Royal Bank of Scotland N.V.
Form 424B2
April 02, 2010

UNDERLYING SUPPLEMENT (TO PROSPECTUS DATED APRIL 2, 2010 AND PROSPECTUS SUPPLEMENT DATED APRIL 2, 2010)	Underlying Supplement No. 2-IV to Registration Statement Nos. 333-162193 and 333-162193-01 Dated April 2, 2010 Rule 424(b)(2)

The Royal Bank of Scotland N.V.
RBS NotesSM
fully and unconditionally guaranteed by
RBS Holdings N.V.

Securities linked to an Index, an Exchange-Traded Fund or a Basket of Indices, Exchange-Traded Funds and/or Other Underlying Assets

The Royal Bank of Scotland N.V. may, from time to time, offer and sell debt securities, which we collectively refer to as the "Securities," linked to (i) an index of equity securities or commodity futures contracts, which we refer to as an "Underlying Index"; (ii) an exchange-traded fund that tracks the performance of an underlying index or basket of securities, commodities or currencies, primarily by holding securities or other instruments related to such underlying index or basket, which we refer to as an "Underlying Fund"; or (iii) a basket composed of Underlying Indices, Underlying Funds and/or other underlying assets. We refer to the index that an Underlying Fund tracks as a "Target Index." This Underlying Supplement No. 2-IV describes potential Underlying Indices and Target Indices underlying Underlying Funds to which the Securities may be linked, as well as related matters concerning the relationship, if any, between The Royal Bank of Scotland N.V. and the sponsor or publisher of the Underlying Indices or Target Indices.

Additional terms that will generally apply to the Securities may be described in a Product Supplement, if any, accompanying this Underlying Supplement No. 2-IV. This Underlying Supplement No. 2-IV supplements the terms described in the accompanying Product Supplement, Prospectus Supplement and Prospectus. A separate term sheet or pricing supplement, as the case may be, will describe terms that apply to any specific issue of Securities, including any changes to the description of the relevant Underlying Index or Target Index included in this Underlying Supplement. We refer to such term sheets and pricing supplements generally as Pricing Supplements. If the terms described in the relevant Pricing Supplement are inconsistent with those described herein or in any other related Underlying Supplement, or in the accompanying Product Supplement, Prospectus Supplement or Prospectus, the terms described in the relevant Pricing Supplement shall control. You should read this Underlying Supplement No. 2-IV, the accompanying Product Supplement, Prospectus Supplement and Prospectus, and the relevant Pricing Supplement before you invest in the Securities.

This Underlying Supplement No. 2-IV describes only select Underlying Indices and Target Indices underlying Underlying Funds to which the Securities may be linked. We do not guarantee that we will offer Securities linked to any of the Underlying Indices or Underlying Funds that track any of the Target Indices described herein. In addition, we may offer Securities linked to one or more Underlying Indices or Underlying Funds tracking Target Indices that are not described herein. In such case, we will describe any such additional Underlying Indices or Target Indices in another Underlying Supplement, the applicable Pricing Supplement or the applicable Product Supplement.

The Securities are our unsecured and unsubordinated obligations and are fully and unconditionally guaranteed by RBS Holdings N.V.

The Securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

The Securities involve risks not associated with an investment in conventional debt securities. See “Risk Factors” in the accompanying Product Supplement and “Risk Factors” beginning on page US-1 of this Underlying Supplement No. 2-IV.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these Securities, or determined if this Underlying Supplement, any other related Underlying Supplement, the accompanying Product Supplement, Prospectus Supplement or Prospectus or any relevant Pricing Supplement are truthful or complete. Any representation to the contrary is a criminal offense.

RBS Securities Inc.

In this Underlying Supplement, the "Bank," "we," "us" and "our" refer to The Royal Bank of Scotland N.V. and "Holding" ref to RBS Holdings N.V., our parent company. We refer to the Securities offered by the relevant Pricing Supplement and the related guarantees as the "Securities" and to each individual security offered thereby as a "Security."

RBS NotesSM is a service mark of The Royal Bank of Scotland N.V.

Any Securities issued, sold or distributed pursuant to the relevant Pricing Supplement may not be offered or sold (i) to any person/entity listed on sanctions lists of the European Union, United States or any other applicable local competent authority; (ii) within the territory of Cuba, Sudan, Iran and Myanmar; (iii) to residents in Cuba, Sudan, Iran or Myanmar; or (iv) to Cuban Nationals, wherever located.

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RISK FACTORS

This section describes the additional risks relating to the Underlying Indices and Target Indices described in this Underlying Supplement. You should consider carefully the risks discussed under "Risk Factors" in the accompanying product supplement and in any other related Underlying Supplement, together with the following discussion of additional risks, before you decide that an investment in the Securities is suitable for you. For a discussion of certain general risks associated with your investment in the Securities, please refer to the section entitled "Risk Factors" beginning on page S-3 of the accompanying Prospectus Supplement. You should carefully consider whether the Securities are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

Risks Relating to the Rogers International Commodity Index® Excess ReturnSM

Our Membership on the Index Committee May Conflict With Your Interest As a Holder of the Securities

The Index Committee is responsible for the calculation methodology of the Rogers International Commodity Index® Excess ReturnSM. We are a member of the Index Committee. As a member of the Index Committee, we will be involved in the composition and management of the Rogers International Commodity Index® Excess ReturnSM including additions, deletions and the weights of the commodities or exchange-traded futures contracts on the commodities, all of which could affect the value of the Rogers International Commodity Index® Excess ReturnSM and, therefore, could affect the amount payable, if any, on the Securities at maturity and the market value of the Securities prior to maturity. While we do not believe that we have the power to control the decision-making of the Index Committee, we may influence the determinations of the Index Committee, which may adversely affect the value of your Securities. Due to our potential influence on determinations of the Index Committee, which may affect the market value of the Securities, we, as issuer of the Securities, may have a conflict of interest if we participate in or influence such determinations.

Since we cannot control or predict the actions of the Index Committee, we are not ultimately responsible for any errors in or discontinuation of disclosure regarding the methods or policies relating to the calculation of the Rogers International Commodity Index® Excess ReturnSM.

The Securities Are Linked to the Rogers International Commodity Index® Excess ReturnSM not the Rogers International Commodity Index® Total ReturnSM

The Securities are linked to the Rogers International Commodity Index® Excess ReturnSM and not the Rogers International Commodity Index® Total ReturnSM. As such, the Rogers International Commodity Index® Excess ReturnSM reflects the returns that are potentially available through an unleveraged investment in the RICI® Index Commodities. The Rogers International Commodity Index® Total Return is a "total return" index which, in addition to reflecting such returns, also reflects interest that could be earned on cash collateral invested in 3-month U.S. Treasury bills. The Rogers International Commodity Index® Excess ReturnSM does not include this total return feature. In addition, the term "Excess Return" in the title of the Rogers International Commodity Index® Excess ReturnSM is not intended to suggest that the performance of the Rogers International Commodity Index® Excess ReturnSM at any time or the return on your Securities will be positive or that the Rogers International Commodity Index® Excess ReturnSM is designed to exceed a particular benchmark.

If the Securities Are Linked to the Rogers International Commodity Index® Excess ReturnSM, the Securities Will Be Subject to Currency Exchange Risk

Because the prices of some of the commodities futures contracts comprising the Rogers International Commodity Index® Excess ReturnSM are converted into U.S. dollars for the purposes of calculating the level of the Rogers International Commodity Index® Excess ReturnSM, the holders of the Securities will be exposed to currency exchange rate risk with respect to each of the currencies in which the commodities futures contracts composing the Rogers International Commodity Index® Excess ReturnSM trade. An investor's net exposure will depend on the extent to which such currencies strengthen or weaken against the U.S. dollar and the relative weights of the commodities futures contracts composing the Rogers International Commodity Index® Excess ReturnSM denominated in each such currency. If, taking into account such weights, the U.S. dollar strengthens against such currencies, the value of the Rogers International Commodity Index® Excess ReturnSM will be adversely affected and the payment at maturity of the Securities may be reduced.

Of particular importance to potential currency exchange risk are:

- existing and expected rates of inflation;
- existing and expected interest rate levels;
- the balance of payments;
- the extent of governmental surpluses or deficits in the component countries and the United States;
- government intervention in the currency markets; and
- government action fixing exchange rates or allowing exchange rates to float.

All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of various component countries and the United States and other countries important to international trade and finance.

If the Securities are Linked to the Rogers International Commodity Index® Excess ReturnSM, Changes in the Volatility of Exchange Rates, and the Correlation Between Those Rates and the Levels of the Rogers International Commodity Index® Excess ReturnSM are Likely to Affect the Market Value of the Securities

The exchange rate between the U.S. dollar and each of the currencies in which the commodities futures contracts comprising the Rogers International Commodity Index® Excess ReturnSM are denominated refers to a foreign exchange spot rate that measures the relative values of two currencies — the particular currency in which a commodities futures contract composing the Rogers International Commodity Index® Excess ReturnSM is denominated and the U.S. dollar. This exchange rate reflects the amount of the particular currency in which a commodities futures contract composing the Rogers International Commodity Index® Excess ReturnSM is denominated that can be purchased for one U.S. dollar and thus increases when the U.S. dollar appreciates relative to the particular currency in which that commodities futures contract is denominated. The volatility of the exchange rate between the U.S. dollar and each of the currencies in which the commodities futures contracts composing the Rogers International Commodity Index® Excess ReturnSM are denominated refers to the size and frequency of changes in that exchange rate.

Because the Rogers International Commodity Index® Excess ReturnSM is calculated, in part, by converting the closing prices of the commodities futures contracts composing the Rogers International Commodity Index® Excess ReturnSM into U.S. dollars, the volatility of the exchange rate between the U.S. dollar and each of the currencies in which those securities are denominated could affect the market value of the Securities.

The correlation of the exchange rate between the U.S. dollar and each of the currencies in which the commodities futures contracts composing the Rogers International Commodity Index® Excess ReturnSM are denominated and the level of the Rogers International Commodity Index® Excess ReturnSM refers to the relationship between the percentage changes in that exchange rate and the percentage changes in the level of the Rogers International Commodity Index® Excess ReturnSM. The direction of the correlation (whether positive or negative) and the extent of the correlation between the percentage changes in the exchange rate between the U.S. dollar and each of the currencies in which the commodities futures contracts comprising the Rogers International Commodity Index® Excess ReturnSM are denominated and the percentage changes in the level of the Rogers International Commodity Index® Excess ReturnSM could affect the value of the Securities.

