

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-56719; File No. SR-Amex-2007-98)

October 29, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Relating to the Listing and Trading of Units of the United States 12 Month Oil Fund, LP and the United States 12 Month Natural Gas Fund, LP

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on August 23, 2007, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. On September 14, 2007, the Exchange submitted Amendment No. 1 to the proposed rule change. On October 25, 2007, the Exchange submitted Amendment No. 2 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to list and trade units (each a “Unit” and, collectively, the “Units”) of each of the United States 12 Month Oil Fund, LP (“12 Month Oil Fund”) and the United States 12 Month Natural Gas Fund, LP (“12 Month Natural Gas Fund”) (each a “Partnership” and, collectively, the “Partnerships”).

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

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

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

1. Purpose

The Exchange proposes to list and trade Units issued by the 12 Month Oil Fund (under the symbol: "USL") and the 12 Month Natural Gas Fund (under symbol: "USN") pursuant to Amex Rules 1500-AEMI and 1501 through 1505.<sup>3</sup> The Exchange submits that the Units will conform to the initial and continued listing criteria under Rule 1502,<sup>4</sup> specialist prohibitions under Rule 1503 and the obligations of specialists under Rule 1504.

Ownership of a Partnership Unit represents a fractional undivided unit of a beneficial interest in the net assets of that Partnership.<sup>5</sup> Each of the net assets of the 12

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<sup>3</sup> Amex Rule 1500-AEMI provides for the listing of Partnership Units, which are defined as securities, that are: (a) issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities, and/or securities; and (b) that are issued and redeemed daily in specified aggregate amounts at net asset value. See Exchange Act Release No. 53582 (March 31, 2006), 71 FR 17510 (April 6, 2006) (SR-Amex-2005-127) (approving Amex Rules 1500-AEMI and 1501 through 1505 in conjunction with the listing and trading of Units of the United States Oil Fund, LP).

<sup>4</sup> See section entitled "Listing and Trading Rules," infra.

<sup>5</sup> Each Partnership is a commodity pool that will issue Units that may be purchased and sold on the Exchange.

Month Oil Fund and the 12 Month Natural Gas Fund will consist primarily of investments in futures contracts for crude oil, heating oil, gasoline, natural gas, and other petroleum-based fuels that are traded on the New York Mercantile Exchange (“NYMEX”), Intercontinental Exchange (“ICE Futures”) or other U.S. and foreign exchanges (collectively, “Futures Contracts”). In the case of the 12 Month Oil Fund, the predominant investments are expected to be based on, or related to, crude oil. Similarly, for the 12 Month Natural Gas Fund, the predominant investments are expected to be based on, or related to, natural gas.

The 12 Month Oil Fund may also invest in other crude oil-related investments such as cash-settled options on Futures Contracts, forward contracts for crude oil, and over-the-counter (“OTC”) transactions based on the price of crude oil, heating oil, gasoline, natural gas, other petroleum-based fuels, Futures Contracts, and indices based on the foregoing (collectively, “Other Crude Oil-Related Investments”). Futures Contracts and Other Crude Oil-Related Investments collectively are referred to as “Crude Oil Interests.”

Similarly, the 12 Month Natural Gas Fund may also invest in other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, and OTC transactions based on the price of natural gas, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, “Other Natural Gas-Related Investments”). Futures Contracts and Other Natural Gas-Related Investments collectively are referred to as “Natural Gas Interests.”

Each of the 12 Month Oil Fund and the 12 Month Natural Gas Fund will invest in Crude Oil Interests and Natural Gas Interests, respectively, to the fullest extent possible

without being leveraged or unable to satisfy its current or potential margin or collateral obligations. In pursuing this objective, the primary focus of each Partnership's investment manager, Victoria Bay Asset Management, LLC ("Victoria Bay" or "General Partner"), will be the investment in Futures Contracts and the management of its investments in short-term obligations of the United States of two years or less ("Treasuries") and cash and cash equivalents (collectively, "Cash") for margining purposes and as collateral.

