The Bache Commodity Index SM

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Q2 2009 Review

The Bache Commodity Index℠

Built for Commodity Investors

The Bache Commodity Index℠ (BCI℠) is a transparent, fully investable commodity index. Our unique method of constructing the index results in lower turnover and lower risk than other commodity indices, while maintaining the potential returns.

Predictable, Consistent Exposure

The BCI℠ is designed so that the index does not become dominated by a single commodity sector or by several commodities within a commodity sector. This is accomplished by employing upper and lower bounds on investment in each sector and each commodity, and by rebalancing the BCI℠ each day to maintain the desired exposure to each commodity market.

BCI℠ Benefits from Multiple Sources of Return

The BCI℠ is designed to capture more sources of return to investing in commodities than are available with existing commodity indices. In our historical tests, our asset allocation and roll methods contributed to the overall return of the index.

Momentum Means Greater Return, Less Risk

Commodity markets have historically exhibited short-term momentum. Our view is that using momentum to decide which positions to reduce and which to increase is more profitable than holding fixed positions. By tactically reducing the risk of different commodities, the BCI℠ holds an average of 30% less exposure than a fully invested strategy. As a result, the volatility of the BCI℠ is roughly 30% less than equivalent indices.

Diversification, Inflation Hedge for Portfolios

Like other commodity indices on the market, the BCI℠ offers positive returns, may offer some inflation protection, and diversification benefits. Unlike other indices, the BCI℠ offers these benefits while reducing the downside risk that can occur with commodity investing.

BCI℠ Strategy for Outperformance

The development of the BCI℠ represents a significant advancement in commodity indexing methodology. The index was designed using the view that the way commodities are held in a commodity index is as important as the choice of commodities and weights. Actively managed commodity programs do not hold a constant level of exposure either to individual commodities or to the commodity markets as a whole. Rather, an active manager varies exposure to particular commodities and sectors over time. The BCI℠ is the first commodity index to incorporate this feature of dynamic asset allocation into an indexing framework. This is achieved while still preserving the essential properties that make commodity investment attractive to many institutional investors.

There are several investment strategies in commodity markets, including the buy-and-roll strategy, spread trading, and directional trading. However, major benchmarks currently only emphasize one strategy, the buy-and-roll strategy embedded in indices such as the S&P Goldman Sachs Commodity Index (SPGSCI) or the Dow Jones-UBS Commodity Index (DJUBS). Other common strategies such as spread trading and directional trading are important potential sources of return for investors, but are not captured by these existing benchmarks. The BCI℠ includes sources of return that offer the investor a more predictable, positive expected return. The three factors incorporated in the index are Beta, Daily Roll, and Structured Asset Allocation. While these return factors are not new, this is the first time multiple return factors have been combined in an investable commodity index.

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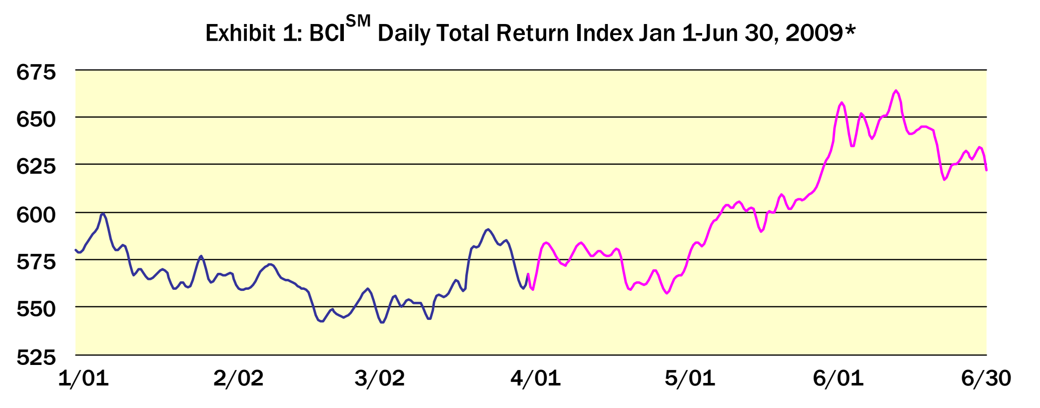
Appendices

This report was prepared by Alternative Investment Analytics LLC (AIA) under the direction of PFDS Holdings, LLC pursuant to an agreement between AIA and PFDS Holdings, LLC. Prudential Bache Asset Management (PBAM) is a business unit within Bache Commodities Group. PBAM is registered with the SEC as an investment adviser and as a commodity trading adviser with the CFTC. PBAM's affiliated brokers, Prudential Bache Commodities, LLC (PBCL) and Bache Commodities Limited (BCL) provide advice, sales and trading on a global basis for a wide variety of commodity, financial and foreign exchange futures and forward contracts. PBAM's parent company, PFDS Holdings, LLC, is the developer and manager of Bache Commodity Index℠ (BCI℠).

For more information, please contact Stephen Ilnitzki (stephen.ilnitzki@bache.com) or Mitzi Noma (mitzi.noma@bache.com).