The Rogers International Commodity Index® Excess ReturnSM Includes Futures Contracts on Foreign Exchanges That Are Less Regulated Than U.S. Markets and Are Subject to Risks That Do Not Always Apply to U.S. Markets

The Rogers International Commodity Index® Excess ReturnSM includes futures contracts on physical commodities on exchanges located outside the United States. Historically the percentage of the commodities comprising the Rogers International Commodity Index® Excess ReturnSM traded on foreign exchanges has not exceeded 20%, however, the Index Committee has not established any limits on the volume of Index Commodities that can be traded on non-U.S. exchanges. The regulations of the Commodity Futures Trading Commission do not apply to trading on foreign exchanges, and trading on foreign exchanges may involve different and greater risks than trading on United States exchanges. Certain foreign markets may be more susceptible to disruption than United States exchanges due to the lack of a government-regulated clearinghouse system. Trading on foreign exchanges also involves certain other risks that are not applicable to trading on United States exchanges. Those risks include varying exchange rates, foreign exchange controls, governmental expropriation, burdensome or confiscatory taxation systems, government imposed moratoriums, and political or diplomatic events.

The Rogers International Commodity Index® Excess ReturnSM and Its Sub-Indexes Are Concentrated in a Single or A Limited Number of Commodity Sectors

The Securities are linked to the Rogers International Commodity Index® Excess ReturnSM. The commodities which comprise the Rogers International Commodity Index® Excess ReturnSM are concentrated in a limited number of sectors, particularly energy and agriculture. As a result, the Rogers International Commodity Index® Excess ReturnSM will be less diversified than other indices or investment portfolios investing in a broader range of products or commodities and, therefore, could experience greater volatility. An investment in the Securities may therefore carry risks similar to a concentrated securities investment in a limited industry or sector.

The commodities which comprise the Rogers International Commodity Index® Agriculture Excess ReturnSM or any Sub-Index of the Rogers International Commodity Index® Excess ReturnSM are concentrated in a single commodity sector. An investment in Securities linked to such a Sub-Index is therefore not a diversified investment and would carry risks similar to an equity investment in a single sector or industry.

If the Securities are Linked to the Rogers International Commodity Index® Excess ReturnSM, A Prolonged Decline in Value in Energy-Oriented Raw Materials Would Have a Negative Impact on the Level of the Rogers International Commodity Index® Excess ReturnSM and the Value of Your Securities

As of January 26, 2010, approximately 44% of the component commodities on the Rogers International Commodity Index® Excess ReturnSM are energy oriented, including 21% in crude oil. Accordingly, a decline in the prices of such raw materials would adversely affect the level of the Rogers International Commodity Index® Excess ReturnSM and the value of your Securities. Technological advances or the discovery of new oil reserves could lead to increases in world wide production of oil and corresponding decreases in the price of crude oil. In addition, further development and commercial exploitation of alternative energy sources, including solar, wind or geothermal energy, could lessen the demand for crude oil products and result in lower prices. Absent amendment of the Rogers International Commodity Index® Excess ReturnSM to lessen or eliminate the concentration of existing energy contracts in the Rogers International Commodity Index® Excess ReturnSM or to broaden the Rogers International Commodity Index® Excess ReturnSM to account for such developments, the level of the Rogers International Commodity Index® Excess ReturnSM and the value of your Securities could decline.

If the Securities are Linked to a Sub-Index of the Rogers International Commodity Index® Excess ReturnSM, A Prolonged Decline in Value in Raw Materials Related to the Relevant Sector Would Have a Negative Impact on the Level of Such Sub-Index and the Value of Your Securities

Each Sub-Index of the Rogers International Commodity Index® Excess ReturnSM is concentrated in a particular commodity sector. A decline in the prices of commodities in such sector whether caused by decreased demand or increased supply would adversely affect the level of the relevant Sub-Index and the value of your Securities.

If the Securities are Linked to a Sub-Index of the Rogers International Commodity Index® Excess ReturnSM, the Prices of the Commodities Included in the Rogers International Commodity Index® Excess ReturnSM May Correlate With Each Other

The commodities included in each Sub-Index of the Rogers International Commodity Index® Excess ReturnSM are from one particular commodity sector. It is often, but not always, the case that prices of commodities in the same sector may move up or down in a similar pattern due to macroeconomic factors affecting that sector. This phenomenon is referred to as “correlation.” Choosing commodities in the same sector is likely to result in correlation among the commodities, and it is possible that correlation will be detrimental to you because the prices of all of the commodities may move lower at the same time. This is impossible to predict.

On the other hand, price movements in the commodities within the relevant commodity sector may not correlate with each other. At a time when the price of one or more of the commodities increases, the price of one or more of the other commodities may not increase as much or may decrease. Therefore, in calculating, on the determination date, the payment, if any, due at maturity, increases in the prices of one or more of the commodities may be moderated, or be wholly offset, by declines in the prices of one or more of the other commodities.

The Rogers International Commodity Index® Excess ReturnSM is a Rolling Index and Future Prices of the Index Commodities that are Different Relative to Their Current Prices May Decrease the Amount Payable at Maturity

The Rogers International Commodity Index® Excess ReturnSM is composed of futures contracts on commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the exchange-traded futures contracts that comprise the Rogers International Commodity Index® Excess ReturnSM approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in a later month (e.g., November). This process is referred to as “rolling”. If the market for these contracts is (putting aside other considerations) in “backwardation”, where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a “roll yield” which might create a profit for the purchase of the contracts. While certain commodities’ contracts included in the Rogers International Commodity Index® Excess ReturnSM have historically exhibited consistent periods of backwardation, backwardation will likely not exist at all times with respect to any commodity. Certain of the commodities included in the Rogers International Commodity Index® Excess ReturnSM have historically traded in “contango” markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in the commodity markets could result in negative “roll yields,” which might create a loss for the purchase of the contracts and could adversely affect the value of the Rogers International Commodity Index® Excess ReturnSM. There can be no assurance, however, that backwardation or roll yields will exist in any particular Index Commodity at any time during the term of the Securities.

Changes that Affect the Composition and Calculation of the Rogers International Commodity Index® Excess ReturnSM will Affect the Market Value of the Securities and the Amount You Will Receive at Maturity

The Rogers International Commodity Index® Excess ReturnSM is overseen and managed by the Index Committee. Beeland Interests, Inc., which is 100% owned by James B. Rogers, Jr., is the sole owner of the Rogers International Commodity Index® Excess ReturnSM. Rogers chairs the Index Committee and controls its decisions. The other members of the Index Committee are Diapason Commodities Management S.A. (“Diapason”), Beeland Management Company, Daiwa Asset Management, CQG, Inc., UBS AG, The Royal Bank of Scotland N.V. and Merrill Lynch.

Rogers, through the Index Committee, has a significant degree of discretion regarding the composition and management of the Rogers International Commodity Index® Excess ReturnSM, including additions, deletions and the weights of the Index Commodities or exchange-traded futures contracts on the Index Commodities, all of which could affect the value of the Rogers International Commodity Index® Excess ReturnSM and, therefore, could affect the amount payable on the Securities at maturity and the market value of the Securities prior to maturity. Rogers and the Index Committee do not have any obligation to take the needs of any parties to transactions involving the Rogers International Commodity Index® Excess ReturnSM, including the holders of the Securities, into consideration when reweighting or making any other changes to the Rogers International Commodity Index® Excess ReturnSM.

Additionally, Rogers, individually or through an entity controlled by Rogers, may actively trade commodities and/or futures contracts on physical commodities, including underlying commodities and/or futures contracts on physical commodities included in the Rogers International Commodity Index® Excess ReturnSM, and over-the-counter contracts having values which derive from or are related to such commodities. Rogers, individually or through an entity controlled by Rogers, also may actively trade and hedge the Rogers International Commodity Index® Excess ReturnSM. With respect to any such activities, neither Rogers nor any of the entities controlled by Rogers has any obligation to take the needs of any buyers, sellers or holders of the Securities into consideration at any time. It is possible that such trading and hedging activities, by any of these parties, will affect the value of the Rogers International Commodity Index® Excess ReturnSM and therefore the market value of the Securities.

Furthermore, the annual composition of the Rogers International Commodity Index® Excess ReturnSM will be determined in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or errors that may affect the weights of components of the Rogers International Commodity Index® Excess ReturnSM. Any discrepancies that require revision are not applied retroactively but will be reflected in prospective weighting calculations of the Rogers International Commodity Index® Excess ReturnSM for the following year. However, not every discrepancy may be discovered.

The amount payable on the Securities and their market value could also be affected if the Index Committee, in its sole discretion, discontinues or suspends compilation and maintenance of the Rogers International Commodity Index® Excess ReturnSM, in which case it may become difficult to determine the market value of the Securities. If events such as these occur, or if the Rogers International Commodity Index® Excess ReturnSM Initial Value or the Rogers International Commodity Index® Excess ReturnSM Final Value are not available because of a market disruption event or for any other reason, the calculation agent will make a good faith estimate in its sole discretion of the Rogers International Commodity Index® Excess ReturnSM Final Value that would have prevailed in the absence of the market disruption event. If the calculation agent determines that the compilation and maintenance of the Rogers International Commodity Index® Excess ReturnSM is discontinued and that there is no successor index on the date when the Rogers International Commodity Index® Excess ReturnSM Final Value is required to be determined, the calculation agent will instead make a good faith estimate in its sole discretion of the Rogers International Commodity Index® Excess ReturnSM Final Value by reference to a group of physical commodities, exchange-traded futures contracts on physical commodities or indexes and a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the Rogers International Commodity Index® Excess ReturnSM.

Discontinuance of the Rogers International Commodity Index® Excess ReturnSM

Neither we, the Index Committee, the Index Sponsor nor Rogers are under any obligation to continue to compile and maintain the Rogers International Commodity Index® Excess ReturnSM or are required to compile and maintain any successor index. If the Index Committee discontinues or suspends the compilation and maintenance of the Rogers International Commodity Index® Excess ReturnSM, it may become difficult to determine the market value of the Securities or the amount payable at maturity. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the Rogers International Commodity Index® Excess ReturnSM exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion.

Policies of the Index Committee, Composition of the Rogers International Commodity Index® Excess ReturnSM and Changes to the Rogers International Commodity Index® Excess ReturnSM

The policies of the Index Committee concerning the calculation of the level of the Rogers International Commodity Index® Excess ReturnSM, additions, deletions or substitutions of Index Commodities and the manner in which changes affecting the Index Commodities are reflected in the Rogers International Commodity Index® Excess ReturnSM could affect the value of the Rogers International Commodity Index® Excess ReturnSM and, therefore, the amount payable on your Securities at maturity and the market value of your Securities prior to maturity. The amount payable on your Securities at maturity and their market value prior to maturity could also be affected if the Index Committee changes the policies of the Rogers International Commodity Index® Excess ReturnSM. If events such as these occur, or if the value of the Rogers International Commodity Index® Excess ReturnSM is not available or cannot be calculated because of a Market Disruption Event or for any other reason, the calculation agent may be required to make an alternative determination of the value of the Rogers International Commodity Index® Excess ReturnSM. The composition of the Rogers International Commodity Index® Excess ReturnSM may change over time, as additional commodities satisfy the eligibility criteria or commodities currently included in the Rogers International Commodity Index® Excess ReturnSM fail to satisfy such criteria. The annual composition of the Rogers International Commodity Index® Excess ReturnSM will be determined by the Index Committee based on the

Index Committee's assessment of the worldwide consumption of those commodities, including in reliance on data of private and governmental providers regarding commodities demand and supply. These data sources are subject to potential errors in data sources or errors that may affect the weights of components of the Rogers International Commodity Index® Excess ReturnSM. Any discrepancies that require revision may impact determinations of weights made by the Index Committee. If, for any reason, one of the futures contracts in the Rogers International Commodity Index® Excess ReturnSM ceases to exist, or any other similar event with similar consequences as determined in the discretion of the Index Committee occurs, the Index Committee will call an exceptional meeting to assess whether the composition and/or the weights of, the Rogers International Commodity Index® Excess ReturnSM should be modified. The modification of the composition and/or the weights of the Rogers International Commodity Index® Excess ReturnSM may have an adverse impact on the value of the Rogers International Commodity Index® Excess ReturnSM, the amount payable on the Securities at maturity and their market value prior to maturity.

