebalancing, at least seven days prior to a Rebalancing commencing, through an RIS. After a Rebalancing is completed, the Issuer will advise the number of Micro Securities which are thereafter comprised in each Index Security, through an RIS prior to trading commencing on the first Trading Day on which the completed Rebalancing applies.

Required Rebalancing

A Required Rebalancing occurs whenever there is a rebalancing of the Relevant DJ-AIG Commodity Index being the DJ-AIGCISM for Classic Index Securities and the DJ-AIGCI-F3SM for Forward Index Securities.

For a Required Rebalancing, the number of Micro Securities comprised in each Index Security will be adjusted using the CIPs as published by Dow Jones each year (usually in July of the previous year). An adjustment will take place at the beginning of each day following a Hedge Roll Day in January and the final number of Micro Securities to be comprised in the Index Security will be announced prior to trading commencing on the day following the last Hedge Roll Day in January. The adjustment will

currently occur on the sixth to tenth General Trading Days in January, unless extended due to Market Disruption Days.

The following steps will be implemented for each Index Security:

1. After the close of trading on all Relevant Exchanges on the Rebalancing Calculation Date, a target number of Micro Securities required for a commodity in a category of Index Security will be calculated, as the Price of that category of Index Security multiplied by:
 - (a) if the Relevant DJ-AIG Commodity Index is the DJ-AIGCISM, the applicable CIP for each class of commodity in that category of Index Security; and
 - (b) if the Relevant DJ-AIG Commodity Index is the DJ-AIGCI-F3SM, the effective percentage weight of each class of commodity in that category of Index Security derived by the Calculation Agent for the purposes of that Required Rebalancing from the CIPs in sub-paragraph (a) using the Settlement Prices by reference to which the DJ-AIGCI-F3SM is determined on the Rebalancing Calculation Date with respect to that Required Rebalancing,

in each case divided by the Price of the relevant Micro Security of that class. The applicable CIPs or effective percentage weights (as applicable) for a sub-index will be the CIPs or effective percentage weights (as applicable) for the Relevant DJ-AIG Commodity Index re-weighted proportionally such that the re-weighted CIPs or effective percentage weights (as applicable) of the classes of commodities included in that category of Index Security sum to 100 per cent.

2. Where the target number is less than the existing number, the number of Micro Securities comprised in the Index Security will be reduced at the beginning of each day following a Hedge Roll Day by the same number each day until the target number is reached after the last Hedge Roll Day.
3. Where the target number is greater than the existing number, the number of Micro Securities comprised in the Index Security will be increased at the beginning of each day following a Hedge Roll Day in proportion to the increase required to achieve the target number and in aggregate value equal to the value of the Micro Securities reduced.

Voluntary Rebalancing

A Voluntary Rebalancing may be generally effected if the Issuer decides there is sufficient tracking error with the Relevant DJ-AIG Commodity Index or any of its sub-indices as to warrant a Rebalancing. A Rebalancing effected to reduce tracking error may reduce tracking error going forward but will not correct any tracking error to that date.

As there will be no change in value, a Rebalancing will not re-set the Price of an Index Security (excluding the Multiplier or Capital Adjustment where relevant).

For a Voluntary Rebalancing, the number of Micro Securities comprised in each category of Index Security will be adjusted using the ECIPs of the Relevant DJ-AIG Commodity Index. Unless notified otherwise by the Issuer, the Voluntary Rebalancing will be effected on a single day. The ECIPs for each class of Individual Security will be calculated on the first General Trading Day following the last Hedge Roll Day of the relevant month (usually the tenth General Trading Day of the month), the Price of each Index Security on the following General Trading Day will be used to determine the new number of Micro Securities and the Rebalancing will be effected at the beginning of the following day.

The number of Micro Securities required for a commodity in a category of Index Security will be calculated as one million times the Price of that category of Index Security multiplied by the applicable ECIP for each Commodity in that category of Index Security divided by the relevant Individual Commodity Index. The applicable ECIPs for each category of Index Security other than the ETFs All Commodities DJ-AIGCISM Index Security and ETFs Forward All Commodities DJ-AIGCI-F3SM Index Security will be the ECIPs for the Relevant DJ-AIG Commodity Index re-weighted proportionally such that the re-weighted ECIPs of the commodities included in that category of Index Security sum to 100 per cent.

Extended Voluntary Rebalancing

When giving notice of a Voluntary Rebalancing, the Issuer may elect to effect such Voluntary Rebalancing over the entire Roll Period — an “Extended Voluntary Rebalancing”. If so, the Extended Voluntary Rebalancing will use the same process as for a Required Rebalancing, commencing with the ECIPs and Prices of Commodity Securities on the Rebalancing Calculation Date for that Roll Period.

Rebalancing Methodology

The methodology used to effect a Rebalancing requires certain inputs, the three main inputs being the Price of each Index Security and the weights and Prices of the relevant Micro Securities. For all Rebalancings, the relevant Price (rather than Index) is used, being the Price of the relevant Index Security and Micro Securities on the Rebalancing Calculation Date. The weightings to be used will be either the CIPs or effective percentage weights determined as described in subparagraph 1(b) of “Required Rebalancing” — Part 3 (*Description of Commodity Securities*) (for a Required Rebalancing) or the ECIPs (for Voluntary Rebalancing) on the Rebalancing Calculation Date. These inputs will then be used in the Rebalancing calculations using the methodology discussed above. While CIPs are approved by the Supervisory Committee in advance for the purposes of re-balancing annually the DJ-AIG Commodity Indices as described under the heading “Composition and Weightings” in Part 2 (*Dow Jones — AIG Commodity Indices*), ECIPs are the effective weights of the Relevant DJ-AIG Commodity Index and its sub-indices, reflecting movements in the Individual Commodity Indices since the previous Rebalancing, as calculated and published by Dow Jones and/or AIG-FP. Where effective percentage weights are used in connection with Forward Index Securities for the purposes of a Required Rebalancing, the weights are determined by the Calculation Agent but are not subject to approval by the Supervisory Committee or publication by Dow Jones or AIG-FP.

On 13 August 2008 Dow Jones announced new target weights that will take effect in January 2009. Details of these new target weights can be found at <http://www.djindexes.com/aig/pressroom/index.cfm?go=2008>.

Consolidation and Division of Micro and Commodity Securities

Circumstances may arise where the Issuer might wish to effect a consolidation or division of a particular type of Micro or Commodity Security.

For example, if a class of Micro and Individual Security was secured on corresponding Commodity Contracts from two or more different Commodity Contract Counterparties and one of them (the “Lower Credit”) had, for example, a significant credit rating downgrade, it may be necessary or desirable, in order to ensure that the value of the Micro and Individual Securities (and Index Securities to the extent they comprise Micro Securities of that class) reflects the value of the relevant commodity futures contract, for the Commodity Contracts from the Lower Credit to be excluded from that class. This could be effected by the Commodity Contracts from the Lower Credit being transferred into a new Pool and the Issuer creating and issuing new Micro and Commodity Securities secured by that new Pool on a one-for-one basis with the Pool Factor on both classes being adjusted accordingly. Investors of the affected class would then hold two Micro or Commodity Securities for each one they held previously and the Pool Factor would be split between the two. For example, if the Commodity Contracts from the Lower Credit comprised 30 per cent. of the aggregate number of Commodity Contracts in the Pool and the Pool Factor before the transfer was 1.00, then the Pool Factor following the division would be 0.70 on the old class and 0.30 on the new class.

A division, without creating a new class, or a consolidation of the same class, might also be effected to change the Multiplier for Commodity Securities so that it became approximately 1.00. For example, if the Multiplier has risen to 2.00, a two for one division of each Micro or Commodity Security of the relevant types would mean that the Multiplier for those types would again amount to 1.00. Similarly, if the Multiplier fell to 0.5 then a one for two consolidation would mean that the Multiplier would again be 1.00.

The Issuer may also consolidate or divide all of the Commodity Securities of any type into Commodity Securities of the same type without adjusting their Multiplier by instead changing the number of Micro Securities of which they are comprised. In such circumstances any Security Holders aggregate holding of Commodity Securities would change but the aggregate number of Micro Securities of which such holding was comprised, and its value, would be unchanged.

The Issuer has the right under the Trust Instrument at any time to effect either a consolidation or division and to allocate Commodity Contracts into a new Pool representing a new class of Micro and Individual Securities and new categories of Index Securities to the extent that they comprise Micro Securities of that class, and need not obtain Listing for any such new types of Micro and Commodity Securities. The Issuer will only take such action if it believes it is in the interest of the affected Security Holders to do so.

Authorised Participants

Only Authorised Participants may deal with the Issuer in applying for or redeeming Commodity Securities, save where, as noted elsewhere in this document, on the date on which a Redemption Form is lodged there are no Authorised Participants. A person can only be an Authorised Participant if it is: (a) a securities house or other market professional approved by the Issuer (in its absolute discretion); and (b) an Authorised Person, an Exempt Person or an Overseas Person. An Authorised Participant must also have entered into: (a) an Authorised Participant Agreement with the Issuer dealing with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for and redeeming Commodity Securities and (b) a Direct Agreement with AIG-FP and/or another Commodity Contract Counterparty, under which, amongst other things, the Authorised Participant and AIG-FP (or other Commodity Contract Counterparty) provide undertakings to each other regarding the settlement of moneys payable for applications and redemptions.

Authorised Participant Agreements have been entered into with ABN Amro Bank N.V. (London Branch), Bank IMI S.p.A., Barclays Capital Securities Limited, Bayerische Hypo-Vereinsbank AG, Fortis Bank Global Clearing N.V. (London Branch), Goldman Sachs International, Merrill Lynch International, Morgan Stanley & Co. International Limited and UBS AG, the terms of which (as amended) are summarised in Part 11 (*Additional Information*) under “Authorised Participant Agreements”.

Under the Facility Agreement, AIG-FP has the right to give notice (with immediate effect) that an Authorised Participant has ceased to be acceptable to it in certain circumstances, including if AIG-FP deems such person to be unacceptable to it as an Authorised Participant for credit, compliance, general business policy or reputational reasons. As a result of any exercises of such right there could at any time be no Authorised Participants.

The Issuer will use its reasonable endeavours to ensure that at all times for the duration of the Programme there are at least two Authorised Participants. In the event that at any time there are no Authorised Participants, Security Holders will be permitted to redeem Commodity Securities respectively held by them directly from the Issuer.

Applications and Redemptions

All applications for and redemptions of Commodity Securities and redemptions of Micro Securities, and the matching creation and termination of Commodity Contracts, may be effected using the pricing formulae described above (“Settlement Pricing”) which is based on Indices calculated using end of day settlement pricing for the various Designated Contracts.

However, to enable Authorised Participants and AIG-FP to have the flexibility to agree, between themselves, intra-day or other pricing for Commodity Securities and Micro Securities (“Agreed Pricing”) and hence for matching Commodity Contracts, issues and redemptions may be effected at any price and in any amount agreed between an Authorised Participant and AIG-FP and notified to the Issuer. The rights of all other security holders to receive Settlement Pricing for a redemption of their Micro or Commodity Securities will not be impacted by any Agreed Pricing.

The application and redemption procedures to be followed by Authorised Participants, the Issuer and AIG-FP are set out in the Authorised Participant Agreements and the Facility Agreement and are summarised below. These procedures may be amended at any time by agreement between the relevant parties.

Application Processes

Commodity Securities may be issued on the Application of an Authorised Participant during the period of 12 months from the date of this document. There is no minimum number of Commodity Securities that must be applied for (but there is a Minimum Creation Amount for the creation of Commodity Contracts on any Pricing Day, and if that Minimum Creation Amount is not achieved through

applications for corresponding Commodity Securities by all Authorised Participants, AIG-FP may elect that no creations of Commodity Contracts of that class or category will occur, in which case no Commodity Securities of that class or category will be issued). The Issuer will decline Applications if it cannot for any reason create corresponding Commodity Contracts under the Facility Agreement.

The Minimum Creation Amount is as follows:

- (a) for the creation of Commodity Contracts in relation to the issue of Individual Securities, US\$1 million per class of Individual Security; or
- (b) for the creation of Commodity Contracts in relation to the issue of Index Securities, US\$5 million per category of Index Security.

An Authorised Participant may subscribe for Commodity Securities using Settlement Pricing or, if agreed with AIG-FP, using Agreed Pricing. In either case, Commodity Securities will only be issued if corresponding Commodity Contracts can be created by the Issuer for the same amount.

Application Moneys for all Commodity Securities must be paid by Applicants directly to AIG-FP by the Authorised Participant making the Application, via CREST. Legal title to Commodity Securities will be transferred by means of the CREST system and evidenced by an entry on the Register.

Settlement of Commodity Securities on issue will only be made against payment in CREST and only after:

- (a) receipt by the Issuer of a valid Application Form;
- (b) the creation of matching Commodity Contracts; and
- (c) Listing in respect of such Commodity Securities having become effective.

If an Applicant does not make payment for the full amount of the Commodity Securities to be issued on the due date for payment or the following Business Day, the Issuer may elect by notice to the Applicant to cancel the Application. Alternatively the Issuer may elect to enforce against the relevant Applicant the obligation of that Applicant to pay for the Commodity Securities applied for.

The procedures required to be followed when making an Application depend on whether Agreed Pricing or Settlement Pricing is being used.

Agreed Pricing

There are no restrictions on the number of Commodity Securities that can be applied for, the time for lodging the Application or the settlement date, other than the requirement for the Issuer to receive the requisite signed documents from both the Authorised Participant and AIG-FP not later than two London Business Days prior to the proposed settlement date.

Settlement Pricing

The following procedures apply when Settlement Pricing is used in an Application:

- an Application for Commodity Securities using Settlement Pricing may only be made on a General Trading Day (a day which is a Trading Day on all of the Exchanges);
- a Price will be determined for each class relevant to a valid Application on the day of Application if it is a Pricing Day for that class; if it is not a Pricing Day (because it is a Market Disruption Day for the relevant Individual Commodity Index), then the Price will be determined on the next Pricing Day for that class;
- if the Application is for Index Securities, and a Price has been determined for some but not all components of those securities by the fourth General Trading Day following the day on which it was deemed received, the Application will be deemed to be split into two — one for Micro Securities comprised in that Index Security for which a Price has been determined and another for Micro Securities comprised in that Index Security for which a Price has not been determined (which will be treated as a new Application for those Micro Securities); an Application received by the Issuer after 8.00 a.m. and before 2.30 p.m. (or, if earlier, 30 minutes prior to the applicable Notice Deadline) on a Pricing Day for Micro Securities comprised in that Index Security applied for

(day T) will enable the Authorised Participant to be registered as the Security Holder in respect of the relevant Micro Securities within three London Business Days (that is, on a T+3 basis), provided that day T+3 is a New York Business Day, and if not then on the next following Business Day;

- a valid Application remains in force until a Price has been determined for all classes relevant to that Application; if a Price cannot be determined on the day of Application, then it may be cancelled at any time prior to the Notice Deadline on the day on which a Price can be determined or, if the Application is for Index Securities, the fourth General Trading Day when, if it is split in two, only that second, delayed Application can be cancelled (as the first, priced Application for the Micro Securities comprised in the affected Index Securities will have been priced on that day), in the same manner as a new Application;
- an Application received by the Issuer after 8.00 a.m. and before 2.30 p.m. (or, if earlier, 30 minutes prior to the applicable Notice Deadline) on a General Trading Day which is not a Pricing Day for all components of the Commodity Securities applied for will be valid, but day T will not occur until a Price has been determined for all components, and accordingly the Authorised Participant will be registered as the Security Holder in respect of the relevant Commodity Securities three London Business Days after a Price has been determined for all components (that is, on a T+3 basis), provided that day T+3 is a New York Business Day, and if not then on the next following Business Day;
- an Application received by the Issuer after 2.30 p.m. (or, if earlier, 30 minutes prior to the applicable Notice Deadline) but before 6.30 p.m. on a General Trading Day will be valid, but will be treated as having been received at 8.00 a.m. on the next following General Trading Day (unless AIG-FP agrees otherwise, in which case it will be treated as having been received prior to 2.30 p.m. on that General Trading Day);
- an Application received by the Issuer prior to 8.00 a.m. or after 6.30 p.m. on a General Trading Day, or on a day which is not a General Trading Day, will only be valid if AIG-FP confirms to the Issuer that corresponding Commodity Contracts will be created notwithstanding the time of submission of the Application;
- upon receipt and confirmation of a valid Application, the Issuer will send a Creation Notice to AIG-FP creating such number of Commodity Contracts as correspond to the Application, and will confirm AIG-FP's receipt of such Creation Notice; and
- following publication by Dow Jones of the relevant Individual Commodity Indices, the Issuer will calculate the Price of all Commodity Securities to be issued to each Applicant and will confirm such Price with each Applicant and AIG-FP by the following Business Day.

Under the Facility Agreement, AIG-FP is bound by the creation of Commodity Contracts by the Issuer on any Pricing Day for components of Commodity Securities corresponding to those Commodity Contracts, provided that the applicable Creation Notice is lodged with AIG-FP by 2.30 p.m. (or, if earlier, 30 minutes prior to the applicable Notice Deadline) on a General Trading Day.

Redemption Processes

A Security Holder who is an Authorised Participant may require the redemption of all or any of its Micro or Commodity Securities using Settlement Pricing or, if agreed with AIG-FP, using Agreed Pricing.

A Security Holder who is not an Authorised Participant may only require the redemption of any of its Micro or Commodity Securities using Settlement Pricing and only if, on a General Trading Day, there are no Authorised Participants and the Security Holder submits a valid Redemption Form on such day. Payment on redemption to persons who are not Authorised Participants may be subject to their giving to the Issuer and the relevant Commodity Contract Counterparty certain beneficial owner certifications to assess whether such payments should be subject to withholding or deduction for taxes.

Payment of the Redemption Amount will be made by AIG-FP, in respect of the termination of corresponding Commodity Contract from the Issuer, directly to the relevant Authorised Participant redeeming the Commodity Securities, via CREST.

The procedures required to be followed when lodging a Redemption Form are the same as for making an Application, other than for the following procedures used for Settlement Pricing:

- if a valid Redemption Form requesting Settlement Pricing is lodged with the Issuer after 8.00 a.m. and before 2.30 p.m. (or, if earlier, 30 minutes prior to the applicable Notice Deadline) on a General Trading Day, and that day is a Pricing Day for each class which is a component of the Commodity Securities which are the subject of the Redemption Form, the applicable Redemption Payment Date (on which the redemption will be settled) will be three Business Days following that Pricing Day, or such later date (being a Business Day, or if such date is not a Business Day, the immediately following Business Day) as is specified in the Redemption Form.
- when Micro or Commodity Securities are to be redeemed, the Issuer will terminate an Equivalent Number of Commodity Contracts, subject to the Issuer's discretion to elect to satisfy Redemption Forms by transfer of the appropriate number of Micro or Commodity Securities to one or more Applicants from Security Holders seeking redemption.

Further details of the procedure relating to Redemptions are set out in the Conditions in Part 6 (*Trust Investment and Commodity Securities*) below.

If an AIG Default is subsisting, then Security Holders who are not Authorised Participants will not have a right to redeem, however the Trustee may, at its discretion and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature (or if no Price was determined on that date, the most recently determined Price)) of all Micro and Commodity Securities then outstanding or pursuant to an Extraordinary Resolution passed at a duly called meeting of the Security Holders (as a single class), the Trustee having first been indemnified to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deeds in respect of all Micro and Commodity Securities.

Creation Limits and Redemption Limit

There are limits on the number of Commodity Contracts which can be created or terminated at any time (and therefore on the issue or redemption of corresponding Micro or Commodity Securities). Details of these limits are set out under the heading "Applications and Redemptions — Creation and Redemption Limits" in Part 1 (*General*). The Issuer will reject Application Forms or Redemption Forms to the extent that the acceptance of such would cause the Creation Limits or Redemption Limit to be exceeded, unless AIG-FP agrees with the Issuer that corresponding Commodity Contracts will be created or terminated notwithstanding that the Creation Limits or Redemption Limit would be exceeded.

Compulsory Redemptions

There are circumstances in which Micro and Commodity Securities can be compulsorily redeemed by the Issuer, either in whole or in part, as set out fully in the Conditions.

The Issuer may, at any time, upon not less than 30 days' notice (or seven days' notice in the event that the Facility Agreement is terminated) by RIS announcement to the Security Holders, redeem all Individual Securities or Micro Securities of a particular class or all Index Securities of a particular category. The Trustee may, at any time, where an Issuer Insolvency Event or AIG Default has occurred and is continuing, upon 20 Business Days' notice to the Issuer, require the Issuer to redeem all Micro and Commodity Securities, whereupon the Issuer will exercise its right to redeem such Securities.

Dow Jones may cease to publish an Individual Commodity Index. If so, the Issuer has and will exercise the right to redeem all Individual Securities and Micro Securities of the class relating to that Individual Commodity Index.

The Conditions provide that the amount payable upon a Redemption of a Micro Security of a particular class under Settlement Pricing will be the higher of the Principal Amount for that class and the Price of such Micro Security on the applicable Pricing Day. As each class of Micro and Commodity Security is a limited recourse security as described in Condition 3.2, it is in the interests of the Security Holders of each type to ensure that the Price for each relevant class of Micro Securities does not fall below its Principal Amount. The Issuer will aim to avoid the Price of a class of Micro Security falling below its Principal Amount by the following measures: the Issuer may (i) where necessary, seek the sanction of Security Holders by Extraordinary Resolution to reduce the Principal Amount of a class of Micro Security (and of Commodity Securities to the extent they comprise Micro Securities of that class) to a level less than its Price; and/or (ii) if on any Pricing Day the Price of any class of Micro Security falls to

2.5 times the Principal Amount of such Micro Security or below, the Issuer may, at any time for so long as the Price remains below such amount and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement elect to redeem the Micro Securities of that class (and all types of Commodity Securities which are comprised, in whole or in part, of Micro Securities of that class). The right pursuant to (ii) above will cease once an Extraordinary Resolution is passed to reduce the Principal Amount such that the Price is more than 2.5 times the Principal Amount, subject to any further fall in the Price of any class of Micro Securities to 2.5 times the Principal Amount or below.

Under the Facility Agreement, AIG-FP has the right to terminate some or all of the Commodity Contracts of a particular class if for any reason it is unable to maintain the hedging positions which (acting reasonably) it attributes to the hedging of its obligations in connection with the Facility Agreement or Commodity Contracts of one or more classes. In such a case, the Issuer has and will exercise the right to redeem the Micro Securities and Individual Securities of that class. In some cases this may require the Issuer to redeem Index Securities if Micro Securities of that class are comprised therein. The Issuer reserves the right in its absolute discretion to determine which type or types of Micro and Commodity Securities will be redeemed in that circumstance. Where less than all of the Micro and Commodity Securities of a particular type are to be redeemed, the redemptions will apply to all Security Holders holding Micro and Commodity Securities of that type, *pro rata* to their holdings.

The Issuer may, at any time by not less than seven nor more than 14 Trading Days' written notice, redeem any Micro and Commodity Securities held by Prohibited US Persons or Prohibited Benefit Plan Investors, held by Security Holders who have not provided appropriate certifications as to their status in accordance with the conditions or in certain other circumstances specified in the Conditions.

AIG-FP has only agreed to provide Commodity Contracts to the Issuer for five years and six months from the commencement of the Facility Agreement. If AIG-FP does not agree to provide Commodity Contracts beyond such date, then the Commodity Contracts will expire and unless AIG-FP is replaced by a new Commodity Contract Counterparty the Issuer will elect to redeem the outstanding Micro and Commodity Securities.

Where a compulsory redemption occurs, the Micro and Commodity Securities to be redeemed will be priced in the normal way as set out in Part 3 (*Description of Commodity Securities*) and will include an adjustment for interest as more fully described in the Conditions, but depending on the number of Micro and Commodity Securities to be redeemed this pricing may occur over a period of more than one day. Details of the circumstances in which this could occur are set out in the Conditions.

If at that time Security Holders other than Authorised Participants hold the Commodity Securities being redeemed, the Redemption Amount payable to those Security Holders will be paid by AIG-FP either to accounts of the Issuer secured for the benefit of the Security Holders of the relevant classes or to the Trustee for the benefit of such Security Holders, and will be paid to those Security Holders by the Issuer or the Trustee.

Application Fees and Redemption Fees

Application Fees and Redemption Fees will only be payable on the issue and redemption of Micro and Commodity Securities and not by investors who buy and sell Micro or Commodity Securities on the secondary market, including the London Stock Exchange.

The Issuer will charge Authorised Participants an Application Fee of £500 (including any applicable VAT) (or such other amount as may be accepted by the Issuer, either generally or on any particular occasion) for each Application, regardless of the number of Micro or Commodity Securities being issued.

The Issuer will also charge Authorised Participants a Redemption Fee of £500 (including any applicable VAT) (or such other amount as may be accepted by the Issuer, either generally or on any particular occasion) for each Redemption Form, regardless of the number of Micro or Commodity Securities being redeemed. In the event of a compulsory redemption or a Security Holder who is not an Authorised Participant submitting a Redemption Form in circumstances where there is no Authorised Participant, as described above, the Issuer will reduce the Redemption Fee to an amount equal to the Issuer's cost in satisfying such Redemption Form, including costs of enquiries under Condition 15 (*Enquiries as to status of Security Holders*) and of giving the redemption notice (but not exceeding £500), and that

amount will be charged by the Issuer by way of a deduction from the redemption proceeds due to such Security Holder.

No additional amounts will be charged by the Issuer to an Applicant or a Security Holder in respect of VAT payable in connection with Application Fees or Redemption Fees.

The Issuer may vary the Application Fees and Redemption Fees at any time after giving 30 days' written notice to Authorised Participants and through a RIS.

Right to Satisfy Applications and Redemptions by Transfer

Notwithstanding the provisions above, the Issuer may, in its discretion, elect to satisfy Application Forms and Redemption Forms by transfer of the appropriate number of Micro or Commodity Securities to one or more Applicants from the Security Holder(s) seeking redemption. For this purpose, a Security Holder seeking redemption will be deemed to have authorised the Issuer to transfer such Security Holder's Micro or Commodity Securities as are the subject of the Redemption Form to a third party, on such Security Holder's behalf, provided that the amount payable by the Authorised Participant shall still be an amount equal to the relevant Price on the applicable Pricing Day (plus the Application Fee) and the amount receivable by the Security Holder shall still be the relevant Price on the applicable Pricing Day (less the Redemption Fee), and the relevant Redemption Payment Date will be the date of the transfer.

Security

All rights of the Issuer in relation to the Facility Agreement, the Commodity Contracts and the AIG Guarantee to the extent applicable to each Pool will be the subject of a first-ranking floating charge in favour of the Trustee under the applicable Security Deed to secure the obligations owed by the Issuer to the Trustee and the Security Holders in respect of Micro Securities and Individual Securities of the relevant class and the Index Securities to the extent they are comprised of Micro Securities of that class.

Accounts

The Issuer's financial statements are presented in US Dollars. The value of any assets and liabilities denominated in currencies other than US Dollars is converted into US Dollars at rates quoted by independent sources.

The valuation of the assets and liabilities of the Issuer attributable to any Pool is determined under the supervision of the Board.

The Commodity Contracts constitute an asset of the Issuer. For the purposes of the valuation of the Issuer's assets, the Commodity Contracts are valued at the Price as at the date of valuation.

PART 4

DESCRIPTION OF FACILITY AGREEMENT AND COMMODITY CONTRACTS

All Micro and Commodity Securities will be backed by corresponding Commodity Contracts with corresponding terms. Each class of Micro Securities has a corresponding class of Commodity Contract. Each time Micro or Commodity Securities are issued or redeemed the Issuer will create or terminate corresponding Commodity Contracts, exactly matching the number and classes of Micro Securities in question or which are comprised in the Commodity Securities in question. Commodity Contracts will be created and terminated by the Issuer under the Facility Agreement with AIG-FP or another Commodity Contract Counterparty. At the date of this Prospectus, the Issuer has a Facility Agreement only with AIG-FP. As the Issuer is a special purpose company, whose only assets attributable to Commodity Securities will be rights under the Facility Agreement and Commodity Contracts and rights under the AIG Guarantee, the ability of the Issuer to meet its obligations upon redemption of Micro and Commodity Securities will be wholly dependent on its ability to receive payment on termination of Commodity Contracts from AIG-FP or payment from AIG under the AIG Guarantee. The Facility Agreement, the Commodity Contracts provided thereunder and the AIG Guarantee have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Micro and Commodity Securities, and are each governed by English law except the AIG Guarantee which is governed by New York Law.

The payment obligations of AIG-FP to the Issuer under the Facility Agreement and the Commodity Contracts are guaranteed by AIG (in the AIG Guarantee). Those payment obligations of AIG-FP are owed, and the guarantee of AIG is given, to the Issuer only (subject to the Security Deeds in favour of the Trustee, the rights under which are held by the Trustee for the benefit of Security Holders). Amounts due to Security Holders on redemption of Micro and Commodity Securities, and any other obligations owed to Security Holders under Micro and Commodity Securities, are not guaranteed by AIG-FP or AIG. In the event that the Issuer enters into a Facility Agreement with a Commodity Contract Counterparty other than AIG-FP, the obligation of that other Commodity Contract Counterparty will not be covered by the AIG Guarantee or otherwise guaranteed by AIG.

Facility Agreement

The Issuer has entered into the Facility Agreement with AIG-FP under which the Issuer can create and terminate on a continuous basis, subject to the Creation Limits and the Redemption Limit and certain other conditions, any combination of classes of Commodity Contracts. The Facility Agreement runs until, at least, 21 March 2012, subject to earlier termination in accordance therewith, and as more fully described below. The Issuer hopes to procure an increase in the total number of Commodity Contracts available from AIG-FP, and also to extend the term of the agreement, in the event that demand for Commodity Securities necessitates such additional capacity.

The Facility Agreement may be terminated by the Issuer by not less than two Business Days' notice following the occurrence of an AIG Default, provided that the same was not caused by a breach by the Issuer of its obligations under the Facility Agreement or by any Authorised Participant under the relevant Authorised Participant Agreement and upon 30 days' notice if at any time all Micro and Commodity Securities have been redeemed and none remain outstanding. AIG-FP may terminate the Facility Agreement by giving not less than one year's notice to the Issuer, provided that such notice shall not be given earlier than the four and a half year anniversary of the commencement of the Facility Agreement which was 21 September 2006. AIG-FP may also terminate the Facility Agreement by not less than 2 Business Days' notice following the occurrence of an event of default in respect of the Issuer, provided that the event of default was not caused by a breach by AIG-FP or AIG of their respective obligations under the Facility Agreement or the AIG Guarantee. Other termination rights in favour of AIG-FP include on the occurrence of a material adverse change (which itself includes a change in tax law) and on the occurrence of a Guarantor Tax Event. Other termination rights in favour of the Issuer include in the event of an AIG Downgrade that is not mitigated by the provision to the Issuer of acceptable credit support and in the event of an AIG-FP failure to meet a request from the Issuer for increased facilities that results in utilisation under the Facility Agreement falling below certain thresholds.

AIG-FP may elect to amend the Facility Agreement if the Issuer enters into a Facility Agreement with another Commodity Contract Counterparty to substantially conform the AIG-FP Facility Agreement to that new Facility Agreement and for this purpose the consent of the Trustee will not be required.

AIG-FP is required under the terms of the Facility Agreement to ensure that its obligations thereunder and any Commodity Contracts issued pursuant to such Facility Agreement have the benefit of credit support provided by AIG. In fulfilment of that requirement, AIG has entered into the AIG Guarantee, as further described below.

AIG Guarantee

AIG has entered into the AIG Guarantee with the Issuer, in support of AIG-FP's payment obligations under the Facility Agreement.

The principal provisions of the AIG Guarantee are as follows:

- AIG absolutely, unconditionally and irrevocably guarantees to the Issuer and its successors, endorsees and assigns the prompt payment when due, subject to any applicable grace period, of all present and future payment obligations of AIG-FP to the Issuer arising out of the Facility Agreement with AIG-FP.
- AIG's obligations are not affected by the existence, validity, enforceability, perfection or extent of any collateral therefor or by any other circumstance relating to the obligations that might otherwise constitute a legal or equitable discharge of or defence to AIG not available to AIG-FP. AIG agrees that the Issuer may resort to AIG for payment of any of the obligations whether or not the Issuer has resorted to any collateral therefor or has proceeded against AIG-FP or any other obligor principally or secondarily obligated with respect to any of the obligations. The Issuer is not obligated to file any claim relating to the obligations in the event that AIG-FP becomes subject to a bankruptcy, reorganisation or similar proceeding, and the failure of the Issuer to so file does not affect AIG's obligations.
- In the event that any payment to the Issuer in respect of any obligations is rescinded or must otherwise be returned for any reason whatsoever, AIG remains liable thereunder with respect to such obligations as if such payment had not been made. AIG reserves the right to (a) set-off against any payment owing under the AIG Guarantee any amounts owing by the Issuer to AIG-FP and (b) assert defences which AIG-FP may have to payment of any obligations other than defences arising from the bankruptcy or insolvency of AIG-FP.
- The Issuer may at any time, without the consent of AIG, extend the time of payment of, exchange or surrender any collateral for, or renew any of the obligations being guaranteed by AIG, and may also make any agreement with AIG-FP or with any other party to or person liable on any of those obligations, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Issuer and AIG-FP or any such other party or person without in any way impairing or affecting the AIG Guarantee.
- AIG is obliged to gross up for withholding tax in respect of payments due under the AIG Guarantee except to the extent that such withholding tax arises as a result of the Issuer being deemed resident in the United States for US taxation purposes or a failure of the Issuer's tax representations made to AIG (unless such failure is due to a change in the law) or a failure by the Issuer to provide AIG with relevant tax forms.
- The AIG Guarantee is governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.
- AIG consents to the transfer to the Trustee or its nominee of the Issuer's rights under the AIG Guarantee.

The AIG Guarantee may be terminated by AIG upon five days' written notice to the Issuer, but will remain in full force and effect with respect to obligations incurred by AIG-FP as a result of Commodity Contracts created prior to the effective date of such termination.

Commodity Contracts

Forty-two classes of Commodity Contracts are currently available under the Facility Agreement to be created by the Issuer, corresponding to the forty-two classes of Micro Securities and Individual Securities.

Where an Authorised Participant has agreed with AIG-FP the pricing for the issue or redemption of Micro or Commodity Securities and the creation or termination of the corresponding Commodity Contracts (“Agreed Pricing”) the Issuer will create or terminate Commodity Contracts at that pricing, but otherwise the creation or termination price per Commodity Contract will be the Price of the corresponding Micro Security on the applicable Pricing Day (“Settlement Pricing”).

Whenever Settlement Pricing is used:

- upon receipt by the Issuer of a valid Application Form or Redemption Form, the Issuer will send to AIG-FP a Creation Notice or Cancellation Notice (together with a copy of the applicable Application Form or Redemption Form, as the case may be) creating or terminating, as the case may be, an Equivalent Number of Commodity Contracts corresponding to the Micro or Commodity Securities which are the subject of the Application Form or Redemption Form; and
- within 30 minutes of the Notice Deadline (or, if later, within 30 minutes of any Creation Notice or Cancellation Notice having been sent by the Issuer to AIG-FP), the Issuer will contact AIG-FP by telephone to seek confirmation of acceptance by AIG-FP of such Creation Notice or Cancellation Notice. AIG-FP will confirm such Creation Notice or Cancellation Notice provided that it complies with certain formalities (set out in the Facility Agreement) as to form, quantum, procedure, timing and substance.

Separate Pools

All Micro Securities and Individual Securities of the same class (and Index Securities to the extent they comprise Micro Securities of that class) will have recourse only to the Secured Property of the Pool attributable to that class and not to the Secured Property of any Pool attributable to any other class. The principal assets to be included in each Pool are the Commodity Contracts of that class with AIG-FP, the rights of the Issuer under the Facility Agreement for that class, and the rights in respect of that class of Commodity Contracts under the AIG Guarantee. The Issuer may issue other types of commodity securities, based on different prices or having some other different characteristics, but any such securities will have recourse only to the Secured Property of the Pool attributable to such new type and not to the assets attributable to any other type.

Corresponding Terms of Commodity Contracts with Commodity Securities

Whenever Micro or Commodity Securities are issued or redeemed, the Issuer will always create or terminate corresponding Commodity Contracts of the corresponding class(es) as those Micro Securities or the Micro Securities which are comprised in those Commodity Securities (as the case may be). Whenever there is a Rebalancing of Index Securities then the number(s) and class(es) of Commodity Contracts referable to the Micro Securities which are to cease to be comprised in each Index Security is terminated and replaced by the number(s) and class(es) of Commodity Contracts referable to the Micro Securities which are to become comprised in each Index Security. Consequently the exposure of AIG-FP in respect of Commodity Contracts of each class at any time will always exactly match the exposure of the Issuer in respect of Micro Securities and Individual Securities of the corresponding class, and in respect of Index Securities to the extent they are comprised of Micro Securities, at that time.

Payment for the issue of Micro or Commodity Securities and for the creation of Commodity Contracts will be made by an Authorised Participant directly to AIG-FP, via CREST. Payment on the redemption of Micro or Commodity Securities will be made by AIG-FP, in respect of the termination of the corresponding Commodity Contracts by the Issuer, directly to the Authorised Participant redeeming the Micro or Commodity Securities, via CREST, subject to certain set-off arrangements in respect of creation amounts due and unpaid by the Authorised Participant in relation to the issue of Micro or Commodity Securities.

Unless Agreed Pricing is used, the amount payable upon creation or termination of Commodity Contracts is always determined in the same manner as the Price on the applicable Pricing Day for the corresponding Micro or Commodity Securities which are applied for or redeemed. Under the Facility Agreement, a Market Disruption Day is determined in the same manner as the determination of a Market Disruption Day under the Programme. Accordingly, any day that is a Market Disruption Day for the purposes of the Facility Agreement is also a Market Disruption Day for the purposes of the Programme. Commodity Contracts have no equivalent of a Principal Amount.

If Agreed Pricing is used to determine the amount payable upon creation or termination of Commodity Contracts, the same Agreed Pricing applies to the corresponding Micro or Commodity Securities which are applied for or redeemed.

Consequently the amounts payable between Authorised Participants and the Issuer on the issue or redemption of Micro or Commodity Securities (other than Application Fees and Redemption Fees which are payable by Authorised Participants to the Issuer) will always be identical to the amounts payable between the Issuer and AIG-FP on the creation and termination of the corresponding Commodity Contracts.

Elections

Upon an Application Form being lodged for new Commodity Securities:

- the Issuer will only issue new Commodity Securities if it can create corresponding Commodity Contracts under the Facility Agreement; and
- the Issuer may in its absolute discretion elect to satisfy such Application by the transfer of the appropriate number and type of Commodity Securities from one or more Security Holders seeking redemption. In that event, to the extent of the number and type of Commodity Securities transferred, no new Commodity Contracts will be created.

Management Fee

The Management Fee, together with the Licence Allowance, will be reflected in the daily adjustments to the Multiplier and Capital Adjustment for the Classic Securities and Forward Securities. The Management Fee and the Licence Allowance will be paid by AIG-FP to the Issuer.

ETFSL has entered into a supplemental funding rate agreement with AIG-FP pursuant to which AIG-FP may make payments to ETFSL from time to time. This will not affect the Price of the Commodity Securities.

No other cash payments are settled between AIG-FP and the Issuer. The net amounts payable on creation or termination of Commodity Contracts are paid directly between AIG-FP and the Authorised Participant which is applying for or redeeming the Micro or Commodity Securities, via CREST.

Commodity Contract Counterparties

The Issuer may, but is not required to, enter into other Facility Agreements with other Commodity Contract Counterparties, although under the Facility Agreement with AIG-FP it is only able to create Commodity Contracts with any other Commodity Contract Counterparty if either (a) (i) (at a time when more than US\$1,500,000,000 of Commodity Contracts are outstanding under the AIG-FP Facility Agreement) the Issuer wishes to create Commodity Contracts that would cause the value of outstanding Commodity Contracts to exceed the maximum permitted under the AIG-FP Facility Agreement and AIG-FP does not agree an increase which would provide at least US\$1,000,000,000 of additional unused capacity or (ii) (at a time when more than US\$1,500,000,000 of Forward Commodity Contracts are outstanding under the AIG-FP Facility Agreement) the Issuer wishes to create Forward Commodity Contracts that would cause the value of outstanding Forward Commodity Contracts to exceed the maximum permitted under the Facility Agreement and AIG-FP does not agree an increase which would provide at least US\$1,000,000,000 of additional unused capacity for Forward Commodity Contracts, (b) an AIG Downgrade occurs and AIG-FP has not provided certain alternative credit support in accordance with the conditions of the AIG-FP Facility Agreement, (c) AIG-FP gives notice under the Facility Agreement to terminate some or all of the Commodity Contracts then in existence due to a Hedging Disruption Event or (d) AIG-FP gives notice under the Facility Agreement that a withholding or

deduction for or on account of certain taxes may be or may be about to be required by any applicable law of the United States to be made in respect of any payment to be made by AIG-FP under the Facility Agreement. **The obligations of any other such Commodity Contract Counterparty will not be guaranteed by AIG under the AIG Guarantee. Other Facility Agreements may not be on the same terms as the AIG-FP Facility Agreement.** It will not be the Issuer's intention to enter into other Facility Agreements for the purposes of spreading counterparty risk.

Calculation Agent

AIG-FP is required to act as Calculation Agent under and solely for the purposes of its Facility Agreement and each other Facility Agreement that may be entered into with other Commodity Contract Counterparties.

AIG-FP has two separate roles as Calculation Agent, as follows:

- (a) AIG-FP will determine the existence of a Market Disruption Event in respect of an Individual Commodity Index; and
- (b) if an Individual Commodity Index is not published and a substitute value is required to be calculated and published pursuant to the Facility Agreement, or if a Market Disruption Event occurs in respect of an Individual Commodity Index on five or more consecutive Trading Days (irrespective of whether an Individual Commodity Index is published for those Trading Days), the Calculation Agent will calculate a substitute value for that Individual Commodity Index in accordance with the Facility Agreement,

whereupon (in either case) the mechanism described under "Market Disruption Days" above will operate.

In acting as Calculation Agent, AIG-FP is required under the terms of the Facility Agreement to act in good faith and in a commercially reasonable manner, and in accordance with its obligations under the Facility Agreement. Subject to those requirements, the calculations of the Calculation Agent are final and conclusive in the absence of manifest error.

The Issuer may provide copies of determinations notified to the Issuer by the Calculation Agent under a Facility Agreement to the Trustee (but no other person) and/or notify the Trustee (and any other persons) of such determinations by the Calculation Agent, but in each case on the express basis that they are for information purposes only; neither the Trustee nor any actual or potential Security Holder can rely as against the Calculation Agent upon any determination of the Calculation Agent; and no duty is owed by the Calculation Agent to the Trustee or any actual or potential Security Holder.

PART 5

THE PROGRAMME

Overview of the Programme

The rights attached to Micro and Commodity Securities are summarised in Part 3 (*Description of Commodity Securities*), Part 4 (*Description of Facility Agreement and Commodity Contracts*), Part 5 (*The Programme*) and Part 6 (*Trust Instrument and Commodity Securities*).

Micro and Commodity Securities are being made available by the Issuer for subscription only to Authorised Participants. Applications for Micro Securities will not be accepted unless the Issuer in its discretion determines to do so. If an application for Micro Securities is accepted, the same procedures as apply to applications for Individual Securities will apply. The Issuer intends to accept applications for the New Micro Securities of each class for settlement on or after 18 September 2008 to enable listing of each such class to become effective. Only Authorised Participants may apply for and/or redeem Micro or Commodity Securities (except that a Security Holder who is not an Authorised Participant may request redemption of Micro or Commodity Securities which it holds in the event that on any given Trading Day there are no Authorised Participants, and such Security Holder submits a valid Redemption Form on such day).

Micro and Commodity Securities are available to be issued in Certificated Form or in Uncertificated Form in the CREST System. Persons who apply for Commodity Securities and wish to hold their Commodity Securities in Uncertificated Form should so signify on the Application Form and complete the relevant sections of that form in accordance with the instructions thereon. See "CREST" below.

Passporting

The Issuer has requested the FSA to provide the *Autoriteit Financiële Markten* (Netherlands Authority for the Financial Markets), the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the German Federal Financial Supervisory Authority), the *Autorité des Marchés Financier* (French Authority for the Financial Markets) and the *Commissione Nazionale per le Società e la Borsa* (CONSOB) with certificates of approval attesting that this Prospectus has been drawn up in accordance with Directive 2003/17/EC. The Issuer may request the FSA to provide competent authorities in other EEA Member States with such certificates whether for the purposes of making a public offer in such Member States or for admission to trading of all or any Commodity Securities on a regulated market therein or both.