* Normalized to 100 on December 31, 1990

Exhibit 2: BCI SM Composite Index Performance

	Apr 2009 (%)	May 2009 (%)	Jun 2009 (%)	Q2 2009 (%)	2009 YTD (%)
BCI SM Total Return	0.1	11.6	(1.9)	9.6	7.2
BCI SM Excess Return	0.0	11.6	(1.9)	9.6	7.1

BCI SM Sector and Single-Commodity Performance
(Total Returns)

	Apr 2009 (%)	May 2009 (%)	Jun 2009 (%)	Q2 2009 (%)	2009 YTD (%)	Max Allocation in BCI SM (%)	Q2 2009 Average Weight in BCI SM (%)
Commodity Sector Performance							
Agriculture	1.2	7.9	(9.9)	(1.5)	(6.0)	30.0	23.6
Energy	(1.6)	15.1	2.7	16.2	10.8	50.0	40.7
Metals	2.5	8.7	(0.7)	10.5	16.3	20.0	16.8
Individual Commodity Performance							
Corn	(3.4)	6.5	(17.8)	(15.5)	(18.1)	7.5	6.3
Soybeans	8.2	13.6	(7.3)	14.0	7.4	5.0	4.7
Wheat	(1.0)	12.4	(17.2)	(7.9)	(18.0)	5.0	3.6
Coffee	(1.3)	12.1	(13.2)	(3.9)	(6.4)	2.5	1.9
Cotton	10.7	5.5	(4.6)	11.5	0.9	2.5	2.1
Sugar	6.0	9.0	6.6	23.1	27.4	2.5	2.3
Lean Hogs	(4.2)	(1.7)	(3.9)	(9.4)	(14.6)	2.5	1.2
Live Cattle	(0.5)	(0.7)	1.4	0.1	(3.7)	2.5	1.4
WTI Crude Oil	(1.7)	21.2	4.3	24.3	21.8	20.0	18.0
Brent Crude	0.2	21.1	4.6	27.0	23.3	5.0	4.6
Gasoil	0.4	14.9	4.0	20.0	15.6	10.0	8.3
Gasoline	2.1	23.4	1.2	27.5	39.5	2.5	2.3
Heating Oil	(2.0)	15.4	4.9	18.7	13.7	2.5	2.1
Natural Gas	(5.7)	(1.3)	(3.3)	(10.0)	(27.8)	10.0	5.4
Copper	9.6	8.1	2.0	20.8	44.3	5.0	4.7
Aluminum	4.2	(4.5)	9.5	8.9	2.2	2.5	2.2
Nickel	8.4	17.7	9.9	40.2	22.2	2.5	2.2
Gold	(3.0)	7.0	(5.3)	(1.6)	1.5	7.5	5.6
Silver	(4.2)	19.4	(12.3)	0.3	14.9	2.5	2.0

Source: Bache Commodities Group

2009 Q2 Report

Performance Summary

In the second quarter of 2009, the Bache Commodity Index^{SM} (BCI^{SM}) rose 9.6%, the first positive quarter since June 2008. Exhibit 1 at left summarizes the daily growth of the total return index[i] during the quarter. The Energy and Metals sectors were both broadly higher for the quarter, while the Agriculture sector was only slightly lower. Exhibit 2 at left shows the composite index, sector, and individual commodity performance for the quarter. The gain of 11.6% in May 2009 ranks as the third highest monthly return since 1991.

Exhibit 3: BCI^{SM} Q2 2009 Performance Compared to Historical Pro Forma BCI^{SM} Total Returns*

	Q2 2009	1991-2008
Average Monthly Returns	3.3%	0.9%
Largest Monthly Return	11.6%	12.7%
Largest Monthly Decline	-1.9%	-10.9%
Standard Deviation[ii]	21.6%	12.2%

* Returns prior to 2007 are pro forma.

Source: Bache Commodities Group

Comparison with Commodity Benchmarks

Exhibit 4: BCI^{SM} Performance Relative to DJUBS and SPGSCI*

Return (%)	Q2 2009	Q1 2009	Q4 2008	Q3 2008	YTD 2009
BCI^{SM}	9.62%	-2.23%	-17.14%	-17.27%	7.18%
SPGSCI	19.24%	-10.64%	-47.00%	-28.61%	6.55%
DJUBS	11.67%	-6.31%	-30.04%	-27.70%	4.62%

StDev (%)	Q2 2009	Q1 2009	Q4 2008	Q3 2008	YTD 2009
BCI^{SM}	21.61%	19.43%	19.61%	16.98%	20.53%
SPGSCI	31.38%	45.23%	58.07%	37.16%	38.87%
DJUBS	24.79%	30.07%	39.25%	27.11%	27.51%

Sharpe Ratio	Q2 2009	Q1 2009	Q4 2008	Q3 2008	YTD 2009
BCI^{SM}	0.89	(0.23)	(1.75)	(2.07)	0.49
SPGSCI	1.22	(0.47)	(1.62)	(1.56)	0.23
DJUBS	0.94	(0.42)	(1.53)	(2.06)	0.23

* Total Return Indices

Source for BCI^{SM} Data: Bache Commodities Group
Source for SPGSCI and DJUBS Data: Bloomberg

Exhibit 4 shows relative performance of the S&P GSCI (SPGSCI), the Dow Jones-UBS Commodity Index (DJUBS), and the BCI^{SM}.

