



ROGERS INTERNATIONAL COMMODITY TRAKRS

Maturing October 26, 2010

Rogers International CommoditySM TRAKRSSM ("RogersSM TRAKRS") are non-traditional futures contracts designed to provide customers with an effective way to gain exposure to commodities. Rogers TRAKRS are designed to track the performance of a TRAKRS index (the "Index"), which in turn, tracks the Rogers International Commodity Index[®] (the "RICI"). The RICISM is a composite, U.S. dollar-based, total return index which represents the value of a basket of commodities consumed in the global economy, ranging from agricultural to energy to metal products. The value of this basket is tracked via futures contracts on 35 different exchange-traded physical commodities, quoted in four currencies, listed on ten exchanges in five countries. See "Description of the Rogers International Commodity Index."

TRAKRS or "Total Return Asset ContractsSM" seek to reduce many of the inefficiencies associated with traditional, managed investment vehicles. TRAKRS also reduce many of the costs and potential tax consequences that result from turnover in managed portfolios. Similarly, because Rogers TRAKRS are futures contracts rather than shares or other interests in an investment vehicle, Rogers TRAKRS will not make taxable distributions to customers.

Rogers TRAKRS are products of Chicago Mercantile Exchange Inc. ("CME[®]") and will trade under the ticker symbol "RCI." Customers buying and selling Rogers TRAKRS should consult with their brokers regarding the brokerage commissions and fees charged for Rogers TRAKRS transactions, including the 1.95% per annum Adjustment Factor and 3.00% 30-day Amortizing Spread (each as defined below), in addition to CME[®] fees and National Futures Association ("NFA") fees. See "Scheduled Opening, Brokerage Compensation and Other Costs" for a more detailed description of the brokerage commissions and fees.

See "Risk Factors" beginning on page 9 of the TRAKRS Disclosure Document, dated July 1, 2002 (the "TRAKRS Disclosure Document"), and "Risks of Trading and Holding Rogers TRAKRS" beginning on page S-3 of this Disclosure Document Supplement to read about factors you should consider before purchasing or selling Rogers TRAKRS.

This Disclosure Document Supplement supplements information contained in the TRAKRS Disclosure Document. The date of this Disclosure Document Supplement is September 9, 2005.

**THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE
ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT SUPPLEMENT.**

**THIS ROGERS INTERNATIONAL COMMODITY TRAKRS DISCLOSURE DOCUMENT SUPPLEMENT
IS PUBLISHED BY CME AND DISTRIBUTED TO CUSTOMERS WHO TRADE OR INTEND TO TRADE
ROGERS INTERNATIONAL COMMODITY TRAKRS. THE DISCLOSURE DOCUMENT DATED
JULY 1, 2002, ALSO PUBLISHED BY CME, AND THIS DISCLOSURE DOCUMENT SUPPLEMENT ARE
ALSO AVAILABLE AT [HTTP://WWW.CME.COM](http://www.cme.com) AND [HTTP://WWW.TRAKRS.COM](http://www.trakrs.com).**

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CONTENTS

	<u>Page</u>
DESCRIPTION OF ROGERS INTERNATIONAL COMMODITY TRAKRS	1
SCHEDULED OPENING, BROKER COMPENSATION AND OTHER COSTS	2
RISKS OF TRADING AND HOLDING ROGERS TRAKRS	3
DESCRIPTION OF THE ROGERS INTERNATIONAL COMMODITY INDEX	8
Overview	8
The RICI Committee	9
RICI Composition	9
RICI Weightings	10
Reference Rates	11
Calculation of the RICI	11
DESCRIPTION OF THE ROGERS TRAKRS INDEX	12
HISTORICAL INFORMATION	12
FINAL SETTLEMENT PRICE OF ROGERS INTERNATIONAL COMMODITY TRAKRS	14
PUBLICATION OF A SUCCESSOR INDEX	14
CERTAIN ERISA CONSIDERATIONS	14
WHERE YOU CAN FIND MORE INFORMATION	14
DISCLAIMERS	15
SUMMARY OF CONTRACTUAL TERMS	16

Trading Rogers TRAKRS through GLOBEX® is subject to the rules of Chicago Mercantile Exchange Inc. (“CME”). You should carefully review CME’s rules that generally and specifically refer to TRAKRS and GLOBEX, including CME Rule 578—LIMITATION OF LIABILITY, CME Rule 579—GLOBEX CONTROL CENTER—LIMITATION OF LIABILITY and “Interpretations & Special Notices Relating to Chapter 364” of the CME’s Rules, which are available at CME’s website at <http://www.cme.com>. See “Risk Factors—Limitation of liability of CME” and “Risk Factors—Limitation of liability of Merrill Lynch, the Index Compilation Agent and the Calculation Agent” in the Disclosure Document dated July 1, 2002 and “Risks of Trading and Holding Rogers TRAKRS—Limitation of Liability” in this Disclosure Document Supplement.

DESCRIPTION OF ROGERS INTERNATIONAL COMMODITY TRAKRS

The following describes Rogers International CommoditySM TRAKRSSM (“RogersSM TRAKRS”) and TRAKRS products generally. Please see the more detailed description of TRAKRS in the TRAKRS Disclosure Document, dated July 1, 2002 (the “TRAKRS Disclosure Document”). The “Summary of Contractual Terms” section of this Disclosure Document Supplement contains more detailed information regarding the terms and conditions of Rogers TRAKRS. You should carefully read this entire document and the TRAKRS Disclosure Document.

Rogers TRAKRS are non-traditional futures contracts designed to provide customers with an effective way to gain exposure to commodities. Rogers TRAKRS are designed to track a TRAKRS index (the “Index”), which will equal (i) the product of the value of the Rogers International Commodity Index[®] (the “RICI”) and the Multiplier, which is adjusted on a daily basis to reflect the application of the Adjustment Factor of 1.95%, plus (ii) the Amortizing Spread initially equal to 3.0%, which reflects costs of purchasing Rogers TRAKRS at inception (all as described more fully below). The RICI represents the value of a basket of commodities consumed in the global economy, ranging from agricultural to energy to metals products. The value of this basket is tracked via futures contracts on 35 different exchange-traded physical commodities, quoted in four currencies, listed on ten exchanges in five countries. The Bloomberg ticker symbol for the RICI is “RICIGLTR”.

TRAKRS are cash-settled, electronically traded futures contracts designed to track the performance of particular TRAKRS indices. This means that TRAKRS reduce many of the costs and potential tax consequences that result from turnover in traditional investment portfolios. Because Rogers TRAKRS are based on an index of the prices of futures contracts rather than direct ownership of futures contracts, Rogers TRAKRS generally will be easier to hold and may be more tax efficient than holding positions in the underlying futures contracts.

Many non-institutional (*i.e.*, retail) customers have avoided using futures contracts because of their perceived complexity, the need for special futures accounts, and the fact that they could incur losses in excess of their initial margin due to the leverage inherent in traditional futures. Long TRAKRS positions, however, are not leveraged for non-institutional customers, because such customers post 100% of the TRAKRS market value at the time of purchase. As a result, non-institutional customers will not be subject to margin calls or any requirement to make any additional payments throughout the life of their long TRAKRS position. Non-institutional customers will not be entitled to receive any interest on the money that they use to purchase TRAKRS under the terms of TRAKRS. Non-institutional customers establishing a long position in TRAKRS will not be able to use any mark-to-market gains for reinvestment or other purposes until they liquidate their position in TRAKRS or the TRAKRS terminate. Non-institutional customers establishing a short position in TRAKRS will be able to use mark-to-market gains under specified circumstances. Non-institutional customers who establish a short position in TRAKRS will be required to post 50% of the TRAKRS market value at the time of sale, and will be required, under specified circumstances, to make and receive maintenance payments. Thus, non-institutional customers establishing a short position in TRAKRS may incur losses in excess of their initial margin.

A non-institutional customer holding either a long or short TRAKRS position will not be treated for U.S. federal income tax purposes as holding a “regulated futures contract.” Any gain or loss recognized by a non-institutional customer will be capital gain or loss regardless of whether the contract is held to maturity or terminated prior to maturity. Furthermore, a non-institutional customer holding a long TRAKRS position for more than 6 months will be subject to long-term capital gain or loss treatment. See “Federal Income Tax Considerations” in the TRAKRS Disclosure Document.

Different rules apply to institutional customers that are qualified institutional buyers under Rule 144A under the Securities Act of 1933, as amended. See the TRAKRS Disclosure Document for more details.

Dow Jones will serve as calculation agent (the “Calculation Agent”) for Rogers TRAKRS. The Calculation Agent will calculate and disseminate Index quotes under the symbol “RCT” every 15 seconds (assuming the

Index value has changed within such 15-second interval) during regular futures exchange trading hours of 8:30 a.m. and 3:00 p.m. (CT) and a daily index value for the Index at approximately 4:15 p.m. (CT) on each Business Day (as defined below). The Calculation Agent is not responsible for calculating the RICI (see “Description of the Rogers International Commodity Index-Calculation of the RICI”). The Calculation Agent’s publication of Index quotes is contingent upon the ongoing publication of the RICI by Reuters in real time. Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) will serve as the Index compilation agent (the “Index Compilation Agent”) for Rogers TRAKRS, and as Index Compilation Agent, will perform only that function described in the section entitled “Publication of a Successor Index.”

The intellectual property rights pertaining to the RICI are proprietary to Beeland Interests, Inc., a company owned and controlled by Rogers (“Beeland Interests”). Merrill Lynch and CME have been granted a non-exclusive license to use the RICI and certain related servicemarks and trademarks in connection with Rogers TRAKRS.

Further information on the RICI is provided below under “Description of the Rogers International Commodity Index.” Further information on the RICI is available at <http://www.trakrs.com> and <http://www.cme.com>.

SCHEDULED OPENING, BROKER COMPENSATION AND OTHER COSTS

CME will employ special opening procedures in connection with the scheduled opening. These procedures will permit authorized, notice-registered broker-dealers and futures commission merchants (“FCMs”) to commence the marketing of the product and to solicit limit orders during a marketing period commencing September 9, 2005. It is expected that the marketing period will conclude at 1:00 p.m. (CT) on November 2, 2005, when solicitation of orders in accordance with the special opening procedures will terminate and all orders will be reported by CME clearing members to CME. CME will thereupon match such orders to buy with sell orders prioritized by price. It is anticipated that these orders will be executed at a price of approximately \$25.00 per contract. CME reserves the right to limit the size of the initial open interest. Should multiple sell orders be received at the same price limit, allocation of buy orders shall be made on a pro rata basis by references to the quantities associated with the sell orders, until all orders are filled or until the limit is reached.

Any orders in Rogers TRAKRS that are entered after 1:00 p.m. (CT) on November 2, 2005 will be executed during regular trading hours, which are scheduled to begin at 8:30 a.m. (CT) on November 4, 2005 (two Business Days later). A “Business Day” is any day on which all U.S.-based exchanges that list futures contracts included in the RICI are open for business, including partial-day opening.

The value of the Index initially will be set to 25.00 on November 3, 2005. Beginning on November 4, 2005, the value of the Index, at any time, will equal the product of the RICI and the Multiplier, plus the Amortizing Spread. The Amortizing Spread represents the up-front fee that is amortized during the 30-day period beginning on November 4, 2005; it will initially be \$0.75 and will decrease to zero over the initial 30-day period, as described below. Because the RICI is a pre-existing index, the Calculation Agent will identify the “Multiplier” such that the product of the closing price of the RICI on November 3, 2005 multiplied by the Multiplier will equal 24.25. If, on November 3, 2005, an exchange where one or more RICI components trades is closed, then for purposes of identifying the Multiplier, the Calculation Agent will use the next available official settlement price of affected RICI components. If, on November 3, 2005, one or more of the settlement prices of the futures contracts included in the RICI is subject to a limit bid or offer, then that contract’s contribution to the calculation of the initial value of the Multiplier will be deferred for up to ten additional Business Days. If subsequent to November 3, 2005, but within ten Business Days, the futures contract originally at limit trades at a price other than a limit bid or offer and settles at a non-limit bid or offer, then the price that will be used as that futures contract’s contribution to the calculation of the initial value of the Multiplier will be the settlement price for that day. If in the ten Business Days subsequent to November 3, 2005, the component commodity originally at limit

fails to trade and settle at a price other than a limit bid or offer, the futures contract's settlement price on the tenth Business Day shall be used as the contract's contribution to the calculation of the initial value of the Multiplier.

The Calculation Agent will decrease the value of the Multiplier on a daily basis to reflect the application of an adjustment factor equal to 1.95% per annum (the "Adjustment Factor"). The daily application of the Adjustment Factor results in a reduction in the value of the Index during the term of the contract and at maturity and therefore will reduce the Final Settlement Price. In addition, during the 30-day period beginning from the first day of trading, expected to be November 4, 2005, customers purchasing Rogers TRAKRS will be charged an amortizing spread initially equal to 3.0% of the expected initial execution price of \$25.00 (the "Amortizing Spread"), which may be used to compensate brokers offering Rogers TRAKRS in the scheduled opening. The Amortizing Spread will be charged during the 30-day period beginning on November 4, 2005, and will be reduced by \$0.025 (i.e., 3.0% divided by 30, applied to a value of 25.00) each calendar day for the 30-day period. Because the Amortizing Spread is included in the cost of Rogers TRAKRS during this initial 30-day period, customers that purchase Rogers TRAKRS during that time should expect to pay a higher price than customers that purchase Rogers TRAKRS after the initial 30-day period has expired. It is also possible that after the initial 30-day period, market conditions will change so that the price of Rogers TRAKRS (without the 3.0% amortizing spread) is greater than the price of Rogers TRAKRS during the initial 30-day period.

Non-institutional customers should view the Adjustment Factor and the Amortizing Spread as an economic cost that is embedded in the value of Rogers TRAKRS and should consider this cost as they evaluate the desirability of a position in Rogers TRAKRS.

Customers buying and selling Rogers TRAKRS should consult with their brokers regarding the brokerage commissions and fees charged for all Rogers TRAKRS transactions, including the commissions and fees for orders executed at the inception of trading, in addition to CME fees and NFA fees.

CME has the discretion to postpone the November 2, 2005 scheduled opening if it determines that due to market conditions, market makers would be unable to hedge their positions in Rogers TRAKRS in an orderly manner. CME also has the discretion to postpone the first day of regular trading of Rogers TRAKRS due to market disruption events. In that event, regular trading would begin on the next Business Day after November 4, 2005 upon CME's determination that such market disruptions event no longer exist, and the 30-day period relating to the Amortizing Spread would be postponed until the first day of regular trading. Merrill Lynch intends to offer Rogers TRAKRS equal to the amount of purchase orders (long) that are placed by customers up to \$1,000,000,000 notional value of contracts immediately prior to the scheduled opening, but may in its sole discretion decide not to do so.

RISKS OF TRADING AND HOLDING ROGERS TRAKRS

Trading and holding a long or short position in Rogers TRAKRS involves risks similar to trading or holding the underlying futures contracts on commodities included in the RIC1, and consequently the Index. As a result, if you establish a long position in Rogers TRAKRS, you may lose all or a substantial portion of the amount you use to take a position in Rogers TRAKRS. If you establish a short position in Rogers TRAKRS, you may incur losses beyond the amount used to establish your short position if Rogers TRAKRS increase in value. See "Description of TRAKRS—Non-Institutional Customers—Performance Bond and Settlement Variation Margin Requirements" in the TRAKRS Disclosure Document. Rogers TRAKRS may under-perform other investment styles or investments in indexes or other products that track other markets or sectors. You should carefully consider the following discussion of risks, together with the risks described under "Risk Factors" in the TRAKRS Disclosure Document, before deciding whether to take a position in Rogers TRAKRS.

- ***Trading in futures contracts associated with physical commodities is speculative and can be extremely volatile.*** Market prices of the underlying commodity interests may fluctuate rapidly

based on numerous factors, including: changes in supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates.

- ***Risks associated with the RICI.*** Because Rogers TRAKRS are derived from the RICI, which reflects the return on 35 exchange-traded futures contracts on physical commodities, it will be less diversified than other funds or investment portfolios investing in a broader range of products and, therefore, could experience greater volatility. Increases in the RICI depends on the increasing price of the futures on raw materials represented by the RICI. Investors holding long positions in Rogers TRAKRS will receive a positive return on investment only if the price of associated futures contracts increases at a rate that exceeds the management, subscription and other fees involved. Given the highly unpredictable and volatile nature of futures prices, the price movements of the futures on raw materials comprising the RICI should be viewed over a longer period of time.

Additionally, the annual composition of the RICI will be calculated in reliance upon historical price and liquidity data that are subject to potential errors in data sources or errors that may affect the weighting of components of the RICI. Any discrepancies that require revision (as is the case with changes in the composition or weighting of the Index) are not applied retroactively but are reflected in prospective weighting calculations of the RICI. However, Beeland Interests, the publisher of the RICI, may not discover every discrepancy.