#### 12 Month Oil Fund Investment Objective and Policies

The investment objective of the 12 Month Oil Fund is for the changes in percentage terms of the Units' net asset value ("NAV") to reflect the changes in percentage terms of the price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the average of the prices of twelve crude oil futures contracts traded on NYMEX (the "Oil Benchmark Futures Contracts"),<sup>6</sup> less the 12 Month Oil Fund's expenses. The Oil Benchmark Futures Contracts consist of the near month contract to expire and the contracts for the following eleven months, for a total of twelve consecutive months' contracts, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contracts that are the next month contract to expire and the contracts for the eleven consecutive months following

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<sup>6</sup> The average price is determined by summing up the 12 individual monthly prices and dividing them by 12, and then comparing that result to the prior day's average price determined in the same fashion.

that contract.<sup>7</sup> When calculating the daily movement of the average price of the twelve futures contracts, each contract month will be equally weighted.

The General Partner will employ a “neutral” investment strategy intended to track the changes in the price of crude oil regardless of whether the price of crude oil goes up or goes down. The “neutral” investment strategy is designed to permit investors to purchase and sell the 12 Month Oil Fund’s Units for the purpose of investing indirectly in crude oil in a cost-effective manner and/or to permit participants in the crude oil markets or other industries to hedge the risk of losses in their crude oil investments.

The General Partner will attempt to place the 12 Month Oil Fund’s trades in Futures Contracts and Other Crude Oil-Related Investments and otherwise manage the 12 Month Oil Fund’s investments so that “A” will be within plus/minus 10 percent of “B”, where:

- A is the average daily change in 12 Month Oil Fund’s NAV for any period of 30 successive valuation days, i.e., any day as of which 12 Month Oil Fund calculates its NAV, and
- B is the average daily change in the average of the prices of the Oil Benchmark Futures Contracts over the same period.

The Exchange states that an investment in the Units will allow both retail and institutional investors to easily gain exposure to the crude oil market in a cost-effective manner. In addition, the Units are also expected to provide additional means for diversifying an investor’s investments or hedging exposure to changes in crude oil prices.

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<sup>7</sup> The composition of the Oil Benchmark Futures Contracts will be changed or “rolled” over a one day period by selling the near month contract and buying the contract, which at that time is the thirteen month contract.

The General Partner believes that market arbitrage opportunities will cause changes in the 12 Month Oil Fund's unit price on the Exchange to closely track changes in the 12 Month Oil Fund's NAV.<sup>8</sup> The General Partner also believes that percentage changes in the 12 Month Oil Fund's NAV will closely track percentage changes in the Oil Benchmark Futures Contracts, less the 12 Month Oil Fund's expenses. The 12 Month Oil Fund will not be operated in a manner such that the per-Unit-NAV will equal, in dollar terms, the dollar price of spot crude oil or any particular futures contract or contracts based on crude oil.

#### 12 Month Natural Gas Fund Investment Objective and Policies

The investment objective of the 12 Month Natural Gas Fund is for the changes in percentage terms of the Units' NAV to reflect the changes in percentage terms of the price of natural gas delivered at the Henry Hub, Louisiana, as measured by the changes in the average of the prices of 12 futures contracts on natural gas traded on NYMEX (the "Natural Gas Benchmark Futures Contracts"),<sup>9</sup> less the 12 Month Natural Gas Fund's expenses. The Natural Gas Benchmark Futures Contracts consist of the near month contract to expire and the contracts for the following eleven months, for a total of twelve consecutive months' contracts, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contracts that are the next month contract to expire and the contracts for the eleven consecutive months following

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<sup>8</sup> See section entitled "Arbitrage," *infra*.

<sup>9</sup> The average price is determined by summing up the 12 individual monthly prices and dividing them by 12, and then comparing that result to the prior day's average price determined in the same fashion.

that contract.<sup>10</sup> When calculating the daily movement of the average price of the twelve futures contracts, each contract month will be equally weighted.

The General Partner will employ a “neutral” investment strategy intended to track the changes in the price of crude oil regardless of whether the price of crude oil goes up or goes down. The “neutral” investment strategy is designed to permit investors to purchase and sell the 12 Month Natural Gas Fund’s Units for the purpose of investing indirectly in crude oil in a cost-effective manner and/or to permit participants in the crude oil markets or other industries to hedge the risk of losses in their crude oil investments.

The General Partner will attempt to place the 12 Month Natural Gas Fund’s trades in Futures Contracts and Other Natural Gas-Related Investments and otherwise manage the 12 Month Natural Gas Fund’s investments so that “A” will be within plus/minus 10 percent of “B”, where:

- A is the average daily change in 12 Month Natural Gas Fund’s NAV for any period of 30 successive valuation days, i.e., any day as of which 12 Month Natural Gas Fund calculates its NAV, and
- B is the average daily change in the average of the prices of the Natural Gas Benchmark Futures Contracts over the same period.

