Teucrium Commodity Trust
Form S-1
June 17, 2010

As filed with the Securities and Exchange Commission on June 17, 2010

Registration No. 333-________

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Teucrium Commodity Trust
(Registrant)

Delaware
(State or other jurisdiction of incorporation or organization)

6799
(Primary Standard Industrial Classification Code Number)

61-1604335
(I.R.S. Employer Identification No.)

c/o Teucrium Trading, LLC
232 Hidden Lake Road
Building A
Brattleboro, Vermont 05301
Phone: (802) 257-1617
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Sal Gilbertie
President
Teucrium Trading, LLC
232 Hidden Lake Road
Building A
Brattleboro, Vermont 05301
Phone: (802) 257-1617

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
Heather C. Harker, Esq.
Dykema Gossett PLLC
1300 I Street, N.W.
Suite 300 West
Washington, DC 20005

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company under Rule 12b-2 of the Securities Exchange Act of 1934. (Check one):

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share*	Proposed Maximum Aggregate Offering Price*	Amount of Registration Fee
Common units of Teucrium Natural Gas Fund, a series of the Registrant	100,000	$ 25.00	$ 2,500,000	$ 178.26

* Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(d) under the Securities Act of 1933.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and the Sponsor and the Trust are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Prospectus Subject to Completion June 17, 2010

Teucrium Natural Gas Fund
30,000,000 Shares

Teucrium Natural Gas Fund (the "Fund") is a commodity pool that is a series of Teucrium Commodity Trust ("Trust"), a Delaware statutory trust. The Fund will issue common units representing fractional undivided beneficial interests in such Fund, called "Shares." The Fund intends to continuously offer creation baskets consisting of 100,000 Shares at their net asset value ("NAV") to "Authorized Purchasers" (as defined below) through [to be provided by Pre-Effective Amendment to the Registration Statement], which is the marketing agent for Shares of the Fund (the "Marketing Agent"). Authorized Purchasers, in turn, may offer to the public Shares of any baskets they create. [To be provided by Pre-Effective Amendment to the Registration Statement] is expected to be the initial Authorized Purchaser. Authorized Purchasers will sell such Shares, which will be listed on the NYSE Arca exchange ("NYSE Arca"), to the public at per-Share offering prices that are expected to reflect, among other factors, the trading price of the Shares on the NYSE Arca, the NAV of the Fund at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Shares to the public, the supply of and demand for Shares at the time of sale, and the liquidity of the markets for natural gas interests. The prices of Shares offered by Authorized Purchasers are expected to fall between the Fund's NAV and the trading price of the Shares on the NYSE Arca at the time of sale. The Fund's Shares are expected to trade on the secondary market on the NYSE Arca at prices that are lower or higher than their net asset value per Share. Fund Shares will be listed on the NYSE Arca under the symbol "NAGS."

The investment objective of the Fund is to have the daily changes in percentage terms of the Fund's NAV per Share reflect the daily changes in percentage terms of a weighted average of the closing settlement prices for four natural gas futures contracts. The Fund's sponsor is Teucrium Trading, LLC (the "Sponsor").

This is a best efforts offering; the Marketing Agent is not required to sell any specific number or dollar amount of Shares, but will use its best efforts to sell Shares. An Authorized Purchaser is under no obligation to purchase Shares. This is intended to be a continuous offering that will terminate on _________, 2012 (two years from the date of this prospectus), unless suspended or terminated at any earlier time for certain reasons specified in this prospectus or unless extended as permitted under the rules under the Securities Act of 1933. See "Prospectus Summary – The Shares" and "Creation and Redemption of Shares – Rejection of Purchase Orders" below.

Investing in the Fund involves significant risks. See "What Are the Risk Factors Involved with an Investment in the Fund?" beginning on page 16. The Fund is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION ("SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OFFERED IN THIS PROSPECTUS, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS COMMODITY POOL NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

This prospectus is in two parts: a disclosure document and a statement of additional information. These parts are bound together, and both contain important information.

	Per share	Per Basket
Price of the Shares*	$ 25.00	$ 2,500,000

* Based on closing net asset value on [date]. The price may vary based on net asset value in effect on a particular day.

The date of this prospectus is ___, 2010.

COMMODITY FUTURES TRADING COMMISSION

RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING AT PAGE 59 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 1.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 7.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

THIS POOL HAS NOT COMMENCED TRADING AND DOES NOT HAVE ANY PERFORMANCE HISTORY. THE SPONSOR HAS NOT PREVIOUSLY OPERATED ANY OTHER COMMODITY POOLS OR TRADED ANY OTHER ACCOUNTS.

TEUCRIUM NATURAL GAS FUND

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Until [date] (25 days after the date of this prospectus), all dealers effecting transactions in the offered Shares, whether or not participating in this distribution, may be required to deliver a prospectus. This requirement is in addition to the obligations of dealers to deliver a prospectus when acting as underwriters and with respect to unsold allotments or subscriptions.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking statements" which generally relate to future events or future performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or the negative of these terms or other comparable terminology. All statements (other than statements of historical fact) included in this prospectus that address activities, events or developments that will or may occur in the future, including such matters as movements in the commodities markets and indexes that track such movements, the Fund's operations, the Sponsor's plans and references to the Fund's future success and other similar matters, are forward-looking statements. These statements are only predictions. Actual events or results may differ materially. These statements are based upon certain assumptions and analyses the Sponsor has made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. Whether or not actual results and developments will conform to the Sponsor's expectations and predictions, however, is subject to a number of risks and uncertainties, including the special considerations discussed in this prospectus, general economic, market and business conditions, changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies, and other world economic and political developments. See "What Are the Risk Factors Involved with an Investment in the Fund?" Consequently, all the forward-looking statements made in this prospectus are qualified by these cautionary statements, and there can be no assurance that actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Fund's operations or the value of its Shares.

PROSPECTUS SUMMARY

This is only a summary of the prospectus and, while it contains material information about the Fund and its Shares, it does not contain or summarize all of the information about the Fund and the Shares contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including "What Are the Risk Factors Involved with an Investment in the Fund?" beginning on page 16, before making an investment decision about the Shares. In addition, this prospectus includes a statement of additional information that follows and is bound together with the primary disclosure document. Both the primary disclosure document and the statement of additional information contain important information.

Principal Offices of the Fund and the Sponsor

The principal office of the Trust and the Fund is located at 232 Hidden Lake Road, Building A, Brattleboro, Vermont 05301. The telephone number is (802) 257-1617. The Sponsor's principal office is also located at 232 Hidden Lake Road, Building A, Brattleboro, Vermont 05301, and its telephone number is also (802) 257-1617.

Breakeven Point

The amount of trading income required for the redemption value of a Share at the end of one year to equal the initial selling price of the Share, assuming an initial selling price of $25.00, is $0.34 or 1.55% of the initial selling price. For more information, see "Breakeven Analysis" below.

Overview of the Fund

Teucrium Natural Gas Fund (the "Fund" or "Us" or "We"), is a commodity pool that will issue Shares that may be purchased and sold on the NYSE Arca. The Fund is a series of the Teucrium Commodity Trust ("Trust"), a Delaware statutory trust organized on September 11, 2009. The Fund is one of six series of the Trust; each series is operated as a separate commodity pool. Additional series of the Trust may be created in the future. The Trust and the Fund operate pursuant to the Trust's Amended and Restated Declaration of Trust and Trust Agreement (the "Trust Agreement"). The Fund was formed and is managed and controlled by the Sponsor, Teucrium Trading, LLC. The Sponsor is a limited liability company formed in Delaware on July 28, 2009 that is registered as a commodity pool operator ("CPO") with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). The Sponsor first intends to use this prospectus on or about _____, 2010, the date of this prospectus.

The investment objective of the Fund is to have the daily changes in percentage terms of the Shares' NAV reflect the daily changes in percentage terms of a weighted average of the following: the nearest to spot month March, April, October and November Henry Hub Natural Gas Futures Contracts traded on the NYMEX, weighted 25% equally in each contract month, less the Fund's expenses. (This weighted average of the four referenced Natural Gas Futures Contracts is referred to herein as the "Benchmark," and the four Natural Gas Futures Contracts that at any given time make up the Benchmark are referred to herein as the "Benchmark Component Futures Contracts.")

The Fund seeks to achieve its investment objective by investing under normal market conditions in Benchmark Component Futures Contracts or, in certain circumstances, in other Natural Gas Futures Contracts traded on the NYMEX and the IntercontinentalExchange ("ICE"), as well as other foreign exchanges. In addition, the Fund will invest in natural gas-based swap agreements that are cleared through the ICE or its affiliated provider of clearing services ("Cleared Natural Gas Swaps") to the extent permitted and appropriate in light of the liquidity in the Cleared Natural Gas Swap market. The Fund then intends to invest in contracts and instruments such as cash-settled options on Natural Gas Futures Contracts and forward contracts, swaps, other than Cleared Natural Gas Swaps, and other over-the-counter transactions that are based on the price of natural gas and Natural Gas Futures Contracts (collectively, "Other Natural Gas Interests" and together with Natural Gas Futures Contracts and Cleared Natural Gas Swaps, "Natural Gas Interests"). See "The Offering – Futures Contracts" below. By utilizing certain or all of these investments, the Sponsor will endeavor to cause the Fund's performance, before taking Fund expenses and any interest income from the cash, cash equivalents and U.S. Treasury securities held by the Fund into account, to closely track that of the Benchmark. The Sponsor expects to manage the Fund's investments directly, although it has been authorized by the Trust to retain, establish the terms of retention for, and terminate third-party commodity trading advisors to provide such management. The Sponsor is also authorized to select futures commission merchants to execute the Fund's transactions in Natural Gas Futures Contracts.

Natural Gas Futures Contracts traded on the NYMEX are listed for the current year and the next five years. However, the nature of the Benchmark is such that the Fund will not hold futures contracts beyond approximately the first 14 months of listed Natural Gas Futures Contracts.

It is the intent of the Sponsor to never hold a Benchmark Component Futures Contract to spot. For example, in terms of the Benchmark, in January of a given year, the Benchmark Component Futures Contracts will be the contracts expiring in March (the first-to-expire Benchmark Component), April (the second-to-expire Benchmark Component), October (the third-to-expire Benchmark Component), and November (the fourth-to-expire Benchmark Component). Because the next-to-expire Benchmark Component Natural Gas Futures Contract (the March contract) will become spot on the third-to-last trading day in January, the Sponsor will "roll" or change that contract prior to the third-to-last trading day in January for a position in the same month (March) of the following year, never holding any futures contract to spot.

The Fund seeks to achieve its investment objective primarily by investing in Natural Gas Interests such that daily changes in the Fund's NAV will be expected to closely track the changes in the Benchmark. The Fund's positions in Natural Gas Interests will be changed or "rolled" on a regular basis in order to track the changing nature of the Benchmark. For example, four times a year (on the month in which a Benchmark Component Natural Gas Futures Contract is set to become the first-to-expire-natural Gas Futures contract listed on NYMEX (commonly call the "spot" contract), the first-to-expire Benchmark Component Contract will become the next-to-expire (spot) Natural Gas Futures Contract and will no longer be a Benchmark Component Futures Contract, and the Fund's investments will have to be changed accordingly. In order that the Fund's trading does not cause unwanted market movements and to make it more difficult for third parties to profit by trading based on such expected market movements, the Fund's investments typically will not be rolled entirely on that day, but rather will typically be rolled over a period of several days.

Consistent with achieving the Fund’s investment objective of closely tracking the Benchmark, the Sponsor may for certain reasons cause the Fund to enter into or hold Natural Gas Futures Contracts other than the Benchmark Component Futures Contracts, Cleared Natural Gas Swaps and/or Other Natural Gas Interests. For example, certain Natural Gas Swaps have standardized terms similar to, and are priced by reference to, a corresponding Benchmark Component Futures Contract. Additionally, Other Natural Gas Interests that do not have standardized terms and are not exchange-traded, referred to as “over-the-counter” Natural Gas Interests, can generally be structured as the parties to the Natural Gas Interest contract desire. Therefore, the Fund might enter into multiple over-the-counter Natural Gas Interests, including Cleared Natural Gas Swaps, intended to exactly replicate the performance of each of the Benchmark Component Futures Contracts, or a single over-the-counter Natural Gas Interest designed to replicate the performance of the Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Natural Gas Interest, the performance of the Natural Gas Interest will necessarily correlate exactly with the performance of the Benchmark or the applicable Benchmark Component Futures Contract. The Fund might also enter into or hold Natural Gas Interests other than Benchmark Component Futures Contracts to facilitate effective trading, consistent with the discussion of the Fund’s “roll” strategy in the preceding paragraph. In addition, the Fund might enter into or hold Natural Gas Interests that would be expected to alleviate overall deviation between the Fund’s performance and that of the Benchmark that may result from certain market and trading inefficiencies or other reasons. By utilizing certain or all of the investments described above, the Sponsor will endeavor to cause the Fund’s performance, before taking Fund expenses and any interest income from the cash, cash equivalents and U.S. Treasury securities held by the Fund into account, to closely track that of the Benchmark.

The Fund invests in Natural Gas Interests to the fullest extent possible without being leveraged or unable to satisfy its expected current or potential margin or collateral obligations with respect to its investments in Natural Gas Interests. After fulfilling such margin and collateral requirements, the Fund will invest the remainder of its proceeds from the sale of baskets in short-term obligations of the United States government (“Treasury Securities”) or cash equivalents, and/or merely hold such assets in cash (generally in interest-bearing accounts). Therefore, the focus of the Sponsor in managing the Fund is investing in Natural Gas Interests and in Treasury Securities, cash and/or cash equivalents. The Fund will earn interest income from the Treasury Securities and/or cash equivalents that it purchases and on the cash it holds through the Fund’s custodian, the Bank of New York Mellon (the “Custodian”).

The Sponsor endeavors to place the Fund’s trades in Natural Gas Interests and otherwise manage the Fund’s investments so that the Fund’s average daily tracking error against the Benchmark will be less than 10 percent over any period of 30 trading days. More specifically, the Sponsor will endeavor to manage the Fund so that A will be within plus/minus 10 percent of B, where:

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

The Sponsor believes that market arbitrage opportunities will cause the Fund's Share price on the NYSE Arca to closely track the Fund's NAV per share. The Sponsor believes that the net effect of this expected relationship and the expected relationship described above between the Fund's NAV and the Benchmark will be that the changes in the price of the Fund's Shares on the NYSE Arca will closely track, in percentage terms, changes in the Benchmark, less the Fund's expenses.

The Sponsor employs a "neutral" investment strategy intended to track the changes in the Benchmark regardless of whether the Benchmark goes up or goes down. The Fund's "neutral" investment strategy is designed to permit investors generally to purchase and sell the Fund's Shares for the purpose of investing indirectly in the natural gas market in a cost-effective manner. Such investors may include participants in the natural gas market and other industries seeking to hedge the risk of losses in their natural gas-related transactions, as well as investors seeking exposure to the natural gas market. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in the natural gas market and/or the risks involved in hedging may exist. In addition, an investment in the Fund involves the risks that the changes in the price of the Fund's Shares will not accurately track the changes in the Benchmark, and that changes in the Benchmark will not closely correlate with changes in the price of natural gas on the spot market. Furthermore, as noted above, the Fund also invests in short-term Treasury Securities, cash and/or cash equivalents to meet its current or potential margin or collateral requirements with respect to its investments in Natural Gas Interests and to invest cash not required to be used as margin or collateral. The Fund does not expect there to be any meaningful correlation between the performance of the Fund's investments in Treasury Securities/cash/cash equivalents and the changes in the price of natural gas or Natural Gas Interests. While the level of interest earned on or the market price of these investments may in some respects correlate to changes in the price of natural gas, this correlation is not anticipated as part of the Fund's efforts to meet its objective. This and certain risk factors discussed in this prospectus may cause a lack of correlation between changes in the Fund's NAV and changes in the price of natural gas. The Sponsor does not intend to operate the Fund in a fashion such that its per share NAV will equal, in dollar terms, the spot price of British Thermal Units ("MMBtu") of natural gas or the price of any particular Natural Gas Futures Contract.

The Fund creates and redeems Shares only in blocks called Creation Baskets and Redemption Baskets, respectively. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public Shares of any baskets it does create. Baskets are generally created when there is a demand for Shares, including, but not limited to, when the market price per share is at (or perceived to be at) a premium to the NAV per share. Similarly, baskets are generally redeemed when the market price per share is at (or perceived to be at) a discount to the NAV per share. Retail investors seeking to purchase or sell Shares on any day are expected to effect such transactions in the secondary market, on the NYSE Arca, at the market price per share, rather than in connection with the creation or redemption of baskets.

The Fund will commence making the investments described in this prospectus as quickly as practicable (no more than three business days) after the initial Creation Basket is sold. All proceeds from the sale of subsequent Creation Baskets will also be invested as quickly as practicable in such investments. The Fund's cash and investments are held through the Fund's Custodian, in accounts with the Fund's commodity futures brokers or in collateral accounts with respect to over-the-counter Natural Gas Interests. There is no stated maximum time period for the Fund's operations and the Fund will continue until all Shares are redeemed or the Fund is liquidated pursuant to the terms of the Trust Agreement.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, however, accountability levels and position limits on Natural Gas Futures Contracts, Cleared Natural Gas Swaps or Other Natural Gas Interests may practically limit the number of Creation Baskets that will be sold if the Sponsor determines that the other investment alternatives available to the Fund at that time will not enable it to meet its stated investment objective.

Shares may also be purchased and sold by individuals and entities that are not Authorized Purchasers in smaller increments than Creation Baskets on the NYSE Arca. However, these transactions are effected at bid and ask prices established by specialist firm(s). Like any listed security, Shares of the Fund can be purchased and sold at any time a secondary market is open.

In managing the Fund's assets, the Sponsor does not use a technical trading system that automatically issues buy and sell orders. Instead, each time one or more baskets are purchased or redeemed, the Sponsor will purchase or sell Natural Gas Interests with an aggregate market value that approximates the amount of Treasury Securities and/or cash received or paid upon the purchase or redemption of the basket(s).

Note to Secondary Market Investors: The Shares can be directly purchased from or redeemed by the Fund only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket consists of 100,000 Shares and therefore may require a commitment of several million dollars (e.g., 100,000 Shares times an initial Share price of $25.00 equals $2.5 million). Accordingly, investors who do not have such resources or who are not Authorized Purchasers should be aware that some of the information contained in this prospectus, including information about purchases and redemptions of Shares directly with the Fund, is only relevant to Authorized Purchasers. Shares will be listed and traded on the NYSE Arca under the ticker symbol "NAGS" and may be purchased and sold as individual Shares. Individuals interested in purchasing Shares in the secondary market should contact their broker. Shares purchased or sold through a broker may be subject to commissions.

Except when aggregated in Redemption Baskets, Shares are not redeemable securities. There is no guarantee that Shares will trade at prices that are at or near the per-Share NAV.

The Shares

The Shares are registered as securities under the Securities Act of 1933 ("1933 Act") and the Securities Exchange Act of 1934 (the "Exchange Act") and do not provide dividend rights or conversion rights and there will not be sinking funds. The Shares may only be redeemed when aggregated in Redemption Baskets as discussed under "Creation and Redemption of Shares" and holders of Fund shares ("Shareholders") generally will not have voting rights as discussed below under "The Trust Agreement – Voting Rights" below. Cumulative voting is neither permitted nor required and there are no preemptive rights. The Trust Agreement provides that, upon liquidation of the Fund, its assets will be distributed pro rata to the Shareholders based upon the number of Shares held. Each Shareholder will receive its share of the assets in cash or in kind, and the proportion of such share that is received in cash may vary from Shareholder to Shareholder, as the Sponsor in its sole discretion may decide.