The Classic Commodity Securities specified in paragraph 13(d) of Part 11 (*Additional Information*) have been admitted to listing on Euronext Amsterdam since 15 December 2006. The Classic Commodity Securities (other than the New Securities) have also been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 1 November 2006, Euronext Paris SA since 15 February 2007 and the ETFplus market of the Borsa Italiana since 20 April 2007.

The Forward Commodity Securities specified in paragraph 13(d) of Part 11 (*Additional Information*) have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 27 November 2007.

No application has been or is currently being made for the New Securities or the New Micro Securities to be admitted to listing or trading on any exchange or market outside the UK but the Issuer may cause such application to be made in respect of any or all classes of Commodity Securities on any such exchanges or markets in its discretion. Although the Issuer intends to have all Micro Securities admitted to trading on the Main Market of the London Stock Exchange (and all the Micro Securities other than the New Micro Securities are already so admitted), the Issuer does not anticipate that an active secondary market will develop in any of the Micro Securities.

Procedure for Application

Only Authorised Participants may make an Application. An Authorised Participant who wishes to apply for Commodity Securities should complete the Application Form in accordance with the instructions thereon and send it to the Registrar.

For those Applicants who wish to hold their Commodity Securities in Certificated Form, certificates in respect of the Commodity Securities will be dispatched within 10 Business Days of the Commodity Securities being issued. For those Applicants who desire to hold their Commodity Securities in Uncertificated Form, the relevant CREST account will be credited on the day on which the Commodity Securities are issued against payment. The Issuer considers it preferable that Commodity Securities be held in Uncertificated Form. Notwithstanding any other provision in this document, the Issuer reserves the right to issue any Commodity Securities in Certificated Form. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Registrar in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account details) are not provided as requested on the Application Form. No temporary documents of title will be issued and, pending despatch of security certificates, transfers will be certified against the register.

By completing and delivering an Application Form the Applicant confirms and agrees that:

- (a) it is not relying on any information or representation other than such as may be contained in this document;
- (b) no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document;
- (c) it is an Authorised Person, an Exempt Person or an Overseas Person;
- (d) it understands that Micro and Commodity Securities are direct, limited recourse obligations of the Issuer alone; and
- (e) it understands that the obligations of the Issuer under Micro and Commodity Securities are not guaranteed by AIG-FP, AIG or any member of the AIG Group or any other Commodity Contract Counterparty or Guarantor.

Further details on new issues are set out in Part 3 (*Description of Commodity Securities*).

Subscription for Commodity Securities

All Application Moneys for Commodity Securities must be paid through CREST in accordance with the procedures set out in the Application Form.

Commodity Securities in respect of which the Application has been made will not be issued unless the Commodity Contracts created and to be paid for with the Application Moneys for that Application are in force.

Settlement

CREST

The Issuer is a participating issuer in, and the Micro Securities and Commodity Securities are participating securities in, CREST, a paperless multi-currency electronic settlement procedure enabling securities (including debt securities) to be evidenced otherwise than by written instrument, and transferring such securities electronically with effective delivery versus payment. Accordingly, to the extent that the Micro and Commodity Securities are issued in Uncertificated Form, settlement of transactions in the Micro and Commodity Securities will take place within the CREST system.

Settlement and Delivery on the Eurolist by Euronext Amsterdam

All Commodity Securities traded on Euronext Amsterdam are eligible for settlement in the systems of Euroclear Bank Brussels and Euroclear NIEC (*Euroclear Nederlands Interprofessioneel Effecten Centrum*), the Euroclear Dutch Interprofessional Securities Centre.

For the purposes of discharging any obligations under the Commodity Securities, the Issuer will treat the persons or entities registered in the Register as the sole Security Holders. In so far as any Commodity Securities are held through them, Euroclear Bank Brussels or Euroclear NIEC (or their nominee) will be registered in the Register as the Security Holder and consequently will be treated by the Issuer as sole Security Holder in respect of such Commodity Securities. Account holders recorded

in the systems of Euroclear Bank Brussels or Euroclear NIEC as the holders of Commodity Securities must look to Euroclear Bank Brussels or Euroclear NIEC (respectively) to receive any and all entitlements under such Commodity Securities.

Settlement and Delivery on the Frankfurt Stock Exchange

For the purpose of good delivery of the Commodity Securities on the Frankfurt Stock Exchange, Clearstream Banking Aktiengesellschaft (“**Clearstream**”) will issue, for each series and the relevant number of Commodity Securities, a Global Bearer Certificate (each a “**Global Bearer Certificate**”) in the German language created under German law (“**Collective Safe Custody**”). Global Bearer Certificates have been issued in respect of the Classic Commodity Securities. The Global Bearer Certificates have the following German ISIN Codes:

Type of Global Bearer Certificate	ISIN Code
ETFS Aluminium	DE000A0KRJS4
ETFS Coffee	DE000A0KRJT2
ETFS Copper	DE000A0KRJU0
ETFS Corn	DE000A0KRJV8
ETFS Cotton	DE000A0KRJW6
ETFS Crude Oil	DE000A0KRJX4
ETFS Gasoline	DE000A0KRJY2
ETFS Gold	DE000A0KRJZ9
ETFS Heating Oil	DE000A0KRJ02
ETFS Lean Hogs	DE000A0KRJ10
ETFS Live Cattle	DE000A0KRJ28
ETFS Natural Gas	DE000A0KRJ36
ETFS Nickel	DE000A0KRJ44
ETFS Silver	DE000A0KRJ51
ETFS Soybean Oil	DE000A0KRJ69
ETFS Soybeans	DE000A0KRJ77
ETFS Sugar	DE000A0KRJ85
ETFS Wheat	DE000A0KRJ93
ETFS Zinc	DE000A0KRKA0
ETFS Agriculture DJ-AIGCI SM	DE000A0KRKB8
ETFS All Commodities DJ-AIGCI SM	DE000A0KRKC6
ETFS Energy DJ-AIGCI SM	DE000A0KRKD4
ETFS Ex-Energy DJ-AIGCI SM	DE000A0KRKE2
ETFS Grains DJ-AIGCI SM	DE000A0KRKF9
ETFS Industrial Metals DJ-AIGCI SM	DE000A0KRKG7
ETFS Livestock DJ-AIGCI SM	DE000A0KRKH5
ETFS Petroleum DJ-AIGCI SM	DE000A0KRKJ1
ETFS Precious Metals DJ-AIGCI SM	DE000A0KRKK9
ETFS Softs DJ-AIGCI SM	DE000A0KRKL7
ETFS Forward Natural Gas	DE000A0SVYC2
ETFS Forward Agriculture	DE000A0SVX83
ETFS Forward All Commodities	DE000A0SVX34
ETFS Forward Energy	DE000A0SVX42
ETFS Forward Ex-Energy	DE000A0SVX67
ETFS Forward Grains	DE000A0SVYB4
ETFS Forward Industrial Metals	DE000A0SVX75
ETFS Forward Livestock	DE000A0SVYA6
ETFS Forward Petroleum	DE000A0SVX59
ETFS Forward Softs	DE000A0SVX91

A non-binding English language translation of the conditions of the Global Bearer Certificates is set out in Part 8 (*Global Bearer Certificates*) and the definitive German language text is annexed hereto in Annexes 1 and 2.

For each Global Bearer Certificate, the relevant number and type of Commodity Securities will be registered in the name of Vidacos Nominees Limited, London, England (the “**Nominee**”) in the relevant

Register of Security Holders and credited to a separate safe custody account of Clearstream with Citibank N.A., London, England (the “**Custodian**”). The safe custody accounts assigned to the Commodity Securities (the “**Safe Custody Account**”) will be designated “Clearstream Banking Aktiengesellschaft (Clearstream) — Special Safe Custody Account for ETFs Commodity Securities Global Bearer Certificate” followed by the name and type of Commodity Security concerned as set out in Annex 2.

In accordance with the conditions governing each Global Bearer Certificate:

- each co-owner thereof will be entitled, at his expense, to demand at any time that Clearstream arrange for the registration of the co-owner or a third party designated by him, in the relevant Register of Security Holders of the number and type of Commodity Securities corresponding to his co-ownership share or any portion thereof in the Global Bearer Certificate of the same type; and
- any registered holder of Commodity Securities of any relevant type will be entitled, at his expense, to have his Commodity Securities delivered to the Custodian for crediting to the Safe Custody Account against a corresponding co-ownership share in the Global Bearer Certificate of the relevant type.

Whenever the number of Commodity Securities represented by the Global Bearer Certificate of any type changes (as a result, for example, of deliveries to the Safe Custody Account, withdrawals from the Safe Custody Account or issues or redemptions of Commodity Securities), Clearstream will amend the relevant Global Bearer Certificate accordingly.

Unless otherwise agreed, the Issuer will treat the Nominee as one single security holder so far as fractional rights and entitlements are concerned.

Cash Payments and Exercise of Subscription Rights and Other Rights: Cash payments are credited to Clearstream’s cash account with the Custodian and paid by Clearstream to the respective co-owners. Any subscription rights or other rights and any fractional rights relating to the Commodity Securities in the Safe Custody Account will be held by Clearstream at the disposal of HSBC Trinkaus & Burkhardt AG (the “**Bank**”) of Königsallee 21/23, 40212 Düsseldorf, Federal Republic of Germany. Upon the request of the Bank, Clearstream will give instructions to the Custodian for the exercise, purchase or sale of such subscription rights, other rights or fractional rights. In case of any flow of cash amounts resulting out of such transactions, Clearstream will without delay inform the Bank by fax of the net proceeds or the net costs, respectively, and the related value date. The net proceeds or the net costs, respectively, must be credited or debited to the Bank’s cash account with Clearstream or as otherwise agreed between Clearstream and the Bank.

Clearstream Banking AG: Clearstream is a company that was incorporated on 12 July 1949 in Frankfurt under the laws of the Federal Republic of Germany.

Clearstream is a regulated credit institution under the German Banking Act and licensed as the German Central Securities Depository pursuant to the German Securities Deposit Act, i.e. a professional depository that holds securities for its customers and facilitates the clearance and settlement of securities transactions among them through electronic book-entry transfers between their accounts, thereby eliminating the need for physical movement of the securities. Clearstream also provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Clearstream’s customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Clearstream conducts its business in the legal form of a German stock corporation (Aktiengesellschaft), registered in the commercial register at the local court in Frankfurt under number HRB 7500, and with registered office at Neue Börsenstraße 1, D60487 Frankfurt am Main, Federal Republic of Germany.

Supply and Inspection of Documents in Germany

For the duration of the Programme or so long as any Commodity Securities remain outstanding, copies of this Prospectus (or any replacement prospectus), the German translation of the summary hereto and all financial information as well as the contracts required to be disclosed by the Issuer pursuant to the

applicable rules will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Bank, and a copy of the documents referred above may be requested by contacting the Bank.

Settlement and Delivery on the Eurolist of Euronext Paris SA

All Commodity Securities traded on Euronext Paris SA will be recorded in the Register in the name of Euroclear France or another Euroclear company and held beneficially for persons who have bought through Euronext Paris SA. For those persons Euroclear will maintain its own record of holders ("**French sub-register**"). All Commodity Securities traded on Euronext Paris SA will be settled and cleared through the normal Euroclear systems. Market-makers and other account holders at Euroclear will be permitted to transfer securities between the Register and the French sub-register and any other sub-registers applicable to other markets which the Commodity Securities may be admitted to trading, and thereby be able to move securities between the London Stock Exchange, such other markets and Euronext Paris SA.

For the purposes of discharging any obligations under the Commodity Securities held through Euroclear France, the Issuer will treat Euroclear France (or such other Euroclear company) as the single security holder of such Commodity Securities and the holders recorded in the French sub-register must look to Euroclear France to receive any and all entitlements under such Commodity Securities.

Settlement and Delivery on the ETFplus market of the Borsa Italiana

All Commodity Securities traded on the Borsa Italiana s.p.a. will be recorded in the Register in the name of Monte Titoli s.p.a. and held beneficially for persons who have bought through the Borsa Italiana s.p.a. For those persons Monte Titoli s.p.a. will maintain its own record of holders ("**Italian sub-register**"). All Commodity Securities traded on the Borsa Italiana s.p.a. are eligible for settlement through the normal Monte Titoli s.p.a. settlement systems on the deposit accounts opened with Monte Titoli s.p.a. Market-makers and other account holders at Monte Titoli s.p.a. will be permitted to transfer securities between the Register and the Italian sub-register and any other sub-registers applicable to other markets to which the Commodity Securities may be admitted to trading, and thereby be able to move securities between the London Stock Exchange, such other markets and Monte Titoli s.p.a.

For the purposes of discharging any obligations under the Commodity Securities held through Monte Titoli S.p.A., the Issuer will treat Monte Titoli S.p.A. as the single security holder of such Commodity Securities and the holders recorded in the Italian sub-register must look to Monte Titoli S.p.A. to receive any and all entitlements under such Commodity Securities.

Registers

The Registrar will maintain the Registers in Jersey.

UCITS and CIS

United Kingdom

The Issuer has received legal advice that the Existing Securities do not constitute units in a collective investment scheme. The Issuer has also received legal advice that the Existing Securities are capable of constituting transferable securities and do not give rise to an investment in precious metals or constitute certificates representing precious metals and are therefore capable of being eligible investments for a UCITS Scheme. Prospective investing UCITS Schemes would need to satisfy themselves that an investment in the Existing Securities in their own circumstances would be in line with their investment objectives and comply with relevant parts of the FSA Handbook. The FSA has confirmed its agreement with this analysis, and that, in the FSA's view, this analysis was not affected by the fact that the Existing Securities may also constitute contracts for differences.

The Issuer has not sought confirmation from the FSA as to whether it agrees that the same analysis applies to the New Securities or the New Micro Securities. However, given that all Micro and Commodity Securities have the same structure, the Issuer believes that the analysis provided for the Existing Securities is also applicable to the New Securities and the New Micro Securities.

Belgium

The Issuer has been advised that for purposes of investment by UCITS Funds established in Belgium the Classic Micro and Commodity Securities (other than the New Securities and the New Micro Securities) are capable of constituting transferable securities not embodying embedded derivatives and are therefore capable of being eligible investments for a UCITS Fund established in Belgium. Prospective investing Belgian UCITS Funds would need to satisfy themselves that an investment in the Micro or Commodity Securities in their own circumstances would be in line with their investment objectives and comply with relevant parts of the applicable Belgian legislation (being the Belgian Law of July 20, 2004 and the Belgian Royal Decree of March 4, 2005 relating to certain forms of collective investment schemes).

The Directors believe that given that all Micro and Commodity Securities have the same structure, the same treatment applicable to the Classic Securities would also apply to the Forward Securities and the New Securities, it being noted however, that Belgian legislation has not yet been modified to implement the provisions of Article 10 of EU Council Directive 2007/16/EC and prospective investing UCITS Funds should in any event confirm such treatment prior to investing.

Germany

The Issuer has been advised that for purposes of investment by UCITS Funds established according to the applicable rules in Germany the Classic Micro and Commodity Securities (other than the New Securities and the New Micro Securities) constitute eligible assets for investments according to the German Investment Act. The Issuer believes that the same is true for the Forward Micro and Commodity Securities and the New Securities and the New Micro Securities. However prospective investing such UCITS Funds would need to satisfy themselves that an investment in the Micro or Commodity Securities in their own circumstances would be in line with their investment objectives and restrictions as well as the restrictions of the German Investment Act.

Ireland

The Issuer has been advised that for purposes of investment by UCITS Funds established in Ireland the Existing Securities are capable of constituting transferable securities and are therefore capable of being eligible investments for a UCITS Fund established in Ireland. The Issuer believes that the same is true for the New Securities and the New Micro Securities. Prospective investing such UCITS Funds would need to satisfy themselves that an investment in the Micro or Commodity Securities in their own circumstances would be in line with their investment objectives and comply with relevant parts of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003.

Luxembourg

The Issuer has been advised that for purposes of investment by UCITS Funds established in Luxembourg, the Classic Micro and Commodity Securities (other than the New Securities and the New Micro Securities) can be considered transferable securities and accordingly are permitted investments for a UCITS Fund established in Luxembourg. The Commission de Surveillance du Secteur Financier ("**the CSSF**") have also stated that the Classic Micro and Commodity Securities (other than the New Securities and the New Micro Securities) can be considered transferable securities which do not embed a derivative. The CSSF have noted that an investing UCITS Fund must have regard to the rules concerning investment limits in a single issuer, must have an adequate risk management framework, must have disclosure in its prospectus and simplified prospectus concerning this type of investment and any associated risks and must ensure that an investment such as this is compatible with the investment policy and objectives of the UCITS Fund.

The Issuer has not sought confirmation from the CSSF as to its views concerning the Forward Securities, the New Securities or the New Micro Securities. Having regard to the structure of the Forward Securities, the New Securities and the New Micro Securities, however, the Issuer believes that the conclusions in respect of the Classic Micro and Commodity Securities (other than the New Securities and the New Micro Securities) apply equally to the Forward Securities, the New Securities and the New Micro Securities.

Money Laundering Regulations

The verification of identity requirements of Jersey's anti-money laundering laws and regulations and/or any subsequent equivalent legislation will apply to the Programme and verification of the identity of the Authorised Participants for Commodity Securities may be required. The anti-money laundering laws and regulations of other jurisdictions may also apply to the Programme and verification of the identity of the Authorised Participants.

By lodging an Application Form, each Authorised Participant confirms that it is subject to the Money Laundering (Jersey) Order 2008 (as amended from time to time) (in relation to Jersey), the Money Laundering Regulations 2007 (in relation to the UK) and/or any other applicable anti-money laundering laws and regulations and/or undertakes to provide such other evidence of identity as is required by the Issuer at the time of lodging the Application Form, or, at the absolute discretion of the Issuer, at such specified time thereafter as may be requested to ensure compliance with the Money Laundering (Jersey) Order 2008, the Money Laundering Regulations 2007 and/or any other applicable legislation.

The Registrar is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Authorised Participant and whether such requirements have been satisfied. Neither the Issuer nor the Registrar shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their discretion hereunder.

No Application will be accepted by the Issuer unless evidence of such Authorised Participant's identity satisfactory to the Issuer and its agents is provided.

Commodity Securities not to be offered to the public in France

Prior to the listing of the Commodity Securities on Euronext Paris SA (a Regulated Market):

- (i) the Commodity Securities may not be offered or sold directly or indirectly by way of a public offering (*an appel public à l'épargne*) in France, as defined in Article L.411-1 of the *Code Monétaire et Financier*;
- (ii) the Commodity Securities may not be offered or sold directly or indirectly to the public in any EEA State, except that an offer of Commodity Securities may be made to the public in an EEA State:
 - (a) for a period of 12 months (only in Germany where the offer starts within) from the date the Prospectus is (i) published following approval by the competent authority in that EEA State or (ii) approved in another EEA State and notified to the competent authority in that EEA State, all in accordance with Directive 2003/71/EC; or
 - (b) at any time in circumstances in which a Prospectus is not required to be published pursuant to Article 3 of Directive 2003/71/EC; and
- (iii) copies of the Prospectus may not be distributed to the public in France except to "qualified investors" trading for their own account or to a limited circle of investors as defined in Article L.411-2 of the *Code Monétaire et Financier*.

For the purposes of this paragraph, an "offer of Commodity Securities to the public" in relation to any Commodity Securities in any EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the Commodity Securities to be offered so as to enable an investor to decide to purchase or subscribe the Commodity Securities, as the same may be varied in that EEA State by any measure implementing the Directive 2003/71/EC.

PART 6

TRUST INSTRUMENT AND COMMODITY SECURITIES

The issue of Micro Classic Securities, Classic Individual Securities and Classic Index Securities of the Issuer (each having the Principal Amount stated in paragraph 5 of Part 11 (*Additional Information*)) having an aggregate Principal Amount of up to US\$1,000,000,000, of any of the classes and categories described in this Prospectus (other than the New Securities and the New Micro Securities) was authorised pursuant to a resolution of the Board passed on 15 September 2006 and such Classic Micro and Commodity Securities are constituted by a Trust Instrument dated 21 September 2006, as amended by a supplemental trust instrument dated 17 September 2007, a second supplemental trust instrument dated 23 April 2008, a third supplemental trust instrument dated 15 August 2008 and a fourth supplemental trust instrument dated 15 September 2008 (as so amended, the "Trust Instrument" which expression includes further deeds or documents supplemented thereto from time to time), governed by Jersey law between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "Trustee"), (as amended) and in each case secured by a security deed governed by English law dated 21 September 2006 between the Issuer and the Trustee.

The issue of up to 1,000,000,000 in number of Forward Securities of the Issuer (each having the Principal Amount stated in paragraph 5 of Part 11 (*Additional Information*)) of any of the classes described in this Prospectus was authorised pursuant to a resolution by the Board passed on 20 July 2007 and such securities of each type are constituted by the Trust Instrument and in each type are secured by a security deed governed by English law dated 17 September 2007 between the Issuer and the Trustee.

The issue of up to 1,000,000,000 in number of New Securities of each class of the Issuer (each having the Principal Amount stated in paragraph 5 of Part 11 (*Additional Information*)) of any of the classes described in this Prospectus was authorised pursuant to a resolution by the Board passed on 11 September 2008 and such securities of each class are constituted by the Trust Instrument and in each case secured by a security deed governed by English law dated 15 September 2008 between the Issuer and the Trustee.

The following are the conditions applicable to the New Securities and the New Micro Securities. Save as announced by an RIS announcement of the Issuer on 24 April 2008, the conditions applicable to all other classes of Micro and Commodity Securities are, until the Effective Date, as set out in the Prospectus of the Issuer dated 18 September 2007. From the Effective Date the following conditions will apply to all classes of Micro and Commodity Securities:

The Conditions

"The Micro and Commodity Securities are undated, limited recourse, secured debt securities of ETFS Commodity Securities Limited (the **Issuer**) and are constituted by, are issued subject to and have the benefit of, a trust instrument (the **Trust Instrument**) dated 21 September 2006 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the **Trustee**) for the holders of Micro and Commodity Securities (the **Security Holders**) as amended by a supplemental trust instrument dated 17 September 2007, a second supplemental trust instrument dated 23 April 2008, a third supplemental trust instrument dated 15 August 2008 and a fourth supplemental trust instrument dated 15 September 2008, governed by Jersey law.

The Security Holders are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Instrument and the Security Deeds (as defined below) and the Conditions set out below.

1. DEFINED TERMS AND INTERPRETATION

1.1 In these Conditions, the following words and expressions have the following meanings:

Acceptable Credit Rating means a long term senior debt credit rating of at least BBB+ from Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa1 from Moody's Investors Service Inc. (or any successor to the ratings business thereof);

Affiliate means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, **control** of any entity or person means ownership of a majority of the voting power of the entity or person;

Agreed Pricing has the meaning given in Condition 8.1(b);

Agreed Redemption Form means a notice in the form prescribed from time to time by the Issuer requesting Redemption of Micro and Commodity Securities using Agreed Pricing;

AIG means American International Group, Inc., a corporation incorporated in Delaware, USA, whose principal office is situated at 70 Pine Street, New York, New York, USA;

AIG-FP means AIG Financial Products Corp., a corporation incorporated in Delaware, United States, whose chief executive office is situated at 50 Danbury Road, Wilton, Connecticut, USA;

AIG Guarantee means the guarantee dated 21 September 2006 and letters of confirmation dated 17 September 2007 and on or about 15 September 2008 with respect thereto given by AIG to the Issuer of the obligations of AIG-FP to the Issuer under the Facility Agreement between AIG-FP and the Issuer;

Authorised Participant means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Commodity Securities and has entered into a corresponding Direct Agreement with at least one Commodity Contract Counterparty, and which is not an Unacceptable Authorised Participant in respect of that Commodity Contract Counterparty provided that no person shall be an Authorised Participant unless and until the Security Conditions with respect to the Authorised Participant and that Commodity Contract Counterparty shall have been satisfied and provided further that a person can be an Authorised Participant in respect of one Commodity Contract Counterparty but not another;

Authorised Participant Agreement means a written agreement between the Issuer and another person under which such person is appointed to act as an "Authorised Participant", distribution agent or in a substantially similar function in relation to Micro Securities and/or Commodity Securities comprising *inter alia* Micro Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied;

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and New York;

Calculation Agent means a person appointed by the Issuer to determine various matters in accordance with Condition 16, the first such Calculation Agent being AIG-FP;

Capital Adjustment means an adjustment factor to be included in the calculation of the Multiplier which is agreed from time to time by a Commodity Contract Counterparty and the Issuer;

category means, in relation to Index Securities, the type of Index Security determined by the mix of different classes of Micro Securities comprised in the Index Security;

Certificated or **Certificated Form** means not in Uncertificated Form;

CIP means "Commodity Index Percentage" as defined in the Handbook from time to time;

class means a class of Micro Securities or Individual Securities under which the Issuer's obligations to make payment, and the corresponding class of Commodity Contracts under which any Commodity Contract Counterparty's obligations to make payment, are determined by reference to a particular Individual Commodity Index, and Micro or Individual Securities, and the corresponding class of Commodity Contracts, referable to a particular Individual Commodity Index but of different Strategies are each of a separate and distinct class;

Classic Commodity Contract means in relation to Micro Securities of a particular class (or Commodity Securities to the extent they are comprised of Micro Securities of that class), a contract between the Issuer and a Commodity Contract Counterparty created in accordance with a Facility Agreement and giving rise to matching rights and obligations to such Micro Securities;

Classic Index Securities means, together, ETFS All Commodities DJ-AIGCISM category undated limited recourse secured debt securities of US\$2.3651476 in principal amount (subject to adjustment) each, ETFS Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$3.3418244 in principal amount (subject to adjustment) each, ETFS Petroleum DJ-AIGCISM category undated limited recourse secured debt securities of US\$4.57979700 in principal amount (subject to adjustment) each, ETFS Ex-Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.45205450 in principal amount (subject to adjustment) each, ETFS Precious Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.24407800 in principal amount (subject to adjustment) each, ETFS Industrial Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.96915000 in principal amount (subject to adjustment) each, ETFS Agriculture DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.97138225 in principal amount (subject to adjustment) each, ETFS Softs DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.15008550 in principal amount (subject to adjustment) each, ETFS Livestock DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.24413550 in principal amount (subject to adjustment) each and ETFS Grains DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.69245400 in principal amount (subject to adjustment) each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to a defined number of Micro Securities of different classes as specified in the Trust Instrument and these Conditions and recorded on the relevant Register of Index Securities and “**ETFS All Commodities DJ-AIGCISM Index Securities**”, “**ETFS Energy DJ-AIGCISM Index Securities**”, “**ETFS Petroleum DJ-AIGCISM Index Securities**”, “**ETFS Ex-Energy DJ-AIGCISM Index Securities**”, “**ETFS Precious Metals DJ-AIGCISM Index Securities**”, “**ETFS Industrial Metals DJ-AIGCISM Index Securities**”, “**ETFS Agriculture DJ-AIGCISM Index Securities**”, “**ETFS Softs DJ-AIGCISM Index Securities**”, “**ETFS Livestock DJ-AIGCISM Index Securities**” and “**ETFS Grains DJ-AIGCISM Index Securities**” shall be construed accordingly;

Classic Individual Securities means, together, Aluminium class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Cocoa class undated limited recourse secured debt securities of US\$0.5000000 in principal amount each, Coffee class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Copper class undated limited recourse secured debt securities of US\$3.00 in principal amount each, Corn class undated limited recourse secured debt securities of US\$0.25 in principal amount each, Cotton class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Crude Oil class undated limited recourse secured debt securities of US\$5.00 in principal amount each, Gasoline class undated limited recourse secured debt securities of US\$5.00 in principal amount each, Gold class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Heating Oil class undated limited recourse secured debt securities of US\$3.00 in principal amount each, Lead class undated limited recourse secured debt securities of US\$3.5000000 in principal amount each, Lean Hogs class undated limited recourse secured debt securities of US\$0.50 in principal amount each, Live Cattle class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Natural Gas class undated limited recourse secured debt securities of US\$0.30 in principal amount each, Nickel class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Platinum class undated limited recourse secured debt securities of US\$6.5000000 in principal amount each, Silver class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Soybean Oil class undated limited recourse secured debt securities of US\$1.00 in principal amount each, Soybeans class undated limited recourse secured debt securities of US\$2.00 in principal amount each, Sugar class undated limited recourse secured debt securities of US\$3.00 in principal amount each, Tin class undated limited recourse secured debt securities of US\$3.5000000 in principal amount each, Wheat class undated limited recourse secured debt securities of US\$0.25 in principal amount each and Zinc class undated limited recourse secured debt securities of US\$1.00 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to one million Micro Securities of the relevant class and recorded on the relevant Register of Individual Securities and “**ETFS Aluminium Individual Securities**”, “**ETFS Cocoa Individual Securities**”, “**ETFS Coffee Individual Securities**”, “**ETFS Copper Individual Securities**”, “**ETFS Corn Individual Securities**”, “**ETFS Cotton Individual**

Securities, “**ETFS Crude Oil Individual Securities**”, “**ETFS Gasoline Individual Securities**”, “**ETFS Gold Individual Securities**”, “**ETFS Heating Oil Individual Securities**”, “**ETFS Lead Individual Securities**”, “**ETFS Lean Hogs Individual Securities**”, “**ETFS Live Cattle Individual Securities**”, “**ETFS Natural Gas Individual Securities**”, “**ETFS Nickel Individual Securities**”, “**ETFS Platinum Individual Securities**”, “**ETFS Silver Individual Securities**”, “**ETFS Soybean Oil Individual Securities**”, “**ETFS Soybeans Individual Securities**”, “**ETFS Sugar Individual Securities**”, “**ETFS Tin Individual Securities**”, “**ETFS Wheat Individual Securities**” and “**ETFS Zinc Individual Securities**” shall be construed accordingly;

Classic Micro and Commodity Securities means Micro Classic Securities, Classic Individual Securities and Classic Index Securities and **Classic Micro or Commodity Securities** means any of them;

Commodity Contract means in relation to Micro Securities of a particular class (or Commodity Securities to the extent they are comprised of Micro Securities of that class), a contract between the Issuer and a Commodity Contract Counterparty created in accordance with a Facility Agreement and giving rise to matching rights and obligations to such Micro Securities and includes Classic Commodity Contracts and Forward Commodity Contracts;

Commodity Contract Termination means the termination of Commodity Contracts by a Commodity Contract Counterparty in accordance with a Facility Agreement;

Commodity Contract Counterparty means the counterparty to each Facility Agreement with the Issuer and includes AIG-FP;

Commodity Contract Counterparty Downgrade means with respect to a Commodity Contract Counterparty, neither that Commodity Contract Counterparty nor its Guarantor (if any) having an Acceptable Credit Rating;

Commodity Securities means Index Securities and Individual Securities;

comprised in and **comprised of** in relation to a Commodity Security means the Micro Securities by reference to which the amount payable on Redemption of that Commodity Security is calculated and for which a Commodity Security (when in Certificated Form) may be surrendered in accordance with the provisions of the Trust Instrument and **comprise** and **comprised** shall be construed accordingly;

Compulsory Daily Pricing Number means, in respect of a Compulsory Redemption and a type of Micro or Commodity Securities, the number of outstanding Micro or Commodity Securities of the relevant type or types which, in relation to each Pricing Day on which Micro or Commodity Securities of that type or those types are required to be priced under the relevant Facility Agreement, shall be:

- (a) if the Compulsory Redemption Number is not more than the Redemption Limit (in each case for the type), the Compulsory Redemption Number;
- (b) if the Compulsory Redemption Number is equal to or more than five times the Redemption Limit, 20 per cent. of the Compulsory Redemption Number; and
- (c) otherwise, the amount shall be the Redemption Limit on the first and on each consecutive Pricing Day thereafter except on the last Pricing Day when the amount shall be the Compulsory Redemption Number minus the sum of the Compulsory Number Priced on each preceding Pricing Day for that class or those classes in relation to that Compulsory Redemption;

Compulsory Number Priced means in respect of a Pricing Day and a type of Micro or Commodity Securities, the Compulsory Daily Pricing Number; provided that where the Compulsory Redemption Date is notified in accordance with Condition 9.6 the Compulsory Number Priced in respect of a type of Micro or Commodity Securities for any Pricing Day shall be reduced by the number of Micro or Commodity Securities of that type which are subject to a Redemption Form submitted in respect of that Pricing Day and, if such reduction would result in a negative number, that negative number shall be carried forward and applied to reduce the

Compulsory Number Priced for the next following Pricing Day and any negative number on the last Pricing Day will be ignored;

Compulsory Redemption means a Redemption of Micro or Commodity Securities in accordance with Condition 9.11;

Compulsory Redemption Date means a date notified in accordance with Conditions 9.1, 9.2, 9.5, 9.6, 9.6A or 9.7;

Compulsory Redemption Number means in respect of a Compulsory Redemption Date and a type of Micro or Commodity Securities, where such Compulsory Redemption Date is notified in accordance with:

- (a) Condition 9.1, 9.2 or 9.6A, the total number of Micro or Commodity Securities of that type outstanding as at the Business Day immediately preceding the Compulsory Redemption Date;
- (b) Conditions 9.5, provided that the Individual Commodity Index relates to that type, the total number of Micro or Commodity Securities of that type outstanding as at the Business Day immediately preceding the Compulsory Redemption Date;
- (c) Condition 9.6, the number of that type of outstanding Micro or Commodity Securities in respect of which notice was given by the Issuer in accordance with Condition 9.6 (unless Condition 8.19(d) applies, in which case it means all of the Micro or Commodity Securities of that type outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date); and
- (d) Condition 9.7, the number of Micro or Commodity Securities of that type in respect of which notice was given by the Issuer in accordance with Condition 9.7 with respect to the Security Holder in question;

Conditions means these terms and conditions on and subject to which Micro and Commodity Securities are issued;

Controller means, in relation to any company, a person who:

- (a) holds 10 per cent. or more of the shares in such company;
- (b) is able to exercise significant influence over the management of such company by virtue of his shareholdings in such company;
- (c) holds 10 per cent. or more of the shares in a parent undertaking of such company;
- (d) is able to exercise significant influence over the management of the parent undertaking of such company;
- (e) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in such company;
- (f) is able to exercise significant influence over the management of such company by virtue of his voting power in such company;
- (g) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in the parent undertaking of such company; or
- (h) is able to exercise significant influence over the management of the parent undertaking of such company by virtue of his voting rights;

Counterparty Event of Default means:

- (a) the failure of any Commodity Contract Counterparty to make a payment it is due to make in respect of a Commodity Contract Termination in accordance with the relevant Facility Agreement, where such failure is not rectified within five (5) Business Days following the day on which the Commodity Contract Counterparty receives notice of the failure sent by the Issuer, or being in any other breach of the Facility Agreement provided that such

- breach (if capable of being rectified) is not rectified within five (5) Business Days of the Commodity Contract Counterparty receiving written notice from the Issuer of such breach;
- (b) any Guarantor failing to pay an amount due under the relevant Guarantee, when due;
 - (c) any Commodity Contract Counterparty or Guarantor suffering an Insolvency Event; or
 - (d) the expiration or termination of any Guarantee (other than where a replacement guarantee (or other form of credit support) acceptable to the Issuer and the Trustee in their sole discretion is provided to the Issuer in lieu of a Guarantee upon or prior to such expiration or termination) or the failing or ceasing of a Guarantee to be in full force and effect for the purpose of the relevant Facility Agreement, in each case other than in accordance with its terms, prior to the satisfaction of all obligations of a Commodity Contract Counterparty under the Facility Agreement to which such Guarantee relates and without the written consent of the Issuer (and this paragraph (d) shall apply *mutatis mutandis* to any replacement guarantee (or other form of credit support));

CREST means the system of paperless settlement of transfers and the holding of securities in Uncertificated Form administered by Euroclear UK & Ireland Limited;

Default Rate means a rate per annum of interest equal to LIBOR plus 2 per cent., compounding daily;

Defaulted Obligation means the failure of the Issuer to make or procure any payment in respect of the Redemption of any Micro and Commodity Securities when due, and such failure is not remedied within 48 hours of receipt of notice requiring remedy of the same provided that if the amount paid by a Commodity Contract Counterparty under the terms of a Facility Agreement in respect of a Commodity Contract Termination as a result of such Redemption is subject to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect, and that Commodity Contract Counterparty is not obliged under that Facility Agreement to make any additional payment in respect of the withholding or deduction and the net amount is so paid or procured to be paid by the Issuer in respect of that Redemption, that shall not be a Defaulted Obligation;

Direct Agreement means an agreement entered into between a Commodity Contract Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant;

DJ-AIGCI-F3SM means the Dow Jones — AIG Commodity Index 3 Month ForwardSM calculated by AIG-FP in conjunction with Dow Jones, and published by Dow Jones;

DJ-AIGCISM means the Dow Jones — AIG Commodity IndexSM calculated by AIG-FP in conjunction with Dow Jones, and published by Dow Jones;

DJ-AIG Commodity Indices means both the DJ-AIGCISM and the DJ-AIGCI-F3SM and includes the other related indices and sub-indices of the DJ-AIGCISM and **DJ-AIG Commodity Index** shall be construed accordingly;

Dow Jones means Dow Jones & Company, Inc.;

ECIPs means, with respect to a DJ-AIG Commodity Index, the effective percentage weights of the constituent commodities in that DJ-AIG Commodity Index from time to time as published by Dow Jones and/or AIG-FP (or as determined by the Calculation Agent for the purposes of one or more Facility Agreements if no such percentage weights have been so published);

Extended Voluntary Rebalancing means a Voluntary Rebalancing which the Issuer has determined should be conducted over the same days as if a Required Rebalancing was occurring in that month;

Extraordinary Resolution means in respect of a particular type or particular types taken together of Micro and Commodity Securities either (a) a resolution passed at a duly convened meeting of the holders of Micro and Commodity Securities of such type or types and carried by a majority consisting of the holders of not less than 75 per cent. by Price (or if no Price was determined on the day of that meeting, the most recently determined Price) of the Micro and Commodity Securities of such type or types voting on such resolution or (b) a resolution in writing of holders of such type or types of Micro and Commodity Securities holding not less than 75 per cent. by Price (as at the date of the last signature (or if no Price was determined on that date, the most recently determined Price)) of such type or types of Micro and Commodity Securities, and in the cases of (a) and (b) where so provided for in the Trust Instrument or these Conditions, holders of Index Securities or Individual Securities may for these purposes be treated as holders of the relevant type or types of Micro Securities comprised therein;

Facility Agreements means the agreements of that name between the Issuer and different Commodity Contract Counterparties providing for the creation and termination of Commodity Contracts thereunder including an agreement of that name between the Issuer and AIG-FP dated 21 September 2006 as amended and restated by amendment and restatement agreements dated 17 September 2007 and 15 September 2008;

Forward Commodity Contract means in relation to Micro Forward Securities of a particular class (or Forward Commodity Securities to the extent they are comprised of Micro Forward Securities of that class), a contract between the Issuer and a Commodity Contract Counterparty created in accordance with a Facility Agreement and giving rise to matching rights and obligations to such Micro Forward Securities;

Forward Index Securities means, together, ETFs Forward All Commodities DJ-AIGCISM category undated limited recourse secured debt securities of US\$2.917076500 in principal amount (subject to adjustment) each, ETFs Forward Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$6.376686000 in principal amount (subject to adjustment) each, ETFs Forward Petroleum DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.674195000 in principal amount (subject to adjustment) each, ETFs Forward Ex-Energy DJ-AIGCISM category undated limited recourse secured debt securities of US\$7.380227000 in principal amount (subject to adjustment) each, ETFs Forward Precious Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$2.695051000 in principal amount (subject to adjustment) each, ETFs Forward Industrial Metals DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.162448500 in principal amount (subject to adjustment) each, ETFs Forward Agriculture DJ-AIGCISM category undated limited recourse secured debt securities of US\$2.190805500 in principal amount (subject to adjustment) each, ETFs Forward Softs DJ-AIGCISM category undated limited recourse secured debt securities of US\$1.034876500 in principal amount (subject to adjustment) each, ETFs Forward Livestock DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.849386000 in principal amount (subject to adjustment) each and ETFs Forward Grains DJ-AIGCISM category undated limited recourse secured debt securities of US\$0.943797500 in principal amount (subject to adjustment) each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to a defined number of Micro Securities of different classes as specified in the Trust Instrument and these Conditions and recorded on the relevant Register of Index Securities and “**ETFs Forward All Commodities DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Energy DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Petroleum DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Ex-Energy DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Precious Metals DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Industrial Metals DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Agriculture DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Softs DJ-AIGCI-F3SM Index Securities**”, “**ETFs Forward Livestock DJ-AIGCI-F3SM Index Securities**” and “**ETFs Forward Grains DJ-AIGCI-F3SM Index Securities**” shall be construed accordingly;

Forward Individual Securities means together Forward Aluminium class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Coffee class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Copper class undated limited recourse secured debt securities of US\$5.00000000

in principal amount each, Forward Corn class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Cotton class undated limited recourse secured debt securities of US\$0.50000000 in principal amount each, Forward Crude Oil class undated limited recourse secured debt securities of US\$8.00000000 in principal amount each, Forward Gasoline class undated limited recourse secured debt securities of US\$8.00000000 in principal amount each, Forward Gold class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Heating Oil class undated limited recourse secured debt securities of US\$5.00000000 in principal amount each, Forward Lean Hogs class undated limited recourse secured debt securities of US\$3.00000000 in principal amount each, Forward Live Cattle class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Natural Gas class undated limited recourse secured debt securities of US\$3.00000000 in principal amount each, Forward Nickel class undated limited recourse secured debt securities of US\$5.00000000 in principal amount each, Forward Silver class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Soybean Oil class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Soybeans class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each, Forward Sugar class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, Forward Wheat class undated limited recourse secured debt securities of US\$1.00000000 in principal amount each and Forward Zinc class undated limited recourse secured debt securities of US\$1.50000000 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and which may be Redeemed in an amount calculated by reference to one million Micro Securities of the relevant class and recorded on the relevant Register of Individual Securities and “**ETFS Forward Aluminium Individual Securities**”, “**ETFS Forward Coffee Individual Securities**”, “**ETFS Forward Copper Individual Securities**”, “**ETFS Forward Corn Individual Securities**”, “**ETFS Forward Cotton Individual Securities**”, “**ETFS Forward Crude Oil Individual Securities**”, “**ETFS Forward Gasoline Individual Securities**”, “**ETFS Forward Gold Individual Securities**”, “**ETFS Forward Heating Oil Individual Securities**”, “**ETFS Forward Lean Hogs Individual Securities**”, “**ETFS Forward Live Cattle Individual Securities**”, “**ETFS Forward Natural Gas Individual Securities**”, “**ETFS Forward Nickel Individual Securities**”, “**ETFS Forward Silver Individual Securities**”, “**ETFS Forward Soybean Oil Individual Securities**”, “**ETFS Forward Soybeans Individual Securities**”, “**ETFS Forward Sugar Individual Securities**”, “**ETFS Forward Wheat Individual Securities**” and “**ETFS Forward Zinc Individual Securities**” shall be construed accordingly;

Forward Micro and Commodity Securities means Micro Forward Securities, Forward Individual Securities and Forward Index Securities and **Forward Micro or Commodity Securities** means any of them;

FSA means the UK Financial Services Authority;

FSMA means the Financial Services and Markets Act 2000;

Full Pricing Day means a day which is a Pricing Day in respect of all Individual Commodity Indices;

Funding Rate means a rate per annum of interest equal to LIBOR, compounding daily;

Further Securities means securities issued by the Issuer in accordance with Condition 20.1;

General Notice means any notice given in accordance with these Conditions other than a Pricing Notice;

General Trading Day means a “Business Day” as defined in the Handbook from time to time (and meaning as at the date of the Trust Instrument “any day on which the sum of the CIPs for those Index Commodities that are open for trading is greater than 50 per cent.” where “Index Commodities” has the meaning given to it in the Handbook);

Guarantee means in respect of any Commodity Contract Counterparty, any guarantee or other credit support agreement provided by a guarantor or other credit support provider in respect of such Commodity Contract Counterparty’s obligations under the relevant Facility Agreement insofar as it relates to the Pool and includes the AIG Guarantee;

Guarantor means in respect of any Commodity Contract Counterparty, any guarantor or other credit support provider who has entered into a Guarantee in respect of such Commodity Contract Counterparty's obligations under the relevant Facility Agreement insofar as it relates to the relevant Pool and includes AIG;