Furthermore, the RICI Committee is responsible for formulating and enacting all business assessments regarding the composition of the RICI. Rogers, as the founder of the RICI, chairs the RICI Committee and controls its decisions. The other members of the RICI Committee are Diapason Commodities Management S.A. (“Diapason”), Daiwa Securities Co., Ltd., and Beeland Interests, Inc. Rogers has agreed with UBS AG that a representative of UBS AG will become a member of the RICI Committee. As of the date of this Disclosure Document Supplement, Rogers has a controlling interest in Diapason and Beeland Management Company.

The RICI is calculated and maintained by Diapason. Diapason is not responsible for the existence of any errors, delays, omissions, or inaccuracies in data provided by a third party to Diapason that is used by Diapason to calculate the RICI.

There can be no assurance that any of the foregoing will not have an adverse effect on the value of Rogers TRAKRS.

- ***Discontinuation of publication of the RICI.*** Although Beeland Interests has licensed the RICI on a non-exclusive basis for use in connection with Rogers TRAKRS, except in certain circumstances, Beeland Interests is under no obligation to continue to publish the RICI or required to publish any successors to the RICI. Should Beeland Interests cease publication of the RICI and the Index Compilation Agent fails to establish a successor or substitute index, Rogers TRAKRS may be delisted and open positions closed at prices determined in accordance with CME Rules. See “Publication of a Successor Index” and CME Rule 36705– Emergencies, Acts of God, Acts of Government.
- ***Market disruption events.*** The futures markets occasionally experience “market disruption events,” which are disruptions in trading that include, but are not limited to, the cessation of trading in the futures contract and the imposition by the futures exchange on which such contract is traded of a “limit price” (*i.e.*, a range outside of which the contract is not permitted to trade). Market disruption events may affect one or more components of the RICI or the RICI itself. During market disruption events, it may be difficult or impossible to obtain bid or ask prices for Rogers TRAKRS. There can be no assurance that a market disruption event or any other *force majeure* event (such as

an act of God, fire, flood, severe weather conditions, act of governmental authority, labor difficulty, etc.) will not have an adverse affect on the value of the RICI or the manner in which it is calculated.

- ***Discretion of the Calculation Agent and Index Compilation Agent.*** Dow Jones will serve as the Calculation Agent and Merrill Lynch will serve as the Index Compilation Agent for Rogers TRAKRS. The Index is calculated by Dow Jones without regard to the parties to any transaction involving the RICI or the Index. None of Dow Jones (as Calculation Agent), Merrill Lynch (as Index Compilation Agent) or any of their respective subsidiaries or affiliates has any obligation to take the needs of any parties to transactions involving the RICI or the Index into consideration in determining, composing or calculating the Index or the Multiplier.
- ***Discretion of the RICI Committee.*** The RICI Committee reviews the selection and weighting of the futures contracts in the RICI annually. The RICI Committee meets each December to consider changes in the components and weightings of the RICI for the following calendar year; however; such changes can be made at any time. The RICI Committee and particularly Rogers has a significant degree of discretion in exercising its supervisory duties with respect to the RICI. The RICI Committee does not have any obligation to take the needs of any parties to transactions involving the RICI into consideration when reweighting or making any other changes to the RICI.
- ***Initial opening.*** CME has the discretion to postpone the November 2, 2005 scheduled opening if it determines that, due to market conditions, market makers would be unable to hedge their positions in Rogers TRAKRS in an orderly manner. In addition, CME has the discretion to postpone the first day of regular trading of Rogers TRAKRS due to market disruption events. In that event, regular trading would begin on the next Business Day that such market disruptions event no longer exist after November 4, 2005 upon CME's determination, and the 30-day period relating to the Amortizing Spread would be postponed until the first day of regular trading. If this occurs, a market will not exist for Rogers TRAKRS until regular trading begins. Therefore, you may not be able to close out your existing position prior to the actual first day of regular trading. Furthermore, CME may, in its discretion, limit the size of the initial open interest of Rogers TRAKRS. If CME does so, it is possible that your order will not be filled on the initial opening.
- ***Risk of concentrated positions in one or more commodity sectors.*** The exchange-traded physical commodities underlying the futures contracts included in the RICI from time to time are heavily concentrated in a limited number of sectors, particularly energy and agriculture. An investment in Rogers TRAKRS may therefore carry risks similar to a concentrated securities investment in a limited number of industries or sectors. For example, the initial weightings for approximately 44% of the component commodities on the RICI are energy oriented, including 35% in crude oil. Accordingly, a decline in value in such raw materials would adversely affect the performance of the RICI. Technological advances or the discovery of new oil reserves could lead to increases in worldwide production of oil and corresponding decreases in the price of crude oil. In addition, further development and commercial exploitation of alternative energy sources, including solar, wind or geothermal energy, could lessen the demand for crude oil products and result in lower prices. Absent amendment of the RICI to lessen or eliminate the concentration of existing energy contracts in the RICI or to broaden the RICI to account for such developments, the value of the RICI and hence the value of the Index could decline.
- ***Merrill Lynch and CME's right to use the RICI.*** Merrill Lynch and CME have been granted a non-exclusive license to use the RICI and related servicemarks and trademarks in connection with Rogers TRAKRS. If any of Beeland Interests, Diapason, Merrill Lynch or CME terminates this license, no new Rogers TRAKRS may be listed for trading. Furthermore, if the license is terminated, and/or Beeland Interests stops publishing the RICI, and Merrill Lynch fails to publish a successor or substitute index, Rogers TRAKRS may be delisted and open positions closed at prices determined in accordance with CME Rules. See "Publication of a Successor Index" and CME Rule 36705—Emergencies, Acts of God, Acts of Government.

- **Possible lack of liquidity.** Because Rogers TRAKRS are non-traditional futures contracts, the market for Rogers TRAKRS may not be as developed as the markets for other futures contracts. At least initially, it is not expected that many firms (other than Merrill Lynch) will make a market in Rogers TRAKRS. In addition, there can be no assurance that Merrill Lynch's market making activities will provide sufficient liquidity. Further, CME provides facilities for private bilateral negotiation of transactions in Rogers TRAKRS, including block trades and exchanges of futures for physicals, which could have an adverse effect on the liquidity of Rogers TRAKRS for non-institutional customers. Accordingly, there can be no assurance that there will be a short Rogers TRAKRS order available to be matched to every long Rogers TRAKRS order and vice versa.
- **Temporary price increases and decreases in the underlying components of the RICI.** Merrill Lynch expects to hedge some or all of its positions in Rogers TRAKRS. Purchasing (or selling) activity in the underlying RICI components in order to hedge a Rogers TRAKRS position may affect the market price of the futures contracts included in the RICI. Merrill Lynch also may hedge its position by purchasing (or selling) the RICI or futures on the RICI, if available on other exchanges or through other settlement systems. Large volumes of purchasing (or selling) activity, which may occur prior to or in connection with the commencement of trading of Rogers TRAKRS and on each periodic reconstitution and rebalancing date, could temporarily increase (or decrease) the market price of the underlying index components, resulting in a higher (or lower) price for such components on that date. This activity could create a temporary imbalance between the supply and demand of the underlying index components, thereby limiting their liquidity. Consequently, prices for the underlying index components may decline (or increase) after these purchases or sales as the volume of purchases (or sales) subsides. Moreover, if a significant market maker in Rogers TRAKRS (such as Merrill Lynch) decides it no longer needs to hedge some or all of its Rogers TRAKRS positions, as may be the case immediately prior to the final settlement date, the prices of the underlying index components could temporarily change in connection with the liquidation of the hedging position. Either of these situations may have an adverse effect on the trading price of Rogers TRAKRS.
- **Potential conflicts of interest.** Merrill Lynch and its subsidiaries and affiliates (including individuals associated with Merrill Lynch and its subsidiaries and affiliates) actively trade commodities and/or futures contracts on physical commodities, including underlying commodities and/or futures contracts on physical commodities included in the RICI, and over-the-counter contracts having values which derive from or are related to such commodities. Merrill Lynch and its subsidiaries and affiliates also may actively trade and hedge Rogers TRAKRS, the RICI and sub-indexes of the RICI. With respect to any such activities, neither Merrill Lynch nor any of its subsidiaries or affiliates has any obligation to take the needs of any buyers, sellers or holders of Rogers TRAKRS into consideration at any time. Rogers, individually or through an entity controlled by Rogers, actively trades commodities and/or futures contracts on physical commodities, including underlying commodities and/or futures contracts on physical commodities included in the RICI, and over-the-counter contracts having values which derive from or are related to such commodities. Rogers, individually or through an entity controlled by Rogers, also may actively trade and hedge the RICI and sub-indexes of the RICI. With respect to any such activities, neither Rogers nor any of the entities controlled by Rogers has any obligation to take the needs of any buyers, sellers or holders of Rogers TRAKRS into consideration at any time. It is possible that such trading and hedging activities, by any of these parties, will affect the value of the RICI and Rogers TRAKRS. As incentive for brokers to suggest that their customers hold their Rogers TRAKRS positions, brokers may be paid additional compensation for their customers who hold Rogers TRAKRS for over 12 months.

- ***Limitation of liability.*** CME has adopted provisions that limit Merrill Lynch's liability with respect to Rogers TRAKRS. These provisions state that neither Merrill Lynch nor its affiliates, employees and agents, will have any obligation or liability, contingent or otherwise, to CME, its members or any other person or entity in connection with the trading of Rogers TRAKRS.
- ***The RICI will include futures contracts on foreign exchanges that are less regulated than U.S. markets and are subject to risks that do not always apply to U.S. markets.*** The RICI will include futures contracts on physical commodities on exchanges located outside the United States. The RICI Committee currently has not established any limits on the percentages of the commodities, by weight, traded on a non-U.S. exchange that can be included in the RICI; historically, such percentages have not exceeded 20%. The regulations of the CFTC do not apply to trading on foreign exchanges, and trading on foreign exchanges may involve different and greater risks than trading on United States exchanges. Certain foreign markets may be more susceptible to disruption than United States exchanges due to the lack of a government-regulated clearinghouse system. Trading on foreign exchanges also involves certain other risks that are not applicable to trading on United States exchanges. Those risks include: (a) exchange rate risk relative to the U.S. dollar; (b) exchange controls; (c) expropriation; (d) burdensome or confiscatory taxation; and (e) moratoriums, and political or diplomatic events. It will also likely be more costly and difficult for Rogers and the RICI Committee to enforce the laws or regulations of a foreign country or exchange, and it is possible that the foreign country or exchange may not have laws or regulations which adequately protect the rights and interests of investors in the RICI.
- ***Other Investors Replicating the RICI.*** The RICI is currently and is expected to continue to be licensed to parties other than Merrill Lynch and CME. Thus, the risks associated with liquidity and competition for available contracts may be increased.

DESCRIPTION OF THE ROGERS INTERNATIONAL COMMODITY INDEX

The following is a description of the RIC I, including a summary of the procedures used to determine and calculate the RIC I. The information contained in this section has been provided by Beeland Interests.

Overview

The Rogers International Commodity Index® (the “RIC I”) is a composite, U.S. dollar-based, total return index created by James Beeland Rogers, Jr. (“Rogers”) on July 31, 1998. The RIC I was designed to meet the need for consistent investing in a broad based international vehicle; it represents the value of a basket of commodities consumed in the global economy, ranging from agricultural to energy to metal products. The value of this basket is tracked via futures contracts on 35 different exchange-traded physical commodities, quoted in four currencies, listed on ten exchanges in five countries.

The RIC I aims to be an effective measure of the price action of raw materials not just in the United States but also around the world. Indeed, the RIC I’s weightings attempt to balance consumption patterns worldwide (in developed and developing countries) and specific contract liquidity.

Below is a current list of the futures contracts comprising the RIC I, together with their respective symbols, exchanges, currencies and initial weightings:

<u>Contract</u>	<u>Symbol</u>	<u>Exchange</u>	<u>Currency</u>	<u>Initial Weighting</u>
Crude Oil	CL	NYMEX	USD	35.00%
Wheat	W	CBOT	USD	7.00%
Corn	C	CBOT	USD	4.75%
Aluminum	LMAH	LME	USD	4.00%
Copper	HG	COMEX	USD	4.00%
Cotton	CT	NYCE	USD	4.00%
Gold	GC	COMEX	USD	3.00%
Heating Oil	HO	NYMEX	USD	3.00%
Natural Gas	NG	NYMEX	USD	3.00%
Soybeans	S	CBOT	USD	3.00%
Unleaded Gasoline	HU	NYMEX	USD	3.00%
Coffee	KC	CSCE	USD	2.00%
Lead	LMPB	LME	USD	2.00%
Live Cattle	LC	CME	USD	2.00%
Silver	SI	COMEX	USD	2.00%
Soybean Oil	BO	CBOT	USD	2.00%
Sugar	SB	CSCE	USD	2.00%
Zinc	LMZS	LME	USD	2.00%
Platinum	PL	COMEX	USD	1.80%
Cocoa	CC	CSCE	USD	1.00%
Lean Hogs	LH	CME	USD	1.00%
Lumber	LB	CME	USD	1.00%
Nickel	LMNI	LME	USD	1.00%
Rubber	JN	TOCOM	JPY	1.00%
Tin	LMSN	LME	USD	1.00%
Soybean Meal	SM	CBOT	USD	0.75%
Canola	RS	WCE	CAD	0.67%
Orange Juice	JO	NYCE	USD	0.66%
Azuki Beans	JE	TGE	JPY	0.50%
Oats	O	CBOT	USD	0.50%
Rice	RR	CBOT	USD	0.50%
Palladium	PA	COMEX	USD	0.30%
Barley	WA	WCE	CAD	0.27%
Greasy Wool	OL	SFE	AUS	0.25%
Raw Silk	ZH	YCE	JPY	0.05%

Rogers and Diapason have stated that the RICI is designed to offer stability, partly because it is broadly based and consistent in composition, and to meet a need in the financial spectrum currently not effectively covered.

The RICI Committee

The RICI Committee formulates and enacts all business assessments and decisions regarding the composition of the RICI. Rogers, as the founder of the RICI, chairs the RICI Committee and is the final arbiter of its decisions. Beside Rogers, representatives of the following parties are members of the RICI Committee: (1) Diapason, (2) Daiwa Securities Co. Ltd., and (3) Beeland Management Company. Rogers has agreed with UBS AG that a representative of UBS AG will become a member of the RICI Committee. Exclusively, Rogers, as chairman of the committee, is authorized to designate new members of the committee, if necessary.

The RICI Committee meets each December to consider changes in the components and weightings of the RICI for the following calendar year; however, such changes can be made at any time. Any changes in weightings and/or the composition of the RICI will be published on <http://www.cme.com> and <http://www.trakrs.com>.

RICI Composition

The Process

The contracts chosen for the basket of commodities that constitute the RICI are required to fulfill various conditions described below. Generally, the selection and weighting of the items in the RICI are reviewed annually by the RICI Committee, and weights for the next year are assigned every December. The RICI's composition is modified only in rare occasions, in order to maintain investability and stability, and the composition of the RICI generally will not be changed unless severe circumstances in fact occur. Such "severe circumstances" may include (but are not restricted to):

- continuous adverse trading conditions for a single contract (*e.g.*, trading volume collapses) or
- critical changes in the global consumption pattern (*e.g.*, scientific breakthroughs that fundamentally alter consumption of a commodity).

To date, there have been only two changes in the components of the RICI in the history of the RICI. These changes of components were made in order to substitute soybean oil for palm oil and soybean meal for flaxseed.

Exchanges and Non-Traded Items

All commodities included in the RICI must be publicly traded on recognized exchanges in order to ensure ease of tracking and verification. The 14 international exchanges recognized by the RICI Committee are:

- | | |
|--|--|
| 1. Chicago Mercantile Exchange (USA) | 8. Sydney Futures Exchange (Australia) |
| 2. Chicago Board of Trade (USA) | 9. Fukuoka Futures Exchange (Japan) |
| 3. New York Board of Trade (USA) | 10. Central Japan Commodity Exchange (Japan) |
| 4. New York Mercantile Exchange (USA) | 11. Osaka Mercantile Exchange (Japan) |
| 5. Winnipeg Commodity Exchange (Canada) | 12. The Tokyo Commodity Exchange (Japan) |
| 6. International Petroleum Exchange (UK) | 13. Tokyo Grain Exchange (Japan) |
| 7. London Metal Exchange (UK) | 14. Yokohama Commodity Exchange (Japan). |

General Contract Eligibility

A commodity may be considered suitable for inclusion in the RIC I if it plays a significant role in worldwide (developed and developing economies) consumption. “Worldwide consumption” is measured via tracking international import and export patterns, and domestic consumption environments of the world’s prime commodity consumers. Only raw materials that reflect the current state of international trade and commerce are eligible to become RIC I commodities. Commodities that are merely linked to national consumption patterns will not be considered. The RIC I is not related to any commodities production data.