The BCI^{SM} return in the second quarter was lower than both benchmarks. The BCI^{SM} tends to underperform during periods of sharply rising commodity prices. The BCI^{SM} was the top performer among the three indices on a quarterly basis for the previous three quarters. Much of this outperformance is due to the index's unique ability to move positions into cash in declining markets.

BCI^{SM} volatility was higher in the second quarter than in the previous three quarters. This is because the average allocation to cash in the BCI^{SM} was the lowest since the second quarter of 2008. The BCI^{SM} volatility remains lower than that of the SPGSCI and the DJUBS, though the difference has narrowed considerably in the second quarter.

i and ii: Please see Notes on page 8

Exhibit 5: BCI℠ Agriculture Total Return Index Jan 1-Jun 30, 2009*

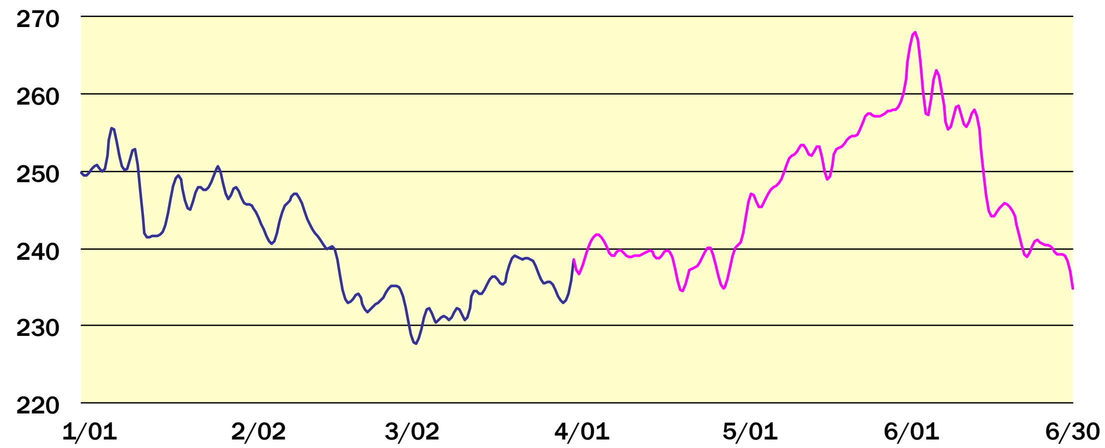


Exhibit 6: BCI℠ Energy Total Return Index Jan 1-Jun 30, 2009*

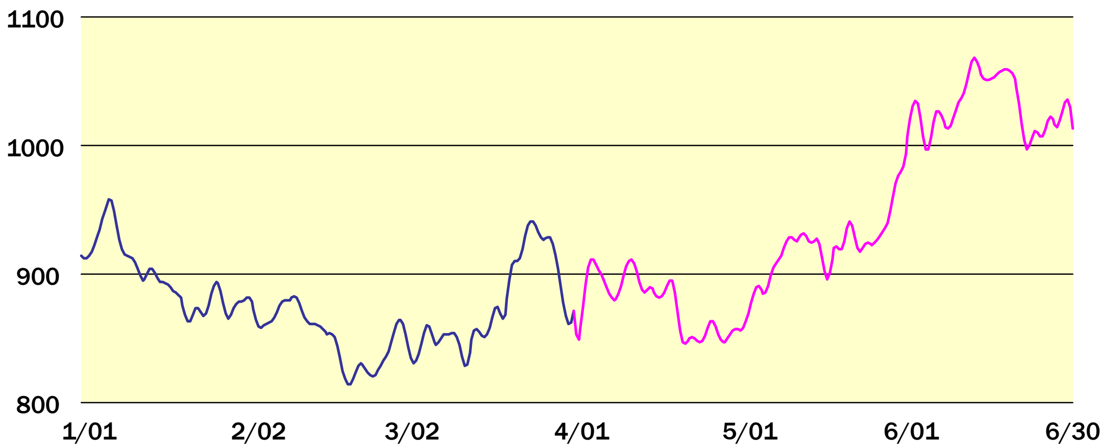
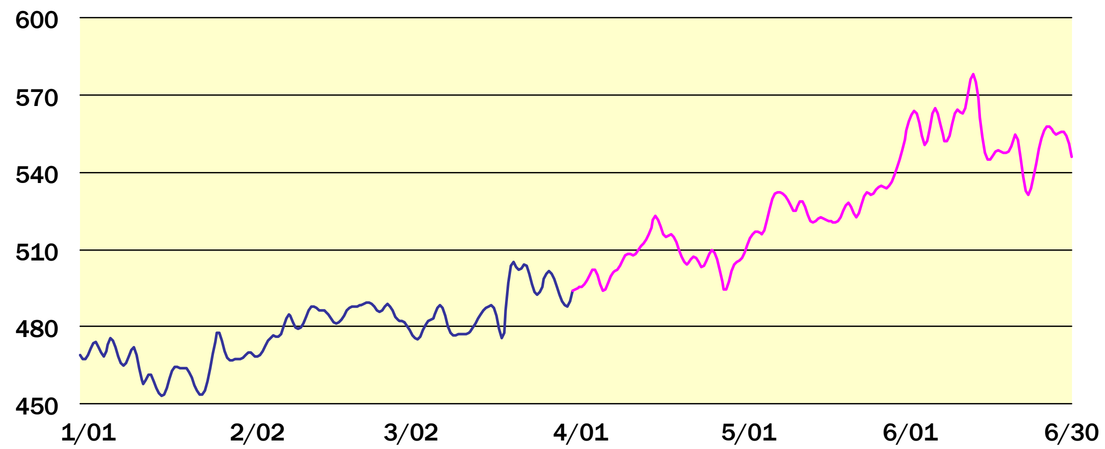