Historical Levels of the Rogers International Commodity Index® Excess ReturnSM Should Not Be Taken as an Indication of Future Performance of the Rogers International Commodity Index® Excess ReturnSM During the Term of the Securities

The actual performance of the Rogers International Commodity Index® Excess ReturnSM over the term of the Securities, as well as the amount payable at maturity, may bear little relation to the historical levels of the Rogers International Commodity Index® Excess ReturnSM. Due in part to Rogers' controlling interest of the Index Committee and his ability to make changes to the Rogers International Commodity Index® Excess ReturnSM at any time, the historical performance and composition of the Rogers International Commodity Index® Excess ReturnSM should not be taken as an indication of the future performance of the Rogers International Commodity Index® Excess ReturnSM during the term of the Securities. The trading prices of exchange traded futures contracts on the Index Commodities will determine the level of the Rogers International Commodity Index® Excess ReturnSM. As a result, it is impossible to predict whether the level of the Rogers International Commodity Index® Excess ReturnSM will rise or fall.

Risks Relating to the Dow Jones U.S. Real Estate Index

For Securities Linked to the Dow Jones U.S. Real Estate Index or to an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index , Risks Associated with The Real Estate Industry Will Affect the Value of the Securities

The real estate industry is cyclical and has from time to time experienced significant difficulties. The prices of the stocks included in the Dow Jones U.S. Real Estate Index or held by an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index and, in turn, the level of the Dow Jones U.S. Real Estate Index and the price of an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index, as applicable, will be affected by a number of factors that may either offset or magnify each other, including:

- employment levels and job growth;
- the availability of financing for real estate;
- interest rates;
- consumer confidence;
- the availability of suitable undeveloped land;
- federal, state and local laws and regulations concerning the development of land, construction, home and commercial real estate sales, financing and environmental protection; and
- competition among companies which engage in the real estate business.

The difficulties described above could cause a downturn in the real estate industry generally or regionally and could cause the value of the stocks included in the Dow Jones U.S. Real Estate Index or held by an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index and the level of the Dow Jones U.S. Real Estate Index or the price of an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index, as applicable, to decline or remain flat during the term of the Securities.

For Securities Linked to the Dow Jones U.S. Real Estate Index or an Underlying Fund which Tracks the Dow Jones U.S. Real Estate Index, Risks Associated with Real Estate Investment Trusts Will Affect the Value of the Securities

The Dow Jones U.S. Real Estate Index or an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index is composed of a variety of real estate related stocks including real estate investment trusts ("REITs"). REITs invest primarily in income producing real estate or real estate related loans or interests. Investments in REITs, though not direct investments in real estate, are still subject to the risks associated with investing in real estate. The following are some of the conditions that might impact the structure of and cash flow generated by REITs and, consequently, the value of REITs and, in turn, the Dow Jones U.S. Real Estate Index or an Underlying Fund which tracks the Dow Jones U.S. Real Estate Index:

- a decline in the value of real estate properties;
- extended vacancies of properties;
- increases in property and operating taxes;
- increased competition or overbuilding;
- a lack of available mortgage funds or other limits on accessing capital;
- tenant bankruptcies and other credit problems;
- limitation on rents, including decreases in market rates for rents;
- changes in zoning laws and governmental regulations;
- costs resulting from the clean up of, and legal liability to third parties for damages resulting from environmental problems;
- investments in developments that are not completed or that are subject to delays in completion;
- risks associated with borrowing;
- changes in interest rates;
- casualty and condemnation losses; and
- uninsured damages from floods, earthquakes or other natural disasters.

The factors above may either offset or magnify each other. To the extent that any of these conditions occur, they may negatively impact a REIT's cash flow and cause a decline in the share price of a REIT, and, consequently, the Dow Jones U.S. Real Estate Index or any Underlying Fund which tracks the Dow Jones U.S. Real Estate Index. In addition, some REITs have relatively small market capitalizations, which can increase the volatility of the market price of securities issued by those REITs. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, as a result, subject to risks inherent in operating and financing a limited number of projects. To the extent that such risks increase the volatility of the market price of securities issued by REITs, they may also, consequently, increase the volatility of the Dow Jones U.S. Real Estate Index or any Underlying Fund which tracks the Dow Jones U.S. Real Estate Index.

Risks Relating to the Dow Jones U.S. Financials Sector Index

For Securities Linked to The Dow Jones U.S. Financials Sector Index or an Underlying Fund which Tracks The Dow Jones U.S. Financials Sector Index, Risks Associated with the Financial Services Industry Will Affect the Value of the Securities

All or substantially all of the equity securities included in the Dow Jones U.S. Financials Sector Index or held by an Underlying Fund which tracks the Dow Jones U.S. Financials Sector Index are issued by companies whose primary line of business is directly associated with the financial services sector, including the following sub-sectors: banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance and financial investment, and real estate, including real estate investment trusts. Financial services companies are subject to extensive government regulation which may limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge. Profitability is largely dependent on the availability and cost of capital funds, and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments affecting real estate could have a major effect on the value of real estate securities (which include real estate investment trusts). If the Securities are linked or the Dow Jones U.S. Financials Sector Index or a fund which , the value of the Securities may be subject to greater volatility and be more adversely affected by a single economic, political or regulatory occurrence affecting these industries than a different investment linked to securities of a more broadly diversified group of issuers.

Risks Relating to the Financial Select Sector Index

For Securities Linked to The Financial Select Sector Index or an Underlying Fund which Tracks The Financial Select Sector Index, Risks Associated with the Financial Services Industry Will Affect the Value of the Securities

All or substantially all of the equity securities included in the Financial Select Sector Index or held by an Underlying Fund which tracks the Financial Select Sector Index are issued by companies whose primary line of business is directly associated with the financial services sector, including the following sub-sectors: banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance and financial investment, and real estate, including real estate investment trusts. Financial services companies are subject to extensive government regulation which may limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge. Profitability is largely dependent on the availability and cost of capital funds, and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments affecting real estate could have a major effect on the value of real estate securities (which include real estate investment trusts). If the Securities are linked or the Financial Select Sector Index or a fund which , the value of the Securities may be subject to greater volatility and be more adversely affected by a single economic, political or regulatory occurrence affecting these industries than a different investment linked to securities of a more broadly diversified group of issuers.

THE ROGERS INTERNATIONAL COMMODITY INDEX® EXCESS RETURN™

The following is a description of the Rogers International Commodity Index® Excess ReturnSM (the "RICI® Index") including, without limitation, its make-up, method of calculation and changes in its components. The Securities may be linked to the RICI® Index or to any of its sub-indexes (the "RICI® Sub-Indexes," and together with the RICI® Index, the "RICI® Indices"). The information in this description has been taken from publicly available sources, including The RICI® Handbook: The Guide to the Rogers International Commodity Index®. Such information reflects the policies of, and is subject to change at any time, by the Rogers International Commodity Index® Committee. We have not independently verified this information and therefore cannot be responsible for it. You, as an investor in the Securities, should make your own investigation into the RICI® Index. Except as provided in the next sentence, none of Beeland Interests, Inc., the Index Committee, members of the Index Committee individually (except as described in the next sentence) and/or James B. Rogers, Jr. is involved in the offer of the Securities in any way and has any obligation to consider your interests as a holder of the Securities. However, The Royal Bank of Scotland N.V., the issuer of the Securities, is also a member of the Index Committee and our affiliates are involved in the public offering and sale of the Securities and may be engaged in secondary market making transactions in the Securities. Beeland Interests, Inc. has no obligation to continue to maintain or compile the RICI® Index, and may discontinue the RICI® Index at any time in its sole discretion. The level of the RICI® Index is calculated by CQG, Inc., the official global calculation agent, using the methodology provided by the Index Committee.

Overview

The return on the Securities is linked to the performance of the RICI® Index. The RICI® Index is a composite U.S. dollar based index that is designed to serve as a diversified benchmark for the price movements of commodities consumed in the global economy, designed by James B. Rogers, Jr. in the late 1990s. The RICI® Index is currently composed of 37 futures contracts on physical commodities traded on thirteen exchanges and quoted in five different currencies. The exchanges include the Chicago Mercantile Exchange, Chicago Board of Trade, ICE Futures US, New York Mercantile Exchange, ICE Futures Canada, ICE Futures Europe, London Metal Exchange, Sydney Futures Exchange, COMEX, The Tokyo Commodity Exchange, the Tokyo Grain Exchange, NYSE Liffe and the Kansas City Board of Trade. The commodities futures contracts are quoted in U.S. dollars ("USD"), Canadian dollars ("CAD"), Japanese yen ("JPY"), Australian dollars ("AUS") and the euro ("EUR").

The RICI® Index aims to be an effective measure of the price movements of raw materials not just in the United States but also around the world. The RICI® Index's weights attempt to balance consumption patterns worldwide (in developed and developing countries) and specific contract liquidity.

