



<b>EDGA &amp; EDGX STOCK EXCHANGES</b>			
Regulatory Information Circular			
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**Subject: Teucrium Agricultural Fund**

### **Background Information on the Fund**

As more fully explained in the [Registration Statement](#) (No. 333-173691) for the Teucrium Commodity Trust (the “Trust”), the Trust is a Delaware statutory trust organized on September 11, 2009. The Trust consists of several series of funds (each, a “Fund” and collectively, the “Funds”). This circular refers only to the Fund listed above.

The Funds are not mutual funds registered under the Investment Company Act of 1940 and are not subject to regulation under such Act. The Funds were formed and are managed and controlled by the Sponsor, Teucrium Trading, LLC (the “Sponsor”). 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”).

### **Description of the Fund**

Teucrium Agricultural Fund (the “Fund”) is a commodity pool that is a series of the Trust. The Fund will issue common units representing fractional undivided beneficial interests in the Fund, called “Shares.” The investment objective of the Fund is to have the daily changes in percentage terms of the Shares’ Net Asset Value (“NAV”) reflect the daily changes in percentage terms of a weighted average (the “Underlying Fund Average”) of the NAVs per share of four other commodity pools that are series of the Trust and are sponsored by the Sponsor: the Teucrium Corn Fund, the Teucrium Wheat Fund, the Teucrium Soybean Fund and the Teucrium Sugar Fund (collectively “the Underlying Funds”). The Fund seeks to achieve its investment objective by investing under normal market conditions in the publicly-traded shares of each Underlying Fund so that the Underlying Fund Average will have a weighting of 25% to each Underlying Fund, and the Fund’s assets will be rebalanced, generally on a daily basis, to maintain the approximate 25% allocation to each Underlying Fund. The Fund does not intend to invest directly in futures contracts (“Futures Contracts”), although it reserves the right to do so in the future, including if an underlying Fund ceases operations or if shares of an Underlying Fund cease trading in EDGA Exchange, Inc. and/or EDGX Exchange, Inc. (the “Exchanges”).

The investment objective of each Underlying Fund is to have the daily changes in percentage terms of its shares’ NAV reflect the daily changes in percentage terms of a weighted

average of the closing settlement prices for certain Futures Contracts for the commodity specified in the Underlying Fund's name. (This weighted average is referred to as the Underlying Fund's "Benchmark," the Futures Contracts that at any given time make up an Underlying Fund's Benchmark are referred to herein as the Underlying Fund's "Benchmark Component Futures Contracts," and the commodity specified in the Underlying Fund's name is referred to in the Fund's Prospectus as its "Specified Commodity.") Specifically, the Teucrium Corn Fund's Benchmark is: (1) the second-to-expire Futures Contract for corn traded on the Chicago Board of Trade ("CBOT"), weighted 35%, (2) the third-to-expire CBOT corn Futures Contract, weighted 30%, and (3) the CBOT corn Futures Contract expiring in the December following the expiration month of the third-to-expire contract, weighted 35%. The Teucrium Wheat Fund's Benchmark is: (1) the second-to-expire CBOT wheat Futures Contract, weighted 35%, (2) the third-to-expire CBOT wheat Futures Contract, weighted 30%, and (3) the CBOT wheat Futures Contract expiring in the December following the expiration month of the third-to-expire contract, weighted 35%. The Teucrium Soybean Fund's Benchmark is: (1) the second-to-expire CBOT soybean Futures Contract, weighted 35%, (2) the third-to-expire CBOT soybean Futures Contract, weighted 30%, and (3) the CBOT soybean Futures Contract expiring in the November following the expiration month of the third-to-expire contract, weighted 35%, except that CBOT soybean Futures Contracts expiring in August and September will not be part of the Teucrium Soybean Fund's Benchmark because of the less liquid market for these Futures Contracts. The Teucrium Sugar Fund's Benchmark is: (1) the second-to-expire Sugar No. 11 Futures Contract traded on ICE Futures US, weighted 35%, (2) the third-to-expire ICE Futures Sugar No. 11 Futures Contract, weighted 30%, and (3) the ICE Futures Sugar No. 11 Futures Contract expiring in the March following the expiration month of the third-to-expire contract, weighted 35%. (Although sugar Futures Contracts are primarily traded on the ICE Futures, they may also be traded on the New York Mercantile Exchange ("NYMEX"). Any reference to the ICE Futures in relation to the Teucrium Sugar Fund should also be read as a reference to NYMEX.)