Exhibit 7: BCI℠ Metals Total Return Index Jan 1-Jun 30, 2009*



*** Normalized to 100 on December 31, 1990**

Source: Bache Commodities Group

Commodity News Highlights

Crude Oil Reaches Seven-Month High
6/11/09—Crude oil prices climbed to over $73 a barrel in intraday trade, the highest level in over seven months. The price spike was a result of an increase in global estimates for demand. Gasoline prices also rose.

Corn Prices Fall for Fourth Quarter in a Row
6/30/09—Corn prices fell to $3.6725 a bushel on the CBOT on the last day of the quarter, the fourth straight decline. Concern about supply after a report showed U.S. farmers were planting more acreage, weighed on prices.

Copper Hits Highest Price in Over Seven Months
6/11/09—Copper prices rose to $2.4575 in intraday trade on the Comex division of the Nymex. This was the highest for a most-active contract since October 14. The metal has been supported by increased shipments to China, and signs that the outlook for the U.S. economy was improving.

Source: *Bloomberg News*

Sector Analysis

- **Agriculture:** The BCI[SM] Agriculture sector composite fell 1.5% in the second quarter. Soybeans, Cotton, and Sugar experienced double-digit gains. However, Corn, which has a 7.5% allocation in the BCI[SM], fell 15.5% for the quarter, which weighed on sector performance. Exhibit 5 shows sector performance

- **Energy:** The BCI[SM] Energy sector composite climbed 16.2% in the second quarter. With the exception of Natural Gas, all energy components saw returns of close to 20% or higher. Natural Gas fell 10.0% in the quarter. Exhibit 6 shows sector performance

- **Metals:** The BCI[SM] Metals sector composite rose 10.5% in the second quarter. While Silver and Gold lost some of the upward price momentum from earlier in the year, Copper supported the sector with gains of over 20% for the quarter. Nickel also had a banner quarter, up 40.2%. Exhibit 7 shows sector performance.

Analysis of Return Sources Q2 2009

Contribution of Individual Commodity Markets

As the market environment continued to brighten for commodities in the second quarter, the Energy sector played a major role in overall index gains. WTI Crude Oil, Gasoil, and Brent Crude markets made the biggest contribution to BCI[SM] returns. The metals sector provided some support, with Copper and Nickel positive contributors to the index in the second quarter. Natural Gas was the only negative contributor in the Energy sector. The Agriculture sector dominated the negative contributions to the BCI[SM] in the second quarter, with those losses led by Corn and Wheat. Exhibit 8 shows the contribution of each commodity market to the overall BCI[SM] performance in the second quarter. Exhibit 9 shows the contribution of each commodity sector to the overall BCI[SM] performance in the second quarter.

Contribution of BCI[SM] Return Factors

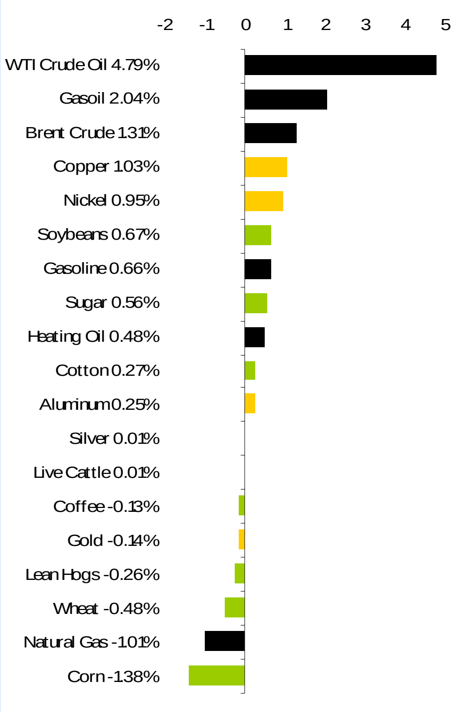
Exhibit 10 shows the contribution of each BCI[SM] style factor to the total return. Given the strong upward direction of commodity markets in the second quarter, the Beta Factor[iii] was the dominant driver of BCI[SM] returns, accounting for 8.94% of the 9.62% rise in the BCI[SM] in the second quarter. The Structured Asset Allocation Factor[iv] added 60 bps, and the Daily Roll Factor[v] added 4 bps to the second quarter BCI[SM] return.