Below is a current list of the futures contracts comprising the RICI® Index, together with their respective symbols, exchanges, and currencies effective with the January 2010 roll period:

Contract	Symbol	Exchange	Currency	Weight*
Crude Oil	CL	NYMEX	USD	21.00%
Brent	BRN	ICE1 EU	USD	14.00%
Wheat (CBOT)	W	CBOT	USD	6.00%
Corn	C	CBOT	USD	4.75%
Cotton	CT	ICE US	USD	4.20%
Aluminum	AH	LME2	USD	4.00%
Copper	CA	LME	USD	4.00%
Soybeans	S	CBOT	USD	3.35%
Gold	GC	COMEX	USD	3.00%
Natural Gas	NG	NYMEX	USD	3.00%
RBOB Gasoline	RB	NYMEX	USD	3.00%

Coffee	KC	ICE US	USD	2.00%
Lead	PB	LME	USD	2.00%
Live Cattle	LC	CME	USD	2.00%
Silver	SI	COMEX	USD	2.00%

Contract	Symbol	Exchange	Currency	Weight*
Soybean Oil	BO	CBOT	USD	2.00%
Sugar	SB	ICE US	USD	2.00%
Zinc	ZS	LME	USD	2.00%
Heating Oil	HO	NYMEX	USD	1.80%
Platinum	PL	NYMEX	USD	1.80%
Gas Oil	GAS	ICE EU	USD	1.20%
Cocoa	CC	ICE US	USD	1.00%
Lean Hogs	LH	CME	USD	1.00%
Lumber	LB	CME	USD	1.00%
Nickel	NI	LME	USD	1.00%
Rubber	81	TOCOM	JPY	1.00%
Tin	SN	LME	USD	1.00%
Wheat (KCBT)	KW	KCBT3	USD	1.00%
Canola	RS	ICE CA	CAD	0.75%
Soybean Meal	SM	CBOT	USD	0.75%
Orange Juice	OJ	ICE US	USD	0.60%
Oats	O	CBOT	USD	0.50%
Rice	RR	CBOT	USD	0.50%
Palladium	PA	NYMEX	USD	0.30%
Rapeseed	ECO	NYSE Liffe	EUR	0.25%
Azuki Beans	101	TGE	JPY	0.15%
Greasy Wool	GW	SFE	AUS	0.10%
TOTAL			USD	100%

* The weights shown above are the weights of each RICI® Index Component effective with the January 2010 roll period.

1 ICE Futures through its affiliate ICE Data LLP provides the pricing data for the ICE components of the RICI® and such data is used subject to license by ICE Futures and ICE Data LLP; but for such license Beeland Interests would not have the right to use such pricing data in providing the Index Values through its Official Global Calculation Agent, CQG, Inc. The ICE pricing data is provided “as is” and without representation or warranty.

2 The London Metal Exchange Limited provides the pricing data for the LME components of the RICI®. All references to the LME pricing data are used with the permission of the LME and LME has no involvement with and accepts no responsibility for any RICI® product or any part of the Rogers International Commodity Index®, Rogers International Commodity Index® Metals, Rogers International Commodity Index® Industrial Metals, their suitability as the basis for an investment, or their future performance.

3 The Board of Trade of Kansas City, Missouri, Inc. (“KCBT”) is neither an issuer, manager, operator nor guarantor of products based on the Rogers International Commodity Index® or any sub-index thereof, or a partner, affiliate or joint venture of any of the foregoing. KCBT has not approved such products or their terms. KCBT may from time to time change its rules or bylaws, including those relating to the specifications of futures contracts on which the value of the Rogers International Commodity Index® or any sub-index thereof and/or such products are derived and the manner in which KCBT settlement prices are determined or disseminated. KCBT may from time to time take emergency action under its rules which could affect KCBT settlement prices. KCBT is not responsible for any calculations involving the Rogers International Commodity Index® or any sub-index thereof or such products.

Below is a list of the Sub-Indexes of the RICI® Index and the futures contracts comprising each Sub-Index, as of the RICI® Index's January 2010 roll period:

Rogers International Commodity Index® – AgricultureSM	Rogers International Commodity Index® – EnergySM	Rogers International Commodity Index® – MetalsSM
Azuki Beans	Brent	Rogers International Commodity Index® – Industrial MetalsSM
Canola	Crude Oil	
Cocoa	Gas Oil	
Coffee	Heating Oil	Aluminium
Corn	Natural Gas	Copper
Cotton	RBOB Gasoline	Lead
Greasy Wool		Nickel
Lean Hogs		Tin
Live Cattle		Zinc
Lumber		
Oats		Rogers International Commodity Index® – Precious MetalsSM
Orange Juice		
Rapeseed		
Rice		
Rubber		Gold
Soybean Meal		Palladium
Soybean Oil		Platinum
Soybeans		Silver
Sugar		
Wheat (CBOT)		
Wheat (KCBT)		

The Index Committee

The Index Committee formulates and enacts all business assessments and decisions regarding the composition of the RICI® Index. Rogers, as the chief executive officer of Beeland Interests, Inc., chairs the Index Committee and is the final arbiter of its decisions. Beside Rogers, representatives of the following parties are members of the Index Committee: Diapason Commodities Management S.A., Beeland Management Company, CQG, Daiwa Asset Management, UBS AG, The Royal Bank of Scotland N.V. (formerly known as ABN AMRO Bank N.V.) and Merrill Lynch. Only Rogers, as chairman of the Index Committee, is authorized to designate new members of the Index Committee, if necessary.

The Index Committee meets each December to consider changes in the components and weights of the RICI® Index for the following calendar year; however, such changes can be made at any time.

Index Composition

The Process

The contracts chosen for the basket of commodities that constitute the RICI® Index, which include the commodities that constitute the RICI® Index, are required to fulfill various conditions described below. Generally, the selection and weights of the items in the RICI® Index are reviewed annually by the Index Committee, and weights for the next year are assigned every December. The RICI® Index's composition is modified only on rare occasions, in order to maintain liquidity and stability, and the composition of the RICI® Index generally will not be changed unless exceptional circumstances in fact occur. Such "exceptional circumstances" may include (but are not restricted to):

- continuous adverse trading conditions for a single contract (e.g., trading volume collapses), or
- critical changes in the global consumption pattern (e.g., scientific breakthroughs that fundamentally alter consumption of a commodity).

Exchanges and Non-Traded Items

All commodities included in the RICI® Index must be publicly traded on recognized exchanges in order to ensure ease of tracking and verification. Additionally, the RICI® Index does not and will not include non-traded items such as hides or tallow, which are included in other popular commodity indices. The 13 international exchanges recognized by the Index Committee are:

1. Chicago Mercantile Exchange (USA)
2. Chicago Board of Trade (USA)
3. ICE Futures US (USA)
4. New York Mercantile Exchange (USA)
5. ICE Futures Canada (Canada)
6. ICE Futures Europe (UK)
7. London Metal Exchange (UK)
8. Sydney Futures Exchange (Australia)
9. COMEX (USA)
10. The Tokyo Commodity Exchange (Japan)
11. Tokyo Grain Exchange (Japan)
12. NYSE Liffe (EU-Paris market)
13. Kansas City Board of Trade (USA)

General Contract Eligibility

A commodity may be considered suitable for inclusion in the RICI® Index if it plays a significant role in worldwide (developed and developing economies) consumption. "Worldwide consumption" is measured by tracking international import and export patterns, and domestic consumption environments of the world's prime commodity consumers. Only raw materials that reflect the current state of international trade and commerce are eligible to become RICI® Index commodities. Commodities that are merely linked to national consumption patterns will not be considered. The RICI® Index is not related to any commodities production data.

Commodity Screening Process

Data of private and governmental providers concerning the world's top consumed commodities is actively monitored and analyzed by the members of the Index Committee throughout the year. In order to obtain the most accurate picture of international commodities consumption, a wide range of sources on commodities demand and supply is consulted. The findings of this research are then condensed into the different commodities contracts weights of the RICI® Index. Sources on global commodity consumption data include:

- Industrial Commodity Statistics Yearbook, United Nations (New York)
- Commodity Trade Statistics Database, United Nations Statistic Division (New York)
- Copper Bulletin Yearbook, International Copper Study Group (Lisbon)
- Foreign Agricultural Service's Production, Supply and Distribution Database, U.S. Department of Agriculture (Washington, D.C.)
- Manufactured Fiber Review, Fiber Economics Bureau, Inc. (Arlington, VA)
- Monthly Bulletin, International Lead and Zinc Study Group (London)
- Quarterly Bulletin of Cocoa Statistics, International Cocoa Organization (London)
- Rubber Statistical Bulletin, International Rubber Study Group (London)
- Statistical Bulletin Volumes, Arab Gulf Cooperation Council (GCC) (Saudi Arabia)
- Sugar Yearbook, International Sugar Organization (ISO) (London)
-

World Agriculture Assessments of Intergovernmental Groups, Food & Agriculture Organization of the United Nations (Rome)

- World Commodity Forecasts, Economist Intelligence Unit (London)
- World Cotton Statistics, International Cotton Advisory Committee (Washington, D.C.)
- World Metals Statistics, World Bureau of Metal Statistics (London)

Contract Characteristics

In order to decide whether a specific commodity contract is liquid enough to be included in the RICI®Index, the Index Committee screens the volume and liquidity data of international exchanges, published on a regular basis by the Futures Industry Association (Washington DC, United States). Additionally, individual exchange data on contracts may also be included in the process.

If a commodity contract trades on more than one exchange, the most liquid contract globally, in terms of volume and open interest combined, is then selected for inclusion in the RICI® Index, taking legal considerations into account. Beyond liquidity, the Index Committee seeks to include the contract representing the highest quality grade of a specific commodity.

Index Weights

Initial Weights

As of the January 2010 roll period, the RICI® Index components have the initial weights listed in the chart above. The initial weights of the RICI® Index (the "Initial Weights") may be amended from time to time, as described below.

Changes in Weights and/or Index Composition

As noted, the Index Committee reviews the selection and weights of the futures contracts in the RICI® Index annually. Thus, weights are potentially reassigned during each December for the following year, if the Index Committee so determines in its sole discretion.

Monthly Rolling of Contracts

The RICI Indices usually roll over three days, from the day prior to the last RICI® business day of the month to the first RICI® business day of the following month, following certain rules defined by the Index Committee. For the contracts traded on the London Metal Exchange, the 3-month forward contracts are used. A RICI® business day is a day on which all U.S.-based exchanges that list futures contracts included in the RICI Indices are open for business, including half-day openings. Generally, if the next calendar month of a futures contract includes a first notice day, a delivery day or historical evidence that liquidity migrates to a next contract month during this period, then the next contract month is intended to be applied to calculate the RICI Indices, taking legal constraints into account. For example, during the November roll period, the January Crude Oil contract is replaced by the February Crude Oil contract.

Rebalancing of the RICI Index Components

The RICI Indices are rebalanced monthly during each roll period using the Initial Weights.

Exceptional Committee Meetings

If, for any reason, one of the components included in the RICI® Indices ceases to exist or its liquidity collapses to abnormal levels, or any other similar event with similar consequences, as determined at the discretion of the Index Committee occurs, the Index Committee will call an exceptional meeting to assess the situation and decide on a replacement for this component or a change in the weight. As an example of an exceptional circumstance, following the fall of the Malaysian ringgit in 1998, the liquidity of the palm oil futures contract on the Kuala Lumpur Commodity Exchange collapsed to a point where it became impossible to trade it. In that case, it was decided that the palm oil futures contract would be replaced with the soybean oil contract that trades on the Chicago Board of Trade.

Excess Return vs. Total Return

As noted above, the Rogers International Commodity Index® is calculated as both an excess return and a total return index. The Rogers International Commodity Index® — Excess ReturnSM reflects the uncollateralized returns on the futures contracts on physical commodities included in the Rogers International Commodity Index®. The Rogers International Commodity Index® — Total ReturnSM in turn reflects those same uncollateralized returns as well as any interest that could be earned on cash collateral invested in 3-month U.S. treasury bills. Note that the term "Excess Return" in the title of the Rogers International Commodity Index® — Excess ReturnSM is not intended to suggest that its performance at any time or the return on your Notes, if linked to the Rogers International Commodity Index® — Excess ReturnSM, will be positive or that the Rogers International Commodity Index® — Excess ReturnSM is designed to exceed a particular benchmark.