The Exchange states that an investment in the Units will allow both retail and institutional investors to easily gain exposure to the natural gas market in a cost-effective

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<sup>10</sup> The composition of the Natural Gas Benchmark Futures Contract will be changed or “rolled” over a one day period by selling the near month contract and buying the contract which at that time is the thirteen month contract on the same day.

manner. The Units are also expected to provide additional means for diversifying an investor's investments or hedging exposure to changes in natural gas prices.

The General Partner believes that market arbitrage opportunities will cause changes in the 12 Month Natural Gas Fund's unit price on the Exchange to closely track changes in the 12 Month Natural Gas Fund's NAV.<sup>11</sup> The General Partner also believes that percentage changes in the 12 Month Natural Gas Fund's NAV will closely track percentage changes in the Natural Gas Benchmark Futures Contracts, less the 12 Month Natural Gas Fund's expenses. The 12 Month Natural Gas Fund will not be operated in a manner such that the per-Unit-NAV will equal, in dollar terms, the dollar price of spot natural gas or any particular futures contract or contracts based on natural gas.

#### Description of the Petroleum-Based Fuels Market

With respect to each of the following petroleum-based commodities, the Exchange states as follows:

Crude Oil. Crude oil is the world's most actively traded commodity. The futures contracts for light, sweet crude oil that are traded on the NYMEX are the world's most liquid forum for crude oil trading, as well as the most liquid futures contracts on a physical commodity. Due to the liquidity and price transparency of crude oil futures contracts, they are used as a principal international pricing benchmark. The futures contracts for light, sweet crude oil trade on the NYMEX<sup>12</sup> in units of 1,000 U.S. barrels (42,000 gallons) and, if not closed out before maturity, will result in delivery of crude oil

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<sup>11</sup> See section entitled "Arbitrage," infra.

<sup>12</sup> The Exchange states that NYMEX is the world's largest physical commodity futures exchange and the dominant market for the trading of energy and precious metals.

to Cushing, Oklahoma, which is also accessible to the world market by two major interstate petroleum pipeline systems.

The price of crude oil is established by the supply and demand conditions in the global market overall and, more particularly, in the main refining centers of Singapore, Northwest Europe, and the U.S. Gulf Coast. Demand for petroleum products by consumers, as well as agricultural, manufacturing and transportation industries, determines demand for crude oil by refiners. Since the precursors of product demand are linked to economic activity, crude oil demand will tend to reflect economic conditions. However, other factors such as weather also influence product and crude oil demand. The price of crude oil has historically exhibited periods of significant volatility.

Gasoline. Gasoline is the largest single volume refined product sold in the U.S. and accounts for almost half of national oil consumption. The Gasoline Futures Contract, listed and traded on the NYMEX, trades in units of 42,000 gallons (1,000 barrels) and is based on delivery at petroleum products terminals in the New York harbor, the major East Coast trading center for imports and domestic shipments from refineries in the New York harbor area or from the Gulf Coast refining centers. The price of gasoline is volatile.

Heating Oil. Heating oil, also known as No. 2 fuel oil, accounts for 25% of the yield of a barrel of crude oil, the second largest “cut” from oil after gasoline. The heating oil futures contract, listed and traded on the NYMEX, trades in units of 42,000 gallons (1,000 barrels) and is based on delivery in New York harbor, the principal cash market center.

Natural Gas. Natural gas accounts for almost a quarter of U.S. energy consumption. The price of natural gas is established by the supply and demand conditions in the North American market and, more particularly, in the main refining center of the U.S. Gulf Coast. The natural gas market essentially constitutes an auction, where the highest bidder wins the supply. When markets are “strong” (i.e., when demand is high and/or supply is low), the bidder must be willing to pay a higher premium to capture the supply. When markets are “weak” (i.e., when demand is low and/or supply is high), a bidder may choose not to outbid competitors, waiting instead for later, possibly lower priced, supplies. Demand for natural gas by consumers, and the agricultural, manufacturing and transportation industries, determines overall demand for natural gas. Since the precursors of product demand are linked to economic activity, natural gas demand will tend to reflect economic conditions. However, other factors such as weather significantly influence natural gas demand. The natural gas futures contracts traded on the NYMEX trade in units of 10,000 million British thermal units (“mmBtu”) and are based on delivery at the Henry Hub in Louisiana.