Commodity Screening Process

Data of private and governmental providers concerning the world’s top consumed commodities is actively monitored and analyzed by the members of the RIC I Committee throughout the year. In order to obtain the most accurate picture of international commodities consumption, a wide range of sources on commodities demand and supply is consulted. The findings of this research are then condensed into the different commodities contracts weightings of the RIC I. Sources on world’s commodity consumption data include:

- Industrial Commodity Statistics Yearbook, United Nations (New York)
- Commodity Trade Statistics Database, United Nations Statistic Division (New York)
- Copper Bulletin Yearbook, International Copper Study Group (Lisbon)
- Foreign Agricultural Service’s Production, Supply and Distribution Database, U.S. Department of Agriculture (Washington, D.C.)
- Manufactured Fiber Review, Fiber Economics Bureau, Inc. (U.S.A.)
- Monthly Bulletin, International Lead and Zinc Study Group (London)
- Quarterly Bulletin of Cocoa Statistics, International Cocoa Organization (London)
- Rubber Statistical Bulletin, International Rubber Study Group (London)
- Statistical Bulletin Volumes, Arab Gulf Cooperation Council (GCC)
- Sugar Yearbook, International Sugar Organization (ISO), (London)
- World Agriculture Assessments of Intergovernmental Groups, Food & Agriculture Organization of the United Nations (Rome)
- World Commodity Forecasts, Economist Intelligence Unit (London)
- World Cotton Statistics, International Cotton Advisory Committee (Washington)
- World Metals Statistics, World Bureau of Metal Statistics (London)

Contract Characteristics

In order to decide whether a specific commodity contract is actually investable, the RIC I Committee screens the volume and liquidity data of international exchanges, published on a regular basis by the Futures Industry Association (Washington DC, United States). Additionally individual exchange data on contracts may also be included in the process.

If a commodity contract trades on more than one exchange, the most liquid contract globally, in terms of volume and open interest combined, is then selected for inclusion in the RIC I, taking legal considerations into account. Beyond liquidity, the RIC I Committee seeks to include the contract representing the highest quality grade of a specific commodity.

RIC I Weightings

Initial Weightings

As of the date of this Disclosure Document Supplement, the RIC I components have the initial weightings listed in the chart above (the “Initial Weightings”). The Initial Weightings may be amended from time to time, as described below.

Changes in Weights and/or RICI Composition

As noted, the RICI Committee reviews the selection and weighting of the futures contracts in the RICI annually. Thus, weights are potentially reassigned during each month of December for the following year, if the RICI Committee so determines in its sole discretion. Any changes in weights and/or the RICI composition will be published on <http://www.cme.com> and <http://www.trakrs.com>.

Monthly Rolling of Contracts

On the close of the last Business Day of each month, all the futures contracts used to calculate the RICI, except for the contracts traded on the London Metal Exchange, are rolled. Generally, if the next calendar month of a futures contract includes a first notice day, a delivery day or historical evidence that liquidity migrates to a next contract month during this period, then the next contract month is intended to be applied to calculate the RICI, taking legal constraints into account. For example, on the close of the last Business Day of November, the January Crude Oil contract is replaced by the February Crude Oil contract. If the exchange on which one of the RICI components is closed the last Business Day of the month, the roll of this specific contract takes place the next Business Day for that exchange.

Rebalancing of the RICI Components

On the close of the last Business Day of each month, the current weight of each RICI component is rebalanced in order to be set at its Initial Weighting. If the exchange on which one of the RICI components is traded is closed on the last Business Day of the month, the reference price for the calculation of the weighting of this specific component is the closing price of the next Business Day. This rule is also valid if there is more than one component that cannot be traded on the last Business Day of the month.

Data Source

The RICI calculation is based on the official commodity exchanges' prices of the futures contracts used.

Market Disruption

If, for any reason, one of the RICI components ceases to exist or its liquidity collapses to unacceptable levels, or any other similar event occurs with similar consequences, as determined at the discretion of the RICI Committee, the RICI Committee will call an exceptional meeting to assess the situation and decide on a replacement for this component or on a change in the weighting. For example, following a currency board on the Malaysian ringgit in 1998, the liquidity of the Palm Oil futures contract on the Kuala Lumpur Commodity Exchange collapsed to a point where it became impossible to trade it. In that case, the RICI Committee, calling an exceptional meeting, decided to replace the Palm Oil futures contract with the Soybean Oil contract that trades on the Chicago Board of Trade, United States.

Reference Rates

The foreign exchange rates used to translate the value of the futures contracts denominated in a foreign currency into U.S dollars are obtained from Bloomberg. This is the "close" value for each currency taken at 5:00 pm New York time. The interest rate used is the United States 3-Month Treasury bill rate, as available on Bloomberg ticker "USGG3M <Index>".

Calculation of the RICI

Diapason is responsible for calculating the RICI and disseminating quotes of the RICI every 15-seconds (assuming the RICI value has changed within such 15-second interval) during regular exchange trading hours of 8:30 a.m. and 3:00 p.m. (CT).

DESCRIPTION OF THE ROGERS TRAKRS INDEX

The value of the Index, at any time, will equal the product of the RIC I and the Multiplier, plus the Amortizing Spread. The value of the Index initially will be set to 25.00 on November 3, 2005. The Amortizing Spread will initially be \$0.75 and will decrease to zero over the initial 30-day period, as described below. Because the RIC I is a pre-existing index, the Calculation Agent will identify the Multiplier, such that the product of the closing price of the RIC I on November 3, 2005 multiplied by the Multiplier will equal 24.25. If, on November 3, 2005, an exchange where one or more RIC I components trades is closed, then for purposes of identifying the Multiplier, the Calculation Agent will use the next available official settlement price of affected RIC I components. If, on November 3, 2005, one or more of the settlement prices of the futures contracts included in the RIC I is subject to a limit bid or offer, then that contract's contribution to the calculation of the initial value of the Multiplier will be deferred for up to ten additional Business Days. If subsequent to November 3, 2005, but within ten Business Days, the futures contract originally at limit trades at a price other than a limit bid or offer and settles at a non-limit bid or offer, then the price that will be used as that futures contract's contribution to the calculation of the initial value of the Multiplier will be the settlement price for that day. If in the ten Business Days subsequent to November 3, 2005, the component commodity originally at limit fails to trade and settle at a price other than a limit bid or offer, the futures contract's settlement price on the tenth Business Day shall be used as the contract's contribution to the calculation of the initial value of the Multiplier.

During the term of the Rogers TRAKRS, expected to begin on November 4, 2005, the Calculation Agent will reduce the value of the Multiplier on a daily basis to reflect the application of an adjustment factor equal to 1.95% per annum (the "Adjustment Factor"). The daily application of the Adjustment Factor will decrease the Multiplier over time, which will reduce the value of the Index over the term of the contract and at maturity. The Adjustment Factor reflects a number of fees, including (i) the index replication costs and market maker margins, and (ii) a "Spread" of 1.5%, a portion of which will be used to reimburse CME for costs associated with Rogers TRAKRS, and to compensate Beeland Interests for RIC I licensing fees and Diapason for RIC I calculation fees. In addition, a portion of the Spread may be paid to financial advisors as on-going compensation for customers who purchase and hold Rogers TRAKRS or may be retained as margin by the futures commission merchant holding the long non-institutional Rogers TRAKRS position.

Furthermore, during the 30-day period beginning on November 4, 2005, customers purchasing Rogers TRAKRS will be charged an amortizing spread initially equal to 3.0% of the expected initial execution price of \$25.00 (the "Amortizing Spread"), which may be used to compensate brokers offering Rogers TRAKRS in the scheduled opening. The Amortizing Spread will be charged during the 30-day period beginning on November 4, 2005, and will be reduced by \$0.025 (i.e., 3.0% divided by 30, applied to a value of 25.00) each calendar day for the 30-day period.

Customers should view the Adjustment Factor and the Amortizing Spread as an economic cost that is embedded in the value of Rogers TRAKRS and should consider this cost as they evaluate the desirability of a position in Rogers TRAKRS.

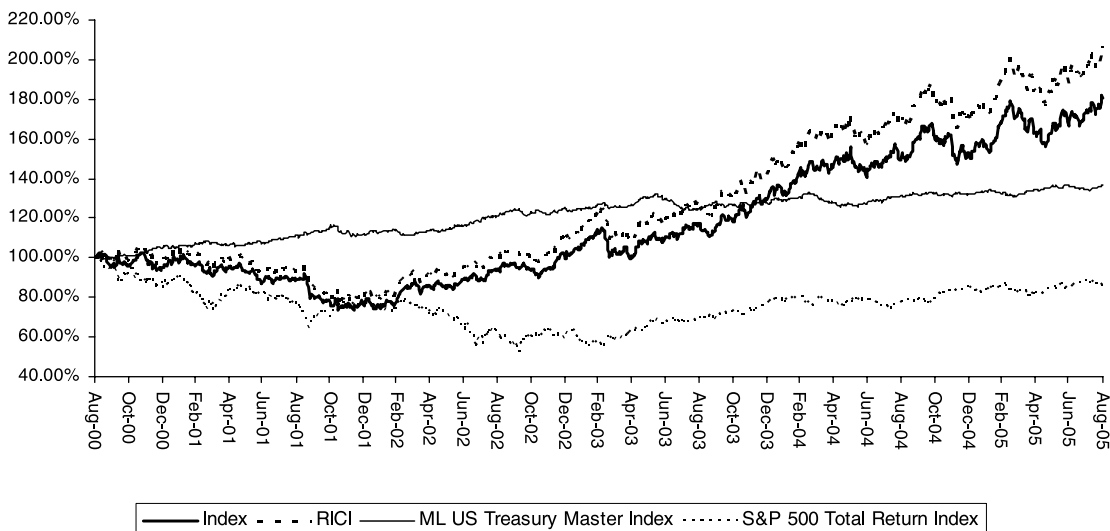
HISTORICAL INFORMATION

The following tables set forth the value of the Index from August 31, 2000 through August 31, 2005, based upon the value of the RIC I as obtained from Bloomberg and set forth various comparative statistics relating to the RIC I and the S&P 500 Total Return Index for the same period. In addition, the following chart provides a comparison of the performance of the RIC I, Merrill Lynch US Treasury Master Index, S&P 500 Total Return Index, and the hypothetical performance of the Index for the period beginning August 31, 2000 through August 31, 2005. The difference in performance between the RIC I and the Index represents the economic cost embedded in the Index, which results from the application of the Amortizing Spread and the Adjustment Factor, as described herein. The historical information indicated below is not indicative of future performance of the RIC I or the Index. Any historical upward or downward trend in the level of the RIC I or the Index during any period set forth below is not an indication that the RIC I or the Index is more or less likely to increase or decrease, or that the Index is more or less likely to outperform the RIC I, at any time during the term of Rogers TRAKRS.

Month-end Values of the Index (from August 2000 to August 2005)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
January		24.27	18.72	26.71	33.11	39.42
February		23.92	19.51	28.22	35.83	42.25
March		22.81	21.62	26.23	36.53	43.59
April		23.77	21.56	25.14	36.58	40.70
May		23.26	21.48	27.18	37.56	40.65
June		21.98	22.30	27.44	35.60	41.56
July		22.26	22.37	28.13	37.32	43.02
August	25.00	22.37	23.49	29.33	37.50	45.24
September	23.92	20.37	24.12	28.78	40.17	
October	23.99	19.39	23.59	29.89	40.78	
November	25.18	19.14	23.66	30.62	40.30	
December	23.83	18.98	24.96	32.30	38.28	

Comparative Performance (from August 2000 to August 2005)



PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THE RISK OF LOSS ASSOCIATED WITH FUTURES TRADING CAN BE SUBSTANTIAL.

Summary Statistics (from August 31, 2000 to August 31, 2005)

	TRAKRS Index	S&P 500 Total Return Index
Annualized Return	12.59%	-2.71%
Average Monthly Return	1.08%	-0.13%
Best Monthly Return	10.78%	8.80%
Worst Monthly Return	-8.91%	-10.87%
% Positive Quarters(1)	65.00%	50.00%
Worst Quarterly Return(1)	-14.42%	-13.80%
Annualized Standard Deviation(2)	14.78%	15.43%

1-For quarters ending November, February, May and August from August 2000 to August 2005.

2-A statistical measure of the historical monthly return volatility of a portfolio that measures the extent to which numbers diverge from the average.

No measure of risk can predict future performance or assure that unexpected losses will not occur at some point in the future.

FINAL SETTLEMENT PRICE OF ROGERS INTERNATIONAL COMMODITY TRAKRS

The final settlement price for Rogers TRAKRS (the “Final Settlement Price”) shall be determined on October 26, 2010 (the “Final Settlement Date”), or, if the RIC I is not scheduled to be published for that day, on the first preceding trading day for which the RIC I is scheduled to be published. The Final Settlement Price shall be based on the product of (i) the Multiplier and (ii) a special quotation of the RIC I calculated using the settlement prices of the component futures on that day, except as noted below.

If an exchange that a component or components of the RIC I is trading on is not open on the Final Settlement Date because of a scheduled closing, then the contribution to the Final Settlement Price for the affected component or components shall be based on the settlement quotation of the first preceding trading day.

If a component contract month’s settlement price is limit bid or offer on the settlement day, then that contract’s contribution to the Final Settlement Price is deferred for up to ten additional Business Days. If subsequent to the Final Settlement Date the component commodity contract originally at limit trades at a price other than a limit bid or offer and settles at a non-limit bid or offer, then the price that shall be used as that contract’s contribution to the Final Settlement Price shall be the settlement price for that day. If in the ten Business Days subsequent to the settlement day, the component commodity originally at limit fails to trade and settle at a price other than a limit bid or offer, the contract’s settlement price on the tenth subsequent Business Day shall be used as the contract’s contribution to the Final Settlement Price.

If a component contract month’s settlement price on the Final Settlement Date is unavailable because of an unanticipated and/or unannounced closure of component contract market, then the price of such component contract to be used in calculating the Final Settlement Price shall be the next available official settlement price.

PUBLICATION OF A SUCCESSOR INDEX

If, under certain circumstances, the license granted by Beeland Interests to CME and Merrill Lynch is terminated prior to the Final Settlement Date and/or Beeland Interests stops publishing the RIC I, then Merrill Lynch, as the Index Compilation Agent, will use commercially reasonable efforts to publish a successor or substitute index (the “Successor Index”) that is substantially comparable to the RIC I. The Successor Index will be reconstituted and rebalanced using substantially the same formula for and method of calculating the Index as at the time of the termination of the license granted by Beeland Interests to CME and Merrill Lynch.

CERTAIN ERISA CONSIDERATIONS

Notwithstanding the discussion in the TRAKRS Disclosure Document dated July 1, 2002, under the heading “Certain ERISA Considerations,” it is intended for the foreseeable future that “Plans” and “IRAs” (a those terms are defined therein) should not buy Rogers TRAKRS, and therefore every purchaser, by the act of purchasing Rogers TRAKRS, will be deemed to represent that they are not and are not acting for a “Plan” or “IRA”.

WHERE YOU CAN FIND MORE INFORMATION

Further information about TRAKRS and the RIC I is available at <http://www.trakrs.com>, and <http://www.cme.com>. In addition, information regarding the RIC I and the exchange-traded physical commodities underlying the RIC I may be obtained from other public sources.

DISCLAIMERS

Rogers TRAKRS are not sponsored, endorsed or promoted by CME, Dow Jones or any of their respective subsidiaries or affiliates. None of CME, Dow Jones or any of their respective subsidiaries or affiliates makes any representation or warranty, express or implied, to the holders of Rogers TRAKRS or any member of the public regarding the advisability of investing in Rogers TRAKRS or commodities generally or in futures particularly. None of Dow Jones, CME or any of their respective subsidiaries or affiliates is responsible for the determination of the timing of, prices at, or quantities of Rogers TRAKRS to be issued or in the determination or calculation of the equation by which Rogers TRAKRS are to be cash settled. None of Dow Jones, CME or any of their respective subsidiaries or affiliates shall have any obligation or liability in connection with the administration, marketing, or trading of Rogers TRAKRS.

Rogers TRAKRS are not sponsored, endorsed, sold or promoted by Beeland Interests or Diapason. Neither Beeland Interests nor Diapason makes any representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this Disclosure Document Supplement or the TRAKRS Disclosure Document, or the advisability of investing in securities or commodities generally, or in Rogers TRAKRS or in futures particularly.

This Disclosure Document Supplement relates only to Rogers TRAKRS and does not relate to the exchange-traded physical commodities underlying any of the RIC components. Customers and market participants buying and selling Rogers TRAKRS should not conclude that the inclusion of a futures contract in the RIC is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Merrill Lynch or any of its subsidiaries or affiliates. The information in this Disclosure Document Supplement regarding the RIC components has been derived solely from publicly available documents. Merrill Lynch has not made any due diligence inquiries with respect to the RIC components in connection with Rogers TRAKRS. Merrill Lynch makes no representation that these publicly available documents or any other publicly available information regarding the RIC components are accurate or complete. Furthermore, Merrill Lynch cannot assure you that all events occurring prior to the date of this Disclosure Document Supplement, including events that could materially affect the accuracy or completeness of any publicly available documents that may be referenced in this Disclosure Document Supplement, that would affect the trading price of the commodities underlying the RIC components, and therefore the trading prices of Rogers TRAKRS, have been publicly disclosed.