Handbook means the document called "DJ-AIGCISM Handbook" (including its appendices) which sets out the methodology for calculation of the DJ-AIGCISM and the DJ-AIGCI-F3SM, prepared and as amended, varied, supplemented or replaced from time to time by Dow Jones and AIG-FP, a copy of which, as at the date of the Trust Instrument, can be obtained from the following address: <http://www.aigfp.com/home/commodities/djaigcihandbook>;

Hedge Roll Day means each of the fifth to ninth (inclusive) General Trading Days of each Month, provided that if the ninth General Trading Day of that Month is not a Pricing Day for one or more Individual Commodity Indices, the next following Pricing Day for each such Individual Commodity Index shall also be a Hedge Roll Day for Micro Securities of that class;

Hedging Disruption Event means an event, circumstance or cause that a Commodity Contract Counterparty reasonably and in good faith determines has had or would reasonably be expected to have a materially adverse effect on that Commodity Contract Counterparty's ability to hedge its positions in connection with the relevant Facility Agreement or Commodity Contracts of the relevant class, including, without limitation, any limitation or prohibition associated with acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction in connection with the relevant Facility Agreement or such Commodity Contracts, in each case whether due to market illiquidity, position limits in respect of any futures contract, illegality, the adoption of or change in any law or other regulatory instrument, lack of availability of hedging transaction market participants or the occurrence or existence of any other circumstance or event;

Index Securities means the Classic Index Securities and the Forward Index Securities;

Individual Commodity Index means an index for an individual commodity (as adjusted through the addition or removal of other Individual Commodity Indices) as calculated by Dow Jones in conjunction with AIG-FP and published by Dow Jones from time to time and in relation to a class of Micro Securities (and the corresponding class of Commodity Contracts) means the Individual Commodity Index specified in relation to such class in the Sixth Schedule (*Classes of Micro and Commodity Securities*) to the Trust Instrument;

Individual Securities means together the Classic Individual Securities and the Forward Individual Securities;

Insolvency Event means, in relation to a person other than the Issuer, such person (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any

action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

Investment Company Act means the Investment Company Act of 1940 of the United States;

Issuer Business Day means a day which is both a General Trading Day and a London Business Day;

Issuer Insolvency Event means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer *en désastre* pursuant to the Bankruptcy (Désastre) (Jersey) Law 1990, as amended; (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (10) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; **provided that** no action taken by the Trustee in respect of the Issuer shall constitute an Issuer Insolvency Event save where acts of the Trustee fall within one or more of clauses (1) to (9) and are taken in respect of security taken over Commodity Contracts, a Facility Agreement or a Guarantee;

Issuer's Website means the website having the following internet address: <http://www.etfsecurities.com/csl> or such other internet address as may be notified to Security Holders and the Trustee by RIS announcement;

Lead Future means for each Individual Commodity Index and each Trading Day, the particular futures contract which is the "Lead Future" (as defined in the Handbook) for that Individual Commodity Index;

Liability means any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes) and including any VAT or similar Tax charged or chargeable in respect thereof and legal and professional fees and expenses on a full indemnity basis, and Liabilities shall be construed accordingly;

LIBOR means, in respect of any date of determination:

- (a) the rate for overnight deposits in US Dollars which appears on the Reuters LIBOR01 page (or any successor page) as of 11:00 a.m. on the day that is two London Business Days preceding such date of determination; or
- (b) in the event of the unavailability of the Reuters LIBOR01 page (or any successor page), the rate for such determination date will be determined on the basis of the rates at which deposits in US Dollars are offered by four major banks in the London interbank market ("**Reference Banks**") at approximately 11:00 a.m. on the day that is two London Business Days preceding the relevant determination date to prime banks in the London interbank market for overnight deposits commencing on that date and in an amount (a

“Representative Amount”) that is representative for a single transaction in the relevant market at the relevant time. The Issuer will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for such date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for such determination date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Issuer, at approximately 11.00 a.m., New York City time, on such determination date for loans in US Dollars to leading European banks for overnight deposits commencing on the determination date and in a Representative Amount;

Listing means the admission of the Micro and Commodity Securities to the Official List in accordance with the Listing Rules and admission of the Micro and Commodity Securities to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective;

Listing Failure means the refusal of the UK Listing Authority to admit to the Official List any Micro or Commodity Securities issued or to be issued under the Programme;

Listing Failure Date means the day which was or would have been the date on which payment would have been made for Commodity Contracts pursuant to the terms of the relevant Facility Agreement corresponding to the Micro or Commodity Securities in respect of which a Listing Failure has occurred;

Listing Rules means the Listing Rules of the UK Listing Authority from time to time, made under section 73A of the FSMA;

London Business Day means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in London;

London Stock Exchange means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require;

Market Disruption Event means, in respect of a particular Individual Commodity Index, any of the following events:

- (a) the Relevant Exchange fails to determine, announce or publish the relevant Settlement Price(s); or
- (b) the termination or suspension of, or material limitation or disruption in the trading of, any Lead Future or Next Future used in the calculation of an Individual Commodity Index; or
- (c) the Settlement Price of the Lead Future or Next Future used in the calculation of the Individual Commodity Index reflects the maximum permitted price change (as set from time to time by the Relevant Exchange for that Lead Future or Next Future) from the previous day’s Settlement Price,

in each case as determined by the Calculation Agent for the purposes of one or more Facility Agreements;

Micro and Commodity Securities means Micro Securities, Index Securities and Individual Securities and **Micro or Commodity Securities** means any of them;

Micro Classic Securities means, together, Aluminium class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, the Cocoa class undated limited recourse secured debt securities of US\$0.0000005 in principal amount each, Coffee class undated limited recourse secured debt securities of US\$0.000000500 in principal amount each, Copper class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, Corn class undated limited recourse secured debt securities of US\$0.00000025 in principal amount each, Cotton class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Crude Oil class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Gasoline class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Gold class undated limited

recourse secured debt securities of US\$0.00000100 in principal amount each, Heating Oil class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, the Lead class undated limited recourse secured debt securities of US\$0.0000035 in principal amount each, Lean Hogs class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Live Cattle class undated limited recourse secured debt securities of US\$0.00000200 in principal amount each, Natural Gas class undated limited recourse secured debt securities of US\$0.00000030 in principal amount each, Nickel class undated limited recourse secured debt securities of US\$0.00000200 in principal amount each, the Platinum class undated limited recourse secured debt securities of US\$0.0000065 in principal amount each, Silver class undated limited recourse secured debt securities of US\$0.00000200 in principal amount each, Soybean Oil class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Soybeans class undated limited recourse secured debt securities of US\$0.00000200 in principal amount each, Sugar class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, the Tin class undated limited recourse secured debt securities of US\$0.0000035 in principal amount each, Wheat class undated limited recourse secured debt securities of US\$0.00000025 in principal amount each and Zinc class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Micro Securities and ***“Aluminium Micro Securities”, “Cocoa Micro Securities”, “Coffee Micro Securities”, “Copper Micro Securities”, “Corn Micro Securities”, “Cotton Micro Securities”, “Crude Oil Micro Securities”, “Gasoline Micro Securities”, “Gold Micro Securities”, “Heating Oil Micro Securities”, “Lead Micro Securities”, “Lean Hogs Micro Securities”, “Live Cattle Micro Securities”, “Natural Gas Micro Securities”, “Nickel Micro Securities”, “Platinum Micro Securities”, “Silver Micro Securities”, “Soybean Oil Micro Securities”, “Soybeans Micro Securities”, “Sugar Micro Securities”, “Tin Micro Securities”, “Wheat Micro Securities” and “Zinc Micro Securities”*** shall be construed accordingly;

Micro Forward Securities means, together, Forward Aluminium class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Forward Coffee class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Forward Copper class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Forward Corn class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Forward Cotton class undated limited recourse secured debt securities of US\$0.00000050 in principal amount each, Forward Crude Oil class undated limited recourse secured debt securities of US\$0.00000800 in principal amount each, Forward Gasoline class undated limited recourse secured debt securities of US\$0.00000800 in principal amount each, Forward Gold class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Forward Heating Oil class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Forward Lean Hogs class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, Forward Live Cattle class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, Forward Natural Gas class undated limited recourse secured debt securities of US\$0.00000300 in principal amount each, Forward Nickel class undated limited recourse secured debt securities of US\$0.00000500 in principal amount each, Forward Silver class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, Forward Soybean Oil class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Forward Soybeans class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each, Forward Sugar class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, Forward Wheat class undated limited recourse secured debt securities of US\$0.00000100 in principal amount each and Forward Zinc class undated limited recourse secured debt securities of US\$0.00000150 in principal amount each, in each case of the Issuer, created pursuant to and constituted by the Trust Instrument and recorded on the relevant Register of Micro Securities and ***“Aluminium Micro Forward Securities”, “Coffee Micro Forward Securities”, “Copper Micro Forward Securities”, “Corn Micro Forward Securities”, “Cotton Micro Forward Securities”, “Crude Oil Micro Forward Securities”, “Gasoline Micro Forward Securities”, “Gold Micro Forward Securities”, “Heating Oil Micro Forward Securities”, “Lean Hogs Micro Forward Securities”, “Live Cattle Micro Forward Securities”, “Natural Gas Micro Forward Securities”, “Nickel Micro Forward Securities”, “Silver Micro Forward Securities”, “Soybean Oil Micro***

Forward Securities", "Soybeans Micro Forward Securities", "Sugar Micro Forward Securities", "Wheat Micro Forward Securities" and "Zinc Micro Forward Securities" shall be construed accordingly;

Micro Securities means the Micro Classic Securities and the Micro Forward Securities;

Month means calendar month;

Multiplier means, with respect to each class of Commodity Contract, the number determined in accordance with Condition 6;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in New York;

Next Future means, for each Individual Commodity Index and a Trading Day with respect thereto, the particular futures contract which is the "Next Future" (as defined in the Handbook) for that Individual Commodity Index on that Trading Day;

Notice Deadline means, on a General Trading Day, the earlier of 2.30 p.m. or such other time determined by the Issuer as the Notice Deadline in respect of a particular General Trading Day or generally;

Notifiable Weights means, in relation to a category of Index Securities:

- (a) For a Required Rebalancing, (i) if the Relevant DJ-AIG Commodity Index is the DJ-AIGCISM, the CIPs as published by Dow Jones to be used in rebalancing of the DJ-AIGCISM at the time of the Rebalancing, and (ii) if the Relevant DJ-AIG Commodity Index is the DJ-AIGCI-F3SM, the effective percentage weights of the constituent commodities in the DJ-AIGCI-F3SM derived by the Calculation Agent for the purposes of that Required Rebalancing from such CIPs using the Settlement Prices by reference to which the DJ-AIGCI-F3SM is determined on the Rebalancing Calculation Date with respect to that Required Rebalancing; and
- (b) For a Voluntary Rebalancing, the ECIPs for the Relevant DJ-AIG Commodity Index at the end of the first General Trading Day following the last Hedge Roll Day of the relevant Month, except where the Commodity Contract Counterparty has given notice under its Facility Agreement in which case the Notifiable Weights shall be the ECIPs for the Relevant DJ-AIG Commodity Index at the end of the fourth General Trading Day of the relevant Month (or, if that day is not a Full Pricing Day, the first prior Full Pricing Day),

in each case expressed as a percentage and adjusted by the Commodity Contract Counterparty if necessary to sum to precisely 100 per cent.;

Official List means the official list maintained by the UK Listing Authority for the purpose of Part VI of FSMA;

outstanding means, in relation to each type of Micro or Commodity Securities, all the Micro or Commodity Securities of that type issued and in respect of which there is for the time being an entry in the Register other than:

- (a) Micro or Commodity Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Micro or Commodity Securities which have been purchased and cancelled pursuant to the Trust Instrument,

PROVIDED THAT for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Micro and Commodity Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) a Commodity Contract Counterparty, (C) ETFS Securities Limited or a Guarantor, (D) any subsidiary of the Issuer or of a Commodity Contract Counterparty, (E) any individual Controller of the Issuer or Guarantor or (F) any person controlled by any such persons listed in (A) to (E) above shall (unless and until ceasing to be so held) be deemed not to remain

outstanding and accordingly the holders of such Micro and Commodity Securities shall be deemed not to be Security Holders;

Pool means a separate fund or pool to which Micro Securities of a particular class (and Commodity Securities to the extent that they are comprised of that class of Micro Securities) are attributable;

Pool Factor means at any time in respect of any Pool and the Micro Securities and Individual Securities/and Index Securities to the extent that they comprise Micro Securities of that class) attributable to that Pool fee number determined as at that time in accordance with Conditions 5.4 and 20.3;

Price means:

- (a) for a Micro Security or a class of Micro Securities, the price determined in accordance with Condition 5; and
- (b) for a Commodity Security or type of Commodity Securities, the sum of the Prices of each and every Micro Security comprised in that Commodity Security or that type of Commodity Securities,

and **Pricing** (other than when used in the terms Pricing Date and Pricing Day) shall be construed accordingly;

Pricing Date means:

- (a) in the case of an Agreed Redemption Form, the day upon which that form is deemed to have been received by the Issuer; or
- (b) in the case of a Settlement Redemption Form in relation to an Individual Security or a Micro Security, the Pricing Day upon which the Redemption Amount is determined; or
- (c) in the case of a Settlement Redemption Form in relation to an Index Security, the Pricing Date determined in accordance with Condition 8.11;

Pricing Day means, for each class of Micro Securities, a Trading Day for the Individual Commodity Index applicable to that class of Micro Securities that is not a Market Disruption Day for that Individual Commodity Index (other than a Market Disruption Day for which a substitute value for that Individual Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements);

Pricing Notice means a Redemption Form or a Withdrawal Notice;

Principal Amount means in respect of each Micro or Commodity Security the amount specified in clause 2 of the Trust Instrument, as may be adjusted in respect of Index Securities in accordance with the Trust Instrument;

Programme means the programme for the issuance of Commodity Securities;

Prohibited Benefit Plan Investor means any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “Code”) applies (collectively, “Plans”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any U.S. Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Commodity Securities on behalf of, for the benefit of or with any assets of any such Plan or entity;

Prohibited US Person means a US Person who is not a Qualified Purchaser, or any person who holds Commodity Securities for the benefit of a US Person who is not a Qualified Purchaser;

properly authenticated dematerialised instruction shall bear the meaning given to it in the Regulations;

Property to be Assigned means with respect to each Authorised Participant Agreement and each Commodity Contract Counterparty:

- (a) all of the right, title, interest and benefit of the Issuer, existing now or in the future, in, to, under or in respect of the Authorised Participant Agreement as it applies as a separate agreement in relation to that Commodity Contract Counterparty in accordance with its terms; and
- (b) all other rights, moneys and property whatsoever which may from time to time at any time be derived from or accrue with respect to the Authorised Participant Agreement as it so applies including:
 - (i) all of the Issuer's rights to receive payment of any amounts which may become payable to it pursuant to the Authorised Participant Agreement or with respect to such Authorised Participant Agreement as it so applies;
 - (ii) all amounts due, payable and properly received by the Issuer pursuant to the Authorised Participant Agreement;
 - (iii) all the Issuer's rights to serve notices and/or make demands pursuant to such Authorised Participant Agreement as it so applies and/or to take such steps as are required to cause payments to become due and payable thereunder or with respect to such Authorised Participant Agreement as it so applies;
 - (iv) all of the Issuer's rights of action in respect of any breach of such Authorised Participant Agreement as it so applies; and
 - (v) all of the Issuer's rights to receive damages or obtain other relief in respect of such Authorised Participant Agreement as it so applies;

Qualified Purchaser means a "qualified purchaser" as defined under the Investment Company Act;

Rebalancing means an adjustment to the number (and if applicable classes) of Micro Securities comprised in an Index Security and the Principal Amount of an Index Security, in accordance with Condition 14;

Rebalancing Calculation Date means, for a Required Rebalancing and for an Extended Voluntary Rebalancing, the fourth General Trading Day of the Month in which the Rebalancing is to be effected (or, if that day is not a Full Pricing Day, the first prior Full Pricing Day); and for any other Voluntary Rebalancing, the first General Trading Day following the last Hedge Roll Day of the relevant Month;

Redemption means the redemption of Micro and Commodity Securities by the Issuer in accordance with these Conditions (and **Redeem** shall be construed accordingly);

Redemption Account means a bank account to receive payments of the Redemption Amount in respect of the Redemption of Commodity Contracts (and matching Commodity Securities or Micro Securities), which account shall be:

- (a) for an Authorised Participant, the bank account notified in writing by the Authorised Participant to the Issuer, each Commodity Contract Counterparty and the Trustee from time to time;
- (b) for a Compulsory Redemption or where there are no Authorised Participants, the bank account of the Issuer secured for the benefit of the Security Holders or of the Trustee for the benefit of such Security Holders; and
- (c) otherwise, the bank account specified in the Redemption Form;

Redemption Amount means the amount payable by the Issuer to the Security Holder upon the Redemption of Micro and Commodity Securities, as may be reduced for any withholdings or deductions for or on account of tax as set out in Condition 10.5;

Redemption Fee means the fee payable by a Security Holder upon Redemption of Micro and Commodity Securities in accordance with Condition 11;

Redemption Form means an Agreed Redemption Form or a Settlement Redemption Form in the form prescribed from time to time by the Issuer and in accordance with these Conditions, as the case may be;

Redemption Limits means the limits on Redemption set out in Condition 8.7;

Redemption Payment Date means:

- (a) in the case of a Redemption pursuant to a Settlement Redemption Form, the third London Business Day following the Pricing Date of that Redemption; *provided that* if that day is not a New York Business Day then the Redemption Payment Date shall be on the next following Business Day; or
- (b) in the case of a Redemption pursuant to an Agreed Redemption Form, the London Business Day specified for such payment in that form; *provided that* the date so specified shall be not earlier than one London Business Day following the day upon which that form was deemed to have been received by the Issuer; or
- (c) in the case of a Redemption in accordance with a Listing Failure, the third London Business Day following the relevant Listing Failure Date; *provided that* if that day is not a New York Business Day then the Redemption Payment Date shall be the next following Business Day, or such other Business Day as may be agreed by the relevant Commodity Contract Counterparty and the Authorised Participant who submitted the relevant Redemption Form; or
- (d) in the case of a Redemption following the nomination of a Compulsory Redemption Date, the London Business Day which is the third London Business Day following the last Pricing Day on which the Price of Micro and Commodity Securities being Redeemed was determined in accordance with these Conditions; *provided that* if that day is not a New York Business Day then the Redemption Payment Date shall be the next following Business Day;

Registers means the registers of Security Holders of each type kept and maintained by the Registrar and “**Register**” shall be construed accordingly. At the date of the Trust Instrument there are 48 Registers, one for each of the 48 different types of Micro and Commodity Securities currently envisaged to be created pursuant to the Trust Instrument;

Registrar means Computershare Investor Services (Channel Islands) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers, to receive and process applications for Micro and Commodity Securities, to receive and process applications for Redemptions of Micro and Commodity Securities and receive and process applications for exchanges of Commodity Securities for Micro Securities and vice versa;

Regulations means the Companies (Uncertificated Securities) (Jersey) Order 1999 including any modifications thereto or any regulations in substitution therefor made and for the time being in force which, *inter alia*, enable title to Micro and Commodity Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument;

Relevant DJ-AIG Commodity Index means in the case of Classic Commodity Contracts and Classic Micro and Commodity Securities, the DJ-AIGCISM and in the case of Forward Commodity Contracts and Forward Micro and Commodity Securities the DJ-AIGCI-F3SM;

Relevant Exchange means, for each Individual Commodity Index, the futures exchange on which is traded the futures contract by reference to the prices of which that Individual Commodity Index is calculated;

Required Rebalancing means, with respect to an Index Security, a Rebalancing necessitated by and carried out in conjunction with a rebalancing of the Relevant DJ-AIG Commodity Index;

Required Security Document means, with respect to an Authorised Participant Agreement and a Commodity Contract Counterparty, each security that the relevant Commodity Contract Counterparty requires the Issuer to execute over the Property to be Assigned in favour of the relevant Commodity Contract Counterparty as security for the Secured Obligations (which may include, but shall not be limited to, a Security Assignment), having regard to the jurisdiction of incorporation of the Authorised Participant (or proposed Authorised Participant) or of the branch through which such person is acting for the purposes of such Authorised Participant Agreement (as the case may be);

RIS means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer;

Secured Obligations means:

- (a) all present and future obligations (which, for the avoidance of doubt, are all limited recourse obligations) of the Issuer to the relevant Commodity Contract Counterparty on account of Creation Amounts and interest thereon; and
- (b) all losses, damages, legal and other costs, charges and expenses sustained, suffered or incurred by the relevant Commodity Contract Counterparty arising out of or in connection with any act, matter or thing done or omitted to be done by the Issuer under the Facility Agreement or the Security Assignment or any other Required Security Documents;

Secured Property means (in respect of Micro Securities of any class and of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of the corresponding class) all rights of the Issuer under the corresponding Facility Agreement(s), Commodity Contracts and any Guarantee to the extent that they apply to payments due in respect of Micro and Commodity Securities of that type, or any part thereof, and which are subject to the security created in favour of the Trustee pursuant to the applicable Security Deed;

Securities Act means the Securities Act of 1933 of the United States;

Security Assignment means, in respect of each Authorised Participant Agreement and each Commodity Contract Counterparty, the Security Assignment pertaining to that Authorised Participant Agreement as it applies in relation to that Commodity Contract Counterparty entered into between the Issuer and the relevant Commodity Contract Counterparty and securing the Secured Obligations of the Issuer to that Commodity Contract Counterparty;

Security Conditions means, with respect to a proposed Authorised Participant and a Commodity Contract Counterparty, that (a) each Required Security Document with respect to the relevant Authorised Participant Agreement and Commodity Contract Counterparty has been duly executed by the Issuer, (b) notice (duly executed by the Issuer) of each such Required Security Document has been duly given by the Issuer to such proposed Authorised Participant and (c) such proposed Authorised Participant has executed an acknowledgement of such notice in favour of the relevant Commodity Contract Counterparty;

Security Deed means in respect of each Pool and the corresponding class of Commodity Contracts, the security deed entered into between the Issuer and the Trustee pertaining to that Pool in the case of the Pools corresponding to Cocoa Micro Securities, Lead Micro Securities, Platinum Micro Securities and Tin Micro Securities being dated 15 September 2008, in the case of the Pools corresponding to the other Micro Classic Securities being dated 21 September 2006 and in the case of the Pools corresponding to Micro Forward Securities being dated 17 September 2007;

Security Holder means a registered holder of Micro or Commodity Securities;

Settlement Failure means, in respect of a Redemption where the Security Holder has delivered the Micro and Commodity Securities to the Issuer (via the CREST system or another method

agreed with the Issuer), a failure by the Issuer to pay or to procure the payment of the whole of a Redemption Amount into the relevant Redemption Account on a Redemption Payment Date;

Settlement Failure Date means, in relation to a Settlement Failure, the date on which such Settlement Failure occurred;

Settlement Price means, in relation to any Pricing Day and a futures contract traded on a Relevant Exchange, the official settlement price of the Relevant Exchange for such day in relation to such futures contract as determined in accordance with the regulations of the Relevant Exchange;

Settlement Pricing has the meaning given in Condition 8.1(a);

Settlement Redemption Form means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Micro and Commodity Securities using Settlement Pricing;

Short and Leveraged Commodity Securities means the securities of the Issuer known as Short and Leveraged Commodity Securities constituted by the Short and Leveraged Trust Instrument as more fully described in the prospectus of the Issuer dated 14 February 2008;

Short and Leveraged Facility Agreement means the agreement between the Issuer and AIG-FP dated 8 February 2008;

Short and Leveraged Trust Instrument means the trust instrument between the Issuer and the Trustee dated 8 February 2008 as may be amended from time to time;

Strategy means each of the two groups of Micro and Commodity Securities constituted by these Conditions, being Classic Micro and Commodity Securities and Forward Micro and Commodity Securities and **Strategies** will be construed accordingly;

Target Number means the targeted number of Micro Securities in each category of Index Security following a Rebalancing, calculated as set out in Condition 10;

Trading Day means, for each Individual Commodity Index, a day on which the Relevant Exchange for that Individual Commodity Index is open for trading during its regular trading session, notwithstanding such Relevant Exchange closing prior to its scheduled closing time;

Trustee means The Law Debenture Trust Corporation p.l.c. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument;

Trustee Consent Documents means each Facility Agreement (but excluding the schedules to that Facility Agreement, save schedules 11 and 12, and excluding clause 7.14 of that Facility Agreement), Commodity Contracts created thereunder and the Guarantees;

Trust Instrument means the trust instrument dated 21 September 2006, between the Issuer and the Trustee, as amended and supplemented by trust instruments supplemental thereto, constituting Micro and Commodity Securities;

type means, in relation to Micro Securities and Individual Securities, a class thereof and, in relation to Index Securities, the category thereof;

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland;

UK Listing Authority means the FSA in its capacity as the competent authority for the purposes of Part VI of the FSMA;

Unacceptable Authorised Participant means in respect of a Commodity Contract Counterparty, an Authorised Participant in respect of which a notice has been given (and not withdrawn) under that Commodity Contract Counterparty's Facility Agreement that such Authorised Participant is to be treated as an Unacceptable Authorised Participant in respect of that Commodity Contract Counterparty;

Uncertificated Form means recorded on a Register as being held in uncertificated form, title to which, by virtue of the Regulations, may be transferred by means of CREST;

Uncertificated Notice of Meeting means a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of CREST;

US Dollars or **US\$** means the lawful currency of the USA;

US Person means a “US person” as defined in Regulation S under the Securities Act;

US or **United States** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

Value means, in relation to a Micro Security and a day, the Price of a Commodity Contract of the same class as that Micro Security on that same day;

VAT means value added tax;

Voluntary Rebalancing means a Rebalancing other than a Required Rebalancing; and

Weights means the proportionate target weightings of each commodity represented in an Index Security used in carrying out a Rebalancing, established as set out in Condition 14.7 and expressed as a percentage.

1.2 The following rules shall apply to the interpretation of these Conditions unless the context otherwise requires:

- (a) Headings to Conditions, paragraphs, and other provisions of these Conditions are inserted for ease of reference only and shall not affect the interpretation of these Conditions.
- (b) Any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity.
- (c) Words in the singular shall also include the plural and vice versa.
- (d) Any reference to these Conditions or to any agreement or document includes a reference to these Conditions, or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time.
- (e) Unless otherwise indicated, any reference in these Conditions to a time is a reference to local time in London, England.

2. STATUS OF MICRO AND COMMODITY SECURITIES

2.1 Micro and Commodity Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3. The Micro and Commodity Securities of each type rank *pari passu* among themselves.

2.2 Each Individual Security and each Index Security constitutes a separate security from the Micro Securities by reference to which the amount payable on Redemption of that Individual Security or Index Security is calculated and for which they may be surrendered in accordance with the provisions of the Trust Instrument.

2.3 The amount payable upon Redemption of an Individual Security of a particular class is equal to the aggregate amount which would be payable on the Redemption of one million Micro Securities of that same class. Each Individual Security may be surrendered in accordance with the provisions of the Trust Instrument in exchange for such Micro Securities.

2.4 The amount payable upon Redemption of an Index Security is equal to the aggregate amounts which would be payable on the Redemption of a defined number of Micro Securities of various classes as set out in the table in the Trust Instrument (subject to Rebalancing). Each Index Security may be surrendered in accordance with the provisions of the Trust Instrument in exchange for such Micro Securities (subject to Rebalancing).

2.5 A Security Holder holding:

- (a) Commodity Securities in Certificated Form may surrender the certificates for cancellation and receive certificates in respect of the Micro Securities comprised in such Commodity Securities; or
- (b) Micro Securities in Certificated Form of the appropriate classes and in at least the appropriate numbers of each class may surrender the certificates for cancellation and receive certificates for such number of Commodity Securities of any class or classes requested by him as are comprised of the Micro Securities represented by such surrendered certificates as he requested to be combined in the form of such Commodity Securities and one or more Certificates in respect of the balance of the Micro Securities not so combined in the form of Commodity Securities,

in each case in accordance with the provisions of the Trust Instrument.

2.6 The Issuer shall at all times publish on the Issuer's Website:

- (a) the classes of Micro Securities and corresponding Individual Securities which are in issue or available to be issued; and
- (b) the categories of Index Securities which are in issue or available to be issued, and the number and classes of Micro Securities which at that time are comprised in each category of Index Securities.

3. SECURITY AND LIMITED RECOURSE

3.1 The obligations of the Issuer in respect of each class of Micro Securities (and any type of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class) are secured pursuant to the Security Deed applicable to that class by a first ranking floating charge in favour of the Trustee for the Security Holders over, and by an assignment by way of security of, all the Issuer's rights in relation to the Secured Property of that class.

3.2 The Trustee and the Security Holders of any class of Micro Securities (and any type of Commodity Securities if and to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class) shall have recourse only to sums derived from the Secured Property relating to the relevant Pool. If, the Trustee (or any other secured party) having realised the same, the net proceeds are insufficient for the Issuer to make all payments which, but for the effect of this Condition, would then be due, the obligations of the Issuer will be limited to such net proceeds of realisation, neither the Trustee nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums and no debt shall be owed by the Issuer to any such person in respect of any such further sum. In particular, neither the Trustee nor any Security Holder shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) (except for the appointment of a receiver and manager pursuant to the relevant Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any class issued by the Issuer and constituted by the Trust Instrument are repaid, nor shall they have any claim in respect of any sum arising in respect of the Secured Property for any other Pool or any other assets of the Issuer including, but not limited to, any sums derived from or in connection with any Short and Leveraged Commodity Securities.

4. FORM AND TRANSFER

4.1 Micro and Commodity Securities are in registered form and are individually transferable.

- 4.2 Micro and Commodity Securities may be held and transferred in Uncertificated Form by means of CREST in accordance with the Regulations. The Trustee may, without the consent of Security Holders, concur with the Issuer in making modifications to the provisions of the Trust Instrument in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Micro and Commodity Securities in Uncertificated Form. A Security Holder may request that his Micro or Commodity Securities be held in Certificated Form, in which case such Micro or Commodity Securities shall be removed from CREST.
- 4.3 The Issuer shall at all times keep at its registered office, or at such other place in Jersey as the Trustee may agree, registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Micro Securities, Index Securities and Individual Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 days in any one year) as it may think fit.
- 4.4 The Issuer, the Trustee and, to the extent relevant, each Security Holder, by accepting a Micro or Commodity Security, agrees to treat the Micro and Commodity Securities as equity interests in the Issuer for all U.S. federal tax purposes.

5. PRICE OF MICRO SECURITIES

- 5.1 The Price for a Micro Security of a particular class for a Pricing Day is the amount determined for that class by the following formula (calculated to thirteen places of decimals with 0.0000000000005 rounded upwards):

$$P_{(i,t)} = I_{(i,t)} \times M_{(i,t)} \times PF_{(i,t)} / 10,000,000;$$

where:

i refers to the relevant class of Micro Securities;

t refers to the applicable Pricing Day;

$P_{(i,t)}$ is the Price of Micro Securities of class i and for day t;

$I_{(i,t)}$ is the closing settlement price level of the Individual Commodity Index applicable to Micro Securities of class i for day t; and

$M_{(i,t)}$ is the Multiplier for class i and for day t.

$PF_{(i,t)}$ is the Pool Factor applicable to the relevant class of Micro Security on day t.

- 5.2 The Price for a Micro Security on any day other than a Pricing Day is the same as the Price for that class of Micro Security on the most recent Pricing Day for that class (but using the Multiplier determined for that day rather than the Multiplier for the most recent Pricing Day).
- 5.3 The Price of a Commodity Security is the sum of the Prices of each and every Micro Security comprised in that Commodity Security.
- 5.4 The Pool Factor for each Pool and the Micro Securities and Individual Securities (and Index Securities to the extent that they comprise Micro Securities of that class) attributable to that Pool shall be 1.000000 unless and until otherwise determined for that Pool and such Micro Securities and Individual Securities (and Index Securities to such extent) in accordance with Condition 20.3.

6. MULTIPLIER

- 6.1 The Multiplier for Micro Classic Securities was 1.0000000 on the day on which the first Classic Micro or Commodity Securities (of any type) were issued. The Multiplier for Micro Forward

Securities will be 1.0000000 on the day on which the first Forward Micro or Commodity Securities (of any type) are issued.

- 6.2 On every subsequent day, the Multiplier for Micro Securities shall be adjusted in accordance with the following formula (calculated to seven places of decimals with 0.00000005 rounded upwards):

$$M_{(i,t)} = M_{(i,t-1)} \times (1 + CA_{(i,t)});$$

where:

i refers to the relevant class of Micro Securities;

t refers to the applicable day;

$M_{(i,t)}$ is the Multiplier for class i and day t;

$M_{(i,t-1)}$ is the Multiplier for class i the previous day t-1; and

$CA_{(i,t)}$ is the Capital Adjustment applicable for class i on day t, expressed as a decimal.

- 6.3 The Issuer shall announce and publish on the Issuer's Website the Multiplier applicable from time to time.

7. CAPITAL ADJUSTMENT

- 7.1 The calculation of the Price at which Micro and Commodity Securities may be Redeemed includes the Capital Adjustment for each day on which the Price is calculated. The Capital Adjustment shall be as agreed from time to time between the Commodity Contract Counterparties and the Issuer, and shall be included in the calculation of the Multiplier.

8. REDEMPTION OF MICRO AND COMMODITY SECURITIES BY SECURITY HOLDERS

Redemption Entitlement

- 8.1 Each Micro Security of a particular class carries the right on Redemption to payment of either:
- (a) the higher of (i) the Principal Amount for that class, and (ii) the Price of that Micro Security on the applicable Pricing Day determined in accordance with Condition 5.1 (*Settlement Pricing*); or
 - (b) where applicable, an amount determined by agreement between a Commodity Contract Counterparty and a Security Holder which is an Authorised Participant in accordance with Condition 8.15 (*Agreed Pricing*).
- 8.2 Subject as otherwise provided in these conditions, each Commodity Security of a particular type carries the right on Redemption to payment of the aggregate amounts payable on Redemption for all Micro Securities of which it is comprised, such amounts determined in accordance with Condition 8.1.

Redemption by Authorised Participants

- 8.3 A Security Holder who is also an Authorised Participant may (subject as provided herein) require the Issuer to Redeem all or part of its holding of Micro and Commodity Securities by lodging with the Registrar a Redemption Form specifying either Settlement Pricing or Agreed Pricing provided that if at any time a Redemption Amount is due to be paid by the Issuer in respect of a Redemption to a particular Authorised Participant, the amount payable by the Issuer may be discharged in whole or in part pursuant to the set-off provisions set out in the Authorised Participant Agreement. A Settlement Redemption Form may in addition be deemed to have been lodged by an Authorised Participant with the Registrar on a Listing Failure Date in the circumstances further described in the applicable Authorised Participant Agreement.

Redemption by Other Security Holders

- 8.4 A Security Holder which is not also an Authorised Participant may only require the Issuer to Redeem all or any part of its holdings of Micro and Commodity Securities if, on any General Trading Day, there are no Authorised Participants, and the Security Holder submits on such day a valid Settlement Redemption Form.

Redemption Amount

- 8.5 The Redemption Amount with respect to a Redemption shall be the amount (in US Dollars) determined as follows:
- (a) if the Redemption is effected using Settlement Pricing, an amount equal to the sum of the amounts determined in accordance with Condition 8.1 or 8.2 in respect of all of the Micro or Commodity Securities thereby Redeemed; or
 - (b) if the Redemption is effected using Agreed Pricing, the amount specified as the Redemption Amount in the Agreed Redemption Form.
- 8.6 The Issuer shall on the Redemption Payment Date in respect of any Redemption pay (or procure the payment of) the Redemption Amount in respect of that Redemption into the applicable Redemption Account.

Redemption Limits

- 8.7 Micro Securities of a particular class (and any type of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class) may not be Redeemed on a day pursuant to a Settlement Redemption Form:
- (a) submitted by any Security Holder (including any Authorised Participant), to the extent that the sum of the Prices of all Micro Securities of that class (and any type of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class) which are Redeemed on that day would exceed the sum of the Commodity Contract Counterparty Redemption Limits for that class of Micro Securities on that day (such limit being the **Redemption Limit** for that class of Micro Securities); or
 - (b) submitted by any Authorised Participant, to the extent that the sum of the Prices of all Micro Securities of that class (and any type of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class) which are Redeemed on that day pursuant to Settlement Redemption Forms submitted by that Authorised Participant would exceed the sum of the Commodity Contract Counterparty Redemption Limits for that class of Micro Securities on that day in respect only of those Commodity Contract Counterparties for which that Authorised Participant is an Authorised Participant (such limit being the **Authorised Participant Redemption Limit** for that class of Micro Securities and that Authorised Participant).

For the purposes of this Condition, the **Commodity Contract Counterparty Redemption Limit** with respect to a class of Micro Securities and a Commodity Contract Counterparty is the amount denominated in US Dollars agreed between the Issuer and that Commodity Contract Counterparty as the redemption limit in respect of the corresponding class of Commodity Contracts (being, in the case of AIG-FP, (i) US\$250,000,000 multiplied by the CIP of the relevant commodity and relevant DJ-AIG Commodity Index on that day in respect of Classic Commodity Contracts, other than cocoa, lead, platinum and tin Classic Commodity Contracts; (ii) US\$250,000,000 multiplied by the CIP of the relevant commodity and relevant DJ-AIG Commodity Index on that day in respect of Forward Commodity Contracts; and (iii) US\$7,500,000 in respect of each of cocoa, lead, platinum and tin Classic Commodity Contracts.

- 8.8 For the purposes of the Redemption Limits, Redemption Forms will be dealt with in order of their actual receipt by the Issuer and, for the purpose of this Condition, Condition 8.12 shall be disregarded.

Settlement Pricing

8.9 A Settlement Redemption Form shall be invalid:

- (a) if it does not specify a number and type of Micro or Commodity Securities to be Redeemed;
- (b) if it relates to the Redemption of: (i) more than one type of Micro or Commodity Security (other than by operation of Condition 8.11 (c)(i)) or (ii) both Commodity Securities and Micro Securities;
- (c) for a Settlement Redemption Form lodged by an Authorised Participant, if it is received by the Issuer at any time other than between 8.00 a.m. and 6.30 p.m. on an Issuer Business Day;
- (d) if it does not specify the Redemption Account into which the Redemption Amount shall be payable;
- (e) to the extent that the number of Micro or Commodity Securities of that type or in aggregate to be Redeemed would result in a Redemption Limit being exceeded, and the relevant Commodity Contract Counterparty does (or Commodity Contract Counterparties do) not agree to that Redemption Limit being exceeded (in which event such Settlement Redemption Form will not be capable of being invalidated under this Condition 8.9(e) in respect of the greatest number of Micro or Commodity Securities of the relevant type or types that would not result in the Redemption Limit being exceeded);
- (f) if the Settlement Redemption Form is submitted by an Authorised Participant, and the number of Micro or Commodity Securities of that type or in aggregate to be Redeemed would result in an Authorised Participant Redemption Limit being exceeded (in which event such Settlement Redemption Form shall not be capable of being invalidated under this Condition 8.9(f) in respect of the greatest number of Micro or Commodity Securities of the relevant type that would not result in the Authorised Participant Redemption Limit being exceeded);
- (g) where notice of a Compulsory Redemption Date has been given in accordance with Conditions 9.1 or 9.2, if the Settlement Redemption Form is received or deemed received on or after: (i) where notice has been given other than in accordance with Condition 9.1 or 9.2 (save, in the latter case, as a result of a Commodity Contract Counterparty Downgrade), the Compulsory Redemption Date or (ii) where notice has been given in any other case under Condition 9.2, the date on which notice of the Compulsory Redemption Date was given;
- (h) if it relates to the Redemption of Individual Securities, and it is received or deemed received on or after the Compulsory Redemption Date in respect of that class of Individual Securities, of which notice has been given in accordance with Condition 9.5;
- (i) if it relates to the Redemption of Micro and Commodity Securities that are the subject of a Listing Failure; or
- (j) if it is invalid pursuant to Condition 8.19(c),

and, save as provided in Condition 8.9(e), no Micro and Commodity Securities of the relevant type shall be Redeemed in respect of or under that Settlement Redemption Form.

8.10 If the Issuer considers that a purported Settlement Redemption Form is invalid, it shall notify the Security Holder giving that Settlement Redemption Form of that fact as soon as reasonably possible. The Issuer shall not be obliged to Redeem pursuant to a Settlement Redemption Form any Micro or Commodity Securities where the relevant Commodity Contract Counterparty has not confirmed a corresponding Commodity Contract Termination in accordance with the provisions of the relevant Facility Agreement.

- 8.11 If a Settlement Redemption Form is deemed received by the Issuer prior to the Notice Deadline on an Issuer Business Day (**Day 1**):
- (a) if Day 1 is a Pricing Day for all types of Micro and Commodity Securities to be Redeemed pursuant to that Settlement Redemption Form, all those Micro and Commodity Securities will be Priced on Day 1 (and that day shall be the Relevant Pricing Day and the Pricing Date for each such type of Micro and Commodity Securities);
 - (b) if Day 1 is not a Pricing Date for any type of Micro or Commodity Security to be Redeemed pursuant to that Settlement Redemption Form:
 - (i) the Security Holder may by written notice to the Issuer, sent before the Notice Deadline on the next succeeding Issuer Business Day, cancel the Settlement Redemption Form; and where such a Withdrawal Notice is given no Micro and Commodity Securities shall be Redeemed in respect of or under that Settlement Redemption Form; and
 - (ii) if no notice is issued under Condition 8.11 (b)(i) then the Settlement Redemption Form will be deemed received on the next Issuer Business Day (and no Pricing of Micro and Commodity Securities for that Settlement Redemption Form shall occur before then) and that Issuer Business Day will then constitute Day 1 for the Settlement Redemption Form and this Condition 8.11 shall apply thereto accordingly;
 - (c) If Day 1 is a Pricing Day for one or more classes of Micro Security comprised in an Index Security that is to be Redeemed pursuant to that Settlement Redemption Form, the Micro Securities so comprised for which it is a Pricing Day will be Priced on that day (and that day shall be the Relevant Pricing Day for those Micro Securities) and the other classes will be Priced on the next Pricing Day for each such class (and the day on which each such other class is Priced shall be the Relevant Pricing Day for that class) provided that if not all types of Micro Securities comprised in an Index Security that is to be Redeemed have been Priced at the end of the fourth General Trading Day following Day 1 then:
 - (i) the Redemption of the Index Security shall be effected in accordance with Condition 10.7;
 - (ii) the Issuer will be deemed to have received from the relevant Security Holder a Settlement Redemption Form in respect of the Micro Securities to be delivered to the Security Holder by the Issuer pursuant to Condition 10.7 (such deemed Settlement Redemption Form a **Micro Securities Settlement Redemption Form**);
 - (iii) the Security Holder may by written notice to the Issuer, sent before the Notice Deadline on the next succeeding Issuer Business Day, cancel the Micro Securities Settlement Redemption Form, and where such notice is given no Micro Securities shall be Redeemed in respect thereof;
 - (iv) if no notice is given under Condition 8.11 (c)(ii), the Micro Securities Settlement Redemption Form will be deemed received on the next Issuer Business Day and that Issuer Business Day will then constitute Day 1 for Micro Securities Settlement Redemption Form and this Condition 8 shall apply thereto accordingly; and
 - (d) where Condition 8.11(c) applies, the Pricing Date in respect of the deemed Settlement Redemption Notice relating to the Priced Securities will be the last Trading Day on which any class of Micro Security comprised in that Index Security is Priced, *provided that* if the proviso in Condition 8.11(c)(i) applies, the Pricing Date for that Index Security will be the fourth General Trading Day following Day 1 (whether or not any Micro Securities comprised in that Index Security are Priced on that day).
- 8.12 A Settlement Redemption Form which is received by the Issuer on an Issuer Business Day after the Notice Deadline but prior to 6.30 p.m. shall be deemed to be received by the Issuer at 8.00 a.m. on the following Issuer Business Day, unless the Issuer agrees to treat that Settlement Redemption Form as having been received prior to the Notice Deadline in which case it shall be deemed to have been received by the Issuer prior to the Notice Deadline.

- 8.13 Within one Business Day after the last Pricing Date in respect of any Settlement Redemption Form, the Issuer shall notify the relevant Security Holder of the Redemption Amount payable in respect of that Settlement Redemption Form, determined as provided above.
- 8.14 The Issuer may change or vary the procedures for the lodgement of Settlement Pricing Forms and these Conditions shall be modified in respect of Redemptions using Settlement Pricing to the extent of any such agreement.