Comparison of BCI[SM] Returns with a static commodity index

Exhibit 11 compares the return of the BCI[SM] and BCI[SM] sectors to the fully invested index[vii]. The fully invested index excludes the Structured Asset Allocation and the Daily Roll factors[v]. The BCI[SM] underperformed the static index on a return basis during the second quarter. Volatility was lower for the BCI[SM] compared to a fully invested index (Exhibit 12). The Sharpe ratio of the BCI[SM] was slightly lower than the fully invested index in the second quarter (Exhibit 13).

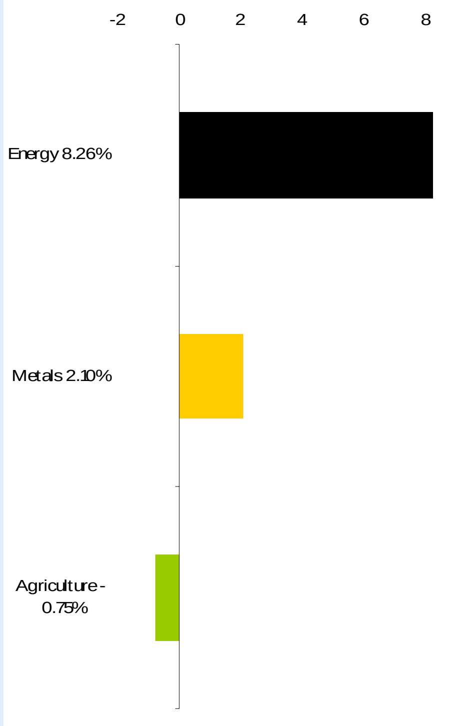
iii, iv, v and vii : Please see Notes on page 8

Exhibit 8: BCI℠ Market Factor Decomposition* Q2 2009



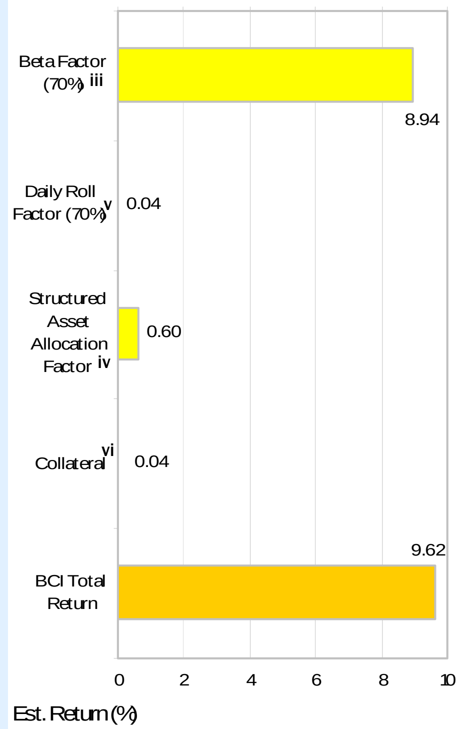
*BCI℠ return attributable to each commodity.

Exhibit 9: BCI℠ Market Factor Decomposition* Q2 2009



*BCI℠ return attributable to each sector.

Exhibit 10: BCI℠ Style Factor Decomposition* Q2 2009



*Factor contribution to BCI℠ total return.

Exhibit 11: Q2 2009 BCI℠ and Fully Invested Index[vii]

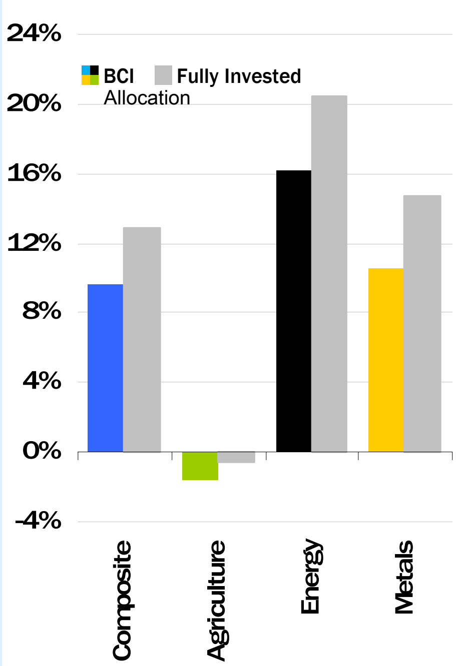


Exhibit 12: Q2 2009 Volatility of BCI℠ and Fully Invested Index[vii]

