

Special Executive Report

S-4614

September 14, 2007

CME Group to Launch Four Commodity Excess Return Futures (CERFs) on Sunday, October 14, 2007

Chicago Mercantile Exchange Group (“CME” or “the Exchange”) will list four (4) Commodity Excess Return Futures (CERFs) based on sub-indices drawn from the S&P GSCI® Excess Return Index (“S&P GSCI ER Index”) commencing at 5:00 p.m. (Chicago time) on Sunday, October 14, 2007 (for trade date Monday, October 15th). The Exchange intends to offer GSCI ER futures exclusively on the CME® Globex® electronic trading platform. The product is designated under the aegis of the CME SRO featuring GEM access rights. Expanded-Access Product status applies for full CBOT, AM and IDEM classes.

These include CERFs based on the S&P GS Energy ER, S&P GS Non-Energy ER, S&P GS Natural Gas ER and S&P GS Industrial Metals ER Indexes. These contracts are similar to the CERF-style futures contract currently offered on the Exchange and based on the S&P GSCI ER Index.¹

This Special Executive Report (SER) includes a description of the underlying indexes; a review of the salient contract terms and conditions; and, the Rules which govern trade of such CERFs.

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¹ The Standard & Poor’s Goldman Sachs Commodity Index Excess Return (S&P GSCI ER) futures contract was certified with the Commission on July 26, 2005 (see CME Submission #05-54). Amendments to the original filing were certified on February 17, 2006 (see CME Submission #06-15); on May 5, 2006 (see CME Submission #06-42); and, on April 24, 2007 (see CME Submission #07-32). The contract was listed on the Exchange as of March 12, 2006.

1. Nature of the Indexes ²

Goldman Sachs Commodity Index - The S&P GSCI is designed to provide investors with a reliable and publicly available benchmark for investment performance in the commodity markets comparable to the S&P 500 or FT equity indices. As such, the S&P GSCI is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The returns are calculated on a fully-collateralized basis with full reinvestment. The combination of these attributes provides investors with a representative and realistic picture of realizable returns attainable in the commodities markets.

Individual components qualify for inclusion in the S&P GSCI on the basis of liquidity and are weighted by their respective world production quantities. The principles behind the construction of the index are public and designed to allow easy and cost-efficient investment implementation. Possible means of implementation include the purchase of S&P GSCI-related instruments, such as the S&P GSCI futures contract traded on the Chicago Mercantile Exchange (CME) or over-the-counter derivatives, or the direct purchase of the underlying futures contracts.

S&P GSCI Sub-Indices - Each of the sub-indices reflecting portions of the S&P GSCI, the S&P GSCI ER, or the S&P GSCI TR are calculated in the same manner as the S&P GSCI, the S&P GSCI ER and the S&P GSCI TR, respectively, except that: (i) the Daily Contract Reference Prices, CPWs and Contract Roll Weights, as discussed in the S&P GSCI Manual, used in performing such calculations are limited to those of the S&P GSCI Commodities included in the relevant sub-index; and (ii) each sub-index has a separate Normalizing Constant, which is calculated in accordance with the procedures set forth in the S&P GSCI Manual, except that the Dollar Weights and Daily Contract Reference Prices used in calculating the Normalizing Constant are limited to those of the Designated Contracts included in the relevant sub-index.

Economic Weighting - The S&P GSCI is world-production weighted; the quantity of each commodity in the index is determined by the average quantity of production in the last five years of available data. Such weighting provides the S&P GSCI with significant advantages, both as an economic indicator and as a measure of investment performance.

For use as an economic indicator, the appropriate weight to assign each commodity is in proportion to the amount of that commodity flowing through the economy (i.e., the actual production or consumption of that commodity). For instance, the impact that doubling the price of corn has on inflation and on economic growth depends directly on how much corn is used (or produced) in the economy.