The offering of Shares under this prospectus is a continuous offering under Rule 415 of the 1933 Act and will terminate on _________, 2012 (two years from the date of this prospectus). The offering may be extended beyond such date as permitted under the rules under 1933 Act. The offering will terminate before such date or before the end of any extension period if all of the registered Shares have been sold. However, the Sponsor expects to cause the Trust to file one or more additional registration statements as necessary to permit additional Shares to be registered and offered on an uninterrupted basis. This offering may also be suspended or terminated at any time for certain specified reasons, including if and when suitable investments for the Fund are not available or practicable. See "Creation and Redemption of Shares – Rejection of Purchase Orders" below. As discussed above, the minimum purchase requirement for Authorized Purchasers is a Creation Basket, which consists of 100,000 Shares. Under the plan of distribution, the Fund does not require a minimum purchase amount for investors who purchase Shares from Authorized Purchasers. There are no arrangements to place funds in an escrow, trust, or similar account.

The Fund's Investments in Natural Gas Interests

A brief description of the principal types of Natural Gas Interests in which the Fund may invest is set forth below.

- A futures contract is a standardized contract traded on a futures exchange that calls for the delivery of a specified quantity of a commodity at a specified price, on a specified date and at a specified location.

- A swap agreement is a bilateral contract to exchange a periodic stream of payments determined by reference to a notional amount, with payment typically made between the parties on a net basis.

The Fund may also invest to a lesser extent in the following types of Natural Gas Interests:

- A forward contract is an over-the-counter bilateral contract for the purchase of sale of a specified quantity of a commodity at a specified price, on a specified date and at a specified location.

- An option on a futures contract, forward contract or a commodity on the spot market gives the buyer of the option the right, but not the obligation, to buy or sell a futures contract, forward contract or commodity, as applicable, at a specified price on or before a specified date. Options on futures contracts, like the future contracts to which they relate, are standardized contracts traded on an exchange, while options on forward contracts and commodities generally are individually negotiated, over-the-counter, bilateral contracts.

- Over-the-counter contracts (such as swap contracts) generally involve an exchange of a stream of payments between the contracting parties. Over-the-counter contracts generally are not uniform and not exchange-traded.

Unlike exchange-traded contracts, over-the-counter contracts expose the Fund to the credit risk of the other party to the contract. (As discussed below, exchange-traded contracts may expose the Fund to the risk of the clearing broker's and/or the exchange clearing house(s)' bankruptcy.) The Sponsor does not currently intend to purchase and sell natural gas in the "spot market" for the Fund. Spot market transactions are cash transactions in which the buyer and seller agree to the immediate purchase and sale of a commodity, usually with a two-day settlement period. In addition, the Sponsor does not currently intend that the Fund will enter into or hold spot month Natural Gas Futures Contracts.

A more detailed description of Natural Gas Interests and other aspects of the natural gas and Natural Gas Interest markets can be found later in this prospectus.

As noted, the Fund invests in Natural Gas Futures Contracts, including those traded on the NYMEX and the ICE, as well as Cleared Natural Gas Swaps cleared through the ICE. The Fund expressly disclaims any association with the NYMEX or ICE or endorsement of the Fund by such exchanges and acknowledges that "NYMEX" and "New York Mercantile Exchange" as well as "ICE" and "IntercontinentalExchange" are registered trademarks of each respective exchange.

Principal Investment Risks of an Investment in the Fund

An investment in the Fund involves a degree of risk. Some of the risks you may face are summarized below. A more extensive discussion of these risks appears beginning on page 16.

- Unlike mutual funds, commodity pools and other investment pools that manage their investments so as to realize income and gains for distribution to their investors, the Fund generally will not distribute dividends to Shareholders. You should not invest in the Fund if you will need cash distributions from the Fund to pay taxes on your share of income and gains of the Fund, if any, or for other purposes.

- There is a risk that the changes in the price of the Fund's Shares on the NYSE Arca in percentage terms will not closely track the changes in the price of natural gas in percentage terms. This could happen if: the price of Shares traded on the NYSE Arca does not correlate closely with the Fund's NAV; the changes in the Fund's NAV do not correlate closely with the changes in the price of the Benchmark Component Futures Contracts; or the changes in the Benchmark Component Futures Contracts do not correlate closely with the changes in the cash or spot price of natural gas. This is risk because if these correlations are not sufficiently close, then investors may not be able to use the Fund as a cost-effective way to invest indirectly in natural gas or as a hedge against the risk of loss in natural gas-related transactions.

- Investors may choose to use the Fund as a means of investing indirectly in natural gas, and there are risks involved in such investments. The risks and hazards that are inherent in natural gas production may cause the price of natural gas to fluctuate widely. The exploration for, and production of, natural gas is an uncertain process with many risks. The cost of drilling, completing and operating wells for natural gas is often uncertain, and an number of factors can delay or prevent drilling operations or production. These include, but are not limited to: unexpected drilling conditions; pressure or irregularities in formations; equipment failures or repairs; fires or other accidents; adverse weather conditions; pipeline ruptures or spills; shortages or delays in the availability of drilling rigs and the delivery of equipment; and environmental hazards. Environmental hazards include natural gas leaks, ruptures and discharges of toxic gases. Natural gas operations are also subject to various U.S. federal, state and local regulations that materially affect operations. Natural gas production is also mostly concentrated to North America in that transporting natural gas is primarily limited to pipelines, although under limited circumstances, natural gas may be liquefied and shipped to or from North America.

- The Sponsor has limited experience operating a commodity pool.

- The Fund has no operating history, so there is no performance history to serve as a basis for you to evaluate an investment in the Trust.

- The price relationship between the near month Natural Gas Futures Contract to expire and the Benchmark Component Futures Contracts will vary and may impact both the Fund's total return over time and the degree to which such total return tracks the total return of natural gas price indices. In cases in which the near month contract's price is lower than later-expiring contracts' prices (a situation known as "contango" in the futures markets), then absent the impact of the overall movement in natural gas prices the value of the Benchmark Component Futures Contracts would tend to decline as they approach expiration. In cases in which the near month contract's price is higher than later-expiring contracts' prices (a situation known as "backwardation" in the futures markets), then absent the impact of the overall movement in natural gas prices the value of the Benchmark Component Futures Contracts would tend to rise as they approach expiration.

- Investors, including those who directly participate in the natural gas market, may choose to use the Fund as a vehicle to hedge against the risk of loss and there are risks involved in hedging activities. While hedging can provide protection against an adverse movement in market prices, it can also preclude a hedger's opportunity to benefit from a favorable market movement.

- The Fund seeks to have the changes in its Shares' NAV in percentage terms track changes in the Benchmark in percentage terms, rather than profit from speculative trading of Natural Gas Interests. The Sponsor therefore endeavors to manage the Fund so that the Fund's assets are, unlike those of many other commodity pools, not leveraged (i.e., so that the aggregate value of the Fund's exposure to losses from its investments in Natural Gas Interests at any time will not exceed the value of the Fund's assets). There is no assurance that the Sponsor will successfully implement this investment strategy. If the Sponsor permits the Fund to become leveraged, you could lose all or substantially all of your investment if the Fund's trading positions suddenly turn unprofitable. These movements in price may be the result of factors outside of the Sponsor's control and may not be anticipated by the Sponsor.

- The Fund may invest in Other Natural Gas Interests. To the extent that these Other Natural Gas Interests are contracts individually negotiated between their parties, they may not be as liquid as Natural Gas Futures Contracts and will expose the Fund to credit risk that its counterparty may not be able to satisfy its obligations to the Fund.

- The Fund invests primarily in Natural Gas Interests that are traded or sold in the United States and in markets and on exchanges outside the United States. Some non-U.S. markets present risks because they are not subject to the same degree of regulation as their U.S. counterparts. In some of these non-U.S. markets, the performance on a contract is the responsibility of the counterparty and is not backed by an exchange or clearing corporation and therefore exposes the Fund to credit risk. Trading in non-U.S. markets also leaves the Fund susceptible to fluctuations in the value of the local currency against the U.S. dollar.

- The structure and operation of the Fund may involve conflicts of interest. For example, a conflict may arise because the Sponsor and its principals and affiliates may trade for themselves. In addition, the Sponsor has sole current authority to manage the investments and operations, and the interests of the Sponsor may conflict with the Shareholders' best interests.

- You will have no rights to participate in the management of the Fund and will have to rely on the duties and judgment of the Sponsor to manage the Fund.

- The Fund pays fees and expenses that are incurred regardless of whether it is profitable.

For additional risks, see "What Are the Risk Factors Involved with an Investment in the Fund?"

Financial Condition of the Fund

The Fund's NAV is determined as of the earlier of the close of the New York Stock Exchange or 4:00 p.m. New York time on each day that the NYSE Arca is open for trading.

Defined Terms

For a glossary of defined terms, see Appendix A.

Breakeven Analysis

The breakeven analysis below indicates the approximate dollar returns and percentage returns required for the redemption value of a hypothetical $25.00 initial investment in a single Share to equal the amount invested twelve months after the investment was made. This breakeven analysis refers to the redemption of baskets by Authorized Purchasers and is not related to any gains an individual investor would have to achieve in order to break even. The breakeven analysis is an approximation only.

Assumed initial selling price per Share	$	25.00
Sponsor's Fee (1.00%)(1)	$	0.25
Creation Basket Fee(2)	$	0.01
Estimated Brokerage Fees (0.02%)(3)	$	0.01
Other Fund Fees and Expenses(4)	$	0.10
Interest Income (0.10%)(5)	$	(0.03)
Amount of trading income (loss) required for the redemption value at the end of one year to equal the initial selling price of the Share	$	0.34
Percentage of initial selling price per share		1.55%

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(1) The Fund is obligated to pay the Sponsor a management fee at the annual rate of 1.00% of the Fund's average daily net assets, payable monthly.

(2) Authorized Purchasers are required to pay a Creation Basket fee of $1,000 for each order they place to create one or more baskets. An order must be at least one basket, which is 100,000 Shares. This breakeven analysis assumes a hypothetical investment in a single Share so the Creation Basket fee is $.01 (1,000/100,000).

(3) The Fund determined this amount as follows. Assuming that the price of a Share is $25.00, the Fund would receive $2,500,000 upon the sale of a Creation Basket (100,000 Shares multiplied by $25.00). Assuming that this entire amount is invested in Natural Gas Futures Contracts and that there is no change in the settlement price of such contracts, the Fund would be required to purchase approximately 59 Natural Gas Futures Contracts to support the Creation Basket ($2,500,000 divided by $42,000, the value of the April 2010 Natural Gas Futures Contract as of March 2010, which is used to approximate the price of the Benchmark Component Futures Contracts). In order to reflect changes in the Benchmark Component Futures Contracts, the Fund would have to replace one-third (approximately 20) of the contracts it holds with new contracts four times per year. Assuming further that futures commission merchants charge approximately $4.00 per Natural Gas Futures Contract for each purchase or sale, the annual futures commission merchant charge would be approximately $640.00 (40 total Natural Gas Futures Contract transactions (20 purchases and 20 sales) multiplied by four times per year multiplied by $4.00). As a percentage of the total investment of $2,500,000, this annual commission expense would be approximately 0.02%.

(4) Other Fund Fees and expenses include legal, printing, accounting, custodial, administration, bookkeeping, transfer agency and marketing agent costs. The per-share cost of these fixed or estimated fees has been calculated assuming that the Fund has $100 million in assets.

(5) The Fund earns interest on funds it deposits with the futures commission merchant and the Custodian and it estimates that the interest rate will be 0.16% based on the interest rate on three-month Treasury Bills as of March 16, 2010. The actual rate will vary.

The Offering

Offering	The Fund will offer Creation Baskets consisting of 100,000 Shares through the Marketing Agent to Authorized Purchasers. Authorized Purchasers may purchase Creation Baskets consisting of 100,000 Shares at the Fund's NAV, which is expected to initially be \$25.00. The initial Authorized Purchaser intends to offer the Shares of the initial Creation Basket(s) publicly. The initial Creation Basket is expected to be purchased by the initial Authorized Purchaser on, or soon after, the day the SEC declares the registration statement effective. The Shares are expected to begin trading on the NYSE Arca on the day following the purchase of the initial Creation Basket(s) by the initial Authorized Purchaser.
Use of Proceeds	The Sponsor will apply substantially all of the Fund's assets toward investing in Natural Gas Interests, Treasury Securities, cash and/or cash equivalents. The Sponsor will deposit a portion of the Fund's net assets with the futures commission merchant, Newedge USA, LLC, or other custodians to be used to meet its current or potential margin or collateral requirements in connection with its investment in Natural Gas Interests. The Fund will use only Treasury Securities, cash and/or cash equivalents to satisfy these requirements. The Sponsor expects that all entities that will hold or trade the Fund's assets will be based in the United States and will be subject to United States regulations. The Sponsor believes that approximately 5% to 10% of the Fund's assets will normally be committed as margin for Natural Gas Futures Contracts and collateral for Cleared Natural Gas Swaps and Other Natural Gas Interests. However, from time to time, the percentage of assets committed as margin/collateral may be substantially more, or less, than such range. The remaining portion of the Fund's assets will be held in Treasury Securities, cash and/or cash equivalents by the Custodian. All interest income earned on these investments is retained for the Fund's benefit.

NYSE Arca Symbol	"NAGS"
Creation and Redemption	Authorized Purchasers pay a $1,000 fee for each order to create or redeem one or more Creation Baskets or Redemption Baskets. Authorized Purchasers are not required to sell any specific number or dollar amount of Shares. The per share price of Shares offered in Creation Baskets on any day after the effective date of the registration statement relating to this prospectus is the total NAV of the Fund calculated as of the close of the NYSE Arca on that day divided by the number of issued and outstanding Shares.
Inter-Series Limitation on Liability	The Fund is one of multiple series of the Trust; additional series may be created in the future. The Trust has been formed and will be operated with the goal that the Fund and any other series of the Trust will be liable only for obligations of such series, and a series will not be responsible for or affected by any liabilities or losses of or claims against any other series. If any creditor or shareholder in any particular series (such as the Fund) were to successfully assert against a series a claim with respect to its indebtedness or Shares, the creditor or shareholder could recover only from that particular series and its assets. Accordingly, the debts and other obligations incurred, contracted for or otherwise existing solely with respect to a particular series will be enforceable only against the assets of that series, and not against any other series or the Trust generally or any of their respective assets. The assets of the Fund and any other series will include only those funds and other assets that are paid to, held by or distributed to the series on account of and for the benefit of that series, including, without limitation, amounts delivered to the Trust for the purchase of Shares in a series.

Registration Clearance and Settlement	Individual certificates will not be issued for the Shares. Instead, Shares will be represented by one or more global certificates, which will be deposited by the Custodian with the Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the Shares outstanding at any time. Beneficial interests in Shares will be held through DTC's book-entry system, which means that Shareholders are limited to: (1) participants in DTC such as banks, brokers, dealers and trust companies ("DTC Participants"), (2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant ("Indirect Participants"), and (3) those who hold interests in the Shares through DTC Participants or Indirect Participants, in each case who satisfy the requirements for transfers of Shares. DTC Participants acting on behalf of investors holding Shares through such DTC Participants' accounts in DTC will follow the delivery practice applicable to securities eligible for DTC's Same-Day Funds Settlement System. Shares will be credited to DTC Participants' securities accounts following confirmation of receipt of payment.
Net Asset Value	The NAV will be calculated by taking the current market value of the Fund's total assets and subtracting any liabilities. Under the Fund's current operational procedures, the Fund's administrator, The Bank of New York Mellon (the "Administrator") will calculate the NAV of the Fund's Shares as of the earlier of 4:00 p.m. New York time or the close of the New York Stock Exchange each day. NYSE Arca will calculate an approximate net asset value every 15 seconds throughout each day that the Fund's Shares are traded on the NYSE Arca for as long as NYMEX's main pricing mechanism is open.

Fund Expenses

The Fund pays the Sponsor a management fee at an annual rate of 1.00% of the Fund's average daily net assets. The Fund is also responsible for other ongoing fees, costs and expenses of its operations, including (i) brokerage and other fees and commissions incurred in connection with the trading activities of the Fund; (ii) expenses incurred in connection with registering additional Shares of the Fund or offering Shares of the Fund after the time any Shares have begun trading on the NYSE Arca; (iii) the routine expenses associated with the preparation and, if required, the printing and mailing of monthly, quarterly, annual and other reports required by applicable U.S. federal and state regulatory authorities, Trust meetings and preparing, printing and mailing proxy statements to Shareholders; (iv) the payment of any distributions related to redemption of Shares; (v) payment for routine services of the Trustee, legal counsel and independent accountants; (vi) payment for routine accounting, bookkeeping, custody and transfer agency services, whether performed by an outside service provider or by Affiliates of the Sponsor; (vii) postage and insurance; (viii) costs and expenses associated with investor relations and services; (ix) costs of preparation of all federal, state, local and foreign tax returns and any taxes payable on the income, assets or operations of the Fund; and (xi) extraordinary expenses (including, but not limited to, legal claims and liabilities and litigation costs and any indemnification related thereto). The Sponsor will bear the costs and expenses related to the initial offer and sale of Shares, including registration fees paid or to be paid to the SEC, FINRA or any other regulatory body. Total fees to be paid by the Fund are currently estimated to be approximately 1.71% of the daily net assets for the twelve-month period ending ______, 2011, though this amount may change in future years. The Sponsor may, in its discretion, pay or reimburse the Fund for, or waive a portion of its management fee to offset, expenses that would otherwise be borne by the Fund.

General expenses of the Trust will be allocated among the existing and any future series of the Trust as determined by the Sponsor in its discretion. The Trust may be required to indemnify the Sponsor, and the Trust and/or the Sponsor may be required to indemnify the Trustee, Marketing Agent or Administrator, under certain circumstances.

Termination Events	The Trust and the Fund shall continue in existence from the date of their formation in perpetuity, unless the Trust or the Fund, as the case may be, is sooner terminated upon the occurrence of certain events specified in the Trust Agreement, including the following: (1) the filing of a certificate of dissolution or cancellation of the Sponsor or revocation of the Sponsor's charter or the withdrawal of the Sponsor, unless shareholders holding a majority of the outstanding shares of the Trust elect within ninety (90) days after such event to continue the business of the Trust and appoint a successor Sponsor; (2) the occurrence of any event which would make the existence of the Trust or the Fund unlawful; (3) the suspension, revocation, or termination of the Sponsor's registration as a CPO with the CFTC or membership with the NFA; (4) the insolvency or bankruptcy of the Trust or the Fund; (5) a vote by the Shareholders holding at least seventy-five percent (75%) of the outstanding Shares of the Trust to dissolve the Trust, subject to certain conditions; and (6) the determination by the Sponsor to dissolve the Trust or the Fund, subject to certain conditions. Upon termination of the Fund, the affairs of the Fund shall be wound up and all of its debts and liabilities discharged or otherwise provided for in the order of priority as provided by law. The fair market value of the remaining assets of the Fund shall then be determined by the Sponsor. Thereupon, the assets of the Fund shall be distributed pro rata to the Shareholders in accordance with their Shares.
Authorized Purchasers	We expect the initial Authorized Purchaser to be [to be provided by Pre-effective Amendment to the Registration Statement], and we expect that there will be additional Authorized Purchasers in the future. A list of Authorized Purchasers will be available from the Marketing Agent. Authorized Purchasers must be (1) registered broker-dealers or other securities market participants, such as banks and other financial institutions, that are not required to register as broker-dealers to engage in securities transactions, and (2) DTC Participants. To become an Authorized Purchaser, a person must enter into an Authorized Purchaser Agreement with the Marketing Agent.