RICI® Market Disruption Events

A "RICI® Market Disruption Event" will be deemed to have occurred on any day upon which the trading of a contract involved in the RICI® Index calculation is disrupted or the fair determination of its price is interfered with subject to the following:

a. The contract trades at the price set by the exchange to be the limit of its permissible trading range at any point in the last fifteen minutes of trading.

b. No settlement price for that contract is determined by midnight on the day of trading in the time zone in which the exchange is located.

c. The exchange upon which the contract trades closes trading in that contract at a time prior to the published closing time, unless the altered closing time was brought to public attention by the closing time on the trading day prior to the day in question.

d. The settlement closing price published by the exchange is not deemed, in the opinion of the RICI® Committee, to properly reflect the fair price of that contract as determined by its free and fair trading on that exchange.

If a RICI® Market Disruption Event occurs during the roll or rebalancing period for one or more commodities, the specific contracts involved are neither rolled nor rebalanced on that day. For those contracts, the Roll Weights and the Monthly Contract Weights ("MCWs") remain identical to the values they had on the RICI® Business Day immediately preceding the RICI® Market Disruption Event. The roll period and the rebalancing period will be extended for this or these particular commodities only until the next available business day upon which no RICI® Market Disruption Event occurs for that or those commodities. Outside of the roll and rebalancing period, the Index is calculated using the last trading price available on the exchange. In particular the calculation of the MCWs will, in the normal course of events, take place using the last price available regardless of whether a RICI® Market Disruption Event has occurred. However, under exceptional conditions the RICI® Committee reserves the right to adjust any prices used in the Index calculation. This may occur if the settlement price is deemed to materially differ from the fair price for that commodity determined by trading on that day and that use of the official settlement price would not be in the interest of Index investors. In this case an alternative settlement price or prices may be determined and used for the Index calculation until fair trading is resumed and the exchange quoted settlement price can again be relied upon. In this case the prices used in the calculation of the Index and the calculation of MCWs will be published along with the mechanism for their determination. Should any exchange amend the settlement price for a contract involved in the Index calculation and do so in a timely manner the RICI® Committee may, if deemed appropriate, reflect this change by adjusting the published level of the Index.

A RICI® Business Day is a day on which all United States based exchanges that list futures contracts included in the Index are open for business (including half-day opening).

Data Source

The RICI® Index value is based on the official commodity exchanges' prices of the futures contracts included in the RICI® Index.

Reference Rates

The foreign exchange rates used to translate the value of the futures contracts denominated in a foreign currency into U.S. dollars are obtained from Bloomberg using the "close" value for each currency at 5:00 pm New York time.

Calculation of the Level of the RICI® Index

The Index Committee is responsible for the calculation methodology of the RICI® Index. CQG, Inc., the official global calculation agent, calculates the level of the RICI® Index with respect to the Securities using the methodology provided by the Index Committee.

License Agreement

Beeland Interests, Inc. ("Beeland Interests") and we have entered into a non-exclusive license agreement providing for the license to The Royal Bank of Scotland N.V., and certain of its affiliated or subsidiary companies, in exchange for a fee, of the right to use the RICI® Index. Neither Beeland Interests nor any of its affiliates or agents makes any representation or warranty, express or implied, to the owners of or counterparts to the Securities or any member of the public regarding the advisability of investing in securities or commodities generally or in the Securities particularly. The only relationship of Beeland Interests or any of its subsidiaries or affiliates to us is the licensing of certain trademarks, trade names and service marks and of the Rogers International Commodity Index® Excess ReturnSM, which is determined and compiled by the Index Committee without regard to us or the Securities.

Neither Beeland Interests nor the Index Committee has any obligation to take our needs or the needs of the owners of the Securities into consideration in determining or compiling the Rogers International Commodity Index® Excess ReturnSM. None of Beeland Interests or any of its subsidiaries, affiliates or agents is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Securities to be issued or in the determination or calculation of the equation by which the Securities are to be converted into cash. None of Beeland Interests or any of its subsidiaries, affiliates or agents shall have any obligation or liability, including without limitation to Securities customers, in connection with the administration, marketing or trading of the Securities. Notwithstanding the foregoing, Beeland Interests and its subsidiaries, affiliates or agents may independently issue and/or sponsor financial products unrelated to the Securities currently being issued by us, but which may be similar to and competitive with the Securities. In addition, Beeland Interests, its subsidiaries, affiliates or agents may actively trade commodities, commodity indexes and commodity futures (including the Rogers International Commodity Index® Excess ReturnSM), as well as swaps, options and derivatives which are linked to the performance of such commodities, commodity indexes and commodity futures. It is possible that this trading activity will affect the value of the Rogers International Commodity Index® Excess ReturnSM and the Securities.

This Underlying Supplement relates only to the Securities and does not relate to the exchange-traded physical commodities underlying any of the Rogers International Commodity Index® Excess ReturnSM components. Purchasers of the Securities should not conclude that the inclusion of a futures contract in the Rogers International Commodity Index® Excess ReturnSM is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Beeland Interests, any of its subsidiaries, affiliates or agents. The information in the relevant Pricing Supplement regarding the exchange-traded futures contracts on physical commodities which comprise the Rogers International Commodity Index® Excess ReturnSM components has been derived solely from publicly available documents.

None of Beeland Interests or any of its subsidiaries, affiliates or agents has made any due diligence inquiries with respect to the exchange-traded futures contracts which comprise the Rogers International Commodity Index® Excess ReturnSM in connection with the Securities. None of Beeland Interests or any of its subsidiaries, affiliates or agents makes any representation that the publicly available documents or any other publicly available information regarding these exchange-traded futures contracts which comprise the Rogers International Commodity Index® Excess ReturnSM, including without limitation a description of factors that affect the prices of such exchange-traded futures contracts, are accurate or complete.

The Securities are not sponsored, endorsed, sold or promoted by Beeland Interests or James Beeland Rogers, Jr. Neither Beeland Interests nor James Beeland Rogers, Jr. makes any representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this Underlying Supplement, or the advisability of investing in securities or commodities generally, or in the Securities or in futures particularly.

BEELAND INTERESTS DOES NOT, NOR DOES ANY OF ITS AFFILIATES OR AGENTS, GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE ROGERS INTERNATIONAL COMMODITY INDEX ("RICI®"), ANY SUB-INDEX THEREOF OR ANY DATA INCLUDED THEREIN. SUCH PERSON SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE RICI®, ANY SUB-INDEX THEREOF, ANY DATA INCLUDED THEREIN OR THE SECURITIES. BEELAND INTERESTS DOES NOT, NOR DOES ANY OF ITS AFFILIATES OR AGENTS, MAKE ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE RICI®, ANY SUB-INDEX THEREOF AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BEELAND INTERESTS OR ANY OF ITS AFFILIATES OR AGENTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

The Commodity Futures Markets

Contracts on physical commodities are traded on regulated futures exchanges, in the over-the-counter market and on various types of physical and electronic trading facilities and markets. At present, all of the contracts included in the Underlying Index are exchange-traded futures contracts. An exchange-traded futures contract is a bilateral agreement providing for the purchase and sale of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. A futures contract on an index of commodities typically provides for the payment and receipt of a cash settlement based on the value of such commodities. A futures contract provides for a specified settlement month in which the commodity or financial instrument is to be delivered by the seller (whose position is described as "short") and acquired by the purchaser (whose position is described as "long") or in which the cash settlement amount is to be made.

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with the broker as "initial margin". This amount varies based on the requirements imposed by the exchange clearing houses, but may be as low as 5% or less of the value of the contract. This margin deposit provides collateral for the obligations of the parties to the futures contract.

By depositing margin in the most advantageous form (which may vary depending on the exchange, clearing house or broker involved), a market participant may be able to earn interest on its margin funds, thereby increasing the potential total return that may be realized from an investment in futures contracts. The market participant normally makes to, and receives from, the broker subsequent payments on a daily basis as the price of the futures contract fluctuates. These payments are called "variation margin" and make the existing positions in the futures contract more or less valuable, a process known as "marking to market".

Futures contracts are traded on organized exchanges, known as "contract markets" in the United States, through the facilities of a centralized clearing house and a brokerage firm which is a member of the clearing house. The clearing house guarantees the performance of each clearing member which is a party to the futures contract by, in effect, taking the opposite side of the transaction. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trade obtained the position. This operates to terminate the position and fix the trader's profit or loss.

U.S. contract markets, as well as brokers and market participants, are subject to regulation by the Commodity Futures Trading Commission. Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities. However, the structure and nature of trading on non-U.S. exchanges may differ from the foregoing description. From its inception to the present, the RICI® Index and the Underlying Index have been comprised exclusively of futures contracts traded on regulated exchanges.

THE EURO STOXX 50® INDEX

We have derived all information contained in this Underlying Supplement regarding the EURO STOXX 50® Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, STOXX Limited. We make no representation or warranty as to the accuracy or completeness of such information. The EURO STOXX 50® Index is calculated, maintained and published by STOXX Limited. STOXX Limited has no obligation to continue to publish, and may discontinue publication of, the EURO STOXX 50® Index.

The EURO STOXX 50® Index is reported by Bloomberg L.P. under the ticker symbol "SX5E."

The EURO STOXX 50® Index was created by STOXX Limited, a joint venture between Deutsche Börse AG and SIX Group AG. Publication of the EURO STOXX 50® Index began on February 26, 1998, based on an initial EURO STOXX 50® Index value of 1,000 at December 31, 1991. The EURO STOXX 50® Index is published in The Wall Street Journal and disseminated on the STOXX Limited website: http://www.stoxx.com, which sets forth, among other things, the country and industrial sector weightings of the securities included in the EURO STOXX 50® Index and updates these weightings at the end of each quarter. Information contained in the STOXX Limited website is not incorporated by reference in, and should not be considered a part of, this Underlying Supplement or any Pricing Supplement.

On March 1, 2010, STOXX Limited announced the removal of the "Dow Jones" prefix from all of its indices, including the EURO STOXX 50® Index.

EURO STOXX 50® Index Composition and Maintenance

The EURO STOXX 50® Index is composed of 50 component stocks of market sector leaders from within the 19 EURO STOXX® Supersector indices, which represent the Eurozone portion of the STOXX Europe 600® Supersector indices. The STOXX Europe 600® Supersector indices contain the 600 largest stocks traded on the major exchanges of 18 European countries. The component stocks have a high degree of liquidity and represent the largest companies across all market sectors.