NONE OF CME, MERRILL LYNCH, DOW JONES, BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX, THE RIC, ANY DATA INCLUDED THEREIN, ROGERS TRAKRS OR THE MULTIPLIER AND NONE OF CME, MERRILL LYNCH, DOW JONES, BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NONE OF CME, MERRILL LYNCH, DOW JONES, BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY CME, OWNERS OF ROGERS TRAKRS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX, THE RIC, ANY DATA INCLUDED THEREIN OR ROGERS TRAKRS. NONE OF CME, MERRILL LYNCH, DOW JONES, BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX, THE RIC, ANY DATA INCLUDED THEREIN, ROGERS TRAKRS OR THE MULTIPLIER. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CME, MERRILL LYNCH, DOW JONES, BEELAND INTERESTS, DIAPASON OR ANY OF THEIR RESPECTIVE 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.

SUMMARY OF CONTRACTUAL TERMS

Underlying Index	The Rogers International Commodity Index® (the “RICI”)(Bloomberg ticker symbol “RICIGLTR”).
TRAKRS Index	The Index will equal the product of the RICI and the Multiplier, plus the Amortizing Spread (each, as defined below).
Maturity	Rogers TRAKRS will be cash-settled on the Final Settlement Date at the Final Settlement Price.
Last Trading Day	October 26, 2010.
Final Settlement Date	October 26, 2010.
Final Settlement Price	Rogers TRAKRS Settlement Price, as calculated on the closing of the Final Settlement Date.
Early Termination Date	If at any time the value of the Index equals zero, as calculated by the Calculation Agent, Rogers TRAKRS will terminate immediately with a Final Settlement Price equal to zero.
Value Unit	\$1.00 multiplied by the value of the Index. On the Business Day prior to the first full day of trading of Rogers TRAKRS, the value of the Index initially will be set at 25.00.
Multiplier	Because the RICI is a pre-existing index, the Calculation Agent will identify a multiplier (the “Multiplier”) so that the product of the closing price of the RICI on November 3, 2005 multiplied by the Multiplier will equal 24.25. If, on November 3, 2005, an exchange where one or more RICI components trades is closed, then for purposes of identifying the Multiplier, the Calculation Agent will use the next available official settlement price of affected RICI components. If, on November 3, 2005, one or more of the settlement prices of the futures contracts included in the RICI is subject to a limit bid or offer, then that contract’s contribution to the calculation of the initial value of the Multiplier will be deferred for up to ten additional Business Days. If subsequent to November 3, 2005, but within ten Business Days, the futures contract originally at limit trades at a price other than a limit bid or offer and settles at a non-limit bid or offer, then the price that will be used as that futures contract’s contribution to the calculation of the initial value of the Multiplier will be the settlement price for that day. If in the ten Business Days subsequent to November 3, 2005, the component commodity originally at limit fails to trade and settle at a price other than a limit bid or offer, the futures contract’s settlement price on the tenth Business Day shall be used as the contract’s contribution to the calculation of the initial value of the Multiplier. In general, it is expected that the Multiplier will decrease over the term of Rogers TRAKRS as a result of the application of the Adjustment Factor on a daily basis.

Adjustment Factor

1.95% per annum.

Each day, the Adjustment Factor will be applied to the Multiplier *pro rata* based on a 365-day year. The daily application of the Adjustment Factor will reduce the Multiplier, which will, in turn, reduce the value of the Index, on a daily basis.

The Adjustment Factor will equal the sum of the Spread and Index Replication Costs (each, as defined below).

Spread

1.5% per annum, including fees payable to CME, FA compensation and index licensing and calculation fees payable to Beeland Interests, Inc. and Diapason Commodities Management S.A. (“Diapason”), respectively.

Index Replication Costs

0.45% per annum.

Amortizing Spread

3.0% of the \$25.00 initial execution price, or \$0.75, on the initial day of the 30-day period expected to begin November 4, 2005 and reduced each day of such 30-day period by the Daily Amortizing Spread Payment (as defined below).

Each trading day during the 30-day period beginning November 4, 2005, each customer holding a short position in Rogers TRAKRS will be required to pay its clearing FCM the portion of the Amortizing Spread equal to \$0.025, or the Amortizing Spread divided by 30 days, allocated for that day (the “Daily Amortizing Spread Payment”). Each FCM that maintains short Rogers TRAKRS positions will in turn pay the Daily Amortizing Spread Payment to the CME Clearing House. The CME Clearing House will then pay each clearing FCM that maintains long Rogers TRAKRS positions (based on the amount of long Rogers TRAKRS the clearing FCM maintains multiplied by the Rogers TRAKRS Settlement Price) the portion of the Daily Amortizing Spread Payments allocable to that FCM. Each institutional customer holding long Rogers TRAKRS positions will be entitled to receive this amount from its FCM, based on the amount of long Rogers TRAKRS held by the institutional customer multiplied by the Rogers TRAKRS Settlement Price. A non-institutional customer holding long Rogers TRAKRS positions will not be entitled to receive this amount from its FCM.

Interest Rate Equivalent Pass-Through Amount

Daily Federal Funds Effective Rate less the Spread, unless the Daily Federal Funds Effective Rate is less than the Spread, in which case the Interest Rate Equivalent Pass-Through Amount will be equal to the Spread less the Daily Federal Funds Effective Rate. The “Federal Funds Effective Rate,” for any day, shall mean the most recently available closing daily overnight Federal funds rate as determined by the Federal Reserve.

Interest Rate Equivalent Pass-Through Mechanics

Each trading day after the determination of the daily Settlement Price, each clearing FCM that maintains long Rogers TRAKRS positions will be required to pay the CME Clearing House (based on the amount of long Rogers TRAKRS the clearing FCM maintains multiplied by the Rogers TRAKRS Settlement Price) a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread. The CME Clearing House in turn will pay each clearing FCM that maintains short Rogers TRAKRS positions (based on the amount of short Rogers TRAKRS the clearing FCM maintains multiplied by the Rogers TRAKRS Settlement Price), a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread.

If, on any day, the Federal Funds Effective Rate is less than the Spread, then each clearing FCM that maintains short Rogers TRAKRS positions will be required to pay to the CME Clearing House (based on the amount of short Rogers TRAKRS the clearing FCM maintains multiplied by the Rogers TRAKRS Settlement Price) a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate. The CME Clearing House in turn will pay each clearing FCM that maintains long Rogers TRAKRS positions (based on the amount of long Rogers TRAKRS the clearing FCM maintains multiplied by the Rogers TRAKRS Settlement Price) a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate.

Each trading day after the determination of the daily Settlement Price, each institutional customer holding long Rogers TRAKRS positions will be required to pay its FCM, based on the amount of long Rogers TRAKRS held by the institutional customer multiplied by the Rogers TRAKRS Settlement Price, a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread, which the clearing FCM will pass on to the CME Clearing House. The CME Clearing House in turn will pay to each short clearing FCM for institutional customers a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread and each institutional customer holding short Rogers TRAKRS positions will be entitled to receive this amount from its FCM, based on the amount of short Rogers TRAKRS held by the institutional customer multiplied by the Rogers TRAKRS Settlement Price.

If, on any day, the Federal Funds Effective Rate is less than the Spread then each institutional customer holding short Rogers TRAKRS positions will be required to pay its FCM (based on the amount of short Rogers TRAKRS held by the institutional customer multiplied by the Rogers TRAKRS Settlement Price) a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate, which the clearing FCM will pass on to the CME Clearing House. The CME Clearing House in turn will pay to each long clearing FCM for institutional customers a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate, and each institutional customer holding long Rogers TRAKRS

positions will be entitled to receive this amount from its FCM, based on the amount of long Rogers TRAKRS held by the institutional customer multiplied by the Rogers TRAKRS Settlement Price.

The CME Clearing House will determine all such interest rate pass-through amounts.

Position Limit

A person may not hold or control more than 22,000,000 contracts, net long or net short, of Rogers TRAKRS. The position limit does not apply to certain market makers and certain types of bona fide hedging transactions, risk management positions and independently controlled positions. Prospective customers of Rogers TRAKRS should consult with their broker and the CME Rules about the exemptions to Rogers TRAKRS position limit prior to trading.

Minimum Price Fluctuation

0.01 Index points, which is equivalent to \$0.01 per Rogers TRAKRS.

Calculation Agent

Dow Jones Indexes, a business unit of Dow Jones & Company, Inc. will calculate and disseminate Index quotes under the symbol "RCT" every 15 seconds (assuming the Index value has changed within such 15 second-interval, during regular futures exchange trading hours of 8:30 a.m. to 3:00 p.m. (CT) and a daily index value for the Index at approximately 4:00 p.m. (CT) on each Business Day. The Calculation Agent is not responsible for calculating the RIC. The Calculation Agent's publication of Index quotes is contingent upon the ongoing publication of the RIC by Reuters in real time.

The Calculation Agent does not guarantee the accuracy or completeness of the RIC, any data therein, or the Multiplier, and the Calculation Agent shall have no liability for errors, omissions or interruptions therein. None of Merrill Lynch or any of its respective subsidiaries or affiliates has any liability to any party or person for the activities of the Calculation Agent.

Index Compilation Agent

Merrill Lynch

The Index Compilation Agent does not guarantee the accuracy or completeness of the Index, any data therein, or the Multiplier, and the Index Compilation Agent shall have no liability to any party or person for errors, omissions or interruptions therein or in respect of any of its activities as Index Compilation Agent.

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Total Return Asset ContractsSM

TRAKRSSM, or Total Return Asset ContractsSM, are non-traditional futures contracts designed to provide customers with a cost-effective way to invest in a broad-based index of stocks, bonds, currencies, or other financial instruments.

TRAKRS reduce many of the inefficiencies associated with more traditional, diversified investments because they do not require a fund or other investment portfolio to purchase and sell securities or other instruments in order to deliver a specific investment strategy. This means that TRAKRS reduce many of the costs and potential tax consequences that result from turnover in traditional investment portfolios. Similarly, because TRAKRS are futures contracts rather than shares or other interests in an investment fund, TRAKRS will not make taxable distributions to customers.

Although TRAKRS are futures contracts, TRAKRS reduce many of the complexities and burdens associated with trading traditional futures contracts for non-institutional customers. For example, non-institutional customers may purchase and sell TRAKRS through their securities broker-dealer provided that their securities broker-dealer has notice registered as a limited purpose futures commission merchant. For non-institutional customers, a long position in TRAKRS is not leveraged like traditional futures contracts. Non-institutional customers are required to post 100% of the purchase price of TRAKRS (or 50% of the sales price if they are selling TRAKRS short). This eliminates for purchasers (and greatly modifies for short sellers) the usual requirements associated with futures trading of daily margin payments and collections. Non-institutional customers will not be entitled to receive any interest on the money that they use to purchase TRAKRS under the terms of TRAKRS. Non-institutional customers establishing a long position in TRAKRS will not be able to use any mark-to-market gains for reinvestment or other purposes until they liquidate their position in TRAKRS or the TRAKRS terminate. Non-institutional customers establishing a short position in TRAKRS will be able to use mark-to-market gains under specified circumstances.

Institutional customers, on the other hand, will trade TRAKRS with leverage and must purchase and sell TRAKRS through an introducing broker, futures commission merchant or directly through GLOBEX[®]. Regardless of these and other different requirements, TRAKRS can be traded by non-institutional and institutional customers alike.

See "Risk Factors" below to read about risks that you should consider before purchasing or selling TRAKRS.

You should refer to the Disclosure Document Supplement relating to the particular TRAKRS that you are purchasing or selling.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

THIS TRAKRS DISCLOSURE DOCUMENT IS PUBLISHED BY CHICAGO MERCANTILE EXCHANGE INC. ("CME") AND IS DISTRIBUTED TO NON-INSTITUTIONAL AND INSTITUTIONAL CUSTOMERS WHO TRADE OR INTEND TO TRADE TRAKRS. THIS DISCLOSURE DOCUMENT IS ALSO AVAILABLE AT [HTTP://WWW.CME.COM](http://www.cme.com) AND [HTTP://WWW.TRAKRS.COM](http://www.trakrs.com). A DISCLOSURE DOCUMENT SUPPLEMENT ALSO IS AVAILABLE AND WILL BE PROVIDED FOR EACH PARTICULAR TRAKRS.

CONTENTS

TRAKRS Q&A	2
Summary of Significant Terms	5
Risk Factors	9
Description of TRAKRS	14
Federal Income Tax Considerations	18
Federal Bankruptcy Consequences	20
Dispute Resolution	21
Certain ERISA Considerations	21
Glossary	23

The trading of TRAKRS through GLOBEX[®] is subject to the rules of Chicago Mercantile Exchange Inc. (“CME”). You should carefully review CME’s rules that generally and specifically refer to TRAKRS and GLOBEX, including CME Rule 578—LIMITATION OF LIABILITY, CME Rule 579—GLOBEX CONTROL CENTER—LIMITATION OF LIABILITY and “Interpretations & Special Notices Relating to Chapter 364” of the CME’s Rules, which are available at CME’s website at <http://www.cme.com>. See “Risk Factors—Limitation of liability of CME” and “Risk Factors—Limitation of liability of Merrill Lynch, the Index Compilation Agent and the Calculation Agent.”

Certain specialized terms used in this disclosure document are defined or explained in the “Glossary”.

TRAKRS Q&A

What are TRAKRS?

TRAKRS are non-traditional futures contracts designed to provide customers with a cost-effective way to invest in a broad-based index of stocks, bonds, currencies or other financial instruments.

How are TRAKRS different from other diversified investments?

Traditional diversified investments are based upon the actual ownership of stocks, bonds, or other instruments. Stock index funds, for example, seek to deliver the performance of a particular index by building a portfolio of substantially all of the stocks included in that index and managing that portfolio to match most changes to the index. This process requires a portfolio manager to buy and sell stocks, incurring costs and subjecting customers to potential adverse tax consequences. TRAKRS are designed to provide similar investment performance characteristics, while reducing many of these inefficiencies.

How do TRAKRS reduce inefficiencies?

TRAKRS reduce many of the inefficiencies associated with more traditional, diversified investments because they are futures contracts rather than shares or other interests in an investment fund. As a result, they do not require a fund or other investment vehicle to purchase and sell stocks, bonds, currencies or other financial instruments.

TRAKRS are cash-settled, electronically traded futures contracts designed to track the performance of a particular TRAKRS Index. This means that TRAKRS reduce the costs and potential tax consequences that result from turnover in traditional investment portfolios. Similarly, because TRAKRS are futures contracts rather than shares or other interests in an investment fund, TRAKRS will not make taxable distributions to customers.

Are TRAKRS like traditional futures contracts?

TRAKRS differ from traditional futures contracts in significant ways. Many non-institutional customers have avoided using futures contracts because of their perceived complexity, the need for special futures accounts, and the fact that they could incur losses in excess of their initial investment amounts as a result of the leverage inherent in futures.

Even though a particular TRAKRS Index may include a short component and/or leverage, long TRAKRS positions themselves are not leveraged for non-institutional customers, and short TRAKRS positions have a lesser degree of leverage for non-institutional customers than short positions in traditional futures contracts. Because they are not leveraged for long non-institutional customers (or in the case of short TRAKRS, they have reduced leverage for non-institutional customers), TRAKRS reduce some of the perceived complexities associated with traditional futures contracts. In particular, non-institutional long customers, because they post 100% of the TRAKRS market value at the time of purchase, will not be subject to margin calls or any requirement to make any additional payments throughout the life of their TRAKRS positions. Non-institutional customers will be permitted to hold TRAKRS in their securities brokerage accounts and trade TRAKRS through a securities broker-dealer that is also notice registered as a futures commission merchant. See “Description of TRAKRS—Non-Institutional Customers.” Non-institutional customers will not be entitled to receive any interest on the money that they use to purchase TRAKRS under the terms of TRAKRS. Non-institutional customers establishing a long position in TRAKRS will not be able to use any mark-to-market gains for reinvestment or other purposes until they liquidate their position in TRAKRS or the TRAKRS terminate. Non-institutional customers establishing a short position in TRAKRS will be able to use mark-to-market gains under specified circumstances, as described herein.

In addition, TRAKRS differ from stock index futures contracts in two important respects. First, each TRAKRS Index is computed on a total return basis. Thus, TRAKRS include declared dividends and other distributions in the calculation of the value of a TRAKRS Index. Second, TRAKRS have an interest rate pass-through feature, which is further described below.

What are TRAKRS Indexes?

Each TRAKRS Index will be constructed as a broad-based index of stocks, bonds, currencies or other financial instruments. TRAKRS may be designed to reflect a particular market segment or a specific investment strategy. For example, certain TRAKRS may represent the common stocks of the largest, most liquid companies in a particular industry or market sector, or may be designed to replicate a specific investment discipline, such as value investing, or a long-short, hedge fund-like investment strategy. The underlying indexes upon which TRAKRS will be based will be calculated on a total return basis (*i.e.*, the value reflects price fluctuations plus dividends and other distributions associated with the underlying TRAKRS Index components). Each TRAKRS Index will be reconstituted and/or rebalanced on a periodic basis to reflect changes in the market that it is designed to represent. For more information on a specific TRAKRS Index, you should review the Disclosure Document Supplement for those TRAKRS.