WHAT ARE THE RISK FACTORS INVOLVED WITH AN INVESTMENT IN THE FUND?

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this prospectus, which includes the Fund's and the Sponsor's financial statements and the related notes.

Risks Associated With Investing Directly or Indirectly in Natural Gas

Investing in Natural Gas Interests subjects the Fund to the risks of the natural gas market, and this could result in substantial fluctuations in the price of the Fund's Shares.

The Fund is subject to the risks and hazards of the natural gas market because it invests in Natural Gas Interests. The risks and hazards that are inherent in the natural gas market may cause the price of natural gas to fluctuate widely. If the changes in percentage terms of the Fund's Shares accurately track the percentage changes in the Benchmark or the spot price of natural gas, then the price of its Shares will fluctuate accordingly.

- The exploration for, and production of, natural gas is an uncertain process with many risks. The costs of drilling, completing and operating wells for natural gas is often uncertain, and a number of factors can delay or prevent drilling operations or production, including but not limited to:

  - Ø Unexpected drilling conditions;
  - Ø Pressure or irregularities in formations;
  - Ø Equipment failures or repairs;
  - Ø Fires or other accidents;
  - Ø Pipeline ruptures or spills;
  - Ø Shortages or delays in the availability of drilling rigs and the delivery of equipment;
  - Ø Adverse weather conditions;
  - Ø Political conflicts;
  - Ø Compliance with government regulations; and
  - Ø Environmental hazards, including natural gas leaks, ruptures and discharges of toxic gases.

- Natural gas production and distribution is primarily centralized to North America due to the limited means of transporting natural gas (i.e., natural gas is most efficiently transported through pipelines, although it can be liquefied and then transported outside of the pipeline distribution). Consequently, regulations on the production and distribution of natural gas are primarily concentrated in the United States, Canada and Mexico. Regulations by countries outside North America generally have little impact on the spot price of natural gas.

- Natural gas production is subject to U.S. federal, state, and local policies and regulations that materially affect operations. Matters regulated include discharge permits for drilling operations, drilling and abandonment bonds, reports concerning operations, the spacing of wells and pooling of properties and taxation. At various times, regulatory agencies have imposed price controls and limitations on production. In order to conserve supplies of natural gas, these agencies have restricted the rates of flow of natural gas wells below actual production capacity. Federal, state and local laws regulate production, handling, storage, transportation and disposal of natural gas, by-products from natural gas and other substances and materials produced or used in connection with natural gas operations.

Natural gas transmission, distribution, gathering, and processing activities involve numerous risks that may affect the price of natural gas.

There are a variety of hazards inherent in natural gas transmission, distribution, gathering and processing, such as leaks, explosions, pollution, release of toxic substances, adverse weather conditions (such as hurricanes and flooding), pipeline failure, abnormal pressures, uncontrollable flows of natural gas, scheduled and unscheduled maintenance, physical damage to the gathering or transportation system, and other hazards which could affect the price of natural gas. To the extent these hazards limit the supply or delivery of natural gas, natural gas prices will increase.

The price of natural gas may fluctuate on a seasonal and quarterly basis and this would result in fluctuations in the price of the Fund's Shares.

Natural gas prices fluctuate seasonally. For example, in some parts of the United States and other markets, the natural gas demand for power peaks during the cold winter months, with market prices peaking at that time. As a result, in the future, the overall price of natural gas may fluctuate substantially on a seasonal and quarterly basis and thus make consecutive period to period comparisons less relevant.

Natural gas transmission and storage operations are subject to government regulations and rate proceedings which could have an impact on the price of natural gas.

Natural gas transmission and storage operations in North America are subject to regulation and oversight by the Federal Energy Regulatory Commission, various state regulatory agencies, and Canadian regulatory authorities. These regulatory bodies have the authority to effect rate settlements on natural gas storage, transmission and distribution services. As a consequence, the price of natural gas may be affected by a change in the rate settlements effected by one or more of these regulatory bodies.

The limited method for transporting and storing natural gas may cause the price of natural gas to increase.

Natural gas is primarily transported and stored throughout the United States by way of pipeline and underground storage facilities. These systems may not be adequate to meet demand, especially in times of peak demand or in areas of the United States where natural gas service is already limited due to minimal pipeline and storage infrastructure. As a result of the limited method for transporting and storing natural gas, the price of natural gas may fluctuate.

The Benchmark is not designed to correlate exactly with the spot price of natural gas and this could cause the changes in the price of the Shares to substantially vary from the changes in the spot price of natural gas. Therefore, you may not be able to effectively use the Fund to hedge against natural gas-related losses or to indirectly invest in natural gas.

The Benchmark Component Futures Contracts reflect the price of natural gas for future delivery, not the current spot price of natural gas, so at best the correlation between changes in such Natural Gas Futures Contracts and the spot price of natural gas will be only approximate. Weak correlation between the Benchmark and the spot price of natural gas may result from the typical seasonal fluctuations in natural gas prices discussed above. Imperfect correlation may also result from speculation in Natural Gas Interests, technical factors in the trading of Natural Gas Futures Contracts, and expected inflation in the economy as a whole. If there is a weak correlation between the Benchmark and the spot price of natural gas, then the price of Shares may not accurately track the spot price of natural gas and you may not be able to effectively use the Fund as a way to hedge the risk of losses in your natural gas-related transactions or as a way to indirectly invest in natural gas.

Changes in the Fund’s NAV may not correlate well with changes in the price of the Benchmark. If this were to occur, you may not be able to effectively use the Fund as a way to hedge against natural gas-related losses or as a way to indirectly invest in natural gas.

The Sponsor endeavors to invest the Fund’s assets as fully as possible in Natural Gas Interests so that the changes in percentage terms in the NAV closely correlate with the changes in percentage terms in the Benchmark. However, changes in the Fund’s NAV may not correlate with the changes in the Benchmark for various reasons, including those set forth below:

- The Fund does not intend to invest only in the Benchmark Component Futures Contracts. While its investments in Natural Gas Futures Contracts other than the Benchmark Component Futures Contracts, Cleared Natural Gas Swaps and Other Natural Gas Interests would be for the purpose of causing the Fund’s performance to track that of the Benchmark most effectively and efficiently, the performance of these Natural Gas Interests may not correlate well with the performance of the Benchmark Component Futures Contracts, resulting in a greater potential for error in tracking price changes in those futures contracts. Additionally, if the trading market for Natural Gas Futures Contracts is suspended or closed, the Fund may not be able to purchase these investments at the last reported price for such investments.

- The Fund will incur certain expenses in connection with its operations, and will hold most of its assets in income-producing, short-term securities for margin and other liquidity purposes and to meet redemptions that may be necessary on an ongoing basis. These expenses and income will cause imperfect correlation between changes in the Fund’s NAV and changes in the Benchmark.

- The Sponsor may not be able to invest the Fund's assets in Natural Gas Interests having an aggregate notional amount exactly equal to the Fund's NAV. As a standardized contract, a single Natural Gas Futures Contract or Cleared Natural Gas Swap is for a specified amount of natural gas, and the Fund's NAV and the proceeds from the sale of a Creation Basket is unlikely to be an exact multiple of that amount. In such case, the Fund could not invest the entire proceeds from the purchase of the Creation Basket in such futures contracts. (For example, assuming the Fund receives $2,500,000 for the sale of a Creation Basket and that the value (i.e., the notional amount) of a Natural Gas Futures Contract is $42,000, the Fund could only enter into 59 Natural Gas Futures Contracts with an aggregate value of $2,478,000). While the Fund may be better able to achieve the exact amount of exposure to the natural gas market through the use of over-the-counter Other Natural Gas Interests, there is no assurance that the Sponsor will be able to continually adjust the Fund's exposure to such Other Natural Gas Interests to maintain such exact exposure. Furthermore, as noted above, the use of Other Natural Gas Interests may itself result in imperfect correlation with the Benchmark. Any amounts not invested in Natural Gas Interests will be held in short-term Treasury Securities, cash and/or cash equivalents.

- As Fund assets increase, there may be more or less correlation. On the one hand, as the Fund grows it should be able to invest in Natural Gas Futures Contracts with a notional amount that is closer on a percentage basis to the Fund's NAV. For example, if the Fund's NAV is equal to 4.9 times the value of a single futures contract, it can purchase only four futures contracts, which would cause only 81.6% of the Fund's assets to be exposed to the natural gas market. On the other hand, if the Fund's NAV is equal to 100.9 times the value of a single Natural Gas Futures Contract, it can purchase 100 such contracts, resulting in 99.1% exposure. However, at certain asset levels the Fund may be limited in its ability to purchase Natural Gas Futures Contracts due to accountability levels and position limits imposed by the relevant exchanges. In these instances, the Fund would likely invest to a greater extent in Natural Gas Interests not subject to these accountability levels and position limits. To the extent that the Fund invests in Cleared Natural Gas Swaps and Other Natural Gas Interests, the correlation between the Fund's NAV and the Benchmark may be lower. In certain circumstances, accountability levels and position limits could limit the number of Creation Baskets that will be sold.

If changes in the Fund's NAV do not correlate with changes in the Benchmark, then investing in the Fund may not be an effective way to hedge against natural gas-related losses or indirectly invest in natural gas.

Changes in the price of the Fund's Shares on the NYSE Arca may not correlate perfectly with changes in the NAV of the Fund's Shares. If this variation occurs, then you may not be able to effectively use the Fund to hedge against natural gas-related losses or to indirectly invest in natural gas.

While it is expected that the trading prices of the Shares will fluctuate in accordance with the changes in the Fund's NAV, the prices of Shares may also be influenced by other factors, including the supply of and demand for the Shares, whether for the short term or the longer term. There is no guarantee that the Shares will not trade at appreciable discounts from, and/or premiums to, the Fund's NAV. This could cause the changes in the price of the Shares to substantially vary from the changes in the spot price of natural gas, even if the Fund's NAV was closely tracking movements in the spot price of natural gas. If this occurs, you may not be able to effectively use the Fund to hedge the risk of losses in your natural gas-related transactions or to indirectly invest in natural gas.

The Fund may experience a loss if it is required to sell Treasury Securities or cash equivalents at a price lower than the price at which they were acquired.

If the Fund is required to sell Treasury Securities or cash equivalents at a price lower than the price at which they were acquired, the Fund will experience a loss. This loss may adversely impact the price of the Shares and may decrease the correlation between the price of the Shares, the Benchmark, and the spot price of natural gas. The value of Treasury Securities and other debt securities generally moves inversely with movements in interest rates. The prices of longer maturity securities are subject to greater market fluctuations as a result of changes in interest rates. While the short-term nature of the Fund's investments in Treasury Securities and cash equivalents should minimize the interest rate risk to which the Fund is subject, it is possible that the Treasury Securities and cash equivalents held by the Fund will decline in value.

Certain of the Fund's investments could be illiquid, which could cause large losses to investors at any time or from time to time.

The Fund may not always be able to liquidate its positions in its investments at the desired price. As to futures contracts, it may be difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. Limits imposed by futures exchanges or other regulatory organizations, such as accountability levels, position limits and price fluctuation limits, may contribute to a lack of liquidity with respect to some exchange-traded Natural Gas Interests. In addition, over-the-counter contracts and cleared swaps may be illiquid because they are contracts between two parties and generally may not be transferred by one party to a third party without the counterparty's consent. Conversely, a counterparty may give its consent, but the Fund still may not be able to transfer an over-the-counter Natural Gas Interest to a third party due to concerns regarding the counterparty's credit risk.

A market disruption, such as a foreign government taking political actions that disrupt the market in its currency, its natural gas production or exports, or in another major export, can also make it difficult to liquidate a position. Unexpected market illiquidity may cause major losses to investors at any time or from time to time. In addition, the Fund does not intend at this time to establish a credit facility, which would provide an additional source of liquidity, but instead will rely only on the Treasury Securities, cash and/or cash equivalents that it holds to meet its liquidity needs. The anticipated large value of the positions in Natural Gas Interests that the Sponsor will acquire or enter into for the Fund increases the risk of illiquidity. Because Natural Gas Interests may be illiquid, the Fund's holdings may be more difficult to liquidate at favorable prices in periods of illiquid markets and losses may be incurred during the period in which positions are being liquidated.

If the nature of the participants in the futures market shifts such that natural gas purchasers are the predominant hedgers in the market, the Fund might have to reinvest at higher futures prices or choose Other Natural Gas Interests.

The changing nature of the participants in the natural gas market will influence whether futures prices are above or below the expected future spot price. Natural gas producers and distributors will typically seek to hedge against falling natural gas prices by selling Natural Gas Futures Contracts. Therefore, if natural gas producers and distributors become the predominant hedgers in the futures market, prices of Natural Gas Futures Contracts will typically be below expected future spot prices. Conversely, if the predominant hedgers in the futures market are the purchasers of natural gas who purchase Natural Gas Futures Contracts to hedge against a rise in prices, the prices of Natural Gas Futures Contracts will likely be higher than expected future spot prices. This can have significant implications for the Fund when it is time to sell a Natural Gas Futures Contract that is no longer a Benchmark Component Futures Contract and purchase a new Natural Gas Futures Contract or to sell a Natural Gas Futures Contract to meet redemption requests.

While the Fund does not intend to take physical delivery of natural gas under its Natural Gas Interests, the possibility of physical delivery impacts the value of the contracts.

While it is not the current intention of the Fund to take physical delivery of natural gas under its Natural Gas Interests, Natural Gas Futures Contracts are traditionally not cash-settled contracts, and it is possible to take delivery under these and some Other Natural Gas Interests. Storage costs associated with purchasing natural gas could result in costs and other liabilities that could impact the value of Natural Gas Futures Contracts or certain Other Natural Gas Interests. Storage costs include the time value of money invested in natural gas as a physical commodity plus the actual costs of storing the natural gas less any benefits from ownership of natural gas that are not obtained by the holder of a futures contract. In general, Natural Gas Futures Contracts have a one-month delay for contract delivery and back month contracts (the back month is any future delivery month other than the spot month) includes storage costs. To the extent that these storage costs change for natural gas while the Fund holds Natural Gas Interests, the value of the Natural Gas Interests, and therefore the Fund’s NAV, may change as well.

The price relationship between the Benchmark Component Futures Contracts at any point in time and the Natural Gas Futures Contacts that will become Benchmark Component Futures Contracts on the next roll date will vary and may impact both the Fund's total return and the degree to which its total return tracks that of natural gas price indices.

The design of the Fund's Benchmark is such that the Benchmark Component Futures Contracts will change four times per year, and the Fund's investments must be rolled periodically to reflect the changing composition of the Benchmark. For example, when the second-to-expire Natural Gas Futures Contract becomes the first-to-expire contract, such contract will no longer be a Benchmark Component Futures Contract and the Fund's position in it will no longer be consistent with tracking the Benchmark. In the event of a Natural Gas futures market where near-to-expire contracts trade at a higher price than longer-to-expire contracts, a situation referred to as "backwardation," then absent the impact of the overall movement in natural gas prices the value of the Benchmark Component Futures Contracts would tend to rise as they approach expiration. As a result the Fund may benefit because it would be selling more expensive contracts and buying less expensive ones on an ongoing basis. Conversely, in the event of a natural gas futures market where near-to-expire contracts trade at a lower price than longer-to-expire contracts, a situation referred to as "contango," then absent the impact of the overall movement in natural gas prices the value of the Benchmark Component Futures Contracts would tend to decline as they approach expiration. As a result the Fund's total return may be lower than might otherwise be the case because it would be selling less expensive contracts and buying more expensive ones. The impact of backwardation and contango may lead the total return of the Fund to vary significantly from the total return of other price references, such as the spot price of natural gas. In the event of a prolonged period of contango, and absent the impact of rising or falling natural gas prices, this could have a significant negative impact on the Fund's NAV and total return.

Regulation of the commodity interests and commodity markets is extensive and constantly changing; future regulatory developments are impossible to predict but may significantly and adversely affect the Fund.

The regulation of futures contracts and futures exchanges has historically been comprehensive. The CFTC and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading.

The regulation of commodity interest transactions in the United States is a rapidly changing area of the law and is subject to ongoing modification by governmental and judicial action. Considerable regulatory attention has recently been focused on both over-the-counter commodity interests and non-traditional publicly distributed investment pools such as the Fund, and a number of proposals that would alter the regulation of Natural Gas Interests are being considered by federal regulators and Congress. These proposals include the extension of position and accountability limits to futures contracts on non-U.S. exchanges and to over-the-counter commodity interests previously exempt from such limits, and the forced use of certain clearinghouse mechanisms for all over-the-counter transactions. There is a possibility that future regulatory changes would result in changes, perhaps to a material extent, to the nature of an investment in the Fund and the investments that may be available to the Fund, and that could affect the ability of the Fund to continue to implement its investment strategy. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in certain commodity markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change on the Fund is impossible to predict, but could be substantial and adverse.

If you are investing in the Fund for purposes of hedging, you might be subject to several risks, including the possibility of losing the benefit of favorable market movements.

Participants in the natural gas industry may use the Fund as a vehicle to hedge the risk of losses in their natural gas-related transactions. There are several risks in connection with using the Fund as a hedging device. While hedging can provide protection against an adverse movement in market prices, it can also preclude a hedger's opportunity to benefit from a favorable market movement. For instance, in a hedging transaction the hedger may be a user of a commodity concerned that the hedged commodity will increase in price, but must recognize the risk that the price may instead decline. If this happens, the hedger will have lost the benefit of being able to purchase the commodity at the lower price because the hedging transaction will result in a loss that would offset (at least in part) this benefit. Thus, the hedger forgoes the opportunity to profit from favorable price movements. In addition, if the hedge is not a perfect one, the hedger can lose on the hedging transaction and not realize an offsetting gain in the value of the underlying item being hedged.

When using Natural Gas Interests as a hedging technique, at best, the correlation between changes in prices of futures contracts and of the items being hedged can be only approximate. The degree of imperfection of correlation depends upon circumstances such as: variations in speculative markets, demand for futures and for natural gas products, technical influences in futures trading, and differences between anticipated costs being hedged and the instruments underlying the standard futures contracts available for trading. Even a well-conceived hedge may be unsuccessful to some degree because of unexpected market behavior as well as the expenses associated with creating the hedge.

In addition, using an investment in the Fund as a hedge for changes in energy costs generally may not be successful because changes in the price of natural gas may vary substantially from changes in the prices of other energy-related products. In addition, the price of natural gas and the Fund's NAV would not reflect the refining, transportation, and other costs that are specific to the hedger.

An investment in the Fund may provide you little or no diversification benefits. Thus, in a declining market, the Fund may have no gains to offset your losses from other investments, and you may suffer losses on your investment in the Fund at the same time you incur losses with respect to other asset classes.

Historically, Natural Gas Interests have not generally been correlated to the performance of other asset classes such as stocks and bonds. Non-correlation means that there is a low statistical relationship between the performance of Natural Gas Interests, on the one hand, and stocks or bonds, on the other hand. However, there can be no assurance that such non-correlation will continue during future periods. If, contrary to historic patterns, the Fund's performance were to move in the same general direction as the financial markets, you will obtain little or no diversification benefits from an investment in the Shares. In such a case, the Fund may have no gains to offset your losses from other investments, and you may suffer losses on your investment in the Fund at the same time you incur losses with respect to other investments.