The composition of the EURO STOXX 50® Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. Changes in the composition of the EURO STOXX 50® Index are made to ensure that the EURO STOXX 50® Index includes the 50 market sector leaders from within the EURO STOXX® Index. A current list of the issuers that comprise the EURO STOXX 50® Index is available on the STOXX Limited website: http://www.stoxx.com. Information contained in the STOXX Limited website is not incorporated by reference in, and should not be considered a part of, this Underlying Supplement or any Pricing Supplement.

The free float factors for each component stock used to calculate the EURO STOXX 50® Index, as described below, are reviewed, calculated and implemented on a quarterly basis and are fixed until the next quarterly review.

The EURO STOXX 50® Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings and bankruptcy) that affect the EURO STOXX 50® Index composition are immediately reviewed. Any changes are announced, implemented and effective in line with the type of corporate action and the magnitude of the effect.

EURO STOXX 50® Index Calculation

The EURO STOXX 50® Index is calculated with the "Laspeyres formula," which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the EURO STOXX 50® Index value can be expressed as follows:

$$\text{Index} = \frac{\text{Free Float Market Capitalization Of The Euro Stoxx 50® Index}}{\text{Adjusted Base Date Market Capitalization Of The Euro Stoxx 50® Index}} \times 1{,}000$$

The "free float market capitalization of the EURO STOXX 50® Index" is equal to the sum of the products of the closing price, market capitalization and free float factor for each component stock as of the time the EURO STOXX 50® Index is being calculated.

The EURO STOXX 50® Index is also subject to a divisor, which is adjusted to maintain the continuity of EURO STOXX 50® Index values despite changes due to corporate actions. The following is a summary of the adjustments to any component stock made for corporate actions and the effect of such adjustment on the divisor, where shareholders of the component stock will receive "B" number of shares for every "A" share held (where applicable).

(1) Split and reverse split:

Adjusted price = closing price * A/B

New number of shares = old number of shares * B/A

Divisor: no change

(2) Rights offering:

Adjusted price = (closing price * A + subscription price * B) / (A + B)

New number of shares = old number of shares * (A + B) / A

Divisor: increases

(3) Stock dividend:

Adjusted price = closing price * A / (A + B)

New number of shares = old number of shares * (A + B) / A

Divisor: no change

(4) Stock dividend of another company:

Adjusted price = (closing price * A - price of other company * B) / A

Divisor: decreases

(5) Return of capital and share consideration:

Adjusted price = (closing price - dividend announced by company * (1-withholding tax)) * A / B

New number of shares = old number of shares * B / A

(6) Repurchase shares / self tender:

Adjusted price = ((price before tender * old number of shares) - (tender price * number of tendered shares)) / (old number of shares - number of tendered shares)

Divisor: decreases	New number of shares = old number of shares - number of tendered shares Divisor: decreases

(7) Spin-off:

Adjusted price = (closing price * A - price of spun-off shares *B) / A

Divisor: decreases

(8) Combination stock distribution (dividend or split) and rights offering:

For this corporate action, the following additional assumptions apply:

Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A share held

If A is not equal to one share, all the following "new number of shares" formulae need to be divided by A:

- If rights are applicable after stock distribution (one action applicable to other):

Adjusted price = (closing price * A + subscription price * C *

(1 + B / A)) / ((A + B) * (1 + C / A))

New number of shares = old number of shares * ((A + B) * (1 + C / A)) / A

Divisor: increases

- If stock distribution is applicable after rights (one action applicable to other):

Adjusted price = (closing price * A + subscription price * C) / ((A + C) * (1 + B / A))

New number of shares = old number of shares * ((A + C) * (1 + B / A))

Divisor: increases

- Stock distribution and rights (neither action is applicable to the other):

Adjusted price = (closing price * A + subscription price * C) / (A + B + C)

New number of shares = old number of shares * (A + B + C) / A

Divisor: increases

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THE DOW JONES INDUSTRIAL AVERAGESM

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The Dow Jones Industrial AverageSM is reported by Bloomberg L.P. under the ticker symbol "INDU."

The Dow Jones Industrial AverageSM was introduced to the investing public by Charles Dow on May 26, 1896 and originally was comprised of only 12 stocks. It has since become one of the most well known and widely followed indicators of the U.S. stock market and is the oldest continuing stock market index in the world. The Dow Jones Industrial AverageSM is comprised of 30 common stocks chosen by the editors of The Wall Street Journal as representative of the broad market of U.S. industry. Many of the companies represented in the Dow Jones Industrial AverageSM are household names and leaders in their respective industries, and their stocks are widely held by both individual and institutional investors. Because the Dow Jones Industrial AverageSM is so well known and its performance is generally perceived to reflect that of the overall domestic equity market, it is often used as a benchmark for investments in equities, mutual funds, and other asset classes. The Dow Jones Industrial AverageSM accounts for approximately 23.8% of the total U.S. market, as measured by the Dow Jones Wilshire 5000 Index, as of December 13, 2005.

The Dow Jones Industrial AverageSM is a price-weighted index rather than market capitalization-weighted index. In essence, the Dow Jones Industrial AverageSM consists of one share of each of the 30 stocks included in the Dow Jones Industrial AverageSM. Thus, the weightings of the components of the Dow Jones Industrial AverageSM are affected only by changes in their prices, while the weightings of stocks in other indices are affected by price changes and changes in shares outstanding. This distinction stems from the fact that, when initially created, the Dow Jones Industrial AverageSM was a simple average (hence the name), and was computed merely by adding up the prices of the stocks in the Dow Jones Industrial AverageSM and dividing that sum by the total number of stocks in the Dow Jones Industrial AverageSM. However, it eventually became clear that a method was needed to smooth out the effects of stock splits and composition changes to prevent these events from distorting the level of the Dow Jones Industrial AverageSM. Therefore, a divisor was created that has been periodically adjusted over time. This divisor, when divided into the sum of the prices of the stocks in the Dow Jones Industrial AverageSM, generates the number that is reported every day in newspapers, on television and radio, and over the internet. With the incorporation of the divisor, the Dow Jones Industrial AverageSM can no longer be considered an average.

The editors of The Wall Street Journal, which is published by Dow Jones, select the components of the Dow Jones Industrial AverageSM. Periodically, the editors review and make changes to the composition of the Dow Jones Industrial AverageSM. While there are no rules for component selection, a stock typically is added only if it has an excellent reputation, demonstrates sustained growth, is of interest to a large number of investors and accurately represents the sector(s) covered by the average. The inclusion of any particular company in the Dow Jones Industrial AverageSM does not constitute a prediction as to the company's future results of operations or stock market performance. For the sake of continuity, composition changes are rare, and generally have occurred only after corporate acquisitions or other dramatic shifts in a company's core business. When such an event necessitates that one component be replaced, the entire index is reviewed. As a result, multiple component changes are often implemented simultaneously.

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THE DOW JONES U.S. REAL ESTATE INDEX

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Dow Jones U.S. Real Estate Index Composition and Maintenance

The Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the United States equity market. Component companies include those that invest directly or indirectly through development, management or ownership of shopping malls, apartment buildings and housing developments; and REITs that invest in apartments, office and retail properties. REITs are passive investment vehicles that invest primarily in income-producing real estate or real estate related loans and interests.

The Dow Jones U.S. Real Estate Index is one of the 19 supersector indices that make up the Dow Jones U.S. Index (formerly known as the Dow Jones U.S. Total Market Index). The Dow Jones U.S. Real Estate Index is a subset of the Dow Jones U.S. Financials Index, which in turn is a subset of the Dow Jones U.S. Index. The Dow Jones U.S. Index is part of the Dow Jones World Index, which is a benchmark family that follows some 6,000 stocks from 45 countries. It is a market capitalization-weighted index in which only the shares of each company that are readily available to investors — the "float" — are counted.

Index component candidates must be common shares or other securities that have the characteristics of common equities. All classes of common shares, both fully and partially paid, are eligible. Fixed-dividend shares and securities such as convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares, and shares in limited partnerships are not eligible. Temporary issues arising from corporate actions, such as "when-issued" shares, are considered on a case-by-case basis when necessary to maintain continuity in a company's index membership. REITs also are eligible. Multiple classes of shares are included if each issue, on its own merit, meets the other eligibility criteria. Securities that have had more than ten nontrading days during the past quarter are excluded. Stocks in the top 95% of the index universe by free-float market capitalization are selected as components of the Dow Jones U.S. Index, skipping stocks that fall within the bottom 1% of the universe by free-float market capitalization and within the bottom .01% of the universe by turnover. To be included in the Dow Jones U.S. Real Estate Index, the issuer of the component securities must be classified in the Real Estate Sector of industry classifications as maintained by the Industry Classification Benchmark ("ICB").

The Dow Jones U.S. Real Estate Index is reviewed by Dow Jones on a quarterly basis. Shares outstanding totals for component stocks are updated during the quarterly review. However, if the number of outstanding shares for an index component changes by more than 10% due to a corporate action, the shares total will be adjusted immediately after the close of trading on the date of the event. Whenever possible, Dow Jones will announce the change at least two business days prior to its implementation. Changes in shares outstanding due to stock dividends, splits and other corporate actions also are adjusted immediately after the close of trading on the day they become effective. Quarterly reviews are implemented during March, June, September and December. Both component changes and share changes become effective at the opening on the first Monday after the third Friday of the review month. Changes to the Dow Jones U.S. Real Estate Index are implemented after the official closing values have been established. All adjustments are made before the start of the next trading day. Constituent changes that result from the periodic review will be announced at least two business days prior to the implementation date.

In addition to the scheduled quarterly review, the Dow Jones U.S. Real Estate Index is reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delistings, bankruptcies, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. Whenever possible, the changes in the index components will be announced at least two business days prior to their implementation date. In the event that a component no longer meets the eligibility requirements, it will be removed from the Dow Jones U.S. Real Estate Index. You can find a list of the companies whose common stocks are currently included in the Dow Jones U.S. Real Estate Index on the Dow Jones website at http://www.djindexes.com. Information included in such website is not a part of this Underlying Supplement.

Background on the ICB

ICB, a joint classification system launched by FTSE Group and Dow Jones Indexes offers broad, global coverage of companies and securities and classifies them based on revenue, not earnings. ICB classifies the component stocks into groups of 10 industries, 19 supersectors, 41 sectors and 114 subsectors. The Real Estate Sector is composed of two Subsectors. The Real Estate Holding & Development Subsector consists of companies that invest directly or indirectly in real estate through development, management or ownership, including property agencies. This Subsector excludes REITs and similar entities. The Real Estate Investment Trusts Subsector consists of real estate investment trusts or corporations and listed property trusts.

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THE DOW JONES U.S. FINANCIALS SECTOR INDEX

We have derived all information contained in this Underlying Supplement regarding the Dow Jones U.S. Financials Sector Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, Dow Jones. The Dow Jones U.S. Financials Sector Index is calculated, maintained and published by Dow Jones. We make no representation or warranty as to the accuracy or completeness of such information.