Agreed Pricing

- 8.15 A Commodity Contract Counterparty and an Authorised Participant may submit an Agreed Redemption Form to the Issuer (either jointly, or in separate notices). An Agreed Redemption Form is conclusive evidence that the Commodity Contract Counterparty and the Authorised Participant have agreed upon the Redemption by the Issuer of a number and type of Micro or Commodity Securities specified in the notice(s), and the US Dollar amount which is the Redemption Amount for those Micro or Commodity Securities.
- 8.16 If a Commodity Contract Counterparty and an Authorised Participant purport to send an Agreed Redemption Form by separate notices:
- (a) which are inconsistent with one another in relation to any of the items referred to in Condition 8.18(a), 8.18(b) or 8.18(c); or
 - (b) one of which is invalid under Condition 8.18,
- those notices shall not constitute a valid Agreed Redemption Form and the Issuer shall reject the notices and advise that Commodity Contract Counterparty and that Authorised Participant accordingly.
- 8.17 Where an Agreed Redemption Form is submitted by separate notices from the Authorised Participant and a Commodity Contract Counterparty, the Issuer shall be deemed to have received the Agreed Redemption Form at the time that it is deemed to receive the second of the two notices.
- 8.18 An Agreed Redemption Form shall be invalid if it does not set out:
- (a) the number and type of Micro and Commodity Securities to be Redeemed;
 - (b) the Redemption Amount for that Redemption (stated as a total amount); and
 - (c) the Redemption Payment Date for that Redemption, which shall be not earlier than two London Business Days following the day on which the Agreed Redemption Form is deemed received by the Issuer.

Suspension of Redemptions

- 8.19 If the Price of a class of Micro Security falls below its Principal Amount, the Issuer may at any time and from time to time while the Price in relation to such class is below such Principal Amount determine to suspend the right to Redeem the Micro Securities of that class and all types of Commodity Securities which are comprised, in whole or in part, of Micro Securities of such class, in each case pursuant to Condition 8.1(a) and, subject as provided in this Condition 8.19, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:
- (a) the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
 - (b) any such suspension may continue in the discretion of the Issuer for a period of up to 30 days, and may continue thereafter provided that notice of a meeting has been issued convening a meeting for a date not more than 30 days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the Price, in which event the suspension will

cease when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution;

- (c) any suspension shall not affect any Redemption the Pricing Date for which had passed before the suspension commenced, but any Settlement Redemption Form lodged on an Issuer Business Day when the right to Redeem Micro or Commodity Securities of that type pursuant to Condition 8.1(a) is suspended pursuant to this Condition shall be invalid;
- (d) if the right to Redeem Micro Securities of any class or Commodity Securities of any type or types pursuant to Condition 8.1(a) is suspended pursuant to this Condition as at 6.30 p.m. on the second Issuer Business Day prior to a Compulsory Redemption Date for that class pursuant to Condition 9.6, then notwithstanding that a number of Micro Securities of that class or Commodity Securities of that type or types may have been specified pursuant to that Condition which is not all of those Micro or Commodity Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Micro Securities of that class and Commodity Securities of that type or types.

9. COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

Compulsory Redemption on Termination

- 9.1 The Issuer may at any time (upon not less than seven days' notice in the case of (a) below and not less than thirty days' notice in the case of (b) below) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for all Micro and Commodity Securities, or all Micro or Commodity Securities of any one or more type, if:
- (a) notice is given by either party thereto terminating a Facility Agreement or nominating a compulsory pricing date thereunder in respect of all Commodity Contracts created thereunder; or
 - (b) the Issuer elects to Redeem all Micro and Commodity Securities, or all Micro or Commodity Securities of any one or more type.
- 9.2 If a Counterparty Event of Default, a Commodity Contract Counterparty Downgrade or an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature) of the affected Micro and Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Micro and Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured to its satisfaction, give notice to the Issuer that all the affected Micro and Commodity Securities outstanding are required to be Redeemed and nominating an Issuer Business Day falling not less than 20 Issuer Business Days (or two Issuer Business Days in the case of an Issuer Insolvency Event) from the giving of such notice to be a Compulsory Redemption Date and for this purpose "affected Micro and Commodity Securities" means, in the context of an Issuer Insolvency Event, all of them, and in the context of a Counterparty Insolvency Event or a Commodity Contract Counterparty Downgrade, those Micro and Commodity Securities that are attributable to the Pool or Pools which include rights against that particular Commodity Contract Counterparty.
- 9.3 If a Compulsory Redemption Date is nominated by the Issuer pursuant to Condition 9.1(a) in relation to any Micro or Commodity Securities following notice having been given by the Issuer to terminate a Facility Agreement or to nominate a compulsory pricing date thereunder by reason of a Counterparty Event of Default, and prior to the Compulsory Redemption Date, the Issuer has determined to divide a Pool to which outstanding Commodity Contracts created under that Facility Agreement are attributable by allocating all such Commodity Contracts to the New Pool in accordance with Condition 20.3, the redemption pursuant to this Condition shall not apply to the Micro or Commodity Securities attributable to that Pool but shall apply (*mutatis mutandis*) to the New Micro Securities, New Individual Securities and New Index Securities attributable to such new Pool and otherwise on the basis of this Condition 9.

- 9.4 If a Facility Agreement has been terminated, or notice of a compulsory pricing date thereunder by reason of a Counterparty Event of Default, then no further Redemption Notices in respect of Micro or Commodity Securities attributable to a Pool to which outstanding Commodity Contracts created under that Facility Agreement are attributable, given on or after the date of such termination shall be effective unless and until the Issuer has determined to divide such Pool as referred to in Condition 9.2 and such division has become effective.

Compulsory Redemption due to Index Disruption

- 9.5 The Issuer may at any time (upon not less than thirty days' notice) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for all Micro Securities of a particular class (or Commodity Securities which are comprised (in whole or in part) of that class of Micro Securities) if:
- (a) an Individual Commodity Index which relates to that class of Micro Securities is no longer calculated and published in accordance with the Handbook and the Calculation Agent gives notice to the Issuer under a Facility Agreement of its intent to discontinue calculation and notification of that Individual Commodity Index to the Issuer under that Facility Agreement; or
 - (b) non-calculation or non-publication of an Individual Commodity Index which relates to that class of Micro Securities for any reason continues for a continuous period of thirty days, and a Commodity Contract Counterparty and the Issuer are unable to reach agreement on a permanent replacement mechanism or amendments to the relevant Facility Agreement to give effect to that mechanism.

Compulsory Redemption due to Hedging Disruption

- 9.6 The Issuer may at any time (upon not less than thirty days' notice) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for a particular class of Micro Securities (or type of Commodity Securities which are comprised (in whole or in part) of that class of Micro Securities), and the number of such Micro Securities (and the number(s) and type(s) of such Commodity Securities), if as a consequence of a Hedging Disruption Event a Commodity Contract Counterparty or any of its Affiliates is required by law or by the order of a regulatory authority having jurisdiction to close hedging positions (if any) which a Commodity Contract Counterparty (acting reasonably) attributes to the hedging of its obligations in connection with the relevant Facility Agreement or Commodity Contracts of the same class. Any such notice may specify a number of Micro or Commodity Securities (which may not be all of those Micro or Commodity Securities) to be redeemed in consequence of such notice and if in relation to any particular type of Micro or Commodity Securities the Issuer does not redeem all the outstanding Micro or Commodity Securities they will be redeemed in accordance with Condition 9.11 *pro rata* to holdings on the relevant Register as at the Compulsory Redemption Date. Any nomination of a Compulsory Redemption Date by the Issuer under this Condition 9.6 in relation to less than all of the Micro Securities of any particular class or Commodity Securities of any particular type or types is subject to Condition 8.19.

Compulsory Redemption on a fall in the Price relative to the Principal Amount

- 9.6A If on any Pricing Day the Price of any class or classes of Micro Security falls to 2.5 times the Principal Amount of such Micro Security or below, the Issuer may at any time, for so long as the Price continues to be less than 2.5 times the Principal Amount of such Micro Security and during the period 60 days thereafter, upon not less than 2 days' notice by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date in respect of that class of Micro Security and all types of Commodity Securities which are comprised, in whole or in part, of Micro Securities of such class and subject to Condition 3.2 investors will receive a sum on such Compulsory Redemption calculated in accordance with Condition 9.11. The right to nominate an Issuer Business Day to be a Compulsory Redemption Date pursuant to this Condition 9.6A shall cease if an Extraordinary Resolution is passed which has the effect of reducing the Principal Amount to a level less than two-fifths of the Price, but this is without prejudice to any subsequent nomination pursuant to this Condition if on any Pricing Day the Price of that class of Micro Security falls to 2.5 times the Principal Amount (as so reduced) of such Micro Security or below.

Compulsory Redemption for cause

- 9.7 The Issuer may, in its absolute discretion, at any time by written notice to a Security Holder nominate an Issuer Business Day (being not less than seven Trading Days and not more than fourteen Trading Days following the date of the notice) to be a Compulsory Redemption Date in respect of Micro and Commodity Securities held by that Security Holder, if:
- (a) the Issuer required the Security Holder in accordance with Condition 15 to certify whether or not it is a Prohibited Benefit Plan Investor and (i) the Security Holder did not by the date specified in the notice given under Condition 15 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited Benefit Plan Investor; or
 - (b) the Issuer required the Security Holder in accordance with Condition 15 to certify whether or not it is a Prohibited US Person and the (i) Security Holder did not by the date specified in the notice given under Condition 15 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited US Person; or
 - (c) the Issuer considers (in its sole discretion) (a) that such Micro and Commodity Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Micro and Commodity Securities, or (b) that the ownership or holding or continued ownership or holding of those Micro and Commodity Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Security Holders which it or they might not otherwise have suffered or incurred,

provided that if the relevant Security Holder in the case of sub-paragraph (a)(i) or (b)(i) so failed to provide such a certification, or in the case of sub-paragraph (a)(ii) or (b)(ii) certified that it is a Prohibited Benefit Plan Investor or a Prohibited US Person, in each case in respect of some only of the Micro and Commodity Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Micro and Commodity Securities (and not any other Micro or Commodity Securities held by that Security Holder).

- 9.8 If a Security Holder which is the subject of a notice under Condition 9.7 provides to the Issuer prior to the Notice Deadline proof required by the Issuer that its Micro and Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Micro and Commodity Securities referred to in that notice shall not be redeemed under these Conditions.
- 9.9 If a Security Holder which is the subject of a notice under Condition 9.7 does not provide to the Issuer prior to the Notice Deadline proof required by the Issuer that its Micro and Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Micro and Commodity Securities referred to in that notice shall not be capable of being transferred by that Security Holder and the Issuer shall not be required to register any purported transfer of those Micro and Commodity Securities.
- 9.10 The Issuer shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Condition 9. The exercise of the powers conferred by this Condition 9 shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of the Micro and Commodity Securities, or any other grounds save that such powers shall have been exercised in good faith.

Compulsory Redemptions

- 9.11 Where a Compulsory Redemption Date is notified in accordance with these Conditions other than pursuant to Condition 9.7, in respect thereof:
- (a) the Issuer shall, no later than 8.00 a.m. on the Compulsory Redemption Date, by RIS announcement publish the Compulsory Daily Pricing Number of Micro and Commodity

Securities of each relevant type to be priced on successive Pricing Days for each class commencing on the Compulsory Redemption Date;

- (b) on the Compulsory Redemption Date and on any required succeeding Pricing Day the applicable Compulsory Number Priced for each type of Micro or Commodity Securities to which the Compulsory Redemption Date relates shall be priced until Micro and Commodity Securities of that type (including, in the case of a Compulsory Redemption Date notified in accordance with Condition 9.6, all those Micro or Commodity Securities that have previously been deducted from the Compulsory Daily Pricing Number for that type pursuant to the proviso contained in the definition of "Compulsory Number Priced" in connection with that Compulsory Pricing Date) in a number equal to the Compulsory Redemption Number for that type have been Priced;
- (c) on the Redemption Payment Date for such Compulsory Redemption the Issuer shall (subject to the Security Holder depositing the Micro and Commodity Securities in question into an appropriate CREST account or otherwise delivering such Micro and Commodity Securities to the Issuer by agreement with the Issuer) pay into the appropriate Redemption Account(s) the sum of the Prices of all Micro and Commodity Securities thereby Priced together with an amount equivalent to interest thereon calculated at the rate of the Capital Adjustment then prevailing, in each case from the third London Business Day following the Pricing Day on which that Price was determined (provided that if that day is not a New York Business Day then on the next following Business Day) until and including the Redemption Payment Date;
- (d) each Redemption Account shall be credited with the relevant Security Holder's *pro-rata* share of the sum of the Prices of all Micro and Commodity Securities thereby Priced (and the Issuer shall be under no obligation to make payment of the amount so Priced until that amount shall have been determined); and
- (e) upon payment in full of that amount all such Micro and Commodity Securities which were so priced shall be cancelled.

9.12 Where a Compulsory Redemption Date is notified to a Security Holder in accordance with Condition 9.7:

- (a) on the Compulsory Redemption Date and on any required succeeding Pricing Day the applicable Compulsory Number Priced of each type of Micro or Commodity Securities shall be priced until Micro and Commodity Securities of that type in a number equal to the Compulsory Redemption Number for that type have been Priced; and
- (b) within three Business Days of the Redemption Payment Date for such Compulsory Redemption the Issuer shall (subject to the Security Holder depositing the Micro and Commodity Securities in question into an appropriate CREST account or otherwise delivering such Micro and Commodity Securities to the Issuer in such manner as may be agreed by the Issuer or otherwise all such Micro or Commodity securities being cancelled to the satisfaction of the Issuer) pay into the appropriate Redemption Account(s) the Redemption Amount.

10. SETTLEMENT OF REDEMPTION AMOUNTS

10.1 Where a Redemption Form has been given for the Redemption of Micro or Commodity Securities, the Security Holder which holds those Micro or Commodity Securities which are the subject of that Redemption must deposit the Micro and Commodity Securities in question into an appropriate CREST account and give correct delivery versus payment instructions in accordance with the Redemption Notice if they were in Uncertificated Form, or otherwise deliver the Micro and Commodity Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree if they are in Certificated Form. Once a valid Redemption Form is given in respect of Micro and Commodity Securities, unless the Redemption Form is validly withdrawn (in accordance with Condition 8.11) the Micro and Commodity Securities in respect of which it was given may not be transferred by the Security Holder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Micro or Commodity Securities.

- 10.2 Failure by a Security Holder to deposit those Micro and Commodity Securities into an appropriate CREST account and give correct delivery versus payment instructions shall not invalidate the Redemption of those Micro and Commodity Securities. Where settlement of a Redemption of Micro and Commodity Securities is delayed due to the failure of the Security Holder to deposit the Micro and Commodity Securities in question into an appropriate CREST account or give correct delivery versus payment instructions or otherwise deliver such Micro and Commodity Securities and any certificates representing them in a manner agreed by the Issuer, the Security Holder shall not be entitled to any interest on the Redemption Amount after the Redemption Payment Date. If the Security Holder fails to deliver such Micro and Commodity Securities to the Issuer (via the CREST system or another method agreed with the Issuer), the Issuer shall be entitled to pay the Redemption Amount in respect thereof into the Trustee's Redemption Account (to be held on trust for the Security Holder), and to cancel the entry in the Register in respect of those Micro and Commodity Securities.
- 10.3 Where Micro or Commodity Securities are Redeemed in accordance with Condition 9, the Issuer shall be entitled, upon payment of the Redemption Amount (less the Redemption Fee, if applicable) into the applicable Redemption Account to cancel the entry in the Register in respect of those Micro and Commodity Securities being Redeemed.
- 10.4 Save to the extent that the proviso to Condition 8.3 applies, payment of the Redemption Amount (less any applicable Redemption Fee deducted under Condition 11) into the applicable Redemption Account on the Redemption Payment Date is in full satisfaction of all liability which the Issuer has to Security Holders in respect of the Micro and Commodity Securities which have been Redeemed.
- 10.5 The Issuer may, at any time, notify a Security Holder that a Commodity Contract Counterparty may have to withhold or deduct from a payment for a Commodity Contract Termination that corresponds to any Redemption by that Security Holder an amount for or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Micro or Commodity Securities that may allow the Commodity Contract Counterparty to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer and the relevant Commodity Contract Counterparty by the relevant Security Holder or if it is not the beneficial owner of Micro or Commodity Securities held by such Security Holder and which are to be redeemed, such beneficial owner, then any such payment will be reduced (and the matching obligation of the Issuer to pay any Redemption Amount to that Security Holder will also be reduced) by the amount of the withholding or deduction.
- 10.6 The Redemption of Micro or Commodity Securities by the Issuer pursuant to the occurrence of a Listing Failure, and delivery of Micro or Commodity Securities by an Authorised Participant in connection therewith, shall be effected in accordance with the procedures set out in the applicable Authorised Participant Agreement.
- 10.7 If the proviso in Condition 8.11(c) applies with respect to an Index Security, then on the Redemption Payment Date for that Index Security the Issuer shall Redeem the Index Security:
- (a) to the extent that it is comprised of Micro Securities which have been Priced at the end of the fourth General Trading Day following Day 1 (**Priced Securities**), by payment into the relevant Redemption Account of an amount equal to the Redemption Amount that would have been determined for that Index Security if it had been comprised of the Priced Securities only; and
 - (b) to the extent that it is comprised of Micro Securities still not priced at the end of the fourth General Trading Day following Day 1 (**Delayed Securities**), by delivering to the relevant Security Holder Micro Securities of the same classes and in the same number as such Delayed Securities,

and otherwise in accordance with this Condition 10. The Issuer may give such directions to the Security Holder as appear to the Issuer to be necessary to enable the settlement of any payment or delivery to be made by it pursuant to this Condition.

11. REDEMPTION FEE

- 11.1 Subject as provided below, it is a condition to the performance by the Issuer of the obligation to Redeem Micro and Commodity Securities that the Issuer may deduct the Redemption Fee from the Redemption Amount and that if it does not the Security Holder of such Micro and Commodity Securities shall pay to the Issuer the Redemption Fee in respect of such Redemption in accordance with this Condition 11. The Issuer may offset the amount of the Redemption Fee payable hereunder against the Redemption Amount payable to the Security Holder.
- 11.2 On a Redemption of Micro and Commodity Securities at the request of an Authorised Participant, the Redemption Fee shall be the amount agreed in the relevant Authorised Participant Agreement to be payable, or such other amount as may be agreed by the Issuer and that Authorised Participant at the time of the Redemption, regardless of the number of Micro and Commodity Securities being redeemed.
- 11.3 On a Redemption of Micro and Commodity Securities at the request of a Security Holder who is not an Authorised Participant (where there are no Authorised Participants), the Redemption Fee shall be an amount equal to the cost to the Issuer of satisfying such Redemption request, which shall be notified to the Security Holder at the time of the Redemption being not greater than £500 or such other amount as may be notified through a RIS.
- 11.4 On a Compulsory Redemption of Micro and Commodity Securities by the Issuer or at the request of the Trustee, the Redemption Fee shall be an amount equal to the cost to the Issuer incurred in relation to the Redemption, including the costs of enquiries under Condition 15 and the cost of giving notices under Condition 9 being not greater than £500 or such other amount as may be notified through a RIS. The Issuer shall notify Security Holders whose Micro and Commodity Securities are subject to Compulsory Redemption of the amount of those costs, and their allocation to particular Security Holders, at the time of the Redemption.
- 11.5 The Issuer may set off any amount payable to the Issuer in accordance with this Condition 11 by the holder of Micro and Commodity Securities in respect of the Redemption Fee against the Redemption Amount payable by the Issuer to such holder.

12. INTEREST ON SETTLEMENT FAILURE

- 12.1 Following the occurrence of a Settlement Failure, interest shall accrue on any balance of the Redemption Amount not paid or otherwise discharged by or on behalf of the Issuer from the Settlement Failure Date. Such interest shall:
- (a) accrue at the Funding Rate from and including the Settlement Failure Date to but excluding the date falling three Business Days after the Settlement Failure Date, and thereafter at the Default Rate; and
 - (b) cease to accrue on the date on which such balance is paid into the relevant Redemption Account.

13. SATISFACTION OF REDEMPTION FORMS BY TRANSFER

- 13.1 The Issuer may in its absolute discretion elect to satisfy Redemption Forms by transfer of the appropriate number of Micro and Commodity Securities to one or more Authorised Participant(s) from Security Holder(s) seeking Redemption, and for that purpose the Issuer may authorise any person on behalf of the Security Holder to execute one or more instruments of transfer in respect of the relevant number(s) of Micro and Commodity Securities provided that the amount payable to the Security Holder shall still be an amount equal to the relevant Redemption Amount (less the Redemption Fee) and the relevant Redemption Payment Day will be the date of the transfer(s).

14. REBALANCING OF INDEX SECURITIES

- 14.1 The rights of an Index Security shall be adjusted from time to time, so that the numbers and classes of Micro Securities comprised in such Index Securities and the Principal Amount of such Index Securities shall be adjusted as provided in this Condition 14 (a **Rebalancing**).
- 14.2 A Rebalancing will take place whenever the DJ-AIG Commodity Indices are rebalanced (a **Required Rebalancing**), and may at the election of the Issuer take place on other occasions if the Issuer considers in good faith a Rebalancing to be desirable to help reduce tracking error with the DJ-AIG Commodity Indices or any of their sub-indices (a **Voluntary Rebalancing**).
- 14.3 A Rebalancing shall not create, issue, redeem or cancel any Micro and Commodity Securities and no payment shall be made to a Security Holder in respect of any Rebalancing.
- 14.4 The Issuer covenants under the Trust Instrument that it shall procure that, in conjunction with each Rebalancing of Index Securities, the number of Commodity Contracts of each class in existence (and possibly, in the case of a Required Rebalancing, classes of Commodity Contracts) in existence will be adjusted to correspond with the number and classes of Micro and Commodity Securities in existence immediately following the Rebalancing.
- 14.5 If there is to be a change in the classes of Micro Securities that are comprised in a category of Index Securities following a Required Rebalancing, the Issuer shall notify the holders of those Index Securities of the change not less than fifteen days prior to the Rebalancing Calculation Date. The classes so notified may include new classes of Micro Securities representing new commodities the prices of which are to be included in the calculation of the DJ-AIG Commodity Indices following the Rebalancing. In the absence of a notification there shall be no change to the classes of Micro Securities which are comprised in a category of Index Securities.
- 14.6 The Issuer shall notify holders of Index Securities of a Voluntary Rebalancing not less than 10 days prior to the expected Rebalancing Calculation Date of that Rebalancing, at the same time notifying them of the month in which that Voluntary Rebalancing is to be effected and whether the Voluntary Rebalancing is to be an Extended Voluntary Rebalancing.
- 14.7 The Weights to be used in a Rebalancing shall be as follows:
- (a) The Weights for the ETFS All Commodities DJ-AIGCISM Index Securities and the ETFS Forward All Commodities DJ-AIGCI-F3SM Index Securities shall be the same as the Notifiable Weights of the Relevant DJ-AIG Commodity Index notified by the Commodity Contract Counterparty in accordance with the Facility Agreement; and
 - (b) The Weights for each other category of Index Securities shall be the Weights determined in accordance with paragraph (a) above (excluding those Weights of commodities which are not represented in that category of Index Security), re-weighted proportionally so that the sum of the Weights of the commodities represented in that Index Security equals exactly 100 per cent.
- 14.8 The Issuer shall notify the holders, by way of RIS announcement, of each category of Index Securities of the Weights used in the Rebalancing of the Index Securities following their calculation.
- 14.9 On a Rebalancing Calculation Date, the Target Number of Micro Securities comprised in each Index Security of a particular category following a Rebalancing shall be calculated by applying the following formula to each class of Micro Securities to be comprised in that category of Index Securities:

$$MST_{(i,j)} = V \sum_{(i,T)} \times Weight_{(i,j,T)} / P_{(i,T)}$$

where:

- T refers to the Rebalancing Calculation Date;
- i refers to the relevant class of Micro Securities;
- j refers to the relevant category of Index Securities;

- $MST_{(i,j)}$ is the Target Number of Micro Securities of class i to be comprised in each Index Security of category j following the Rebalancing;
- $VSum_{(i,T)}$ is the sum of the Values of each and every Micro Security comprised in an Index Security of category j on the Rebalancing Calculation Date provided that if that day is a Market Disruption Day for any Individual Commodity Index, a substitute value for such index calculated by the Calculation Agent for the purposes of the Facility Agreement shall be used instead;
- $Weight_{(i,j,T)}$ is the applicable Weight for Micro Securities of class i in Index Securities of category j, on the Rebalancing Calculation Date, determined in accordance with Condition 14.7, expressed as a decimal (so that 1 per cent. is expressed as 0.01); and
- $P_{(i,T)}$ is the Price of Micro Securities of class i, on the Rebalancing Calculation Date provided that if that day is a Market Disruption Day for any Individual Commodity Index, a substitute value for such index calculated by the Calculation Agent for the purposes of the Facility Agreement shall be used instead.

14.10 For a Required Rebalancing and an Extended Voluntary Rebalancing, the number of Micro Securities of each class comprised in each Index Security of a particular category will be adjusted as follows:

- (a) Where the number of Micro Securities comprised in a category of Index Securities is being reduced (because the Target Number of Micro Securities of that class for the category of Index Security in question, determined in accordance with Condition 14.9, is less than the number of Micro Securities of that class comprised in each Index Security of that category prior to the Rebalancing), at the commencement of each day (day t) following each of the first "N" (as defined below) Hedge Roll Days the reduction in number of Micro Securities of each such class, in relation to that category of Index Securities, shall be:

$$MSDR_{(i,j,t)} = (MSB_{(i,j)} - MST_{(i,j)})/N$$

where:

i refers to the relevant class of Micro Securities;

t refers to day t;

j refers to the relevant category of Index Securities;

$MSDR_{(i,j,t)}$ is the number of Micro Securities of class i reduced on day t;

$MSB_{(i,j)}$ is the number of Micro Securities of class i before the Rebalancing;

$MST_{(i,j)}$ is the Target Number of Micro Securities of class i, determined in accordance with Condition 14.9; and

N is five, or such other number of days scheduled for the Rebalancing (assuming no Market Disruption Days);

provided however that if the Hedge Roll Day is not a Pricing Day for a class of Individual Commodity Index, " $MSDR_{(i,j,t)}$ " for that class of Micro Security shall be zero on day t and on the day following the next Pricing Day for that class of Individual Commodity Index that number of Micro Securities will be reduced in addition to any other reduction to occur on such day.

- (b) Where the number of Micro Securities comprised in a category of Index Securities is being increased or established (because the Target Number of Micro Securities of that class for the category of Index Security in question, determined in accordance with Condition 14.9, is greater than the number of Micro Securities of that class comprised, or that class was not comprised, in each Index Security of that category prior to the Rebalancing), at the commencement of each day (day t) on which there is a reduction in Micro Securities pursuant to Condition 14.10(a), the increase in number of Micro Securities of each such class, in relation to that category of Index Securities, shall be:

$$MSDI_{(i,j,t)} = VPTI_{(i,j,T)} \times VMSDR_{(i,j,t)}/P_{(i,t-1)}$$

where:

i refers to the relevant class of Micro Securities;

t refers to day t;

j refers to the relevant category of Index Securities;

$MSDI_{(i,j,t)}$ is the increase in the number of Micro Securities of class i on day t;

$VPTI_{(i,j,T)}$ is the Value, on the Rebalancing Calculation Date, of the Micro Securities of class i to be increased during the Rebalancing expressed as a percentage of the Value of all Micro Securities comprised in Index Securities of category j to be increased during the Rebalancing;

$VMSDR_{(j,t)}$ is the Value, on the Pricing Day immediately prior to day t, of all Micro Securities comprised in Index Securities of category j reduced on day t in accordance with Condition 14.10(a); and

$P_{(i,t-1)}$ is the Price of Micro Securities of class i, on the Pricing Day immediately prior to day t;

provided however if the day prior to day t is not a Pricing Day for a class of Individual Commodity Index, " $MSDI_{(i,j,t)}$ " for that class of Micro Security shall be zero on day t and shall be recalculated (by changing only $P_{(i,t-1)}$) on the day following the next Pricing Day for that class of Individual Commodity Index and that recalculated number of Micro Securities will be increased in addition to any other increase to occur on such day.

- (c) Micro Securities required to be removed from an Index Security in accordance with Condition 14.10(a) shall thereupon, without further action by the Security Holder, be converted into the Micro Securities required to be added in accordance with Condition 14.10(b).

14.11 For a Voluntary Rebalancing other than an Extended Voluntary Rebalancing, at the commencement of the day following the Rebalancing Calculation Date each class of Micro Securities comprised in each category of Index Securities in existence will be adjusted in accordance with Condition 14.10 except that N shall be 1 and day t shall be the first General Trading Day following the Rebalancing Calculation Date.

14.12 A Commodity Contract Counterparty and the Issuer may agree refinements to the Rebalancing mechanisms set out above from time to time, without the consent of the Trustee. Subject to the same provisos to Condition 30.2(d), the Rebalancing mechanisms set out above shall be amended in the manner agreed in writing by the Commodity Contract Counterparty and the Issuer and notified to Security Holders in an RIS announcement.

14.13 No money shall be payable by the Issuer to Security Holders, or by Security Holders to the Issuer, in respect of a Rebalancing.

15. ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

15.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:

- (a) to certify, no later than the date (the **Investor Notice Expiry Date**) falling fifteen Trading Days following the date on which the Issuer sends or transmits such requirement to that Security Holder whether that Security Holder is a Prohibited US Person or a Prohibited Benefit Plan Investor (and if that Security Holder is a Prohibited Benefit Plan Investor or Prohibited US Person, to notify the Issuer of the number and type of Micro and Commodity Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and
- (b) if that Security Holder asserts that it is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of all Micro and Commodity Securities held by it), to provide to the Issuer

by the Investor Notice Expiry Date a certificate in the form and executed in the manner determined by the Issuer that the Security Holder is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of certain Micro and Commodity Securities held by it, specifying the number and type of Micro and Commodity Securities in respect of which it is, and is not, a Prohibited Benefit Plan Investor or is, and is not, a Prohibited US Person).

- 15.2 The Issuer may provide to any Commodity Contract Counterparty copies of any enquiries made by it under this Condition 15 and any responses received from the Security Holder.
- 15.3 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 15, to assume that none of the Micro and Commodity Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

16. CALCULATION AGENT

- 16.1 The Calculation Agent is appointed by the Issuer and each Commodity Contract Counterparty for the purposes of the relevant Facility Agreement (but not for the purposes of these Conditions, the Micro and Commodity Securities or the Trust Instrument) to:
- (a) determine whether a Market Disruption Event exists;
 - (b) if an Individual Commodity Index is not published for five or more consecutive Trading Days by reason of those Trading Days being Market Disruption Days in respect of that Individual Commodity Index, to calculate and provide to the Issuer a substitute value for that Individual Commodity Index on each subsequent Trading Day for as long as the Market Disruption Event continues; and
 - (c) if an Individual Commodity Index is not published on a Trading Day for any reason other than that Trading Day being a Market Disruption Day in respect of that Individual Commodity Index, to calculate and provide to the Issuer a substitute value for that Individual Commodity Index for that Trading Day and for each subsequent Trading Day for as long as the non-publication continues.
- 16.2 The Calculation Agent is or will be required under each relevant Facility Agreement (or any calculation agency agreement entered into by it in connection therewith) to act in good faith and in a commercially reasonable manner and in accordance with its obligations set out in that Agreement. Subject thereto, in the absence of manifest error the determinations of the Calculation Agent are final and conclusive.
- 16.3 Where for the purposes of each Facility Agreement a substitute value for an Individual Commodity Index is calculated by the Calculation Agent for a Trading Day, that substitute value shall be used in the calculation of the Price of Micro Securities to which that Individual Commodity Index is applicable for that Trading Day, in lieu of the Individual Commodity Index.
- 16.4 If the Issuer provides copies to the Trustee of determinations notified to the Issuer by the Calculation Agent and/or notifies the Trustee (or any other person) of determinations made by the Calculation Agent, but it shall do so on the express basis that:
- (a) such copies and notifications are provided to the Trustee for information purposes only;
 - (b) neither the Trustee nor any holder or potential holder of Micro and Commodity Securities shall be entitled to rely as against the Calculation Agent upon any determination of the Calculation Agent; and
 - (c) no duty shall be owed by the Calculation Agent to the Trustee or any holder or potential holder of Micro and Commodity Securities in connection with any such determination.

17. ENFORCEMENT

- 17.1 In addition to any of the powers conferred on the Trustee pursuant to the Security Deed with respect to the Secured Property, the Trustee may at any time:
- (a) after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligation of the Issuer under the Trust Instrument and the security constituted by the Security Deed(s) in respect of the relevant Micro and Commodity Securities to which such Defaulted Obligation relates;
 - (b) if a Counterparty Event of Default and/or a Commodity Contract Counterparty Downgrade and/or an Issuer Insolvency Event has occurred and is continuing, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature or, if no Price was determined on such date the most recently determined Price) of the affected Micro and Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Micro and Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deed(s) in respect of all affected and outstanding Micro and Commodity Securities and for this purpose (and Condition 17.3) “affected Micro and Commodity Securities” means, in the context of an Issuer Insolvency Event, all of them, and in the context of a Counterparty Event of Default or a Commodity Contract Counterparty Downgrade, those Micro and Commodity Securities that are attributable to the Pool or Pools which include rights against that particular Commodity Contract Counterparty;
- 17.2 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment obligations) in the Trust Instrument and has not remedied the same within 30 days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within 7 days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the **Breach Redemption Period**) commencing on any General Trading Day until the date one month from such General Trading Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Micro and Commodity Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.
- 17.2A In the event that at any time during the Breach Redemption Period the right to Redeem Micro Securities of any class or Commodity Securities of any type or types pursuant to Condition 8.1(a) is suspended pursuant to Condition 8.19, then the right to Redeem Micro Securities of that class and Commodity Securities of that type or types pursuant to Condition 17.2 shall be suspended in like manner and the provisions of Condition 8.19(c) shall apply mutatis mutandis. Upon the suspension ceasing under Condition 8.19, the right to Redeem Micro Securities of that class and Commodity Securities of that type or types pursuant to Condition 17.2 shall resume and the Breach Redemption Period in respect of that class shall continue until the date one month from the date on which the suspension so ceased.
- 17.3 If a Counterparty Event of Default and/or a Commodity Contract Counterparty Downgrade and/or an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Micro and Commodity Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Condition 17.1 until

the expiry of 30 days from the occurrence of the Counterparty Event of Default and/or Issuer Insolvency Event, nor shall he be so entitled if, during such period of 30 days, the Trustee has elected, or been required, to take action in accordance with Condition 17.1(a).

- 17.4 Subject to Condition 17.6, only the Trustee may enforce the provisions of the Trust Instrument or the Security Deeds. Where the Trustee has elected or been directed to enforce the Issuer's obligations under the Trust Instrument and the security constituted by a Security Deed, the right of Security Holders to lodge a Redemption Form with the Registrar shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to enforce the security (the **Election Date**) will be Redeemed in the normal manner. The Price for all Micro and Commodity Securities of a particular type outstanding at the Election Date will be the average Redemption Amount of the remaining Micro or Commodity Securities of that type.
- 17.5 If the Trustee takes any action pursuant to Condition 17.1 with respect to any Micro or Commodity Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Micro and Commodity Securities in respect of which such action is taken are, and they shall become, due and payable at their Redemption Amount, calculated in accordance with Condition 8.1 (Redemption Entitlement).
- 17.6 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee is entitled to exercise against or in relation to the Issuer.

18. APPLICATION OF MONEYS

- 18.1 All moneys received by the Trustee pursuant to the realisation of Secured Property in respect of a particular class of Micro Securities (and any type of Commodity Securities to the extent that the amount payable on Redemption of such Commodity Securities is calculated by reference to Micro Securities of that class and for which they may be surrendered in accordance with the provisions of the Trust Instrument) shall be held by the Trustee upon trust, to apply them:
- (a) FIRST in payment or satisfaction of all amounts then due to the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Trustee) under terms of the Trust Instrument, and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the relevant Security Deed;
 - (b) SECONDLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of Micro Securities of that class and any type of Commodity Securities to the extent that they are comprised of Micro Securities of that class; and
 - (c) THIRDLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

19. RESTRICTIONS

- 19.1 So long as any Micro and Commodity Securities of a particular type are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:
- (a) not to incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Micro and Commodity Securities or Further Securities, and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
 - (b) other than as permitted under the applicable Security Deed, not to dispose of any of the Secured Property or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;

- (c) not to undertake any business save for the issue and redemption of Micro and Commodity Securities, the acquisition and disposal of Commodity Contracts, the issue and redemption of Short and Leveraged Commodity Securities (and any other securities constituted by the Short and Leveraged Trust Instrument) and the acquisition and disposal of Commodity Contracts (as defined in the Short and Leveraged Trust Instrument) and in each case entering into the necessary documents and performing its obligations and exercising its rights thereunder;
- (d) to use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- (e) not to issue any Micro or Commodity Securities of any type unless it has purchased Commodity Contracts with corresponding terms and in an aggregate matching Redemption Amount;
- (f) not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in any jurisdiction other than Jersey;
- (g) not to make any election under U.S. federal income tax laws to be treated otherwise than as an association taxable as a corporation for U.S. federal income tax purposes;
- (h) to undertake any business so as to seek to minimise the impact of taxation; and
- (i) to procure that the Pools are at all times maintained in a manner so that they are readily distinguishable from each other and from any other pool to which any other class of securities of the Issuer is attributable (including but not limited to any Pool (as defined for the purposes of the Short and Leveraged Trust Instrument)).

20. FURTHER SECURITIES; OTHER POOLS; TRANSFERS TO NEW POOLS; CONSOLIDATION AND DIVISION

20.1 Subject to its ability to create corresponding Commodity Contracts, the Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to this Trust Instrument and may establish additional pools for the purposes of such securities and the Trustee shall join in such instrument or deed and thereupon such pool shall be a "Pool" for the purposes of the Trust Instrument and such securities shall be "Micro Securities" for such purposes, and the Issuer may further create and issue Commodity Securities, the amount payable on Redemption of which is calculated by reference to such Micro Securities in accordance with the Trust Instrument (and for which such Commodity Securities when in Certificated Form may be surrendered in accordance with the provisions of the Trust Instrument). Any such additional classes of Micro Securities shall have recourse only to the Pool attributable to the relevant classes and not to any other Pool. Other such securities created and issued by the Issuer under this Condition 20.1 may relate to different commodities than those in respect of which Individual Securities are initially issued, or involve the same commodities but different Individual Commodity Indices, or be Index Securities involving different combinations of Micro Securities or with different weightings, or involve different pricing mechanisms; *provided that* the Issuer shall only issue constituted by the Trust Instrument other such Micro Securities, Individual Securities and Index Securities the creation and redemption price of which is determined by reference to an Individual Commodity Index or Individual Commodity Indices or any other one or more commodities index or sub-index calculated by AIG-FP in conjunction with Dow Jones and published by Dow Jones. Other such securities created by the Issuer under this Condition 20.1 may be created and issued subject to different terms and conditions in lieu of the Trust Instrument (including but not limited to different pricing mechanisms), to be determined by the Issuer. If other securities issued by the Issuer under this Condition 20.1 are subject to different terms and conditions in lieu of the Trust Instrument the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.

20.2 The Issuer shall not accept Applications for, or issue, Micro Securities of a new class, or Commodity Securities (the amount payable on Redemption of which is calculated by reference

to (and when held in Certificated form may be surrendered in exchange for) Micro Securities of a new class) under Condition 20.1 unless it has first (a) created corresponding Commodity Contracts under the terms of a Facility Agreement and (b) executed and delivered to the Trustee a Security Deed assigning by way of security for the benefit of the Trustee and the relevant Security Holders the contractual rights of the Issuer under each commodity contract of the relevant class and creating a first floating charge for the benefit of the Trustee and the relevant Security Holders over the rights of the Issuer under that facility agreement (to the extent that it relates to such class), commodity contracts of that class created under it and any Guarantee supporting the obligations of the relevant Commodity Contract Counterparty to the Issuer to the extent that they apply to payments due in respect of that new class, for the benefit of the Trustee and the relevant Security Holders.

20.3 The Issuer may at any time (without the consent of the Security Holders) determine to divide any Pool (the **Existing Pool**) by allocating some of the Secured Property attributable to that existing Pool to a new Pool (the **New Pool**). If it determines to do so, the following shall apply:

- (a) the Issuer may only transfer all (and not merely some) of the Commodity Contracts with any one Commodity Contract Counterparty attributable to that Pool;
- (b) prior to or on the transfer becoming effective, the Issuer shall create undated limited recourse secured micro securities (**New Micro Securities**) and undated limited recourse secured individual securities (**New Individual Securities**) of a new class referable to the same Individual Commodity Index and otherwise on the same terms as the Micro Securities attributable to the Existing Pool (the **Existing Micro Securities**) and the Individual Securities attributable to the Existing Pool (the **Existing Individual Securities**), each having a principal amount determined in accordance with Condition 20.3(d) constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Micro Securities or the New Individual Securities) and on terms that such New Micro Securities and New Individual Securities shall have recourse only to the assets attributable to the New Pool, and shall issue such New Micro Securities to the Security Holders of the Existing Micro Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Micro Security for each Existing Micro Security then held and such New Individual Securities to the Security Holders of the Existing Individual Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Individual Security for each Existing Individual Security then held. For this purpose any Micro Security or Individual Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;
- (c) prior to or on the transfer becoming effective, the Issuer shall also create new classes of undated limited recourse secured index securities (**New Index Securities**), each on the same terms as the existing categories of Index Securities (**Existing Index Securities**) which comprise Existing Micro Securities, each having a principal amount determined in accordance with Condition 20.3(d) constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Index Securities of any category) and on terms that such New Index Securities shall have recourse only to the assets attributable to the New Pools to which they are attributable, such New Index Securities being capable when in Certificated Form of surrender in exchange for the New Micro Securities of which they are comprised (being New Micro Securities corresponding to the Existing Micro Securities of which the Existing Index Securities to which that category of New Index Securities corresponds are comprised) and by reference to which the amount payable on Redemption of such New Index Securities is calculated, and shall issue such New Index Securities to the Security Holders of the Existing Index Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Index Security for each Existing Index Security then held. For this purpose any Index Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;
- (d) the principal amount and Pool Factor of each New Micro Security and each New Individual Security shall be the proportion of the principal amount and Pool Factor respectively, of each Existing Micro Security and each Existing Individual Security (respectively)

outstanding immediately prior to the transfer becoming effective that the aggregate Price of the Commodity Contracts to be transferred bears to the aggregate Price of the Commodity Contracts attributable to the Existing Pool, and on the creation and issue of the New Micro Securities and the New Individual Securities becoming effective the principal amount and Pool Factors of each Existing Micro Security and each Existing Individual Security and the principal amount of each Existing Index Security shall be reduced accordingly and the principal amount of each New Index Security determined accordingly; and

- (e) the Issuer shall enter into a Security Deed with the Trustee in relation to the assets attributable to the New Pool to secure the New Micro Securities and the New Individual Securities (and the New Index Securities to the extent that they comprise New Micro Securities), which shall be on the same terms (*mutatis mutandis*) as the Security Deed (the **Existing Security Deed**) in relation to the Existing Pool, and the Trustee shall release the property to be transferred from the Existing Security Deed.

20.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Micro or Commodity Securities of any type into Micro or Commodity Securities of the same type but with a proportionately larger or smaller Principal Amount and Multiplier. The Issuer may also consolidate or divide all of the Commodity Securities of any type into Commodity Securities of the same type without adjusting their Multiplier by instead changing the number of Micro Securities of which they are comprised and hence their Principal Amount. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.

20.5 Whenever as a result of consolidation of Micro or Commodity Securities a Security Holder would become entitled to a fraction of a Micro or Commodity Security the Issuer will Redeem such fraction of a Micro or Commodity Security.

21. ISSUER'S ABILITY TO PURCHASE MICRO AND COMMODITY SECURITIES

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase Micro and Commodity Securities.

22. LISTING

The Issuer covenants in the Trust Instrument to use its best endeavours to obtain and, so long as any of the Micro and Commodity Securities remain outstanding, maintain a Listing for the Micro and Commodity Securities or, if it is unable to do so having used such best endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Micro and Commodity Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

23. WAIVER, AUTHORISATION AND DETERMINATION

The Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in these Trust Instruments or the Security Deeds, or determine that any Defaulted Obligation, Issuer Insolvency Event or Counterparty Event of Default shall not be treated as such PROVIDED THAT the Trustee shall not exercise any powers conferred on it by this Condition, (a) with respect to a Defaulted Obligation, in contravention of any express direction given by the Security Holder to whom such Defaulted Obligation is owed or (b) with respect to an Issuer Insolvency Event or any Counterparty Event of Default or any other breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument, in contravention of any express direction given by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature) of the Micro and Commodity Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class), but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee, shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.