² The information in this section is reprinted with permission from the website http://www2.goldmansachs.com/client_services/trading_capital_markets/commodities/commodities_index/. This section provides an explanation of the design and implementation of the GSCI. *The GSCI Manual*, which may be referenced at http://www2.goldmansachs.com/gsci/docs/GSCI_Manual_2006_FINAL.pdf, is the source for the procedures for calculating the GSCI indices.

From the standpoint of measuring investment performance, production-weighting is not only appropriate but vital. The key to measuring investment performance in a representative fashion is to weight each asset by the amount of capital dedicated to holding that asset. In equity markets, this representative measurement of investment performance is accomplished through weighting indices by market capitalization.

For commodities, there is no direct counterpart to market capitalization. The problem is that commodities, and the related price risks, are held in a variety of ways - long futures positions, over-the-counter investments, long-term fixed-price purchasing contracts, physical inventory at the producer, etc. - making a complete accounting of capital dedicated to holding commodities from the time they are produced to the time they are consumed infeasible. A simple way to achieve a close analogue to true market capitalization, abstracting from differences in inventory patterns, is to note that the net long position of the economy is proportional to the quantity produced - hence, production weighting.

A Broad Spectrum of Commodities - The S&P GSCI contains as many commodities as possible, with the rules excluding commodities only to retain liquidity and investability in the underlying futures markets. Currently, the S&P GSCI contains 24 commodities from all commodity sectors: six energy products, five industrial metals, eight agricultural products, three livestock products and two precious metals. This broad range of constituent commodities provides the S&P GSCI with a high level of diversification both across subsectors and within each subsector. This diversity minimizes the effects of highly idiosyncratic events, which have large implications for the individual commodity markets, but are muted when aggregated to the level of the S&P GSCI.

Together, the diversity of its constituent commodities and their economic weighting allow the S&P GSCI to respond in a stable way to world economic growth, even as the composition of global growth changes through time. When world growth is dominated by industrialized economies, the metals sector of the S&P GSCI generally responds more than the agricultural components. Similarly, when emerging markets dominate world growth, agricultural and petroleum-based commodities generally respond the most. Thus, for example, an index that significantly underweights agriculture would significantly underperform in a global economy with weak OECD and strong emerging markets growth, much like a stock index that only contained industrials would provide a misleading picture of a service-led economy.

Liquidity Constraints for Inclusion and Return Calculations - Individual commodities are screened by liquidity for inclusion in the S&P GSCI. The eligibility requirements are designed to promote cost-effective implementation and true investability. Underlying liquidity eases hedging of derivative products and investing in subsector or individual commodity overlays. Furthermore, liquidity in the underlying futures markets facilitates the discovery of true market prices for the components of the S&P GSCI.

S&P GSCI returns are calculated (discussed in detail in the following section) based on the arithmetic average of stable long positions in futures contracts. This methodology, along with the liquidity in the underlying markets, allows easy implementation of the portfolio of futures contracts that the S&P GSCI represents. These characteristics of the S&P GSCI are designed to allow for efficient and relatively inexpensive arbitrage of publicly-traded S&P GSCI-related instruments such as the CME futures contract. Table 1 depicts values for the S&P GSCI Excess Return sub-indices in question.

S&P GSCI Components and Weights - Currently, 24 commodities meet the eligibility requirement for the S&P GSCI. A list of these components and their dollar weights in the S&P GSCI and the S&P GSCI sub-indices, organized by subsector, is presented in Table 2. All sub-indices of the S&P GSCI follow the same rules regarding world production weights, methodology for rolling and other functional characteristics as disclosed in the S&P GSCI manual.³

Table 1: S&P GSCI Excess Return Sub-Index Values
(June 1, 2007)

| Index | Index Value |
|-----------------------------|--------------------|
| S&P GS Energy ER | 395.9019 |
| S&P GS Non-Energy ER | 275.1785 |
| S&P GS Light Energy ER | 390.4266 |
| S&P GS Industrial Metals ER | 346.6048 |
| S&P GS Agriculture ER | 63.81975 |
| S&P GS Livestock ER | 374.9584 |
| S&P GS Grains ER | 46.115 |
| S&P GS Crude Oil ER | 783.3705 |
| S&P GS Natural Gas ER | 7.094016 |