Each Underlying Fund seeks to achieve its investment objective by investing under normal market conditions in Benchmark Component Futures Contracts or, in certain circumstances, in other Futures Contracts for its Specified Commodity. In addition, and to a limited extent, an Underlying Fund also may invest in exchange-traded options on Futures Contracts for its Specified Commodity and in swap agreements based on its Specified Commodity that are cleared through a futures exchange or its affiliated provider of clearing services ("Cleared Swaps") in furtherance of the Underlying Fund's investment objective. Once position limits or accountability levels on Futures Contracts on an Underlying Fund's Specified Commodity are applicable, each Underlying Fund's intention is to invest first in Cleared Swaps based on its Specified Commodity, to the extent practicable under the position limits or accountability levels applicable to such Cleared Swaps and appropriate in light of the liquidity in the market for such Cleared Swaps, and then in contracts and instruments such as cash-settled options on Futures Contracts and forward contracts, swaps other than Cleared Swaps, and other over-the-counter transactions that are based on the price of its Specified Commodity or Futures Contracts on its Specified Commodity (collectively, "Other Commodity Interests," and together with Futures Contracts and Cleared Swaps, "Commodity Interests"). See "The Offering – Futures Contracts" below. By utilizing certain or all of these investments, the Sponsor will endeavor to cause each Underlying Fund's performance to closely track that of its Benchmark. The Sponsor expects to manage the Fund's and the Underlying Funds' 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 broker-dealers to execute the Fund's transactions in the Underlying Funds and futures commission merchants to execute the Underlying Funds' transactions in Futures Contracts.

The Underlying Funds seek to achieve their investment objectives primarily by investing in Commodity Interests such that daily changes in the Underlying Fund's NAV will be expected to closely track the changes in its Benchmark. Each Underlying Fund's positions in Commodity Interests will be changed or "rolled" on a regular basis in order to track the changing nature of its Benchmark. For example, several times a year (on the dates on which Futures Contracts on the Underlying Fund's Specified Commodity expire), a particular Futures Contract will no longer be a Benchmark Component Futures Contract, and the Underlying Fund's investments will have to be changed accordingly. In order that the Underlying Funds' 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 Underlying Funds' 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 each Underlying Fund's investment objective of closely tracking its Benchmark, the Sponsor may for certain reasons cause the Underlying Fund to enter into or hold Futures Contracts other than the Benchmark Component Futures Contracts, Cleared Swaps and/or Other Commodity Interests. For example, certain Cleared Swaps have standardized terms similar to, and are priced by reference to, a corresponding Benchmark Component Futures Contract. Additionally, Other Commodity Interests that do not have standardized terms and are not exchange-traded, referred to as "over-the-counter" Commodity Interests, can generally be structured as the parties to the Commodity Interest contract desire. Therefore, an Underlying Fund might enter into multiple Cleared Swaps and/or over-the-counter Commodity Interests related to its Specified Commodity that are intended to exactly replicate the performance of Benchmark Component Futures Contracts of the Underlying Fund, or a single over-the-counter Commodity Interest designed to replicate the performance of the individual of its Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Commodity Interest, the performance of the Commodity Interest will necessarily correlate exactly with the performance of the Underlying Fund's Benchmark or the applicable Benchmark Component Futures Contract. The Underlying Funds might also enter into or hold Commodity Interests other than Benchmark Component Futures Contracts to facilitate effective trading, consistent with the discussion of an Underlying Fund's "roll" strategy in the preceding paragraph. In addition, an Underlying Fund might enter into or hold Commodity Interests related to its Specified Commodity that would be expected to alleviate overall deviation between the Underlying Fund's performance and that of its 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 each Underlying Fund's performance to closely track that of its Benchmark.

While the Fund expects to maintain substantially all of its assets in shares of the Underlying Funds at all times, the Fund may hold some residual amount of assets in obligations of the United States government ("Treasury Securities") or cash equivalents, and/or merely hold

such assets in cash (generally in interest-bearing accounts). The Underlying Funds invest in Commodity Interests to the fullest extent possible without being leveraged or unable to satisfy their expected current or potential margin or collateral obligations with respect to their investments in Commodity Interests. After fulfilling such margin and collateral requirements, the Underlying Funds will invest the remainder of the proceeds from the sale of baskets in Treasury Securities or cash equivalents, and/or merely hold such assets in cash. Therefore, the focus of the Sponsor in managing the Underlying Funds is investing in Commodity Interests and in Treasury Securities, cash and/or cash equivalents. The Fund and Underlying Funds 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 the Underlying Funds and otherwise manage the Fund's investments so that the Fund's average daily tracking error against the Underlying Fund Average 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 Underlying Fund Average 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 Underlying Fund Average 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 Underlying Fund Average.