24. EXERCISE OF DISCRETIONS

The Trustee may exercise its discretions under the Trust Instrument separately in respect of each type of Micro and Commodity Securities, and any Further Securities in issue from time to time, and shall incur no liability for so doing.

25. PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

26. REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

26.1 The Trustee may retire at any time without assigning any reason upon giving not less than three months' prior written notice to the Issuer and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of the Trust Instrument.

26.2 The Issuer will use its reasonable endeavours to appoint a new Trustee as soon as reasonably practicable after the Trustee gives notice to its retirement or being removed by Extraordinary Resolution. The retirement or removal of any Trustee shall not become effective until a successor trustee is appointed.

27. GOVERNING LAW OR JURISDICTION

The Conditions, the Micro and Commodity Securities and the Trust Instrument are governed by the laws of Jersey. The Security Deeds are governed by the laws of England. Notwithstanding the submission to the jurisdiction of the English courts contained in the Security Deeds, nothing prevents the Trustee from commencing proceedings in any other competent jurisdiction.

28. TRUSTEE'S LIABILITY

Save in the case of fraud, wilful misconduct or negligence, the Trustee (or any director, officer or employee of the Trustee) shall have no liability under the Trust Instrument for a breach of trust and save in such circumstances, no Trustee (and no director, officer or employee of the Trustee) in execution of the trusts and powers under the Trust Instrument, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, gross negligence or default of another director, officer or employee or Trustee.

29. AMENDMENTS TO CONDITIONS

These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Any amendment to these Conditions will be notified to Security Holders through an RIS announcement, and unless otherwise agreed by the Trustee shall not take effect until at least 30 calendar days following such announcement.

30. AMENDMENTS TO DOCUMENTS

30.1 Pursuant to the Trust Instrument, the Issuer covenants that it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where, in respect of a Facility Agreement, that amendment is at the election of the relevant Commodity Contract Counterparty to amend the terms of the Facility Agreement to substantially conform that Facility Agreement to another Facility Agreement entered into between the Issuer and another Commodity Contract Counterparty.

30.2 The Issuer may by supplemental agreement or supplemental instrument or deed, as applicable, amend the Trust Instrument (including the Conditions), any Security Deeds or any of the Trustee Consent Documents (in respect of Conditions (a), (d), (h) or (i) below without the consent of the Trustee) save where, in respect of and under the terms of a Facility Agreement, that amendment

is automatic or at the election of the relevant Commodity Contract Counterparty, and the Trustee agrees in the Trust Instrument to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:

- (a) the amendment is to substitute as debtor under a Facility Agreement or a Guarantee another person having an Acceptable Credit Rating;
- (b) in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- (c) in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- (d) the amendment is to effect changes to any Rebalancing mechanism provided that:
 - (i) the Calculation Agent has notified the Issuer in accordance with the terms of a Facility Agreement that it has determined that such adjustments would more accurately reflect the position of a hypothetical investor seeking to track one or more of the indices embedded within the Index Securities, in which event the Issuer shall be entitled to deliver a copy of such notice to the Trustee, or otherwise give notice to the Trustee of the Calculation Agent's determination, but in each case only on the basis set out in Condition 16.4;
 - (ii) the adjustments so agreed have the consequence that at the time of the Rebalancing there is no change to the value of the Index Securities being Rebalanced; and
 - (iii) the adjustments do not take effect until at least 30 calendar days have elapsed after they are announced to Security Holders in an RIS announcement;
- (e) the amendment is to substitute a different forward commodity index for the DJ-AIGCI-F3SM and its sub-indices and consequential changes provided that:
 - (i) the adjustments so agreed have the consequence that at the time of the substitution of the index there is no change to the value of the Index Securities which are the subject of the substitution; and
 - (ii) the adjustments do not take effect until at least 30 days have elapsed after they are announced to Security Holders in an RIS announcement;
- (f) the amendment affects only Index Securities of one or more particular category or categories or the method, process or rights associated with Rebalancing, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different categories of Index Securities differently, and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each category of Index Security affected passed in accordance with the Trust Instrument or in any case by a separate resolution in writing of holders of such category of Index Security affected holding not less than 75 per cent. by Price (as at the date of the last signature or if no Price was determined on that date, the most recently determined Price) of such category;
- (g) Condition (f) above does not apply to the amendment, the amendment affects only Index Securities or the method, process or rights associated with Rebalancing and the terms of the amendment are authorised by an Extraordinary Resolution of the holders of the Index Securities (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of the holders of the Index Securities holding not less than 75 per cent. by Price (as at the date of the last signature or if no Price was determined on that date, the most recently determined Price) of the Index Securities (as a whole);
- (h) Conditions (f) and (g) above do not apply to the amendment, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different types of Micro and Commodity Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each type of Micro or Commodity Security affected passed in accordance with the Trust Instrument or in each

case by a separate resolution in writing of holders of such type of Micro or Commodity Security affected holding not less than 75 per cent. by Price (as at the date of the last signature or if no Price was determined on that date, the most recently determined Price) of such type, provided that unless the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of Index Securities and/or Individual Securities differently from the holders of the relevant class(es) of Micro Securities, holders of Index Securities and/or Individual Securities shall for this purpose be treated as though they were holders of the Micro Securities by reference to which the amount payable on Redemption of their Index Securities and/or Individual Securities is calculated and not as though they were holders of the Index Securities and/or Individual Securities;

- (i) Conditions (f) to (h) inclusive above do not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of Security Holders holding not less than 75 per cent. by Price (as at the date of the last signature or if no Price was determined on that date, the most recently determined Price) of the Micro and Commodity Securities (as a whole); or
 - (j) the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory or other requirement of law (including as modified or applied in any respect to the Micro and Commodity Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the Trust Instrument, the relevant Security Deed or the relevant Trustee Consent Document.
- 30.3 In the case of an amendment to a Facility Agreement or an Authorised Participant Agreement, the amendment may not take effect for at least 30 calendar days (or five Issuer Business Days if the amendment is to be made pursuant to an obligation in the Facility Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein), following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.
- 30.4 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Conditions 30.2(a) and (b) by publishing a notice on a RIS at least 30 calendar days prior to such amendment becoming effective.
- 30.5 A change to the Rebalancing Mechanism under Condition 30.2(d) shall take effect no earlier than 30 days following the determination and will be notified to Security Holders by publishing a notice on a RIS.
- 30.6 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Conditions 30.2(f) to 30.2(j) (inclusive) by publishing a notice on the RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.
- 30.7 Notwithstanding any provision to the contrary in this Condition 30 or in any other Trustee Consent Document, the power to assent to any modification or amendment to the provision of any Trustee Consent Document which modifies the power to amend such Document shall require a unanimous resolution in writing of holders of the Micro and Commodity Securities of any type then outstanding.
- 30.8 Conditions 30.2 and 30.3 shall not apply to any amendment to the terms of the Facility Agreement which, under the terms thereof, is automatic or at the election of the relevant Commodity Contract Counterparty in the circumstances described in Condition 30.1.
- 30.9 No notice need be given of any amendment as referred to in Conditions 30.2(b), (c) or (g) or 30.8 unless the Trustee otherwise requires.

31. NOTICES

- 31.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer or the Registrar under the Trust Instrument or pursuant to any other Document must be in writing in English.

- 31.2 All notices required or permitted to be given to a Security Holder under the Trust Instrument or pursuant to any other Trustee Consent Document shall be made by publication through a RIS where required under the terms of such document, but otherwise may be given by publication on the Issuer's Website.
- 31.3 All notices required to be given by the Issuer to Security Holders under the Trust Instrument or otherwise shall be given in writing, except to the extent that the notice relates to a meeting of Security Holders where, in relation to any Micro Securities which are held in Uncertificated Form, the directors may from time to time permit notices of Security Holder meetings to be made by means of an electronic communication in the form of an Uncertificated Notice of Meeting in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to facilities and requirements of CREST) and may in similar manner permit supplements, or amendments, to any such Uncertificated Notice of Meeting to be made by like means.
- 31.4 Any Pricing Notice shall be sent by fax to the Issuer's primary fax number, as follows:
Fax: +44 1534 825 335
or such other fax number as may be published on the Issuer's Website, and confirmed by email to the following email address:
Email: info@etfsecurities.com.
- 31.5 Any Pricing Notice shall be deemed to have been received upon sending, subject to confirmation of uninterrupted and error-free transmission by a transmission report.
- 31.6 Any General Notice to be given to the Issuer shall be sent to the Issuer's primary fax number set out above or delivered by hand, sent by prepaid recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom), to the following address:
Name: ETFS Commodity Securities Limited
Address: Ordnance House, 31 Pier Road
St. Helier, Jersey JE4 8PW
Channel Islands
Attention: Graeme Ross/Craig Stewart
Fax number: +44 1534 825 335
or such other address as may be published for the Issuer on the Issuer's Website.
- 31.7 Any General Notice shall, in the absence of earlier receipt, be deemed to have been received as follows:
(a) if delivered by hand, at the time of actual delivery; or
(b) if sent by prepaid recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom), on the date it is delivered or its delivery is attempted.
- 32. PAYMENT PROVISIONS**
- 32.1 All monies payable by the Issuer in respect of Micro and Commodity Securities shall be paid in US Dollars in full cleared and immediately available funds.
- 32.2 All monies payable by the Issuer on the Redemption of any Micro and Commodity Securities (including, without limitation, any interest payable under Condition 11.2) shall be paid in full, free and clear of and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.
- 32.3 Where a day on which a payment would otherwise be due and payable is not a Business Day, such payment shall be due and payable by the payer on the next following Business Day."

PART 7

PARTICULARS OF SECURITY DEEDS

The Issuer and the Trustee have entered into 42 Security Deeds, in each case creating a first-ranking floating charge over the Secured Property attributable to the relevant class for the benefit of the Trustee and the Security Holders of the Micro Securities and Individual Securities of that class and of the Index Securities to the extent they are comprised Micro Securities of that class.

The Security Deeds contain, *inter alia*, provisions to the following effect:

1. Charge

- (a) *Charge*: The Issuer as continuing security for the payment or discharge of all sums owing by or obligations of the Issuer to the Trustee or the Security Holders from time to time under the applicable type of Micro or Commodity Securities, the Trust Instrument or the relevant Security Deed (the “Secured Liabilities”), grants a first ranking floating charge to the Trustee for the benefit of itself and the Security Holders of that type of Micro or Commodity Securities over all the Issuer’s rights, title and interest, present and future, in and to the relevant Secured Property.
- (b) *Assignment by way of Security*: The Issuer as further security for the Secured Liabilities assigns absolutely to the Trustee all of its present and future rights, title and interest in the Facility Agreement in so far as it pertains to the relevant Pool.

2. Enforcement

- (a) The Security created by the Security Deed shall become enforceable if (a) a Defaulted Obligation has occurred and is continuing, or (b) an Issuer Insolvency Event has occurred and is continuing, or (c) a Counterparty Event of Default has occurred and is continuing.
- (b) In addition to any of the powers conferred on the Trustee pursuant to the Trust Instrument with respect to the Secured Property:
 - (i) after the occurrence of a Defaulted Obligation, the Trustee may at any time, at its discretion, and shall if so directed in writing by a Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligations of the Issuer under the Trust Instrument and the Security constituted by the Security Deeds in respect of the Micro and Commodity Securities to which the Defaulted Obligation relates; and
 - (ii) if a Counterparty Event of Default and/or a Commodity Contract Counterparty Downgrade and/or an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature or, if no Price was determined on such date, the most recently determined Price) of the affected Micro and Commodity Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders holding affected Micro and Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured to its satisfaction, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under the Trust Instrument and the Security constituted by the Security Deeds in respect of all relevant affected Micro and Commodity Securities and for this purpose “affected” Micro and Commodity Securities means, in the context of an Issuer Insolvency Event, all of them and in the context of a Counterparty Event of Default or a Commodity Contract Counterparty Downgrade, those Micro and Commodity Securities that are attributable to the Pool or Pools which include rights against the particular Commodity Contract Counterparty.

3. Governing Law

The Security Deeds are governed by the laws of England. Notwithstanding the submission to the jurisdiction of the English courts contained in the Security Deeds, nothing prevents the Trustee from commencing proceedings in any other court of competent jurisdiction.

PART 8

COMMODITIES, COMMODITY AND FUTURES MARKETS, AND EXCHANGES

Commodities Overview

Aluminium

Aluminium is the third most abundant element in the Earth's crust, and weighs about one-third as much as steel or copper. It is malleable, ductile, easily machined and cast, and has excellent corrosion resistance and durability. Aluminium is used in transportation (automobiles, airplanes, trucks, railcars, marine vessels), packaging (cans, foil), construction (windows, doors, siding), consumer durables (appliances, cooking utensils), electrical transmission lines, and machinery. The primary raw material used for aluminium production is aluminium ore, most commonly known as bauxite. Bauxite, which occurs mainly in tropical areas, is refined into alumina and then electrolytically reduced into aluminium metal. Two to three metric tons of bauxite is required to produce one metric ton of alumina; two metric tons of alumina are required to produce one metric ton of aluminium metal.

Primary aluminium production occurs all over the world, but because it is energy intensive, production is located close to cheap energy. World primary aluminium production increased 30 per cent. between 2002 and 2006 to a record high 34 million metric tons. The top three producers of primary aluminium account for 47 per cent. of world production, the largest being China with 28 per cent. of world production in 2006, followed by Russia (11 per cent.), and Canada (9 per cent.). Primary aluminium production in China increased 116 per cent. between 2002 and 2006, while US production decreased 6 per cent. over the same period. The ability to increase primary aluminium production is limited by natural resource availability, environmental considerations, and infrastructure constraints.

The following table shows the growth of world primary aluminium production between 2002 and 2006:

Primary aluminium production (thousand metric tons)					
	2002	2003	2004	2005	2006
China	4,321	5,547	6,689	7,806	9,349
Russia	3,348	3,478	3,594	3,647	3,718
Canada	2,709	2,792	2,592	2,894	3,051
United States	2,705	2,705	2,517	2,480	2,281
Australia	1,836	1,857	1,894	1,903	1,932
Other countries	11,157	11,622	12,636	13,291	13,636
World Total	26,076	28,001	29,922	32,021	33,967

Source: Australian Commodity Statistics 2007

World primary aluminium consumption increased 34 per cent. between 2002 and 2006 to a record high 34 million metric tons. Primary aluminium consumption in the BRIC (Brazil, Russia, India and China) countries accounted for 34 per cent. of world consumption in 2006. BRIC consumption increased 84 per cent. between 2002 and 2006, while US consumption increased 12 per cent. over the same period.

The following table shows the growth of world primary aluminium consumption between 2002 and 2006:

Primary aluminium consumption (thousand metric tons)					
	2002	2003	2004	2005	2006
China	4,115	5,178	6,043	7,119	8,648
United States	5,509	5,667	5,800	6,114	6,150
Japan	2,010	2,235	2,319	2,276	2,323
Germany	1,690	1,916	1,795	1,759	1,823
Korea	921	982	1,118	1,201	1,153
Russia	990	803	1,020	1,020	1,047
India	604	798	861	958	1,080
Brazil	578	589	651	759	773
Other countries	8,954	9,437	10,355	10,497	10,973
World Total	25,371	27,605	29,962	31,703	33,970

Source: Australian Commodity Statistics 2007

Cocoa

Cocoa grows on cocoa trees, which are generally found in rainforests and in countries near the Equator. Hot and humid conditions are essential for the development of cocoa trees. There are two kinds of cocoa beans "fine" or "flavour" beans, and "bulk" or "ordinary" beans. The latter has dominated most of the world's cocoa production over the past 5 years. Historically, cocoa is regarded as a stimulant due to its high calorific content. More recently, it has been found that cocoa contains a high level of flavonoid which is beneficial to cardiovascular health. Besides from human consumption, cocoa has also been used in the manufacture of pet food since the mid-2000s. Subsequent to cocoa being exported outside South America in the 16th century, it has gained more importance globally as 50 million people depend on cocoa for their livelihood. 70 per cent. of cocoa is produced in Africa and more than 70 per cent. of the global cocoa supply is provided by small farm owners. Due to the complex processing chain and the production structure, farmers usually only receive 5 per cent. of the retail value.

The top four producers of cocoa produced 76 per cent. of world cocoa in 2006/07, with Côte d'Ivoire, the world's largest producer, producing 38 per cent. of world cocoa in 2006/07. World cocoa production increased by 7 per cent. between 2002 and 2007. Ghana experienced the most significant growth of 24 per cent., followed by 20 per cent. in Indonesia and 10 per cent. in Nigeria.

The following table shows the world cocoa production between 2002/03 and 2006/07:

Production of cocoa beans (thousand tonnes)					
	2002/03	2003/04	2004/05	2005/06	2006/07
Côte d'Ivoire	1,352	1,407	1,286	1,408	1,292
Ghana	497	737	599	740	614
Indonesia	410	430	460	530	490
Nigeria	173	180	200	200	190
Brazil	163	163	171	162	126
Rest of the world	574	620	663	684	688
Total	3,169	3,537	3,379	3,724	3,400

Source: International Cocoa Organization Annual Report 06/07

Europe is the predominate consumer of cocoa beans, as measured by grindings, and accounts for 43 per cent. of world consumption, followed by America which accounts for 24 per cent. of world consumption. Although Asia and Oceania only accounts for 19 per cent. of world consumption, Asia and Oceania's total consumption grew by 40 per cent. between 2002/03 and 2006/07. Europe saw the second largest growth in total consumption, being 17 per cent., whilst total consumption in Africa and America grew by 15 per cent. and 5 per cent., respectively.

The following table shows world cocoa bean consumption/grindings between 2002/03 and 2006/07:

Consumption/Grindings of cocoa beans (thousand tonnes)					
	2002/03	2003/04	2004/05	2005/06	2006/07
Europe	1,320	1,348	1,379	1,456	1,540
America	814	852	853	881	853
Asia & Oceania	499	575	622	698	699
Africa	447	464	501	485	514
World Total	3,080	3,239	3,355	3,520	3,606

Source: International Cocoa Organization Annual Report 06/07

Coffee

The coffee plant produces its first full crop of beans at about 5 years old and then is productive for about 15 years. Coffee is generally classified into two types of beans — arabica and robusta. The most widely produced coffee is arabica, which is typically grown at high altitudes and makes up approximately 70 per cent. of world production. Brazil and Colombia are the largest producers of Arabica coffee. Robusta coffee, the stronger of the two types, is typically grown at lower altitudes in Indonesia, West Africa, Brazil and Vietnam. About 12-20 kg of export ready coffee is produced from every 100 kg of coffee beans harvested. Seasonal factors have a significant influence on coffee prices, which are subject to upward spikes in June, July and August due to freeze scares in Brazil during the winter months in the Southern Hemisphere.

World coffee production increased 12 per cent. between 2003/04 and 2007/08 to 122 million bags (1 bag equals 60 kilograms). The top three producers of coffee account for 55 per cent. of world production; Brazil is the world's largest coffee producer, with 31 per cent. of world production in 2007/08. Coffee production in Brazil increased by 13 per cent. between 2003/04 and 2007/08. Other key coffee producers include Vietnam (14 per cent. of world production in 2007/08), and Colombia (10 per cent.).

The following table shows the growth of world coffee production between 2003/04 and 2007/08:

Coffee production (thousand 60-kilogram bags) (a)					
	2003/04	2004/05	2005/06	2006/07	2007/08
Brazil	33,200	43,600	36,100	46,700	37,600
Vietnam	15,000	14,500	13,500	21,250	17,500
Columbia	11,053	11,532	11,953	12,164	12,400
Indonesia	6,000	6,600	6,750	6,665	6,650
Ethiopia	3,874	5,000	4,500	4,636	5,733
Other countries	40,000	39,862	38,771	42,067	42,532
World Total	109,127	121,094	111,574	133,482	122,415

(a) Coffee marketing year (eg. 2000/01) begins October in some countries and April and July in others.

Source: United States Department of Agriculture

World coffee consumption by importing country increased 10 per cent. between 2003 and 2007 to a record high 124 million bags. The US accounted for 17 per cent. of worldwide coffee consumption in 2007.

The following table shows the growth of world coffee consumption by importing country between 2003 and 2007:

Coffee consumption by importing country (thousand 60-kilogram bags)					
	2003	2004	2005	2006	2007(p)
United States	20,193	20,973	20,998	20,667	21,046
Germany	9,499	10,445	8,665	9,151	8,624
Japan	6,770	7,117	7,128	7,268	7,282
Italy	5,507	5,469	5,552	5,593	5,799
France	5,394	4,929	4,787	5,278	5,594
Other countries	65,364	69,130	70,983	73,190	76,058
World Total	112,727	118,063	118,113	121,147	124,403

(p) Preliminary data
Source: International Coffee Organization

Copper

Copper is one of the most widely used industrial metals because it is an excellent conductor of electricity, has strong corrosion-resistance properties, and is very ductile. It is also used to produce the alloys of brass (a copper-zinc alloy) and bronze (a copper-tin alloy), both of which are far harder and stronger than pure copper. Electrical uses of copper including power transmission and generation, building wiring, telecommunication, and electrical and electronic products account for about 75 per cent. of total copper usage. Copper is biostatic, meaning that bacteria will not grow on its surface, and is therefore used in air-conditioning systems, food processing surfaces, and doorknobs to prevent the spread of disease. Building construction is the single largest market for copper, followed by electronics and electronic products, transportation, industrial machinery, and consumer and general products.

World copper mine production increased 13 per cent. between 2003 and 2007 to a record high 15 million metric tons. The world's largest regional mined copper producers are the Americas with 60 per cent. of world mine production in 2007, Asia (18 per cent.), and Europe (10 per cent.). Copper mine production grew 15 per cent. in the Americas and 9 per cent. in Asia between 2003 and 2007. World refined copper production increased 19 per cent. between 2003 and 2007 to 18 million metric tons. The world's largest regional refined copper producers are the Americas with 32 per cent. of world refinery production in 2007 and Asia (43 per cent.). Copper refinery production in Asia increased 45 per cent. between 2003 and 2007, while refinery production in the Americas increased 1 per cent. over the same period.

The following tables show the growth of world copper mine and refinery production between 2003 and 2007:

Copper – Mine production (thousand metric tons)					
	2003	2004	2005	2006	2007(p)
Americas	8,040	8,868	8,832	8,893	9,240
Asia	2,589	2,560	2,784	2,759	2,813
Europe	1,535	1,534	1,528	1,539	1,504
Oceania	1,036	1,028	1,109	1,053	1,040
Africa	586	618	668	739	842
World Total	13,678	14,507	14,921	14,983	15,439

(p) Preliminary data
Source: International Copper Study Group

Copper – Refinery production (thousand metric tons)					
	2003	2004	2005	2006	2007(p)
Americas	5,699	5,782	5,745	5,681	5,739
Asia	5,287	5,657	6,291	7,003	7,681
Europe	3,301	3,442	3,526	3,657	3,585
Africa	454	508	513	553	637
Oceania	484	490	469	429	442
World Total	15,226	15,880	16,543	17,323	18,083

(p) Preliminary data
Source: International Copper Study Group

World refined copper consumption increased 16 per cent. between 2003 and 2007 to 18 million metric tons in 2007. The world's largest regional refined copper consumers are Asia with 52 per cent. of world consumption in 2007, Europe (29 per cent.), and the Americas (18 per cent.). Refined copper consumption grew 30 per cent. in Asia between 2003 and 2007, while consumption in the Americas decreased 6 per cent. over the same period.

The following table shows the growth of world refined copper consumption between 2003 and 2007:

Copper – Refined consumption (thousand metric tons)					
	2003	2004	2005	2006	2007(p)
Asia	7,182	7,775	7,992	8,074	9,358
Europe	4,746	5,016	4,806	5,268	5,172
Americas	3,409	3,662	3,510	3,329	3,193
Africa	171	202	229	237	267
Oceania	183	168	155	143	148
World Total	15,691	16,822	16,692	17,051	18,137

(p) Preliminary data
Source: International Copper Study Group

Corn

Corn is a hardy plant that grows in many different areas of the world, and is a native grain of the American continents. Corn is used primarily as livestock feed; it is also used in alcohol additives for gasoline, adhesives, corn oil for cooking and margarine, sweeteners, and as a food for humans.

World corn production increased 26 per cent. between 2003/04 and 2007/08 to 789 million metric tons. The world's largest corn producers are the US with 42 per cent. of world production in the 2007/08 marketing year, China (19 per cent.), and the EU (6 per cent.).

The following table shows the growth of world corn production between 2003/04 and 2007/08:

Corn production (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
United States	256,278	299,914	282,311	267,598	332,092
China	115,830	130,290	139,365	151,600	151,830
EU-27	47,896	66,468	61,153	53,829	47,324
Brazil	42,000	35,000	41,700	51,000	57,500
Mexico	21,800	22,050	19,500	22,350	22,650
Other countries	143,395	161,121	152,147	165,856	177,754
World Total	627,199	714,843	696,176	712,233	789,150

Source: United States Department of Agriculture

World corn consumption increased 12 per cent. between 2003/04 and 2007/08 to a record high 728 million metric tons. The largest category of usage, aside from animal feed, is for ethanol production (alcohol fuel).

The following table shows the growth of world corn consumption between 2003/04 and 2007/08:

Corn consumption (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
United States	211,644	224,648	231,722	235,596	230,769
China	128,400	131,000	137,000	143,000	145,000
EU-27	55,764	63,200	61,500	59,200	62,300
Brazil	36,300	38,500	39,500	41,500	41,000
Mexico	26,400	27,900	27,900	30,300	30,700
Other countries	190,387	202,748	206,497	213,276	218,606
World Total	648,895	687,996	704,119	722,872	728,375

Source: United States Department of Agriculture

Cotton

Cotton accounts for over 40 per cent. of total world fibre production. It is used in a wide range of products from clothing to home furnishings to medical products. The weight of cotton is typically measured in terms of a "bale", which is deemed to weigh 480 pounds. The value of cotton is determined according to the staple, grade, and character of each bale. Staple refers to short, medium, long, or extra-long fibre length, with medium staple accounting for about 70 per cent. of all US cotton. Grade refers to the colour, brightness, and amount of foreign matter. Character refers to the fibre's diameter, strength, body, maturity (ratio of mature to immature fibres), uniformity, and smoothness.

World cotton production increased 25 per cent. between 2003/04 and 2007/08 to 26 million metric tons. While some 80 countries around the globe produce cotton, China, the US, and India together produce 67 per cent. of the world's cotton. The world's largest cotton producers are China with 30 per cent. of world production in the 2007/08 marketing year, the US (16 per cent.), and India (21 per cent.). Cotton production increased 61 per cent. in China and 77 per cent. in India between 2003/04 and 2007/08.

The following table shows the growth of world cotton production between 2003/04 and 2007/08:

Cotton production (thousand metric tons) (a)					
	2003/04	2004/05	2005/06	2006/07	2007/08
China	4,855	6,532	5,987	7,076	7,795
United States	3,975	5,062	5,201	4,700	4,182
India	3,048	4,137	4,148	4,681	5,400
Pakistan	1,708	2,425	2,213	2,155	1,938
Brazil	1,310	1,285	1,023	1,415	1,557
Other countries	5,865	6,925	6,621	5,744	5,104
World Total	20,761	26,366	25,193	25,771	25,976

(a) Season beginning 1 August.
Source: United States Department of Agriculture

Cotton consumption continues to move toward countries with low wages, where the raw cotton is used to produce textiles and other cotton products. The largest consumers of cotton by market percentage in the 2007/08 marketing year were China (42 per cent.), India (15 per cent.), and Pakistan (10 per cent.). Cotton consumption increased 63 per cent. in China and 36 per cent. in India between 2003/04 and 2007/08, while US consumption decreased 27 per cent. over the same period. The US only consumes 4 per cent. of the cotton it produces.

The following table shows the growth of world cotton consumption between 2003/04 and 2007/08:

Cotton consumption (thousand metric tons) (a)					
	2003/04	2004/05	2005/06	2006/07	2007/08
China	6,967	8,382	9,798	10,886	11,376
India	2,939	3,222	3,592	4,028	4,006
Pakistan	2,090	2,341	2,558	2,569	2,678
United States	1,364	1,457	1,278	1,067	1,002
Turkey	1,306	1,546	1,502	1,568	1,350
Other countries	6,678	6,751	6,562	6,516	6,505
World Total	21,344	23,699	25,290	26,634	26,917

(a) Season beginning 1 August.
Source: United States Department of Agriculture

Crude Oil

According to the Energy Information Administration (EIA), over the past several decades oil has been the world's foremost source of primary energy consumption. Many varieties of crude oil are produced around the world, each with their own price; the characteristics of each variety depend largely on the particular crude oil's geological history. Because there are so many varieties, crude oils are priced and traded relative to well known benchmarks (called markers). Two of these benchmarks dominate world crude oil futures trading, namely Brent Crude, futures contracts for which are traded in London on the ICE Futures Market, and West Texas Intermediate (WTI) Light Sweet Crude, futures contracts for which are traded on NYMEX. Crude oil prices are influenced by a complex interaction of underlying supply and demand factors, political dynamics and increasingly developed spot, term and futures trading. Therefore these prices tend to be highly volatile. The behaviour of the Organization of the Petroleum Exporting Countries (OPEC) is often the key to price developments in the world crude oil market.

Crude oil production averaged approximately 82 million barrels per day between 2003 and 2007, and has grown 6 per cent. over the same period; Russia increased oil production by 17 per cent. over this same period, mostly due to increased investment in domestic energy projects after the downfall of the Soviet Union.

A significant portion of world production, approximately 44 per cent. over the past ten years, has come from OPEC. Whilst production levels affect current oil supply, oil reserves affect future oil supply. OPEC is again a significant factor because it controls the world's excess oil production (i.e. it has most of the world's spare capacity), and at end-2007 it had 76 per cent. of the world's proven crude oil reserves, which stood at approximately 1.2 trillion barrels.

The following table shows the growth of world crude oil production between 2003 and 2007:

Crude oil production (thousand barrels daily)					
	2003	2004	2005	2006	2007
Saudi Arabia	10,164	10,638	11,114	10,853	10,413
Russia	8,544	9,287	9,552	9,769	9,978
United States	7,400	7,228	6,895	6,841	6,879
Iran	4,183	4,308	4,359	4,388	4,401
China	3,401	3,481	3,627	3,684	3,743
Other countries	43,338	45,383	45,708	46,124	46,119
World Total	77,031	80,326	81,255	81,659	81,533
OPEC	31,709	34,183	35,321	35,560	35,204
OPEC %	41%	43%	43%	44%	43%

Source: BP Statistical Review of World Energy June 2008

North America has the highest global consumption of oil per capita at approximately 3.2 gallons per capita per day compared to the world average of 0.5 gallons per day per capita. Western Europe and Asia Pacific are also large consumers of oil. These three areas, North America, Asia Pacific and Western Europe, make up approximately 85 per cent. of the world's oil consumption; China increased oil consumption by 35 per cent. between 2003 and 2007. Demand for crude oil products tends to be seasonal.

The extent of highs and lows for some products is determined primarily by two factors — weather and world economic activity.

The following table shows the growth of world crude oil consumption between 2003 and 2007:

Crude oil consumption (thousand barrels daily)					
	2003	2004	2005	2006	2007
United States	20,033	20,731	20,802	20,687	20,698
China	5,803	6,772	6,984	7,530	7,855
Japan	5,455	5,281	5,358	5,224	5,051
Russia	2,622	2,619	2,601	2,709	2,699
Germany	2,664	2,634	2,605	2,624	2,393
Other countries	42,719	44,075	44,967	45,456	46,524
World Total	79,296	82,111	83,317	84,230	85,220

Source: BP Statistical Review of World Energy June 2008

Gasoline

Gasoline is primarily used as a fuel for internal-combustion engines. Crude oil is the most economical source of gasoline, and refineries turn more than half of every barrel of crude oil into gasoline. The three basic steps to all refining operations are the separation process (separating crude oil into various chemical components), conversion process (breaking the chemicals down into molecules called hydrocarbons), and treatment process (transforming and combining hydrocarbon molecules and other additives). Octane is a measure of a gasoline's ability to resist pinging or knocking noise from the engine. Additional refining steps are needed to increase the octane level, which increases the retail price.

World gasoline production increased 7 per cent. between 2000 and 2004 to 21 million barrels per day. The world's largest regional gasoline producers are North America with 46 per cent. of world production in 2004, Asia & Oceania (18 per cent.), and Europe (18 per cent.). Asia & Oceania's gasoline production grew the most between 2000 and 2004, by 471,000 barrels per day.

The following table shows the growth in world gasoline production between 2000 and 2004:

Gasoline production (thousand barrels daily)					
	2000	2001	2002	2003	2004
North America	9,261	9,131	9,630	9,704	9,935
Asia & Oceania	3,463	3,574	3,607	3,762	3,934
Europe	3,336	3,294	3,367	3,718	3,781
S. & Cent. America	1,587	1,398	1,304	1,286	1,352
Eurasia	1,176	1,279	1,298	1,003	1,069
Middle East	844	848	868	858	954
Africa	443	478	489	480	461
World Total	20,110	20,002	20,563	20,810	21,487

Source: Energy Information Administration, International Energy Annual 2005

World gasoline consumption increased 6 per cent. between 2000 and 2004 to 20 million barrels per day. The world's largest regional gasoline consumers were North America with 50 per cent. of world consumption in 2004, Asia & Oceania (19 per cent.), and Europe (14 per cent.). Asia & Oceania's gasoline consumption grew 12 per cent. between 2000 and 2004.

The following table shows the growth in world gasoline consumption between 2000 and 2004:

Gasoline consumption (thousand barrels daily)					
	2000	2001	2002	2003	2004
North America	9,661	9,813	10,080	10,215	10,432
Asia & Oceania	3,450	3,450	3,553	3,675	3,881
Europe	2,740	2,865	2,825	2,975	2,876
S. & Cent. America	1,365	1,265	1,011	1,051	1,014
Middle East	844	883	912	967	1,075
Eurasia	1,119	1,179	1,190	906	938
Africa	582	614	616	622	651
World Total	19,761	20,069	20,187	20,411	20,866

Source: Energy Information Administration, International Energy Annual 2005

Gold

Three factors set gold apart as an investment from most other commodities: it is indestructible; it is fungible; and the inventory of above-ground stocks is enormous relative to the supply flow. These attributes mean that a sudden surge in gold demand can be met quickly and easily through sales of existing holdings of gold. Additionally, gold's liquidity and responsiveness to price changes differentiates it from other commodities. Gold trading on the global market consists of transactions in spot, forwards, and options and other derivatives on the over-the-counter (OTC) market, together with exchange-traded futures and options. The OTC market trades on a 24-hour per day continuous basis and accounts for most global gold trading.

World gold supply decreased by 10 per cent. between 2003 and 2007 to 3,496 metric tons. The world's largest gold producers are South Africa followed by the U.S. and Australia.

The following table shows the increase in world gold supply between 2003 and 2007:

Gold – Supply (metric tons)					
	2003	2004	2005	2006	2007
Mine production	2,592	2,470	2,548	2,485	2,475
Old gold scrap	943	848	898	1,129	967
Official sector sales	617	469	663	370	501
Net producer hedging	-270	-427	-92	-410	-447
World Total	3,882	3,360	4,017	3,574	3,496

Source: World Gold Council

Gold demand for fabrication in jewellery accounts for the largest percentage, approximately 68 per cent. of world gold demand. World gold demand remained flat between 2003 and 2007, but world gold demand for retail investment increased 98 per cent. over the same period.

The following table shows world gold demand between 2003 and 2007:

Gold – Demand (metric tons)					
	2003	2004	2005	2006	2007
Jewellery	2,477	2,613	2,708	2,284	2,400
Industrial and dental	381	410	432	459	461
Retail investment (coins and small bars)	332	473	593	662	656
World Total	3,190	3,495	3,733	3,405	3,517

Source: World Gold Council

Heating Oil

Heating oil is a heavy fuel oil that accounts for approximately 25 per cent. of the yield from a barrel of crude oil, the second largest cut after gasoline. Heating oil prices are highly correlated with crude oil prices, which make up 42 per cent. of the total cost of heating oil, although heating oil prices are also subject to swift supply and demand shifts due to weather changes or refinery shutdowns. However, the primary use for heating oil is residential space heating.

World heating oil production increased 10 per cent. between 2000 and 2004 to 23 million barrels per day.

Petroleum refineries increase heating oil production in the summer months ahead of the winter heating season to build inventories. The world's largest regional heating oil producers are Europe with 25 per cent. of world production in 2004, Asia & Oceania (21 per cent.), and North America (21 per cent.). Europe's heating oil production grew 13 per cent. between 2000 and 2004, while Asia & Oceania's production increased 13 per cent. over the same period.

The following table shows the growth in world heating oil production between 2000 and 2004:

Heating oil production (thousand barrels daily)					
	2000	2001	2002	2003	2004
Asia & Oceania	5,765	5,961	5,798	6,035	6,540
Europe	5,051	5,117	5,101	5,690	5,687
North America	4,420	4,564	4,461	4,649	4,783
Middle East	1,624	1,754	1,788	1,774	1,881
S. & Cent. America	1,660	1,668	1,608	1,664	1,822
Eurasia	1,798	1,988	1,950	1,546	1,618
Africa	654	701	715	743	731
World Total	20,972	21,752	21,420	22,102	23,061

Source: Energy Information Administration, International Energy Annual 2005

World heating oil consumption increased 11 per cent. between 2000 and 2004 to 22 million barrels per day. There is some seasonality in heating oil consumption, as most of the demand occurs during the winter months: October through March. The world's largest regional heating oil consumers are Asia & Oceania with 29 per cent. of world consumption in 2004, Europe (28 per cent.), and North America (22 per cent.). Asia & Oceania's heating oil consumption grew 12 per cent. between 2000 and 2004.

The following table shows the growth in world heating oil consumption between 2000 and 2004:

Heating oil consumption (thousand barrels daily)					
	2000	2001	2002	2003	2004
Asia & Oceania	5,840	6,050	5,943	6,158	6,547
Europe	5,358	5,576	5,547	6,105	6,230
North America	4,515	4,626	4,548	4,748	4,923
S. & Cent. America	1,422	1,495	1,495	1,512	1,647
Middle East	1,255	1,344	1,284	1,337	1,392
Eurasia	1,229	1,423	1,276	818	855
Africa	750	780	815	905	924
World Total	20,369	21,294	20,907	21,583	22,518

Source: Energy Information Administration, International Energy Annual 2005

Lead

Lead is soft, ductile, and highly resistant to corrosion. It has been used for more than 7,000 years and is easy to extract, usually being found in ore with zinc, silver, and copper. Lead's high corrosion resistance makes it ideal for buildings; the high density makes it an effective barrier to radiation in hospitals and helps reduce noise in factories as well as in ships. More than 50 per cent. of lead's end use is for lead-acid batteries to provide power in vehicles and emergency power. At least three-quarters of all lead used goes into products which are suitable for recycling and the recovery of lead from scrap

requires much less energy than extracting from ore, which is why lead has the highest recycling rate of all the common non-ferrous metals. Over 50 per cent. of lead consumed is derived from recycled or re-used material.

The world's 3 largest lead mine producers are China, Australia, and the U.S., with a share of mine production of 36 per cent., 18 per cent., and 13 per cent., respectively. China increased its mine production significantly in 2003 and became the world's largest lead producer. Between 2002 and 2006 China's output increased by 95 per cent., compared to 22 per cent. for the world. However, mine production in Australia and the U.S., dropped slightly by 6 per cent. and 3 per cent., respectively, during this period.

The following table shows the world lead mine production between 2002 and 2006:

Lead – Mine production (thousand metric tons)					
	2002	2003	2004	2005	2006
China	641	955	997	1,142	1,251
Australia	658	648	642	715	617
United States	449	458	439	432	435
Peru	297	308	306	319	313
Mexico	139	139	118	134	120
Other countries	646	603	627	681	706
World Total	2,830	3,111	3,129	3,423	3,442

Source: Australian Commodity Statistics 2007

The global growth of lead refinery production increased by 19 per cent. from 2002 to 2006; China saw 102 per cent. growth and the U.S. saw a 5 per cent. decrease. China and the U.S. presently account for 50 per cent. of refinery production in the world.

The following table shows the world lead refinery production between 2002 and 2006:

Lead – Refinery production (thousand metric tons)					
	2002	2003	2004	2005	2006
China	1,325	1,564	1,934	2,391	2,680
United States	1,364	1,392	1,262	1,293	1,297
Germany	378	357	411	418	379
United Kingdom	368	320	243	304	298
Japan	286	295	283	275	280
Other countries	2,949	2,834	2,821	2,955	2,984
World Total	6,670	6,762	6,954	7,636	7,918

Source: Australian Commodity Statistics 2007

Lead consumption is concentrated in Asia, which accounts for 47 per cent. of global demand. Europe and America contributed 25 per cent. and 27 per cent. to world consumption, respectively. Due to strong growth in demand from Asia, which increased its demand by 38 per cent. from 2003 to 2006, world lead consumption grew by 18 per cent. during this period.

The following table shows the world lead metal consumption between 2003 and 2006:

Lead – Metal consumption (thousand metric tons)				
	2003	2004	2005	2006
Asia	2,711	3,105	3,533	3,744
America	2,022	2,041	2,132	2,159
Europe	1,932	1,984	2,003	1,979
Africa	116	112	113	111
Oceania	42	40	29	29
Total	6,824	7,282	7,811	8,022

Source: International Lead and Zinc Study Group

Lean Hogs

Hogs are generally bred twice a year in a continuous cycle designed to provide a steady flow of production. The time from birth to slaughter is typically six months. Hogs are ready for slaughter at about 254 pounds, producing an average of 89 pounds of lean meat. The lean meat consists of 21 per cent. ham, 20 per cent. loin, 14 per cent. belly, 3 per cent. spareribs, 7 per cent. butt roast and blade steaks, and 10 per cent. picnic, with the remaining 25 per cent. going into miscellaneous cuts and trimmings. Hogs are produced in three types of operations: feeder pig producers raise pigs from birth to about 10-60 pounds, and feeder pig finishers grow them to slaughter weight; alternatively, farrow-to-finish operations raise hogs from birth to slaughter weight.

Pork production benefits from its role as a substitute for animal protein when trade in beef and poultry declines due to disease-related bans. World pork production increased 6 per cent. between 2003 and 2007 to 96 million metric tons. The world's largest pork producers are China with 46 per cent. of world production in 2007, the EU (24 per cent.), and the US (10 per cent.). China's pork production decreased 2 per cent. between 2003 and 2007.

The following table shows the growth of world pork production between 2003 and 2007:

Pork production (thousand metric tons)					
	2003	2004	2005	2006	2007 (p)
China	45,186	47,016	50,106	48,700	44,200
EU-27	21,150	21,192	21,101	21,791	22,600
United States	9,056	9,312	9,392	9,559	9,962
Brazil	2,560	2,600	2,710	2,830	2,990
Canada	1,882	1,936	1,914	1,898	1,850
Other countries	10,654	10,745	10,913	13,593	14,056
World Total	90,488	92,801	96,136	98,371	95,658

(p) Preliminary data
Source: United States Department of Agriculture

World pork consumption increased 6 per cent. between 2003 and 2007 to 96 million metric tons. China's pork consumption decreased 2 per cent. over the same period. The world's largest pork consumers are China with 46 per cent. of world consumption in 2007, the EU (22 per cent.), and the US (9 per cent.).

The following table shows the growth of world pork consumption between 2003 and 2007:

Pork consumption (thousand metric tons)					
	2003	2004	2005	2006	2007 (p)
China	45,054	46,648	49,703	48,246	44,048
EU-27	20,043	19,773	19,768	20,631	21,257
United States	8,816	8,817	8,669	8,640	8,964
Japan	2,373	2,562	2,507	2,452	2,472
Russia	2,420	2,337	2,476	2,639	2,803
Other countries	11,591	12,002	12,081	15,530	15,970
World Total	90,297	92,139	95,204	98,138	95,514

(p) Preliminary data
Source: United States Department of Agriculture

Live Cattle

The cattle and beef industry is divided into two production sectors: cow-calf operations and cattle feeding. Cow-calf operations — The cattle and beef industry begins with the cow-calf operation, which breeds the new calves. Cow-calf operations are typically located on land not suited or needed for crop production. These operations are dependent upon range and pasture forage conditions, which are in turn dependent upon variations in the average level of rainfall and temperature for the area. Herds of cows are bred in the summer, thus producing the new crop of calves in spring. Calves are weaned from

the mother after 6-8 months; they spend the next 6-10 months in a “stocker” operation where they grow to 600-800 pounds or near full-size, after which point they are sent to a feedlot and become “feeder cattle”.