Construction of the S&P GSCI - Three S&P GSCI indices are published: excess return, total return and spot. The excess return index measures the returns accrued from investing in uncollateralized nearby commodity futures, the total return index measures the returns accrued from investing in fully-collateralized nearby commodity futures, and the spot index measures the level of nearby commodity prices. Thus, the excess return and total return indices provide useful representations of returns available to investors from investing in the S&P GSCI. In fact, the total return (*i.e.*, the return on the S&P GSCI total return index) is the measure of commodity returns that is completely comparable to returns from a regular investment in the S&P 500 (with dividend reinvestment) or a government bond, while the return on the excess return index is comparable to the return on the S&P 500 above cash.

³ See GSCI Manual at http://www2.goldmansachs.com/gsci/docs/GSCI_Manual_2006_FINAL.pdf.

The S&P GSCI Total Return, Excess Returns and Spot Indices - The S&P GSCI Total Return Index measures a fully collateralized commodity futures investment that is rolled forward from the 5th to the 9th business day of each month. Currently the S&P GSCI includes 24 commodity nearby futures contracts. The S&P GSCI Total Return Index is significantly different than the return from buying physical commodities.

The S&P GSCI spot index tracks the price of the nearby futures contracts, not returns available to investors. At the end of every business day, the S&P GSCI is composed of the same proportions by weight of the underlying commodities and expirations as the portfolio represented by the S&P GSCI excess returns. Most importantly, the S&P GSCI Spot Index cannot be compared directly to the S&P GSCI Total Return Index, either conceptually or with a single mathematical operation. On the first point, you CANNOT add T-bills to the spot return in order to draw a comparison with the S&P GSCI Total Return. In fact there is nothing you can do to make a direct comparison between the spot and total return indices. This is because they are measuring two very different kinds of investments.

Meanwhile, the S&P GSCI Excess Return measures the return from investing in nearby S&P GSCI futures and rolling them forward each month (on the 5th - 9th business days of each month) always keeping your investment in nearby futures. This is a leveraged futures investment. The S&P GSCI Excess return (unlike the S&P Excess Return) is NOT the return above cash. The S&P GSCI Excess Return cannot be compared directly to the S&P GSCI Total Return either. The S&P GSCI Excess Return plus T-bills does not equal the S&P GSCI Total Return because it ignores the impact of the re-investment of T-bill collateral yield gains back into commodity futures and gains (losses) from commodity futures back into (out of) T-bills.

Passive Portfolios - By design, the S&P GSCI reflects a passive portfolio of long positions in futures. However, unlike a passive equity portfolio, a passive futures portfolio requires regular transactions, for the simple reason that futures expire. Thus, the futures portfolio represented by the S&P GSCI is, in this way, comparable to a bond portfolio of a specific duration.

In the S&P GSCI's case, the maturity of choice is the nearby futures contract (*i.e.*, the contract nearest to expiration). Futures contracts near to expiration are rolled forward (*i.e.*, exchanged for futures contracts with the next applicable expiration date) at the beginning of their expiration months.