Because of the volatility of natural gas prices, a vigorous basis market has developed in the pricing relationships between the Henry Hub and other important natural gas market centers in the continental United States and Canada.

#### Structure and Regulation of 12 Month Oil Fund and 12 Month Natural Gas Fund

Each of the 12 Month Oil Fund and the 12 Month Natural Gas Fund is a Delaware limited partnership formed in June 2007. The 12 Month Oil Fund is a commodity pool that will invest in Crude Oil Interests, while the 12 Month Natural Gas Fund is a commodity pool that will invest in Natural Gas Interests. Both are managed by Victoria

Bay, a single member Delaware limited liability company, which is wholly owned by Wainwright Holdings, Inc. The General Partner of the Partnerships is registered as a commodity pool operator (“CPO”) with the Commodity Futures Trading Commission (the “CFTC”) and is a member of the National Futures Association.

Information regarding the Partnerships and the General Partner, as well as detailed descriptions of the manner in which the Units will be offered and sold, and the investment strategy of the 12 Month Oil Fund and the 12 Month Natural Gas Fund, are included in their respective registration statements regarding the offering of the Units filed with the Commission under the Securities Act of 1933.<sup>13</sup>

Clearing Broker. UBS Securities, LLC, a CFTC-registered futures commission merchant (“FCM”), will execute and clear each Partnership’s futures contract transactions and hold the margin related to its Futures Contracts investments (the “Clearing Broker”). The clearing arrangements between the Clearing Broker and each Partnership are terminable by the Clearing Broker, upon notice. In such an instance, the General Partner may be required to renegotiate with the current Clearing Broker, or make arrangements with other FCMs, if the Partnership(s) intend(s) to continue trading in Futures Contracts or Other Crude Oil- or Natural Gas-Related Investments, as appropriate, at the present level of capacity.

Administrator and Custodian. Under separate agreements with each Partnership, Brown Brothers Harriman & Co. will serve as administrator, registrar, transfer agent and custodian (the “Administrator” or “Custodian”). The Administrator will perform services

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<sup>13</sup> See 12 Month Oil Fund’s Form S-1, filed with the Commission on July 5, 2007 and amended on August 31, 2007 (File No. 333-144348), and 12 Month Natural Gas Fund’s Form S-1, filed with the Commission on July 6, 2007 (File No. 333-144409).

necessary for the operation and administration of each Partnership, including certain administrative and accounting services as well as the preparation of certain Commission and CFTC reports on behalf of each Partnership. These services include, but are not limited to, investment accounting, financial reporting, broker and trader reconciliation, calculation of the NAV and valuation of Treasuries and cash equivalents used to purchase or redeem Units and other Partnership assets or liabilities. As Custodian, it will (i) receive payments from purchasers of Baskets, (ii) make payments to Sellers for Redemption Baskets, as described below, (iii) hold cash, cash equivalents and Treasuries, as well as collateral posted by each Partnership's derivatives counterparties, and (iv) make transfers of margin and collateral with respect to each Partnership's investments to and from its FCMs or counterparties.

Marketing Agent. ALPS Distributors, Inc., a registered broker-dealer, will be the marketing agent for the Partnerships ("Marketing Agent"). The Marketing Agent will continuously offer, and redeem, Creation and Redemption Baskets, respectively, and will receive and process creation and redemption orders from Authorized Purchasers (as defined below) and coordinate the processing of orders for the creation or redemption of Units with the General Partner and the Depository Trust Company ("DTC").

#### Investment Strategy of 12 Month Oil Fund

Investments. The General Partner of the 12 Month Oil Fund believes that it will be able to use a combination of Futures Contracts and Other Crude Oil-Related Investments to manage the portfolio to achieve its investment objective. The General Partner further anticipates that the exact mix of Futures Contracts and Other Crude Oil-Related Investments held by the portfolio will vary over time depending on, among over

things, the amount of invested assets in the portfolio, price movements of crude oil, the rules and regulations of the various futures and commodities exchanges and trading platforms that deal in Crude Oil Interests, and innovations in the Crude Oil Interests' marketplace including both the creation of new Crude Oil Interest investment vehicles, and the creation of new trading venues that trade in Crude Oil Interests.