Cattle feedlots — Cattle feedlots produce high-quality beef by feeding grain and other concentrates for about five months. The animal is considered “finished” when it reaches full weight and is ready for slaughter, typically around 1,200 pounds, and then is sold for slaughter to a meat packing plant.

World beef and veal production increased 21 per cent. between 2003 and 2007 to 60 million metric tons. The world’s largest beef and veal producers are the US with 20 per cent. of world production in 2007, Brazil (16 per cent.), and the EU (14 per cent.). Disease outbreaks and their resulting trade restrictions have impacted traditional beef trading relationships. While this generated negative consequences for certain suppliers, it also created new market opportunities for rising producers and other meats like pork. Brazil and Argentina only accounted for 19 per cent. of beef and veal production among major traders in 2002, but are forecast to account for over 20 per cent. of production in the future. Brazil’s production of beef and veal increased 28 per cent. and China’s increased 19 per cent. between 2003 and 2007, while US and EU production remained constant over the same period.

The following table shows the growth of world beef and veal production between 2003 and 2007:

Beef and veal production (thousand metric tons)					
	2003	2004	2005	2006	2007 (p)
United States	12,039	11,261	11,318	11,981	12,096
Brazil	7,385	7,975	8,592	9,020	9,470
EU-27	8,061	8,007	7,848	8,150	8,175
China	6,305	6,759	7,115	7,050	7,480
Argentina	2,800	3,130	3,200	3,100	3,200
Other countries	13,505	14,195	14,381	20,119	20,002
World Total	50,095	51,327	52,454	59,420	60,423

(p) Preliminary data
Source: United States Department of Agriculture

World beef and veal consumption increased 22 per cent. to 60 million metric tons between 2003 and 2007, China’s beef and veal consumption increased 18 per cent. over the same period. The key consumers of beef and veal are the US, the EU, China, and Brazil.

The following table shows world beef and veal consumption between 2003 and 2007:

Beef and veal consumption (thousand metric tons)					
	2003	2004	2005	2006	2007 (p)
United States	12,340	12,667	12,663	12,834	12,830
EU-27	8,315	8,292	8,194	8,649	8,674
China	6,274	6,703	7,026	6,967	7,404
Brazil	6,273	6,400	6,774	6,964	7,311
Mexico	2,308	2,368	2,419	2,519	2,568
Other countries	13,539	13,445	13,775	13,792	-25,957
World Total	49,049	49,875	50,851	58,711	59,985

(p) Preliminary data
Source: United States Department of Agriculture

Natural Gas

Natural gas is a fossil fuel in gaseous form that is colourless, shapeless, and odourless in its pure form. It is a mixture of hydrocarbon gases formed primarily of methane; it is combustible, clean burning, and gives off a great deal of energy. Natural gas is produced from wells around the world and it is normally transported via pipeline. When pipeline transport is not feasible (e.g. over long distances), the natural gas is turned into a liquid (also called “Liquefied Natural Gas” or LNG) by super-cooling and transported as a liquid on tankers before being warmed up and turned into a gas upon arrival at the delivery port.

Natural gas is used primarily for heating and generating electricity by industries such as pulp and paper, metals, chemicals, petroleum refining, stone, clay and glass, plastic, and food processing.

World natural gas production increased 12 per cent. between 2003 and 2007 to 3 trillion cubic metres. Since 1984, world natural gas reserves have almost doubled to 180 trillion cubic metres, mainly in Russia and the Middle East. The world's largest natural gas producers are Russia with 21 per cent. of world production in 2007, and the US (19 per cent.).

The following table shows the growth of world natural gas production between 2003 and 2007:

Natural gas production (billion cubic metres)					
	2003	2004	2005	2006	2007
Russia	579	591	598	612	607
United States	541	526	511	523	546
Canada	185	184	187	188	184
United Kingdom	103	96	88	80	72
Iran	82	92	101	109	112
Other countries	1,130	1,214	1,290	1,360	1,419
World Total	2,619	2,704	2,775	2,872	2,940

Source: BP Statistical Review of World Energy June 2008

World natural gas consumption increased 13 per cent. between 2003 and 2007 to 3 trillion cubic metres, closely in line with production. The world's largest natural gas consumers are the US with 22 per cent. of world consumption in 2007 and Russia (15 per cent.).

The following table shows the growth of world natural gas consumption between 2003 and 2007:

Natural gas consumption (billion cubic metres)					
	2003	2004	2005	2006	2007
United States	631	634	623	613	653
Russia	393	402	405	432	439
United Kingdom	95	97	95	90	91
Canada	98	95	98	97	94
Iran	83	93	102	109	112
Other countries	1,291	1,367	1,441	1,493	1,533
World Total	2,591	2,689	2,765	2,834	2,922

Source: BP Statistical Review of World Energy June 2008

Nickel

Nickel is a hard, malleable, ductile metal that can take on a high polish. Nickel is also a fair conductor of heat and electricity. Approximately 65 per cent. of nickel is used to manufacture stainless steel and 20 per cent. in other steel and non-ferrous (including "super") alloys, often for highly specialised industrial, aerospace and military applications. About 9 per cent. is used in plating, and 6 per cent. in other uses including coins and a variety of nickel chemicals (e.g. rechargeable batteries). Nickel plating techniques are employed in applications such as turbine blades, helicopter rotors, extrusion dies, and rolled steel strip.

World mine production of nickel increased 20 per cent. between 2002 and 2006 to 1.5 million metric tons. The world's largest mine producers of nickel are Russia with 19 per cent. of world production in 2006, Australia (13 per cent.), Canada (16 per cent.), and Indonesia (10 per cent.). Indonesia's mine production of nickel increased 23 per cent. between 2002 and 2006, while Russia's increased 18 per cent. over the same period.

World refinery production of nickel increased 15 per cent. between 2002 and 2006 to 1.4 million metric tons. The world's largest refinery producers of nickel are the EU with 37 per cent. of world production in 2006, Japan (11 per cent.), Canada (11 per cent.), and Australia (9 per cent.).

The following tables show the growth of world nickel mine and refinery production between 2002 and 2006:

Nickel – Mine production (thousand metric tons)					
	2002	2003	2004	2005	2006
Russia	235	240	264	280	277
Australia	188	191	187	189	185
Canada	189	163	187	198	234
Indonesia	122	144	143	150	150
New Caledonia	100	112	118	112	103
Other countries	394	425	429	457	526
World Total	1,228	1,275	1,327	1,386	1,474

Source: Australian Commodity Statistics 2007

Nickel – Refinery production (thousand metric tons)					
	2002	2003	2004	2005	2006
Europe	434	451	469	486	500
Japan	158	165	170	166	153
Canada	145	124	152	140	154
Australia	132	116	123	127	117
China	54	65	73	98	136
Other countries	259	271	267	277	293
World Total	1,180	1,192	1,252	1,293	1,352

Source: Australian Commodity Statistics 2007

World refined nickel consumption increased 19 per cent. between 2002 and 2007 to 1.4 million metric tons. The world's largest refined nickel consumers are the EU with 35 per cent. of world consumption in 2006, Japan (13 per cent.), and China (18 per cent.). China's refined nickel consumption increased 172 per cent. between 2002 and 2006.

The following table shows the growth of world refined nickel consumption between 2002 and 2006:

Nickel – Refined consumption (thousand metric tons)					
	2002	2003	2004	2005	2006
Europe	476	461	454	449	488
Japan	191	193	193	173	183
China	94	125	150	189	255
United States	121	118	129	135	145
Korea	83	98	103	100	93
Other countries	210	224	224	197	232
World Total	1,175	1,219	1,253	1,243	1,396

Source: Australian Commodity Statistics 2007

Platinum

Platinum is soft, with a high resistance to corrosion and a high melting point, and is the most dense metal known. It is also a good oxidation catalyst, conductive and oxidation resistant. Traditionally, platinum is mainly used for jewellery, industrial usage, and autocatalysts. Recently, investment demand for platinum has increased due to the creation of physical platinum backed exchange traded funds. Platinum together with palladium are the major metals used in gasoline and diesel autocatalysts. Other industrial demands include chemical, electrical, petroleum, glass, and dental uses.

Platinum production is concentrated in South Africa, which accounts for 77 per cent. of world production, followed by Russia, which contributes 14 per cent. of world production. Overall, South Africa and Russia account for 91 per cent. of world platinum output, therefore the activities of these two countries are essential to platinum's outlook. From 2003 to 2007, South Africa increased its output by

9 per cent. while Russia decreased its by 13 per cent. North America also saw an increase in output of 10 per cent., although it only accounts for 5 per cent. of world production.

The following table shows the world platinum production between 2003 and 2007:

Platinum production (thousand oz)					
	2003	2004	2005	2006	2007
South Africa	4,630	5,010	5,115	5,290	5,035
Russia	1,050	845	890	890	910
North America	295	385	365	345	325
Other countries	225	250	270	270	280
World Total	6,200	6,490	6,640	6,795	6,550

Source: Johnson Matthey Platinum 2008

Autocatalysts and jewellery account for 48 per cent. and 23 per cent., respectively, of platinum demand. Industrial uses, including chemical, glass, and electrical uses, account for 18 per cent. of total demand. Investment demand for platinum saw a significant increase by 1,033 per cent. between 2003 and 2007, but still only accounts for 2 per cent. of world demand. Growth in autocatalyst demand for platinum was relatively steady between 2003 and 2007, growing around 27 per cent., compared to demand growth for petroleum and industrial uses which grew by 71 per cent. and 58 per cent., respectively.

The following table shows the world platinum demand between 2003 and 2007:

Platinum – Demand (thousands of ounces)					
	2003	2004	2005	2006	2007
Autocatalyst:	2,625	2,800	3,025	3,285	3,335
Chemical	320	325	325	380	390
Electrical	260	300	360	400	425
Glass	210	290	360	410	430
Investment:	15	45	15	-40	170
Jewellery	2,510	2,160	1,965	1,620	1,585
Petroleum	120	150	170	185	205
Other	470	470	475	490	490
Total	6,530	6,540	6,695	6,730	7,030

Source: Johnson Matthey Platinum 2008

Silver

Silver has been used for thousands of years in ornaments and utensils, for trade, and as the basis for many monetary systems. It is the most malleable and ductile of all metals with the exception of gold, and conducts heat and electricity better than any other metal. It is not very chemically active, although tarnishing occurs when sulphur and sulphides attack silver. Because silver is too soft in its pure form, a hardening agent, usually copper, is mixed into the silver. Most silver emerges as a by-product from mining; only 30 per cent. of output comes from mines where the main source of revenue is silver (primary silver mine). The term “sterling silver” means silver that contains at least 925 parts of silver per thousand (92.5 per cent.) to 75 parts of copper (7.5 per cent.). Silver is used for jewellery, photography, electrical appliances, glass, and as an antibacterial agent for the health industry. Silver has never really enjoyed the safe haven’ status that gold possesses. However, its link to gold and the base metals meant that silver was often attractive for speculators, since it was perceived to behave in a similar way to these other markets.

Mine production is the largest component of silver supply (usually two-thirds of the total). World silver supply increased 2 per cent. between 2003 and 2007 to 895 million troy ounces. The world’s largest mine producers of silver are Mexico, Peru, Australia and China.

The following table shows the increase in world silver supply between 2003 and 2007:

Silver – Supply (million ounces)					
	2003	2004	2005	2006	2007
Mine production	601	622	646	646	671
Net government sales	89	62	66	77	42
Old silver scrap	184	182	186	188	182
Producer hedging	–	10	28	–	–
Implied net disinvestment	–	–	–	–	–
World Total	873	875	926	911	895

Source: The Silver Institute

Silver demand for fabrication accounts for the largest percentage of world silver consumption. The largest demand for silver consumption comes from industrial applications with 51 per cent. of total consumption, followed by jewellery and silverware (25 per cent.), and photographic materials (14 per cent.).

The following table shows world silver demand between 2003 and 2007:

Silver – Demand (million ounces)					
	2003	2004	2005	2006	2007
<i>Fabrication</i>					
Industrial applications	350	367	405	425	455
Photography	193	179	160	144	128
Jewellery & silverware	263	242	242	228	222
Coins & metals	36	42	40	40	38
Total Fabrication	842	831	847	836	844
Net government purchases	–	–	–	–	–
Producer de-hedging	21	–	–	7	25
Implied net investment	11	44	78	71	26
World Total	873	875	925	914	894

Source: The Silver Institute

Soybean Oil

Soybean oil is the natural oil extracted from whole soybeans; approximately 19 per cent. of a soybean's weight can be extracted as crude soybean oil. It is mainly used in salad and cooking oil, bakery shortening, and margarine, as well as in a number of industrial applications, primarily because soy oil is cholesterol-free and high in polyunsaturated fat. Soybean oil is also used to produce inedible products such as paints, varnish, resins, and plastics. Worldwide, soybean oil is still the largest source of vegetable oil.

World soybean oil production increased 27 per cent. between 2003/04 and 2007/08 to a record high 38 million metric tons. The world's largest soybean oil producers are the US with 25 per cent. of world production in the 2007/08 marketing year, China (18 per cent.), and Argentina (18 per cent.). China's soybean oil production increased 52 per cent. between 2003/04 and 2007/08, while Argentina's increased 48 per cent. over the same period.

The following table shows the growth of world soybean oil production between 2003/04 and 2007/08:

Soybean oil production (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
United States	7,748	8,781	9,247	9,294	9,605
China	4,535	5,421	6,149	6,340	6,895
Argentina	4,626	5,088	5,950	6,424	6,852
Brazil	5,588	5,615	5,430	5,950	6,225
EU-27	2,531	2,545	2,419	2,640	2,510
Other countries	5,017	5,051	5,289	5,783	6,966
World Total	30,045	32,501	34,484	36,431	38,053

Source: United States Department of Agriculture

World soybean oil consumption increased 26 per cent. between 2003/04 and 2007/08 to 38 million metric tons. The world's largest soybean oil consumers are China with 26 per cent. of world consumption in the 2007/08 marketing year, the US (22 per cent.), and Brazil (10 per cent.). China's soybean oil consumption increased 38 per cent. between 2003/04 and 2007/08.

The following table shows the growth of world soybean oil consumption between 2003/04 and 2007/08:

Soybean oil consumption (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
China	7,157	7,203	7,607	8,600	9,855
United States	7,650	7,910	8,146	8,426	8,300
Brazil	2,954	3,115	3,133	3,490	3,870
EU-27	2,107	2,178	2,869	3,360	3,140
India	1,885	2,627	2,966	2,598	2,436
Other countries	15,408	15,830	16,460	17,723	19,945
World Total	30,004	31,660	33,574	35,597	37,691

Source: United States Department of Agriculture

Soybeans

Soybeans are used to produce a wide variety of food products because of their high protein content without many of the negative factors of animal meat. Processed soybeans are the largest source of protein feed and vegetable oil in the world. Soybean meal is the most valuable component obtained from processing the soybean, ranging from 50 per cent. to 75 per cent. of its value. Livestock feeds account for 98 per cent. of soybean meal consumption, with the remainder used in human foods such as bakery ingredients and meat substitutes. Popular soy-based food products include whole soybeans, soy oil for cooking and baking, soy flour, protein concentrates, isolated soy protein, soy milk and baby formula, soy yogurt, soy cheese, soy nut butter, soy sprouts, tofu and tofu products, soy sauce, and meat alternatives.

World soybean production increased 17 per cent. between 2003/04 and 2007/08 to 218 million metric tons. The world's largest soybean producers are the US with 32 per cent. of world production in the 2007/08 marketing year, Brazil (28 per cent.), and Argentina (21 per cent.). Argentina's soybean production increased 41 per cent. between 2003/04 and 2007/08, while Brazil's increased 20 per cent. over the same period.

The following table shows the growth of world soybean production between 2003/04 and 2007/08:

Soybean production (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
United States	66,778	85,013	83,368	86,770	70,358
Brazil	51,000	53,000	57,000	59,000	61,000
Argentina	33,000	39,000	40,500	48,800	46,500
China	15,394	17,400	16,350	15,200	13,500
India	6,800	5,850	7,000	7,690	9,300
Other countries	13,559	15,458	16,338	19,101	17,573
World Total	186,531	215,721	220,556	236,561	218,231

Source: United States Department of Agriculture

World soybean consumption (the majority of which is in the form of crushed soybeans or “crush”) increased 25 per cent. between 2003/04 and 2007/08 to 204 million metric tons. The world’s largest soybean crush consumers are the US with 24 per cent. of world consumption in the 2007/08 marketing year and China (19 per cent.). China’s soybean crush consumption increased 52 per cent. between 2003/04 and 2007/08, while Argentina’s increased 43 per cent. over the same period.

The following table shows the growth of world soybean crush consumption between 2003/04 and 2007/08:

Soybean consumption – crush (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
United States	41,632	46,160	47,324	49,198	49,805
China	25,439	30,362	34,500	35,477	38,600
Argentina	25,021	27,313	31,886	33,586	35,800
Brazil	29,323	29,252	28,285	31,110	32,500
EU-27	14,084	14,222	13,529	14,670	13,940
Other countries	28,171	28,313	29,580	32,145	33,139
World Total	163,670	175,622	185,104	196,186	203,784

Source: United States Department of Agriculture

Sugar

Sugar, also known as sucrose, is a member of the larger group of compounds called carbohydrates, and is characterised by a sweet taste. Sucrose occurs in the highest concentration in sugar cane and sugar beets, which are produced in over 100 countries around the world. About 75 per cent. of all sugar produced is processed from sugar cane, and the remainder from sugar beets. Raw sugar and refined sugar are two different products that are both traded internationally. Sugar beet producing countries export refined sugar, while sugar cane producing countries export either raw or refined sugar.

World sugar production increased 16 per cent. between 2003/04 and 2007/08 to 165 million metric tons. Only 30 per cent. of the world’s production is traded freely, with the world’s largest sugar producers being Brazil with 19 per cent. of world production in the 2007/08 marketing year, the EU (11 per cent.), and India (17 per cent.). Brazil’s sugar production increased 22 per cent. between 2003/04 and 2007/08, while India’s increased by 91 per cent. over the same period.

The following table shows the growth in world sugar production between 2003/04 and 2007/08:

Sugar production (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
Brazil	26,400	28,175	26,850	31,450	32,100
EU-27	17,132	21,825	21,373	17,757	17,740
India	15,150	14,210	21,140	30,780	28,930
China	10,734	9,826	9,446	12,855	14,500
Australia	5,178	5,388	5,297	4,822	5,031
Other countries	67,806	61,387	60,809	66,519	67,186
World Total	142,400	140,811	144,915	164,183	165,487

Source: United States Department of Agriculture

World sugar consumption increased 13 per cent. between 2003/04 and 2007/08 to 156 million metric tons. The world's largest sugar consumers are India with 15 per cent. of world consumption in the 2007/08 marketing year, the EU (13 per cent.), and China (9 per cent.). China's sugar consumption increased 23 per cent. between 2003/04 and 2007/08, while the EU's increased 41 per cent. over the same period.

The following table shows the growth in world sugar consumption between 2003/04 and 2007/08:

Sugar consumption (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
India	18,810	19,500	20,070	22,113	23,200
EU-27	14,358	17,626	16,824	19,916	20,300
China	11,600	11,600	11,200	13,000	14,300
Brazil	10,400	10,600	10,630	10,800	11,400
United States	8,971	9,269	9,320	9,075	9,467
Other countries	74,510	72,461	74,361	75,956	77,599
World Total	138,649	141,056	142,405	150,860	156,266

Source: United States Department of Agriculture

Tin

Tin has been used in the production of bronze for at least 5,500 years. Tin is soft, pliable, resistant to corrosion and does not easily oxidise in the air. Therefore, it is widely used to coat other metals. The other important properties of tin are its low melting point, attractive appearance and the ability to readily form alloys with most other metals to create useful materials. Because of the softness of tin, it is seldom used in its pure form and is mainly combined with other metals. The end uses of tin are mainly solders (50 per cent.), tinplate (18 per cent.), and chemicals (14 per cent.)

Tin mine production occurs mainly in Asia and Latin America, with 36 per cent. of production occurring in Indonesia, 35 per cent. in China and 12 per cent. in Peru. World production grew by 31 per cent. between 2002 and 2006; Indonesia saw the largest increase in production of 50 per cent., followed by China and Bolivia at 41 per cent. and 32 per cent., respectively.

The following table shows world tin mine production between 2002 and 2006:

Tin – Mine production (metric tons)					
	2002	2003	2004	2005	2006
Indonesia	78,567	64,026	78,400	120,000	117,500
China	81,000	101,807	118,200	121,592	114,282
Peru	38,815	40,200	41,600	42,100	38,500
Bolivia	13,210	16,390	18,115	18,696	17,381
Brazil	12,023	16,390	12,202	11,739	11,736
Other countries	23,417	16,761	22,079	26,773	25,045
World Total	247,032	255,574	290,596	340,900	324,444

Source: Australian Commodity Survey 2007

In terms of smelter production, four of the top five producers are Asian countries, totalling 75 per cent. of world output. Peru is the largest smelter producer outside Asia, accounting for 11 per cent. of world output. China expanded its smelter production by 68 per cent. from 2002 to 2006, Indonesia by 11 per cent., Malaysia by 4 per cent., and Thailand by 62 per cent. Peru saw an increase of 13 per cent. during this period.

The following table shows the world tin smelter production between 2002 and 2006:

Tin – Smelter production (metric tons)					
	2002	2003	2004	2005	2006^e
China	82,000	98,000	115,000	122,000	138,000
Indonesia	67,455	66,284	49,872	65,300	75,000
Malaysia	30,887	18,250	33,914	36,924	32,000
Peru	35,828	39,181	41,613	36,733	40,405
Thailand	17,548	15,400	20,800	29,400	28,500
Other countries	46,515	43,168	48,137	53,643	52,095
World Total	280,233	280,283	309,336	344,000	366,000

(e) Estimated data
Source: United States Geological Survey

China is the biggest consumer of refined tin, representing 34 per cent. of world consumption, followed by Europe (20 per cent.), US (12 per cent.) and Japan (10 per cent.). Between 2003 and 2007, China increased its refined tin consumption by 81 per cent., exceeding Japan, which experienced the second largest growth in consumption at 28 per cent. Global growth in consumption was 30 per cent.

The following table shows the world refined tin consumption between 2003 and 2007:

Tin – Refined consumption (thousand of tonnes)					
	2003	2004	2005	2006^(e)	2007^(f)
China	72	90	103	123	130
Japan	29	33	33	37	37
Other Asia	58	61	66	67	70
USA	45	54	42	46	48
Europe	70	68	66	72	75
Other countries	23	22	22	22	25
World Total	297	328	332	367	385

(e) Estimated data
(f) Forecast data
Source: ITRI

Wheat

Wheat is a cereal grass that has been grown in temperate regions and cultivated for food since prehistoric times; it is currently widely produced across the world. Wheat is used mainly as a human food and supplies about 20 per cent. of the food calories for the world's population. The primary use for wheat is flour, but it is also used in brewing and distilling, and to make oil, gluten, straw for livestock bedding, livestock feed, hay or silage, newsprint, and other products.

Most wheat varieties grown today belong to the broad category of common or bread wheat, which accounts for approximately 95 per cent. of world wheat production. The remaining 5 per cent. of world wheat production is durum wheat used to produce pasta and couscous.

World wheat production increased 10 per cent. between 2003/04 and 2007/08 to 610 million metric tons in the 2007/08 marketing year. The world's largest wheat producers are the EU with 20 per cent. of world production in 2007/08, China (18 per cent.), and India (12 per cent.).

The following table shows the growth in world wheat production between 2003/04 and 2007/08:

Wheat production (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
EU-27	110,578	146,878	132,356	124,839	119,251
China	86,490	91,950	97,450	108,470	109,860
India	65,100	72,150	68,640	69,350	75,810
United States	63,814	58,738	57,280	49,316	56,247
Russia	34,100	45,400	47,700	44,900	49,400
Other countries	194,823	212,904	219,213	172,398	199,969
World Total	554,905	628,020	622,639	569,273	610,537

Source: United States Department of Agriculture

World wheat consumption increased 6 per cent. between 2003/04 and 2007/08 to 622 million metric tons. The world's largest wheat consumers are the EU with 19 per cent. of world consumption in the 2007/08 marketing year, China (17 per cent.), and India (12 per cent.). China's wheat consumption remains flat between 2003/04 and 2007/08.

The following table shows the growth in world wheat consumption between 2003/04 and 2007/08:

Wheat consumption (thousand metric tons)					
	2003/04	2004/05	2005/06	2006/07	2007/08
EU-27	115,095	123,220	127,525	125,500	118,465
China	104,500	102,000	101,000	102,000	104,000
India	68,258	72,838	69,971	73,358	75,850
Russia	35,500	37,400	38,400	36,400	38,200
United States	32,507	31,823	31,191	31,039	29,005
Other countries	232,819	242,237	256,402	248,600	256,550
World Total	588,679	609,518	624,489	616,897	622,070

Source: United States Department of Agriculture

Zinc

Zinc is the 24th most abundant element in the earth's crust. Zinc is never found in its pure state, but is rather produced from ores (primary zinc), or from scrap and residues (secondary zinc). Approximately three quarters of all zinc is consumed as metal, mainly as a coating to protect iron and steel from corrosion (galvanised metal), as alloying metal to make bronze and brass, as zinc-based die casting alloy, and as rolled zinc. The remaining quarter is consumed as zinc compounds mainly in the negative electrode in dry cell (flashlight) batteries, in the zinc-mercuric-oxide battery cell typically used in watches, cameras, and other electronic devices, and as an antiseptic ointment in medicine. Zinc is also a necessary element for proper growth and development of humans, animals, and plants; it is the second most common trace metal, after iron, found naturally in the human body.

World mine production of zinc increased 16 per cent. between 2002 and 2006 to a record high of 10 million metric tons. The world's largest regional mine producer of zinc is Asia with 41 per cent. of world production. Asia's mine production of zinc increased 66 per cent. between 2002 and 2006, while America's decreased 10 per cent. over the same period.

World metal production of zinc increased 6 per cent. between 2002 and 2006 to 10 million metric tons. The world's largest regional metal producer of zinc is Asia with 51 per cent. of world production. Asia's metal production of zinc increased 24 per cent. between 2002 and 2006, while Europe's decreased 14 per cent. over the same period.

The following tables show the growth in world zinc mine and metal production between 2002 and 2006:

Zinc – Mine production (thousand metric tons)					
	2002	2003	2004	2005	2006
Asia	2,549	3,057	3,507	3,832	4,220
America	3,759	3,744	3,568	3,496	3,398
Oceania	1,444	1,447	1,007	1,057	1,321
Europe	910	1,013	1,007	1,057	1,035
Africa	242	258	352	414	376
World Total	8,904	9,519	9,732	10,128	10,350

Source: International Lead and Zinc Study Group

Zinc – Metal production (thousand metric tons)					
	2002	2003	2004	2005	2006
Asia	4,189	4,450	4,906	5,057	5,212
Europe	2,904	2,744	2,720	2,559	2,498
America	1,903	1,936	1,993	1,883	1,845
Oceania	567	553	474	457	463
Africa	147	197	260	274	255
World Total	9,710	9,880	10,353	10,230	10,273

Source: International Lead and Zinc Study Group

World zinc metal consumption increased 18 per cent. between 2002 and 2006 to 11 million metric tons. The world's largest regional zinc metal consumer is Asia with 52 per cent. of world consumption in 2006, followed by Europe (25 per cent.). Asia's zinc metal consumption increased 39 per cent. between 2002 and 2006.

The following table shows the growth in world zinc metal consumption between 2002 and 2006:

Zinc – Metal consumption (thousand metric tons)					
	2002	2003	2004	2005	2006
Asia	4,147	4,664	5,245	5,572	5,781
Europe	2,754	2,780	2,837	2,683	2,755
America	2,023	1,958	2,126	1,901	2,035
Oceania	266	267	263	253	273
Africa	187	173	194	204	199
World Total	9,377	9,842	10,665	10,616	11,043

Source: International Lead and Zinc Study Group

Futures Markets

Futures contracts are typically traded on organised exchanges in a wide variety of physical commodities (including petroleum products, metals, and grains) and financial instruments (such as stocks, bonds, and currencies). They are traded in two ways: either in an open outcry environment or through an electronic trading platform.

Futures contracts have standardised terms that are determined by the exchange, rather than by market participants. Standardised terms include: the amount of the commodity to be delivered (the contract size), delivery months, the last trading day, the delivery location or locations, and acceptable qualities or grades of the commodity. This standardisation enhances liquidity, by making it possible for large numbers of market participants to trade the same instrument. Most futures contracts (by volume) are liquidated prior to expiry to avoid physical delivery. The purpose of the physical delivery provision is to ensure convergence between the futures price and the cash market price (however some futures are only cash settled).

Futures trades that are made on an exchange are cleared through a clearing organisation (clearing house), which acts as the buyer to all sellers and the seller to all buyers. When an investor buys or sells a futures contract, they are technically buying from, or selling to, the clearing organisation rather than the party with whom they executed the transaction on the trading floor or through an electronic trading platform.

Futures traders are not required to put up the entire value of a contract. Rather, they are required to post a margin that is typically between 2 per cent. and 10 per cent. of the total value of the contract. Thereafter, the position is “marked to the market” daily. If the futures position loses value, the amount of money in the margin account will decline accordingly. If the amount of money in the margin account falls below the specified maintenance margin, the futures trader will be required to post additional margin to bring the account up the initial margin level. On the other hand, if the futures position is profitable, the profits will be added to the margin account. Because only a margin is required, this is known as an un-collateralised position. If 100 per cent. margin is deposited (earning interest), then this is known as a fully collateralised position and the return is known as a Total Return.

Futures exchanges and clearing houses in the United States are subject to regulation by the Commodity Futures Trading Commission (CFTC). Exchanges may adopt rules and take other actions that affect trading, including imposing speculative position limits, maximum price fluctuations and trading halts and suspensions, and requiring liquidation of contracts in certain circumstances.

Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities. The structure and nature of trading on non-U.S. exchanges, however, may differ from this description.

Exchanges

CBOT (Chicago Board of Trade, now merged with CME)

CBOT is a leading futures and futures-options exchange located in Chicago. In its early history, the CBOT traded only agricultural commodities such as corn, wheat, oats and soybeans. Futures contracts at the Exchange evolved over the years to include non-storable agricultural commodities and non-agricultural products, including U.S. Treasury bonds and notes, 30-Day Federal Funds, stock indexes, and swaps. In 2007, CBOT merged with the Chicago Mercantile Exchange (“CME”), becoming the world’s largest financial exchange market.

CME (Chicago Mercantile Exchange)

CME is the largest futures exchange in the United States, and also owns and operates the largest futures clearing house in the world. CME products fall into five major areas: interest rates, equities, foreign exchange, agricultural commodities and alternative investments. Two forums are available for trading CME products: the long-standing open outcry trading floors and an electronic trading platform. The CME Clearing House guarantees, clears and settles every contract traded through the CME. In 2007, the CME merged with the Chicago Board of Trade (“CBOT”), becoming the world’s largest financial exchange market.

LME (London Metal Exchange)

LME is the world’s largest futures exchange for base and other metals. LME allows for cash trading, and offers hedging, worldwide reference pricing and storage for physical delivery of trades. Eleven companies have exclusive rights to trade by open outcry, and approximately 100 companies trade inter-office through the London Clearing House, which also clears London Stock Exchange trading. Trades

are in futures, options and TAPOs (traded average price contracts, a form of Asian option). Commodities traded on LME include aluminium, copper, zinc, lead, nickel, tin, and aluminium alloy.

NYBOT (New York Board of Trade, now acquired by ICE)

NYBOT is a physical commodity futures exchange located in New York City. Its two principle divisions are the New York Coffee Sugar and Cocoa Exchange ("**CSCE**") and the New York Cotton Exchange ("**NYCE**"). In January 2007 NYBOT was acquired by Intercontinental Exchange ("**ICE**").

NYMEX (The New York Mercantile Exchange, Inc.)

NYMEX, or The New York Mercantile Exchange, Inc., is the world's largest physical commodity futures exchange located in New York City. The exchange handles billions of dollars worth of energy products, metals, and other commodities being traded by open auction and electronically. Trading is conducted through two divisions, the NYMEX Division, home to the energy, platinum, and palladium markets; and the COMEX Division, on which all other metals trade.

PART 9

GLOBAL BEARER CERTIFICATES

The following is a non-binding English language translation of the form of Global Bearer Certificates. The definitive German language text, of which the following is a direct translation, of the form of the Global Bearer Certificates and the Conditions of the Global Bearer Certificates is set out in Annexes 1 and 2 of this document.

Model Form of Global Bearer Certificate (non-binding translation)

Global Bearer Certificate

for

● registered [see Annex 1] [class of Individual/category of Index] Securities

of

ETFs Commodity Securities Limited

Ordnance House, 31 Pier Road, St Helier, Jersey, Channel Islands, JE4 8PW

divided into securities with a principal amount of ● [see Annex 1] each

As underlying stock for this Global Bearer Certificate the Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (hereinafter referred to as "Clearstream"), is holding ● registered [see Annex 1] [class of Individual/category of Index] Securities (hereinafter referred to as "Notes") of ETFs Commodity Securities Limited, Jersey, Channel Islands (hereinafter referred to as the "Company") constituted by a Trust Instrument dated 21 September 2006 between the Company and The Law Debenture Trust Corporation p.l.c. (hereinafter referred to as the "Trust Instrument") and secured as described therein and divided into securities with a principal amount of ● [see Annex 1] each, registered in the name of Vidacos Nominees Limited, London, England, and held in a special Safe Custody Account with Citibank N.A., London, England. Each co-owner of this Global Bearer Certificate is entitled to demand at any time from Clearstream to arrange for the delivery and registration in the relevant Register of Security Holders, in his name or in the name of a third party designated by him of such number of Notes as corresponds to his share in this Global Bearer Certificate.

In respect of all further matters, the Conditions attached to this Global Bearer Certificate and forming an essential part thereof shall apply.

Frankfurt am Main.

CLEARSTREAM BANKING

AKTIENGESELLSCHAFT

**Text of the Conditions of the Global Bearer Certificates
(non-binding translation)**

**Conditions of the Certificate
(non-binding translation)**

1. This Global Bearer Certificate bears the signature of two managing directors, or one managing director and one holder of procuration, of the Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (hereinafter referred to as "Clearstream").
2. Each co-owner of this Global Bearer Certificate is entitled to demand at any time from Clearstream the delivery and the registration in the relevant Register of Security Holders, in his name or in the name of a third party designated by him of such number of registered ● [see Annex 1] [class of Individual/category of Index] Securities (hereinafter referred to as "Notes") of ETFS Commodity Securities Limited, Jersey, Channel Islands, England, (hereinafter referred to as the "Company") constituted by a Trust Instrument dated 21 September 2006 between the Company and The Law Debenture Trust Corporation p.l.c. (hereinafter referred to as the "Trust Instrument") and secured as described therein and divided into securities with a principal amount of ● [see Annex 1] each, as corresponds to his co-ownership share in this Global Bearer Certificate. Such demand shall be made by the co-owner through his depositary bank to Clearstream, stating to whom the Notes shall be delivered, respectively, the address to which the certificate evidencing the registration shall be mailed by the Registrar.

In addition to the delivery, respectively, transfer fee determined by Clearstream pursuant to § 315 of German Civil Code, the co-owner shall bear any expenses, taxes, fees or duties arising from such delivery resp. transfer and registration.

The co-owners of this Global Bearer Certificate are not entitled to demand delivery of individual bearer certificates out of this Global Bearer Certificate.

3. As a rule, Clearstream shall convey to the co-owner, through his depositary bank and in proportion to his share in the Global Bearer Certificate, all rights arising from the Notes under the laws of England and Jersey, Channel Islands.

Payments of capital, interests and/or other amounts due will be passed on by Clearstream to the co-owner. Furthermore, any terms and conditions announced by Clearstream shall apply.

All payments to the co-owner shall be made in EURO, in accordance with the foreign exchange control regulations prevailing at the time, unless the co-owner has in time before the due date demanded payment in USD (United States Dollars).

4. As a rule, Clearstream shall not exercise voting rights arising in a noteholder meeting. On demand it shall cause a voting proxy to be issued to the co-owner or a third party indicated by him.

The Company has undertaken to publish the agenda of any noteholder meeting as well as the conditions for participating in the meeting and exercising the voting rights before each meeting.

5. Should the issuance of the Global Bearer Certificate be subject at any time to any taxes, fees or duties in the Federal Republic of Germany or in Jersey, Channel Islands, the co-owners shall bear such taxes, fees or duties in proportion to their shares in the Global Bearer Certificate.

Clearstream is entitled to divide among all co-owners in proportion to their co-ownership shares in the Global Bearer Certificate all taxes, fees and duties to which it may at any time be subject in the Federal Republic of Germany or in Jersey, Channel Islands, by the mere fact that it is holding the Notes.

6. If for any reason the Notes should be replaced by other notes or some other valuable, the co-owner's right to the Notes shall convert into a right to the relevant substitutes. In such event these Conditions shall apply *mutatis mutandis*.
7. Clearstream is entitled to substitute another entity for Citibank N.A., London, England, (hereinafter referred to as "Custodian") in its function as Custodian or Vidacos Nominees Limited, London, England, (hereinafter referred to as "Nominee") in its function as Nominee. In such event, Clearstream shall not be responsible for more than careful selection. This does not affect Clearstream's right to assume itself the functions of the Custodian or the Nominee. In the case where the Custodian or the Nominee are replaced, any reference to the Custodian or the Nominee in these Conditions shall be deemed to refer to the new Custodian or Nominee.
8. Should the Notes become good delivery on German stock exchanges in a way which would not require Clearstream's assistance in the present form or should the admission of the Notes in the form of co-ownership shares in the Global Bearer Certificate to trading and official quotation on German stock exchanges be withdrawn, Clearstream shall request from the co-owners instructions as provided for in Clause 2. paragraph 1 above. Should such instructions not be given within 3 months from the publication of the relevant request, Clearstream shall be entitled at its discretion to arrange for registration of the Notes in the name of the co-owner or a third party designated in its request and to deposit the relevant Notes at the co-owner's risk and expense with a depository designated in its request. All obligations of Clearstream arising from the Global Bearer Certificate shall cease therewith.
9. All notices concerning the Global Bearer Certificate shall be published in at least one supranational newspaper designated by the German stock exchanges to publish obligatory notices of each German stock exchange on which the Notes in form of co-ownership shares in the Global Bearer Certificate are traded and officially quoted.
10. The co-owners shall bear proportionately any prejudice or damage, whether economic or legal, which may affect the Notes held as underlying stock for the Global Bearer Certificate in consequence of *force majeure*, governmental decrees, war, riots, official action at home or abroad or any other circumstances beyond Clearstream's or the Custodian's control.

Clearstream shall perform all its obligations arising from the Global Bearer Certificate with the due care of a proper merchant. If by reason of *force majeure*, governmental decrees, war, riots, official action at home or abroad or by any other circumstances beyond its control it is prevented from performing its obligations, it shall not be responsible.

The Custodian and the Nominee are responsible towards Clearstream for the due performance of their functions. Any claims against the Custodian or the Nominee shall be pursued by Clearstream on the co-owners' behalf. Beyond that Clearstream shall only be responsible for careful selection of the Custodian and the Nominee.

11. Should any of these conditions be or become fully or partly invalid or impracticable, the other conditions shall remain unaffected. Any such invalid or impracticable condition shall be replaced in accordance with the intent and purpose of this contractual agreement.
12. All legal relations between the co-owner and Clearstream shall be governed by the laws of the Federal Republic of Germany. The exclusive court of venue shall be Frankfurt am Main.
13. Except where required by law, an alteration of these Conditions shall be permitted only insofar as it does not impair the rights of the co-owners.

Annex 1

Annex 1 may be amended from time to time if additional types of Notes are issued by ETFS Commodity Securities Limited under its multi-type Programme.

Type	Original ISIN (of the Notes)	LSE Code	Principal Amount (USD)
ETFS Aluminium	GB00B15KXN58	ALUM	\$1.00000000
ETFS Coffee	GB00B15KXP72	COFF	\$0.50000000
ETFS Copper	GB00B15KXQ89	COPA	\$3.00000000
ETFS Corn	GB00B15KXS04	CORN	\$0.25000000
ETFS Cotton	GB00B15KXT11	COTN	\$0.50000000
ETFS Crude Oil	GB00B15KXV33	CRUD	\$5.00000000
ETFS Gasoline	GB00B15KXW40	UGAS	\$5.00000000
ETFS Gold	GB00B15KXX56	BULL	\$1.00000000
ETFS Heating Oil	GB00B15KXY63	HEAT	\$3.00000000
ETFS Lean Hogs	GB00B15KXZ70	HOGS	\$0.50000000
ETFS Live Cattle	GB00B15KY096	CATL	\$2.00000000
ETFS Natural Gas	GB00B15KY104	NGAS	\$1.00000000
ETFS Nickel	GB00B15KY211	NICK	\$2.00000000
ETFS Silver	GB00B15KY328	SLVR	\$2.00000000
ETFS Soybean Oil	GB00B15KY435	SOYO	\$1.00000000
ETFS Soybeans	GB00B15KY542	SOYB	\$2.00000000
ETFS Sugar	GB00B15KY658	SUGA	\$3.00000000
ETFS Wheat	GB00B15KY765	WEAT	\$0.25000000
ETFS Zinc	GB00B15KY872	ZINC	\$1.00000000
ETFS Agriculture DJ-AIGCI SM	GB00B15KYH63	AIGA	\$0.92917850
ETFS All Commodities DJ-AIGCI SM	GB00B15KY989	AIGC	\$2.33759750
ETFS Energy DJ-AIGCI SM	GB00B15KYB02	AIGE	\$4.70028200
ETFS Ex-Energy DJ-AIGCI SM	GB00B15KYD26	AIGX	\$1.34849630
ETFS Grains DJ-AIGCI SM	GB00B15KYL00	AIGG	\$0.66954600
ETFS Industrial Metals DJ-AIGCI SM	GB00B15KYG56	AIGI	\$1.80782500
ETFS Livestock DJ-AIGCI SM	GB00B15KYK92	AIGL	\$1.23529300
ETFS Petroleum DJ-AIGCI SM	GB00B15KYC19	AIGO	\$4.56632700
ETFS Precious Metals DJ-AIGCI SM	GB00B15KYF40	AIGP	\$1.24810500
ETFS Softs DJ-AIGCI SM	GB00B15KYJ87	AIGS	\$1.14425500
ETFS Forward Natural Gas	JE00B24DM351	NGAF	\$3.00000000
ETFS Forward All Commodities DJ-AIGCI-F3 SM	JE00B24DMC49	FAIG	\$3.0050975
ETFS Forward Energy DJ-AIGCI-F3 SM	JE00B24DMD55	ENEF	\$6.4377080
ETFS Forward Petroleum DJ-AIGCI-F3 SM	JE00B24DMF79	FPET	\$7.3826600
ETFS Forward Ex-Energy DJ-AIGCI-F3 SM	JE00B24DMG86	EXEF	\$1.7421335
ETFS Forward Industrial Metals DJ-AIGCI-F3 SM	JE00B24DMJ18	FIND	\$2.7175840
ETFS Forward Agriculture DJ-AIGCI-F3 SM	JE00B24DMK23	FAGR	\$1.0862105
ETFS Forward Softs DJ-AIGCI-F3 SM	JE00B24DML30	SOFF	\$0.9302280
ETFS Forward Livestock DJ-AIGCI-F3 SM	JE00B24DMM47	FLIV	\$2.1964590
ETFS Forward Grains DJ-AIGCI-F3 SM	JE00B24DMN53	GRAF	\$0.8872035

PART 10

PARTICULARS OF AIG-FP AND AIG

AIG-FP commenced its operations in 1987. AIG-FP and its subsidiaries conduct, primarily as a principal, a financial derivative products business covering the fixed income, foreign exchange, credit, equity, energy and commodities markets. AIG-FP also enters into investment contracts and other structured transactions and invests in a diversified portfolio of securities. In the course of conducting its business, AIG-FP also engages in a variety of other related transactions. AIG-FP is a corporation existing under the laws of Delaware, United States. Its principal executive offices are at 50 Danbury Road, Wilton, Connecticut, U.S.A. 06897-4444.