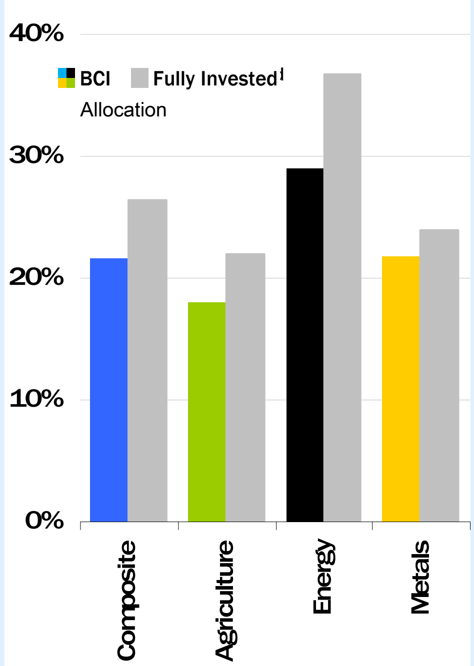
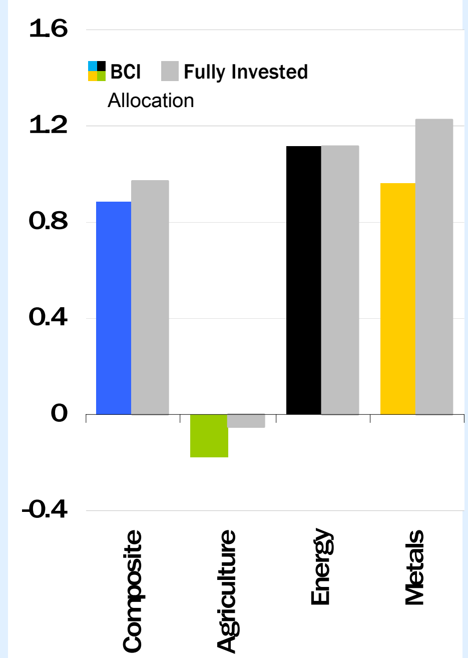


Exhibit 13: Q2 2009 Sharpe Ratio of BCI℠ and Fully Invested Index[vii]



Source: Bache Commodities Group

iii, iv, v, vi and vii : Please see Notes on page 8

Economic Environment for Commodities

Global Economic Growth

The global economy began to see increasing signs of life in the second quarter of 2009, with recognition by governmental and multilateral organizations that the pace of economic contraction was slowing. While markets broadly echoed this sentiment, there is still concern that the global economic recovery will take some time.

The Organisation for Economic Cooperation and Development (OECD) raised its forecast for the economy of its 30 member nations for the first time in two years on June 24. The OECD said the economy of the world's most-industrialized countries will contract 4.1% in 2009 and expand 0.7% in 2010. This compares with March projections for contractions of 4.3% for 2009 and 0.1% for 2010. The World Bank also issued a report in June that points to the beginning of a global economic recovery, albeit a subdued one.

The U.S. economy decreased at an annual rate of 5.5% in the first quarter of 2009 from the fourth quarter of 2008, according to the U.S. Department of Commerce. The OECD revised its projection for U.S. growth to a contraction of –2.8% for 2009 compared to a March prediction of –4.0%. At the same time, the OECD expects U.S. unemployment to rise to around 10% over the next two years.

The U.S. Federal Reserve opted to leave benchmark interest rates static in the second quarter. The target range for the U.S. federal funds rate is 0 to 0.25%, and the U.S. Federal Open Market Committee said in a statement in June that information received since April suggests that the pace of economic contraction in the U.S. is slowing, although economic activity is likely to remain weak "for a time." The dollar fell 5.9% versus the euro in the second quarter, which was the first quarterly drop since March 2008.

The European Central Bank (ECB) lowered its key rate 25 bps in April and 25 bps again in May, leaving its key interest rate at a new low of 1.00%. The OECD said that signs of recovery are not yet clearly visible in the Euro area. In Japan, the Bank of Japan's key interest rate remains around 0.1% with no change in the second quarter.

Reflecting the improved economic sentiment in the second quarter, global stock markets showed double-digit gains. The S&P 500 Total Return Index rose 15.93% for the quarter, and the MSCI World Index climbed 20.75%. Global bonds gained as well, with the Lehman Global Aggregate Index up 4.93% in the second quarter.

Summary

A global economic recovery appeared to gain a footing in the second quarter. Signs of a nascent recovery at best—or a slowing of the contraction by less optimistic viewpoints—helped take the BCI℠ to its first positive quarter in a year. A newly published research report found that following a major decline, commodity prices gained an average of 33.2% off their lows in the next 12 months. At the end of June, the BCI℠ was roughly 15% above the low set in early March. If this historical pattern continues, commodities will extend their gains the second half of the year.