Futures Contracts. The principal Crude Oil Interests to be invested in by the 12 Month Oil Fund are Futures Contracts. The General Partner initially expects the 12 Month Oil Fund to purchase the Oil Benchmark Futures Contracts. The 12 Month Oil Fund may also invest in Futures Contracts in heating oil, crude oil, gasoline, natural gas, and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges.

The price movements in the Oil Benchmark Futures Contracts have historically closely tracked the investment objective of the 12 Month Oil Fund over both the short-term, medium-term and the long-term. For that reason, the 12 Month Oil Fund anticipates making significant investments in the Oil Benchmark Futures Contracts. The General Partner submits that other Futures Contracts have also tended to track the investment objective of the 12 Month Oil Fund, though not as closely as the Oil Benchmark Futures Contracts.

Other Crude Oil-Related Investments. The 12 Month Oil Fund may also purchase Other Crude Oil-Related Investments such as cash-settled options on Futures Contracts and forward contracts for crude oil, and participate in OTC transactions that are based on the price of crude oil, heating oil, gasoline, natural gas, and other petroleum-based fuels, Futures Contracts and indices based on the foregoing. Option contracts offer investors

and hedgers another vehicle for managing exposure to the crude oil market. The 12 Month Oil Fund may purchase options on crude oil Futures Contracts on the principal commodities and futures exchanges in pursuing its investment objective.

In addition to listed options, the Exchange states that there also exists an active OTC market in derivatives linked to crude oil. These OTC derivative transactions are privately-negotiated agreements between two parties. Unlike Futures Contracts or related options, each party to an OTC contract bears the credit risk that the counterparty may not be able to perform its obligations.

The Exchange states that some OTC contracts contain fairly generic terms and conditions and are available from a wide range of participants, while other OTC contracts have highly customized terms and conditions and are not as widely available. Many OTC contracts are cash-settled forwards for the future delivery of crude oil or petroleum-based fuels that have terms similar to the Futures Contracts. Others take the form of “swaps” in which the two parties exchange cash flows based on pre-determined formulas tied to the price of crude oil as determined by the spot, forward or futures markets. The 12 Month Oil Fund may enter into OTC derivative contracts whose value may be tied to changes in the difference between the crude oil spot price, the price of Futures Contracts traded on NYMEX, and the prices of non-NYMEX Futures Contracts that may be invested in by the 12 Month Oil Fund.

#### Investment Strategy of 12 Month Natural Gas Fund

Investments. The General Partner of the 12 Month Natural Gas Fund believes that it will be able to use a combination of Futures Contracts and Other Natural Gas-Related Investments to manage the portfolio to achieve its investment objective. The

General Partner further anticipates that the exact mix of Futures Contracts and Other Natural Gas-Related Investments held by the portfolio will vary over time depending on, among other things, the amount of invested assets in the portfolio, price movements of natural gas, the rules and regulations of the various futures and commodities exchanges and trading platforms that deal in Natural Gas Interests, and innovations in the Natural Gas Interests' marketplace including both the creation of new Natural Gas Interest investment vehicles and the creation of new trading venues that trade in Natural Gas Interests.

Futures Contracts. The principal Natural Gas Interests to be invested in by the 12 Month Natural Gas Fund are Futures Contracts. The General Partner of the 12 Month Natural Gas Fund initially expects to purchase the Natural Gas Benchmark Futures Contracts. The 12 Month Natural Gas Fund may also invest in Futures Contracts in crude oil, natural gas, heating oil, gasoline and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges.

The price movements in the Natural Gas Benchmark Futures Contracts have historically closely tracked the investment objective of the 12 Month Natural Gas Fund over both the short-term, medium-term and the long-term. For that reason, the General Partner of the 12 Month Natural Gas Fund anticipates making significant investments in the Natural Gas Benchmark Futures Contracts. The General Partner submits that other Futures Contracts have also tended to track the investment objective of the 12 Month Natural Gas Fund, though not as closely as the Natural Gas Benchmark Futures Contracts.