So how do TRAKRS work?

Non-institutional customers may buy and sell TRAKRS through a securities account with a broker-dealer that is notice registered as a futures commission merchant or through a futures account with a futures commission merchant or introducing broker. TRAKRS track the value of specific TRAKRS Indexes. Buying TRAKRS gives customers “long exposure” to the TRAKRS Index and those customers benefit when the TRAKRS Index goes up. Selling TRAKRS gives customers “short exposure” to the TRAKRS Index and those customers benefit when the TRAKRS Index goes down. TRAKRS will have a stated expiration, as specified in the Disclosure Document Supplement for the applicable TRAKRS, and will be cash-settled at the closing price of the applicable TRAKRS Index on the expiration date.

How do TRAKRS work for institutional customers?

TRAKRS can be traded by non-institutional and institutional customers alike. However, institutional customers will trade TRAKRS with leverage, as they would other futures contracts.

In addition, TRAKRS have an interest rate pass-through feature. Each trading day after the determination of the daily settlement price, each institutional customer holding long TRAKRS positions must pay its FCM, and each institutional customer holding short TRAKRS positions will receive from its FCM, a daily market rate of interest equal to the Federal Funds Effective Rate less the “Spread” specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS. The CME Clearing House will determine all such interest rate pass-through amounts. See “Summary of Significant Terms.”

Are there any costs associated with taking a position in or holding TRAKRS?

Customers buying and selling TRAKRS should consult with their broker regarding the brokerage commissions and fees charged for all TRAKRS transactions, in addition to CME fees and National Futures Association (“NFA”) fees.

While there can be no assurance that TRAKRS will not trade at a discount relative to the value of their underlying Index, it is generally expected that TRAKRS will be traded at a premium to their underlying TRAKRS Index, and that the amount of this premium will be a function of a number of factors, including the market makers’ costs relative to the funding rate, prevailing borrowing costs in the market and the “Spread” disclosed in the “Summary of Contractual Terms” appearing in the Disclosure Document Supplement that will accompany each specific TRAKRS. Non-institutional customers should view this premium as an economic cost that is embedded in the price of TRAKRS, and should consider this cost as they evaluate a position in TRAKRS.

Do I need to hold TRAKRS until maturity?

No. As with any traded instrument, a customer holding a long position in TRAKRS may sell the position in the market to close out their open long position. Similarly, customers holding a short position in TRAKRS may purchase TRAKRS in the market to close out their open short position. A customer’s ability to purchase or sell TRAKRS will be subject to, among other things, market conditions and liquidity. See “Risk Factors.”

What is the tax treatment of TRAKRS?

A non-institutional customer holding either a long or short TRAKRS will not be treated for U.S. federal income tax purposes as owning a “regulated futures contract.” Any gain or loss recognized by a non-institutional customer will be capital gain or loss regardless of whether the contract is held to maturity or terminated prior to maturity. A non-institutional customer holding a long TRAKRS position for more than 6 months will be subject to long-term capital gain or loss treatment (unlike the 12-month holding period required for long-term capital gain or loss treatment for securities investments). Accordingly, a non-institutional customer holding a TRAKRS position will not be subject to interim taxation as a result of component changes to the applicable TRAKRS Index or as a result of dividend distributions for component stocks in the applicable index. See “Federal Income Tax Considerations.”

Institutional customers will be subject to the standard futures mark-to-market tax regime under Internal Revenue Code section 1256.

What is the TRAKRS interest rate pass-through feature?

Each trading day after the determination of the daily settlement price, each institutional customer holding long TRAKRS positions must pay its FCM, and each institutional customer holding short TRAKRS positions will receive from its FCM, a daily market rate of interest equal to the Federal Funds Effective Rate less an amount (the “Spread”) specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS. However, if at any time the Federal Funds Effective Rate is less than the Spread, then each customer holding a short TRAKRS position must pay its FCM (based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices), and each institutional customer holding long TRAKRS positions will receive from its FCM (based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices) an amount equal to the Spread *minus* the Federal Funds Effective Rate. Non-institutional long customers are not responsible for paying, and non-institutional short customers are not entitled to receive, this interest rate pass-through; although the long clearing FCM (or, if the Federal Funds Effective Rate is less than the Spread, the short clearing FCM) is still responsible for paying the interest payment, which is passed-through by the CME Clearing House to the short clearing FCM (or, if applicable, the long clearing FCM). The CME Clearing House will determine all such interest rate pass-through amounts. See “Summary of Significant Terms.”

Where are TRAKRS traded?

TRAKRS are electronically traded on the GLOBEX system operated by Chicago Mercantile Exchange Inc. (“CME”). CME clears and settles all transactions in TRAKRS. Additional information is available at CME’s website at <http://www.cme.com>.

SUMMARY OF SIGNIFICANT TERMS

The following summary contains basic information relating to TRAKRS. It may not contain all the information that is important to you, particularly because TRAKRS are non-traditional futures contracts that are offered and structured in a manner unlike other financial instruments. The “Description of TRAKRS” section of this disclosure document contains more detailed information regarding the terms and conditions of TRAKRS. You should carefully read this entire document, including the Disclosure Document Supplement for the relevant TRAKRS Index.

See “Risk Factors” below to read about risks you should consider before purchasing or selling TRAKRS.

Non-Institutional Customers

Non-institutional customers (*i.e.*, customers that do not qualify as qualified institutional buyers under Rule 144A (“QIBs”) promulgated under the Securities Act of 1933, as amended, and are not CME members registered as floor brokers or floor traders) may purchase and sell TRAKRS only through a registered introducing broker (“IB”), a futures commission merchant (“FCM”), a securities broker-dealer (“BD”) that is notice registered with the National Futures Association (“NFA”) as a limited-purpose FCM (“LP/FCM”) or an entity that is dually registered as a BD and FCM (“BD&FCM”, and together with an LP/FCM, “BD/FCM”). Similarly, non-institutional customers may place TRAKRS orders with an associated person (“AP”) of an IB or FCM, or a registered representative (“RR”) of a BD/FCM who is notice registered with the NFA as a limited-purpose AP (“RR/AP”).

Non-institutional customers who execute TRAKRS through a BD&FCM can decide to have their accounts carried in a securities account or a futures account. Unless otherwise stated in this Disclosure Document, the defined term BD&FCM (including the incorporation of BD&FCM into the defined term BD/FCM) shall only apply where the BD&FCM executes and carries customer TRAKRS positions in a securities account.

IBs and FCMs must maintain standard IB and FCM customer accounts for their non-institutional customers. In contrast, each BD/FCM may carry TRAKRS in a non-institutional customer’s securities account while maintaining an omnibus account (or an exchange control account in the case of a BD&FCM) for the benefit of its non-institutional customers at one or more clearing FCMs. See “Description of TRAKRS—Non-Institutional Customers.”

Institutional Customers

Institutional customers (*i.e.*, QIBs and certain CME members) may purchase and sell TRAKRS only through an IB or FCM. LP/FCMs and RR/APs may not solicit or accept TRAKRS orders from institutional customers.

Performance Bond

The performance bond (sometimes called “initial margin”) requirements applicable to non-institutional customers are different from traditional futures market practices. Non-institutional customers must deposit a cash performance bond equal to 100% of the current TRAKRS market value for long TRAKRS positions and a cash performance bond equal to 50% of the current TRAKRS market value for short TRAKRS positions. Non-institutional customers are not

entitled to receive any interest on their performance bonds under the terms of TRAKRS.

As with any other futures contract, institutional customers must comply with the performance bond requirements set by CME and their FCMs. These performance bond requirements are expected to be similar to those required for similar CME products.

Settlement Variation

Non-institutional customers that hold long TRAKRS will not have any settlement variation obligations and will not be entitled to receive any settlement variation payments with respect to their TRAKRS positions.

Under specified circumstances, non-institutional customers that hold short TRAKRS will make and receive maintenance payments. If the settlement price increases to a level such that a non-institutional customer's performance bond is less than or equal to 30% of such price, the non-institutional customer must make a maintenance restoration payment to restore the performance bond to 50% of the settlement price. Alternatively, if the settlement price decreases to a level such that the performance bond is equal to or greater than 70% of the settlement price, the non-institutional customer will receive a maintenance restoration payment to restore the performance bond to 50% of the settlement price. See "Description of TRAKRS—Non-Institutional Customers."

Institutional customers must comply with the settlement variation requirements of CME and their FCM.

Interest Rate Equivalent Pass-Through Feature

Each trading day after the determination of the daily Settlement Price, each clearing FCM that maintains a long TRAKRS position will be required to pay the CME Clearing House (based on the amount of long TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices), and the CME Clearing House in turn will pay each clearing FCM that maintains a short TRAKRS position (based on the amount of short TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices), a daily market rate of interest equal to the Federal Funds Effective Rate less an amount specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS. See "Description of TRAKRS—Non-Institutional Customers—Implicit Costs of Holding a TRAKRS Position."

The "Federal Funds Effective Rate," for any day, shall mean the most recently available closing daily overnight Federal fund rate as determined by the Federal Reserve.

If the Federal Funds Effective Rate is less than the "Spread" specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS, then each clearing FCM that maintains short TRAKRS positions will be required to pay to the CME Clearing House (based on the amount of short TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices) a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate. The CME Clearing House in turn will pay each clearing FCM that maintains long TRAKRS positions (based on the amount of long TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices)

a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate.

Each trading day after the determination of the daily Settlement Price, each institutional customer holding long TRAKRS positions will be required to pay its FCM, based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices, and each institutional customer holding short TRAKRS positions will be entitled to receive from its FCM, based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices, a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread.

If the Federal Funds Effective Rate is less than the Spread, then each institutional customer holding short TRAKRS positions will be required to pay its FCM (based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices) a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate, which the clearing FCM will pass on to the CME Clearing House. The CME Clearing House in turn will pay to each long clearing FCM for institutional customers a daily market rate of interest equal to the Spread less the Federal Funds Effective Rate, and each institutional customer holding long TRAKRS positions will be entitled to receive this amount from its FCM, based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices.

Non-institutional long customers are not responsible for paying, and non-institutional short customers are not entitled to receive, this interest rate pass-through; although the long clearing FCM (or, if the Federal Funds Effective Rate is less than the Spread, the short clearing FCM) is still responsible for paying the interest payment, which is passed-through by the CME Clearing House to the short clearing FCM (or, if applicable, the long clearing FCM).

The CME Clearing House will determine all such interest rate pass-through amounts.

Final Settlement Date

TRAKRS will have a stated Final Settlement Date, as specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS, and will be cash-settled at the closing price of the applicable TRAKRS Index on the Final Settlement Date (as determined by the Calculation Agent).

Minimum Price Fluctuation

0.01 TRAKRS Index points, which is equivalent to \$0.01 per TRAKRS.

Position Limit

With respect to TRAKRS based on a specific TRAKRS Index, a person may not hold or control more than the number of contracts (net long or net short for such TRAKRS) specified in the Disclosure Document Supplement pertaining to such TRAKRS. The position limit does not apply to certain types of bona fide hedging transactions, risk management positions and independently controlled positions. Prospective customers of TRAKRS should consult with their broker and the CME Rules about TRAKRS position limits and relevant exemptions prior to trading.

TRAKRS Index

Each TRAKRS Index will be constructed as a broad-based index of stocks, bonds, currencies or other financial instruments. The indexes upon which TRAKRS will be based will be calculated on a total return basis (*i.e.*, the value reflects price fluctuations plus dividends and other distributions associated with the underlying TRAKRS Index components).

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) or its agent will serve as the Index Compilation Agent for each TRAKRS Index. Pursuant to CME Rules, Merrill Lynch has no liability for its or its agent’s activity as Index Compilation Agent. As Index Compilation Agent, Merrill Lynch or its agent will reconstitute and rebalance each TRAKRS Index on a periodic basis pursuant to the Index’s stated rules set forth in the applicable Disclosure Document Supplement. Such reconstitutions and rebalancings may involve the exercise of discretion by the Index Compilation Agent. Moreover, the Index Compilation Agent may have authority to amend the rules governing a particular TRAKRS Index. For more information on a specific TRAKRS Index, you should review the Disclosure Document Supplement for those TRAKRS. Between periodic reconstitutions and rebalancings, the number of stocks, bonds or other financial instruments in a TRAKRS Index may decline as a result of mergers or other corporate actions that may dictate the removal of the stock, bond or other financial instrument from the TRAKRS Index.

Index Compilation Agent

The Index Compilation Agent reconstitutes and rebalances each TRAKRS Index on a periodic basis pursuant to the TRAKRS Index’s stated rules (as described in the Disclosure Document Supplement for each particular TRAKRS Index). Merrill Lynch or its agent is the Index Compilation Agent.

Calculation Agent

A calculation agent (other than Merrill Lynch) will calculate and disseminate TRAKRS Index quotes every fifteen seconds during regular trading hours. See “Description of TRAKRS—General.” The Calculation Agent does not guarantee the accuracy or completeness of any TRAKRS Index or any data therein and has no liability for errors, omissions or interruptions therein. Merrill Lynch has no liability for the activities of the Calculation Agent.

Last Trading Day

Pursuant to CME Rules and as specified in the Disclosure Document Supplement for the applicable TRAKRS.

Final Settlement Date

Last Trading Day.

Final Settlement Price

The value of the relevant TRAKRS Index as calculated on the closing of the Final Settlement Date.

RISK FACTORS

The purchase or sale of a TRAKRS involves a variety of risks, some of which are the same as and some of which are different from the risks involved in a purchase or sale of any broad-based stock index or similar futures contract. You should, therefore, carefully consider whether trading in TRAKRS is suitable for you in light of your circumstances and financial resources.

- *Loss of amount used to establish long positions in TRAKRS.* The value of TRAKRS relates to the value of the stocks, bonds, currencies and other financial instruments that constitute the applicable TRAKRS Index. Accordingly, a non-institutional customer establishing a long position in TRAKRS may lose all or a substantial portion of (but not more than) the amount used to establish its position if the applicable TRAKRS declines in value. In addition, as with traditional futures contracts, an institutional customer establishing a long position in TRAKRS may lose more than its performance bond. Such losses may be caused by a decline in the value of the instruments that constitute the Index (or, in the case of a TRAKRS Index with a short component, an increase in the value of the instruments that constitute such short component).
- *Loss beyond amount used to establish short positions in TRAKRS.* The value of TRAKRS relates to the value of the stocks, bonds, currencies and other financial instruments that comprise the applicable TRAKRS Index. If the market moves against your short position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. Accordingly, if you establish a short position in TRAKRS, you may incur losses beyond the amount used to establish your short position if the applicable TRAKRS increase in value. See “Description of TRAKRS—Non-Institutional Customers—Performance Bond and Settlement Variation Margin Requirements.” Such increases may be caused by an increase in the value of the instruments that constitute the TRAKRS Index.
- *Possible lack of liquidity.* Because TRAKRS are recently developed, non-traditional futures contracts, the market for TRAKRS may not be as developed as the markets are for other futures contracts. At least initially, it is not expected that firms (other than Merrill Lynch) will make a market in, or offer brokerage services with respect to, TRAKRS. In addition, Merrill Lynch may not provide brokerage services with respect to TRAKRS to institutional customers or to non-institutional customers taking short positions in TRAKRS. Although Merrill Lynch expects to act as a market maker in TRAKRS, there can be no assurance that Merrill Lynch will make a market in all TRAKRS or that its market making activities will provide sufficient liquidity. Further, CME provides facilities for private bilateral negotiation of transactions in TRAKRS, including block trades and exchanges of futures for physicals or swaps, which could have an adverse effect on the liquidity and price of TRAKRS for non-institutional customers. Accordingly, there can be no assurance that there will be a short TRAKRS order available to be matched against every long TRAKRS order and vice versa.
- *Possible inability to liquidate a TRAKRS position due to market conditions.* Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, if the market has a daily price fluctuation limit and the daily price fluctuation limit is reached.
- *Contingent orders.* Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.
- *Trading halts and price limits.* With respect to TRAKRS Indexes involving securities, CME will coordinate trading halts and daily price limits for TRAKRS with trading halts in the primary securities market of the underlying TRAKRS Index components. Trading in TRAKRS will be

halted if there is a trading halt declared in the primary securities market. Once trading in the primary securities market resumes after a trading halt, trading of TRAKRS will resume.