Variables such as floods, weather, embargoes, tariffs and other political events may have a larger impact on natural gas and Natural Gas Interest prices than on traditional securities. These additional variables may create additional investment risks that subject the Fund's investments to greater volatility than investments in traditional securities.

Non-correlation should not be confused with negative correlation, where the performance of two asset classes would be opposite of each other. There is no historic evidence that the spot price of natural gas and prices of other financial assets, such as stocks and bonds, are negatively correlated. In the absence of negative correlation, the Fund cannot be expected to be automatically profitable during unfavorable periods for the stock market, or vice versa.

The Fund's Operating Risks

The Fund is not a registered investment company, so you do not have the protections of the Investment Company Act of 1940.

The Fund is not an investment company subject to the Investment Company Act of 1940. Accordingly, you do not have the protections afforded by that statute, which, for example, requires investment companies to have a board of directors with a majority of disinterested directors and regulates the relationship between the investment company and its investment manager.

The Sponsor has limited experience operating a commodity pool.

While certain of the Sponsor's principals have experience with investing in Natural Gas Interests and other commodity interests, the Sponsor has been formed for the purpose of sponsoring the Trust and serving as the Fund's commodity pool operator and has limited experience operating a commodity pool or trading other commodity accounts. In addition, the series of the Trust is newly formed and the Fund is new and has no operating history. Therefore, you do not have the benefit of reviewing past performance of the Sponsor, the Fund or other series of the Trust. If the experience of the Sponsor and its management is not adequate or suitable, the operation and performance of the Fund may be adversely affected.

The Sponsor is leanly staffed and relies heavily on key personnel to manage trading activities.

In managing and directing the day-to-day activities and affairs of the Fund, the Sponsor relies almost entirely on Mr. Sal Gilbertie, Mr. Dale Riker, Mr. Carl N. Miller III and Mr. Kelly Teevan. If one or more of these individuals were to leave or be unable to carry out their present responsibilities, it may have an adverse effect on the management of the Fund. These individuals currently manage one commodity pool which is the first series of the Trust. The first series of the Trust was available to the public on June 9, 2010. It is the intention of the Sponsor to establish additional commodity pools in the future. To the extent that the Sponsor establishes additional commodity pools, even greater demands will be placed on these individuals.

The Sponsor has limited capital and may be unable to continue to manage the Fund if it sustains continued losses.

The Sponsor was formed for the purpose of managing the Trust, including the Fund and any other series of the Trust, and has been provided with capital primarily by its principals and a small number of outside investors. If the Sponsor operates at a loss for an extended period, its capital will be depleted and it may be unable to obtain additional financing necessary to continue its operations. If the Sponsor were unable to continue to provide services to the Fund, the Fund would be terminated if a replacement sponsor could not be found.

Accountability levels, position limits and daily price fluctuation limits set by the CFTC and the exchanges have the potential to cause tracking error, which could cause the price of Shares to substantially vary from the Benchmark and prevent you from being able to effectively use the Fund as a way to hedge against natural gas-related losses or as a way to indirectly invest in natural gas.

The CFTC and designated contract markets such as the NYMEX and ICE 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 (other than as a hedge, which an investment by the Fund is not) may hold, own or control. For example, the current accountability level for investments at any one time in Natural Gas Futures Contracts is 12,000 in any one month. While this is not a fixed ceiling, it is a threshold above which the NYMEX may exercise scrutiny and control over an investor, including limiting an investor to holding no more than 12,000 Natural Gas Futures Contracts.

Cleared Natural Gas Swaps are subject to accountability levels that are substantially identical to, but measured separately from, the accountability levels on Natural Gas Futures Contracts. Accountability levels are imposed by ICE of 48,000 contracts for all months (12,000 NYMEX NG contract equivalents); 24,000 (6,000 NYMEX NG contract equivalents) for any one month. Exemptions may be obtained from these accountability levels for bona fide hedging, risk management and spread positions.

In addition to accountability levels, the NYMEX and ICE may impose position limits on contracts held in the last few days of trading in the near month contract to expire. It is unlikely that the Fund will be subject to such position limits because of the Fund’s investment strategy to “roll” from the near month contract to expire to the same month of the following year during the period beginning two weeks from the expiration of the contract. On January 26, 2010, the CFTC proposed additional position limits to be placed on energy futures contracts, which would include Natural Gas Futures Contracts (see, Commodity Futures Trading Commission, Federal Speculative Position Limits for Referenced Energy Contracts and Associated Regulations 17 CFR parts 1, 20 and 151). The Sponsor does not believe that the proposed rules, if adopted, will have any material impact on the Fund’s investment objective.

The exchanges also set daily price fluctuation limits on futures contracts. The daily price fluctuation limit establishes the maximum amount that the price of futures contracts may vary either up or down from the previous day’s settlement price. Once the daily price fluctuation limit has been reached in a particular futures contract, no trades may be made at a price beyond that limit.

For example, the NYMEX imposes a $3.00 per MMBtu ($30,000 per contract) price fluctuation limit for Natural Gas Futures Contracts. This limit is initially based off of the previous NYMEX trading day’s settlement price. If any Natural Gas Futures Contract is traded, bid or offered at the limit for five minutes, trading is halted for five minutes. When trading resumes it begins at the point where the limit was imposed and the limit is reset to be $3.00 per MMBtu in either direction of that point. If another halt were triggered, the market would continue to be expanded by $3.00 per MMBtu in either direction after each successive five-minute trading halt. There is not maximum price fluctuation limit during any one trading session.

All of these limits may potentially cause a tracking error between the price of the Shares and the Benchmark. This may in turn prevent you from being able to effectively use the Fund as a way to hedge against natural gas-related losses or as a way to indirectly invest in natural gas.

The Fund does not intend to limit the size of the offering and will attempt to expose substantially all of its proceeds to the natural gas market utilizing Natural Gas Interests. If the Fund encounters position limits, accountability levels, or price fluctuation limits for Natural Gas Futures Contracts on the NYMEX or Cleared Natural Gas Swaps on the ICE, it may then, if permitted under applicable regulatory requirements, purchase Natural Gas Interests, including Natural Gas Futures Contracts listed on foreign exchanges. However, the Natural Gas Futures Contracts available on such foreign exchanges may have different underlying sizes, deliveries, and prices. The Natural Gas Futures Contracts available on such foreign exchanges may be subject to their own position limits and accountability levels. In any case, notwithstanding the potential availability of these instruments in certain circumstances, position limits could force the Fund to limit the number of Creation Baskets that it sells.

There are no independent advisers representing Fund investors.

The Sponsor has consulted with legal counsel, accountants and other advisers regarding the formation and operation of the Trust and Fund. No counsel has been appointed to represent you in connection with the offering of Shares. Accordingly, you should consult your own legal, tax and financial advisers regarding the desirability of an investment in the Shares.

There are technical and fundamental risks inherent in the trading system the Sponsor intends to employ.

The Sponsor's trading system is quantitative in nature and it is possible that the Sponsor may make errors. In addition, it is possible that a computer or software program may malfunction and cause an error in computation.

The Sponsor may use spreads and straddles as part of its trading strategy which may cause the Fund's NAV to not closely track the change in the Benchmark.

The Sponsor may use spreads and straddles as part of its overall trading strategy to closely follow the Benchmark. There is a risk that the Fund's NAV may not closely track the change in the Benchmark.

Spreads combine simultaneous long and short positions in related futures contracts that differ by commodity, by market or by delivery month (long April, short November). Spreads gain or lose value as a result of relative changes in price between the long and short positions. Spreads often reduce risk to investors, because the contracts tend to move up or down together. However, both legs of the spread could move against an investor simultaneously, in which case the spread would lose value. Certain types of spreads may face unlimited risk, e.g., because the price of a futures contract underlying a short position and increase by an unlimited amount and the investor would have to take delivery or offset at that price.

A commodity straddle takes both long and short option position in the same commodity in the same market and delivery month simultaneously. The buyer of a straddle profits if either the long or the short leg of the straddle moves further than the combined cost of both options. The seller of the straddle profits if both the long and short positions do not trade beyond a range equal to the combined premium for selling both options.

If the Sponsor were to utilize a spread or straddle position and the position performed differently than expected, the results could impact the Fund's tracking error. This could affect the Fund's investment objective of having its NAV closely track the Benchmark. Additionally, a loss on the position would negatively impact the Fund's absolute return.

The Fund and the Sponsor may have conflicts of interest, which may cause them to favor their own interests to your detriment.

The Fund and the Sponsor may have inherent conflicts to the extent the Sponsor attempts to maintain the Fund's asset size in order to preserve its fee income and this may not always be consistent with the Fund's objective of having the value of its Shares' NAV track changes in the Benchmark. The Sponsor's officers, directors and employees do not devote their time exclusively to the Fund. These persons may be directors, officers or employees of other entities. They could have a conflict between their responsibilities to the Fund and to those other entities.

In addition, the Sponsor's principals, officers, directors or employees may trade futures and related contracts for their own accounts. A conflict of interest may exist if their trades are in the same markets and at the same time as the Fund trades using the clearing broker to be used by the Fund. A potential conflict also may occur if the Sponsor's principals, officers, directors or employees trade their accounts more aggressively or take positions in their accounts that are opposite, or ahead of, the positions taken by the Fund.

The Sponsor has sole current authority to manage the investments and operations of the Fund, and this may allow it to act in a way that furthers its own interests and in conflict with your best interests. Shareholders have very limited voting rights, which will limit the ability to influence matters such as amendment of the Trust Agreement, changes in the Fund's basic investment policies, dissolution of the Fund, or the sale or distribution of the Fund's assets.

Shareholders have only very limited voting rights and generally will not have the power to replace the Sponsor. Shareholders will not participate in the management of the Fund and do not control the Sponsor so they will not have influence over basic matters that affect the Fund.

Shareholders will have very limited voting rights with respect to the Fund's affairs. Shareholders may elect a replacement Sponsor only if the current Sponsor resigns voluntarily or loses its corporate charter. Shareholders will not be permitted to participate in the management or control of the Fund or the conduct of its business. Shareholders must therefore rely upon the duties and judgment of the Sponsor to manage the Fund's affairs.

The Sponsor may manage a large amount of assets and this could affect the Fund's ability to trade profitably.

Increases in assets under management may affect trading decisions. While the Fund currently has only nominal assets, the Sponsor does not intend to limit the amount of Fund assets. The more assets the Sponsor manages, the more difficult it may be for it to trade profitably because of the difficulty of trading larger positions without adversely affecting prices and performance and of managing risk associated with larger positions.

The liability of the Sponsor and the Trustee are limited, and the value of the Shares will be adversely affected if the Fund is required to indemnify the Trustee or the Sponsor.

Under the Trust Agreement, the Trustee and the Sponsor are not liable, and have the right to be indemnified, for any liability or expense incurred absent gross negligence or willful misconduct on the part of the Trustee or Sponsor, as the case may be. That means the Sponsor may require the assets of a Fund to be sold in order to cover losses or liability suffered by the Sponsor or by the Trustee. Any sale of that kind would reduce the NAV of the Fund and the value of its Shares.

Although the Shares of the Fund are limited liability investments, certain circumstances such as bankruptcy could increase a Shareholder's liability.

The Shares of the Fund are limited liability investments; Shareholders may not lose more than the amount that they invest plus any profits recognized on their investment. However, Shareholders could be required, as a matter of bankruptcy law, to return to the estate of the Fund any distribution they received at a time when the Fund was in fact insolvent or in violation of its Trust Agreement.

You cannot be assured of the Sponsor's continued services, and discontinuance may be detrimental to the Fund.

You cannot be assured that the Sponsor will be willing or able to continue to service the Fund for any length of time. The Sponsor was formed for the purpose of sponsoring the series of the Trust and other commodity pools, and has limited financial resources and no significant source of income apart from its management fee from the series of the Trust to support its continued service for the Fund. If the Sponsor discontinues its activities on behalf of the Fund or another series of the Trust, the Fund may be adversely affected. If the Sponsor's registrations with the CFTC or memberships in the NFA were revoked or suspended, the Sponsor would no longer be able to provide services to the Fund.

The Fund could terminate at any time and cause the liquidation and potential loss of your investment and could upset the overall maturity and timing of your investment portfolio.

The Fund may terminate at any time, regardless of whether the Fund has incurred losses, subject to the terms of the Trust Agreement. For example, the dissolution or resignation of the Sponsor would cause the Fund to terminate unless shareholders holding a majority of the outstanding shares of the Trust elect within 90 days of the event to continue the Trust and appoint a successor Sponsor. In addition, the Sponsor may terminate the Fund if it determines that the Fund's aggregate net assets in relation to its operating expenses make the continued operation of the Fund unreasonable or imprudent. However, no level of losses will require the Sponsor to terminate the Fund. The Fund's termination would result in the liquidation of its investments and the distribution of its remaining assets to the Shareholders on a pro rata basis in accordance with their Shares, and the Fund could incur losses in liquidating its investments in connection with a termination. Termination could also negatively affect the overall maturity and timing of your investment portfolio.

As a Shareholder, you will not have the rights enjoyed by investors in certain other types of entities.

As interests in separate series of a Delaware statutory trust, the Shares do not involve the rights normally associated with the ownership of shares of a corporation (including, for example, the right to bring shareholder oppression and derivative actions). In addition, the Shares have limited voting and distribution rights (for example, Shareholders do not have the right to elect directors, as the Trust does not have a board of directors, and generally will not receive regular distributions of the net income and capital gains earned by the Fund). The Fund is also not subject to certain investor protection provisions of the Sarbanes Oxley Act of 2002 and the NYSE Arca governance rules (for example, audit committee requirements).

A court could potentially conclude that the assets and liabilities of the Fund are not segregated from those of another series of the Trust, thereby potentially exposing assets in the Fund to the liabilities of another series.

The Fund is a series of a Delaware statutory trust and not itself a separate legal entity. The Delaware Statutory Trust Act provides that if certain provisions are included in the formation and governing documents of a statutory trust organized in series and if separate and distinct records are maintained for any series and the assets associated with that series are held in separate and distinct records and are accounted for in such separate and distinct records separately from the other assets of the statutory trust, or any series thereof, then the debts, liabilities, obligations and expenses incurred by a particular series are enforceable against the assets of such series only, and not against the assets of the statutory trust generally or any other series thereof. Conversely, none of the debts, liabilities, obligations and expenses incurred with respect to any other series thereof are enforceable against the assets of such series. The Sponsor is not aware of any court case that has interpreted this inter-series limitation on liability or provided any guidance as to what is required for compliance. The Sponsor intends to maintain separate and distinct records for the Fund and account for the Fund separately from any other Trust series, but it is possible a court could conclude that the methods used do not satisfy the Delaware Statutory Trust Act, which would potentially expose assets in the Fund to the liabilities of any other series of the Trust currently in existence, as well as any series created in the future.

The Sponsor and the Trustee are not obligated to prosecute any action, suit or other proceeding in respect of any Fund property.

Neither the Sponsor nor the Trustee is obligated to, although each may in its respective discretion, prosecute any action, suit or other proceeding in respect of any Fund property. The Trust Agreement does not confer upon Shareholders the right to prosecute any such action, suit or other proceeding.

The Fund does not expect to make cash distributions.

The Sponsor intends to re-invest any income and realized gains of the Fund in additional Natural Gas Interests rather than distributing cash to Shareholders. Therefore, unlike mutual funds, commodity pools or other investment pools that generally distribute income and gains to their investors, the Fund generally will not distribute cash to Shareholders. You should not invest in the Fund if you will need cash distributions from the Fund to pay taxes on your share of income and gains of the Fund, if any, or for any other reason. Although the Fund does not intend to make cash distributions, it reserves the right to do so in the Sponsor's sole discretion, in certain situations, including for example, if the income earned from its investments held directly or posted as margin reaches levels that merit distribution, e.g., at levels where such income is not necessary to support its underlying investments in Natural Gas Interests and investors adversely react to being taxed on such income without receiving distributions that could be used to pay such tax. Cash distributions may be made in these and similar instances.

There is a risk that the Fund will not earn gains sufficient to compensate for the fees and expenses that it must pay and as such the Fund may not earn any profit.

The Fund pays management fees at an annual rate of 1.00% of its average net assets, brokerage charges of approximately 0.02% (based on futures commission merchant fees of $4.00 per buy or sell), over-the-counter spreads and various other expenses of its ongoing operations (e.g., fees of the Administrator, Trustee and Marketing Agent), resulting in a total estimated expense ratio of approximately 1.71% of net assets (not including the transaction fees paid by Authorized Purchaser when purchasing or redeeming Creation Baskets). These fees and expenses must be paid in all events, regardless of whether the Fund's activities are profitable. Accordingly, the Fund must realize interest income and/or gains on Natural Gas Interests sufficient to cover these fees and expenses before it can earn any profit.

If this offering of Shares does not raise sufficient funds to make the Fund's future operations viable, the Fund may be forced to terminate and investors may lose all or part of their investment.

All of the expenses relating to the Fund incurred prior to the date of this prospectus have been or will be paid by the Sponsor. These payments by the Sponsor were designed to allow the Fund the ability to commence the public offering of its Shares. As of the date of this prospectus, the Fund pays the fees, costs and expenses of its operations. If the Sponsor and the Fund are unable to raise sufficient funds so that the Fund's expenses are reasonable in relation to its NAV, the Fund may be forced to terminate and investors may lose all or part of their investment.

The Fund may incur higher fees and expenses upon renewing existing or entering into new contractual relationships.

The arrangements between clearing brokers and counterparties on the one hand and the Fund on the other generally are terminable by the clearing brokers or counterparty upon notice to the Fund. In addition, the agreements between the Fund and its third-party service providers, such as the Marketing Agent and the Custodian, are generally terminable at specified intervals. Upon termination, the Sponsor may be required to renegotiate or make other arrangements for obtaining similar services if the Fund intends to continue to operate. Comparable services from another party may not be available, or even if available, these services may not be available on the terms as favorable as those of the expired or terminated arrangements.

The Fund may miss certain trading opportunities because it will not receive the benefit of the expertise of independent trading advisors.

The Sponsor does not employ trading advisors for the Fund; however, it reserves the right to employ them in the future. The only advisor to the Fund is the Sponsor. A lack of independent trading advisors may be disadvantageous to the Fund because it will not receive the benefit of their expertise.

The net asset value calculation of the Fund may be overstated or understated due to the valuation method employed when a settlement price is not available on the date of net asset value calculation.

The Fund’s NAV includes, in part, any unrealized profits or losses on open swap agreements, futures or forward contracts. Under normal circumstances, the NAV will reflect the settlement price of open futures contracts on the date when the NAV is being calculated. However, if a futures contract traded on an exchange could not be liquidated on such day (due to the operation of daily limits or other rules of the exchange or otherwise), the settlement price on the most recent day on which the futures contract position could have been liquidated will be the basis for determining the market value of such position for such day. In these situations, there is a risk that the calculation of the NAV of the Fund on such day will not accurately reflect the realizable market value of the futures contracts.

An unanticipated number of redemption requests during a short period of time could have an adverse effect on the NAV of the Fund.

If a substantial number of requests for redemption of Redemption Baskets are received by the Fund during a relatively short period of time, the Fund may not be able to satisfy the requests from the Fund’s assets not committed to trading. As a consequence, it could be necessary to liquidate the Fund’s trading positions before the time that its trading strategies would otherwise call for liquidation.

