New York Oil ETF, LP
Form S-1
May 16, 2005

As filed with the Securities and Exchange Commission on May 16, 2005
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
New York Oil ETF, LP
(Exact name of Registrant as specified in its charter)

Delaware	**6799**	**20-2830691**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

1320 Harbor Bay Parkway, Suite 145
Alameda, California 94502
1.800.394.5064
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)
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(Name, address, including zip code, and telephone number, including area code, of agent for service)
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

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. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Units of New York Oil ETF, LP	1,000,000 Units	$50.45	$50,450,000	$5,937.97

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(d) under the Securities Act of 1933. The price of each Unit is estimated based on the closing price of near month Oil Futures Contracts on the New York Mercantile Exchange of $50.45 on May 11, 2005.

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 of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

1,000,000 Units

New York Oil ETF, LP

The New York Oil ETF, a Delaware limited partnership (the Fund or Us) is an exchange-traded fund that is registered as a commodity pool. The Fund issues Units (Units) that may be purchased and sold on the [Stock Exchange]. The investment objective of the Fund is for the Unit s net asset value (NAV) to reflect the performance of the price of light, sweet crude oil, less the Fund s expenses.

The Fund invests in futures contracts for light, sweet crude oil that are traded on the New York Mercantile Exchange (Oil Futures Contracts) and Other Oil Interests such as options on Oil Futures Contracts, forward contracts for oil, and over-the-counter transactions that are based on the price of oil. The General Partner, Standard Asset Management, LLC (the General Partner), is authorized by the Limited Partnership (LP) Agreement to manage the Fund. Although it is not contemplating doing so at this time, the General Partner is authorized by the Fund, in its sole judgment, to employ, establish the terms of employment for, and terminate commodities trading advisors or future commissions merchants.

The General Partner believes that the Fund s NAV will closely track the price of the Oil Futures Contracts the Fund purchases. Specifically, the General Partner will endeavor to place the Fund s trades in Oil Futures Contracts and otherwise manage the Fund s investments so that A will be within ±10 percent of B, where:

A is the average daily change in the Fund s NAV for any period of 30 successive Valuation Days (any day as of which the Fund calculates its NAV), and

B is the average daily change in the price of Oil Futures Contract over the same period. For purposes of this calculation only, Oil Futures Contract means the near-month Oil Futures Contract, except that on each Valuation Day within the two week period preceding a monthly expiration date, Oil Futures Contract means the one month out Oil Futures Contract.

The General Partner also believes that market arbitrage opportunities will cause the Fund s Unit price on the Stock Exchange to closely track the Fund s NAV and that the price of Oil Futures Contracts has historically closely tracked the spot price of light, sweet crude oil. The General Partner believes that the net effect of these expected interrelationships will be that the price of the Fund s Units on the Stock Exchange will closely track the spot price of a barrel of light, sweet crude oil, less the Fund s expenses.

This is a best efforts offering. The Fund is offering Creation Baskets consisting of 100,000 Units through **[name of Distributor]** (Distributor), as distributor, to Authorized Purchasers. [Name of initial authorized purchaser] is expected to be the Initial Authorized Purchaser. The Initial Authorized Purchaser has agreed, subject to conditions, to purchase the initial Creation Basket of 100,000 Units at an initial offering price per unit equal to the opening price of near-month Oil Futures Contracts as traded and reported on the New York Mercantile Exchange on the first day of the offering. Authorized Purchasers will pay a $1,000 fee for the creation of each Creation Basket. The per unit price of Units offered in creation baskets on any subsequent day will be the total NAV of the Fund calculated on that day divided by the number of issued and outstanding Units. Distributor is not required to sell any specific number or dollar amount of Units, but will use its best efforts to sell the Units offered.

Investing in the Fund involves significant risks. See What are the Risk Factors Involved With An Investment In the Fund? starting on page 5.

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.

	Per Unit	**Per Basket**
Initial Public Offering Price for the Initial Baskets	$	$

The information in this 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 prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted.

This prospectus contains information you should consider when making an investment decision about the Units. You may rely on the information contained in this prospectus. Neither the Fund nor its General Partner have authorized any person to provide you with different information and, if anyone provides you with different or inconsistent information, you should not rely on it. This prospectus is not an offer to sell the Units in any jurisdiction where the offer or sale of the Units is not permitted.