Index Composition and Maintenance

The Dow Jones U.S. Financials Sector Index measures the performance of the financial industry portion of the United States equity market. The Dow Jones U.S. Financials Sector Index is a market capitalization-weighted index in which only the shares of each company that are readily available to investors — the "float" — are counted and components are drawn from the Bank, Insurance and Financial Services supersectors. The Dow Jones U.S. Financials Sector Index is a subset of the Dow Jones U.S. Index which in turn is a subset of the Dow Jones World Index, a benchmark family that follows some 6,000 stocks from 46 countries.

Index component candidates must be common shares or other securities that have the characteristics of common equities. All classes of common shares, both fully and partially paid, are eligible. Fixed-dividend shares and securities such as convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares, and shares in limited partnerships are not eligible. Temporary issues arising from corporate actions, such as "when-issued" shares, are considered on a case-by-case basis when necessary to maintain continuity in a company's index membership. REITs, listed property trusts and similar real-property-owning pass-through structures taxed as REITs by their domiciles also are eligible. Multiple classes of shares are included if each issue, on its own merit, meets the other eligibility criteria. Securities that have had more than ten nontrading days during the past quarter are excluded. Stocks in the top 95% of the index universe by free-float market capitalization are selected as components of the U.S. Index, skipping stocks that fall within the bottom 1% of the universe by free-float market capitalization and within the bottom .01% of the universe by turnover. To be included in the Dow Jones U.S. Financials Sector Index, the issuer of the component securities must be classified in the financial industry as maintained by the Industry Classification Benchmark ("ICB").

The Dow Jones U.S. Financials Sector Index is reviewed by Dow Jones on a quarterly basis. Shares outstanding totals for component stocks are updated during the quarterly review. However, if the number of outstanding shares for an index component changes by more than 10% due to a corporate action, the shares total will be adjusted immediately after the close of trading on the date of the event. Whenever possible, Dow Jones will announce the change at least two business days prior to its implementation. Changes in shares outstanding due to stock dividends, splits and other corporate actions also are adjusted immediately after the close of trading on the day they become effective. Quarterly reviews are implemented during March, June, September and December. Both component changes and share changes become effective at the opening on the first Monday after the third Friday of the review month. Changes to the Index are implemented after the official closing values have been established. All adjustments are made before the start of the next trading day. Constituent changes that result from the periodic review will be announced at least two business days prior to the implementation date.

In addition to the scheduled quarterly review, the Dow Jones U.S. Financials Sector Index is reviewed on an ongoing basis. Changes in index composition and related weight adjustments are necessary whenever there are extraordinary events such as delistings, bankruptcies, mergers or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. Whenever possible, the changes in the index components will be announced at least two business days prior to their implementation date. In the event that a component no longer meets the eligibility requirements, it will be removed from the Index. You can find a list of the companies whose common stocks are currently included in the Dow Jones U.S. Financials Sector Index on the Dow Jones website at http://www.djindexes.com. Information included in such website is not a part of this Underlying Supplement.

Background on the ICB

ICB, a joint classification system launched by FTSE Group and Dow Jones Indexes offers broad, global coverage of companies and securities and classifies them based on revenue, not earnings. ICB classifies stocks into groups of 10 industries, 18 supersectors, 39 sectors and 104 subsectors. The Financial Industry is composed of the Bank supersector, the Insurance supersector and the Financial Services supersector. The Bank supersector includes companies in the Bank sector, the Insurance supersector includes companies in the nonlife insurance and life insurance sectors and the Financial Services supersector includes companies in the real estate, general financial, equity investment instruments and nonequity investment instrument sectors.

Calculation and Adjustments

Input Data Sources.

Real-time stock prices are provided by Reuters, with the latest trading price used for index calculation. The number of shares is determined separately for each class of stock. This information is obtained from regulatory filings and a variety of data vendors or from the companies themselves. Corporate actions are sourced from public news services, regulatory filings, data vendors and the companies themselves. Float data are obtained from a variety of sources including data vendors, exchanges, regulators and the companies themselves.

Index Formula.

The Dow Jones U.S. Financials Sector Index is calculated using a Laspeyres formula. This formula is used for the calculation of the price return index. The only difference is that the divisor Dt is different for the two indexes. The Dow Jones U.S. Financials Sector Index is computed as follows:

The above mentioned formula can be simplified as where:

$D_t = \frac{B_t}{\text{Base Index Value}}$ = divisor at time (t)

n = the number of stocks in the index

Pi0 = the closing level of stock i at the base date (December 31, 1991)

qi0 = the number of shares of company i at the base date (December 31, 1991)

Pit = the price of stock i at time (t)

qit = the number of shares of company i at time (t)

Ct = the adjustment factor for the base date market capitalization

T = the time the index is computed

Mt = market capitalization of the index at time (t)

Bt = adjusted base date market capitalization of the index at time (t)

Dividend payments are not taken into account in the price index, whereas dividend payments are reinvested in the index sample of the total return index. Any dividend larger than 10% of the equity price is considered a special dividend, which requires a divisor adjustment. The adjustment protects the index from the effects of changes in index composition and the impact of corporate actions.

Divisor Adjustments.

Corporate actions affect the share capital of component stocks and therefore trigger increases or decreases in the index. To avoid distortion, the divisor of the Dow Jones U.S. Financials Sector Index is adjusted accordingly. Changes in the index's market capitalization due to changes in the composition (additions, deletions or replacements), weighting (following quarterly reviews or changes of more than 10% in a single component's share number) or corporate actions (mergers, spinoffs, rights offerings, repurchase of shares, public offerings, return of capital, or special cash or stock distributions of other stocks) result in a divisor change to maintain the index's continuity. By adjusting the divisor, the index value retains its continuity before and after the event.

Formulae for Divisor Adjustment.

The following formulae will be used for divisor adjustments. (Note: No divisor adjustments are necessary for stock splits, since market capitalization does not change and the share number and share price are adjusted prior to the opening of trading on the split's ex-date.)

Dt = divisor at time (t)

Dt+1 = divisor at time (t+1)

Pit = stock price of company i at time (t)

qit = number of shares of company i at time (t)

ΔMCt+1 = add new component's market capitalization and adjusted market capitalization (calculated with adjusted closing levels and shares effective at time t+1 and/or minus market capitalization of companies to be deleted (calculated with closing levels and shares at time t). If the current trading price of an issue is unavailable, the previous trading session's closing level is used. However, if the issue is affected by any corporate action that requires an adjustment, then the adjusted price is used.

Adjustments for Corporate Actions.

An index divisor may decrease (∇) or increase (Δ) or keep constant (n) when corporate actions occur for a component stock. Assuming shareholders receive "B" new shares for every "A" share held for the following corporate actions:

DIVISOR Ñ A) Cash dividend (applied for return index only)
adjusted price = closing level – dividend announced by the company

DIVISOR D B) Special Cash dividend (applied for price return index only)
adjusted price = closing level – dividend announced by the company

DIVISOR n C) Split and Reverse Split
adjusted price = closing level * A / B
new number of shares = old number of shares * B / A

DIVISOR D D) Rights Offering
adjusted price = (closing level * A + subscription price * B) / (A + B)
new number of shares = old number of shares * (A + B) / A

DIVISOR n E) Stock Dividend
adjusted price = closing level * A / (A + B)
new number of shares = old number of shares * (A + B) / A

DIVISOR Ñ F) Stock Dividend of a Different Company Security
adjusted price = (closing level * A – price of the different company security * B) / A

DIVISOR Ñ G) Return of Capital and Share Consolidation
adjusted price = (closing level – dividend announced by company) * A / B
new number of shares = old number of shares * B / A

DIVISOR Ñ H) Repurchase Shares-Self-Tender
adjusted price = (closing level – dividend announced by company) * A / B
new number of shares = old number of shares * B / A
adjusted price = [(price before tender * old number of shares) – (tender price * number of tendered shares)] / (old number of shares – number of tendered shares) new number of shares = old number of shares – number of tendered shares

DIVISOR Ñ I) Spinoff
adjusted price = (closing level * A – price of spun-off shares * B) / A

DIVISOR D J) Combination Stock Distribution (Dividend or Split) and Rights Offering
Shareholders receive B new shares from the distribution and C new shares from the rights offering for every A shares held:
w If rights are applicable after stock distribution (one action applicable to other)
adjusted price = [closing level * A + subscription price * C * (1 + B / A)] / [(A + B) * (1 + C / A)]
new number of shares = old number of shares * [(A + B) * (1 + C / A)] / A
w If stock distribution is applicable after rights (one action applicable to other)
adjusted price = [closing level * A + subscription price * C] / [(A + C) * (1 + B / A)]
new number of shares = old number of shares * [(A + C) * (1 + B / A)]

DIVISOR D K) Stock Distribution and Rights (Neither Action is Applicable to the Other)
adjusted price = [closing level * A + subscription price * C] / [A + B + C]
new number of shares = old number of shares * [A + B + C]

Computational Precision.

Index values are rounded to two decimal places and divisors are rounded to integers. Any values derived by the index calculation engine from a corporate action used for the divisor adjustments and index computations are rounded to seven decimal places.

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THE MSCI INDICES

We have derived all information contained in this Underlying Supplement regarding the MSCI Brazil Index, the MSCI EAFE® Index, the MSCI Emerging Markets Index and the MSCI Japan Index (together, "the MSCI Indices"), including, without limitation, their make-up, method of calculation and changes in their components, from publicly available information. Such information reflects the policies of, and is subject to change by, MSCI. We make no representation or warranty as to the accuracy or completeness of such information. The MSCI Indices are calculated, maintained and published by MSCI. MSCI has no obligation to continue to publish, and may discontinue publication of, any of the MSCI Indices.

Transition

On March 28, 2007, MSCI announced changes to the methodology used by MSCI to calculate its Standard and Small Cap Indices. The transition of the Standard and Small Cap Indices to the MSCI Indices occurred in two phases, the first completed as of November 30, 2007 and the second completed as of May 30, 2008. The current index calculation methodology used to formulate the MSCI Indices (and which is also used to formulate the indices included in the MSCI Global Index Series) (the "MSCI Global Investable Market Indices Methodology") was implemented as of June 1, 2008.

The MSCI Brazil Index

The MSCI Brazil Index is a free float-adjusted, capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization in Brazil. The MSCI Brazil Index consists of stocks traded primarily on the Bolsa de Valores de São Paolo and is nondiversified. The MSCI Brazil Index is calculated daily in U.S. dollars and published in real time every 15 seconds during market trading hours. The MSCI Brazil Index is reported by Bloomberg L.P. under the ticker symbol "MXBR."

The MSCI EAFE® Index

The MSCI EAFE® Index is a free float-adjusted market capitalization index intended to measure the equity market performance of certain developed markets. The MSCI EAFE® Index is calculated daily in U.S. dollars and published in real time every 15 seconds during market trading hours. As of April 2, 2010, the MSCI EAFE® Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Effective May 2010, Israel will be reclassified as a developed market and will be included in the MSCI EAFE® Index. The MSCI EAFE® Index is reported by Bloomberg L.P. under the ticker symbol "MXEA."