A1: BCI^{SM} Commodity Markets effective June 30, 2009

Commodity Market	Exchange	Sector	Sub-Sector	BCI^{SM} Allocation (%)
Corn	CBOT	Agriculture	Grains	7.5
Soybeans	CBOT	Agriculture	Grains	5
Wheat	CBOT	Agriculture	Grains	5
Coffee	ICE US	Agriculture	Soft	2.5
Cotton	ICE US	Agriculture	Soft	2.5
Sugar	ICE US	Agriculture	Soft	2.5
Lean Hogs	CME	Agriculture	Livestock	2.5
Live Cattle	CME	Agriculture	Livestock	2.5
WTI Crude Oil	NYMEX	Energy	Crude Oil	20
Brent Crude	ICE Europe	Energy	Crude Oil	5
Gasoil	ICE Europe	Energy	Distillates	10
Gasoline	NYMEX	Energy	Distillates	2.5
Heating Oil	NYMEX	Energy	Distillates	2.5
Natural Gas	NYMEX	Energy	Natural Gas	10
Copper	LME	Metals	Industrial	5
Aluminum	LME	Metals	Industrial	2.5
Nickel	LME	Metals	Industrial	2.5
Gold	COMEX	Metals	Precious	7.5
Silver	COMEX	Metals	Precious	2.5

A2: Analysis of Dynamic Weighting Changes Q2 2009

	End Mar 2009	End Jun 2009	Q2 2009 Change	Min Q2 Weight	Average Q2 Weight	Max Q2 Weight
Corn	6.1	5.1	(1.0)	4.5	6.3	7.6
Soybeans	3.5	4.4	0.9	3.5	4.7	5.1
Wheat	2.2	3.6	1.4	2.2	3.6	5.1
Coffee	1.7	1.7	(0.0)	1.3	1.9	2.5
Cotton	1.5	1.9	0.4	1.5	2.1	2.5
Sugar	2.0	2.4	0.4	1.9	2.3	2.6
Lean Hogs	1.3	1.0	(0.2)	0.9	1.2	1.6
Live Cattle	1.0	1.4	0.4	1.0	1.5	2.0
WTI Crude Oil	16.2	20.0	3.8	12.2	18.0	20.7
Brent Crude	4.3	5.0	0.7	3.1	4.6	5.1
Gasoil	7.6	9.0	1.4	4.1	8.4	10.3
Gasoline	2.5	2.1	(0.4)	1.6	2.3	2.6
Heating Oil	2.0	2.5	0.5	1.0	2.1	2.6
Natural Gas	4.0	6.9	2.9	3.8	5.4	8.0
Copper	5.1	5.0	(0.1)	4.0	4.8	5.2
Aluminum	1.7	2.5	0.8	1.7	2.2	2.6
Nickel	1.0	2.5	1.4	1.0	2.2	2.6
Gold	5.6	5.9	0.2	3.4	5.6	7.5
Silver	2.0	1.9	(0.1)	1.4	2.0	2.5
Total Commodity	71.2	84.6	13.4	61.9	81.1	92.5
Cash	28.8	15.4	(13.4)	7.5	18.9	38.1

Source: Bache Commodities Group

A3: Bache Commodity Index℠ Total Returns (USD), January 1991 to June 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	StDev
1991	(5.6)	0.9	1.4	2.0	0.2	(2.0)	2.7	2.0	0.8	2.4	(2.8)	(3.4)	(1.7)	9.3
1992	0.9	(0.5)	1.3	2.5	3.6	(0.3)	1.2	(0.1)	1.7	(1.6)	(0.1)	0.4	9.3	5.0
1993	(0.6)	1.7	2.0	1.1	(1.9)	(0.4)	1.2	(0.4)	(1.8)	(2.3)	(1.2)	0.6	(2.0)	5.1
1994	3.9	(1.6)	0.1	3.8	6.0	3.4	2.8	(4.1)	(0.2)	0.1	(0.5)	1.5	15.9	9.8
1995	(0.3)	1.6	1.6	3.1	(1.1)	(0.8)	1.2	2.0	(0.0)	0.1	2.0	7.3	17.8	7.9
1996	(0.5)	3.8	6.5	5.7	(1.0)	2.3	(1.8)	4.9	3.4	0.2	5.8	3.0	37.2	9.9
1997	0.1	0.1	1.7	2.2	1.5	(4.7)	2.0	0.9	1.4	1.3	(4.3)	(2.5)	(0.6)	8.5
1998	0.5	(2.8)	(0.1)	(1.4)	(2.2)	(0.6)	(3.9)	(2.5)	6.0	(4.4)	(6.0)	(0.6)	(17.0)	10.5
1999	(0.6)	(2.1)	12.7	4.7	(4.7)	4.7	2.3	5.4	4.5	(3.4)	3.5	2.3	32.1	16.3
2000	5.5	4.9	0.0	(0.4)	8.5	4.4	(4.7)	9.2	(0.1)	(0.7)	6.3	(0.1)	37.1	14.9
2001	(2.9)	0.1	(1.4)	2.5	(2.2)	(3.6)	0.9	(0.2)	(7.6)	(1.8)	(1.5)	(1.2)	(17.8)	8.7
2002	(1.2)	2.3	11.8	(0.4)	(2.6)	2.0	(0.1)	3.4	3.4	(1.4)	0.6	5.2	24.7	13.4
2003	8.2	6.2	(8.3)	(1.8)	4.5	(0.5)	1.3	3.3	(2.0)	2.1	0.1	5.5	18.9	15.5
2004	3.0	7.1	2.5	0.8	4.0	(3.5)	4.2	(1.4)	7.7	2.8	(1.3)	(4.0)	23.4	13.2
2005	2.4	4.5	6.0	(5.3)	(1.4)	1.5	4.5	10.2	2.8	(5.1)	(0.0)	1.8	22.9	15.3
2006	3.5	(5.8)	2.5	5.1	0.2	(0.6)	2.0	(4.6)	(3.9)	0.8	3.6	(4.3)	(2.5)	12.8
2007	(0.2)	3.3	2.1	1.2	(1.1)	1.4	3.5	(3.1)	6.7	5.8	(2.6)	4.0	22.6	10.8
2008	1.5	9.8	(2.5)	5.0	6.2	7.5	(9.1)	(4.1)	(5.1)	(10.9)	(4.3)	(2.9)	(10.7)	23.1
2009	(2.2)	(2.0)	2.0	0.1	11.6	(1.9)							7.2	20.4
Full Period													10.4	12.9
Avg in Month	0.8	1.7	2.2	1.6	1.5	0.4	0.6	1.2	1.0	(0.9)	(0.1)	0.7		