The financial markets have recently been in a period of disruption and recession and these conditions may not improve in the near future.

A period of recession for the economy as a whole began in 2008, and the financial markets have experienced very difficult conditions and volatility during that period. The conditions in these markets resulted in a decrease in availability of corporate credit and liquidity and led indirectly to the insolvency, closure or acquisition of a number of major financial institutions and contributed to further consolidation within the financial services industry. A continued recession or a depression could adversely affect the financial condition and results of operations of the Fund's service providers and Authorized Purchasers, which would impact the ability of the Sponsor to achieve the Fund's investment objective.

The liquidity of the Shares may be affected by the withdrawal from participation of Authorized Purchasers, which could adversely affect the market price of the Shares.

In the event that one or more Authorized Purchasers that are actively involved in purchasing and selling Shares cease to be so involved, the liquidity of the Shares will likely decrease, which could adversely affect the market price of the Shares and result in your incurring a loss on your investment.

You may be adversely affected by redemption orders that are subject to postponement, suspension or rejection under certain circumstances.

The Trust may, in its discretion, suspend the right to redeem Shares of the Fund or postpone the redemption settlement date: (1) for any period during which an applicable exchange is closed other than customary weekend or holiday closing, or trading is suspended or restricted; (2) for any period during which an emergency exists as a result of which delivery, disposal or evaluation of the Fund's assets is not reasonably practicable; or (3) for such other period as the Sponsor determines to be necessary for the protection of Shareholders. In addition, the Trust will reject a redemption order if the order is not in proper form as described in the agreement with the Authorized Purchaser or if the fulfillment of the order, in the opinion of its counsel, might be unlawful. Any such postponement, suspension or rejection could adversely affect a redeeming Shareholder. For example, the resulting delay may adversely affect the value of the Shareholder's redemption proceeds if the NAV of the Fund declines during the period of delay. The Trust Agreement provides that the Sponsor and its designees will not be liable for any loss or damage that may result from any such suspension or postponement.

The failure or bankruptcy of a clearing broker could result in substantial losses for the Fund; the clearing broker could be subject to proceedings that impair its ability to execute the Fund's trades.

Under CFTC regulations, a clearing broker with respect to the Fund's exchange-traded Natural Gas Interests must maintain customers' assets in a bulk segregated account. If a clearing broker fails to do so, or is unable to satisfy a substantial deficit in a customer account, its other customers may be subject to risk of a substantial loss of their funds in the event of that clearing broker's bankruptcy. In that event, the clearing broker's customers, such as the Fund, are entitled to recover, even in respect of property specifically traceable to them, only a proportional share of all property available for distribution to all of that clearing broker's customers. The Fund also may be subject to the risk of the failure of, or delay in performance by, any exchanges and markets and their clearing organizations, if any, on which Natural Gas Interests are traded.

From time to time, the clearing brokers may be subject to legal or regulatory proceedings in the ordinary course of their business. A clearing broker's involvement in costly or time-consuming legal proceedings may divert financial resources or personnel away from the clearing broker's trading operations, which could impair the clearing broker's ability to successfully execute and clear the Fund's trades.

The failure or insolvency of the Fund's Custodian could result in a substantial loss of the Fund's assets.

As noted above, the vast majority of the Fund's assets are held in short-term Treasury Securities, cash and/or cash equivalents with the Custodian. The insolvency of the Custodian could result in a complete loss of the Fund's assets held by the Custodian, which, at any given time, would likely comprise a substantial portion of the Fund's total assets.

Third parties may infringe upon or otherwise violate intellectual property rights or assert that the Sponsor has infringed or otherwise violated their intellectual property rights, which may result in significant costs and diverted attention.

Third parties may assert that the Sponsor has infringed or otherwise violated their intellectual property rights. Third parties may independently develop business methods, trademarks or proprietary software and other technology similar to that of the Sponsor and claim that the Sponsor has violated their intellectual property rights, including their copyrights, trademark rights, trade names, trade secrets and patent rights. As a result, the Sponsor may have to litigate in the future to determine the validity and scope of other parties' proprietary rights, or defend itself against claims that it has infringed or otherwise violated other parties' rights. Any litigation of this type, even if the Sponsor is successful and regardless of the merits, may result in significant costs, divert resources from the Fund, or require the Sponsor to change its proprietary software and other technology or enter into royalty or licensing agreements.

Third parties may utilize the Sponsor's intellectual property or technology, including the use of its business methods, trademarks or trade names and trading program software, without permission, which could cause competitive harm to the Sponsor and the Fund. The Sponsor has not registered any trademarks and does not have patent protections on any business methods or technology used with respect to the Fund. The Sponsor does not currently have any proprietary software. However, if it obtains proprietary software in the future, then any unauthorized use of such proprietary software and other technology could also adversely affect the competitive advantage of the Sponsor or the Fund and/or cause the Sponsor to take legal action to protect its rights.

The success of the Fund depends on the ability of the Sponsor to accurately implement its trading strategies, and any failure to do so could subject the Fund to losses on such transactions.

The Sponsor's trading strategy is quantitative in nature and it is possible that the Sponsor will make errors in its implementation. The execution of the quantitative strategy is subject to human error, such as incorrect inputs into the Sponsor's computer systems and incorrect information provided to the Fund's clearing brokers. In addition, it is possible that a computer or software program may malfunction and cause an error in computation. Any failure, inaccuracy or delay in executing the Fund's transactions could affect its ability to achieve its investment objective. It could also result in decisions to undertake transactions based on inaccurate or incomplete information. This could cause substantial losses on transactions.

The Fund may experience substantial losses on transactions if the computer or communications system fails.

The Fund's trading activities, including its risk management, depend on the integrity and performance of the computer and communications systems supporting them. Extraordinary transaction volume, hardware or software failure, power or telecommunications failure, a natural disaster or other catastrophe could cause the computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems that the Sponsor uses to gather and analyze information, enter orders, process data, monitor risk levels and otherwise engage in trading activities may result in substantial losses on transactions, liability to other parties, lost profit opportunities, damages to the Sponsor's and Fund's reputations, increased operational expenses and diversion of technical resources.

If the computer and communications systems are not upgraded when necessary, the Fund's financial condition could be harmed.

The development of complex computer and communications systems and new technologies may render the existing computer and communications systems supporting the Fund's trading activities obsolete. In addition, these computer and communications systems must be compatible with those of third parties, such as the systems of exchanges, clearing brokers and the executing brokers. As a result, if these third parties upgrade their systems, the Sponsor will need to make corresponding upgrades to continue effectively its trading activities. The Fund's future success may depend on the Fund's ability to respond to changing technologies on a timely and cost-effective basis.

The Fund depends on the reliable performance of the computer and communications systems of third parties, such as brokers and futures exchanges, and may experience substantial losses on transactions if they fail.

The Fund depends on the proper and timely function of complex computer and communications systems maintained and operated by the futures exchanges, brokers and other data providers that the Sponsor uses to conduct trading activities. Failure or inadequate performance of any of these systems could adversely affect the Sponsor's ability to complete transactions, including its ability to close out positions, and result in lost profit opportunities and significant losses on commodity interest transactions. This could have a material adverse effect on revenues and materially reduce the Fund's available capital. For example, unavailability of price quotations from third parties may make it difficult or impossible for the Sponsor to conduct trading activities so that the Fund will closely track the Benchmark. Unavailability of records from brokerage firms may make it difficult or impossible for the Sponsor to accurately determine which transactions have been executed or the details, including price and time, of any transaction executed. This unavailability of information also may make it difficult or impossible for the Sponsor to reconcile its records of transactions with those of another party or to accomplish settlement of executed transactions.

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The NYSE Arca may halt trading in the Shares which would adversely impact your ability to sell Shares.

Trading in Shares of the Fund may be halted due to market conditions or, in light of NYSE Arca rules and procedures, for reasons that, in view of the NYSE Arca, make trading in Shares inadvisable. In addition, trading is subject to trading halts caused by extraordinary market volatility pursuant to “circuit breaker” rules that require trading to be halted for a specified period based on a specified market decline. There can be no assurance that the requirements necessary to maintain the listing of the Shares will continue to be met or will remain unchanged. The Fund will be terminated if its Shares are delisted.

Risk of Leverage and Volatility

If the Sponsor causes or permits the Fund to become leveraged, you could lose all or substantially all of your investment if the Fund’s trading positions suddenly turn unprofitable.

Commodity pools’ trading positions in futures contracts or other commodity interests are typically required to be secured by the deposit of margin funds that represent only a small percentage of a futures contract’s (or other commodity interest’s) entire market value. This feature permits commodity pools to “leverage” their assets by purchasing or selling futures contracts (or other commodity interests) with an aggregate face amount in excess of the commodity pool’s assets. While this leverage can increase a pool’s profits, relatively small adverse movements in the price of the pool’s commodity interests can cause significant losses to the pool. While the Sponsor does not intend to leverage the Fund’s assets, it is not prohibited from doing so under the Trust Agreement. If the Sponsor were to cause or permit the Fund to become leveraged, you could lose all or substantially all of your investment if the Fund’s trading positions suddenly turn unprofitable.

The price of natural gas can be volatile which could cause large fluctuations in the price of Shares.

Movements in the price of natural gas will be the result of factors outside of the Sponsor’s control and may not be anticipated by the Sponsor. As discussed in more detail above, price movements for natural gas are influenced by, among other things: regional demand for energy, which is affected by economic and seasonal conditions; the domestic supply and inventories of natural gas; weather conditions, including abnormally mild or harsh winters; political conditions; the price and availability of alternative fuels; and the impact of energy conservation efforts. More generally, commodity prices may be influenced by economic and monetary events such as changes in interest rates, changes in balances of payments and trade, U.S. and international inflation rates, currency valuations and devaluations, U.S. and international economic events, and changes in the philosophies and emotions of market participants. Because the Fund invests primarily in interests in a single commodity, it is not a diversified investment vehicle, and therefore may be subject to greater volatility than a diversified portfolio of stocks or bonds or a more diversified commodity pool.

There has been tremendous volatility in the price of Natural Gas Futures Contracts in recent years. For example, the price of the NYMEX spot month futures contract on natural gas rose to a high of $13.69 on July 3, 2008 and dropped to a low of $3.25 on April 27, 2009. The Sponsor anticipates that there will be continued volatility in the price of the Natural Gas Futures Contracts. Consequently, investors should know that this volatility can lead to a loss of all or substantially all of their investment in the Fund.

Over-the-Counter Contract Risk

Over-the-counter transactions are subject to little, if any, regulation.

A portion of the Fund's assets may be used to trade over-the-counter Natural Gas Interests, such as forward contracts or swaps. Over-the-counter contracts are typically traded on a principal-to-principal basis through dealer markets that are dominated by major money center and investment banks and other institutions and are essentially unregulated by the CFTC. You therefore do not receive the protection of CFTC regulation or the statutory scheme of the Commodity Exchange Act in connection with this trading activity. The markets for over-the-counter contracts rely upon the integrity of market participants in lieu of the additional regulation imposed by the CFTC on participants in the futures markets. The lack of regulation in these markets could expose the Fund in certain circumstances to significant losses in the event of trading abuses or financial failure by participants.

The Fund will be subject to credit risk with respect to counterparties to over-the-counter contracts entered into by the Fund.

The Fund faces the risk of non-performance by the counterparties to the over-the-counter contracts. Unlike in futures contracts, the counterparty to these contracts is generally a single bank or other financial institution, rather than a clearing organization backed by a group of financial institutions. As a result, there will be greater counterparty credit risk in these transactions. A counterparty may not be able to meet its obligations to the Fund, in which case the Fund could suffer significant losses on these contracts.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. During any such period, the Fund may have difficulty in determining the value of its contracts with the counterparty, which in turn could result in the overstatement or understatement of the Fund's NAV. The Fund may eventually obtain only limited recovery or no recovery in such circumstances.

The Fund may be subject to liquidity risk with respect to its over-the-counter contracts.

Over-the-counter contracts may have terms that make them less marketable than futures contracts. Over-the-counter contracts are less marketable because they are not traded on an exchange, do not have uniform terms and conditions, and are entered into based upon the creditworthiness of the parties and the availability of credit support, such as collateral, and in general, they are not transferable without the consent of the counterparty. These conditions may diminish the ability to realize the full value of such contracts.

Risk of Trading in International Markets

Trading in international markets would expose the Fund to credit and regulatory risk.

The Sponsor may make substantial investments for the Fund in Natural Gas Futures Contracts, a significant portion of which will be on United States and foreign exchanges including the NYMEX and ICE. Some non-U.S. markets present risks because they are not subject to the same degree of regulation as their U.S. counterparts. None of the CFTC, NFA, or any domestic exchange regulates activities of any foreign boards of trade or exchanges, including the execution, delivery and clearing of transactions, nor has the power to compel enforcement of the rules of a foreign board of trade or exchange or of any applicable non-U.S. laws. Similarly, the rights of market participants, such as the Fund, in the event of the insolvency or bankruptcy of a non-U.S. market or broker are also likely to be more limited than in the case of U.S. markets or brokers. As a result, in these markets, the Fund has less legal and regulatory protection than it does when it trades domestically.

In some of these non-U.S. markets, the performance on a futures contract is the responsibility of the counterparty and is not backed by an exchange or clearing corporation and therefore exposes the Fund to credit risk. Additionally, trading on non-U.S. exchanges is subject to the risks presented by exchange controls, expropriation, increased tax burdens and exposure to local economic declines and political instability. An adverse development with respect to any of these variables could reduce the profit or increase the loss earned on trades in the affected international markets.

International trading activities subject the Fund to foreign exchange risk.

The price of any non-U.S. Natural Gas Interest and, therefore, the potential profit and loss on such investment, may be affected by any variance in the foreign exchange rate between the time the order is placed and the time it is liquidated, offset or exercised. As a result, changes in the value of the local currency relative to the U.S. dollar may cause losses to the Fund even if the contract is profitable.

The Fund’s international trading could expose it to losses resulting from non-U.S. exchanges that are less developed or less reliable than United States exchanges.

Some non-U.S. exchanges also may be in a more developmental stage so that prior price histories may not be indicative of current price dynamics. In addition, the Fund may not have the same access to certain positions on foreign trading exchanges as do local traders, and the historical market data on which the Sponsor bases its strategies may not be as reliable or accessible as it is for U.S. exchanges.

Tax Risk

Please refer to "U.S. Federal Income Tax Considerations" for information regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of Shares.

Your tax liability from holding Shares may exceed the amount of distributions, if any, on your Shares.

Cash or property will be distributed at the sole discretion of the Sponsor, and the Sponsor currently does not intend to make cash or other distributions with respect to Shares. You will be required to pay U.S. federal income tax and, in some cases, state, local, or foreign income tax, on your allocable share of the Fund's taxable income, without regard to whether you receive distributions or the amount of any distributions. Therefore, the tax liability resulting from your ownership of Shares may exceed the amount of cash or value of property (if any) distributed.

Your allocable share of income or loss for tax purposes may differ from your economic income or loss on your Shares.

Due to the application of the assumptions and conventions applied by the Fund in making allocations for tax purposes and other factors, your allocable share of the Fund's income, gain, deduction or loss may be different than your economic profit or loss from your Shares for a taxable year. This difference could be temporary or permanent and, if permanent, could result in your being taxed on amounts in excess of your economic income.

Items of income, gain, deduction, loss and credit with respect to Shares could be reallocated if the IRS does not accept the assumptions and conventions applied by the Fund in allocating those items, with potential adverse consequences for you.

The Fund will be treated as a partnership for United States federal income tax purposes. The U.S. tax rules pertaining to entities taxed as partnerships are complex and their application to publicly traded partnerships such as the Fund is in many respects uncertain. The Fund will apply certain assumptions and conventions in an attempt to comply with the intent of the applicable rules and to report taxable income, gains, deductions, losses and credits in a manner that properly reflects Shareholders' economic gains and losses. These assumptions and conventions may not fully comply with all aspects of the Internal Revenue Code (the "Code") and applicable Treasury Regulations, however, and it is possible that the U.S. Internal Revenue Service will successfully challenge our allocation methods and require us to reallocate items of income, gain, deduction, loss or credit in a manner that adversely affects you. If this occurs, you may be required to file an amended tax return and to pay additional taxes plus deficiency interest.

The Fund could be treated as a corporation for federal income tax purposes, which may substantially reduce the value of your Shares.

The Trust has received an opinion of counsel that, under current U.S. federal income tax laws, the Fund will be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, provided that (i) at least 90 percent of the Fund's annual gross income consists of "qualifying income" as defined in the Code, (ii) the Fund is organized and operated in accordance with its governing agreements and applicable law, and (iii) the Fund does not elect to be taxed as a corporation for federal income tax purposes. Although the Sponsor anticipates that the Fund has satisfied and will continue to satisfy the "qualifying income" requirement for all of its taxable years, that result cannot be assured. The Fund has not requested and will not request any ruling from the IRS with respect to its classification as a partnership not taxable as a corporation for federal income tax purposes. If the IRS were to successfully assert that the Fund is taxable as a corporation for federal income tax purposes in any taxable year, rather than passing through its income, gains, losses and deductions proportionately to Shareholders, the Fund would be subject to tax on its net income for the year at corporate tax rates. In addition, although the Sponsor does not currently intend to make distributions with respect to Shares, any distributions would be taxable to Shareholders as dividend income. Taxation of the Fund as a corporation could materially reduce the after-tax return on an investment in Shares and could substantially reduce the value of your Shares.

PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE POSSIBLE TAX CONSEQUENCES TO THEM OF AN INVESTMENT IN SHARES; SUCH TAX CONSEQUENCES MAY DIFFER IN RESPECT OF DIFFERENT INVESTORS.

THE OFFERING

The Fund in General

The Fund is a series of the Trust, a statutory trust organized under the laws of the State of Delaware on September 11, 2009. The Fund is currently one of six series of the Trust; additional series may be offered in the future at the Sponsor's discretion. The Fund maintains its main business office at 232 Hidden Lake Road, Building A, Brattleboro, Vermont 05301. The Fund is a commodity pool. It operates pursuant to the terms of the Trust Agreement dated as of March 31, 2010, which grants full management control to the Sponsor.

The Fund is publicly traded, and seeks to have the daily changes in percentage terms of the Shares' NAV reflect the daily changes in percentage terms of the price of natural gas delivered to Sabine Pipe Line County's Henry Hub in Louisiana, referred to as "Henry Hub" for future delivery, as measured by the Benchmark, less the Fund's expenses. The Fund will invest in a mixture of Natural Gas Futures Contracts, Cleared Natural Gas Swaps, Other Natural Gas Interests, Treasury Securities, cash and cash equivalents.

THE FUND HAS NOT COMMENCED TRADING AND DOES NOT HAVE ANY PERFORMANCE HISTORY.

The Sponsor

The Sponsor of the Trust is Teucrium Trading, LLC, a Delaware limited liability company. The principal office of the Sponsor and the Trust are located at 232 Hidden Lake Road, Building A, Brattleboro, Vermont 05301. The Sponsor registered as a CPO with the CFTC and became a member of the NFA on November 10, 2009.

The Sponsor established the Trust and the Fund and registered the Shares of the Fund covered by this prospectus. The Sponsor has previously established the Teucrium Corn Fund, a series of the Trust. The Sponsor has also begun to establish five additional series of the Trust, including the Teucrium Natural Gas Fund described in this prospectus. Aside from the activity described in the previous sentence and obtaining capital from a small number of outside investors in order to engage in this activity, the Sponsor did not engage in any business activity prior to the date of this prospectus. Under the Trust Agreement, the Sponsor is solely responsible for the management and conducts or directs the conduct of the business of the Trust, the Fund, and any other series of the Trust that may from time to time be established and designated by the Sponsor. The Sponsor is required to oversee the purchase and sale of Shares by Authorized Purchasers and to manage the Fund’s investments, including to evaluate the credit risk of futures commission merchants and swap counterparties and to review daily positions and margin/collateral requirements. The Sponsor has the power to enter into agreements as may be necessary or appropriate for the offer and sale of the Fund’s Shares and the conduct of the Trust’s activities. Accordingly, the Sponsor is responsible for selecting the Trustee, Administrator, Marketing Agent, the independent registered public accounting firm of the Trust, and any legal counsel employed by the Trust. The Sponsor is also responsible for preparing and filing periodic reports on behalf of the Trust with the SEC and will provide any required certification for such reports. No person other than the Sponsor and its principals was involved in the organization of the Trust or the Fund.

The Marketing Agent will assist the Sponsor in marketing the Shares. The Sponsor may determine to engage additional or successor marketing agents. See “Plan of Distribution” for more information about the Marketing Agent.

The Sponsor maintains a public website on behalf of the Fund, www.teucriumnaturalgasfund.com which contains information about the Trust, the Fund, and the Shares, and oversees certain services for the benefit of Shareholders.

The Sponsor has discretion to appoint one or more of its affiliates as additional Sponsors.

The Sponsor receives a fee as compensation for services performed under the Trust Agreement. The Sponsor’s fee accrues daily and is paid monthly at an annual rate of 1.00% of the average daily net assets of the Fund. The Sponsor receives no compensation from the Fund other than such fee. The Fund is also responsible for other ongoing fees, costs and expenses of its operations, including brokerage fees, SEC and FINRA registration fees and legal, printing, accounting, custodial, administration and transfer agency costs, although the Sponsor has borne or will bear the costs and expenses related to the initial offer and sale of Shares.

Shareholders have no right to elect the Sponsor on an annual or any other continuing basis or to remove the Sponsor. If the Sponsor voluntarily withdraws, the holders of a majority of the Trust's outstanding Shares (excluding for purposes of such determination Shares owned by the withdrawing Sponsor and its affiliates) may elect its successor. Prior to withdrawing, the Sponsor must give ninety days' written notice to the Shareholders and the Trustee.

Ownership or "membership" interests in the Sponsor are owned by persons referred to as "members." The Sponsor currently has three voting or "Class A" members – Mr. Sal Gilbertie, Mr. Dale Riker and Mr. Carl N. Miller III – and a small number of non-voting or "Class B" members who have provided working capital to the Sponsor. Messrs. Gilbertie and Riker each currently own 45% of the Sponsor's Class A membership interests.

Management of the Sponsor

In general, under the Sponsor's Limited Liability Company Agreement, the Sponsor (and as a result the Trust and the Fund) is managed by the officers of the Sponsor. In particular, the President of the Sponsor is responsible for the general and active management of the business of the Sponsor, and for the supervision and direction of the Sponsor's other officers. However, certain fundamental actions regarding the Sponsor, such as the removal of officers, the addition or substitution of members, or the incurrence of liabilities other than those incurred in the ordinary course of business and de minimis liabilities, may not be taken without the affirmative vote of a majority of the Class A members (which is generally defined as the affirmative vote of Mr. Gilbertie and one of the other two Class A members). The Sponsor has no board of directors, and the Trust has no board of directors or officers.

The three Class A members of the Sponsor, two of whom also serve as its officers, are as follows:

Sal Gilbertie has been the President of the Sponsor since its inception, was approved by the NFA as a principal of the Sponsor on September 23, 2009, and was registered as an associated person of the Sponsor on November 10, 2009. He maintains his main business office at 653A Garcia, Santa Fe, NM 87505. From October, 2005 until December, 2009, Mr. Gilbertie was employed by Newedge USA, LLC, where he headed the Renewable Fuels/Energy Derivatives OTC Execution Desk and was an active futures contract and over-the-counter derivatives trader and market maker in multiple classes of commodities. (Between January 2008 and October 2008, he also held a comparable position with Newedge Financial, Inc., an affiliate of Newedge USA, LLC.) From October 1998 until October 2005, Mr. Gilbertie was principal and co-founder of Cambial Asset Management, LLC, an adviser to two private funds that focused on equity options, and Cambial Financing Dynamics, a private boutique investment bank. Mr. Gilbertie is 50 years old.

Dale Riker has been the Treasurer of the Sponsor since its inception and its Secretary since January, 2010, was approved by the NFA as a principal of the Sponsor on October 29, 2009, and was registered as an associated person of the Sponsor on February 17, 2010. He maintains his main business office at 232 Hidden Lake Road, Brattleboro, Vermont 05301. From February 2005 to the present, Mr. Riker has been President of Cambial Emerging Markets LLC, a consulting company specializing in emerging market equity investment. From July 1996 to February 2005, Mr. Riker was a private investor. Mr. Riker is 52 years old.

Carl N. (Chuck) Miller III was approved by the NFA as a principal of the Sponsor on November 10, 2009, and was registered as an associated person of the Sponsor on April 19, 2010. He maintains his main business office at 369 Montezuma Avenue, Suite 434, Santa Fe, New Mexico 87501. Mr. Miller has been a Member of Garnet Advisors, LLC, a proprietary trading firm that focuses on a broad array of investment opportunities, since he founded such firm in November, 2001. Mr. Miller is 58 years old.

The three individuals set forth above are individual “principals,” as that term is defined in CFTC Rule 3.1, for the Sponsor. These individuals are principals due to their positions and/or due to their ownership interests in the Sponsor. None of the principals owns or has any other beneficial interest in the Fund. In addition, each of the three Class A members of the Sponsor are registered with the CFTC as associated persons of the Sponsor and are NFA associate members. GFI Group LLC is a principal for the Sponsor under CFTC Rules due to its ownership of certain non-voting securities of the Sponsor.

Mr. Gilbertie and Kelly Teevan, an employee of the Sponsor who is not a member of the Sponsor, are primarily responsible for making trading and investment decisions for the Fund, and for directing Fund trades for execution. Mr. Teevan has been a Managing Director of the Sponsor since October 2009, was approved by the NFA as a principal of the Sponsor on March 25, 2010, and was registered as an associated person of the Sponsor on February 24, 2010. He maintains his main business office at 42 West Union Street, Goffstown, NH 03045. Mr. Teevan graduated from Phillips Exeter Academy, Harvard College and Stanford Graduate School of Business, following which he worked as commodities broker and trader at several brokerage and investment firms in New York City, San Francisco and Sydney, Australia. He has primarily been retired since January 2003, although he was a self-employed market research consultant from August 2005 until September 2005, and has served during his retirement on non-profit boards without compensation, focusing on financial, treasury and endowment issues. Mr. Teevan is 59 years old.

Prior Performance of the Sponsor and Affiliates

THIS POOL OPERATOR AND ITS TRADING PRINCIPALS HAVE limited EXPERIENCE OPERATING ANY OTHER POOLS OR TRADING ANY OTHER ACCOUNTS.

The Trustee

The sole Trustee of the Trust is Wilmington Trust Company, a Delaware banking corporation. The Trustee’s principal offices are located at 1100 North Market Street, Wilmington, Delaware 19890-0001. The Trustee is unaffiliated with the Sponsor. The Trustee’s duties and liabilities with respect to the offering of Shares and the management of the Trust and the Fund are limited to its express obligations under the Trust Agreement.

The Trustee will accept service of legal process on the Trust in the State of Delaware and will make certain filings under the Delaware Statutory Trust Act. The Trustee does not owe any other duties to the Trust, the Sponsor or the Shareholders. The Trustee is permitted to resign upon at least sixty (60) days' notice to the Sponsor. If no successor trustee has been appointed by the Sponsor within such sixty-day period, the Trustee may, at the expense of the Trust, petition a court to appoint a successor. The Trust Agreement provides that the Trustee is entitled to reasonable compensation for its services from the Sponsor or an affiliate of the Sponsor (including the Trust), and is indemnified by the Sponsor against any expenses it incurs relating to or arising out of the formation, operation or termination of the Trust, or any action or inaction of the Trustee under the Trust Agreement, except to the extent that such expenses result from the gross negligence or willful misconduct of the Trustee. The Sponsor has the discretion to replace the Trustee.

The Trustee has not signed the registration statement of which this prospectus is a part, and is not subject to issuer liability under the federal securities laws for the information contained in this prospectus and under federal securities laws with respect to the issuance and sale of the Shares. Under such laws, neither the Trustee, either in its capacity as Trustee or in its individual capacity, nor any director, officer or controlling person of the Trustee is, or has any liability as, the issuer or a director, officer or controlling person of the issuer of the Shares.

Under the Trust Agreement, the Trustee has delegated to the Sponsor the exclusive management and control of all aspects of the business of the Trust and the Fund. The Trustee has no duty or liability to supervise or monitor the performance of the Sponsor, nor does the Trustee have any liability for the acts or omissions of the Sponsor.

Because the Trustee has delegated substantially all of its authority over the operation of the Trust to the Sponsor, the Trustee itself is not registered in any capacity with the CFTC.

Operation of the Fund

The investment objective of the Fund is to have daily changes in percentage terms of the Shares' NAV reflect the daily changes in percentage terms of a weighted average of the nearest to spot month March, April, October and November Henry Hub Natural Gas Futures Contracts traded on the NYMEX weighted 25% equally in contract month, less the Fund's expenses. (This weighted average of the four referenced Natural Gas Futures Contracts is referred to herein as the "Benchmark" and the four Natural Gas Futures Contracts that at any given time make up the Benchmark are referred to herein as the "Benchmark Component Futures Contracts.")

The Fund seeks to achieve its investment objective by investing under normal market conditions in Benchmark Component Futures Contracts or, in certain circumstances, in other Natural Gas Futures Contracts traded on the NYMEX and ICE or on other foreign exchanges. In addition, the Fund will invest in Cleared Natural Gas Swaps to the extent permitted and appropriate in light of the liquidity in the Cleared Natural Gas Swap market and Other Natural Gas Interests.

The Fund intends to invest in Natural Gas Interests to the fullest extent possible, an aggregate notional amount equal to the Fund's NAV without being leveraged or unable to satisfy its current or potential margin or collateral obligations with respect to its investments in Natural Gas Interests. After fulfilling such margin and collateral requirements, the Fund will invest the remainder of its proceeds from the sale of baskets in short-term Treasury Securities or cash equivalents, and/or merely hold such assets in cash (generally in interest-bearing accounts). Therefore, the focus of the Sponsor in managing the Fund is investing in Natural Gas Interests and in Treasury Securities, cash and/or cash equivalents. The Sponsor expects to manage the Fund's investments directly, although it has been authorized by the Trust to retain, establish the terms of retention for, and terminate third-party commodity trading advisors to provide such management. The Sponsor has substantial discretion in managing the Fund's investments consistent with meeting its investment objective of closely tracking the Benchmark, including the discretion: (1) to choose whether to invest in the Benchmark Component Futures Contracts, Cleared Natural Gas Swaps or Other Natural Gas Interests with similar investment characteristics; (2) to choose when to "roll" the Fund's positions in Natural Gas Interests as described below, and (3) to manage the Fund's investments in Treasury Securities, cash and cash equivalents.

The Fund seeks to achieve its investment objective primarily by investing in Natural Gas Interests such that the changes in its NAV will be expected to closely track the changes in the Benchmark. The Fund's positions in Natural Gas Interests will be changed or "rolled" on a regular basis in order to track the changing nature of the Benchmark. For example, in terms of the Benchmark, in January of a given year, the Benchmark Component Futures Contracts will be the contracts expiring in March (the first-to-expire Benchmark Component), April (the second-to-expire Benchmark Component), October (the third-to-expire Benchmark Component), and November (the fourth-to-expire Benchmark Component). Because the next-to-expire Benchmark Component Natural Gas Futures Contract (the March contract) will become spot on the third-to-last trading day in January, the Sponsor will "roll" or change that contract prior to the third-to-last trading day in January for a position in the same month (March) of the following year, never holding any futures contract to spot.

The Fund seeks to achieve its investment objective primarily by investing in Natural Gas Interests such that daily changes in the Fund's NAV will be expected to closely track the changes in the Benchmark. The Fund's positions in Natural Gas Interests will be changed or "rolled" on a regular basis in order to track the changing nature of the Benchmark. For example, four times a year (on the month in which a Benchmark Component Natural Gas Futures Contract is set to become the first-to-expire-natural Gas Futures contract listed on NYMEX (commonly call the "spot" contract), the first-to-expire Benchmark Component Contract will become the next-to-expire (spot) Natural Gas Futures Contract and will no longer be a Benchmark Component Futures Contract, and the Fund's investments will have to be changed accordingly. In order that the Fund's trading does not cause unwanted market movements and to make it more difficult for third parties to profit by trading based on such expected market movements, the Fund's investments typically will not be rolled entirely on that day, but rather will typically be rolled over a period of several days.

Consistent with achieving the Fund's investment objective of closely tracking the Benchmark, the Sponsor may for certain reasons cause the Fund to enter into or hold Natural Gas Futures Contracts other than the Benchmark Component Futures Contracts, Cleared Natural Gas Swaps and/or Other Natural Gas Interests. For example, certain Cleared Natural Gas Swaps have standardized terms similar to, and are priced by reference to, a corresponding Benchmark Component Futures Contract. Additionally, over-the-counter Natural Gas Interests can generally be structured as the parties to the contract desire. Therefore, the Fund might enter into multiple over-the-counter Natural Gas Interests intended to exactly replicate the performance of each of the four Benchmark Component Futures Contracts, or a single over-the-counter Natural Gas Interest designed to replicate the performance of the Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Natural Gas Interest, the performance of the Natural Gas Interest will necessarily correlate exactly with the performance of the Benchmark or the applicable Benchmark Component Futures Contract. The Fund might also enter into or hold Natural Gas Interests other than the Benchmark Component Futures Contracts to facilitate effective trading, consistent with the discussion of the Fund's "roll" strategy in the preceding paragraph. In addition, the Fund might enter into or hold Natural Gas

Interests that would be expected to alleviate overall deviation between the Fund's performance and that of the Benchmark that may result from certain market and trading inefficiencies or other reasons. By utilizing a certain or all of the investments described above, the Sponsor will endeavor to cause the Fund's performance, before taking Fund expenses and any interest income from the cash, cash equivalents and Treasury Securities held by the Fund into account, to closely track that of the Benchmark.

The Sponsor endeavors to place the Fund's trades in Natural Gas Interests and otherwise manage the Fund's investments so that the Fund's average daily tracking error against the Benchmark will be less than 10 percent over any period of 30 trading days. More specifically, the Sponsor will endeavor to manage the Fund so that A will be within plus/minus 10 percent of B, where:

- A is the average daily change in the Fund's NAV for any period of 30 successive valuation days; i.e., any trading day as of which the Fund calculates its NAV, and
- B is the average daily change in the price of the Benchmark over the same period.

The Sponsor believes that market arbitrage opportunities cause daily changes in the Fund's Share price on the NYSE Arca to closely track daily changes in the Fund's NAV per share. The Sponsor believes that the net effect of this expected relationship and the expected relationship described above between the Fund's NAV and the Benchmark will be that daily changes in the price of the Fund's Shares on the NYSE Arca will closely track daily changes in the Benchmark, less the Fund's expenses. While the Benchmark is composed of Natural Gas Futures Contracts and is therefore a measure of the price of natural gas for future delivery, there is nonetheless expected to be a reasonable degree of correlation between the Benchmark and the cash or spot price of natural gas.

These relationships illustrated in the following diagram:

An investment in the Shares provides a means for diversifying an investor's portfolio or hedging exposure to changes in natural gas prices. An investment in the Shares allows both retail and institutional investors to easily gain this exposure to the natural gas market in a transparent, cost-effective manner.

The Sponsor employs a "neutral" investment strategy intended to track changes in the Benchmark regardless of whether the Benchmark goes up or goes down. The Fund's "neutral" investment strategy is designed to permit investors generally to purchase and sell the Fund's Shares for the purpose of investing indirectly in the natural gas market in a cost-effective manner. Such investors may include participants in the natural gas market and other industries seeking to hedge the risk of losses in their natural gas-related transactions, as well as investors seeking exposure to the natural gas market. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in the natural gas market and/or the risks involved in hedging may exist. In addition, an investment in the Fund involves the risk that the changes in the price of the Fund's Shares will not accurately track the changes in the Benchmark, and that changes in the Benchmark will not closely correlate with changes in the price of natural gas on the spot market. Furthermore, as noted above, the Fund will also hold short-term Treasury Securities, cash and/or cash equivalents to meet its current or potential margin or collateral requirements with respect to its investments in Natural Gas Interests and to invest cash not required to be used as margin or collateral. The Fund does not expect there to be any meaningful correlation between the performance of the Fund's investments in Treasury Securities/cash/cash equivalents and the changes in the price of natural gas or Natural Gas Interests. While the level of interest earned on or the market price of these investments may in some respects correlate to changes in the price of natural gas, this correlation is not anticipated as part of the Fund's efforts to meet its objective.

The Fund's total portfolio composition is disclosed each business day that the NYSE Arca is open for trading on the Fund's website at www.teucriumnaturalgasfund.com. The website disclosure of portfolio holdings is made daily and includes, as applicable, the name and value of each Natural Gas Futures Contract and Cleared Natural Gas Swap, the specific types of Other Natural Gas Interests and characteristics of such Other Natural Gas Interests, the name and value of each Treasury security and cash equivalent, and the amount of cash held in the Fund's portfolio. The Fund's website is publicly accessible at no charge.

The Shares issued by the Fund may only be purchased by Authorized Purchasers and only in blocks of 100,000 Shares called Creation Baskets. The amount of the purchase payment for a Creation Basket is equal to the aggregate NAV of Shares in the Creation Basket. Similarly, only Authorized Purchasers may redeem Shares and only in blocks of 100,000 Shares called Redemption Baskets. The amount of the redemption proceeds for a Redemption Basket is equal to the aggregate NAV of Shares in the Redemption Basket. The purchase price for Creation Baskets and the redemption price for Redemption Baskets are the actual NAV calculated at the end of the business day when a request for a purchase or redemption is received by the Fund. The NYSE Arca will publish an approximate NAV intra-day based on the prior day's NAV and the current price of the Benchmark Component Futures Contracts, but the price of Creation Baskets and Redemption Baskets is determined based on the actual NAV calculated at the end of each trading day.

While the Fund issues Shares only in Creation Baskets, Shares may also be purchased and sold in much smaller increments on the NYSE Arca. These transactions, however, are effected at the bid and ask prices established by the specialist firm(s). Like any listed security, Shares can be purchased and sold at any time a secondary market is open.

The Fund's Investment Strategy

In managing the Fund's assets, the Sponsor does not use a technical trading system that automatically issues buy and sell orders. Instead, each time one or more baskets are purchased or redeemed, the Sponsor will purchase or sell Natural Gas Interests with an aggregate market value that approximates the amount of cash received or paid upon the purchase or redemption of the basket(s).

As an example, assume that a Creation Basket is sold by the Fund, and that the Fund's closing NAV per share is $25.00. In that case, the Fund would receive $2,500,000 in proceeds from the sale of the Creation Basket ($25.00 NAV per share multiplied by 100,000 Shares, and ignoring the Creation Basket fee of $1,000). If one were to assume further that the Sponsor wants to expose the entire proceeds from the Creation Basket to the Benchmark Component Futures Contracts and that the market value of each such Benchmark Component Futures Contracts is $42,000, the Fund would be unable to buy an exact number of Natural Gas Futures Contracts with an aggregate market value equal to $2,500,000. Instead, the Fund would be able to purchase 59 Benchmark Component Futures Contracts with an aggregate market value of $2,478,000. Assuming a margin requirement equal to 10% of the value of the Natural Gas Futures Contracts, the Fund would be required to deposit $247,800 in Treasury Securities and cash with the futures commission merchant through which the Natural Gas Futures Contracts were purchased. The remainder of the proceeds from the sale of the Creation Basket, $2,252,200 would remain invested in cash, cash equivalents, and Treasury Securities as determined by the Sponsor from time to time based on factors such as potential calls for margin or anticipated redemptions.

The specific Natural Gas Interests purchased will depend on various factors, including a judgment by the Sponsor as to the appropriate diversification of the Fund's investments. While the Sponsor anticipates that a substantial majority of its assets will be exposed to Natural Gas Futures Contracts and Cleared Natural Gas Swaps, for various reasons, including the ability to enter into the precise amount of exposure to the natural gas market and accountability levels on Natural Gas Futures Contracts and Cleared Natural Gas Swaps, it will also invest in Other Natural Gas Interests, including swaps other than Cleared Natural Gas Swaps, in the over-the-counter market to a potentially significant degree.

The Sponsor does not anticipate letting its Natural Gas Futures Contracts expire and taking delivery of Natural Gas. Instead, the Sponsor will close out existing positions, e.g., in response to ongoing changes in the Benchmark or if it otherwise determines it would be appropriate to do so and reinvest the proceeds in new Natural Gas Interests. Positions may also be closed out to meet orders for Redemption Baskets, in which case the proceeds from closing the positions will not be reallocated.

Futures Contracts

Futures contracts are agreements between two parties. One party agrees to buy a commodity such as natural gas from the other party at a later date at a price and quantity agreed-upon when the contract is made. In market terminology, a party who purchases a futures contract is long in the market and a party who sells a futures contract is short in the market. The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions, constitutes the profit or loss to the trader.

If the price of the commodity increases after the original futures contract is entered into, the buyer of the futures contract will generally be able to sell a futures contract to close out its original long position at a price higher than that at which the original contract was purchased, generally resulting in a profit to the buyer. Conversely, the seller of a futures contract will generally profit if the price of the underlying commodity decreases, as it will generally be able to buy a futures contract to close out its original short position at a price lower than that at the which the original contract was sold. Because the Fund seeks to track the Benchmark directly and profit when the price of natural gas and, as a likely result of an increase in the price of natural gas, the price of Natural Gas Futures Contracts increase, the Fund will generally be long in the market for natural gas, and will generally sell Natural Gas Futures Contracts only to close out existing long positions.

Natural Gas Futures Contracts are traded on the NYMEX in units of 10,000 MMBtu. Generally, futures contracts traded on the NYMEX are priced by floor brokers and other exchange members both through an “open outcry” of offers to purchase or sell the contracts and through an electronic, screen-based system that determines the price by matching electronically offers to purchase and sell. Futures contracts may also be based on commodity indices, in that they call for a cash payment based on the change in the value of the specified index during a specified period. No futures contracts based on an index of natural gas prices are currently available, although the Fund could enter into such contracts should they become available in the future.

Certain typical and significant characteristics of Natural Gas Futures Contracts are discussed below. The Fund anticipates that it will also enter into various non-exchange traded derivative contracts to hedge the short-term price movements of Natural Gas Futures Contracts and Other Natural Gas Interests against the current Benchmark Component Futures Contracts. Additional risks of investing in Natural Gas Futures Contracts are included in “What are the Risk Factors Involved with an Investment in the Fund?”

Impact of Position Limits, Accountability Levels, and Price Fluctuation Limits.

The CFTC, U.S and foreign designated contract markets such as the NYMEX and ICE have established position limits and accountability levels on the maximum net long or net short positions in futures contracts in commodities that any person or group of persons under common trading control (other than as a hedge, which an investment by the Fund would not be) may hold, own or control. The net position is the difference between an individual or firm's open long contracts and open short contracts in any one commodity. In addition, most U.S. futures exchanges, such as the NYMEX, limit the daily price fluctuation for futures contracts.

Accountability levels for the Natural Gas Futures Contracts traded on the NYMEX are not a fixed ceiling, but rather a threshold above which the NYMEX may exercise greater scrutiny and control over an investor's positions. The current accountability level for any one month in the Benchmark Component Futures Contracts is 6,000 contracts. In addition, the NYMEX imposes an accountability level for all months of 12,000 net futures contracts for investments in futures contracts for Henry Hub natural gas. If the Fund exceeds these accountability levels for investments in the futures contracts for Henry Hub natural gas, the NYMEX will monitor the Fund's exposure and ask for further information on its activities, including the total size of all positions, investment and trading strategy, and the extent of liquidity resources of the Fund. If deemed necessary by the NYMEX, it could also order the Fund to reduce its position back to the accountability level.

Cleared Natural Gas Swaps are subject to accountability levels that are substantially identical to, but measured separately from, the accountability levels on Natural Gas Futures Contracts. Accountability levels are imposed by ICE of 48,000 contracts for all months (12,000 NYMEX NG contract equivalents); 24,000 (6,000 NYMEX NG contract equivalents) for any one month. Exemptions may be obtained from these accountability levels for bona fide hedging, risk management and spread positions. The Fund is new and is not expected to reach asset levels that would cause these accountability levels to be implicated in the near future. If such accountability levels did become applicable to the Fund, the Sponsor may enter into for the Fund Other Natural Gas Interests that are not subject to accountability levels to a greater degree than would otherwise be the case.

If the NYMEX or other exchange orders the Fund to reduce its position back to the accountability level, or to an accountability level that the NYMEX or other exchange deems appropriate for the Fund, such an accountability level may impact the mix of investments in Natural Gas Interests made by the Fund. To illustrate, assume that the price of the Benchmark Component Futures Contract and the share price of the Fund are each $100, and the NYMEX has determined that the Fund may not own more than 6,000 contracts in Benchmark Component Futures Contracts. In such case, the Fund could invest up to $600,000,000 of its daily net assets in the Benchmark Component Futures Contracts (i.e., $100 per contract multiplied by 10,000 (a Benchmark Component Futures Contract is a contract for 10,000 million MMBtu multiplied by 10,000 contracts) before reaching the accountability level imposed by the NYMEX. Once the daily net assets of the Fund exceed $600,000,000 in the Benchmark Component Futures Contracts, the Fund may not be able to make any further investments in the Benchmark Component Futures Contract, depending on whether the NYMEX imposes limits. If the NYMEX does impose limits at the $600,000,000 level (or another level), the Fund anticipates that it will invest the majority of its assets above the level in a mix of Natural Gas Interests.

In addition to accountability levels, the NYMEX and ICE may impose position limits on contracts held in the last few days of trading in the near month contract to expire. It is unlikely that the Fund will be subject to such position limits because the Fund's investment strategy is to "roll" from the near month contract to expire to the same month contract of the next year following during the period beginning two weeks from the expiration of the contract.

There is limit on the amount of price fluctuation for Natural Gas Futures Contracts imposed by the NYMEX of $3.00 per MMBtu ($30,000 per contract). This limit is initially based off the previous trading day's settlement price. If any Natural Gas Futures Contract is traded, bid, or offered at the limit for five minutes, trading is halted for five minutes. When trading resumes it begins at the point where the limit was imposed and the limit is reset to be $3.00 per MMBtu in either direction after each successive five-minute trading halt. There is no maximum price fluctuation limit during any one trading session. Generally, futures contracts traded on the NYMEX are priced by floor brokers and other exchange members through an "open outcry" to offers to purchase and sell the contracts and through an electronic, screen-based system that determines the price by matching electronically offers to purchase and sell. Futures contracts may also be based commodities indices, in that they call for a cash payment based on the change in the value of the specified index during a specified period.

The Fund anticipates that to the extent that it invests in Natural Gas Interests, it will enter into various non-exchange traded derivative contracts to achieve our investment objective of tracking the Benchmark. Accountability levels could in certain circumstances, effectively limit the number of Creation Baskets that the Fund can sell.

Price Volatility

Despite daily price limits, the price volatility of futures contracts generally has been historically greater than that for traditional securities such as stocks and bonds. Price volatility often is greater day-to-day as opposed to intra-day. Economic factors that may cause volatility in Natural Gas Futures Contracts include changes in interest rates; governmental, trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; changes in balances of payments and trade; U.S. and international rates of inflation; currency devaluations and revaluations; U.S. and international political and economic events; and changes in philosophies and emotions of market participants. Because the Fund invests a significant portion of its assets in futures contracts, the assets of the Fund, and therefore the price of the Fund's Shares, may be subject to greater volatility than traditional securities.

Term Structure of Futures Contracts and the Impact on Total Return

Several factors determine the total return from investing in futures contracts. Because the Fund must periodically "roll" futures contract positions, closing out soon-to-expire contracts that are no longer part of the Benchmark and entering into subsequent-to-expire contracts, one such factor is the price relationship between soon-to-expire contracts and later-to-expire contracts. For example, if market conditions are such that the prices of soon-to-expire contracts are higher than later-to-expire contracts (a situation referred to as "backwardation" in the futures market), then the price of contracts will rise as they approach expiration. Conversely, if the price of soon-to-expire contracts is lower than later-to-expire contracts (a situation referred to as "contango" in the futures market), then absent a change in the market the price of contracts will decline as they approach expiration.

Over time, the price of the natural gas will fluctuate based on a number of market factors, including demand for natural gas relative to its supply. The value of Natural Gas Futures Contracts will likewise fluctuate in reaction to a number of market factors. If investors seek to maintain their holdings in Natural Gas Futures Contracts with a roughly constant expiration profile and not take delivery of the natural gas, they must on an ongoing basis sell their current positions as they approach expiration and invest in later-to-expire contracts.

If the futures market is in a state of backwardation (i.e., when the price of natural gas in the future is expected to be less than the current price), the Fund will buy later-to-expire contracts for a lower price than the sooner-to-expire contracts that it sells. Hypothetically, and assuming no changes to either prevailing natural gas prices or the price relationship between the spot price, soon-to-expire contracts and later-to-expire contracts, the value of a contract will rise as it approaches expiration, increasing the Fund's total return (ignoring the impact of commission costs and the interest earned on Treasury Securities, cash and/or cash equivalents). For example, assume the price of natural gas for immediate delivery ("spot price") is $40 per MMBtu and the value of a position in the near month futures contract was also $40. In backwardation, the investment would tend to rise slower than the spot price of natural gas, or fall faster. As a result, it would be possible for the spot price of natural gas to have risen on to $60 after some period of time, while the value of the investment in the futures contract would have only risen to $50, assuming the backwardation is large enough or enough time has elapsed. Similarly, the spot price of natural gas could have fallen to $30 while the value of an investment in the futures contract could have remained at $20. Over time, if backwardation remained constant, the differences would continue to increase.

If the futures market is in contango, the Fund will buy later-to-expire contracts for a higher price than the sooner-to-expire contracts that it sells. Hypothetically, and assuming no other changes to either prevailing natural gas prices or the price relationship between the spot price, soon-to-expire contracts and later-to-expire contracts, the value of a contract will fall as it approaches expiration, decreasing the Fund's total return (ignoring the impact of commission costs and the interest earned on Treasury Securities, cash and/or cash equivalents). For example, in contango, the $40 investment would rise faster than the spot price of natural gas, or fall slower. As a result, it is possible, for the spot price to have risen to $60 per MMBtu after some period of time, while the value of the investment in the futures contract has risen to $70, assuming contango is large enough or enough time has elapsed. Similarly, the spot price of natural gas could have fallen to $20 while the value of an investment in the futures contract would have fallen to $30. Over time, if contango remained constant, the difference would continue to increase.

Historically, the natural gas futures markets have experienced periods of both contango and backwardation. Typically, whether contango or backwardation exists is largely a function of the seasonality of the natural gas market.

Marking-to-Market Futures Positions

Futures contracts are marked to market at the end of each trading day and the margin required with respect to such contracts is adjusted accordingly. This process of marking-to-market is designed to prevent losses from accumulating in any futures account. Therefore, if the Fund's futures positions have declined in value, the Fund may be required to post "variation margin" to cover this decline. Alternatively, if the Fund's futures positions have increased in value, this increase will be credited to the Fund's account.

Cleared Natural Gas Swaps

A swap agreement is a bilateral contract to exchange a periodic stream of payments determined by reference to a notional amount, with payment typically made between the parties on a net basis. For instance, in the case of a natural gas swap, the Fund may be obligated to pay a fixed price per MMBtu of natural gas and be entitled to receive an amount per MMBtu equal to the current value of an index of natural gas prices, the price of a specified Natural Gas Futures Contract, or the average price of a group of Natural Gas Contracts such as the Benchmark.

The CFTC recently issued an order that permits certain privately-negotiated swap contracts, including certain types of natural gas swaps, to be cleared by the ICE's provider of clearing services. The Fund expects to focus on investments in these Cleared Natural Gas Swaps, as well as Natural Gas Futures Contracts, rather than over-the-counter swaps. Cleared Natural Gas Swaps are subject to accountability levels that are substantially identical to, but measured differently form, the accountability levels applicable to Natural Gas Futures Contracts.

Like Natural Gas Futures Contracts, Cleared Natural Gas Swaps are standardized as to certain material economic terms, including that each swap be for a specific quantity of MMBtu, which permits less flexibility in their structuring than with over-the counter Natural Gas Interests. The two parties to Cleared Natural Gas Swap agree on the specific fixed price component and the calendar month of the expiration, and agree to submit the Cleared Natural Gas Swap to the clearing organization. The clearing organization assumes the credit risk relating to the transaction, which effectively eliminates the creditworthiness of the counterparty as a risk. Unlike Natural Gas Futures Contracts, Cleared Natural Gas Swaps call for settlement in cash, and do not permit settlement by delivery or receipt of physical natural gas.

Over-the-Counter Derivatives

In addition to futures contracts and options on futures contracts and cleared swaps, derivative contracts that are tied to various commodities, including natural gas, are entered into outside of public exchanges. These "over-the-counter" contracts are entered into between two parties in private contracts. Unlike Natural Gas Futures Contracts and Cleared Natural Gas Swaps, which are guaranteed by a clearing organization, each party to an over-the-counter derivative contract bears the credit risk of the other party, i.e., the risk that the other party will not be able to perform its obligations under its contract.

Some over-the-counter derivatives contracts contain relatively standardized terms and conditions and are available from a wide range of participants. Others have highly customized terms and conditions and are not as widely available. While the Fund may enter into these more customized contracts, the Fund will only enter into over-the-counter contracts containing certain terms and conditions, as discussed further below, that are designed to minimize the credit risk to which the Fund will be subject and only if the terms and conditions of the contract are consistent with achieving the Fund's investment objective of closely tracking the Benchmark. The over-the-counter contracts that the Fund may enter into will take the form of either forward contracts or swaps.

A forward contract is a contractual obligation to purchase or sell a specified quantity of a commodity at or before a specified date in the future at a specified price and, therefore, is economically similar to a futures contract. Unlike futures contracts, however, forward contracts are typically traded in the over-the-counter markets. In some instances such contracts may provide for cash settlement instead of making or taking delivery of the underlying commodity. Forward contracts for a given commodity are generally available for various amounts and maturities and are subject to individual negotiation between the parties involved. Moreover, generally there is no direct means of offsetting or closing out a forward contract by taking an offsetting position as one would a futures contract on a U.S. exchange. If a trader desires to close out a forward contract position, he generally will establish an opposite position in the contract but will settle and recognize the profit or loss on both positions simultaneously on the delivery date. Thus, unlike in the futures contract market where a trader who has offset positions will recognize profit or loss immediately, in the forward market a trader with a position that has been offset at a profit will generally not receive such profit until the delivery date, and likewise a trader with a position that has been offset at a loss will generally not have to pay money until the delivery date. However, in some instances such contracts may provide a right of offset that will allow for the receipt of profit and payment for losses prior to the delivery date.

Like a Cleared Natural Gas Swap, an over-the-counter swap agreement is a bilateral contract to exchange a periodic stream of payments determined by reference to a notional amount, with payment typically made between the parties on a net basis. For instance, in the case of a natural gas swap, the Fund may be obligated to pay a fixed price per MMBtu of natural gas and be entitled to receive an amount per MMBtu equal to the current value of an index of natural gas prices, the price of a specified Natural Gas Futures Contract, or the average price of a group of Natural Gas Futures Contracts such as the Benchmark. Unlike Cleared Natural Gas Swaps, however, each party to the swap is subject to the credit risk of the other party. The Fund will only enter into over-the-counter swaps on a net basis, where the two payment streams are netted out on a daily basis, with the parties receiving or paying, as the case may be, only the net amount of the two payments. Swaps do not generally involve the delivery of underlying assets or principal. Accordingly, the Fund's risk of loss with respect to an over-the-counter swap will generally be limited to the net amount of payments that the counterparty is contractually obligated to make less any collateral deposits the Fund is holding.

To reduce the credit risk that arises in connection with over-the-counter contracts, the Fund will generally enter into an agreement with each counterparty based on the Master Agreement published by the International Swaps and Derivatives Association, Inc. that provides for the netting of the Fund's overall exposure to its counterparty and for daily payments based on the marked to market value of the contract.

The creditworthiness of each potential counterparty will be assessed by the Sponsor. The Sponsor will assess or review, as appropriate, the creditworthiness of each potential or existing counterparty to an over-the-counter contract pursuant to guidelines approved by the Sponsor. The creditworthiness of existing counterparties will be reviewed periodically by the Sponsor. The Sponsor's President has over 25 years of experience in over-the-counter derivatives trading, including the counterparty creditworthiness analysis inherent therein, and the Sponsor's Treasurer and Secretary, through his prior experience as a Chief Financial Officer and Treasurer, has extensive experience evaluating the creditworthiness of business partners and counterparties to commercial and derivative contracts. Notwithstanding this experience, there is no guarantee that the Sponsor's creditworthiness analysis will be successful and that counterparties selected for Fund transactions will not default on their contractual obligations.

The Fund also may require that a counterparty be highly rated and/or provide collateral or other credit support. The Sponsor on behalf of the Fund may enter into over-the-counter contracts with various types of counterparties, including: (a) banks regulated by a United States federal bank regulator, (b) broker-dealers regulated by the SEC, (c) insurance companies domiciled in the United States, (d) producers of natural gas and natural gas-related products, (e) users of natural gas and (f) any other person (including affiliates of any of the above) who are engaged to a substantial degree in the business of trading commodities. Certain of these types of counterparties will not be subject to regulation by the CFTC or any other significant federal or state regulatory structure; While it is the Sponsor's preference to use regulated entities as counterparties, the Sponsor will primarily consider creditworthiness in selecting counterparties rather than the primary business of the prospective counterparty or the regulatory structure to which it is subject.

The Fund may also employ spreads or straddles to mitigate the differences in its investment portfolio and in order to achieve its goal of tracking the Benchmark.

Benchmark Performance

See the graph below under "Benchmark Performance" in the Statement of Additional Information at the end of this prospectus.

Natural Gas and the Natural Gas Market

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.

Natural gas has limited means of transportation and distribution and therefore is not commodity with a "global" price. As a result, the natural gas market is mostly affected by events that happen locally or are concentrated to the North American Continent. The primary means for transporting natural gas is through pipeline, although natural gas may be liquefied in order to be transported outside the pipeline structure.

There are four main costs, therefore prices, associated with natural gas – wellhead price, transport (long-distance and local distribution), storage and delivery. Wellhead prices are deregulated in North America. Transportation costs are regulated by the National Energy Boards and local regulators regulate local distribution costs. Prices are also measured for different end-users such as residential usage, commercial, industrial or electrical utility. The largest share of the final price to all end-users is the distribution costs due to the limited means of distribution. Most large commercial users buy natural gas directly from producers or market makers, thereby reducing price.

Both weather and population changes affect consumption of natural gas. In addition, alternative fuels and competition from other sources of energy such as oil, wind energy and coal can affect the price of natural gas.

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, as well as 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.

The NYMEX is the world's largest physical commodity futures exchange and the dominant market for the trading of energy and precious metals. The Natural Gas Futures Contracts trades in units of 10,000 MMBtu and is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest and up to the Canadian border.

The ICE is an Internet-based exchange for the trading of over-the counter energy contracts, such as the Cleared Natural Gas Swaps.

The Fund's Investments in Treasury Securities, Cash and Cash Equivalents

The Fund seeks to have the aggregate "notional" amount of the Natural Gas Interests it holds approximate at all times the Fund's aggregate NAV. At any given time, however, most of the Fund's investments will be in short-term Treasury Securities, cash and/or cash equivalents that support the Fund's positions in Natural Gas Interests. For example, the purchase of a Natural Gas Futures Contract with a stated or notional amount of $10 million would not require the Fund to pay $10 million upon entering into the contract; rather, only a margin deposit, generally of 5%-10% of the notional amount, would be required. To secure its Natural Gas Futures Contract obligations, the Fund would deposit the required margin with the futures commission merchant and would separately hold its remaining assets through its Custodian in Treasury Securities, cash and/or cash equivalents. Such remaining assets may be used to meet future margin payments that the Fund is required to make on its Natural Gas Futures Contracts. Cleared Natural Gas Swaps and Other Natural Gas Interests typically also involve collateral requirements that represent a small fraction of their notional amounts, so most of the Fund's assets dedicated to these Natural Gas Interests will also be held in Treasury Securities, cash and cash equivalents.

The Fund earns interest income from the Treasury Securities and/or cash equivalents that it purchases and on the cash it holds through the Custodian. The Sponsor anticipates that the earned interest income will increase the Fund's NAV. The Fund applies the earned interest income to the acquisition of additional investments or uses it to pay its expenses. If the Fund reinvests the earned interest income, it makes investments that are consistent with its investment objectives.

Any Treasury Security and cash equivalent invested in by the Fund will have a remaining maturity of less than two years at the time of investment, or will be subject to a demand feature that enables that Fund to sell the security within one year at approximately the security's face value (plus accrued interest). Any cash equivalents invested in by the Fund will be rated in the highest short-term rating category by a nationally recognized statistical rating organization or will be deemed by the Sponsor to be of comparable quality.

Other Trading Policies of the Fund

Exchange For Risk

An "exchange for risk" transaction, sometimes refers to a "exchange for swap" or "exchange of futures for risk," is a privately negotiated and simultaneous exchange of a futures contract position for a swap or other over-the-counter instrument on the corresponding commodity. An exchange for risk can be used by the Fund as a technique to avoid taking physical delivery of natural gas, in that a counterparty will take the Fund's position in a Natural Gas Futures Contract into its own account in exchange for a swap that does not by its terms call for physical delivery. The Fund will become subject to the credit risk of a counterparty when it acquires an over-the-counter position in an exchange for risk transaction.

Options on Futures Contracts

In addition to Natural Gas Futures Contracts, there are also a number of options on Natural Gas Futures Contracts listed on the NYMEX and ICE. These contracts offer investors and hedgers another set of financial vehicles to use in managing exposure to the commodities market. The Fund may purchase and sell (write) options on Natural Gas Futures Contracts in pursuing its investment objective, except that it will not sell call options when it does not own the underlying Natural Gas Futures Contract. The Fund would make use of options on Natural Gas Futures Contracts if, in the opinion of the Sponsor, such an approach would cause the Fund to more closely track its Benchmark or if it would lead to an overall lower cost of trading to achieve a given level of economic exposure to movements in natural gas prices.

Liquidity

The Fund invests only in Natural Gas Futures Contracts that, in the opinion of the Sponsor, are traded in sufficient volume to permit the ready taking and liquidation of positions in these financial interests and in over-the-counter Commodity Interests that, in the opinion of the Sponsor, may be readily liquidated with the original counterparty or through a third party assuming the Fund's position.

Spot Commodities

While most futures contracts can be physically settled, the Fund does not intend to take or make physical delivery. However, the Fund may from time to time trade in Other Natural Gas Interests based on the spot price of natural gas.

Leverage

The Sponsor endeavors to have the value of the Fund's Treasury Securities, cash and cash equivalents, whether held by the Fund or posted as margin or collateral, at all times approximate the aggregate market value of its obligations under the Fund's Natural Gas Interests.

Borrowings

Borrowings are not used by the Fund unless it is required to borrow money in the event of physical delivery, if it trades in cash commodities, or for short-term needs created by unexpected redemptions. The Fund maintains the value of its Treasury Securities, cash and cash equivalents, whether held by the Fund or posted as margin or collateral, to at all times approximate the aggregate market value of its obligations under National Gas Interests. The Fund does not plan to establish credit lines.

Pyramiding

The Fund does not and will not employ the technique, commonly known as pyramiding, in which the speculator uses unrealized profits on existing positions as variation margin for the purchase or sale of additional positions in the same or another commodity interest.

The Service Providers

In its capacity as the Fund's custodian, the Custodian holds the Fund's Treasury Securities, cash and/or cash equivalents pursuant to a custodial agreement. The Custodian is also the registrar and transfer agent for the Fund's Shares. In addition, the Custodian also serves as Administrator for the Fund, performing certain administrative and accounting services and preparing certain SEC and CFTC reports on behalf of the Fund. For these services, the Fund pays fees to the Custodian as set forth in the table below.

The Custodian's principal business address is One Wall Street, New York, New York 10286. The Custodian is a New York state chartered bank subject to regulation by the Board of Governors of the Federal Reserve System and the New York State Banking Department.

The Fund also employs [to be provided by Pre-Effective Amendment to the Registration Statement] as Marketing Agent, which is further discussed under "Plan of Distribution" The Fund pays the Marketing Agent's fees as set forth in the table below. In no event may the aggregate compensation paid to the Marketing Agent and any affiliate of the Marketing Agent for distribution-related services in connection with the offering of Shares exceed ten percent (10%) of the gross proceeds of the offering.

The Marketing Agent's principal business address is [to be provided by Pre-Effective Amendment to the Registration Statement]. The Marketing Agent is a broker-dealer registered with the Financial Industry Regulatory Authority and a member of the Securities Investor Protection Corporation.

Currently, Newedge USA, LLC ("Newedge") serves as the Fund's clearing broker to execute and clear the Fund's futures transactions and provide other brokerage-related services. Newedge USA's affiliate, Newedge Alternative Strategies, Inc. ("NAST"), may execute foreign exchange or other over the counter transactions with the Fund as principal. Newedge USA and NAST are subsidiaries of Newedge Group. Newedge is a futures commission merchant and broker-dealer registered with the CFTC and the SEC. Newedge is a clearing member of all principal futures exchanges located in the United States as well as a member of the Chicago Board Options Exchange, International Securities Exchange, New York Stock Exchange, Options Clearing Corporation, and Government Securities Clearing Corporation. NAST is an eligible swap participant that is not registered or required to be registered with the CFTC or the SEC, and is not a member of any exchange.

Newedge and NAST are headquartered at 550 W. Jackson, Suite 500, Chicago, IL 60661 with branch offices in San Francisco, California; New York, New York; Philadelphia, Pennsylvania; Kansas City, Missouri and Houston, Texas.

Prior to January 2, 2008, Newedge USA was known as Fimat USA, LLC, while NAST was known as Fimat Alternative Strategies Inc. On September 1, 2008, Newedge merged with future commission merchant and broker-dealer Newedge Financial Inc. ("NFI") – formerly known as Calyon Financial Inc. Newedge was the surviving entity.

In March 2008, NFI settled, without admitting or denying the allegations, a disciplinary action brought by the New York Mercantile Exchange ("NYMEX") alleging that NFI violated NYMEX rules related to: numbering and time stamping orders by failing properly to record a floor order ticket; wash trading; failure to adequately supervise employees; and violation of a prior NYMEX cease and desist order, effective as of December 5, 2006, related to numbering and time stamping orders and block trades. NFI paid a $100,000 fine to NYMEX in connection with this settlement.

Other than the foregoing proceeding, which did not have a material adverse effect upon the financial condition of Newedge, there have been no material administrative, civil or criminal actions brought, pending or concluded against Newedge, NAST or their principals in the past five years.

None of Newedge, NAST or any affiliate, officer, director or employee thereof have passed on the merits of this prospectus or the offering of Shares, or given any guarantee as to the performance or any other aspect of the Fund.

Newedge is not affiliated with the Fund or the Sponsor. Therefore, the Sponsor and the Fund do not believe that the Fund has any conflicts of interest with them or their trading principals arising from their acting as the Fund's futures commission merchant. While Sal Gilbertie, the President of the Sponsor, was previously employed by Newedge, he no longer receives any compensation from Newedge and will not receive any share of the commissions paid to Newedge by the Fund.

Currently, the Sponsor does not employ commodity trading advisors. If, in the future, the Sponsor does employ commodity trading advisors, it will choose each advisor based on arm's-length negotiations and will consider the advisor's experience, fees, and reputation.

Fees to be Paid by the Fund

Fees and Compensation Arrangements with the Sponsor and Non-Affiliated Service Providers

Service Provider	Compensation Paid by the Fund
Teucrium Trading, LLC, Sponsor	1.00% of average net assets annually
The Bank of New York Mellon, Custodian, Transfer Agent and Administrator	For custody services: 0.0075% of average gross assets up to $1 billion, and 0.0050% of average gross assets over $1 billion, annually, plus certain per-transaction charges For transfer agency services: 0.0075% of average gross assets annually For administrative services: 0.05% of average gross assets up to $1 billion, 0.04% of average gross assets between $1 billion and $3 billion, and 0.03% of average gross assets over $3 billion, annually A combined minimum annual fee of $125,000 for custody, transfer agency and administrative services will be assessed.
[To be provided by Pre-Effective Amendment to the Registration Statement], Marketing Agent	0.10% of average net assets annually, with a minimum annual fee of $XX
Newedge USA, LLC, Futures Commission Merchant and Clearing Broker	$4.00 per Natural Gas Futures Contract purchase or sale
Wilmington Trust Company, Trustee	$3,000 annually

Asset-based fees are calculated on a daily basis (accrued at 1/365 of the applicable percentage of NAV on that day) and paid on a monthly basis. NAV is calculated by taking the current market value of the Fund's total assets and subtracting any liabilities.

Form of Shares

Registered Form

Shares are issued in registered form in accordance with the Trust Agreement. The Custodian has been appointed registrar and transfer agent for the purpose of transferring Shares in certificated form. The Custodian keeps a record of all Shareholders and holders of the Shares in certificated form in the registry ("Register"). The Sponsor recognizes transfers of Shares in certificated form only if done in accordance with the Trust Agreement. The beneficial interests in such Shares are held in book-entry form through participants and/or accountholders in DTC.

Book Entry

Individual certificates are not issued for the Shares. Instead, Shares are represented by one or more global certificates, which are deposited by the Administrator with DTC and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the Shares outstanding at any time. Shareholders are limited to (1) participants in DTC such as banks, brokers, dealers and trust companies ("DTC Participants"), (2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant ("Indirect Participants"), and (3) those who hold interests in the Shares through DTC Participants or Indirect Participants, in each case who satisfy the requirements for transfers of Shares. DTC Participants acting on behalf of investors holding Shares through such participants' accounts in DTC will follow the delivery practice applicable to securities eligible for DTC's Same-Day Funds Settlement System. Shares are credited to DTC Participants' securities accounts following confirmation of receipt of payment.

DTC

DTC has advised us as follows: It is a limited purpose trust company organized under the laws of the State of New York and is a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC Participants and facilitates the clearance and settlement of transactions between DTC Participants through electronic book-entry changes in accounts of DTC Participants.

Transfer of Shares

The Shares are only transferable through the book-entry system of DTC. Shareholders who are not DTC Participants may transfer their Shares through DTC by instructing the DTC Participant holding their Shares (or by instructing the Indirect Participant or other entity through which their Shares are held) to transfer the Shares. Transfers are made in accordance with standard securities industry practice.

Transfers of interests in Shares with DTC are made in accordance with the usual rules and operating procedures of DTC and the nature of the transfer. DTC has established procedures to facilitate transfers among the participants and/or accountholders of DTC. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants, the ability of a person or entity having an interest in a global certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a certificate or other definitive document representing such interest.

DTC has advised us that it will take any action permitted to be taken by a Shareholder (including, without limitation, the presentation of a global certificate for exchange) only at the direction of one or more DTC Participants in whose account with DTC interests in global certificates are credited and only in respect of such portion of the aggregate principal amount of the global certificate as to which such DTC Participant or Participants has or have given such direction.

Inter-Series Limitation on Liability

Because the Trust was established as a Delaware statutory trust, the Fund and each other series established under the Trust will be operated so that it will be liable only for obligations attributable to such series and will not be liable for obligations of any other series or affected by losses of any other series. If any creditor or Shareholder of any particular series (such as the Fund) asserts against the series a valid claim with respect to its indebtedness or Shares, the creditor or shareholder will only be able to obtain recovery from the assets of that series and not from the assets of any other series or the Trust generally. The assets of the Fund and any other series will include only those funds and other assets that are paid to, held by or distributed to the series on account of and for the benefit of that series, including, without limitation, amounts delivered to the Trust for the purchase of Shares in a series. This limitation on liability is referred to as the Inter-Series Limitation on Liability. The Inter-Series Limitation on Liability is expressly provided for under the Delaware Statutory Trust Act, which provides that if certain conditions (as set forth in Section 3804(a)) are met, then the debts of any particular series will be enforceable only against the assets of such series and not against the assets of any other series or the Trust generally. In furtherance of the Inter-Series Limitation on Liability, every party providing services to the Trust, the Fund or the Sponsor on behalf of the Trust or the Fund, will acknowledge and consent in writing to the Inter-Series Limitation on Liability with respect to such party's claims.

The existence of a Trustee should not be taken as an indication of any additional level of management or supervision over any Fund. Consistent with Delaware law, the Trustee acts in an entirely passive role, delegating all authority for the management and operation of the Fund and the Trust to the Sponsor. The Trustee does not provide custodial services with respect to the assets of the Fund.

Plan of Distribution

Buying and Selling Shares

Most investors buy and sell Shares of the Fund in secondary market transactions through brokers. Shares trade on the NYSE Arca under the ticker symbol "NAGS." Shares are bought and sold throughout the trading day like other publicly traded securities. When buying or selling Shares through a broker, most investors incur customary brokerage commissions and charges. Investors are encouraged to review the terms of their brokerage account for details on applicable charges and, as discussed below under "U.S. Federal Income Tax Considerations," any provisions authorizing the broker to borrow Shares held on your behalf.

Marketing Agent and Authorized Purchasers

The offering of the Fund's Shares is a best efforts offering. The Fund will continuously offer Creation Baskets consisting of 100,000 Shares at their NAV through the Marketing Agent, to Authorized Purchasers. [To be provided by Pre-Effective Amendment to the Registration Statement] is expected to be the initial Authorized Purchaser. It is expected that on the effective date, the initial Authorized Purchaser will purchase one or more initial Creation Baskets of 100,000 Shares at the initial NAV of $25.00 per Share. The initial NAV of $25.00 was set as an appropriate and convenient price that would facilitate secondary market trading of Shares, and the Shares of the Fund acquired by the Sponsor in connection with its initial capital contribution were purchased at a price of $25.00 per Share. All Authorized Purchasers pay a $1,000 fee for each order to create one or more Creation Baskets, regardless of the number of Creation Baskets in the order.

The Marketing Agent will receive, for its services as marketing agent to the Fund, a fee at an annual rate of 0.10% of the Fund's average daily net assets, subject to a minimum annual fee of $100,000; provided, however, that in no event may the aggregate compensation paid to the Marketing Agent and any affiliate of the Marketing Agent for distribution-related services in connection with this offering of Shares exceed 10 percent (10%) of the gross proceeds of this offering. The maximum compensation the Marketing Agent may receive over the expected two year period of this offering is estimated to be $1,500,000. This estimate assumes that: (1) all Shares being registered are sold on the first day of the offering at a price equal to the closing NAV on that day ($25.00); and (2) the value of the Fund's net assets remain constant throughout the period. This actual compensation received by the Marketing Agent may vary. The actual compensation could be lower if the NAV of the Shares declines or if, as is likely, the full number of Shares being registered is not sold on the first day of the offering, and could be higher if the NAV of the Shares increases.

In exchange for its fees, the Marketing Agent will develop an overall sales and marketing plan for the Fund, supervise sales-related activities, and participate in field sales activities. The Marketing Agent Agreement among the Marketing Agent, the Sponsor and the Trust calls for the Marketing Agent to provide a shared National Accounts Manager, shared external and internal wholesalers, and call center support for the Fund.

The offering of baskets is being made in compliance with Conduct Rule 2310 of FINRA. Accordingly, Authorized Purchasers will not make any sales to any account over which they have discretionary authority without the prior written approval of a purchaser of Shares.

The per share price of Shares offered in Creation Baskets on any subsequent day will be the total NAV of the Fund calculated shortly after the close of the NYSE Arca on that day divided by the number of issued and outstanding Shares. An Authorized Purchaser is not required to sell any specific number or dollar amount of Shares.

By executing an Authorized Purchaser Agreement, an Authorized Purchaser becomes part of the group of parties eligible to purchase baskets from, and put baskets for redemption to, the Fund. An Authorized Purchaser is under no obligation to create or redeem baskets or to offer to the public Shares of any baskets it does create. If an Authorized Purchaser sells Shares that it has created to the public, it will be expected to sell them at per-Share offering prices that reflect, among other factors, the trading price of the Shares on the NYSE Arca, the NAV of the Fund at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Shares to the public, the supply of and demand for Shares at the time of sale, and the liquidity of the Natural Gas Interest markets. The prices of Shares offered by Authorized Purchasers are expected to fall between the Fund's NAV and the trading price of the Shares on the NYSE Arca at the time of sale.

As of the date of this prospectus, there is no named Authorized Purchaser. A list of Authorized Purchasers will be available from the Marketing Agent. Because new Shares can be created and issued on an ongoing basis, at any point during the life of the Fund, a "distribution," as such term is used in the 1933 Act, will be occurring. Authorized Purchasers, other broker-dealers and other persons are cautioned that some of their activities may result in their being deemed participants in a distribution in a manner that would render them statutory underwriters and subject them to the prospectus-delivery and liability provisions of the 1933 Act. For example, the initial Authorized Purchaser will be a statutory underwriter with respect to the initial purchase of Creation Baskets. In addition, an Authorized Purchaser, other broker-dealer firm or its client will be deemed a statutory underwriter if it purchases a basket from the Fund, breaks the basket down into the constituent Shares and sells the Shares to its customers; or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for the Shares. In this regard, the excess, if any, of the price at w