



Information Circular: United States Commodities Index Funds Trust

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: NASDAQ / BX / PHLX Listing Qualifications Department

Date: June 19, 2012

Exchange-Traded Fund

Symbol CUSIP #

United States Metals Index Fund

USMI 911718302

Background Information on the Fund

As more fully explained in the Registration Statement (No. 333-170844), the United States Metals Index Fund (the "Fund" or "USMI"), is a commodity pool that is not registered as an investment company under the Investment Company Act of 1940. Each Unit of the Fund (the "Unit" or "Units" or "Shares") represents a fractional undivided beneficial interest in the net assets of the Fund. USMI is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

The investment objective of USMI is for the daily changes in percentage terms of its Units' net asset value ("NAV") to reflect the daily changes in percentage terms of the SummerHaven Dynamic Metals Index Total Return (the "Metals Index"), less USMI's expenses. The Metals Index is designed to reflect the performance of a diversified group of industrial and precious metals. USMI's sponsor does not intend to operate USMI in a fashion such that its per unit NAV will equal, in dollar terms, the spot prices of the commodities underlying the futures contracts that comprise the Metals Index.

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 ("NYMEX"), London Metal Exchange ("LME") and Commodity Exchange Inc. ("COMEX") 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."

The trading advisor for USMI is SummerHaven Investment Management, LLC ("SummerHaven"). The Sponsor expects to manage the investments of USMI directly, using the trading advisory services of SummerHaven for guidance with respect to the Metals Index and the Sponsor's selection of investments on behalf of USMI. The Sponsor is also authorized to select futures commission merchants to execute transactions in

Benchmark Component Metals Futures Contracts and Other Metals-Related Investments on behalf of USMI. The Sponsor, SummerHaven Indexing, and SummerHaven are not affiliated with a broker-dealer and are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Metals Index or the portfolio of USMI.

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.

In order for a hypothetical investment in Units to break even over the next 12 months, assuming an initial selling price of \$25.00 per Unit, the investment would have to generate a 1.16% return.

The Sponsor endeavors to place USMI's trades in Metals Interests and otherwise manage USMI's investments so that "A" will be within plus/minus 10 percent of "B," where:

- A is the average daily percentage change in USMI's NAV for any period of 30 successive NYSE Arca trading days as of which USMI calculates its NAV; and
- B is the average daily percentage change in the Metals Index over the same period.

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

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.

USMI creates Units only in Creation Baskets and redeems Units only in blocks of 50,000 Units called Redemption Baskets. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets, respectively. 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 Units of any baskets it does create. Baskets are generally created when there is a demand for Units, including, but not limited to, when the market price per Unit is at a premium to the NAV per Unit. Authorized Purchasers will then sell such Units, which will be listed on the NYSE Arca, to the public at per Unit offering prices that are expected to reflect, among other factors, the trading price of the Units on the NYSE Arca, the NAV of USMI at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Units to the public, the supply of and demand for Units at the time of sale, and the liquidity of the Benchmark Component Metals Futures Contracts and Other Metals-Related Investments. Baskets are generally redeemed when the market price per Unit is at a discount to the NAV per Unit. Retail investors seeking to purchase or sell Units on any day will effect such transactions in the secondary market, on the NYSE Arca, at the market price per Unit, rather than in connection with the creation or redemption of baskets.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, position limits on certain Benchmark Component Metals Futures Contracts or Other Metals-Related Investments may practically limit the number of Creation Baskets that will be sold for USMI if the Sponsor determines that the other investment alternatives available to USMI at that time will not enable it to meet its stated investment objective.

Other than to address monthly changes in the Benchmark Component Metals Futures Contracts, in managing USMI'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 Metals Interests with an aggregate market value that approximates the amount of cash received or paid upon the purchase or redemption of the basket(s).

Note to Secondary Market Investors: The Units can be directly purchased from or redeemed by USMI only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket consists of 50,000 Units and is expected to be worth millions of dollars. Individual investors, therefore, will not be able to directly purchase Units from or redeem Units with USMI. Some of the information contained in this prospectus, including information about buying and redeeming Units directly from and to USMI is only relevant to Authorized Purchasers. Units of USMI are listed and traded on the NYSE Arca and may be purchased and sold as individual Units. Individuals interested in purchasing Units in the secondary market should contact their broker. Units purchased or sold through a broker may be subject to commissions.

Please see the Fund's prospectus for more information regarding the Fund and its investment objective.

The registration statement for the Fund describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the underlying Index, visit the Fund's website at www.unitedstatesmetalsindexfund.com.

Purchases and Redemptions in Creation Unit Size

NASDAQ members, BX members and PHLX members and member organizations are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Fund of the principal risks of an investment in the Fund. These include tracking error risk (factors causing the Fund's performance to not match the performance of the underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, concentration risk, metals industry risk and commodity risk.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading of the Shares on BX is on a UTP basis and is subject to BX equity trading rules. Trading of the Shares on PHLX's PSX system is on a UTP basis and is subject to PHLX rules.

Trading Hours

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. ET. The Shares will trade on BX between 8:00 a.m. and 7:00 p.m. ET. The Shares will trade on PSX between 9:00 a.m. and 5:00 p.m. ET. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Fund during these sessions, when the underlying index's values, intraday indicative value, or similar value may not be disseminated or calculated.

Dissemination of Fund Data

The Consolidated Tape Association will disseminate real time trade and quote information for the Funds to Tape B.

Fund Name	Listing Market	Trading Symbol	IOPV Symbol	NAV Symbol
United States Metals Index Fund	NYSE Arca	USMI	USMI.IV	USMI.NV

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of NASDAQ Rule 2310. Trading in the Shares on BX will be subject to the provisions of BX Equity Rule 2310.

Shares trading on PSX will be subject to the provisions of PHLX Rule 763. Members and member organizations 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 both the NASDAQ Conduct Rules and the BX Conduct Rules.

NASDAQ members, BX members and PHLX members and member organizations should also review NASD 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.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with NASDAQ Rule 4120. BX will halt trading in the Shares of a Fund in accordance with BX Equity Rule 4120. PHLX will halt trading in the Shares of a Fund in accordance with PHLX Rule 3100. The grounds for a halt under these rules include a halt by the primary market because the intraday indicative value of the Fund, the value of its underlying index, or a similar value are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Shares of a Fund if the primary market delists the Fund.

Delivery of a Prospectus

NASDAQ members, BX members and PHLX members and member organizations should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund.

Prospectuses may be obtained through the Fund’s website. The prospectus for the Funds does not contain all of the information set forth in the Fund’s registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). For further information about the Fund, please refer to the registration statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, NASDAQ Rules 5705 and 5740, BX Equity Rules 4420 and 4421, and PHLX Rule 803 require that members and member organizations, respectively, provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, members and member organizations shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by members or member organizations to customers or the public making specific reference to the Shares

as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of the Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

Any NASDAQ, BX or PHLX member or member organization carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to NASDAQ members, BX members and PHLX members or member organizations under this rule.

Upon request of a customer, NASDAQ members, BX members and PHLX members or member organizations shall provide a copy of the prospectus.

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

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Fund.

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 SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Fund to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned 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 SEC 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 SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the

number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing Creation Unit Aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- 1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- 2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- 3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- 1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- 2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- 3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers

that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of the Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Shares of the Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(I)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of the Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit 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.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the Fund's prospectus and/or the Fund's website for relevant information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Listing Qualifications, at 301.978.8088
- NASDAQ / BX / PSX Market Sales, at 800.846.0477