**Table 2: Composition of S&P GSCI and Sub-Indexes
(June 1, 2007)**

| | S&P GSCI | Energy | Non-Energy | WTI Oil | Natural Gas | Agriculture | Industrial Metals | Livestock | Grains | Light Energy |
|--------------------------|---------------------|----------------|-------------------|----------------|--------------------|--------------------|--------------------------|------------------|----------------|---------------------|
| Energy | 69.44% | 100.00% | | 100.00% | 100.00% | | | | | 36.22% |
| WTI Crude | 33.96% | 48.91% | | 100.00% | | | | | | 17.72% |
| Brent Crude Oil | 14.77% | 21.28% | | | | | | | | 7.71% |
| RBOB Gas | 1.58% | 2.28% | | | | | | | | 0.83% |
| Heating Oil | 5.80% | 8.35% | | | | | | | | 3.02% |
| Gasoil | 5.02% | 7.23% | | | | | | | | 2.62% |
| Natural Gas | 8.31% | 11.96% | | | 100.00% | | | | | 4.33% |
| Industrial Metals | 11.37% | | 37.21% | | | | 100.00% | | | 23.73% |
| Aluminum | 3.35% | | 10.96% | | | | 29.46% | | | 6.99% |
| Copper | 4.14% | | 13.56% | | | | 36.44% | | | 8.65% |
| Lead | 0.57% | | 1.87% | | | | 5.02% | | | 1.19% |
| Nickel | 2.03% | | 6.63% | | | | 17.83% | | | 4.23% |
| Zinc | 1.28% | | 4.19% | | | | 11.25% | | | 2.67% |
| Precious Metals | 2.34% | | 7.67% | | | | | | | 4.89% |
| Gold | 2.05% | | 6.71% | | | | | | | 4.28% |
| Silver | 0.29% | | 0.96% | | | | | | | 0.61% |
| Agriculture | 12.03% | | 39.36% | | | 100.00% | | | 100.00% | 25.10% |
| Wheat | 2.99% | | 9.80% | | | 24.89% | | | 32.20% | 6.25% |
| Red Wheat | 1.02% | | 3.33% | | | 8.46% | | | 10.95% | 2.12% |
| Corn | 3.39% | | 11.09% | | | 28.18% | | | 36.46% | 7.07% |
| Soybeans | 1.90% | | 6.20% | | | 15.76% | | | 20.39% | 3.96% |
| Cotton | 0.77% | | 2.53% | | | 6.43% | | | | 1.61% |
| Sugar | 1.04% | | 3.41% | | | 8.65% | | | | 2.17% |
| Coffee | 0.70% | | 2.28% | | | 5.79% | | | | 1.45% |
| Cocoa | 0.22% | | 0.72% | | | 1.84% | | | | 0.46% |
| Livestock | 4.82% | | 15.77% | | | | | 100.00% | | 10.06% |
| Live Cattle | 2.57% | | 8.41% | | | | | 53.35% | | 5.36% |
| Feeder Cattle | 0.61% | | 2.01% | | | | | 12.75% | | 1.28% |
| Lean Hogs | 1.63% | | 5.34% | | | | | 33.89% | | 3.41% |

Many commodities, like those in the energy and industrial metals sectors, have liquid futures contracts that expire every month. Therefore, these commodities are rolled forward every month. Other commodities, most notably agricultural and livestock products, only have a few contract months each year that trade with sufficient liquidity. Thus, these commodities, with futures that expire less frequently, roll forward less frequently than every month. Table 3 contains a listing of the expiration months included in the S&P GSCI in 2005.

Table 3: Contract Months in S&P GSCI in 2005

| | | | |
|------------------------|-------------------------|----------------------|--|
| Crude Oil | All | Cocoa | Mar, May, Jul, Sep, Dec |
| Brent Crude Oil | All | Cotton | Mar, May, Jul, Dec |
| Heating Oil | All | Aluminum | All |
| GasOil | All | Copper | All |
| Unleaded Gas | All | Nickel | All |
| Natural Gas | All | Zinc | All |
| Wheat | Mar, May, Jul, Sep, Dec | Lead | All |
| Kansas Wheat | Mar, May, Jul, Sep, Dec | Lean Hogs | Feb, Apr, Jun, Jul, Aug, Oct, Dec |
| Corn | Mar, May, Jul, Sep, Dec | Live Cattle | Feb, Apr, Jun, Aug, Oct, Dec |
| Soybeans | Jan, Mar, May, Jul, Nov | Feeder Cattle | Jan, Mar, Apr, May, Aug, Sep, Oct, Nov |
| Coffee | Mar, May, Jul, Sep, Dec | Gold | Feb, Apr, Jun, Aug, Dec |
| Sugar | Mar, May, Jul, Oct | Silver | Mar, May, Jul, Sep, Dec |
| Cocoa | Mar, May, Jul, Sep, Dec | | |

The Roll Period - The rolling forward of the underlying futures contracts in the excess return index portfolio occurs once each month on the 5th through 9th business days (the roll period).² As explained above, some of the underlying commodity contracts expire in the next month and thus need to be rolled forward. The simplest way to think of the process is as rolling from one basket of nearby futures (the first nearby basket) to a basket of futures contracts that are further from expiration (the second nearby basket). The S&P GSCI is calculated as though these rolls occur at the end of each day during the roll period at the daily settlement prices.

The portfolio is shifted from the first to the second nearby baskets at a rate of 20% per day for the five days of the roll period. Until just before the end of the 5th business day, the entire S&P GSCI portfolio consists of the first nearby basket of commodity futures. At the end of the 5th business day, the portfolio is adjusted so that 20% of the contracts held are in the second nearby basket (i.e., a basket of future contracts that are farther from maturity), with 80% remaining the first nearby basket.

The roll process continues on the 6th, 7th, and 8th business days, with relative weights of first to second nearby baskets of 60%/40%, 40%/60%, and 20%/80%. At the end of the 9th business day, the last of the old first nearby basket is exchanged, completing the roll and leaving the entire portfolio in what we have been calling the second nearby basket. At this time, this former second nearby basket becomes the new first nearby basket, and a new second nearby basket is formed (with futures maturities further in the future) for use in the next month's roll.

The last key point to be made about the roll process is to specify exactly what the 80%/20% or other relative splits between nearby baskets mean. The roll percentages refer to contracts or quantities, not value. Taking the first day of the roll as an example, just before the roll takes place at the end of the day, the S&P GSCI consists of the first nearby basket. That portfolio, constructed the night before and held throughout the 5th business day, has a dollar value. For the roll, that dollar value is distributed across the first and second nearby baskets such that the *number of contracts or the quantity* of the first nearby basket is 80% of the total and the *quantity* held of the second nearby basket is 20% of the total.

The dollar value held of each nearby basket can then be calculated from those quantity weights by multiplying them by the prices of the futures contracts contained in each basket. As the baskets contain futures with different maturities for some of the commodities, the prices are generally close but not exactly the same. Hence, the percentage of the portfolio value (i.e., dollar weight) held in each basket is generally close to, but not exactly equal to, the 80%/20% split specified for the quantities.

The world-production weighting of the S&P GSCI is accomplished by keeping the quantity weights of the individual commodities within each basket proportional to world production weights, which are averages of historical production levels and are generally updated every year.

2. Description of Individual Contract Terms

We offer the following description and explanation of Commodity Excess Return Futures (CERF) contract terms and conditions. Note that this contract replicates other extant commodity index futures notably the current S&P GSCI and S&P GSCI ER futures contracts listed on the Exchange in most respects. The Exchange intends to offer CERFs exclusively on the CME Globex® electronic trading platform as opposed to trading on the floor of the Exchange.

Contract Size – Rule 42901., COMMODITY SPECIFICATIONS, provides that “CERFs are based on Indexes (the “Index” when referred to in the singular; or, the “Indexes” when referred to in the plural) representing Sub-Indices of the Standard & Poor’s Goldman Sachs Commodity Index® (S&P GSCI®) Excess Return Index (“S&P GSCI ER Index”). The S&P GSCI ER is a world-production-weighted, arithmetic average, of the prices of liquid exchange-traded physical commodity futures contracts which satisfy specified criteria. Index calculation procedures are defined in the S&P GSCI Policy Manual.”

Rule 42902.B., Approved Indexes, identifies the specific GS Commodity Indexes that are the subject of CERFs including the GS Energy; Non-Energy; WTI Oil; Natural Gas; Agriculture; Industrial Metals; Livestock; Grains; and, Light Energy Indexes. The Rule further specifies the contract size or contract multiplier as \$X time the specific Index in question. These multipliers are designed to result in a dollar value per contract that is consistent with other extant futures contracts. Table 4 below depicts the contract multipliers associated with each individual index.

Table 4: Contract Size/Tick Size

| Index | Contract Multiplier | Index Value (6/1/07) | Contract Value | Tick Size |
|-----------------------------|---------------------|----------------------|----------------|-----------------------------|
| S&P GS Energy ER | \$100 | 395.9019 | \$39,590 | 0.10 index points (\$10.00) |
| S&P GS Non-Energy ER | \$200 | 275.1785 | \$55,035 | 0.05 index points (\$10.00) |
| S&P GS Natural Gas ER | \$5,000 | 7.094016 | \$41,100 | 0.001 index points (\$5.00) |
| S&P GS Industrial Metals ER | \$200 | 346.6048 | \$69,321 | 0.05 index points (\$10.00) |
| | | | | |

Contract Months – Rule 42902.A., Trading Schedule, provides that “[f]utures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.” Accordingly, the Exchange intends initially to list a single contract month with an expiration date in October 2012. Further, the Exchange may list additional contract months with original five-year terms approximately one year prior to the expiration of the previous contract month.

Quotation Specification - Rule 42902.C., Price Increments, specifies that “[t]rading shall be conducted in minimum price fluctuations as specified in Rule 42902.B., Approved Indexes.” Rule 42902.B., Approved Indexes specifies the tick size in each contract at levels that are not inconsistent with the tick size of other extant futures contracts.

Position Limits - Per Rule 42902.D., Position Limits, states that “[a] person shall not own or control more than a number of contracts net long or net short in all contract months combined as specified in Rule 42902.B., Approved Indexes.” Rule 42902.B., Approved Indexes specifies the position limit in each contract as 20,000 contracts.

Performance Bond Requirements – Per Rule 42904, PERFORMANCE BONDS, some market participants shall be subject to a 100% performance bond requirement while all others shall be subject to normal performance bond requirements. Market participants subject to the 100% performance bond requirement shall include ... (i) any investment company registered under the Investment Company Act of 1940; or (ii) any investment fund, commodity pool, or other similar type of pooled trading vehicle (other than a pension plan or fund) that is offered to the public pursuant to an effective registration statement filed under the Securities Act of 1933, regardless of whether it is also registered under the Investment Company Act of 1940, and that has its principal place of business in the United States.

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Block Trading – The Exchange shall permit block trading to be conducted in the context of the S&P GSCI ER futures contract with a fifty (50) contract minimum transacted quantity requirement.

Other Contract Terms and Conditions - All other terms and conditions of the proposed contract are substantially identical to the existing S&P GSCI ER contract traded on CME. For the reader's convenience, we provide a table (below) summarizing contract terms and conditions.

Commodity Excess Return Futures (CERF) Contract Terms

| | | | |
|----------------------------------|--|--|---|
| Contract Size | Contract multipliers are as follows ... S&P GS Energy ER (\$100), S&P GS Non-Energy ER (\$200), S&P GS Natural Gas ER (\$5,000) and S&P GS Industrial Metals ER (\$200) Indexes. | | |
| Contract Months | The Exchange will initially list a single contract month in all contracts with a maturity of October 2012. Additional contract months with original five-year terms may be listed one year prior to the expiration of the previous contract month. | | |
| Trading Hours | Trading shall be conducted on the CME Globex® electronic trading platform on Sunday and holidays from 5:00 pm to 1:40 pm the following day; on Monday through Thursday from 5:00 pm to 1:40 pm the following day and from 2:00 pm to 4:00 pm | | |
| Minimum Price Fluctuation | The minimum price fluctuation or "tick" is as follows ... GS Energy (0.10 index points or \$10.00), Non-Energy (0.05 index points or \$10.00), Natural Gas (0.001 index points or \$5.00) and Industrial Metals (0.05 index points or \$10.00) Indexes. | | |
| Position Limits | 20,000 contracts | | |
| Final Settlement Date | Final settlement determined on the eleventh (11 th) business day of contract month of October 2012 | | |
| Last Trading Day | Futures trading shall terminate 1:40 pm (Chicago time) on the eleventh (11 th) business day of the contract month of September 2012 | | |
| Final Settlement Price | The Final Settlement Price shall be based on a quotation of the GS Index at the close of business on the eleventh (11 th) business day of the contract month | | |
| Performance Bond | Some market participants shall be subject to a 100% performance bond requirement while all others shall be subject to normal performance bond requirements. Market participants subject to the 100% performance bond requirement shall include ... (i) any investment company registered under the Investment Company Act of 1940; or (ii) any investment fund, commodity pool, or other similar type of pooled trading vehicle (other than a pension plan or fund) that is offered to the public pursuant to an effective registration statement filed under the Securities Act of 1933, regardless of whether it is also registered under the Investment Company Act of 1940, and that has its principal place of business in the United States. | | |
| Block Trading | Block trading permitted with minimum executed order quantity of fifty (50) contracts | | |
| Tickers | S&P GS Energy ER S&P GS Non-Energy ER S&P GS Natural Gas ER S&P GS Industrial Metals ER | <u>Futures</u> GER GNE GNG GIM | <u>Spot Index</u> GEI GNI GGI GII |

5. Rules Governing Commodity Excess Return Futures (CERFs)

CHAPTER 429: COMMODITY EXCESS RETURN FUTURES (CERFs)

42900. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in Commodity Excess Return Futures (CERFs). The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

42901. COMMODITY SPECIFICATIONS

CERFs are based on Indexes (the “Index” when referred to in the singular; or, the “Indexes” when referred to in the plural) representing Sub-Indices of the Standard & Poor’s Goldman Sachs Commodity Index[®] (S&P GSCI[®]) Excess Return Index (“S&P GSCI ER Index”). The S&P GSCI ER is a world-production-weighted, arithmetic average, of the prices of liquid exchange-traded physical commodity futures contracts which satisfy specified criteria. Index calculation procedures are defined in the S&P GSCI Policy Manual.

42902. FUTURES CALL

42902.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Board of Directors.

42902.B. Approved Indexes

The following Indexes have been approved by the Board of Directors as subjects for Commodity Excess Return Futures (CERF) contracts. The Unit of Trading, Minimum Fluctuation and Position Limit for each CERF contract is specified in the table below.

| Index | Unit of Trading | Minimum Fluctuation | Position Limit |
|---|------------------------|-----------------------------|-----------------------|
| Goldman Sachs Energy Excess Return | \$100 | 0.10 index points (\$10.00) | 20,000 contracts |
| Goldman Sachs Non-Energy Excess Return | \$200 | 0.05 index points (\$10.00) | 20,000 contracts |
| Goldman Sachs Natural Gas Excess Return | \$5,000 | 0.001 index points (\$5.00) | 20,000 contracts |
| Goldman Sachs Industrial Metals Excess Return | \$200 | 0.05 index points (\$10.00) | 20,000 contracts |
| | | | |
| | | | |

42902.C. Price Increment

Trading shall be conducted in minimum price fluctuations as specified in Rule 42902.B., Approved Indexes.

42902.D. Position Limit

A person shall not own or control more than a number of contracts net long or net short in all contract months combined as specified in Rule 42902.B., Approved Indexes.

42902.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

42902.F. Exemptions

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, (2) other positions exempted pursuant to Rule 543.

42902.G. Termination of Trading

Futures trading shall terminate on the eleventh business day of the contract month.

42902.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

42902.I. Reserved

42903. SETTLEMENT PROCEDURES

Delivery under the CERF contract shall be by cash settlement.

42903.A. Final Settlement Price

The Final Settlement Price shall be determined on the eleventh business day of the contract month, or, if the Index is not scheduled to be published for that day, on the first preceding day for which the futures price index is scheduled to be published. The Final Settlement Price shall be based on the closing quotation for the Index on the eleventh business day of the contract month 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 Index is trading on is not open on the day of the Final Settlement Price 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 CERF Final Settlement Price is deferred for up to ten additional business days. If subsequent to the settlement day 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 CERF Final Settlement Price shall be a price consistent with the minimum fluctuation for the commodity contract and 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 CERF Final Settlement Price.

If a component contract month's settlement price on the day of regular calculation of the Final Settlement Price 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.

42903.B. Final Settlement

Clearing members holding open positions in a CERF contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the Final Settlement Price.

42904. PERFORMANCE BONDS

Customers purchasing or selling CERF contracts shall be subject to the performance bond requirements established by the Exchange and their FCMs. However, some market participants purchasing or selling CERF contracts shall deposit 100% of the purchase or sale price with their long clearing member. Market participants subject to the 100% performance bond requirement shall include any market participant that is (i) an investment company registered under the Investment Company Act of 1940; or (ii) an investment fund, commodity pool, or other similar type of pooled trading vehicle (other than a pension plan or fund) that is offered to the public pursuant to an effective registration statement filed under the Securities Act of 1933, regardless of whether it is also registered under the Investment Company Act of 1940, and that has its principal place of business in the United States.

Each long clearing member carrying CERF futures contracts for customers subject to the 100% performance bond requirement ("100% margin participants") shall establish one or more accounts on its books and records in which such clearing member shall hold performance bond received from 100% margin participants in connection with CERF futures contracts, together with any settlement variation received by the clearing member with respect to the CERF futures contracts of such 100% margin participants. Except as provided in the next paragraph or with the consent of the Clearing House, assets may be withdrawn from such accounts by the clearing member only (i) to be transferred to the Clearing House to satisfy performance bond or settlement variation requirements of the clearing member with respect to CERF futures contracts held for 100% margin participants, (ii) in connection with the settlement, liquidation, transfer or close-out of such contracts, and (iii) in the case of income, dividends, interest or returns on investments or instruments held in the accounts.

Each such clearing member hereby agrees that, by carrying accounts of 100% margin participants with positions in CERF futures, such clearing member shall be deemed by these rules, and without any further action by such clearing member, to have granted to the Clearing House a security interest in and a lien on such accounts, and all securities, cash and other assets held therein from time to time and, to the extent not included in the foregoing, all proceeds, products, revenues, dividends, interest, redemptions, distributions, profits, accessions, additions, substitutions and replacements of and to any and all of the foregoing, subject to applicable laws and regulations, until withdrawn in accordance with the preceding paragraph ("Account Collateral"), to secure such clearing member's obligations to the Clearing House. Notwithstanding the foregoing, the clearing member shall enter into any agreements and execute any other instruments reasonably requested by the Clearing House in order to confirm or perfect such security interest, provided that it is understood and agreed that no such agreement or instrument shall be necessary in order to create such security interest, which shall exist solely by operation of these rules. If a clearing member is in default to the Clearing House, the clearing member shall take no further actions with respect to the Account Collateral pledged by it except upon the instruction or with the consent of the Clearing House, and the Clearing House shall be entitled to exercise the same rights and remedies with respect to such Account Collateral as it has with respect to performance bond collateral under Rules 802 and 820.

42905. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that the calculation of the Final Settlement Price is prevented by a strike, fire, accident, act of government, or act of God, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End of Chapter 429)

INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 429

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P commodity indices ("S&P Commodity Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Commodity Indices.

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), does not guarantee the accuracy and/or completeness of the S&P Commodity Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Commodity Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts and any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Commodity Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

Please contact John W. Labuszewski, Managing Director, Research & Product Development at 312-446-7469; or, John Harangody, Director, Commodity Products at (312) 466-4437 if you have any inquiries regarding this matter.