The MSCI Emerging Markets Index

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of global emerging markets. The MSCI Emerging Markets Index is calculated daily in U.S. dollars and published in real time every 15 seconds during market trading hours. As of April 2, 2010, the MSCI Emerging Markets Index consisted of the following 22 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Effective May 2010, Israel will be reclassified as a developed market and will no longer be included in the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is reported by Bloomberg L.P. under the ticker symbol "MXEF."

The MSCI Japan Index

The MSCI Japan Index is a free float adjusted market capitalization index of securities listed on the Nagoya Stock Exchange, Osaka Securities Exchange, Tokyo Stock Exchange and the JASDAQ. The MSCI Japan Index is divided into large and mid cap segments and provides exhaustive coverage of these size segments by targeting a coverage range around 85% of free float-adjusted market capitalization in each market. The MSCI Japan Index is calculated daily in U.S. dollars and published in real time every 15 seconds during market trading hours. The MSCI Japan Index is reported by Bloomberg L.P. under the ticker symbol “MSJP.”

Constructing the MSCI Global Investable Market Indices

MSCI undertakes an index construction process, which involves: (i) defining the Equity Universe; (ii) determining the Market Investable Equity Universe for each market; (iii) determining market capitalization size segments for each market; (iv) applying Index Continuity Rules for the MSCI Standard Index; (v) creating style segments within each size segment within each market; and (vi) classifying securities under the Global Industry Classification Standard (the "GICS").

The "relevant market" with respect to a single country index is equivalent to the single country, except in DM-classified countries in Europe (as described below), where all such countries are first aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indices within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the MSCI Global Investable Market Indices Methodology.

The "relevant market" with respect to a composite index includes each of the single countries which comprise the composite index.

The "Equity Universe" is the aggregation of all Market Investable Equity Universes. The "DM Investable Equity Universe" is the aggregation of all the Market Investable Equity Universes for Developed Markets.

Defining the Equity Universe

(i) Identifying Eligible Equity Securities: The Equity Universe initially looks at securities listed in any of the countries in the MSCI Global Index Series, which will be classified as either Developed Markets ("DM") or Emerging Markets ("EM"). All listed equity securities, or listed securities that exhibit characteristics of equity securities, except mutual funds, exchange traded funds, equity derivatives, limited partnerships, and most investment trusts, are eligible for inclusion in the Equity Universe. Real Estate Investment Trusts ("REITs") in some countries and certain income trusts in Canada are also eligible for inclusion.

(ii) Country Classification of Eligible Securities: Each company and its securities (i.e., share classes) are classified in one and only one country, which allows for a distinctive sorting of each company by its respective country.

Determining the Market Investable Equity Universes

A Market Investable Equity Universe for a market is derived by applying investability screens to individual companies and securities in the Equity Universe that are classified in that market. A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes. Subsequently, individual DM Europe country indices within the MSCI Europe Index are derived from the constituents of the MSCI Europe Index under the Global Investable Market Indices methodology.

The investability screens used to determine the Investable Equity Universe in each market are as follows:

(i) Equity Universe Minimum Size Requirement: This investability screen is applied at the company level. In order to be included in a Market Investable Equity Universe, a company must have the required minimum full market capitalization. A company will meet this requirement if its cumulative free float-adjusted market capitalization is within the top 99% of the sorted Equity Universe.

(ii) Equity Universe Minimum Float–Adjusted Market Capitalization Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have a free float–adjusted market capitalization equal to or higher than

50% of the Equity Universe Minimum Size Requirement.

(iii) DM and EM Minimum Liquidity Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security must have adequate liquidity as measured by the Annualized Traded Value Ratio ("ATVR") and the Frequency of Trading. The ATVR screens out extreme daily trading volumes, taking into account the free float-adjusted market capitalization size of securities. The aim of the 12-month and 3-month ATVR together with 3-month Frequency of Trading is to select securities with a sound long and short-term liquidity. A minimum liquidity level of 20% of 3-month ATVR and 90% of 3-month Frequency of Trading over the last 4 consecutive quarters, as well as 20% of 12-month ATVR are required for the inclusion of a security in a Market Investable Equity Universe of a Developing Market. A minimum liquidity level of 15% of 3-month ATVR and 80% of 3-month Frequency of Trading over the last 4 consecutive quarters, as well as 15% of 12-month ATVR are required for the inclusion of a security in a Market Investable Equity Universe of an Emerging Market.

In instances when a security does not meet the above criteria, the security will be represented by a relevant liquid eligible Depository Receipt if it is trading in the same geographical region. Depository Receipts are deemed liquid if they meet all the above mentioned criteria for 12-month ATVR, 3-month ATVR and 3-month Frequency of Trading.

(iv) Global Minimum Foreign Inclusion Factor Requirement: This investability screen is applied at the individual security level. To be eligible for inclusion in a Market Investable Equity Universe, a security's Foreign Inclusion Factor ("FIF") must reach a certain threshold. The FIF of a security is defined as the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company). In general, a security must have an FIF equal to or larger than 0.15 to be eligible for inclusion in a Market Investable Equity Universe.

(v) Minimum Length of Trading Requirement: This investability screen is applied at the individual security level. For an initial public offering ("IPO") to be eligible for inclusion in a Market Investable Equity Universe, the new issue must have started trading at least four months before the implementation of the initial construction of the index or at least three months before the implementation of a Semi−Annual Index Review. This requirement is applicable to small new issues in all markets. Large IPOs are not subject to the Minimum Length of Trading Requirement and may be included in a Market Investable Equity Universe and the Standard Index outside of a Quarterly or Semi−Annual Index Review.

Defining Market Capitalization Size Segments for Each Market

Once a Market Investable Equity Universe is defined, it is segmented into the following size−based indices:

- Investable Market Index (Large + Mid + Small)
- Standard Index (Large + Mid)
- Large Cap Index
- Mid Cap Index
- Small Cap Index

Creating the Size Segment Indices in each market involves the following steps: (i) defining the Market Coverage Target Range for each size segment; (ii) determining the Global Minimum Size Range for each size segment; (iii) determining the Market Size−Segment Cutoffs and associated Segment Number of Companies; (iv) assigning companies to the size segments; and (v) applying final size−segment investability requirements and index continuity rules.

Index Continuity Rules for the Standard Indices

In order to achieve index continuity, as well as provide some basic level of diversification within a market index, notwithstanding the effect of other index construction rules, a minimum number of five constituents will be maintained for a DM Standard Index and a minimum number of three constituents will be maintained for an EM Standard Index.

If after the application of the index construction methodology, a Standard Index contains fewer than five securities in a Developed Market or three securities in an Emerging Market, then the largest securities by free float-adjusted market capitalization are added to the Standard Index in order to reach five constituents in that Developed Market or three in that Emerging Market. At subsequent Index Reviews, if the free float-adjusted market capitalization of a non-index constituent is at least 1.50 times the free float-adjusted market capitalization of the smallest existing constituent after rebalancing, the larger free float-adjusted market capitalization security replaces the smaller one.

Creating Style Indices within Each Size Segment

All securities in the investable equity universe are classified into Value or Growth segments using the MSCI Global Value and Growth methodology.

Classifying Securities under the Global Industry Classification Standard

All securities in the Global Investable Equity Universe are assigned to the industry that best describes their business activities. To this end, MSCI has designed, in conjunction with Standard & Poor's, the Global Industry Classification Standard ("GICS"). The GICS entails four levels of classification: (1) sector; (2) industry groups; (3) industries; (4) sub-industries. Under the GICS, each company is assigned uniquely to one sub−industry according to its principal business activity. Therefore, a company can belong to only one industry grouping at each of the four levels of the GICS.

Maintenance of the MSCI Indices

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the indices, and index stability and low index turnover.

In particular, index maintenance involves:

(i) Semi−Annual Index Reviews ("SAIRs") in May and November of the Size Segment and Global Value and Growth Indices which include:

- Updating the indices on the basis of a fully refreshed Equity Universe.
- Taking buffer rules into consideration for migration of securities across size and style segments.
- Updating FIFs and Number of Shares ("NOS").

The objective of the SAIRs is to systematically reassess the various dimensions of the Equity Universe for all markets on a fixed semi-annual timetable. A SAIR involves a comprehensive review of the Size Segment and Global Value and Growth Indices.

(ii) Quarterly Index Reviews ("QIRs") in February and August of the Size Segment Indices aimed at:

- Including significant new eligible securities (such as IPOs that were not eligible for earlier inclusion) in the index.
- Allowing for significant moves of companies within the Size Segment Indices, using wider buffers than in the SAIR.
- Reflecting the impact of significant market events on FIFs and updating NOS.

QIRs are designed to ensure that the indices continue to be an accurate reflection of the evolving equity marketplace. This is achieved by a timely reflection of significant market driven changes that were not captured in the index at the time of their actual occurrence but are significant enough to be reflected before the next SAIR. QIRs may result in additions or deletions due to migration to another Size Segment Index, and changes in FIFs and in NOS. Only additions of significant new investable companies are considered, and only for the Standard Index. The buffer zones used to manage the migration of companies from one segment to another are wider than those used in the SAIR. The style classification is reviewed only for companies that are reassigned to a different size segment.

(iii) Ongoing event–related changes. Ongoing event-related changes to the indices are the result of mergers, acquisitions, spin-offs, bankruptcies, reorganizations and other similar corporate events. They can also result from capital reorganizations in the form of rights issues, bonus issues, public placements and other similar corporate actions that take place on a continuing basis. These changes generally are reflected in the indices at the time of the event. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Announcement Policy

The results of the SAIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of May and November. The results of the QIRs are announced at least two weeks in advance of their effective implementation dates as of the close of the last business day of February and August. All changes resulting from corporate events are announced prior to their implementation.

The changes are typically announced at least ten business days prior to the changes becoming effective in the indices as an "expected" announcement, or as an "undetermined" announcement, when the effective dates are not known yet or when aspects of the event are uncertain. MSCI sends "confirmed" announcements at least two business days prior to events becoming effective in the indices, provided that all necessary public information concerning the event is available. The full list of all new and pending changes is delivered to clients on a daily basis, at 5:30 p.m., US Eastern Time through the Advance Corporate Events (ACE) File.

In exceptional cases, events are announced during market hours for same or next day implementation. Announcements made by MSCI during market hours are usually linked to late company disclosure of corporate events or unexpected changes to previously announced corporate events.

In the case of secondary offerings representing more than 5% of a security's number of shares for existing constituents, these changes will be announced prior to the end of the subscription period when possible and a subsequent announcement confirming the details of the event (including the date of implementation) will be made as soon as the results are available.

Both primary equity offerings and secondary offerings for U.S. securities, representing at least 5% of the security's number of shares, will be confirmed through an announcement during market hours for next day or shortly after implementation, as the completion of the events cannot be confirmed prior to the notification of the pricing.

Early deletions of constituents due to bankruptcy or other significant cases a