- *No right to or interest in any of the underlying components represented in a TRAKRS Index.* Each TRAKRS is a cash-settled futures contract that is based on the value of a TRAKRS Index. As a result, you will not have any right to or interest in any of the underlying components of a TRAKRS Index if you establish a position in TRAKRS.
- *TRAKRS may trade at prices that are different than the aggregate value of the stocks, bonds, currencies and other financial instruments that comprise the applicable TRAKRS Index.* While there can be no assurance that TRAKRS will not trade at a discount relative to the value of their underlying Index, it is generally expected that TRAKRS will trade at a premium to their underlying TRAKRS Index. The amount of this premium will be a function of a number of factors, including (i) the market makers' cost of funds relative to the Federal Funds Effective Rate, (ii) the borrowing costs associated with the short component, if any, of the applicable TRAKRS Index and (iii) the Spread retained by the non-institutional customers' clearing FCMs. Non-institutional customers should view this premium as an economic cost that is embedded in the price of TRAKRS, and should consider this implicit cost as they evaluate the desirability (or economics) of a position in TRAKRS. In addition, if you liquidate a TRAKRS position on any date other than the Final Settlement Date, you may receive (or, if you hold a short position in TRAKRS, you may pay) a price that is less than or greater than the aggregate value of the underlying components in the applicable TRAKRS Index.
- *Temporary price increases and decreases in the underlying TRAKRS Index components.* Merrill Lynch expects to hedge all of its position in TRAKRS. Purchasing (or selling) activity in the underlying TRAKRS Index components in order to hedge a TRAKRS position may affect the market price of the stocks, bonds, currencies, or other financial instruments included in the applicable TRAKRS Index. Large volumes of purchasing (or selling) activity, which may occur prior to or in connection with the commencement of trading of new TRAKRS and on each periodic reconstitution and rebalancing date, could temporarily increase (or decrease) the market price of the underlying TRAKRS Index components, resulting in a higher (or lower) price for such components on that date. This activity could create a temporary imbalance between the supply and demand of the underlying TRAKRS Index components, thereby limiting their liquidity. Consequently, prices for the underlying TRAKRS Index components may decline (or increase) after these purchases or sales as the volume of purchases (or sales) subsides. Moreover, if a significant market maker in TRAKRS (such as Merrill Lynch) decides it no longer needs to hedge some or all of its TRAKRS positions, as may be the case immediately prior to each Final Settlement Date, the prices of the underlying TRAKRS Index components could temporarily change in connection with the liquidation of the hedging position. Either of these situations may have an adverse effect on the trading price of TRAKRS.
- *Role of Merrill Lynch and possible conflicts of interest.* A TRAKRS Index may have an announced objective and will operate pursuant to a set of rules that will be disclosed in the applicable Disclosure Document Supplement. Merrill Lynch (or a third party that has contracted with Merrill Lynch) will act as the Index Compilation Agent and as such will apply the rules for each TRAKRS Index to determine the component stocks, bonds or other financial instruments for inclusion in each such TRAKRS Index. Once the stocks, bonds or other financial instruments underlying a TRAKRS Index have been determined using the relevant rules, the Index Compilation Agent will not independently review or evaluate the selections made by the rules using different criteria. It is anticipated that in its regular course of business, Merrill Lynch may publish research on some of the underlying components of a TRAKRS Index for which it serves as Index Compilation Agent and such research recommendations may advocate an investment approach or opinion different from the one that results from the application of the rules of a TRAKRS Index. The basis for the recommendation of Merrill Lynch research on an underlying component may be different from the design of the TRAKRS Index; for example, Merrill Lynch research may be focused on a longer or shorter investment period than the rules underlying a

TRAKRS Index. Similarly, Merrill Lynch research may consider factors or reach results that differ from those considered or resulting from application of a TRAKRS Index. Merrill Lynch will not use its research to alter the composition of the underlying components of a TRAKRS Index and as a result stocks, bonds or other financial instruments which Merrill Lynch would not recommend to its customers based upon its research may be included in a TRAKRS Index. Customers and market participants should not conclude that the inclusion of an underlying component that results from the application of the rules of a TRAKRS Index is an investment recommendation by Merrill Lynch or its affiliates to purchase or hold such component.

Even though Merrill Lynch or its affiliates may publish research on an underlying component, Merrill Lynch and its affiliates or agents will not perform any investigation or review of the selected companies, including the public filings by the companies in its role as the Index Compilation Agent. Merrill Lynch and its affiliates may presently or from time to time engage in business, directly or indirectly, with companies with securities underlying a TRAKRS Index including extending loans to, or making equity investments in, such companies or providing investment banking or advisory services to such companies, including merger and acquisition advisory services. In the course of such business, Merrill Lynch or its affiliates may acquire non-public information with respect to companies underlying a TRAKRS Index. Neither Merrill Lynch nor any of its affiliates makes any representation that the publicly available documents or any other publicly available information regarding the companies underlying a TRAKRS Index is accurate or complete. Customers and market participants should not conclude that the inclusion of a company reflects Merrill Lynch or its affiliates' views on a company or its securities based on such information.

Merrill Lynch (or a third party that has contracted with Merrill Lynch), as Index Compilation Agent, implements the rules for each TRAKRS Index by which the underlying stocks, bonds, currencies or other financial instruments in each TRAKRS Index are selected. At the same time, Merrill Lynch and its affiliates may engage in investment banking and other activities, may provide services to issuers of the underlying TRAKRS Index components in connection with its business, and expect to engage in brokerage and trade in TRAKRS or in the underlying TRAKRS Index components for its own account. In addition, the underlying TRAKRS Index components may include securities for which Merrill Lynch or any of its affiliates act as index manager, index compilation agent, or in some other capacity. All of these activities may result in conflicts of interest with respect to the financial interest of Merrill Lynch or any of its affiliates with respect to the initial selection and periodic reconstitution and rebalancing of the underlying TRAKRS Index components, the selection of the industry, if any, covered by the TRAKRS Index, the setting of the Spread, determinations regarding whether an Index's rules should be amended, and Merrill Lynch's or any of its affiliates' activity in the trading market in TRAKRS or in the underlying TRAKRS Index components. In addition, CME has adopted provisions that limit Merrill Lynch's liability with respect to TRAKRS. See "Risk Factors—Limitation of liability of Merrill Lynch, the Index Compilation Agent and the Calculation Agent."

- *Income and benefits from market making, CME fees, and proprietary trading.* Merrill Lynch expects to act as a market maker in TRAKRS. In connection with its market making activities, Merrill Lynch is eligible for reduced CME fees in respect of transactions in TRAKRS greater than a specific daily amount. Merrill Lynch may derive income from its market making activities. Furthermore, in exchange for licenses to the TRAKRS Indexes and certain services of Merrill Lynch, CME has agreed to remit to Merrill Lynch a portion of the total fees CME collects in connection with the purchase and sale of TRAKRS by non-member customers of CME. Merrill Lynch also may generate additional income from any proprietary trading that it conducts in TRAKRS.
- *Income from non-institutional customer performance bonds.* Non-institutional customers must pay a performance bond in order to establish a long or short TRAKRS position. To the extent that a long clearing FCM is able to earn a return on non-institutional customer performance bonds in excess of the amount of interest that it must pay to the CME Clearing House, the long clearing

FCM will receive net income on such performance bonds. Similarly, a short clearing member will receive income from the amount of interest that it receives from the CME Clearing House and, as with the long clearing FCM, whatever return it earns on non-institutional customer performance bonds.

- *Possible system failure.* GLOBEX has been designed to provide an efficient and dependable system for entering and matching orders. It includes backup facilities that will enable the system to continue operations through certain types of system failure. However, as with any automated system, it is possible that service could be interrupted by a system failure. Similarly, it is possible that a market intermediary (e.g., your broker-dealer or FCM) may experience a failure in one of its systems. In either event, depending on the type of failure, it may not be possible, for some period of time, to enter new orders, execute existing orders or cancel orders that were previously entered.
- *Limitation of liability of CME.* CME has adopted rules that limit the liability of CME, its members, clearing members and their respective officers, directors and employees, other than in instances of willful or wanton misconduct, for losses, damages, costs or expenses of any person that arise from any failure or malfunction of GLOBEX, or any CME services or facilities used to support GLOBEX, or any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause, in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of GLOBEX or any CME services or facilities used to support GLOBEX. However, in cases where (i) CME's GLOBEX Control Center employees act negligently by, for example, canceling or failing to cancel orders and certain types of trades, failing to deactivate a GLOBEX user identification or issuing GLOBEX passwords to unauthorized persons, (ii) other CME staff negligence causes a direct out-of-pocket loss to any person, or (iii) an unauthorized (i.e., "phantom") order is placed into a person's account, CME may assume responsibility for such losses. CME has limited its liability to \$100,000 for all claims arising on any single day, \$200,000 for all claims arising within a month and \$2.4 million for all claims arising over a one year period. If the number of allowed claims on a single day exceeds \$100,000, then all such claims will be limited to their pro rata share. Claims may be brought by a CME member, clearing member or customer who suffered damages as a result of the actions or failure to act as set forth above. See CME Rule 578—LIMITATION OF LIABILITY and CME Rule 579—GLOBEX CONTROL CENTER—LIMITATION OF LIABILITY, which are available at CME's website at <http://www.cme.com>.
- *Limitation of liability of Merrill Lynch, the Index Compilation Agent and the Calculation Agent.* CME also has adopted provisions that limit Merrill Lynch's liability with respect to TRAKRS. These provisions state that neither Merrill Lynch nor its affiliates, employees and agents, including, without limitation, the Index Compilation Agent and the Calculation Agent, will have any obligation or liability, contingent or otherwise, to CME, its members or any other person or entity in connection with the trading of TRAKRS based on a particular TRAKRS Index. None of Merrill Lynch, the Index Compilation Agent and the Calculation Agent guarantees the quality, accuracy and/or completeness of the TRAKRS Indexes or any data included therein or otherwise obtained or derived by any person or entity from the use of the TRAKRS Indexes. None of Merrill Lynch, the Index Compilation Agent and the Calculation Agent makes any warranty, express or implied, as to any results to be obtained by CME, its members or any other person or entity from the use of the Indexes or any data included therein in connection with the rights licensed under the License Agreement or for any other use. None of Merrill Lynch, the Index Compilation Agent and the Calculation Agent makes any express or implied warranties, and each of them expressly disclaims all warranties of merchantability or fitness for a particular purpose or use, with respect to the TRAKRS Indexes or any data included therein. None of Merrill Lynch, the Index Compilation Agent and the Calculation Agent makes any representation or warranty, express or implied, to CME, its members, or any other person or entity regarding the ability of a particular TRAKRS Index to track the performance of market sectors, asset classes or any other TRAKRS Index selection criteria applicable to such TRAKRS Index. There are no third party beneficiaries of any agreements or arrangements between Merrill Lynch and the Index

Compilation Agent or the Calculation Agent. See “Interpretations & Special Notices Relating to Chapter 364” of the CME’s Rules, which is available at CME’s website at <http://www.cme.com>.

- *Bankruptcy of BD/FCM.* In the event of a bankruptcy of your BD/FCM, two bankruptcy regimes will apply to the assets in your securities account at the BD/FCM. The bankruptcy regime for liquidating a BD will apply to those of your assets that are properly identified as securities by your BD/FCM on its books and records as your securities and securities-related assets, and the bankruptcy regime for liquidating a futures broker will apply to those of your TRAKRS and TRAKRS-related assets that are properly identified by your BD/FCM on its books and records as your TRAKRS and TRAKRS-related assets (including the amounts of performance bond pledged to and controlled by the clearing FCM). As a result, the Securities Investor Protection Act of 1970, as amended, **WILL NOT APPLY** to your TRAKRS and TRAKRS-related assets that have been properly identified. See “Federal Bankruptcy Consequences.” You should consult with your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.
- *CME’s right to use the TRAKRS Indexes.* Merrill Lynch has granted to CME an exclusive and non-transferable license (the “License Agreement”) to use, among other things, the TRAKRS Indexes in connection with the creation, marketing, promoting, trading, clearing and settlement of TRAKRS. If CME or Merrill Lynch terminates the License Agreement, no new futures contracts based upon existing or additional TRAKRS Indexes may be listed for trading on GLOBEX.
- *Loss of designation of CME as a contract market for TRAKRS.* TRAKRS are traded pursuant to a contract market designation from the Commodity Futures Trading Commission (“CFTC”). If the CFTC determines to rescind CME’s designation as a contact market for TRAKRS, the value of outstanding TRAKRS may decline in value.
- *CFTC no-action letter.* The ability of BD/FCMs and RR/APs to purchase and sell TRAKRS on behalf of non-institutional customers is pursuant to a no-action letter, dated July 11, 2001, issued by the staff of the CFTC to CME, which is available on the CFTC’s website at <http://www.cftc.gov>. Pursuant to the no-action letter, various registration requirements, sales practice requirements, minimum financial and related reporting requirements, and books and records requirements under the Commodity Exchange Act, as amended, and rules promulgated thereunder do not apply to RR/APs and BD/FCMs. For many of these requirements, similar obligations are imposed on RRs and BDs under the securities laws. However, the CFTC and NFA, rather than the Securities and Exchange Commission (the “SEC”) or the NASD, will be the enforcement authorities with respect to TRAKRS-related activities of BD/FCMs and RR/APs (including their supervisors). Regardless, purchases and sales of TRAKRS through RR/APs and BD/FCMs will not be subject to the same customer protections under the Commodity Exchange Act, as amended, and rules promulgated thereunder as will purchases and sales of TRAKRS through IBs and FCMs. For example, BD/FCMs will not have to provide you with a standard futures “Risk Disclosure Statement”, which highlights the risks associated with trading futures contracts. See “Description of TRAKRS—Non-Institutional Customers.” If the staff of the CFTC withdraws or modifies the no-action letter, RR/APs and BD/FCMs may no longer be able to purchase and sell TRAKRS on behalf of non-institutional customers, or the terms on which they do so may be substantially varied.
- *Risk disclosure statement.* Institutional customers and non-institutional customers that purchase and sell TRAKRS through an IB or FCM should refer to the “Risk Disclosure Statement” that may have been delivered to you by your IB or FCM upon the opening of your futures account.
- *No recourse under securities laws.* Because TRAKRS are futures contracts and not securities, you will not have recourse under the securities laws or to the SEC or any self-regulatory or other private organization in the securities industry for disputes arising out of your purchase or sale of TRAKRS.

DESCRIPTION OF TRAKRS

General

TRAKRS are cash-settled, electronically traded futures contracts that are each based on a broad-based index of stocks, bonds, currencies or other financial instruments. All TRAKRS Indexes are valued on a “total return” basis by an independent calculation agent. The Calculation Agent computes the value of each TRAKRS Index on an intra-day basis, taking into account price fluctuations and aggregate dividends and other distributions associated with the underlying TRAKRS Index components.

Initial Constitution of a TRAKRS Index. Each TRAKRS Index will be constructed as a broad-based index of stocks, bonds, currencies or other financial instruments. TRAKRS Indexes may be designed to reflect a particular segment of a particular market, or to replicate a specific investment discipline, such as value investing, or a long-short, hedge fund-like investment strategy. For example, certain TRAKRS Indexes may represent the common stocks of the largest, most liquid companies in a particular industry or market sector. TRAKRS Indexes may also include both long and short market components. Each TRAKRS Index is calculated on a “total return basis” (*i.e.*, the value reflects price fluctuations plus dividends and other distributions associated with the underlying TRAKRS Index components). Each TRAKRS Index will be reconstituted and rebalanced on a regular basis to reflect changes in the market that it is designed to represent. For more information on a specific TRAKRS Index, you should review the applicable Disclosure Document Supplement.

Contract Specifications. TRAKRS transactions are executed through the GLOBEX electronic trading system of CME, which the CFTC has designated as a contract market for TRAKRS. Each TRAKRS has a stated expiration, as specified in the Disclosure Document Supplement for the applicable TRAKRS, and will be cash-settled at the closing price of the applicable TRAKRS Index on the expiration date (as determined by the Calculation Agent). The value unit of a single TRAKRS equals \$1.00 multiplied by the value of the relevant TRAKRS Index. On the business day prior to the first day of regular trading hours of TRAKRS based on a specific TRAKRS Index, the value of that TRAKRS Index will be set. The minimum price fluctuation of TRAKRS, or “tick size”, is 0.01 index point, which is equivalent to \$0.01 per TRAKRS. CME also provides facilities for private bilateral negotiation of transactions in TRAKRS, including block trades and exchanges of futures for physicals or swaps, which could have an adverse effect on the liquidity and price of TRAKRS for non-institutional customers.

Calculation Agent. As more fully described in the applicable Disclosure Document Supplement, the Calculation Agent calculates and disseminates quotes for each TRAKRS Index at least every fifteen seconds during regular trading hours.

Non-Institutional Customers versus Institutional Customers. As described more fully below, certain aspects of the purchase and sale of TRAKRS are dependent on whether an institutional or non-institutional customer is involved. For purposes of this determination, a non-institutional customer is a person that (i) does not qualify as a “qualified institutional buyer” under Rule 144A (“QIB”) promulgated under the Securities Act of 1933, as amended, and (ii) is not a CME member registered as a floor broker or a floor trader. In general, QIBs include, but are not limited to, institutions or entities that in the aggregate own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with them.