The Sponsor employs a "neutral" investment strategy intended so that the Fund will track the changes in the Underlying Fund Average and each Underlying Fund will track the changes in its Benchmark regardless of whether the Underlying Fund Average or Benchmark goes up or goes down. The Fund's and Underlying Funds' "neutral" investment strategies are designed to permit investors generally to purchase and sell the Fund's Shares for the purpose of investing indirectly in the agricultural commodities market in a cost-effective manner. Such investors may include participants in agricultural industries and other industries seeking to hedge the risk of losses in their commodity-related transactions, as well as investors seeking exposure to the agricultural commodities market. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in the agricultural commodities 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 Underlying Fund Average, that changes in the price of the shares of the Underlying Funds will not accurately track the changes in their Benchmarks, and that changes in the Benchmarks will not closely correlate with changes in the prices of the Specified Commodities on the spot market. Certain risk factors discussed in the Prospectus may cause a lack of correlation between changes in the Fund's NAV and changes in the prices of the

Specified Commodities. The Sponsor does not intend to operate the Fund or an Underlying Fund in a fashion such that its per share NAV will equal, in dollar terms, the spot price of a unit of a Specified Commodity or the price of any particular Futures Contract.

See the Fund's [prospectus](#) for a complete description of the Fund.

### **Creation and Redemption of Shares**

The Funds create and redeem Shares only in blocks called "Creation Baskets" and "Redemption Baskets", respectively, each consisting of 100,000 Shares through Foreside Fund Services, LLC, which is the distributor for Shares of the fund (the "Distributor") to Authorized Purchasers. 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 Exchanges, at the market price per share, rather than in connection with the creation or redemption of baskets. The Shares are not individually redeemable. See the [Registration Statement](#) for a complete discussion of the Creation and Redemption of Shares.

### **Principal Risks**

The Registration Statement includes discussion associated with an investment in the Shares. Among these are that investing in Commodity Interests subjects the Fund to the risks of the agricultural commodities markets, 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 agricultural commodities markets because it invests indirectly in Commodity Interests. The risks and hazards that are inherent in the agricultural commodities markets may cause the price of those commodities to fluctuate widely. If the changes in percentage terms of the Fund's Shares accurately track the percentage changes in the Underlying Funds' Benchmark or the spot price of corn, wheat, soybeans and sugar, the price of the Shares will fluctuate. Additional risks include the Fund's operating risks; risk of leverage and volatility; over-the-counter contract risk; and risk of trading in international markets. See the [Registration Statement](#) for a complete discussion of risks.

### **Trading Hours**

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or

publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchanges will halt trading in the Shares in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares if the primary market de-lists the Shares.

### **Suitability**

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

### **Delivery of a Prospectus**

Prospectuses may be obtained through the Sponsor or on the Funds’ website, [teucrium.com](http://teucrium.com). The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Fund’s registration statement.

### **Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations**

The Commission’s Division of Market Regulation (now the Division of Trading and Markets) issued letters dated June 21, 2006 (Letter regarding Rydex Specialized Products CurrencyShares Trusts) and January 19, 2006 (Letter regarding DB Commodity Index Tracking Fund) (“No-Action Letters”) granting exemptive or no-action relief from certain rules under the Securities Exchange Act of 1934 (the “1934 Act”) with respect to certain Commodity Based Investment Vehicles (“CBIVs”). The Fund relies on such exemptive or

no-action relief. Members are referred to the full text of the No-Action Letters, available at [www.sec.gov](http://www.sec.gov), for additional information.

### **Regulation M Exemptions**

The June 21 No-Action Letter provides an exemption under paragraph (d) of Rule 101, permitting persons who may be deemed to be participating in a distribution of CBIV Shares to bid for or purchase shares during their participation in such distribution. The No-Action Letter also provides an exemption under paragraph (e) of Rule 102, permitting a CBIV and its affiliated the purchasers to redeem shares in Baskets during the continuous offering of the shares.

The exemptions from Rules 101 and 102 of Regulation M are subject to the condition that such transactions in shares or any related securities are not made for the purpose of creating actual, or apparent, active trading in or raising or otherwise affecting the price of such securities.

### **Section 11(d) and Rule 11d1-2**

In the January 19, 2006 No-Action Letter, the Staff stated that it will not recommend enforcement action to the Commission under Section 11(d)(1) of the Exchange Act if broker-dealers (other than the distributor) that do not create or redeem shares but engage in both proprietary and customer transactions in shares exclusively in the secondary market extend or maintain or arrange for the extension or maintenance of credit on shares in connection with such secondary market transactions.

In addition, the Staff stated that it will not recommend enforcement action to the Commission under Section 11(d)(1) of the Exchange Act if broker-dealers other than the distributor treat shares, for the purposes of Rule 11d1-2 under the Exchange Act, as “securities issued by a registered unit investment trust as defined in the Investment Company Act of 1940” and thereby extend or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

**This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Funds’ [Registration Statement](#), SAI, [Prospectus](#) and the Fund’s [website](#) for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
TAGS	Teucrium Agricultural Fund	88166A706