The information contained in this prospectus was obtained from us and other sources believed by us to be reliable. This prospectus also incorporates important business and financial information about us that is not included in or delivered with this prospectus.

You should rely only on the information contained in this prospectus or any applicable prospectus supplement and any information incorporated by reference in this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with any information that is different. If you receive any unauthorized information, you must not rely on it. You should disregard anything we said in an earlier document that is inconsistent with what is included in or incorporated by reference in this prospectus or any applicable prospectus supplement. Where the context requires, when we refer to this prospectus, we are referring to this prospectus and (if applicable) the relevant prospectus supplement.

You should not assume that the information in this prospectus or any applicable prospectus supplement is current as of any date other than the date on the front page of this prospectus or the date on the front page of any applicable prospectus supplement.

We include cross references in this prospectus to captions in these materials where you can find further related discussions. The table of contents tells you where to find these captions.

The date of this prospectus is , 2005.

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Until , 2005 (25 days after the date of this prospectus), all dealers effecting transactions in the offered Units, 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, pla anticipate, believe, estimate, predict, potential or the negative of these terms or other comparable terminology. A 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 changes in inflation in the United States (the U.S.), movements in the stock market, movements in the U.S. and foreign currencies, and movements in the commodities markets and indexes that track such movements, the Fund s operations, the General Partner 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 General Partner 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 General Partner 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 the actual results or developments the General Partner 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 the Units. Moreover, neither the General Partner nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements. Neither the Fund nor the General Partner is under a duty to update any of the forward-looking statements to conform such statements to actual results or to reflect a change in the General Partner s expectations or predictions.

Patent Application Pending

A patent application directed to the creation and operation of the Fund is pending at the United States Patent and Trademark Office.

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. LARGE 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, 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 PROSPECTUS CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING ON PAGES [72 AND 73] AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, ON PAGE [15].

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 PROSPECTUS, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING ON PAGE .

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.

Glossary of Defined Terms

In this prospectus, each of the following terms have the meanings set forth after such term:

Authorized Purchaser: A market maker that purchases or redeems creation baskets or redemption baskets, respectively, from or to the Fund.

Book Entry System: The Federal Reserve Treasury Book Entry System for United States and federal agency securities.

CFTC: Commodities Futures Trading Commission, an independent agency with the mandate to regulate commodities futures and options in the United States.

Commodity Pool: An enterprise in which several individuals contribute funds in order to trade futures or future options collectively.

Commodity Pool Operator: Any person engaged in a business which is of the nature of an investment trust, syndicate, or similar for of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in any commodity for future delivery or commodity option on or subject to the rules of any contract market.

Creation Basket: A block of 100,000 units used by the Fund to issue Units.

DTC: The Depository Trust Company. It is anticipated that DTC will act as the securities depository for the Units.

Fund: The New York Oil ETF, LP.

General Partner: Standard Asset Management, LLC, a Delaware limited liability company, which is expected to be registered as a Commodity Pool Operator, who controls the investments and other decisions of the Fund.

Investor: Beneficial owner of the Units.

IOPV: Indicative Optimized Portfolio Value. The IOPV is designed to give investors a sense of the value of Oil Futures Contracts.

Limited Liability Company (LLC): A type of business ownership combining several features of corporation and partnership structures.

LP Agreement: Form of the First Amended and Restated Limited Partnership Agreement.

Margin: The amount of equity required for an investment in Oil Futures Contracts.

NASAA: North American Securities Administration Association, Inc.

NAV: Net Asset Value of the Fund.

NSCC: National Securities Clearing Corporation.

NYMEX: New York Mercantile Exchange.

Oil Forward Contract: A supply contract between principals, not traded on an exchange, to buy or sell a specified quantity of light, sweet crude oil at or before a specified date at a specified price.

Oil Futures Contract: A standardized contract traded on the NYMEX that calls for the future delivery of a specified quantity at a specified time and place.

Oil Interests: Oil Futures Contracts and Other Oil Interests.

Other Oil Interests: Oil-related investments other than Oil Futures Contracts and includes options and over-the-counter contracts such as forward contracts, swap contracts, and spot contracts.

Option: The right, but not the obligation, to buy or sell a futures contract or forward contract at a specified price on or before a specified date.

Over-the-Counter Derivative: A financial contract, whose value is designed to track the return on stocks, bonds, currencies, commodities, or some other benchmark, that is traded over-the-counter or off organized exchanges.

Redemption Basket: A large block used by the Fund to redeem Units.

SEC: Securities and Exchange Commission.

Secondary Market: The stock exchanges and the over-the-counter market. Securities are first issued as a primary offering to the public. When the securities are traded from that first holder to another, the issues trade in these secondary markets.

Units: Unit of fractional undivided beneficial interest in and ownership of the Fund.

Spot contract: A cash market transaction in which the buyer and seller agree to the immediate purchase and sale of a commodity, usually with a two-day settlement.

Swap contract: An over-the-counter derivative that generally involves an exchange of a stream of payments between the contracting parties based on a notional amount and a specified index.

Treasuries: Short-term securities issued by the U.S. Treasury.

Valuation Day: Any day as of which the Fund calculates its NAV.

You: The owner of Units.

Prospectus Summary

This is only a summary of the prospectus and, while it contains material information about the Fund and its Units, it does not contain or summarize all of the information about the Fund and the Units 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 , before making an investment decision about the Units.

Overview of the Fund

The New York Oil ETF, a Delaware limited partnership (the Fund or Us), is an exchange-traded fund. The Fund issues units (Units) that may be purchased and sold on the [Stock Exchange]. The investment objective of the Fund is for the Units net asset value (NAV) to reflect the performance of the price of light, sweet crude oil, less the Fund s expenses.

The Fund invests in futures contracts for light, sweet crude oil that are traded on the New York Mercantile Exchange (Oil Futures Contracts) and Other Oil Interests such as options on Oil Futures Contracts, forward contracts for oil, and over-the-counter transactions that are based on the price of oil. The General Partner which is in the process of registering as a commodity pool operator, is authorized by the LP Agreement to manage the Fund. Although it is not contemplating doing so at this time, the General Partner is authorized by the Fund in its sole judgment, to employ, establish the terms of employment for, and terminate commodities trading advisors or future commissions merchants.

The General Partner believes that the Fund s NAV will closely track the price of the Oil Futures Contracts the Fund invests in. Specifically, the General Partner will endeavor to place the Fund s trades in Oil Futures Contracts and otherwise manage the Fund s investments so that A will be within ±10 percent of B, where:

A is the average daily change in the Fund s NAV for any period of 30 successive Valuation Days (any day as of which the Fund calculates its NAV), and

B is the average daily change in the price of Oil Futures Contract over the same period. For purposes of this calculation only, Oil Futures Contract means the near-month Oil Futures Contract, except that on each Valuation Day within the two week period preceding a monthly expiration date, Oil Futures Contract means the one month out Oil Futures Contract.

The General Partner also believes that market arbitrage opportunities will cause the Fund s Unit price on the Stock Exchange to closely track the Fund s NAV and that the price of Oil Futures Contracts has historically closely tracked the spot price of light, sweet crude oil. The General Partner believes that the net effect of these expected interrelationships will be that the price of the Fund s Units on the Stock Exchange will closely track the spot price of a barrel of light, sweet crude oil, less the Fund s expenses.

The General Partner employs a neutral investment strategy intended to track the price of light, sweet crude oil regardless of whether the price of oil goes up or goes down. The Fund s neutral investment objective is designed to permit investors generally to purchase and sell the Fund s Units for the purpose of investing indirectly in oil in a cost-effective manner, and/or to permit participants in the oil or other industries to hedge the risk of losses in their oil-related transactions. Accordingly, an investment in the Fund involves the risk that the price of the Fund s Units will not accurately track the price of light, sweet oil and, depending on the investment objective of an individual investor, the risks generally associated with investing in oil and/or the risks involved in hedging.

The Fund issues and redeems Units only in blocks called Creation Baskets and Redemption Baskets, respectively. Units may also be purchased and sold in smaller increments on the [Stock Exchange]. However, these transactions are not made at the NAV of the Fund s Units, but at market prices that may vary throughout the day and may differ from the Fund s NAV. Like any listed security, exchange-traded Units of the Fund can be purchased and sold at any time a secondary market is open.

Note to Secondary Market Investors: The Units can be purchased or redeemed directly from the Fund only in Creation Baskets or Redemption Baskets, respectively. Each Creation Basket and Redemption Basket consists of 100,000 Units and is expected to be worth several million dollars. Most individual investors, therefore, will not be able to purchase or redeem Units directly from the Fund. Some of the information contained in this prospectus, including information about buying and selling Units directly from and to the Fund is not relevant to most investors. Units are also listed and traded on the [Stock Exchange] 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.

Except when aggregated in redemption Baskets, Units are not redeemable securities. There is no guarantee that Units will trade at or near NAV.

The Fund was organized as a limited partnership (LP) under Delaware law on May 12, 2005. The Fund is operated pursuant to an LP Agreement, which is included as Exhibit . It is managed and controlled by the General Partner, Standard Asset Management, LLC. The General Partner is expected to be registered as a commodities pool operator (CPO) with the National Futures Association (NFA).

The Fund s Investments

The Fund invests primarily in Oil Futures Contracts, which are futures contracts for light, sweet crude oil traded on the NYMEX. The Fund may also invest in U.S. and international futures and forward contracts and other interests light, sweet crude oil, including options on futures contracts, forward contracts for oil, spot contracts, and swap contracts. A brief description of the types of instruments in which the Fund may invest is set forth below.

The Oil Futures Contract is a standardized contract traded on the NYMEX that calls for the future delivery of a specified quantity of light, sweet crude oil at a specified time and place.

A forward contract for oil is supply contract between principals, not traded on an exchange, to buy or sell a specified quantity of oil at or before a specified date at a specified price.

An option on an oil futures contract, forward contract or oil 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 oil, as applicable, at a specified price on or before a specified date. Options on futures contracts are standardized contracts traded on an exchange, while options on forward contracts and commodities, referred to collectively in this prospectus as over-the-counter options, generally are individually negotiated, principal-to-principal contracts not traded on an exchange.

A spot contract is a cash market transaction in which the buyer and seller agree to the immediate purchase and sale of oil, usually with a two-day settlement. Spot contracts are not uniform and are not exchange- traded.

A swap contract is an over-the-counter negotiated contract that generally involves an exchange of a stream of payments between the contracting parties. Swap contracts generally are not uniform and not exchange-traded.

For convenience and unless otherwise specified, futures contracts, forward contracts, options contracts and Other Oil Interests collectively are referred to as Oil Interests in this prospectus.

A more detailed description of futures contracts, forward contracts, options contracts, other oil interest contracts and other aspects of the oil and oil interest markets can be found on page .

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 .

There is the risk that the price of the Fund s Units will not closely track the spot price of oil. This could happen if the price of Units traded on the Exchange does not correlate closely with the Fund s NAV; the Fund s NAV does not closely correlate with the price of Oil Futures Contracts; or the price of the Oil Futures Contracts purchased and sold by the Fund, which is expected to be primarily be near-month contracts, does not closely correlate with the cash or spot price of light, sweet crude oil. Although the General Partner expects these correlations to exist, there is no guarantee they will.

Although the General Partner believes that the Fund s investment strategy of investing in Oil Futures Contracts will cause the Fund s NAV to accurately and consistently track the performance of the price of light, sweet crude oil, there is no guarantee that this investment strategy will be effective.

The Fund seeks to have its NAV track the price of light, sweet crude oil rather than profit from speculative trading of Oil Futures Contracts or Other Oil Interests based on the price of oil. The General Partner will therefore endeavor to manage the Fund s positions in Oil Futures Contracts so that the Fund s assets are, unlike other commodities pools, not leveraged (*i.e.,* the aggregate value of the contracts does not exceed the Fund s assets). There is no assurance that the General Partner will successfully implement this investment strategy. If the General Partner 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 General Partner s control and may not be anticipated by the General Partner.

The Fund trades in Oil Futures Contracts and Other Oil Interests, which, unlike typical stock or bond investing, is a zero-sum economic activity in which, for every gain, there is an equal and offsetting loss. As a result, the Fund bears the risk on every trade it makes that it will be the party that incurs a loss. If the Fund experiences more losses than gains during the period you hold Units of the Fund, you will experience a loss even if the Fund s long-term performance is positive.

Investors may choose to use the Fund as a means of investing directly or indirectly in oil or Oil Interests and there are risks involved in such investments. Among other things, the crude oil industry experiences numerous operating risks. These operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards. Environmental hazards include oil spills, natural gas leaks, ruptures or discharges of toxic gases. Crude oil operations also are subject to various U.S. federal, state and local regulations that materially affect operations.

Investors, including those who participate in the oil industry, may choose to use the Fund as a vehicle to hedge against the risk of loss and there are risks involved in hedging activities.

The General Partner expects to invest primarily in Oil Futures Contracts, which are traded in the U.S. on the NYMEX. However, it is conceivable that a portion of the Fund s trades may take place 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 Fund pays fees and expenses that are incurred regardless of whether it is profitable.

You will have no rights to participate in the management of the Fund and will have to rely on the fiduciary duty and judgment of the General Partner to manage the Fund.

The structure and operation of the Fund may involve conflicts of interest.

The Fund is new and has no operating history. Therefore, there is no performance history of this Fund to serve as a basis for you to evaluate an investment in the Fund. Neither the General Partner nor its staff has recently operated a commodity pool.

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

Principal Offices of the Fund

The Fund s principal office is located at 1320 Harbor Bay Parkway, Suite 145 Alameda, California 94502. The principal telephone number is 1.800.394.5064.

Financial Condition of the Fund

As of the opening of business on , 2005, the NAV of the Fund was $ and the NAV per Unit was $.

Breakeven Analysis

The breakeven analysis below indicates the approximate dollar returns and percentage required for the redemption value of a hypothetical $10,000 initial investment in Units to equal the amount invested twelve months after the investment was made. The breakeven analysis is an approximation only.

		Units
Assumed initial selling price per Unit	$	50
Management Fee (0.40%)*	$	0.20
Amount of trading income required for the redemption value at the end of one year to equal the initial selling price of the Unit	$	0.20
Percentage of initial selling price per Unit		0.40%

* The management fee is 0.40% of NAV for the first $1,000,000,000 of assets and 0.20% of NAV thereafter. For purposes of this analysis, we assumed that assets were equal to $1,000,000,000.

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, including the Fund s financial statements and the related notes.

Risk of Investing in Oil, Oil Futures Contracts or Other Oil Interests

Oil, Oil Futures Contracts and Other Oil Interests are non-correlative investments and the values of oil which underlies Oil Futures Contracts and Other Oil Interests are subject to additional variables that may be less significant to the values of traditional securities such as stocks and bonds.

Variables such as drought, floods, weather, embargoes and tariffs may have a larger impact on oil prices and oil-linked instruments, including Futures Contracts and Other Oil Interests, 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.

There are costs of physical storage associated with purchasing oil.

Storage costs include the time value of money invested in oil as a physical commodity plus the actual costs of storing the oil less any benefits from ownership of oil that are not obtained by the holder of a futures contract. To the extent that these storage costs change for oil while the Fund is long Oil Futures Contracts, the value of the Oil Futures Contracts, and therefore the Fund s NAV, may change as well.

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

Futures contracts and options on futures contracts markets are subject to comprehensive statutes, regulations and margin requirements. Recent legislation has created a new multi-tiered structure of exchanges in the United States subject to varying degrees of regulation, and rules and interpretations regarding various aspects of this new regulatory structure have only recently been proposed or finalized. Traditional futures exchanges, which are now called designated contract markets, are now subject to more streamlined and flexible core principles rather than the prior statutory and regulatory mandates. However, with respect to these traditional futures exchanges, the Commodities Futures Trading Commission (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 limits and the suspension of trading. The regulation of commodity interest transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by government and judicial action. In addition, various national governments have expressed concern regarding the disruptive effects of speculative trading in the currency 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.

Risk of Leverage and Volatility

Although commodity pools, in general, are subject to leverage and volatility risks, the General Partner seeks to avoid these risks by endeavoring to limit the Fund s positions so that the aggregate value of investments in Oil Futures Contracts and Other Oil Interests does not exceed the Fund s assets. There is no assurance the General Partner will successfully limit the Fund s investments.

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 entire face value. This feature of futures contract trading permits commodity pools to leverage their assets by purchasing or selling futures contracts (or other commodity interests) with an aggregate value in excess of the commodity pool s assets. While this leverage can increase the pool s profits, relatively small adverse movements in the price of the pool s futures contracts can cause significant losses to the pool.

The Fund, on the other hand, seeks only to have the price of its Units track the price of oil regardless of whether the price increases or decreases rather than attempting to profit from speculative trading of Oil Futures Contracts. The General Partner will therefore endeavor to limit the Fund s positions in Oil Futures Contracts and Other Oil Interests so that the aggregate value of the contracts does not exceed the Fund s assets. There is no assurance that the General Partner will successfully implement this investment strategy. If the General Partner 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 General Partner s control and may not be anticipated by the General Partner. For example, price movements for barrels of oil are influenced by, among other things:

- changes in interest rates;
- governmental, agricultural, 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.

Risk That the Fund s Investment Strategy Will Not Be Effective

There is a risk that the Fund s Units may trade at prices other than the Fund s NAV per Unit.

The trading prices of Units will fluctuate in accordance with changes in the Fund s NAV as well as market supply and demand. The General Partner believes, however, that the inherent pressures of arbitrageurs having the opportunity to create and redeem the Fund s Units at NAV in Creation Baskets or Redemption Baskets, respectively (unlike the shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes premiums to, their NAVs), will result in large discounts or premiums to NAV existing only for short periods of time, if at all, with the price of the Units on the [Stock Exchange] generally being within one to two percent of the NAV of the Units of the Fund. However, there is a risk that there may be a wider fluctuation. There is no guarantee that large discounts or premiums will not occur for extended periods of time.

There is a risk that the Fund s NAV will not correlate to the price of Oil Futures Contracts and Other Oil Interests.

The General Partner will endeavor to invest the Fund s assets as fully as possible in short-term Oil Futures Contracts. The General Partner believes that, if the Fund s assets are so invested, the Fund s NAV will closely correlate with the price of short-term Oil Futures Contracts. However, there is no guarantee that this correlation will occur.

There is a risk that the Oil Futures Contracts and Other Oil Interests held by the Fund will not correlate to the price of light, sweet, crude oil.

When using Oil Futures Contracts and Other Oil Interests as a strategy to track the performance of light, sweet crude oil on the spot market, at best the correlation between changes in prices of the Oil Futures Contracts and the price of oil can be only approximate. The degree of imperfection of correlation depends upon circumstances such as variations in the speculative oil market, supply of and demand for Oil

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Futures Contracts, and technical influences in oil futures trading. In addition, because the Fund incurs fees and charges and some liquidity for redemptions may be necessary on an ongoing basis, the General Partner will not typically be able to fully invest the Fund s assets in Oil Futures Contracts or Other Oil Interests and there cannot be perfect correlation between the Fund s net asset value and the Oil Futures Contracts. The General Partner will endeavor to place the Fund s trades in Oil Futures Contracts and otherwise manage the Fund s investments so that the average daily change in the Fund s NAV will correlate closely with the average daily change in the price of certain short-term Oil Futures Contracts (See , page .) There is no guarantee that this investment strategy will be successful, or that even if the strategy is successful, the price of the Fund s Units will accurately and consistently track the underlying price of light, sweet crude oil.

There may be a gain or loss on purchases and sales of short-term securities

When the Fund purchases an Oil Futures Contract, the Fund is required to deposit with the selling Futures Commodity Merchant (FCM) only a portion of the value of the contract. This deposit is known as variation margin. The Fund invests assets equal to the difference between the deposit margin and the value of the futures contract in short-term securities (Treasuries). The value of Treasuries generally moves inversely with movements in interest rates. If the Fund is required to sell Treasuries before they mature when the value of the Treasuries has declined, the Fund will experience a loss. This loss may adversely impact the price of the Units and may decrease the correlation between the price of the Units, the price of the Fund s Oil Futures Contracts, and the price of oil.

Certain of the Fund s investments could be illiquid.

The Fund may not always be able to liquidate its positions at the desired price. It is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption, such as a foreign government taking political actions that disrupt the market in its currency or in a major export, can also make it difficult to liquidate a position. Alternatively, limits imposed by futures exchanges or other regulatory organizations, such as speculative position limits and daily price fluctuation limits, may contribute to a lack of liquidity with respect to some commodity interests.

Unexpected market illiquidity may cause major losses to investors at any time or from time to time. The large face value of the positions that the General Partner will acquire for the Fund increases the risk of illiquidity by both making its positions more difficult to liquidate at favorable prices and increasing the losses incurred while trying to do so.

An investment in the Fund may not diversify an overall portfolio.

Historically, Oil Futures Contracts and Other Oil Interests have generally been non-correlated to the performance of other asset classes such as stocks and bonds. Non-correlation means that there is a low statistically valid relationship between the performance of futures and other commodity interest transactions, on the one hand, and stocks or bonds, on the other hand. Non-correlation should not be confused with negative correlation, where the performance of two asset classes would be opposite of each other. Because of this non-correlation, the Fund cannot be expected to be automatically profitable during unfavorable periods for the stock market, or vice versa. If, however, during a particular period of time, the Fund s performance moves in the same general direction as the financial markets or the Fund does not perform successfully, you will obtain little or no diversification benefits during that period from an investment in the Units. 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 losses on your other investments are increasing.

Risks of Investing in Commodity Futures Contracts

Trading in commodity interests is a zero sum economic activity, unlike stocks and bonds.

The Fund invests in commodity interests, which, unlike typical stock or bond investing, is a zero-sum economic activity in which, for every gain, there is an equal and offsetting loss. As a result, the Fund bears the risk on every trade it makes that it will be the party that incurs a loss. If the Fund experiences more losses than gains during the period you hold Units of the Fund, you will experience a loss even if the Fund s longer-term performance is positive.

The changing nature of the hedgers and speculators in the commodity markets will influence whether futures prices are above or below the expected future spot price.

In order to induce speculators to take the corresponding long side of the same futures contract, commodity producers must be willing to sell futures contracts at prices that are below expected future spot prices. Conversely, if the predominate hedgers in the futures market are the purchasers of the underlying commodity who purchase futures contracts to hedge against a rise in prices, then speculators will only take the short side of the futures contract if the futures price is greater than the expected future spot price of the commodity. This can have significant implications for the Fund when it is time to reinvest the proceeds from a maturing futures contract into a new futures contract. If the nature of hedgers and speculators in futures markets has shifted such that commodity purchasers are the predominate hedgers in the market, the Fund might reinvest at higher futures prices or choose Other Oil Interests.

Risks of Investing in Instruments Based on the Price of Crude Oil

Some investors will choose to purchase and sell the Fund s Units for the purpose of investing indirectly in oil in a cost-effective manner; however, there are risks related to investing in oil.

Crude oil drilling and production activities are subject to numerous risks. These risks include the following:

- that no commercially productive crude oil or natural gas reservoirs will be found;
- that crude oil and natural gas drilling and production activities may be shortened, delayed or canceled; and
- that the ability to develop, produce and market the Fund s reserves may be limited by:
  - title problems,
  - weather conditions,
  - compliance with governmental requirements, and
  - mechanical difficulties or shortages or delays in the delivery of drilling rigs and other equipment.

The crude oil industry experiences numerous operating risks. These operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards. Environmental hazards include oil spills, natural gas leaks, ruptures or discharges of toxic gases.

Crude oil operations also are subject to various U.S. federal, state and local 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 Unitization 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 crude oil and natural gas, these agencies have restricted the rates of flow of crude oil and natural gas wells below actual production capacity. Federal, state, and local laws regulate production, handling, storage, transportation and disposal of crude oil and natural gas, by-products from crude oil and natural gas and other substances and materials produced or used in connection with crude oil and natural gas operations.

Risks of Hedging Activities

While the Fund will not engage in hedging activities, some investors who participate in the oil or other industries may choose to use the Fund as a vehicle to hedge against the risk of loss.

While the Fund will not engage in hedging strategies, participants in the oil or other industries may use the Fund as a vehicle to hedge the risk of losses in their oil-related transactions. There are several risks in connection with the 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. The successful use of a hedging device depends on the ability of the investor to forecast correctly the direction and extent of market movements within a given time frame. To the extent market prices remain stable or such prices move in a direction opposite to that anticipated, the investor may realize a loss on the hedging transaction that is not offset by an increase in the value of its securities.

In addition, when using futures contracts as a hedging technique, at best, the correlation between changes in prices of futures contracts and of the instruments or securities 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 securities, technical influences in futures trading, and differences between the financial instruments 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 or stock market or interest rate trends as well as the expenses associated with creating the hedge.

Risk of Trading in International Markets

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

The General Partner expects to invest primarily in Oil Futures Contracts, which are traded in the U.S. on the NYMEX. However, a portion of the Fund s trades may take place on markets and 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. None of the CFTC, National Futures Association (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 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 swings in the value of the local currency against the U.S. dollar. 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.