AIG has entered into the AIG Guarantee with the Issuer, in support of the payment obligations of AIG-FP, its subsidiary, under the Facility Agreement and the Commodity Contracts created thereunder. AIG, a Delaware, U.S. corporation, is a holding company that is primarily engaged, through its subsidiaries, in a broad range of insurance and insurance-related activities and financial services in the United States and abroad. AIG's principal executive offices are at 70 Pine Street, New York, New York, U.S. 10270. AIG has issued various series of Euro Medium Term Notes under its US\$31,500,000,000 Euro Medium Term Note Programme which have been admitted to the Official List of the Irish Stock Exchange Limited and to trading on the regulated market of the Irish Stock Exchange Limited.

Neither AIG-FP nor AIG has separately verified the information contained in this Prospectus. No representation, warranty or undertaking, express or implied is made, and no responsibility or liability is accepted by, AIG-FP or AIG as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with Micro or Commodity Securities or their distribution.

PART 11

ADDITIONAL INFORMATION

1. Incorporation and Share Capital of Issuer

- (a) The Issuer was incorporated as a private limited company in Jersey on 16 August 2005 under the Companies (Jersey) Law 1991 (as amended) (the "Law") and changed status to a public company on 15 September 2006 pursuant to a written resolution dated 15 September 2006. The Issuer operates under the Law and secondary legislation made thereunder. The Issuer is registered in Jersey under number 90959. The name of the Issuer was changed to "ETFS Commodity Securities Limited" on 15 June 2006.
- (b) The Issuer is authorised to issue an unlimited number of no par value shares of one class designated as Ordinary Shares of which two Ordinary Shares of no par value have been issued.
- (c) The Issuer does not have any subsidiary undertakings.
- (d) All of the Issuer's issued ordinary shares are owned by ETFSL.
- (e) There has been no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2007, the date of the Issuer's last published audited financial statements.

2. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer within the two year period immediately preceding the date of this document and are or may be material or have been entered into at any time by the Issuer and (not being contracts entered into in the ordinary course of business) contain provisions under which the Issuer has an obligation or entitlement which is or may be material to the Issuer as at the date of this document:

- (a) the Trust Instrument dated 21 September 2006, the supplemental trust instrument dated 17 September 2007, the second supplemental trust instrument dated 23 April 2008, the third supplemental trust instrument dated 15 August 2008 and the fourth supplemental trust instrument dated 15 September 2008, a summary of the principal terms of which is set out in Part 6 (*Trust Instrument and Commodity Securities*);
- (b) the following Security Deeds, a summary of the principal terms of which are set out in Part 7 (*Particulars of Security Deeds*):
 - the Classic Aluminium Security Deed dated 21 September 2006;
 - the Classic Cocoa Security Deed dated 15 September 2008;
 - the Classic Coffee Security Deed dated 21 September 2006;
 - the Classic Copper Security Deed dated 21 September 2006;
 - the Classic Corn Security Deed dated 21 September 2006;
 - the Classic Cotton Security Deed dated 21 September 2006;
 - the Classic Crude Oil Security Deed dated 21 September 2006;
 - the Classic Gasoline Security Deed dated 21 September 2006;
 - the Classic Gold Security Deed dated 21 September 2006;
 - the Classic Heating Oil Security Deed dated 21 September 2006;
 - the Classic Lead Security Deed dated 15 September 2008;
 - the Classic Lean Hogs Security Deed dated 21 September 2006;

- the Classic Live Cattle Security Deed dated 21 September 2006;
 - the Classic Natural Gas Security Deed dated 21 September 2006;
 - the Classic Nickel Security Deed dated 21 September 2006;
 - the Classic Platinum Security Deed dated 15 September 2008;
 - the Classic Silver Security Deed dated 21 September 2006;
 - the Classic Soybean Oil Security Deed dated 21 September 2006;
 - the Classic Soybeans Security Deed dated 21 September 2006;
 - the Classic Sugar Security Deed dated 21 September 2006;
 - the Classic Tin Security Deed dated 15 September 2008;
 - the Classic Wheat Security Deed dated 21 September 2006;
 - the Classic Zinc Security Deed dated 21 September 2006;
 - the Forward Aluminium Security Deed dated 17 September 2007;
 - the Forward Coffee Security Deed dated 17 September 2007;
 - the Forward Copper Security Deed dated 17 September 2007;
 - the Forward Corn Security Deed dated 17 September 2007;
 - the Forward Cotton Security Deed dated 17 September 2007;
 - the Forward Crude Oil Security Deed dated 17 September 2007;
 - the Forward Gasoline Security Deed dated 17 September 2007;
 - the Forward Gold Security Deed dated 17 September 2007;
 - the Forward Heating Oil Security Deed dated 17 September 2007;
 - the Forward Lean Hogs Security Deed dated 17 September 2007;
 - the Forward Live Cattle Security Deed dated 17 September 2007;
 - the Forward Natural Gas Security Deed dated 17 September 2007;
 - the Forward Nickel Security Deed dated 17 September 2007;
 - the Forward Silver Security Deed dated 17 September 2007;
 - the Forward Soybean Oil Security Deed dated 17 September 2007;
 - the Forward Soybeans Security Deed dated 17 September 2007;
 - the Forward Sugar Security Deed dated 17 September 2007;
 - the Forward Wheat Security Deed dated 17 September 2007;
 - the Forward Zinc Security Deed dated 17 September 2007;
- (c) the Facility Agreement dated 21 September 2006 (as amended) between the Issuer and AIG-FP as amended and restated by agreements dated 17 September 2007 and 15 September 2008, a summary of the principal terms of which is set out in Part 4 (*Description of Facility Agreement and Commodity Contracts*).
- (d) a Capital Adjustment Agreement dated 21 September 2006 between the Issuer and AIG-FP as amended and restated by an agreement between the Issuer and AIG-FP dated on or about 17 September 2007, pursuant to which AIG-FP agrees to pay monthly to the Issuer the Management

Fee and the Licence Allowance and the Issuer and AIG-FP agree that the Capital Adjustment will be at a rate equal to the rate per annum which is the most recent weekly auction high rate for 3 month US Treasury Bills less a Spread agreed between the Issuer and AIG-FP (currently agreed to be 0.45% per annum in respect of the Classic Securities and 0.6% per annum in respect of the Forward Securities) less the Management Fee rate notified to AIG-FP by the Issuer (currently being 0.49% per annum) and the Licence Allowance rate notified to AIG-FP by the Issuer (initially being 0.05% per annum);

- (e) the AIG Guarantee dated 21 September 2006, a summary of the principal terms of which is set out under the heading "AIG Guarantee" in Part 4 (*Description of the Facility Agreement and Commodity Contracts*); and the letters of confirmation dated 17 September 2007 and 15 September 2008 in respect thereof;
- (f) the following Authorised Participant Agreements, a summary of the principal terms of which is set out in paragraph 3 below:
 - (i) an Authorised Participant Agreement between the Issuer and Fortis Bank Global Clearing N.V. dated 21 September 2006;
 - (ii) an Authorised Participant Agreement between the Issuer and ABN Amro Bank N.V. dated 8 March 2007;
 - (iii) an Authorised Participant Agreement between the Issuer and Barclays Capital Securities Limited dated 5 January 2007;
 - (iv) an Authorised Participant Agreement between the Issuer and Banca IMI S.p.A. dated 28 April 2008;
 - (v) an Authorised Participant Agreement between the Issuer and Bayerische Hypo-Vereinsbank AG dated 19 March 2007;
 - (vi) an Authorised Participant Agreement between the Issuer and Goldman Sachs International dated 3 March 2008;
 - (vii) an Authorised Participant Agreement between the Issuer and Merrill Lynch International dated 21 March 2007; and
 - (viii) an Authorised Participant Agreement between the Issuer and Morgan Stanley & Co. International Limited dated 4 October 2006;
 - (ix) an Authorised Participant Agreement between the Issuer and UBS AG Limited dated 20 December 2006;
- (g) the following Security Assignments between AIG-FP and the Issuer securing to AIG-FP the Secured Obligations of the Issuer in relation to the Authorised Participant Agreement to which it pertains:
 - (i) a Security Assignment dated 21 September 2006 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and Fortis Bank Global Clearing N.V. listed at paragraph (f)(i) above;
 - (ii) a Security Assignment dated 20 March 2007 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and ABN Amro Bank N.V. listed at paragraph (f)(ii) above;
 - (iii) a Security Assignment dated 30 January 2007 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and Barclays Capital Securities Limited listed at paragraph (f)(iii) above;
 - (iv) a Security Assignment dated 5 June 2008 pertaining to the Authorised Participant Agreement between the Issuer and Banca IMI S.p.A listed at paragraph (f)(iv) above;

- (v) a Security Assignment dated 6 March 2007 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and Bayerische Hypo-und Vereinsbank AG listed at paragraph (f)(iv) above;
 - (vi) a Security Assignment dated 11 March 2008 pertaining to the Authorised Participant Agreement between the Issuer and Goldman Sachs International listed at paragraph (f)(vi) above;
 - (vii) a Security Assignment dated 2 April 2007 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and Merrill Lynch International listed at paragraph (f)(vii) above;
 - (viii) a Security Assignment dated 16 October 2006 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and Morgan Stanley & Co. International Limited listed at paragraph (f)(viii) above;
 - (ix) a Security Assignment dated 30 January 2007 and a supplemental security assignment dated 17 September 2007 pertaining to the Authorised Participant Agreement between the Issuer and UBS AG listed at paragraph (f)(ix) above;
- (h) a Licence Agreement dated as of 14 September 2006 (as amended) between Dow Jones, AIG-FP and ETFSL and a sub-licence agreement dated 21 September 2006 between ETFSL, AIG-FP, Dow Jones and the Issuer, a summary of the principal terms of which is set out in paragraph 4 below; and
 - (i) a Service Agreement dated 21 September 2006 between the Issuer and ETFSL as amended by a side letter dated 17 September 2007, a summary of the principal terms of which is set out in Part 1 (*General*).

3. Authorised Participant Agreements

The Authorised Participants as at the date of this document are the persons who have entered into an Authorised Participant Agreement with the Issuer as described in paragraph 2(f) above.

Pursuant to the terms of the Authorised Participant Agreements, each Authorised Participant represents, warrants and undertakes to the Issuer that:

- (a) in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of Micro or Commodity Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Micro or Commodity Securities to the public in that Relevant Member State:
 - (i) in the period beginning on the date of publication of a prospectus in relation to those Micro or Commodity Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
 - (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
 - (iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000, and (3) an annual turnover of more than €50,000,000, each, as shown in its last annual or consolidated accounts; or
 - (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Micro or Commodity Securities to the public” in relation to any Micro or Commodity Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Micro or Commodity Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Micro or Commodity Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State;

- (b) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Micro or Commodity Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or any Affiliate of the Issuer;
- (c) it has complied and will comply with all applicable provisions of the FSMA and the United Kingdom financial services regime (including, without limitation, the obligation to treat customers fairly) with respect to anything done by it in relation to any Commodity Securities or Micro Securities in, from or otherwise involving the United Kingdom;
- (d) that neither it nor any of its Affiliates (including any person acting on behalf of it or any of its Affiliates):
 - (i) has knowingly offered or sold or will knowingly offer or sell Commodity Securities or Micro Securities within the United States or to U.S. Persons, whether before, on or after the relevant Application Date; or
 - (ii) has engaged or will engage in any “directed selling efforts” with respect to Commodity Securities or Micro Securities.

Terms used in this paragraph 3(d) have the meanings given to them by Regulation S under the Securities Act of 1933 of the United States.

- (e) that it will not permit Commodity Securities or Micro Securities to be offered to, sold to, or purchased by persons resident for income tax purposes in Jersey (other than financial institutions in the normal course of business).

Further restrictions on offers and sales of Micro and Commodity Securities and on the distribution of this Prospectus are set out in paragraph 16 of Part 11 (*Additional Information*).

The Authorised Participant Agreements may be terminated by either party thereto at any time upon thirty days’ prior written notice to the other parties.

The Issuer may enter into agreements with institutions to act as Authorised Participants and/or market-makers which may include commitments to make markets on varying terms, but which may include commitments to maintain particular maximum spreads and minimum lot sizes.

4. Licence Agreement

ETFSL has entered into a licence agreement with AIG-FP and Dow Jones (the “**Licence Agreement**”) dated as of 14 September 2006 (as amended) pursuant to which ETFSL has been granted the right to use the DJ-AIGCISM for the issuance and trading of the Micro and Commodity Securities, the right to use the trademarks of AIG-FP and Dow Jones associated with the DJ-AIGCISM for certain purposes in connection with insurance, distribution, the marketing and promotion of the Micro and Commodity Securities. The Licence Agreement also permits ETFSL to post on its website delayed intra-day and settlement pricing for the DJ-AIGCISM. A fee is payable by ETFSL to Dow Jones under the Licence Agreement. The Licence Agreement has a minimum term of five years and six months but may be terminated earlier for non-payment of the fee or other breaches of the agreement by ETFSL.

The Issuer has entered into a sub-licence agreement dated 21 September 2006 with ETFSL, AIG-FP and Dow Jones pursuant to which it agrees to be bound by all the provisions of the Licence Agreement as if it were the licensee thereunder including, without limitation, those provisions imposing any obligations on ETFSL.

5. ISINs and Principal Amounts of the Commodity Securities and the Micro Securities

Forty-two classes of Individual Securities are described in this Prospectus. The ISINs and Principal Amounts of the Individual Securities are or will be as follows:

Class of Individual Securities	ISIN	Principal Amount
ETFS Aluminium	GB00B15KXN58	\$1.00000000
ETFS Cocoa	JE00B2QXZK10	\$0.50000000
ETFS Coffee	GB00B15KXP72	\$0.50000000
ETFS Copper	GB00B15KXQ89	\$3.00000000
ETFS Corn	GB00B15KXS04	\$0.25000000
ETFS Cotton	GB00B15KXT11	\$0.50000000
ETFS Crude Oil	GB00B15KXV33	\$5.00000000
ETFS Gasoline	GB00B15KXW40	\$5.00000000
ETFS Gold	GB00B15KXX56	\$1.00000000
ETFS Heating Oil	GB00B15KXY63	\$3.00000000
ETFS Lead	JE00B2QY0436	\$3.50000000
ETFS Lean Hogs	GB00B15KXZ70	\$0.50000000
ETFS Live Cattle	GB00B15KY096	\$2.00000000
ETFS Platinum	JE00B2QYOF45	\$6.50000000
ETFS Natural Gas	GB00B15KY104	\$0.30000000
ETFS Nickel	GB00B15KY211	\$2.00000000
ETFS Silver	GB00B15KY328	\$2.00000000
ETFS Soybean Oil	GB00B15KY435	\$1.00000000
ETFS Soybeans	GB00B15KY542	\$2.00000000
ETFS Sugar	GB00B15KY658	\$3.00000000
ETFS Tin	JE00B2QY0H68	\$3.50000000
ETFS Wheat	GB00B15KY765	\$0.25000000
ETFS Zinc	GB00B15KY872	\$1.00000000
ETFS Forward Aluminium	JE00B24DLR27	\$1.00000000
ETFS Forward Coffee	JE00B24DLS34	\$0.50000000
ETFS Forward Copper	JE00B24DLT41	\$5.00000000
ETFS Forward Corn	JE00B24DLV62	\$0.50000000
ETFS Forward Cotton	JE00B24DLW79	\$0.50000000
ETFS Forward Crude Oil	JE00B24DLX86	\$8.00000000
ETFS Forward Gasoline	JE00B24DLY93	\$8.00000000
ETFS Forward Gold	JE00B24DLZ01	\$1.00000000
ETFS Forward Heating Oil	JE00B24DM021	\$5.00000000
ETFS Forward Lean Hogs	JE00B24DM138	\$3.00000000
ETFS Forward Live Cattle	JE00B24DM245	\$1.50000000
ETFS Forward Natural Gas	JE00B24DM351	\$3.00000000
ETFS Forward Nickel	JE00B24DM468	\$5.00000000
ETFS Forward Silver	JE00B24DM575	\$1.50000000
ETFS Forward Soybean Oil	JE00B24DM682	\$1.00000000
ETFS Forward Soybeans	JE00B24DM799	\$1.00000000
ETFS Forward Sugar	JE00B24DM807	\$1.50000000
ETFS Forward Wheat	JE00B24DM914	\$1.00000000
ETFS Forward Zinc	JE00B24DMB32	\$1.50000000

In addition, twenty categories of Index Securities are described in this Prospectus. The ISINs and Principal Amounts of the Index Securities (as at the date of this Prospectus) are as follows:

Class of Index Securities	ISIN	Principal Amount
ETFS Agriculture DJ-AIGCI SM	GB00B15KYH63	\$0.9713823
ETFS All Commodities DJ-AIGCI SM	GB00B15KY989	\$2.3651476
ETFS Energy DJ-AIGCI SM	GB00B15KYB02	\$3.3418244
ETFS Ex-Energy DJ-AIGCI SM	GB00B15KYD26	\$1.4520545
ETFS Grains DJ-AIGCI SM	GB00B15KYL00	\$0.6924540
ETFS Industrial Metals DJ-AIGCI SM	GB00B15KYG56	\$1.9691500
ETFS Livestock DJ-AIGCI SM	GB00B15KYK92	\$1.2441355
ETFS Petroleum DJ-AIGCI SM	GB00B15KYC19	\$4.5797790
ETFS Precious Metals DJ-AIGCI SM	GB00B15KYF40	\$1.2440780
ETFS Softs DJ-AIGCI SM	GB00B15KYJ87	\$1.1500855
ETFS Forward All Commodities DJ-AIGCI-F3 SM	JE00B24DMC49	\$3.0050975
ETFS Forward Energy DJ-AIGCI-F3 SM	JE00B24DMD55	\$6.4377080
ETFS Forward Petroleum DJ-AIGCI-F3 SM	JE00B24DMF79	\$7.3826600
ETFS Forward Ex-Energy DJ-AIGCI-F3 SM	JE00B24DMG86	\$1.7421334
ETFS Forward Precious Metals DJ-AIGCI-F3 SM	JE00B24DMH93	\$1.1569385
ETFS Forward Industrial Metals DJ-AIGCI-F3 SM	JE00B24DMJ18	\$2.7175840
ETFS Forward Agriculture DJ-AIGCI-F3 SM	JE00B24DMK23	\$1.0862105
ETFS Forward Softs DJ-AIGCI-F3 SM	JE00B24DML30	\$0.9302280
ETFS Forward Livestock DJ-AIGCI-F3 SM	JE00B24DMM47	\$2.1964590
ETFS Forward Grains DJ-AIGCI-F3 SM	JE00B24DMN53	\$0.8872035

The ISINs and Principal Amounts of the Micro Securities are or will be as follows:

Class of Micro Securities	ISIN	Principal Amount
Aluminium	GB00B16TD867	\$0.00000100
Cocoa	JE00B2QXZD43	\$0.00000005
Coffee	GB00B16TD974	\$0.00000050
Copper	GB00B16TDB98	\$0.00000300
Corn	GB00B16TDC06	\$0.00000025
Cotton	GB00B16TDD13	\$0.00000050
Crude Oil	GB00B16TDF37	\$0.00000500
Gasoline	GB00B16TDG44	\$0.00000500
Gold	GB00B16TDH50	\$0.00000100
Heating Oil	GB00B16TDJ74	\$0.00000300
Lead	JE00B2QXZY55	\$0.00000035
Lean Hogs	GB00B16TDK89	\$0.00000050
Live Cattle	GB00B16TDL96	\$0.00000200
Natural Gas	GB00B16TDM04	\$0.00000030
Nickel	GB00B16TDN11	\$0.00000200
Platinum	JE00B2QY0766	\$0.00000065
Silver	GB00B16TDP35	\$0.00000200
Soybean Oil	GB00B16TDQ42	\$0.00000100
Soybeans	GB00B16TDR58	\$0.00000200
Sugar	GB00B16TDS65	\$0.00000300
Tin	JE00B2QYOD21	\$0.00000035
Wheat	GB00B16TDT72	\$0.00000025
Zinc	GB00B16TDV94	\$0.00000100
Forward Aluminium	JE00B24F1W31	\$0.00000100
Forward Coffee	JE00B24F1X48	\$0.00000050
Forward Copper	JE00B24F1Y54	\$0.00000500
Forward Corn	JE00B24F1Z61	\$0.00000050
Forward Cotton	JE00B24F2084	\$0.00000050
Forward Crude Oil	JE00B24F2191	\$0.00000800
Forward Gasoline	JE00B24F2209	\$0.00000800
Forward Gold	JE00B24F2316	\$0.00000100
Forward Heating Oil	JE00B24F2423	\$0.00000500
Forward Lean Hogs	JE00B24F2530	\$0.00000300
Forward Live Cattle	JE00B24F2647	\$0.00000150
Forward Natural Gas	JE00B24F2753	\$0.00000300
Forward Nickel	JE00B24F2860	\$0.00000500
Forward Silver	JE00B24F2977	\$0.00000150
Forward Soybean Oil	JE00B24F2B92	\$0.00000100
Forward Soybeans	JE00B24F2C00	\$0.00000100
Forward Sugar	JE00B24F2D17	\$0.00000150
Forward Wheat	JE00B24F2F31	\$0.00000100
Forward Zinc	JE00B24F2G48	\$0.00000150

6. UK Taxation

(a) General

The following paragraphs summarise certain limited aspects of the UK taxation treatment of holding Micro or Commodity Securities. They are based on current UK law and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. The following paragraphs relate to Security Holders who are within the charge to UK corporation tax or which are UK open-ended investment companies or authorised unit trust schemes unless otherwise stated. The statements in this summary are intended only as a general guide, and should be treated with appropriate caution. Any person who is contemplating acquiring Micro or Commodity Securities (whether or not pursuant to the Programme), particularly if that person is subject to taxation in any jurisdiction other than the UK, is strongly recommended to consult their independent professional advisers immediately.

(b) The Issuer

The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK taxation purposes, the Issuer will not be subject to UK corporation tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

(c) Withholding Tax

No payments made by the Issuer to Security Holders in respect of Micro or Commodity Securities are required to be made under deduction or withholding for or on account of UK tax.

(d) Corporation Tax on income and gains

In general, a Security Holder which is subject to UK corporation tax will be treated for tax purposes as realising profits, gains or losses in respect of Micro or Commodity Securities on a basis reflecting the treatment in its statutory accounts, calculated in accordance with the Security Holder's authorised accounting method. These profits, gains or losses, (which will include any profits, gains or losses on a disposal or redemption of Micro or Commodity Securities and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income profits or losses for the purposes of a Security Holder's corporation tax computation.

(e) UK Open-Ended Investment Companies and Authorised Unit Trust Schemes

Whilst UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (although currently at the rate of 20 per cent.) they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes on creditor loan relationships and derivative contracts. In this respect capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of "net gains/losses on investments during the period" or "other gains/losses") in accordance with the relevant Statement of Recommended Practice, and this will determine whether any profits, gains or losses arising to a Security Holder which is a UK open-ended investment company or authorised unit trust scheme in respect of Micro or Commodity Securities will be exempt from tax.

(f) Stamp Duty and Stamp Duty Reserve Tax ('SDRT')

Provided the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, Micro or Commodity Securities in Uncertificated Form.

In the case of Micro or Commodity Securities held in Certificated Form, provided (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to anything to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of Micro or Commodity Securities.

The redemption of Micro or Commodity Securities will not give rise to stamp duty or SDRT.

(g) **The European Saving Directive**

EU Council Directive 2003/48/EC on the taxation of savings income (the "Directive") came into force on 1 July 2005. The Directive applies, amongst other matters, to payments of interest or other income on debt claims of every kind made by a paying agent in an EU Member State for the benefit of individual investors resident in another Member State in the EU. In circumstances where the Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is any economic operator who pays interest to, or secures interest for, the beneficial owner, and could include a UK broker effecting the sale of Micro or Commodity Securities.

Micro and Commodity Securities are undated secured limited recourse debt obligations of the Issuer. However, as no return in respect of Micro or Commodity Securities (whether in the form of cash on redemption, or as a result of trading on the London Stock Exchange) should constitute a payment of interest for the purposes of the Directive, it is not envisaged that Security Holders or their paying agents will be within the scope of the Directive.

7. Jersey Taxation

Current position

The Issuer has obtained "exempt company" status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (the "**Jersey Income Tax Law**"), for the calendar year ended 31 December 2008.

The retention of "exempt company" status is conditional upon the Jersey Comptroller of Income Tax being satisfied that no Jersey resident has a beneficial interest in the Issuer, except as permitted by concessions granted by the Jersey Comptroller of Income Tax from time to time, and disclosure of beneficial ownership being made to the Jersey Financial Services Commission.

While the Issuer remains an exempt company and such status continues to be available, it will be regarded as not resident in Jersey under the Jersey Income Tax Law, and accordingly:

- (a) the Issuer will not be liable to Jersey income tax other than on Jersey source income (except by concession bank deposit interest on Jersey bank accounts);
- (b) Security Holders (other than residents of Jersey) should not be subject to any tax in Jersey in respect of the holding, sale, redemption or other disposition of Commodity Securities; and
- (c) redemption payments (other than to residents of Jersey) will not be subject to withholding for or on account of Jersey tax.

Position from January 2009

Amendments have been made to the Jersey Income Tax Law that will have the following effects from January 1, 2009:

- (i) exempt company status will cease to be available to the Issuer;
- (ii) the Issuer will be regarded as resident in Jersey under the Jersey Income Tax Law, but (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date of this Prospectus) will be subject in Jersey to income tax at a rate of 0%;
- (iii) the treatment of Security Holders and redemption payments (as described in paragraphs (b) and (c) above) should not be affected by the amendments to the Jersey Income Tax Law.

Stamp duty

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue, transfer, acquisition, ownership, redemption, sale or other disposal of Commodity Securities. In the event of the death of an individual sole holder of Micro or Commodity Securities, duty at rates of up to 0.75 per cent. of the value of the Micro and Commodity Securities held may be payable on registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Micro or Commodity Securities held by the deceased individual sole holder thereof.

Goods and services tax

The Issuer is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, the Issuer is not required to:

- (a) register as a taxable person pursuant to the GST Law;
- (b) charge goods and services tax in Jersey in respect of any supply made by it; or
- (c) (subject to limited exceptions that are not expected to apply to the Issuer) pay goods and services tax in Jersey in respect of any supply made to it.

European Union directive on the taxation of savings income

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and the Issuer’s understanding of the current practice of the Jersey tax authorities (and subject to the transitional arrangements described above), the Issuer would not be obliged to levy retention tax in Jersey under these provisions in respect of redemption payments made by it.

8. Netherlands Taxation

The information set out below is a summary of certain material Dutch tax consequences of the acquisition, ownership and disposition of Micro and Commodity Securities and it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Micro and Commodity Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than The Netherlands. This summary is based on the tax laws of The Netherlands as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of The Netherlands or of its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Micro and Commodity Securities should consult their own tax advisors as to the Dutch or other tax consequences of the purchase, holding and disposition of Micro and Commodity Securities including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws. This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of The Netherlands. This summary does not address the tax consequences for holders of Micro and/or Commodity Securities that hold an interest of 5 per cent. or more of the Micro and Commodity Securities or of any class or type of Micro and Commodity Securities.

(a) Withholding tax

Payments of the Issuer with regard to the Micro and Commodity Securities will be free from Dutch withholding tax or deduction for or on the account of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

(b) Tax on income and capital gains

General

The description of taxation set out in this section of this Prospectus is not intended for any holder of Micro or Commodity Securities, who:

- (i) is an individual and for whom the income or capital gains derived from Micro or Commodity Securities are attributable to employment activities the income from which is taxable in The Netherlands;
- (ii) is an entity that is a resident or deemed to be a resident of The Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- (iii) is an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Residents of The Netherlands

Individuals

An individual who is resident or deemed to be resident in The Netherlands, or who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation (a "**Dutch Resident Individual**") and who holds Micro or Commodity Securities is subject to Dutch income tax on income and/or capital gains derived from Micro or Commodity Securities at the progressive rate (up to 52 per cent.) if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise Micro or Commodity Securities are attributable; or
- (ii) the holder derives income or capital gains from Micro or Commodity Securities that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Micro or Commodity Securities who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from Micro or Commodity Securities. The deemed return amounts to 4 per cent. of the average value of the holder's net assets in the relevant tax year (including Micro and Commodity Securities) insofar as that average exceeds the exempt net asset amount (*heffingvrij vermogen*). The deemed return is taxed at a flat rate of 30 per cent.

Entities

An entity that is resident or deemed to be resident in The Netherlands (a "**Dutch Resident Entity**") will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from Micro or Commodity Securities. The Dutch corporate income tax rate is 20 per cent. for the first €40,000 of taxable income, 23.5 per cent. for the taxable income exceeding €40,000 but not exceeding €200,000 and 25.5 per cent. for the taxable income exceeding €200,000 (rates of 2008).

Non-residents of The Netherlands

A person who is not a Dutch Resident Individual or Dutch Resident Entity (a "**Non-Dutch Resident**") who holds Micro or Commodity Securities is generally not subject to Dutch income or corporate income tax on income and capital gains derived from Micro or Commodity Securities, provided that:

- (i) such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, Micro or Commodity Securities are attributable or deemed attributable;
- (ii) in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from Micro or Commodity Securities that are taxable as benefits from

“miscellaneous activities” in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*); and

- (iii) such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise Micro or Commodity Securities or payments in respect of Micro or Commodity Securities are attributable.

If a holder of a Micro or Commodity Security is not a resident or a deemed resident in The Netherlands, but is a resident in another country the following may apply. If a double taxation convention is in effect between The Netherlands and the country in which such holder of a Micro or Commodity Security is resident, such holder may, depending on the terms of and subject to compliance with the procedures for claiming benefits under such double taxation convention, be eligible for a full or partial exemption from Netherlands taxes (if any) on (deemed) income or capital gains in respect of a Micro or Commodity Security provided such holder is entitled to the benefits of that treaty.

(c) Gift, estate, or inheritance tax

No Dutch gift, estate or inheritance taxes will be levied on the transfer of Micro or Commodity Securities by way of gift by or on the death of a holder, who neither is nor is deemed to be a resident of The Netherlands for the purpose of the relevant provisions, unless:

- (i) the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions;
- (ii) Micro or Commodity Securities are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in The Netherlands; or
- (iii) the holder of such Micro or Commodity Securities is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Micro or Commodity Securities are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of The Netherlands if he has been a resident in The Netherlands at any time during the 12 months preceding the date of the gift.

For purposes of Dutch gift, estate and inheritance tax, if an individual transfers Micro or Commodity Securities by way of a gift while he is not and is not deemed to be a resident of The Netherlands and dies within 180 days after the date of such gift, while being resident or deemed to be resident in The Netherlands, such Micro or Commodity Securities are construed as being transferred on the death of such holder.

(d) Value added tax

No Netherlands value added tax will be payable by a holder of Micro or Commodity Securities in consideration for the issue of Micro or Commodity Securities.

(e) Other taxes or duties

No Netherlands registration tax, custom duty, transfer tax, stamp duty or any other similar tax or duty, other than court fees, will be payable in The Netherlands by a holder of a Micro or Commodity Security in respect of or in connection with the subscription, issue, allotment or delivery of the Micro and Commodity Securities and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of The Netherlands) of the rights under the Micro and Commodity Securities.

(f) The European Savings Directive

The EU Savings Directive (“the **Directive**”) came into force on 1 July 2005. The Directive applies, amongst other matters, to payments of interest on debt claims of every kind made by a paying agent in an EU Member State for the benefit of individual investors resident in the EU.

In circumstances where the Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is any economic operator who pays interest to, or secures interest for the beneficial owner, and could in relation to the Micro and Commodity Securities include a broker effecting the sale of the Micro and Commodity Securities on a stock exchange or market.

Micro and Commodity Securities are undated secured limited recourse debt obligations of the Issuer. However, as no return in respect of the Micro and Commodity Securities (whether in the form of cash on redemption or a result of trading on the London Stock Exchange or Euronext Amsterdam or any other stock exchange or market) should constitute a payment of interest for the purposes of the Directive (save possibly in cases in which an amount received upon redemption or trading in respect of a Micro or Commodity Security would exceed the Price per Micro or Commodity Security on the applicable Pricing Day), it is not envisaged that Security Holders or their paying agents will be within the scope of the Directive.

9. Taxation in France

(a) General

The following summary describes the principal French tax treatment applicable to the holding of the Micro and Commodity Securities by a French investor residing in France or outside of France following an offer of the Micro and Commodity Securities in France.

This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Micro and Commodity Securities. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary is based on the French tax legislation, treaties rules, and administrative interpretations and similar documentation, in force as of the date of this Prospectus and on the legal qualification of the Micro and Commodity Securities as bond instruments, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Any persons interested in acquiring the Micro and Commodity Securities should consult their tax advisers with regard to any tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Micro and Commodity Securities. Only a tax adviser is able to adequately assess the individual tax situation of a specific investor. It should be noted that the Micro and Commodity Securities are intended for professional or institutional investors only.

(b) Investors residing in France

Taxation of companies subject to French corporate income tax

Capital gains from the disposal of the Micro and Commodity Securities are subject to corporate income tax at the standard rate of 33½ per cent., to which 3.3 per cent. surtax is added upon certain circumstances. Capital losses are, in principle, treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e., unlimited carry forward save specific circumstances).

Taxation of bond redemption premium (Prime de remboursement)

Bond redemption premiums are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met). Furthermore, Article 238 *septies* E of the French general tax code (FGTC) may possibly apply. According to the provisions of Article 238 *septies* E, if the estimated value of the redemption premium exceeds the purchase value by 10 per cent. and the issue price is less than 90 per cent. of the estimated redemption

value, such premium due to indexation of the principal is partially taxed before maturity on an annual basis, even though this premium is only collected on disposal or redemption on maturity.

Taxation of individuals

Taxation of capital gains

Capital gains derived from the disposal of the Micro and Commodity Securities are subject to capital gains tax at the rate of 18 per cent. plus 11 per cent. social contributions (i.e., a total rate of taxation of 29 per cent.). However, gains realised in a given calendar year are only taxable if the total proceeds resulting from the disposal of securities realised by the taxpayer and his/her household exceeds a certain threshold in such year. For 2008, the threshold is Euro 25,000.

If a French investor disposes of the Micro and Commodity Securities at a loss, such loss may be offset against capital gains of the same nature made during the year of the loss or the ten following years, subject to filing obligations and provided that the above sales thresholds (i.e. currently Euro 25,000) was exceeded in the year in which the loss was realised.

Taxation of bond redemption premium (*Prime de remboursement*)

Bond redemption payments made to an individual residing in France are taxed according to the standard progressive income tax schedule, whose top rate is currently 40 per cent. The above-mentioned social contributions of 11 per cent. are also applicable.

However, an individual residing in France may elect to be subject to a final withholding tax levied at the rate of 18 per cent. plus the above social contributions of 11 per cent., which gives a total rate of taxation of 29 per cent.

(c) Investors residing outside of France

Taxation of capital gains

In principle, capital gains realised by investors residing outside of France upon the sale or disposal of Micro and Commodity Securities are not subject to capital gains tax in France. The same applies to companies, provided that the Micro and Commodity Securities are not booked in a permanent establishment or fixed base in France.

(d) The European Savings Directive

The EU Savings Directive (the "Directive") came into force on 1 July 2005. The Directive applies amongst other matters, to payments of interest on debt claims of every kind made by a paying agent in an EU Member State for the benefit of individual investors resident in the EU.

In circumstances where the Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is an economic operator who pays interest to, or secures interest for the beneficial owner, and could in relation to the Micro and Commodity Securities include a broker effecting the sale of Micro and Commodity Securities on a stock exchange or market.

Micro and Commodity Securities are undated secured limited recourse debt obligations of the Issuer. However, no return in respect of the Micro and Commodity Securities (whether in the form of cash on redemption or as a result of trading on Euronext SA) should constitute a payment of interest for the purposes of the Directive and so it is not envisaged that holders or their paying agents will be within the scope of the Directive.

10. Taxation in Germany

The following is a brief summary of some important principles of German tax law that may be of relevance for German investors acquiring, holding, redeeming or selling Micro and Commodity Securities. The summary does not fully cover all aspects of German tax law that may be of relevance to Micro and Commodity Securities. The summary is based on German tax law as of the date of this Supplemental Prospectus. It should also be noted that the taxation of investors may change at any time

as a result of new legislation, court practice or decrees issued by the relevant taxation authorities, potentially with retroactive effect.

There is some uncertainty as to whether the German tax authorities and/or tax courts will treat the Micro and Commodity Securities as debt instruments or as speculative certificates.

Investors interested in acquiring the Micro and Commodity Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Micro and Commodity Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.

Taxation as speculative certificates

The issuer believes that the Micro and Commodity Securities should be treated for German tax law purposes as speculative certificates rather than as debt instruments (financial innovation — *Finanzinnovation*). Treatment for German tax law purposes as financial innovations requires that either repayment of the investment or a capital income therefrom will be grated or carried out. Since the Micro and Commodity Securities do not confer the right to any capital income and, in general a holder of Micro and Commodity Securities is not entitled to require the redemption of Micro and Commodity Securities (except where there are no Authorised Participants, only Authorised Participants have that right), these requirements are not satisfied and therefore the Issuer believes that the appropriate treatment of the Micro and Commodity Securities for German tax law purposes should be as speculative certificates.

If the German tax authorities and/or tax courts do treat the Micro and Commodity Securities as speculative certificates as the Issuer believes they should, any capital gains from the sale or redemption of the Micro and Commodity Securities by German individual investors would be subject to German personal income tax and solidarity surcharge thereon only if the Micro and Commodity Securities were redeemed or sold within one year after purchase thereof. If the investor has purchased more than one Micro and Commodity Security at different times, the Micro and Commodity Securities first purchased will be deemed to be first sold. Capital gains are fully subject to German income tax if solely or together with capital gains from other speculative instruments (*Gewinne aus privaten Veräußerungsgeschäften*) have reached an amount of EUR 600 or more in one calendar year. Capital gains from speculative investments below this threshold are tax-free. Tax losses realised in such one year period can be set off only against capital gains on other speculative instruments (*Gewinne aus privaten Veräußerungsgeschäften*). If German individual investors hold Micro and Commodity Securities for longer than one year, capital gains from the sale or the redemption thereof are tax-free, but losses are not tax-deductible.

If the Micro and Commodity Securities are held as business assets, all capital gains from the sale or redemption of the Micro and Commodity Securities by German investors will be subject to German personal or corporate income tax and solidarity surcharge thereon. In such case gains will also be subject to German trade tax.

German withholding tax should not be imposed on any income or gains arising on the Micro and Commodity Securities (please note that withholding taxes will occur if capital gains are subject to the flat tax as described below).

Taxation as debt instruments

As referred to above the Issuer believes the Micro and Commodity Securities should be treated as speculative certificates. Nevertheless, the Issuer cannot be certain that the German tax authorities and/or tax courts will not treat the Micro and Commodity Securities as debt instruments rather than as speculative certificates.

If the German tax authorities and/or tax courts do notwithstanding the principles referred to above treat the Micro and Commodity Securities as debt instruments, German individual investors and German corporate investors would be subject to German personal or corporate income tax and solidarity surcharge on any payment made in respect of the Micro and Commodity Securities. Such income would also be subject to German trade tax if the Micro and Commodity Securities are held as assets of a German trade or business. If the Micro and Commodity Securities are held in custody with a German credit institution or financial service institution (including a German permanent establishment of a foreign institution) as disbursing agent (*inländische auszahlende Stelle*), withholding tax on interest (*Zinsabschlag*) at a rate of 30 per cent. (plus 5.5 per cent. solidarity surcharge thereon which results in

an overall tax charge of 31.65 per cent.) is deducted. In case of an “Over-The-Counter-Transaction” the tax rate is 35 per cent. (plus 5.5 per cent. solidarity surcharge thereon). The tax deduction should be created against the investor’s final income tax or corporate income tax liability.

Any capital gains from the sale or the redemption of the Micro and Commodity Securities by German individual investors or German corporate investors would be subject to German personal or corporate income tax and solidarity surcharge thereon. Where the Micro and Commodity Securities are held as business assets, the gains will also be subject to trade tax. If the Micro and Commodity Securities are held in custody with a German credit institution or financial service institution (including a German permanent establishment of a foreign institution) as disbursing agent (*inländische auszahlende Stelle*), withholding tax on interest is imposed at a rate of 30 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon) on the excess of the proceeds arising from the sale or redemption (including accrued and unpaid interest) over the purchase price paid for the Micro and Commodity Securities. Withholding tax on interest should be credited against the investor’s final income tax or corporate income tax liability.

Flat Tax (*Abgeltungssteuer*) on investment income and private capital gains

As of the beginning of 2008, legislation for corporate income tax reform came into force. Under this legislation a flat tax (*Abgeltungssteuer*) on investment income and private capital gains will be introduced which will be levied by German withholding agents as a withholding tax, inter alia, on interest income, dividends and capital gains from the disposal of securities held as non-business assets, irrespective of any holding period. Payment of the flat tax would satisfy any income tax liability of the investor in respect of such investment income or private capital gains. The envisaged flat tax would be levied at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) on the relevant gross income. However, tax payers would be entitled to apply for a tax assessment on the basis of net taxable income. In this case the personal income tax will be levied on the gross investment income; no expenses related to the investment income except for a small lump-sum tax allowance will be deductible. The flat tax will take effect from 1 January 2009 but would only be imposed on private capital income or capital gains derived from assets acquired after 31 December 2008 unless the assets were to qualify as financial innovations (*Finanzinnovationen*) or as speculative certificates. If the assets qualify as financial innovations, the flat tax would be levied on private capital income or gains realised after 31 December 2008 even if the assets were to be acquired prior to 1 January 2009. If the assets qualify as speculative certificates, such as the Issuer believes they should be, and were purchased after 14 March 2007, the flat tax would be levied on capital gains realised after 30 June 2009.

If the flat tax applies payments on the Micro and Commodity Securities are subject to withholding obligations and at tax rates as described above if the Micro and Commodity Securities are held in custody with a German credit institution or financial service institution (including a German permanent establishment of a foreign institution) as disbursing agent (*inländische auszahlende Stelle*).

Applicability of the Investment Tax Act (*Investmentsteuergesetz*)

The Issuer believes that investors in Micro and Commodity Securities will not be subject to the German Investment Tax Act. The Micro and Commodity Securities do not constitute a participation of an investor in a foreign investment fund or a foreign unit of foreign investment funds.

Gift or inheritance tax

A transfer of the Micro and Commodity Securities by way of gift or on death will be subject to German inheritance or gift tax if the investor, or their heir, donee or other beneficiary, is a German resident for German gift or inheritance tax purposes according to the specific rules of the German Gift and Inheritance Tax Act. This may in particular be the case if the investor, heir, donee or other beneficiary is:

- (i) an individual having at the time of the donation or death its residence or habitual abode in Germany or if the individual is a German citizen who has not been living abroad for more than 5 years without having a residence in Germany; or
- (ii) a corporation having its seat or central place of management in Germany,

or the Micro and Commodity Securities constitute business assets attributable to a permanent establishment or a permanent representation in Germany.

Other taxes

No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issue, delivery or execution of the Micro and Commodity Securities, the Global Bearer Certificates or any interest therein. No net asset tax is currently levied in Germany.

The European Savings Directive

On 3 June 2003, the Council of the European Union has adopted directive 2003/48/EC on the taxation of savings income in the form of interest payments. Under this directive, Germany is, as of 1 July 2005, required to provide the tax authorities of other member states with details of certain payments of interest paid or secured by a paying agent established in Germany to or for the benefit of an individual resident in that other member state. These details include but are not limited to details of the respective person considered the beneficial owner.

The Issuer believes that for German tax law purposes the Micro and Commodity Securities should be treated as speculative certificates rather than debt instruments (financial innovation — Finanzinnovation) and therefore, the European Savings Directive should not apply to any gains investors receive resulting from their holdings in the Micro and Commodity Securities. Nevertheless, the Issuer cannot be certain that the German tax authorities and/or tax courts will not take a different view. In such case gains resulting from the Micro and Commodity Securities may be considered interest under the European Savings Directive resulting in the abovementioned obligations.

11. Taxation in Italy

The information set out below is a summary of certain material Italian tax consequences of the acquisition, ownership and disposition of Commodity Securities and it does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Commodity Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Italy. This summary is based on the tax laws of Italy as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Commodity Securities should consult their own tax advisors as to the Italian or other tax consequences of the purchase, holding and disposition of Commodity Securities including, in particular, the application to their specific situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws. This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy.

