



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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**Subject: United States Metals Index Fund**

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

As more fully explained in the [Registration Statement](#) (No. 333-170844), the United States Commodity Index Funds Trust (the “Trust”), is a Delaware statutory trust formed on December 21, 2009. The Trust is organized into four series, including the United States Metals Index Fund (the “Fund” or “USMI”). The Fund is a commodity pool that issues common units representing fractional undivided beneficial interests (“Units”).

The sponsor of the Funds is United States Commodity Funds LLC (the “Sponsor”), a Delaware limited liability company that is registered as a commodity pool operator with the Commodity Futures Trading Commission and is a member of the National Futures Association. The Sponsor controls the operations of the Funds and will employ trading advisors for the Funds, as necessary. The trading advisor for the Funds is SummerHaven Investment Management, LLC.

### **Description of the Fund**

The investment objective of USMI is for the daily changes in percentage terms of its Units’ NAV to reflect the daily changes in percentage terms of the SummerHaven Metals Index Total Return (“Metals Index”), less USMI’s expenses. The Metals Index is designed to reflect the performance of a diversified group of metals.

The Metals Index is owned and maintained by SummerHaven Index Management, LLC (“SummerHaven Indexing”) and calculated and published by the NYSE Arca. Futures contracts for the metals in the Metals Index that are traded on the New York Mercantile Exchange, London Metal Exchange and Commodity Exchange Inc. are collectively referred to herein as “Eligible Metals Futures Contracts.” The Metals Index is comprised of 10 Eligible Metals Futures Contracts that are selected on a monthly basis based on quantitative formulas developed by SummerHaven Indexing. The Eligible Metals Futures Contracts that at any given time make up the Metals Index are referred to herein as “Benchmark Component Metals Futures Contracts.”

USMI will seek to achieve its investment objective by investing to the fullest extent possible in the Benchmark Component Metals Futures Contracts. Then if constrained by regulatory requirements, such as those described in “What are Futures Contracts? — Impact of Position Limits, Accountability Levels, and Price Fluctuation Limits,” or in view of market

conditions, USMI will invest next in other Eligible Metals Futures Contracts, and finally to a lesser extent, in other exchange traded futures contracts that are economically identical or substantially similar to the Benchmark Component Metals Futures Contracts if one or more other Eligible Metals Futures Contracts is not available. When USMI has invested to the fullest extent possible in exchange-traded futures contracts, USMI may then invest in other contracts and instruments based on the Benchmark Component Metals Futures Contracts, other Eligible Metals Futures Contracts or the metals included in the Metals Index, such as cash-settled options, forward contracts, cleared swap contracts and swap contracts other than cleared swap contracts. Other exchange-traded futures contracts that are economically identical or substantially similar to the Benchmark Component Metals Futures Contracts and other contracts and instruments based on the Benchmark Component Metals Futures Contracts, are collectively referred to as “Other Metals-Related Investments,” and together with Benchmark Component Metals Futures Contracts and other Eligible Metals Futures Contracts, “Metals Interests.”

The Metals Index is a metal sector index designed to broadly represent industrial and precious metals while overweighting the components that are assessed to be in a low inventory state and underweighting the components assessed to be in a high inventory state. The Metals Index consists of six (6) base metals and four (4) precious metals. The base metals are aluminum, copper, zinc, nickel, tin, and lead. The precious metals are gold, silver, platinum, and palladium. Each metal is assigned a base weight based on an assessment of market liquidity and the metal’s overall economic importance. The Metals Index is rules-based and is rebalanced monthly based on observable price signals described above. Such formulas are not subject to adjustment based on other factors.

USMI will invest in Metals 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 Metals Interests. The primary focus of the Sponsor is the investment in Metals Interests and the management of USMI’s investments in Treasuries, cash and/or cash equivalents.

The Sponsor will employ a “neutral” investment strategy for USMI intended to track the changes in the Metals Index regardless of whether the Metals Index goes up or goes down. USMI’s “neutral” investment strategy is designed to permit investors generally to purchase and sell USMI’s Units for the purpose of investing indirectly in the metals market in a cost-effective manner, and/or to permit participants in the commodities or other industries to hedge the risk of losses in their metals-related transactions. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in the commodities market and/or the risks involved in hedging may exist. In addition, an investment in USMI involves the risks that the changes in the price of USMI’s Units will not accurately track the changes in the Metals Index, and that changes in the Metals Index will not closely correlate with changes in the spot prices of the metals underlying the Benchmark Component Metals Futures Contracts.