* Returns prior to January 2007 are pro forma.

**Standard deviation is calculated as annualized standard deviation of monthly total returns, except current year which uses daily returns.

Source: Bache Commodities Group

Notes

i. **BCI℠ returns** quoted in this report are for the Total Return version of the Index, which includes the return to the 91-day Treasury Bill yield in addition to the return attributable to changes in the underlying futures contracts.

ii. **Standard deviation** is calculated as annualized standard deviation of daily total returns.

iii. **Beta Factor** is 70% of the return to the Fully Invested Index (Excess Return).

iv. **Structured Asset Allocation Factor** is the return provided by the dynamic risk reduction methodology.

v. **Daily Roll Factor** is the incremental return attributable to the use of the daily roll methodology versus rolling at the end of the roll period.

vi. **Collateral** is based on the 91-day Treasury bill yield.

vii. **Fully Invested Index** is calculated using the same weights and roll schedule as the BCI℠, but assumes that rolls take place at the end of the BCI℠ roll period (rather than the daily roll methodology actually employed by the BCI℠) and is also calculated without the dynamic risk reduction feature of the BCI℠.

Disclosure

The returns presented in this document prior to February 1, 2007, were determined based on the pro forma calculations of the historical performance of the BCI℠. Because the BCI℠ was not actually being calculated and published during these prior periods, and no actual trading was conducted in accordance with the BCI℠, these returns could be considered to be hypothetical performance results. Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any trading program or strategy will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved.

One of the limitations of hypothetical performance results is that they are necessarily prepared with the benefit of hindsight and, if the BCI℠ were actually being calculated and published during these periods, it might have been based on different criteria and a different methodology. Moreover, the market conditions that existed during prior periods will most likely not be repeated and this difference could adversely affect performance. There are numerous factors related to the markets in general or the implementation of any investment strategy, which cannot be fully accounted for in the preparation of hypothetical results and all of which can adversely affect actual trading results, including but not limited to market liquidity, general levels of interest rates and the effect on the relevant markets of political, economic or other external events. In addition, hypothetical performance results do not involve financial risk, and no hypothetical performance results can completely account for the impact of financial risk in actual performance.

The hypothetical performance results shown were derived from a model based on an asset allocation strategy and daily roll strategy. The hypothetical performance reflects the historical contract daily return plus daily interest on the funds hypothetically committed to the investment. The hypothetical performance returns are estimates using current and historical futures price data as described. Historical results should not and cannot be viewed as an indicator of future results. For a more complete description of the BCI℠, reference is made to The Guide to the Bache Commodity Index℠.

The hypothetical performance results do not reflect any management fees, transaction costs or expenses which would reduce your actual return. Indexes are unmanaged and one cannot invest directly in an index. Past performance is no guarantee of future results.

The comments, opinions, and estimates contained in this document are based on, or derived from publicly available information from sources that Bache's Global Commodities Group believes to be reliable. We do not guarantee their accuracy. This information is provided for informational purposes only and sets forth our views as of this date. The underlying assumptions, and these views are subject to change. There is no guarantee that the views expressed will be realized. Bache Commodities Group from time to time, issues reports based on fundamentals, such as expected trends in supply and demand, as well as reports based on technical factors, such as price and volume movements. Since such reports rely upon different criteria, there may be instances when their conclusions are not in concert.

Information for inclusion in, or for use in, the calculation of the Index is obtained from sources whose accuracy is believed to be reliable but which may be subject to errors in data sources.

Notes regarding the returns shown on the previous pages:

1) Returns reflected assume the 91 day Treasury bill rate earned on securities investments. While this rate will serve as the securities benchmark for program investors, it should be noted that the actual rate of return on securities portfolios may be above or below such rate.

2) The returns also reflect only the price performance of the BCI℠, not the performance of any actual account or group of accounts traded pursuant to the BCI℠. Accordingly, these returns are hypothetical in nature in that they were calculated without regard to the risks of loss ordinarily associated with actual trading.

3) The returns do not reflect the costs ordinarily associated with actual BCI℠ investment account.