Other Natural Gas-Related Investments. The 12 Month Natural Gas Fund may also purchase Other Natural Gas-Related Investments such as cash-settled options on Futures Contracts and forward contracts for natural gas, and participate in OTC transactions that are based on the price of gasoline, heating oil, crude oil, natural gas, and other petroleum-based fuels, as well as Futures Contracts and indices based on the foregoing. Option contracts offer investors and hedgers another vehicle for managing exposure to the natural gas market. The 12 Month Natural Gas Fund may purchase options on natural gas Futures Contracts on the principal commodities and futures exchanges in pursuing its investment objective.

In addition to listed options, the Exchange states that there also exists an active OTC market in derivatives linked to natural gas. These OTC derivative transactions are privately-negotiated agreements between two parties. Unlike Futures Contracts or related options, each party to an OTC contract bears the credit risk that the counterparty may not be able to perform its obligations.

The Exchange states that some OTC contracts contain fairly generic terms and conditions and are available from a wide range of participants, while other OTC contracts have highly customized terms and conditions and are not as widely available. Many OTC contracts are cash-settled forwards for the future delivery of gasoline or petroleum-based fuels that have terms similar to the Futures Contracts. Others take the form of “swaps” in which the two parties exchange cash flows based on pre-determined formulas tied to the price of gasoline as determined by the spot, forward or futures markets. The 12 Month Natural Gas Fund may enter into OTC derivative contracts whose value will be tied to changes in the difference between the natural gas spot price, the price of Futures

Contracts traded on NYMEX, and the prices of non-NYMEX Futures Contracts that may be invested in by the 12 Month Natural Gas Fund.

Impact of Accountability Levels and Position Limits.

The Exchange states that the CFTC and U.S. designated contract markets such as NYMEX have established accountability levels and position limits on the maximum net long or net short Futures Contracts in commodity interests that any person or group of persons under common trading control and that these limits are applicable to each of the Partnerships. Accountability levels and position limits are intended, among other things, to prevent a corner or squeeze on a market or undue influence on prices by any single trader or group of traders. The net position is the difference between an individual or firm's open long contracts and open short contracts in any one commodity.

Most U.S. futures exchanges, such as NYMEX, also limit the daily price fluctuation (i.e., daily price limits) for Futures Contracts. The daily price limits establish the maximum amount that the price of a futures contract or an option on a futures contract may vary either up or down from the previous day's settlement price during a particular trading session. Once the daily limit has been reached in a particular futures contract or option on a futures contract, no trades may be made at a price beyond the limit.

The accountability levels for each of the Benchmark Futures Contracts and other Futures Contracts traded on NYMEX are not a fixed ceiling, but rather, a threshold above which NYMEX may exercise greater scrutiny and control over an investor's positions. The current accountability level for investments at any one time in crude oil Futures Contracts (including investments in the Oil Benchmark Futures Contracts) is 20,000

contracts. Similarly, the amount for natural gas Futures Contracts (including investments in the Natural Gas Benchmark Futures Contracts) is 12,000 contracts. If a Partnership exceeds its respective accountability level for investments in either crude oil or natural gas Futures Contracts, as appropriate, NYMEX will monitor the Partnership's exposure and request additional information on its activities including the total size of all positions, investment and trading strategy, and the extent of its liquidity resources. If deemed necessary, NYMEX could order the Partnership to reduce its position back to the accountability level.

If NYMEX orders a Partnership to reduce its position back to the accountability level, or to an accountability level that NYMEX deems appropriate for the Partnership, such accountability level may impact the mix of investments in Crude Oil Interests or Natural Gas Interests made by the 12 Month Oil Fund or the 12 Month Natural Gas Fund, respectively. To illustrate, assume that the Oil Benchmark Futures Contracts and the Unit price of the 12 Month Oil Fund are each \$50, and that NYMEX has determined that the 12 Month Oil Fund may not own more than 20,000 contracts in crude oil Futures Contracts. In such case, the 12 Month Oil Fund could invest up to \$1 billion of its daily net assets in the Oil Benchmark Futures Contracts (i.e., \$50 per unit multiplied by 1,000 (an Oil Benchmark Futures Contract is a contract for 1,000 barrels) multiplied by 20,000 contracts) before reaching the accountability level imposed by NYMEX. Once the daily net assets of the portfolio exceed \$1 billion in the Oil Benchmark Futures Contracts, the portfolio may not be able to make any further investments in the Oil Benchmark Futures Contracts, depending on whether NYMEX imposes limits. If NYMEX does impose limits at the \$1 billion level (or another level), the 12 Month Oil Fund anticipates that it













