A more detailed description of the composition of the Metals Index and selection of the Benchmark Component Metals Futures Contracts and other aspects of the commodities and markets for such investments can be found in the Fund’s [Prospectus](#).

Brown Brothers Harriman & Co. is the Administrator and Custodian for the Fund (the “Administrator”), and the registrar and transfer agent for the Units. ALPS Distributors, Inc. is the Marketing Agent.

The Depository Trust Company (“DTC”) will serve as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

As described more fully in the Fund’s [prospectus](#), the Funds will issue (or redeem) shares to certain large institutional investors (typically market makers or other large broker-dealers) known as “Authorized Participants” only in large blocks of 50,000 Units known as “Creation Units” and redeem Units only in blocks of 50,000 Shares called Redemption Units. Only Authorized Purchasers may purchase or redeem Creation Units or Redemption Units, respectively.

### **Calculation of NAV**

The NAV of the Fund will be calculated by taking the current market value of the Fund’s total assets and subtracting any liabilities of the Fund. Under the Fund’s current operational procedures, the Administrator will calculate the NAV of the Fund’s Units once each Exchanges trading day. The NAV for a particular trading day is released after 4:00 p.m. EST. Trading during the core trading session of the Exchanges typically closes at 4:00 p.m. EST.

The Fund’s [Registration Statement](#) describes the various fees and expenses for the Fund’s Shares. For a more complete description of the Fund and the Index, visit [www.unitedstatesmetalsindexfund.com](http://www.unitedstatesmetalsindexfund.com).

### **Principal Risks**

As described in the Fund’s [prospectus](#), an investment in USMI involves a degree of risk. Members are referred to the Fund’s Prospectus and Registration Statement for a description of risks associated with an investment in the Units of the Fund. These risks include Design of the Metals Index is such that every month it is made up of different Benchmark Component Metals Futures Contracts, and USMI’s investments must be rebalanced on an ongoing basis to reflect the changing composition of the Metals Index. USMI is new and has no operating history. Changes in the valuation of the Metals Index may adversely affect the value of USMI’s Units. Fewer representative commodities may result in greater Metals Index volatility. The Metals Index reflects commodities in the precious metals and industrial metals sectors. A change in price of any of the commodities in these sectors will have a significant effect on the level of the Metals Index and the value of USMI’s Units, which could have a material adverse effect on and investor’s investment. Precious metal commodities risk; Industrial metal commodities risk; price volatility for industrial metals commodities and price volatility for copper risk. See the [Registration Statement](#) for additional risks of an investment in the Fund’s Units.

For additional information on the Fund, see the Fund’s [Prospectus](#).

## **Exchange Rules Applicable to Trading in the Shares**

The shares are considered equity securities, thus rendering trading in the shares subject to the Exchange's existing rules governing the trading of equity securities.

## **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**

Pursuant to federal securities laws, investors purchasing Units must receive a prospectus prior to, or concurrently with, the confirmation of a transaction. Investors purchasing Units directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus. Members purchasing Units from the Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Marketing Agent or on the Fund's website at [www.unitedstatesmetalsindexfund.com](http://www.unitedstatesmetalsindexfund.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 Commission. For further information about the Fund, please refer to the [Registration Statement](#).

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

The Commission has issued letters dated October 24, 2006, November 21, 2005 and August 17, 2001 (together, the "No- Action Letters") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. Members are referred to the No-Action Letters, available at [www.sec.gov](http://www.sec.gov), for additional information.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Fund's securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter relating to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

### **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 a letter dated June 21, 2006 ("No-Action Letter") granting exemptive or no-

action relief from certain rules under the Securities Exchange Act of 1934 (the “1934 Act”) with respect to Commodity Based Investment Vehicles. The Fund relies on such exemptive or no-action relief. Members are referred to the full text of the No-Action Letter, available at [www.sec.gov](http://www.sec.gov), for additional information.

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

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>CUSIP</b>
USMI	United States Metals Index Fund	911718302