Non-Institutional Customers

Permissible Intermediaries and Salespersons. If you are a non-institutional customer, you have the option of purchasing and selling TRAKRS through futures registrants or limited-purpose registrants. As with other futures contracts, you may purchase and sell TRAKRS by placing orders with associated persons (“APs”) of registered introducing brokers (“IBs”) or futures commission merchants (“FCMs”). Alternatively, you may purchase or sell TRAKRS by placing orders with registered securities broker-dealers (“BDs”) and registered representatives (“RRs”) that are notice registered with the National Futures Association (“NFA”) as limited-purpose FCMs (“LP/FCMs”) and APs (“RR/APs”), respectively. LP/FCMs and RR/APs may only purchase and sell TRAKRS on behalf of non-institutional customers.

In the case of entities that are dually registered as BDs and full service FCMs (“BD&FCMs”, and together with LP/FCMs, “BD/FCMs”), if you are a non-institutional customer, you may have the option of having your account carried in a securities account or in a futures account. If you decide to have your account carried in a full-service FCM futures account, then only the FCM’s APs, rather than the BD/FCM’s RR/APs, may execute and manage your TRAKRS transactions.

Account Structure: BD/FCMs. Non-institutional customers of BD/FCMs may purchase and sell TRAKRS through a securities account at their BD/FCMs, and each BD/FCM will maintain an omnibus account for the benefit of its customers at one or more clearing FCMs, which may or may not be within the same legal entity as the BD/FCM or be affiliated with the BD/FCM (each, an “Omnibus Account”). In the case of BD&FCMs that serve as the clearing FCM, the Omnibus Account may consist of an exchange control account for a customer’s TRAKRS and TRAKRS-related assets. The BD&FCM will transfer performance bond and, as applicable to short sales, maintenance restoration payments between each customer’s securities account and the BD&FCM’s futures segregation account.

Account Structure: IBs and FCMs. Non-institutional customers that purchase and sell TRAKRS through a BD/FCM are subject to a different account structure than non-institutional customers that utilize a traditional IB or FCM. Traditional IBs and FCMs must maintain standard IB and FCM customer accounts for their TRAKRS customers and are subject to all of the applicable customer account-related requirements and obligations under the futures laws. In contrast, BD/FCMs utilize the Omnibus Account structure. See “Risk Factors—CFTC no-action letter.”

Performance Bond and Settlement Variation Margin Requirements. TRAKRS performance bond and settlement variation payment requirements (sometimes called “initial margin” and “variation margin” requirements) do not differ when they are purchased or sold through an IB, FCM or BD/FCM. An RR/AP may not enter an order to establish a long or short TRAKRS position on your behalf unless you have sufficient funds in your securities account to cover the performance bond payment.

Long TRAKRS Positions. To purchase TRAKRS, you must deposit a cash performance bond equal to 100% of the TRAKRS market value at the time of purchase. Because you purchase TRAKRS with cash equal to the TRAKRS market value, you will not be required to deposit additional cash if the value of your TRAKRS position declines. Similarly, you will not be entitled to receive (or be required to make) any interim settlement variation payments if the value of your TRAKRS position increases (or decreases).

Short TRAKRS Positions. To sell TRAKRS short, you must deposit a cash performance bond equal to 50% of the TRAKRS sales price. If the settlement price increases to a level such that a non-institutional customer’s performance bond is less than or equal to 30% of such price, the non-institutional customer must make a maintenance restoration payment to restore the performance bond to 50% of the settlement price. Alternatively, if the settlement price decreases to a level such that the performance bond is equal to or greater than 70% of the settlement price, the non-institutional customer will receive a maintenance restoration payment to restore the performance bond to 50% of the settlement price.

Funds Transfer and Payment Flows: BD/FCMs. Once you submit an order to purchase or sell TRAKRS, the BD/FCM will cause the transfer of the performance bond from your securities account (and any maintenance performance bond for short TRAKRS) to the Omnibus Account no later than the opening of trading on the following day. Thereafter, performance bond funds will be under the control of the clearing FCM and the CME Clearing House until the funds are transferred back to your securities account at the BD/FCM upon liquidation of your TRAKRS position (or, if the performance bond equals or exceeds 70% of the settlement price, return of that portion of the performance bond that exceeds 50% of the settlement price in the case of short TRAKRS positions). As with any other futures contract, the clearing FCM will transfer funds daily to the CME Clearing House and the CME Clearing House will transfer funds back to the clearing FCM, as the case may be, in compliance with CME’s performance bond and settlement variation rules.

Funds Transfer and Payment Flows: IBs and FCMs. If you purchase or sell TRAKRS through an IB or FCM, the IB or FCM will be subject to the specific performance bond and variation settlement levels applicable to TRAKRS; the IB or FCM will not be required to utilize the Omnibus Account structure described above.

Interest Rate Pass-Through. Beyond the performance bond and settlement variation requirements, an interest rate pass-through feature exists among the long clearing FCM, the CME Clearing House and the short clearing FCM. Each trading day after the determination of the daily Settlement Price, each clearing FCM that maintains a long TRAKRS position will pay the CME Clearing House (based on the amount of long TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices), and the CME Clearing House in turn will pay each clearing FCM that maintains a short TRAKRS position (based on the amount of short TRAKRS the clearing FCM maintains multiplied by the applicable Settlement Prices), a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS. However, if at any time the Federal Funds Effective Rate is less than the Spread, then each customer holding a short TRAKRS position must pay its FCM (based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices), and each institutional customer holding long TRAKRS positions will receive from its FCM (based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices) an amount equal to the Spread *minus* the Federal Funds Effective Rate. The CME Clearing House will determine all such interest rate pass-through amounts. Non-institutional long customers are not required to make (and non-institutional short customers are not entitled to receive) interest payments under the interest rate pass-through feature. Instead, long clearing FCMs are responsible for paying interest payments to the CME Clearing House, and short clearing FCMs are eligible to receive interest payments from the CME Clearing House.

Implicit Costs of Holding a TRAKRS Position. As described above, although there can be no assurance that TRAKRS will not trade at a discount relative to the value of their underlying Index, it is generally expected that TRAKRS will be traded at a premium to their underlying TRAKRS Index. The amount of this premium will be a function of a number of factors, including (i) the market makers' cost of funds relative to the Federal Funds Effective Rate, (ii) the borrowing costs associated with the short component, if any, of the applicable TRAKRS Index and (iii) the Spread retained by the non-institutional customers' clearing FCMs. Non-institutional customers should view this premium as an economic cost that is embedded in the price of TRAKRS, and should consider this cost as they evaluate the desirability (or economics) of a position in TRAKRS. It is likely that the clearing FCM of a non-institutional customer will be able to recognize all or a portion of the Spread as FCM revenue over time.

In addition, non-institutional customers buying and selling TRAKRS should consult with their broker-dealers or FCMS regarding the brokerage commissions and fees charged for all TRAKRS transactions, in addition to CME fees and NFA fees.

CFTC No-Action Letter. The ability of BD/FCMs and RR/APs to purchase and sell TRAKRS on behalf of non-institutional customers is pursuant to a no-action letter, dated July 11, 2001, issued by the staff of the CFTC to CME, which is available at the CFTC's website at <http://www.cftc.gov>. Pursuant to the no-action letter, various registration requirements, sales practice requirements, minimum financial and related reporting requirements, and books and records requirements under the Commodity Exchange Act, as amended (the "Act"), and rules promulgated thereunder (the "CFTC Rules") do not apply to BD/FCMs and RR/APs. For many of these requirements, similar obligations are imposed on RRs and BDs under the securities laws. However, the CFTC and NFA, rather than the SEC or NASD, will be the enforcement authorities with respect to TRAKRS-related activities of BD/FCMs and RR/APs (including their supervisors). Regardless, purchases and sales of TRAKRS through BD/FCMs and RR/APs will not be subject to the same customer protections under the Act and CFTC Rules as will purchases and sales of TRAKRS through IBs and FCMS. The no-action letter applies to numerous provisions in the Act and CFTC Rules. However, the general terms of the no-action letter are as follows:

- RR/APs and LP/FCMs do not have to file the standard forms for full registration as APs and FCMS, respectively, and they do not have to submit fingerprints, attend mandatory ethics training or pass any futures exam in connection with their registration as limited-purpose RR/APs and BD/FCMs.
- BD/FCMs do not have to provide non-institutional customers with a standard futures "Risk Disclosure Statement", which highlights the risks associated with trading commodity futures contracts. Instead, RR/APs and BD/FCMs will provide you with this TRAKRS Disclosure Document and the applicable Disclosure Document Supplement.

- BD/FCMs may reflect your securities and TRAKRS positions on one customer account statement and have your positions originate from a single securities account, rather than having to maintain separate futures and securities accounts for your TRAKRS and non-TRAKRS assets.
- The clearing FCM may apply CME's risk-based capital requirements to all TRAKRS assets under its control, and the BD/FCM may apply CME's risk-based capital requirements to all TRAKRS assets to which it has a right as the owner of the Omnibus Account. These requirements are different from the standard capital requirements under the futures laws.
- Each BD/FCM will not maintain some of its books and records in the same manner as an FCM. Rather, the BD/FCM will maintain some of its books and records under the system that governs BDs and will maintain some of its books and records of its non-institutional customers' names and corresponding TRAKRS-related futures positions in each Omnibus Account. The clearing FCM, however, will not be required to maintain the individual non-institutional customer names on its books and records. Instead, each non-institutional customer's positions will be separately identified by account number or other account identifier on the clearing FCM's books and records.
- The CFTC will retain all of its enforcement authority over the TRAKRS business of BDs and RRs (and their supervisors) that are notice registered as BD/FCMs and RR/APs, respectively. In particular, the CFTC will remain free to pursue a statutory disqualification action against a BD/FCM or RR/AP to disqualify the BD/FCM or RR/AP or their supervisors from engaging in TRAKRS business.

Institutional Customers

Regulatory Similarity to other Futures Contracts. From the institutional customer's perspective, the purchase and sale of TRAKRS is essentially the same as with any other futures contract. If you are an institutional customer, you will maintain a traditional futures account at an IB or FCM, place orders either with an AP of the IB or FCM or directly through GLOBEX, and comply with CME's standard performance bond and settlement variation requirements. LP/FCMs and RR/APs may not solicit or accept TRAKRS orders from institutional customers.

Interest Rate Pass-Through. An interest rate pass-through feature exists for institutional customers. Each trading day after the determination of the daily Settlement Price, each institutional customer holding long TRAKRS positions must pay its FCM (based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices), and each institutional customer holding short TRAKRS positions will receive from its FCM (based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices), a daily market rate of interest equal to the Federal Funds Effective Rate less the Spread. However, if at any time the Federal Funds Effective Rate is less than the Spread, then each customer holding a short TRAKRS position must pay its FCM (based on the amount of short TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices), and each institutional customer holding long TRAKRS positions will receive from its FCM (based on the amount of long TRAKRS held by the institutional customer multiplied by the applicable Settlement Prices) an amount equal to the Spread *minus* the Federal Funds Effective Rate. The CME Clearing House will determine all such interest rate pass-through amounts.

FEDERAL INCOME TAX CONSIDERATIONS

General

The following is a brief summary of certain material United States Federal income tax considerations relating to holding a position in TRAKRS and is based upon the advice of Shearman & Sterling. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), rulings thereon, Treasury regulations promulgated or proposed thereunder, and existing interpretations thereof, any of which could be changed at any time, and any such change in which could be retroactive. This summary does not address the tax considerations of TRAKRS when owned as other than a capital asset or by persons in special tax situations, such as tax-exempt organizations (including pension funds) or dealers in this type of instrument.

In addition, this summary generally relates only to "U.S. Persons" that will invest in TRAKRS. A U.S. Person is (a) a citizen or resident of the United States, (b) a corporation, partnership, or other entity organized under the laws of the United States, any state, or the District of Columbia, other than a partnership that is not treated as a U.S. Person under the Treasury regulations, (c) an estate whose income is subject to United States income tax, regardless of its source, or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust or, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that elect to be treated as U.S. Persons.

The summary is not a complete discussion of the complex tax rules involved and does not address every U.S. Federal income tax issue raised by the ownership of TRAKRS. In particular, this summary does not apply to a taxpayer who holds the TRAKRS as an offsetting position (in whole or in part) to some other position of the taxpayer. For example, this summary does not address the tax consequences of holding the TRAKRS as a position in a "straddle" within the meaning of Section 1092 of the Code, or engaging in a constructive sale of another financial position within the meaning of Section 1259 of the Code by acquiring the TRAKRS. Moreover, this discussion does not address TRAKRS held as an integrated transaction with another position, or as part of a conversion transaction, as defined in Section 1258 of the Code.

Moreover, this summary is not intended as a substitute for careful tax planning. THEREFORE, EACH PROSPECTIVE CUSTOMER SHOULD SATISFY ITSELF AS TO THE INCOME TAX CONSEQUENCES OF A TRAKRS POSITION WITH SPECIFIC REFERENCE TO ITS OWN TAX SITUATION BY OBTAINING ADVICE FROM ITS OWN TAX COUNSEL BEFORE PURCHASING TRAKRS.

U.S. Federal Income Tax Consequences of holding TRAKRS by a United States Person

The tax consequences of ownership of TRAKRS depend on whether the TRAKRS position held is considered a "regulated futures contract" within the meaning of Sections 1256(b) and (g) of the Code. To be considered a regulated futures contract, a TRAKRS position must satisfy two requirements. First, it must be traded on or subject to the rules of a national securities exchange that is registered with the SEC, a domestic board of trade that has been designated as a contract market by the CFTC, or any other board of trade, exchange or other market that has been designated by the United States Secretary of the Treasury (a "qualified board or exchange"). Second, the amount required to be deposited and the amount which may be withdrawn with respect to the TRAKRS position must depend on a system of marking to market within the meaning of Section 1256(g) of the Code. If a TRAKRS position is a regulated futures contract, it will be subject to the "mark-to-market" rules of Section 1256 of the Code. TRAKRS positions meet the first requirement because all TRAKRS are traded on or subject to the rules of CME, which has been designated by the CFTC as a qualified board or exchange. Therefore, a TRAKRS position will constitute a Section 1256 contract if, and only if, the contract is one with respect to which the amount required to be deposited and the amount which may be withdrawn depends on a system of marking to market within the meaning of Section 1256(g) of the Code.

A TRAKRS position held by a non-institutional customer will not constitute a regulated futures contract within the meaning of Section 1256 of the Code because the TRAKRS position is not a contract with respect to

which the amount required to be deposited and the amount which may be withdrawn depends on a system of marking to market. As such, the TRAKRS position held by a non-institutional customer will not be subject to Section 1256 of the Code and the non-institutional customer will recognize gain or loss only upon the settlement or termination of a TRAKRS position. Accordingly, a non-institutional customer holding a TRAKRS position will not be subject to interim taxation as a result of component changes to the applicable TRAKRS Index or as a result of dividend distributions on component stocks in the index. Furthermore, a non-institutional customer will not be subject to interim taxation under the interest imputation provisions of Section 7872 of the Code as a result of the upfront deposit of funds required under the TRAKRS position because such deposit, whether characterized as the prepayment of a forward contract or, alternatively, as a deposit of funds to margin and secure a contract for future delivery, is not, under current law, treated as a loan for purposes of Section 7872 of the Code.

Therefore, upon settlement or termination of a TRAKRS position, a non-institutional customer will recognize gain or loss equal to the difference between the amount received (a cash amount equal to the settlement price on the settlement or termination date) and the non-institutional customer's tax basis in the TRAKRS position. The tax basis of a TRAKRS position will equal the amount paid for the TRAKRS position. Any gain or loss recognized by a non-institutional customer will be capital gain or loss regardless of whether the contract is held to maturity or terminated prior to maturity. Gain or loss recognized by a non-institutional customer holding a long TRAKRS position will be long-term capital gain or loss if a long TRAKRS position is held for more than six months. Gain or loss recognized by a non-institutional customer holding a short TRAKRS position will be short-term capital gain or loss regardless of the customer's holding period.

A corporate customer's capital losses for the taxable year will be allowed only to the extent of the customer's capital gains for the taxable year, but may be carried back and forward against net capital gains for the three preceding, and five succeeding, taxable years. An individual customer's capital losses for the taxable year will be allowed only to the extent of the customer's capital gains for the taxable year plus \$3,000, and may be carried forward against net capital gains for succeeding taxable years, but may not be carried back against net capital gains for preceding taxable years.

A TRAKRS position held by an institutional customer will constitute a regulated futures contract since the TRAKRS position is one with respect to which the amount required to be deposited and the amount which may be withdrawn depends on a system of marking to market. Accordingly, a TRAKRS position held by an institutional customer will be "marked-to-market" (*i.e.*, treated as sold for fair market value) on the last day of each taxable year pursuant to Section 1256(a) of the Code.