Tax on income and capital gains

Provided the Commodity Securities qualify broadly as derivative instruments for the purposes of Italian tax law, which they are expected to do, then the following consequences apply to a holder in respect of the net proceeds received from a redemption or sale of the Commodity Securities over the sum paid by such a holder on their subscription or purchase:

- (i) proceeds from the sale or redemption of the Commodity Securities received by a holder which is (a) an Italian resident corporation or similar commercial entity, (b) an Italian individual engaged in entrepreneurial activities to which the Commodity Securities are effectively connected, or (c) a permanent establishment in Italy of a non-Italian resident to which the Commodity Securities are effectively connected, as well as unrealised gains reported in the statutory financial statements, must be included in the relevant holder's corporate income tax (*IRES*, currently applicable at 27.5 per cent. in the case of a calendar year period) determination (and, in certain cases, depending on the status of such holder, may also have to be included in its taxable base for regional tax purposes, (*IRAP*, currently applicable at rates between 3.9 per cent. and 4.8176 per cent.) and are therefore subject to the general Italian corporate tax regime, or to personal income taxation (as business income), as the case may be, according to the ordinary rules;
- (ii) capital gains realised by Italian resident individuals, not engaged in entrepreneurial activities to which the Commodity Securities are effectively connected, and by certain other non commercial entities upon the sale for consideration or redemption of the Commodity Securities are subject to a substitute tax (*imposta sostitutiva*) currently at the rate of 12.5 per cent. Under the tax return regime, which is the standard regime for taxation of capital gains realised by Italian resident

individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains is chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised in a fiscal year pursuant to all disposals of Commodity Securities and other financial instruments triggering a capital gain that is subject to the same tax regime, carried out during any given fiscal year. These individuals and non commercial entities must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual income tax return to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

- (iii) as an alternative to the tax return regime, Italian resident individuals not engaged in entrepreneurial activities to which the Commodity Securities are effectively connected and certain other non commercial entities may elect to pay the *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Commodity Securities (under a so called "*Risparmio Amministrato*" regime, which is managed through the provision of non discretionary asset management services to a taxpayer). Such a separate taxation of each capital gain is allowed subject to: (a) the Commodity Securities being deposited with an Italian bank, a *società di intermediazione mobiliare* (SIM) or with one of certain other authorised financial intermediaries, (b) each relevant capital gain being realised through such intermediary, and (c) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Commodity Securities holder. The financial intermediary, also on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Commodity Securities (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount of tax to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Commodity Securities holder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Commodity Securities results in a capital loss, such loss may be used to reduce the subsequent capital gains realised in the same tax year and up to the following fourth. All gains that have been subject to the *Risparmio Amministrato* regime do not have to be included in the yearly income tax return of the holder of Commodity Securities;
- (iv) also as an alternative to the tax return regime, the increase or decrease in the fair market value of the Commodity Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident individuals not engaged in entrepreneurial activities to which the Commodity Securities are effectively connected, and by certain other non commercial entities, who have elected for the *Risparmio Gestito* regime (namely, a regime managed by an intermediary providing discretionary management services), will be included in the computation of the annual Net Asset Value accrued appreciation or depreciation of the managed assets, which is subject to a 12.5 per cent. *imposta sostitutiva*, applied directly by the authorised asset manager. Under the *Risparmio Gestito* regime, any net NAV loss reported at year end may be carried forward and deducted against future NAV increases in the four succeeding years. All gains that have been subject to the *Risparmio Gestito* regime do not have to be included in the yearly income tax return of the holder of Commodity Securities;
- (v) the increase or decrease in the fair market value of the Commodity Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident common funds and hedge funds are included in the determination of the yearly NAV accrued appreciation or depreciation of each fund that is subject to a substitute tax (*imposta sostitutiva*) currently at a rate of 12.5 per cent.;
- (vi) the increase or decrease in the fair market value of the Commodity Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident pension funds (subject to the regime provided for by articles 14, 14 ter and 14 quater, paragraph 1, of Legislative Decree 21 April 1993, no. 124 as further substituted by Legislative Decree no. 252 of 5 December 2005) are included in the determination of the yearly NAV accrued appreciation or depreciation of the assets under management that is subject to a substitute tax (*imposta sostitutiva*) currently at a rate of 11 per cent.;

- (vii) non-Italian resident holders without a permanent establishment in Italy to which the Commodity Securities are effectively connected are not subject to income tax in Italy on the proceeds realised on the sale of the Commodity Securities, provided that:
- the Commodity Securities have been deposited in Italy and are traded on an official market;
 - the Commodity Securities have been deposited in Italy and the holder complies with certain filing requirements and is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities, as provided under a Ministerial Decree of 4 September 1996, or, starting from the fiscal period following to the one of enactment of a specific Ministerial Decree to be issued under article 168-bis(1) of Presidential Decree No. 917 of 1986 (Italian Income Tax Code, IITC), will be included in the new list of qualifying jurisdictions as specified by the Decree to be enacted; or
 - the Commodity Securities have not been deposited in Italy.

If, instead of being treated as derivative instruments as expected, the Commodity Securities were to be characterised as debt instruments representing so-called “atypical securities” pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 (as amended) a different tax treatment would apply. Interest and other proceeds received from “atypical securities” issued by non-Italian resident issuers are subject to a 27 per cent. withholding tax applied by an Italian resident intermediary intervening in the payment save where held by a commercial partnership, a commercial private and public institution resident in Italy for tax purposes or by an Italian permanent establishment of a non-Italian resident entity. Instead these entities must include the proceeds in their taxable business income, under the same terms as described under paragraph b(i) above. However, even if it is not possible to exclude the characterisation as “atypical securities”, it is expected that the Commodity Securities should qualify broadly as derivative instruments rather than as “atypical securities”.

Inheritance and Gift Taxes

Italian inheritance and gift taxes were abolished by Law no. 383 of 18 October 2001 in respect of gifts made or succession proceedings started after 25 October 2001 and then recently reintroduced by Law Decree no. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, entered in force on 29 November 2006 and further modified by Law No. 296 of 27 December 2006, effective as of 1 January 2007.

Further to the above law amendments, the transfer by inheritance of the Commodity Securities in respect of succession proceedings started from 3 October 2006 is currently subject to inheritance tax at the following rates:

- (i) when the beneficiary is the spouse or a relative in direct lineage, the value of the Commodity Securities transferred to each beneficiary exceeding Euro 1,000,000 is subject to a 4 per cent. rate;
- (ii) when the beneficiary is a brother or a sister, the value of the Commodity Securities exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;
- (iii) when the beneficiary is a relative within the fourth degree or is a relative-in-law in direct and collateral lineage, the value of the Commodity Securities transferred to each beneficiary is subject to a 6 per cent. rate;
- (iv) in cases different from points (i), (ii) and (iii) the value of the Commodity Securities transferred to each beneficiary is subject to an 8 per cent. rate.

The transfer of the Commodity Securities by reason of a donation filed for registration from 29 November 2006 is broadly subject to gift tax at the following rates:

- (v) when the donee is the spouse or a relative in direct lineage, the value of the Commodity Securities gifted to each beneficiary exceeding €1,000,000 is subject to a 4 per cent. rate;
- (vi) when the beneficiary is a brother or sister, the value of the Commodity Securities exceeding Euro 100,000 for each beneficiary is subject to a 6 per cent. rate;

- (vii) when the donee is a relative within the fourth degree or a relative-in-law in direct and collateral lineage, the value of the Commodity Securities gifted to each beneficiary is subject to a 6 per cent. rate;
- (viii) when the donee is a person not listed under previous points (v), (vi) and (vii), the value of the Commodity Securities gifted to each beneficiary is subject to an 8 per cent. rate.

If the beneficiary of the transfer for gift purposes or *mortis causa* is a qualifying heavily disabled individual under Law 5 February 1992, No. 104, the gift or inheritance tax is levied exclusively on the part of the net transferred value exceeding €1,500,000.

Value Added Tax

No Italian Value Added Tax will be payable by a holder of Commodity Securities in consideration for the issue or transfer of Commodity Securities.

Securities Transfer Tax

As of 31 December 2007, the securities transfer tax is no longer applicable to the purchase and sale of Commodity Securities, following the provision of Law 31 December 2007, No. 248.

The European Savings Directive

The EU Savings Directive (the “*Directive*”) came into force on 1 July 2005. The Directive applies, amongst other matters, to payments of interest on debt claims of every kind made by a paying agent in an EU Member State for the benefit of individual investors resident in the EU. In circumstances where the Directive applies, such a paying agent would be under an obligation to provide information to the tax authorities of the EU Member States in which individual investors reside. A paying agent for these purposes is any economic operator who pays interest to, or secures interest for the beneficial owner, and could in relation to Commodity Securities include an Italian broker effecting the sale of Commodity Securities.

Commodity Securities are undated secured limited recourse debt obligations of the Issuer. However, as no return in respect of Commodity Securities (whether in the form of cash on redemption, or as a result of trading on the ETFplus market of the Borsa Italiana S.p.A.) should constitute a payment of interest for the purposes of the Directive, it is not envisaged that holders or their paying agents will be within the scope of the Directive.

12. Sources

The information given under the heading “Composition and Weightings” in Part 2 (*Dow Jones — AIG Commodity Indices*) is sourced from the DJ-AIGCISM Handbook.

The information given in “Table 2(a) — Designated Contracts and Designated Month Contracts” and “Table 2(b) — Lead Futures Contracts for DJ-AIGCISM” under the heading “Designated Contracts” in Part 2 (*Dow Jones — AIG Commodity Indices*) is sourced from the DJ-AIGCISM Handbook.

The “Index Value” figures given in “Tables 3(a) and 3(b) — Simulated Historical Investment Returns” under the heading “Simulated Historical Investment Returns” in Part 2 (*Dow Jones — AIG Commodity Indices*) are extracted from Individual Commodity Index data published by Dow Jones and made available on its website at http://djindexes.com/mdsidx/downloads/xlspages/aigci/djaig_full_hist.xls. The “Index Return” figures given in such table have been calculated by ETFSL based on the “Index Value” figures. The “Individual Security Value” and “Individual Security Return” figures given in such table have been calculated by ETFSL based on a Multiplier of 1.0000000 on 1 January 1991, Management Fees of 0.49 per cent. per annum, Licence Allowance of 0.05 per cent. per annum and a Spread of 0.45 per cent. per annum in respect the Classic Securities and 0.6 per cent. per annum in respect of the Forward Securities. The “Multiplier” figures given in such table have been calculated by ETFSL based on Individual Commodity Index data published by Dow Jones and the DJ-AIGCISM “Total Return” sub-indices (the Individual Commodity Indices) published by Dow Jones.

The information given in “Table 5 — Inputs used to calculate the target/final number of Micro Securities comprised in each Index Security (as at the date of this Prospectus)” under the heading “Rebalancing of Index Securities” in Part 3 (*Description of Commodity Securities*) is sourced from data published by

Dow Jones and made available on its website at <http://djindexes.com/mdsidx/index.cfm?event=showAigWeightings>.

Aluminium

The statements under the heading “Aluminium” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau, and the United States Geological Survey website (<http://www.usgs.gov>).

The tables under the heading “Aluminium” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the Australian Commodity Statistics 2007 report, published by the Australian Bureau of Agriculture and Resources Economics.

Cocoa

The statements under the heading “Cocoa” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the website of the International Cocoa Organization (<http://www.icco.org/about/growing.aspx>).

The tables under the heading “Cocoa” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the International Cocoa Organization.

Coffee

The statements under the heading “Coffee” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau, and the International Coffee Organization website (<http://www.ico.org>).

The tables under the heading “Coffee” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>) and the International Coffee Organization website (<http://www.ico.org>).

Copper

The statements under the heading “Copper” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau, and the International Copper Study Group website (<http://www.icsg.org>).

The tables under the heading “Copper” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the International Copper Study Group website (<http://www.icsg.org>).

Corn

The statements under the heading “Corn” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Corn” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Cotton

The statements under the heading “Cotton” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Cotton” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Crude Oil

The statements under the heading “Crude Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) that over the past several decades oil has been the world’s foremost source of primary energy consumption, that the behaviour of the Organization of the Petroleum Exporting Countries (OPEC) is often the key to price developments in the world crude oil market, and that North America has the highest global consumption of oil per capita at approximately 2.8 gallons per capita per day compared to the world average of 0.5 gallons per capita per day are derived from the International Energy Outlook, published by the Energy Information Administration.

The tables under the heading “Crude Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the BP Statistical Review of World Energy June 2008. OPEC includes 12 countries: Iran, Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates, Algeria, Libya, Angola, Nigeria, Indonesia, Venezuela.

Gasoline

The statements under the heading “Gasoline” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005 published by the Commodity Research Bureau.

The tables under the heading “Gasoline” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the International Energy Annual (2005), published by the Energy Information Administration (<http://www.eia.doe.gov/>).

The region formerly named Western Europe has been renamed Europe with the addition of the Eastern European countries (Albania, Bulgaria, Czech Republic, Former Czechoslovakia, Hungary, Poland, Romania, and Slovakia) that were formerly included in the Eastern Europe and Former U.S.S.R. region. The Eastern Europe and Former U.S.S.R. region has been renamed Eurasia and now includes only Armenia, Azerbaijan, Belarus, Estonia, Former U.S.S.R., Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Also, East Timor has been added to the countries included in the Asia & Oceania region.

Gold

The statements under the heading “Gold” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the GFMS Limited Gold Survey 2005 and World Gold Council.

The tables under the heading “Gold” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the World Gold Council.

Heating Oil

The statements under the heading “Heating Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Heating Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the International Energy Annual (2005), published by the Energy Information Administration (<http://www.eia.doe.gov/>).

The region formerly named Western Europe has been renamed Europe with the addition of the Eastern European countries (Albania, Bulgaria, Czech Republic, Former Czechoslovakia, Hungary, Poland, Romania, and Slovakia) that were formerly included in the Eastern Europe and Former U.S.S.R. region. The Eastern Europe and Former U.S.S.R. region has been renamed Eurasia and now includes only Armenia, Azerbaijan, Belarus, Estonia, Former U.S.S.R., Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. Also, East Timor has been added to the countries included in the Asia & Oceania region.

Lead

The statements under the heading “Lead” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the website of the International Lead and Zinc Study Group (<http://www.ilzsg.org>) and Lead Development Association International (<http://www.ldaint.org>).

The tables under the heading “Lead” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the International Lead and Zinc Study Group and the Australian Commodity Statistics 2007 report, published by the Australian Bureau of Agriculture and Resources Economics.

Lean Hogs

The statements under the heading “Lean Hogs” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Lean Hogs” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Live Cattle

The statements under the heading “Live Cattle” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Live Cattle” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Natural Gas

The statements under the heading “Natural Gas” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Natural Gas” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the BP Statistical Review of World Energy June 2008.

Nickel

The statements under the heading “Nickel” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Nickel” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the Australian Commodity Statistics 2007 report, published by the Australian Bureau of Agriculture and Resources Economics.

Platinum

The statements under the heading “Platinum” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the website of the International Platinum Group Metals Association (<http://www.ipa-news.com/pgm/platinum/index.htm>).

The tables under the heading “Platinum” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the Johnson Matthey Platinum 2008.

Silver

The statements under the heading “Silver” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau, and the Silver Institute website (<http://www.silverinstitute.org>).

The tables under the heading “Silver” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the Silver Institute website (<http://www.silverinstitute.org>).

Soybean Oil

The statements under the heading “Soybean Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Soybean Oil” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Soybeans

The statements under the heading “Soybeans” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Soybeans” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Sugar

The statements under the heading “Sugar” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Sugar” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Tin

The statements under the heading “Tin” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau and the ITRI (<http://www.itri.co.uk/default.asp>).

The tables under the heading “Tin” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Geological Survey (<http://www.usgs.gov>), the ITRI (<http://www.itri.co.uk/default.asp>) and the Australian Commodity Survey 2007 report, published by the Australian Bureau of Agriculture and Resources Economics.

Wheat

The statements under the heading “Wheat” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau.

The tables under the heading “Wheat” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the United States Department of Agriculture (<http://www.usda.gov>).

Zinc

The statements under the heading “Zinc” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from The CRB Commodity Yearbook 2005, published by the Commodity Research Bureau, and the International Lead and Zinc Study Group website (<http://www.ilzsg.org>).

The tables under the heading “Zinc” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) have been sourced from the International Lead and Zinc Study Group website (<http://www.ilzsg.org>).

Futures Markets

The statements under the heading “Futures Markets” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the Commodity Futures Trading Commission website (www.cftc.gov), and the Chicago Mercantile Exchange website (<http://www.cme.com>).

Exchanges

The statements under the heading “CBOT (Chicago Board of Trade)” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the Chicago Board of Trade website (<http://www.cbot.com>).

The statements under the heading “CME (Chicago Mercantile Exchange)” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the Chicago Mercantile Exchange website (<http://www.cme.com>).

The statements under the heading “LME (London Metal Exchange)” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the London Metal Exchange website (<http://www.lme.co.uk>).

The statements under the heading “NYBOT (New York Board of Trade)” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the New York Board of Trade website (<http://www.nybot.com>).

The statements under the heading “NYMEX (The New York Mercantile Exchange, Inc.)” in Part 8 (*Commodities, Commodity and Futures Markets, and Exchanges*) are derived from the New York Mercantile Exchange website (<http://www.nymex.com>).

The information referred to in this paragraph 12 above has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the referenced third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13. General

- (a) The Issuer’s auditors are Ernst & Young LLP of Unity Chambers, 28 Halkett Street, St. Helier, Jersey JE1 1EY, Channel Islands. The annual report of the Issuer for the year ended 31 December 2007 as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 26 June 2008 is incorporated in this document by reference and is available at the Issuer’s website at <http://www.etfsecurities.com/csl> and at the registered office of the Issuer as set out in paragraph 14 of Part 10 (*Additional Information*). The annual report of the Issuer for the year ended 31 December 2006 is reproduced at the end of the base prospectus of the Issuer dated 18 September 2007 (under the heading “Reports and Financial Statements of the Issuer”) and incorporated in this document by reference. References to page numbers therein are to the page numbers in the original signed reports.
- (b) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this document a significant effect on the Issuer’s financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened by or against the Issuer.
- (c) All Micro and Commodity Securities in issue at the date of this document have been admitted to the Official List and admitted to trading on the Main Market of the London Stock Exchange (a Regulated Market). Applications have been made to the UK Listing Authority for all Micro Securities, Individual Securities and Index Securities issued within 12 months from the date of this document to be admitted to the Official List and to the London Stock Exchange for all such Micro Securities, Individual Securities and Index Securities to be admitted to trading on the Main Market.

- (d) The following Classic Commodity Securities have been admitted to listing on Euronext Amsterdam since 15 December 2006:

Classic Individual Securities

ETFS Aluminium
ETFS Coffee
ETFS Copper
ETFS Corn
ETFS Cotton
ETFS Crude Oil
ETFS Gasoline
ETFS Gold
ETFS Natural Gas
ETFS Nickel
ETFS Silver
ETFS Soybeans
ETFS Sugar
ETFS Wheat
ETFS Zinc

Classic Index Securities

ETFS All Commodities DJ-AIGCISM
ETFS Energy DJ-AIGCISM
ETFS Petroleum DJ-AIGCISM
ETFS Ex-Energy DJ-AIGCISM
ETFS Precious Metals DJ-AIGCISM
ETFS Industrial Metals DJ-AIGCISM
ETFS Agriculture DJ-AIGCISM
ETFS Softs DJ-AIGCISM
ETFS Livestock DJ-AIGCISM
ETFS Grains DJ-AIGCISM

The Classic Commodity Securities have also been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 1 November 2006, Euronext Paris SA since 15 February 2007 and the ETFplus market of the Borsa Italiana since 20 April 2007.

The following Forward Commodity Securities have been admitted to listing on the Regulated Market (General Standard) (*Regulierter Markt [General Standard]*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) since 27 November 2007:

Forward Individual Securities

ETFS Forward Natural Gas

Forward Index Securities

ETFS Forward Agriculture
ETFS Forward All Commodities
ETFS Forward Energy
ETFS Forward Ex-Energy
ETFS Forward Grains
ETFS Forward Industrial Metals
ETFS Forward Livestock
ETFS Forward Petroleum
ETFS Forward Softs

No application has been or is currently being made for the New Securities or the New Micro Securities to be admitted to listing or trading on any exchange or market outside the UK but the Issuer may cause such application to be made in respect of any or all classes of Commodity Securities on any such exchanges or markets in its discretion. Although the Issuer intends to have all Micro Securities admitted to trading on the Main Market of the London Stock Exchange, the Issuer does not anticipate that an active secondary market will develop in any of the Micro Securities.

- (e) The Issuer intends to publish annual financial statements and Pricing Supplements as required by Listing Rules and to publish Prices on its website as described under the heading “Pricing and Trading of Commodity Securities” in Part 1 (**General**). Save as aforesaid the Issuer does not intend to provide post-issuance information.

14. Documents Available for Inspection

For the duration of the Programme or so long as any Micro and Commodity Securities remain outstanding, copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;

- (b) the Services Agreement;
- (c) the Facility Agreement;
- (d) the AIG Guarantee;
- (e) the Authorised Participant Agreements;
- (f) the Trust Instrument and the Short and Leveraged Trust Investment;
- (g) the Security Deeds;
- (h) the Registrar Agreement; and
- (i) the Licence Agreement.

15. Jersey Law Consents

A copy of this document has been delivered to the Jersey Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to the circulation of this document.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order, 1958, to the Issuer to issue Commodity Securities from time to time.

The Issuer has obtained a permit under the Collective Investment Funds (Jersey) Law, 1988, as amended, (the “**CIF Law**”) to enable it to undertake its functions in relation to Commodity Securities. The Jersey Financial Services Commission is protected by the CIF Law against liability arising from the discharge of its functions thereunder.

Each of ETFSL, R&H Fund Services (Jersey) Limited and the Registrar is registered under the Financial Services (Jersey) Law, 1998, as amended, (the “**Financial Services Law**”) to enable it to undertake its functions in relation to the Commodity Securities. The Jersey Financial Services Commission is protected by the Financial Services Law against liability arising from the discharge of its functions thereunder.

It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

16. Selling Restrictions

(a) *United States*

The Issuer has imposed the restrictions described below on the Programme so that the Issuer will not be required to register the offer and sale of Micro and Commodity Securities under the US Securities Act, so that the Issuer will not have an obligation to register as an investment company under the US Investment Company Act and related rules and to address certain ERISA, US Internal Revenue Code and other considerations. These restrictions, which will remain in effect until the Issuer determines in its sole discretion to remove them, may adversely affect the ability of holders of Micro and Commodity Securities to trade them.

Micro and Commodity Securities have not been and will not be registered under the US Securities Act or any other applicable law of the United States. Micro and Commodity Securities are being offered and sold only outside the United States to non-US persons in reliance on the exemption from registration provided by Regulation S of the US Securities Act.

The Issuer has not been and does not intend to become registered as an investment company under the Investment Company Act and related rules. Micro and Commodity Securities and any beneficial interest therein may not be reoffered, resold, pledged or otherwise transferred in the United States or to US persons. If the Issuer determines that any Security Holder is a Prohibited US Person (being a US Person who is not a “qualified purchaser” as defined in the Investment Company Act), the Issuer may redeem the Micro and Commodity Securities held by that Security

Holder in accordance with the provisions of the Conditions under the heading “Compulsory Redemption by the Issuer or the Trustee” (Condition 9).

The Micro and Commodity Securities may not be purchased with plan assets of any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “**Code**”) applies (collectively, “**Plans**”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any U.S. Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Commodity Securities on behalf of, for the benefit of or with any assets of any such Plan or entity (a “Prohibited Benefit Plan Investor”). If the Issuer determines that any Security Holder is a Prohibited Benefit Plan Investor, the Issuer may redeem the Micro and Commodity Securities held by that Security Holder in accordance with the provisions of the Conditions under the heading “Compulsory Redemption by the Issuer or the Trustee” (Condition 9).

(b) *Jersey*

Commodity Securities and Micro Securities may not be offered to, sold to, or purchased by persons resident for income tax purposes in Jersey (other than financial institutions in the normal course of business).

Further restrictions on offers and sales of Micro and Commodity Securities and on the distribution of this Prospectus are set out in paragraph 3 of Part 11 (*Additional Information*).

ANNEX 1

FORM OF THE GLOBAL BEARER CERTIFICATE

INHABER-SAMMELZERTIFIKAT

für

● [siehe Anhang 1] [Klasse der Individual-Securities]/Kategorie der Index-Securities]
Namensschuldverschreibungen

der

ETFS Commodity Securities Limited

Ordinance House, 31 Pier Road, St. Helier, Jersey, Channel Islands, JE4 8PW

eingeteilt in Teilschuldverschreibungen im Nennbetrag von je ● [siehe Anhang 1]

Für dieses Inhaber-Sammelzertifikat hält die Clearstream Banking Aktiengesellschaft mit Sitz in Frankfurt am Main, Bundesrepublik Deutschland (im folgenden "Clearstream" genannt), als Deckung ● [siehe Anhang 1] [Klasse der Individual-Securities/Kategorie der Index-Securities] Namensschuldverschreibungen (im folgenden "Schuldverschreibungen" genannt) der ETFS Commodity Securities Limited, Jersey, Channel Islands (im folgenden "Gesellschaft" genannt). Die durch den Treuhandvertrag vom 21. September 2006 zwischen der Gesellschaft und der The Law Debenture Trust Corporation p.l.c. (im folgenden "Treuhandvertrag") begründeten Schuldverschreibungen sind, wie im Treuhandvertrag näher dargelegt, besichert, und in Namensteilschuldverschreibungen mit einem Nennbetrag von je ● [siehe Anhang 1] eingeteilt. Die Schuldverschreibungen sind auf Vidacos Nominees Limited, London, England, eingetragen und in einem bei der Citibank N.A., London, England, unterhaltenen Sonderdepot, verwahrt. Jeder Miteigentümer dieses Sammelzertifikats ist berechtigt, jederzeit von Clearstream die Auslieferung und Registrierung einer seinem Miteigentumsanteil entsprechenden Stückzahl von [Klasse der Individual-Securities/Kategorie der Index-Securities] Schuldverschreibungen der Gesellschaft auf seinen Namen oder den Namen eines von ihm benannten Dritten in das maßgebliche Schuldverschreibungsregister, zu verlangen.

Im Übrigen gelten die diesem Inhaber-Sammelzertifikat beigefügten Zertifikatsbedingungen, die Bestandteil dieser Urkunde sind.

Frankfurt am Main, den . . .

CLEARSTREAM BANKING

AKTIENGESELLSCHAFT

ANNEX 2

TEXT OF THE CONDITIONS OF THE GLOBAL BEARER CERTIFICATE

Zertifikatsbedingungen

1. Dieses Inhaber-Sammelzertifikat trägt die Unterschriften zweier Vorstandsmitglieder oder eines Vorstandsmitgliedes und eines Prokuristen der Clearstream Banking Aktiengesellschaft, Frankfurt am Main, Bundesrepublik Deutschland, (im folgenden "Clearstream" genannt).
2. Jeder Miteigentümer dieses Inhaber-Sammelzertifikats ist berechtigt, jederzeit von der Clearstream die Auslieferung und Registrierung einer seinem Miteigentumsanteil entsprechenden Stückzahl von ● [siehe Anhang 1] [Klasse der Individual-Securities/Kategorie der Index-Securities] Namensschuldverschreibungen (im folgenden "Schuldverschreibungen" genannt) der ETFS Commodity Securities Limited, Jersey, Channel Islands, England, (im folgenden "Gesellschaft" genannt) auf seinen Namen oder den Namen eines von ihm benannten Dritten in das maßgebliche Schuldverschreibungsregister zu verlangen. Die durch den Treuhandvertrag vom 21. September 2006 zwischen der Gesellschaft und der The Law Debenture Trust Corporation p.l.c. (im folgenden "Treuhandvertrag") begründeten Schuldverschreibungen sind, wie im Treuhandvertrag näher dargelegt, besichert und in Namensteilschuldverschreibungen mit einem Nennbetrag von je ● [siehe Anhang 1] eingeteilt. Einen entsprechenden Auftrag hat der Miteigentümer der Clearstream über seine Depotbank zu erteilen, wobei die Lieferadresse bzw. die Adresse, an welche die Urkunde bezüglich der Eintragung in das Schuldverschreibungsregister durch den Registrar versandt werden soll, angegeben sein muss.

Außer der von der Clearstream im Rahmen des § 315 des Bürgerlichen Gesetzbuches bestimmten Gebühr für die Auslieferung bzw. Übertragung hat der Miteigentümer etwaige mit der Auslieferung bzw. Übertragung und Umschreibung entstehende sonstige Kosten, Steuern, Gebühren oder Abgaben zu tragen.

Die Auslieferung von Einzelstücken aus diesem Inhaber-Sammelzertifikat kann von den Miteigentümern nicht verlangt werden.

3. Die Clearstream vermittelt dem Miteigentümer über dessen Depotbank nach Maßgabe seines Anteils am Inhaber-Sammelzertifikat grundsätzlich alle Rechte aus den Schuldverschreibungen, soweit sie ihr nach Maßgabe des englischen Rechts bzw. des Rechts von Jersey, Channel Islands, zustehen.

Zinsen, Ausschüttungen, Kapital und etwaige sonstige Barzahlungen leitet die Clearstream an den Miteigentümer weiter.

Im Übrigen gelten die von der Clearstream gegebenenfalls bekanntzugebenden Fristen und Bedingungen.

Sämtliche Zahlungen an den Miteigentümer erfolgen nach Maßgabe der jeweils geltenden Devisenvorschriften in EURO, es sei denn, dass der Miteigentümer rechtzeitig vor Fälligkeit Zahlung in USD (United States Dollars) verlangt hat.

4. Ein etwaiges Stimmrecht anlässlich einer Gläubigerversammlung wird die Clearstream grundsätzlich nicht ausüben. Sie wird dem Miteigentümer oder einem von diesem benannten Dritten auf Verlangen eine Vollmacht zur Ausübung des Stimmrechts erteilen lassen.

Die Gesellschaft hat sich verpflichtet, die Tagesordnung von Gläubigerversammlungen sowie die Voraussetzungen zur Teilnahme an der Gläubigerversammlung und zur Ausübung des Stimmrechts im Vorfeld einer solchen Gläubigerversammlung bekanntzugeben.

5. Sollte die Ausgabe des Inhaber-Sammelzertifikats zu irgendeinem Zeitpunkt in der Bundesrepublik Deutschland oder auf Jersey, Channel Islands, irgendwelchen Steuern, Gebühren oder Abgaben unterliegen, so haben die Miteigentümer diese Steuern, Gebühren oder Abgaben nach Maßgabe ihrer Anteile am Inhaber-Sammelzertifikat zu tragen.

Die Clearstream ist berechtigt, Steuern, Gebühren oder Abgaben, denen sie zu irgendeinem Zeitpunkt in der Bundesrepublik Deutschland oder auf Jersey, Channel Islands, allein auf Grund der Tatsache unterworfen wird, dass sie die Schuldverschreibungen hält, auf alle Miteigentümer nach Maßgabe ihrer Anteile am Inhaber-Sammelzertifikat umzulegen.

6. Treten aus irgendeinem Grunde an die Stelle der Schuldverschreibungen andere Schuldverschreibungen oder ein sonstiger Vermögenswert, so wandelt sich das Recht der Miteigentümer auf die Schuldverschreibungen in ein Recht auf den Ersatzgegenstand. Die Zertifikatsbedingungen gelten dann sinngemäß.

7. Die Clearstream ist berechtigt, die Citibank N.A., London, England, (im folgenden "Verwahrer" genannt) in ihrer Funktion als Verwahrer oder die Vidacos Nominees Ltd., London, England, (im folgenden "Nominee" genannt) in ihrer Funktion als Nominee durch eine andere Person zu ersetzen. Die Haftung der Clearstream beschränkt sich hierbei auf die sorgfältige Auswahl. Unberührt bleibt die Befugnis der Clearstream, die Funktion des Verwahrers oder des Nominees selbst wahrzunehmen. Im Fall der Ersetzung des Verwahrers oder des Nominees gelten alle Bezugnahmen auf den Verwahrer bzw. den Nominee in diesen Bedingungen als Bezugnahmen auf den neuen Verwahrer bzw. Nominee.

8. Werden die Schuldverschreibungen in einer die Mitwirkung der Clearstream in dieser Form nicht mehr erfordernden Weise an deutschen Wertpapierbörsen lieferbar oder wird die Zulassung der Schuldverschreibungen in Form von Miteigentumsanteilen am Inhaber-Sammelzertifikat zum Handel und zur amtlichen Notierung an deutschen Wertpapierbörsen zurückgenommen, so wird die Clearstream die Miteigentümer auffordern, ihr einen Auftrag gemäß Ziffer 2. Abs. 1 zu erteilen. Wird dieser Auftrag nicht innerhalb einer Frist von 3 Monaten seit Veröffentlichung der Aufforderung erteilt, so ist die Clearstream nach ihrem Ermessen berechtigt, die Eintragung der Schuldverschreibungen auf den Namen des Miteigentümers oder eines in der Aufforderung benannten Dritten zu veranlassen und die Schuldverschreibungen bei einer in der Aufforderung angegebenen Stelle für den Miteigentümer auf dessen Kosten und Gefahr zu hinterlegen. Damit erlöschen sämtliche Pflichten der Clearstream aus dem Inhaber-Sammelzertifikat.

9. Alle das Inhaber-Sammelzertifikat betreffenden Bekanntmachungen werden in mindestens je einem überregionalen Börsenpflichtblatt der deutschen Wertpapierbörsen veröffentlicht werden, an denen die Schuldverschreibungen in Form von Miteigentumsanteilen am Inhaber-Sammelzertifikat gehandelt und amtlich notiert werden.

10. Die Miteigentümer tragen anteilig alle wirtschaftlichen und rechtlichen Nachteile und Schäden, die den für das Inhaber-Sammelzertifikat als Deckung gehaltenen Bestand an Schuldverschreibungen infolge höherer Gewalt, Regierungserlassen, Krieg, Aufruhr, Verfügungen von hoher Hand im In- oder Ausland oder anderer Umstände treffen sollten, die die Clearstream oder der Verwahrer nicht zu vertreten haben.

Die Clearstream wird alle Verpflichtungen aus dem Inhaber-Sammelzertifikat mit der Sorgfalt eines ordentlichen Kaufmannes erfüllen. Wird sie durch höhere Gewalt, Regierungserlasse, Krieg, Aufruhr, Verfügungen von hoher Hand im In- oder Ausland oder andere Umstände, die sie nicht zu vertreten hat, an der Erfüllung ihrer Verpflichtungen gehindert, so trifft sie keine Verantwortung.

Der Verwahrer und der Nominee sind der Clearstream gegenüber zur ordnungsgemäßen Wahrnehmung der ihnen obliegenden Aufgaben verpflichtet. Etwaige Ansprüche gegen den Verwahrer oder den Nominee wird die Clearstream zugunsten der Miteigentümer geltend machen. Darüber hinaus haftet die Clearstream nur für die sorgfältige Auswahl des Verwahrers und des Nominees.

11. Sollte irgendeine dieser Bestimmungen ganz oder teilweise rechtsunwirksam oder undurchführbar sein oder werden, so bleiben die übrigen Bestimmungen hiervon unberührt. Für unwirksame oder undurchführbare Bestimmungen soll eine dem Sinn und Zweck dieses Vertragsverhältnisses entsprechende Regelung gelten.
12. Alle Rechtsbeziehungen zwischen dem Miteigentümer und der Clearstream unterliegen dem Recht der Bundesrepublik Deutschland. Ausschließlicher Gerichtsstand ist Frankfurt am Main.
13. Eine Änderung dieser Zertifikatsbedingungen ist nur zulässig, soweit durch sie die Rechte der Miteigentümer nicht beeinträchtigt werden, es sei denn, dass sie durch gesetzliche Vorschriften bedingt ist.

Anhang 1

Sofern ETFS Commodity Securities Limited weitere Schuldverschreibungen im Rahmen ihres Programms begibt, kann Anhang 1 jederzeit geändert werden.

Name	Ursprüngliche ISIN (der)	LSE Code	Nennbetrag (USD)
ETFS Aluminium	GB00B15KXN58	ALUM	\$1.00000000
ETFS Coffee	GB00B15KXP72	COFF	\$0.50000000
ETFS Copper	GB00B15KXQ89	COPA	\$3.00000000
ETFS Corn	GB00B15KXS04	CORN	\$0.25000000
ETFS Cotton	GB00B15KXT11	COTN	\$0.50000000
ETFS Crude Oil	GB00B15KXV33	CRUD	\$5.00000000
ETFS Gasoline	GB00B15KXW40	UGAS	\$5.00000000
ETFS Gold	GB00B15KXX56	BULL	\$1.00000000
ETFS Heating Oil	GB00B15KXY63	HEAT	\$3.00000000
ETFS Lean Hogs	GB00B15KXZ70	HOGS	\$0.50000000
ETFS Live Cattle	GB00B15KY096	CATL	\$2.00000000
ETFS Natural Gas	GB00B15KY104	NGAS	\$1.00000000
ETFS Nickel	GB00B15KY211	NICK	\$2.00000000
ETFS Silver	GB00B15KY328	SLVR	\$2.00000000
ETFS Soybean Oil	GB00B15KY435	SOYO	\$1.00000000
ETFS Soybeans	GB00B15KY542	SOYB	\$2.00000000
ETFS Sugar	GB00B15KY658	SUGA	\$3.00000000
ETFS Wheat	GB00B15KY765	WEAT	\$0.25000000
ETFS Zinc	GB00B15KY872	ZINC	\$1.00000000
ETFS Agriculture DJ-AIGCI SM	GB00B15KYH63	AIGA	\$0.92917850
ETFS All Commodities DJ-AIGCI SM	GB00B15KY989	AIGC	\$2.3375975
ETFS Energy DJ-AIGCI SM	GB00B15KYB02	AIGE	\$4.70028200
ETFS Ex-Energy DJ-AIGCI SM	GB00B15KYD26	AIGX	\$1.3484963
ETFS Grains DJ-AIGCI SM	GB00B15KYL00	AIGG	\$0.66954600
ETFS Industrial Metals DJ-AIGCI SM	GB00B15KYG56	AIGI	\$1.8078250
ETFS Livestock DJ-AIGCI SM	GB00B15KYK92	AIGL	\$1.2352930
ETFS Petroleum DJ-AIGCI SM	GB00B15KYC19	AIGO	\$4.56632700
ETFS Precious Metals DJ-AIGCI SM	GB00B15KYF40	AIGP	\$1.2481050
ETFS Softs DJ-AIGCI SM	GB00B15KYJ87	AIGS	\$1.14425500
ETFS Forward Natural Gas	JE00B24DM351	NGAF	\$3.00000000
ETFS Forward All Commodities DJ-AIGCI-F3 SM	JE00B24DMC49	FAIG	\$3.0050975
ETFS Forward Energy DJ-AIGCI-F3 SM	JE00B24DMD55	ENEF	\$6.4377080
ETFS Forward Petroleum DJ-AIGCI-F3 SM	JE00B24DMF79	FPET	\$7.3826600
ETFS Forward Ex-Energy DJ-AIGCI-F3 SM	JE00B24DMG86	EXEF	\$1.7421335
ETFS Forward Industrial Metals DJ-AIGCI-F3 SM	JE00B24DMJ18	FIND	\$2.7175840
ETFS Forward Agriculture DJ-AIGCI-F3 SM	JE00B24DMK23	FAGR	\$1.0862105
ETFS Forward Softs DJ-AIGCI-F3 SM	JE00B24DML30	SOFF	\$0.9302280
ETFS Forward Livestock DJ-AIGCI-F3 SM	JE00B24DMM47	FLIV	\$2.1964590
ETFS Forward Grains DJ-AIGCI-F3 SM	JE00B24DMN53	GRAF	\$0.8872035

ANNEX 3

FORM OF PRICING SUPPLEMENT

Pro Forma Supplement for an issue by ETFS Commodity Securities Limited under the Programme for the Issue of ETFS Commodity Securities

PRICING SUPPLEMENT

Dated [•] 200[•]

ETFS COMMODITY SECURITIES LIMITED

*(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991
(as amended) with registered number 90959)*

(the “Issuer”)

Programme for the Issue of ETFS Commodity Securities

Issue of

**[number] [class] [Micro/Individual/Index] Securities
(the “ETFS Commodity Securities”)**

This Pricing Supplement (as referred to in the base prospectus (the “Prospectus”) dated 15 September 2008 in relation to the above Programme) relates to the issue of the ETFS Commodity Securities referred to above. The ETFS Commodity Securities have the terms provided for in the trust instrument dated 21 September 2006 as amended and supplemented by trust instruments supplemental thereto between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee constituting the ETFS Commodity Securities. Terms used in this Pricing Supplement bear the same meaning as in the Prospectus. The particulars in relation to this issue of ETFS Commodity Securities are as follows:

Issuer:	ETFS Commodity Securities Limited
Issue Date:	[●]
Class or Category of ETFS Commodity Securities to which this Pricing Supplement applies:	[●]
ISIN	[●]
Price per ETFS Commodity Security:	US\$[●]
Aggregate Number of ETFS Commodity Securities to which this Pricing Supplement applies:	[●]

Following the issue of ETFS Commodity Securities to which this Pricing Supplement applies, the following Commodity Securities will be in issue:

Class of Individual Securities or Category of Index Securities	Number
ETFS Aluminium:	
ETFS Cocoa:	
ETFS Coffee:	
ETFS Copper:	
ETFS Corn:	
ETFS Cotton:	
ETFS Crude Oil:	
ETFS Gasoline:	
ETFS Gold:	
ETFS Heating Oil:	
ETFS Lead:	
ETFS Lean Hogs:	
ETFS Live Cattle:	
ETFS Natural Gas:	
ETFS Nickel:	
ETFS Platinum:	
ETFS Silver:	
ETFS Soybean Oil:	
ETFS Soybeans:	
ETFS Sugar:	
ETFS Tin:	
ETFS Wheat:	
ETFS Zinc:	
ETFS Forward Aluminium:	
ETFS Forward Coffee:	
ETFS Forward Copper:	
ETFS Forward Corn:	
ETFS Forward Cotton:	
ETFS Forward Crude Oil:	
ETFS Forward Gasoline:	
ETFS Forward Gold:	
ETFS Forward Heating Oil:	
ETFS Forward Lean Hogs:	
ETFS Forward Live Cattle:	
ETFS Forward Natural Gas:	
ETFS Forward Nickel:	
ETFS Forward Silver:	
ETFS Forward Soybean Oil:	
ETFS Forward Soybeans:	
ETFS Forward Sugar:	
ETFS Forward Wheat:	
ETFS Forward Zinc:	
ETFS All Commodities DJ-AIGCI SM :	
ETFS Agricultural DJ-AIGCI SM :	
ETFS Energy DJ-AIGCI SM :	
ETFS Ex-Energy DJ-AIGCI SM :	
ETFS Grains DJ-AIGCI SM :	
ETFS Industrial Metals DJ-AIGCI SM :	
ETFS Livestock DJ-AIGCI SM :	
ETFS Petroleum DJ-AIGCI SM :	
ETFS Precious Metals DJ-AIGCI SM :	
ETFS Softs DJ-AIGCI SM :	
ETFS Forward All Commodities DJ-AIGCI-F3 SM :	
ETFS Forward Energy DJ-AIGCI-F3 SM :	

Class of Individual Securities or Category of Index Securities**Number**

ETFS Forward Petroleum DJ-AIGCI-F3SM:
ETFS Forward Ex-Energy DJ-AIGCI-F3SM:
ETFS Forward Precious Metals DJ-AIGCI-F3SM:
ETFS Forward Industrial Metals DJ-AIGCI-F3SM:
ETFS Forward Agriculture DJ-AIGCI-F3SM:
ETFS Forward Softs DJ-AIGCI-F3SM:
ETFS Forward Livestock DJ-AIGCI-F3SM:
ETFS Forward Grains DJ-AIGCI-F3SM:

In addition, the following Micro Securities will be in issue:

Class of Micro Securities**Number**

Aluminium:
Cocoa:
Coffee:
Copper:
Corn:
Cotton:
Crude Oil:
Gasoline:
Gold:
Heating Oil:
Lead:
Lean Hogs:
Live Cattle:
Natural Gas:
Nickel:
Platinum:
Silver:
Soybean Oil:
Soybeans:
Sugar:
Tin:
Wheat:
Zinc:

Forward Aluminium:
Forward Coffee:
Forward Copper:
Forward Corn:
Forward Cotton:
Forward Crude Oil:
Forward Gasoline:
Forward Gold:
Forward Heating Oil:
Forward Lean Hogs:
Forward Live Cattle:
Forward Natural Gas:
Forward Nickel:
Forward Silver:
Forward Soybean Oil:
Forward Soybeans:
Forward Sugar:
Forward Wheat:
Forward Zinc: