METALS PRODUCTS

E-micro Gold Futures Contract (MGC)

Ten-to-One the Most Efficient Way to Access the World's Most Liquid Gold Market

Overview

New to our suite of gold products, which includes the 100-oz. Gold futures contract and the 50-oz. COMEX miNY Gold futures contract, is the 10-oz. E-micro Gold (MGC) futures contract. At one-tenth the size of our benchmark gold contract, this new contract is tailored to meet the demands of the active individual investor looking for the opportunity to trade physical gold in smaller increments, and for those seeking a less capital-intensive alternative to trading the largest and most liquid gold futures contract in the world.

The E-micro Gold futures contract is designed to replicate the 100-oz. gold contract in most ways, including tick size, depository locations, and termination of trading on the third last business day of the contract month. Although the E-micro Gold futures contract does not allow for delivery of a 10-oz. gold bar, investors may, through a simple accumulation and conversion process, take delivery of a 100-oz. COMEX gold warrant (which represents an actual bar of gold). This happens when an investor takes delivery of an E-micro Gold contract, and receives one Accumulated Certificate of Exchange (ACE), which represents ten-percent ownership in a 100-oz. gold bar. ACEs are backed by physical gold held in a official COMEX-Licensed Depository. When 10 ACEs have been accumulated, they may be converted into one COMEX gold warrant, which represents an actual serial-numbered bar of gold.

Benefits

- Conveniently sized and tailored to the individual investor at 1/10 of the 100-oz. gold contract
- Convertible, with 10 ACEs equivalent to one, 100-oz. COMEX gold warrant
- Backed by the security of CME Clearing
- Flexible, affording more time to make strategic market decisions; limiting risk of market timing
- Affordable, requiring lower initial capital outlay, with lower margin and Exchange fees
- Offered as part of our suite of gold products, facilitating cross-margining opportunities
- Attractive for gold option traders looking to more accurately hedge delta and gamma positions
- Accessible virtually around the clock on CME Globex

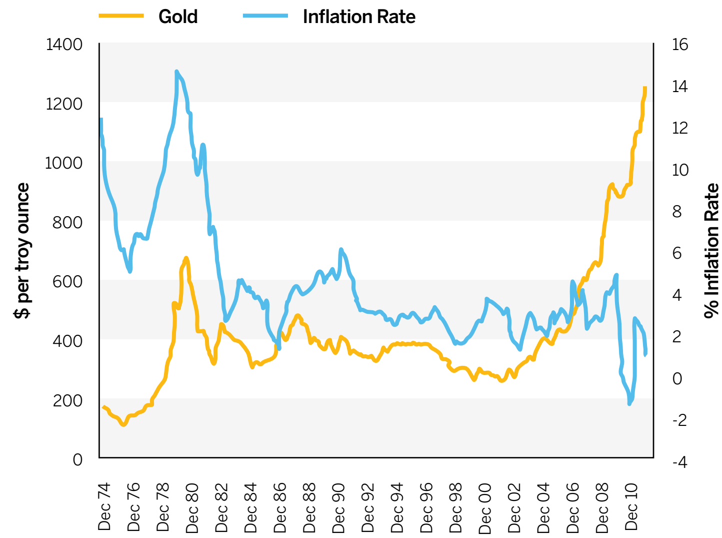
Convertibility Example

Converting ACEs to a COMEX Gold warrant: An investor who is long an E-micro Gold futures contract may opt to take delivery of that futures contract, and will receive an ACE at time of delivery. At any time thereafter, when the investor has accumulated 10 ACEs, he may convert them into a COMEX gold warrant. While an investor is holding an ACE, he will be responsible for storage on the amount of gold represented by the ACE. Remember, each ACE represents one tenth the actual weight of a specific bar of gold held in a COMEX-Licensed Depository.

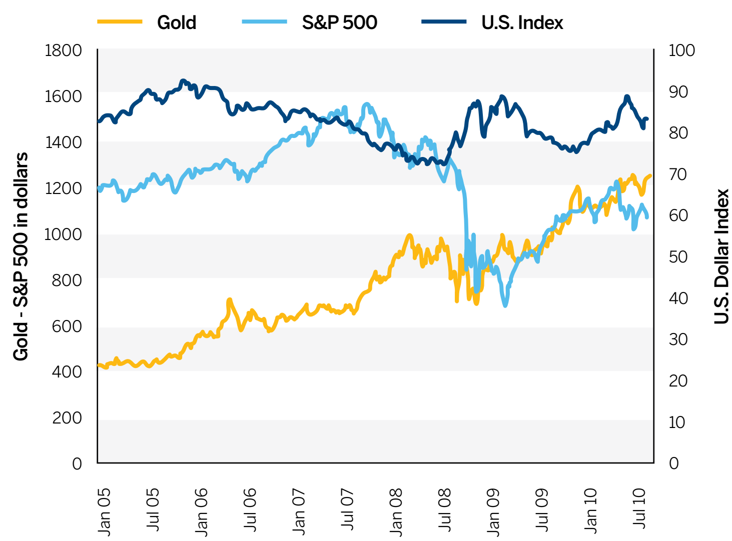
Creating ACEs: A short position holder, for example, wishing to deliver against his E-micro Gold futures contract, will instruct his broker to convert his COMEX gold warrant into 10 ACEs in order to effect this conversion. The broker will deposit the COMEX gold warrant with the clearing house. This warrant will be held as collateral; the clearing house will create 10 ACEs and transfer them back to the broker (or clearing firm). Delivery against the E-micro Gold futures contract will be made with these ACEs. Remember, a short position holder may rollover or close out his position prior to last trading day, or may deliver an ACE against the short position. ACEs may only be created from existing COMEX gold warrants held in a COMEX-Licensed Depository.

Gold has been **used historically as a hedge against inflationary pressures**. The historic correlation of gold prices to inflation rates may create natural hedging opportunities.

Gold Price vs. U.S. Inflation Rate



Gold Price vs. S&P 500 vs. U.S. Dollar Index



A smart opportunity is a click away. Access free real-time quotes for E-micro Gold futures online at **cmegroup.com/metalsquotes.**

10-50-100 — OUR SUITE OF GOLD PRODUCTS

Contract	Code	Size
E-micro Gold Futures	MGC	10 troy ounces
COMEX miNY Gold Futures	QO	50 troy ounces
Gold Futures	GC	100 troy ounces

E-MICRO GOLD FUTURES CONTRACT SPECIFICATIONS

Contract Name	E-micro Gold Futures Contract
Product Symbol	MGC
Venue	CME Globex
Hours (All Times are New York Time/ET)	CME Globex: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
Contract Size	10 troy ounces
Price Quotation	U.S. dollars and cents per troy ounce
Minimum Fluctuation	$0.10 per troy ounce
Termination of Trading	Trading terminates on the third last business day of the delivery month.
Listed Contracts	Trading is conducted for delivery in any February, April, June, August, October, and December falling within a 24-month period.
Settlement Type	Physical (limited to the delivery of an ACE)
Delivery Period	Delivery may take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but not later than the last business day of the current delivery month.
Grade and Quality Specifications	Gold delivered under this contract shall assay to a minimum of 995 fineness.
Rulebook Chapter	120
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of COMEX.

E-MICRO GOLD FUTURES VENDOR CODE LISTING

Vendor Name	Ticker Symbol
Bloomberg	MGCA
CQG Inc.	MGC
Data Transmission Network (DTN)	QMGC
E-Signal	MGC
Thomson/Reuters	MGC
Reuters	0#MGC:
TradeStation	MGC

For more information on our E-micro Gold futures contract, please visit **cmegroup.com/emicrogold**, email **gold@cmegroup.com** or contact one of the following representatives:

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All contracts discussed in this fact card are listed with and subject to the rules and regulations of COMEX.

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

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