The daily interim payments made to and by the institutional customer, as required under the TRAKRS, will not constitute interest income or expense to the institutional customer. Accordingly, an institutional customer holding a long TRAKRS position will not be entitled to an interest expense deduction for the amount of any interim payments made, and instead will add the amount of such interim payments to its tax basis. Similarly, an institutional customer holding a short TRAKRS position will not recognize interest or any other income based on the amounts of interim payments received, and instead will reduce its tax basis by the interim payment amounts received (or treat such amounts as amounts realized when gain or loss is otherwise determined).

Therefore, an institutional customer will recognize capital gain or loss equal to the difference between the fair market value of the TRAKRS position on the last day of each taxable year (as determined by the TRAKRS' trading price) and the customer's tax basis for the TRAKRS position. The tax basis of a TRAKRS position that is subject to Section 1256 of the Code will equal the amount paid for the TRAKRS position, plus or minus the net gain or loss recognized by the customer in respect of the TRAKRS position in prior taxable years, and adjusted as described above for any interim payments made or received. Thus, a customer might incur Federal income tax liability on an annual basis in respect of an increase in the value of a TRAKRS position without a corresponding receipt of cash. A customer who settles or terminates a TRAKRS position will recognize capital gain or loss equal to the difference between the amount received for the TRAKRS and the tax basis of the TRAKRS position.

Any such capital gain or loss recognized with respect to TRAKRS that are subject to Section 1256 of the Code, that is, those held by institutional customers, will be 60% long-term capital gain or loss and 40% short-term capital gain or loss. A noncorporate institutional customer may elect, however, to carry net capital losses from such

a contract for the taxable year back against net capital gains for other such contracts for the three preceding taxable years.

U.S. Federal Income Tax Consequences of holding TRAKRS by a Non-United States Person.

In general, a TRAKRS customer, either institutional or non-institutional, who is not a “United States Person”, as such term is defined in Section 7701(a)(30) of the Code, will not be subject to United States income tax with respect to amounts received, if any, with respect to a TRAKRS position, provided that such amounts received are not effectively connected to a United States trade or business or a United States permanent establishment, as the case may be. In general, no United States withholding will be required with respect to such amounts.

FEDERAL BANKRUPTCY CONSEQUENCES

General

Generally, Subchapter IV of Chapter 7 of the Bankruptcy Code, as amended (“Subchapter IV”), and Part 190 of the CFTC Rules govern bankruptcies of commodity brokers. Under the bankruptcy regime for commodities brokers, “customer property” is distributed ratably to customers on the basis of their allowed net equity claims in priority to all other claims, other than administrative expenses of the estate.

The Securities Investor Protection Act of 1970, as amended (“SIPA”), governs bankruptcies of registered broker-dealers. Under SIPA, each customer with a net equity claim relating to securities transactions receives a pro rata share of all the cash and securities held for customers’ securities accounts. SIPA generally provides protection to cover up to \$500,000 of the amount, if any, by which each customer’s net equity claim exceeds the customer property available to be distributed on account of the claim. Within the overall \$500,000 limit, the amount of protection available to satisfy any portion of the net equity claim in excess of the customer’s ratable share of customer property which is a claim for cash, as opposed to securities, is limited to \$100,000.

If you are a non-institutional customer that purchases or sells TRAKRS through a BD/FCM, the application of each of the two bankruptcy regimes will depend on whether the BD/FCM or the clearing FCM is declared bankrupt.

BD/FCM Bankruptcy

If a registered broker-dealer is also a commodity broker, Section 7(b) of SIPA provides that the bankruptcy trustee will have the duties specified in Subchapter IV that are applicable to commodity brokers. Accordingly, your claims against and assets at the BD/FCM that are related to commodity contracts and options would be subject to the Bankruptcy Code procedures for liquidating a commodity broker and Part 190 of the CFTC Rules. As a result, in the event of a bankruptcy of the BD/FCM (regardless of whether the BD/FCM is an LP/FCM or a BD&FCM), the Bankruptcy Code procedures for liquidating a commodity broker and Part 190 of the CFTC Rules would apply with respect to TRAKRS and TRAKRS-related claims and assets. In order to readily identify which assets in your securities account are securities and securities-related assets, on the one hand, and which assets are TRAKRS (*i.e.*, commodities) and TRAKRS-related assets (including the amounts of performance bond pledged to and controlled by the clearing FCM), on the other hand, the BD/FCM will separately code the two asset types for all of its customers on its books and records and the clearing FCM will separately identify each customer’s positions by account number or other account identifier on its books and records.

The bankruptcy regime for liquidating a commodity broker will apply to those of your assets that are properly identified by your BD/FCM on its books and records as your TRAKRS and TRAKRS-related assets. As a result, SIPA **WILL NOT APPLY** to your TRAKRS and TRAKRS-related assets that have been properly identified.

If you use a BD&FCM and you have an account through the FCM side, the futures bankruptcy framework should also apply to your futures-related assets, including your TRAKRS-related assets.

Clearing FCM Bankruptcy

In the event of a bankruptcy of a clearing FCM that is a different legal entity from the BD/FCM with which you place an order for TRAKRS transactions, the BD/FCM would be the customer of the clearing FCM and, as a beneficiary of an Omnibus Account maintained at the clearing FCM, would have all of the rights of a “customer” under the Bankruptcy Code’s procedures for liquidating a commodity broker (*i.e.*, Subchapter IV) and Part 190 of the CFTC Rules. Moreover, funds credited to the Omnibus Account would qualify as “customer property” under those provisions.

DISPUTE RESOLUTION

Normally, three forums exist for the resolution of futures disputes: civil court litigation, reparations at the CFTC and arbitration conducted by a self-regulatory or other private organization. TO THE EXTENT THAT A MANDATORY ARBITRATION PROVISION EXISTS BETWEEN YOU AND YOUR BD/FCM, IT SHALL NOT PREVENT YOUR FILING A CFTC REPARATIONS PROCEEDING PURSUANT TO SECTION 14 OF THE COMMODITY EXCHANGE ACT AND PART 12 OF THE CFTC RULES IN CONNECTION WITH THE PURCHASE OR SALE OF TRAKRS, PROVIDED THAT YOU ELECT TO PETITION THE CFTC TO INSTITUTE REPARATIONS PROCEEDINGS BEFORE OR WITHIN 45 DAYS OF RECEIVING NOTICE FROM YOUR BD/FCM THAT IT INTENDS TO SUBMIT A DISPUTE TO ARBITRATION.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code impose certain requirements on many employee benefit plans and on individual retirement accounts (“IRAs”), as well as on persons who are fiduciaries with respect to such arrangements, in connection with the investment of their assets. A fiduciary of a retirement plan or other employee benefit plan or arrangement, or a fiduciary or grantor of an IRA or Keogh plan, that is subject to Title I of ERISA or Section 4975 of the Code or a governmental plan that is subject to a federal, state or other law which is, to a material extent, similar to the foregoing provisions of ERISA or the Code, or other person deemed for purposes of ERISA or the Code to be investing the assets of any such plan or arrangement (each, for purposes of this discussion a “Plan”) should review with its legal advisors whether the purchase, holding or sale of TRAKRS could give rise to a transaction that is prohibited or not otherwise permitted under either ERISA or the Code and, if so, whether there exists any statutory or administrative exemption applicable thereto. Each Plan fiduciary should also consider other requirements of ERISA and the Code, such as that Plan assets must always be held in trust by the Plan’s trustee. Moreover, each Plan fiduciary should determine whether a position in TRAKRS is appropriate for the Plan, taking into account the provisions of the Plan documents, the overall investment policy of the Plan and the composition and diversification of the Plan’s investment portfolio.

In particular, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving the assets of a Plan and persons (“parties in interest” within the meaning of ERISA and “disqualified persons” within the meaning of the Code; collectively, for purposes of this discussion, “Disqualified Persons”) who have certain specified relationships to the Plan, unless a statutory or administrative exemption is available. Disqualified Persons that participate in a prohibited transaction may be subject to an excise tax imposed pursuant to Section 4975 of the Code unless a statutory or administrative exemption is available, and Plan fiduciaries who permit such transactions to occur may also incur liabilities.

In 1982 and 1985, the U.S. Department of Labor (the “DOL”) issued guidance under Section 406 of ERISA, other aspects of ERISA, and under Section 4975 of the Code on the trading of futures contracts by Plans. (DOL Advisory Opinion 82-049A, September 21, 1982, and Correspondence to Mary L. Shapiro, dated August 16, 1985 (the “DOL Letters”). The DOL Letters described the mechanics of the trading of traditional futures contracts and arrived at several favorable conclusions, including: margin posted in connection with the trading of futures for a Plan, as opposed to the Plan’s rights embodied in the futures contract, is not a plan asset; since the relationship with the FCM is one of agency and not a series of principal transactions, that relationship would typically not involve an unexempt prohibited transaction with a Disqualified Persons, pursuant to Section 408(b)(2) of ERISA; the broker is

not a fiduciary by virtue of performing normal futures brokerage services; and, the accidental matching of a long position taken by a Plan with a short position initiated by a Disqualified Person would not be a prohibited transaction as it would be an unpreventable “blind transaction”. There are some aspects of the trading of TRAKRS which differ from the traditional trading of futures described in the DOL Letters. For example, long non-institutional customers trading TRAKRS must post a 100% performance bond as opposed to the more traditional 5-10%. The broker for non-institutional customers may be a BD&FCM as opposed to an IB or FCM. Institutional customers will pay or receive interest. Given these differences and a relative dearth of relevant guidance from the DOL beyond the DOL Letters, it is not possible to conclude with complete certainty that all of the determinations reached by the DOL in the DOL Letters with respect to the trading of traditional futures are equally applicable to the trading of TRAKRS. However, since TRAKRS, and how they are traded, are in most other respects similar to the contracts and the trading considered by the DOL in the DOL Letters, and most of the policy considerations forming the basis of the conclusions in the DOL Letters are equally applicable to the trading of TRAKRS, it is reasonable to conclude that that guidance is valid when applied to an analysis of Plan trading of TRAKRS. Again, a Plan fiduciary contemplating the trading of TRAKRS should consult its legal advisors.

Notwithstanding the foregoing, some special precautions must be taken in connection with the trading of TRAKRS by Plans. A Plan must not trade TRAKRS if Merrill Lynch or any affiliate of Merrill Lynch has investment discretion or renders individualized investment advice with respect to the assets of the Plan that would be utilized in the trading of TRAKRS, even if the Plan’s broker is unaffiliated with Merrill Lynch. Plans which are non-institutional customers must not trade TRAKRS until Merrill Lynch’s share of the opposite side of the market is sufficiently small to enable the conclusion that any accidental matching of a Plan’s order with Merrill Lynch is a “blind transaction”. Institutional customers which are Plans may trade TRAKRS when Merrill Lynch’s share of the opposite side of the market has met this standard, or earlier if the transaction meets all of the conditions of an appropriate DOL administrative prohibited transaction exemption, such as Prohibited Transaction Exemption (“PTE”) 84-14 for transactions by a Plan directed by a “qualified professional asset manager” or “QPAM”. Other similar exemptions include PTE 91-38 (transactions by bank-maintained collective trust funds), PTE 90-1 (transactions by insurance company pooled separate accounts), PTE 95-60 (transactions by insurance company general accounts), and PTE 96-23 (transactions directed by “INHAMS”). Some brokers may impose restrictions on the trading of TRAKRS by Plan clients to insure compliance with the foregoing limitations. Also, a Plan which is a non-institutional customer might not be allowed by its broker to take short positions in TRAKRS because, as is the case with short positions in securities, there is a risk that losses could exceed the original investment. Moreover, each Plan fiduciary considering an investment in TRAKRS should carefully review the “Risk Factors” section of this disclosure document and any disclosure document supplement relevant to the particular TRAKRS under consideration, and must make its own determination of the appropriateness of the possible investment, taking into account such views or information it may request from its own legal or other advisors, as well as the provisions of the Plan documents, the overall investment policy of the Plan, and the composition and diversification of the Plan’s investment portfolio.

THE SALE OF TRAKRS TO PLANS IS IN NO RESPECT A REPRESENTATION BY ANY PERSON ASSOCIATED WITH THE SALE OF TRAKRS THAT TAKING A POSITION IN TRAKRS MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENT ACTIVITY BY PLANS GENERALLY OR ANY PARTICULAR PLAN, OR THAT TAKING SUCH A POSITION IS OTHERWISE APPROPRIATE FOR PLANS GENERALLY OR ANY PARTICULAR PLAN.

GLOSSARY

Associated Person	A person associated with any futures commission merchant or introducing broker as a partner, officer, employee, consultant or agent. The term also includes any person occupying a similar status or performing similar functions, in any capacity that involves (i) the solicitation or acceptance of customers' orders or discretionary accounts (other than in a clerical capacity) or (ii) the supervision of any person or persons so engaged.
BD&FCM	An entity that is dually registered as a broker-dealer and full service futures commission merchant. Unless otherwise stated in this Disclosure Document, the defined term BD&FCM (including the incorporation of BD&FCM into the defined term BD/FCM) shall only apply where the BD&FCM executes and carries customer TRAKRS positions in a securities account.
BD/FCM	An entity that is either an LP/FCM or a BD&FCM.
Broker-Dealer	Any person (other than a bank) engaged in the businesses of effecting transactions in securities for the account of others and buying and selling securities for his own account.
Calculation Agent	An independent calculation agent that calculates and disseminates TRAKRS Index quotes every fifteen seconds during regular trading hours.
CFTC	The Commodity Futures Trading Commission.
Clearing FCM	A futures commission merchant that is a clearing member of CME.
CME Clearing House	The Clearing House Division of CME.
CME	Chicago Mercantile Exchange Inc.
Disclosure Document Supplement	The document that contains supplemental information that is specific to a particular TRAKRS Index. The Disclosure Document Supplement should be read in conjunction with this Disclosure Document and any documents incorporated by reference therein or herein.
Futures Commission Merchant	An individual, association, partnership, corporation or trust that solicits or accepts orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that accepts payment from or extends credit to those whose orders are accepted. For purposes of this Disclosure Document, the defined term "FCM" shall include a stand-alone futures commission merchant and a futures commission merchant that is part of a broker-dealer.
GLOBEX	An international electronic trading system for futures and options that allows participating exchanges to list their products for trading either on a round-the-clock basis or after the close of the exchanges' open outcry trading hours.

Index Compilation Agent	The Index Compilation Agent reconstitutes and rebalances each TRAKRS Index on a periodic basis pursuant to the TRAKRS Index’s stated rules (as described in the Disclosure Document Supplement for each particular TRAKRS Index). Merrill Lynch or its agent is the Index Compilation Agent.
Institutional Customer	A customer that qualifies as a QIB or a CME member that is registered as a floor broker or floor trader.
Introducing Broker	Any person (other than a person registered as an “associated person” of a futures commission merchant) who is engaged in soliciting or accepting orders for the purchase or sale of any commodity for future delivery on an exchange and who does not accept money, securities, or property to margin, guarantee or secure any trades or contracts that result therefrom.
Long Position	A position in the futures markets which rises (falls) if the price of the underlying commodity rises (falls), as if one had purchased such commodity.
LP/FCM	A registered securities broker-dealer that is notice registered with the National Futures Association as a limited-purpose futures commission merchant.
Merrill Lynch	Merrill Lynch, Pierce, Fenner & Smith Incorporated.
NFA	The National Futures Association.
Non-Institutional Customer	A customer that does not qualify as an Institutional Customer.
QIB	A “qualified institutional buyer”, as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. In general, qualified institutional buyers include, but are not limited to, institutions or entities that in the aggregate own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with them.
Performance Bond	Funds that must be deposited by a customer with his or her broker, by a broker with a clearing member or by a clearing member with the clearing house in connection with the establishment of a TRAKRS position.
Position Limit	The maximum position a person may hold or control, either net long or net short, in all contract months for a specific TRAKRS.
RR/AP	A registered representative of a broker-dealer (or a broker-dealer that is also a full service futures commission merchant) who is notice registered with the National Futures Association as a limited-purpose associated person.
Settlement Price	With respect to each TRAKRS based on a specific TRAKRS Index, the daily price at which the CME Clearing House settles all accounts between clearing members of each contract month. The Settlement Price is determined at the close of the market and subject to rules and procedures adopted by CME.

Settlement Variation	Additional funds that must be deposited by a futures customer with its broker, by a broker with a clearing member or by a clearing member with the CME Clearing House in connection with the maintenance of a TRAKRS position.
Short Position	A position in the futures markets which increases (falls) in value if the price of the underlying commodity declines (increases), as if one had sold such commodity short (<i>i.e.</i> , without owning it).
Spread	An amount specified in the Disclosure Document Supplement pertaining to the applicable TRAKRS that is deducted from the daily market rate of interest paid in connection with the interest rate pass-through feature. It is likely that the clearing FCM of a non-institutional customer will be able to recognize all or a portion of the Spread as FCM revenue over time.
Total Return Basis	The value of each TRAKRS Index reflects price fluctuations plus dividends and other distributions declared on the underlying TRAKRS Index components.
TRAKRS Index	Each TRAKRS Index is a broad-based index of stocks, bonds, currencies or other financial instruments.

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