DIAMONDS TRUST SERIES I
Form 497
March 04, 2009

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SUPPLEMENTAL INFORMATION MEMORANDUM
FOR THE NETHERLANDS

Units issued in respect of

DIAMONDS®

DIAMONDS TRUST, SERIES 1
(A Unit Investment Trust organised in the United States)

This supplemental information memorandum (Supplemental Information Memorandum) dated March 2, 2009 incorporates the attached prospectus dated February 27, 2009 (Prospectus and, together with this Supplemental Information Memorandum, Introduction Memorandum[1]) issued by the DIAMONDS Trust, Series 1 (Trust). Terms defined in the Prospectus shall have the same meaning when used in this Supplemental Information Memorandum.

The Introduction Memorandum constitutes an offering in the Netherlands only. The Introduction Memorandum does not constitute an offer of, nor an invitation by or on behalf of the Trust to purchase any DIAMONDS, and may not be used for or in connection with any offer to, or solicitation by, anyone in any other jurisdiction or in any circumstance in which such offer or solicitation is not authorized by the Trust or is unlawful. No action is being taken to permit an offering of DIAMONDS or the distribution of the Introduction Memorandum in any jurisdiction where such action is required.

DIAMONDS are listed on Euronext Amsterdam by NYSE Euronext (Euronext Amsterdam), the regulated market of Euronext Amsterdam N.V. This Supplemental Information Memorandum contains additional information as required by the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended, and the rules promulgated thereunder and the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the AFM).

(1) **The Introduction Memorandum constitutes a prospectus for the Dutch market as required by the Dutch Financial Supervision Act (*Wet op het Financieel toezicht*), as amended, and the rules promulgated thereunder.**

DIAMONDS
BY

DIAMONDS TRUST, SERIES 1

SUPPLEMENTAL INFORMATION MEMORANDUM
FOR THE NETHERLANDS

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DIAMONDS TRUST, SERIES 1

The Trust is a unit investment trust organised in the United States (US) that issues securities called DIAMONDS , which represent an undivided ownership interest in the portfolio of stocks held by the Trust. The portfolio consists of all of the component common stocks which comprise the Dow Jones Industrial Average (DJIA or Index).

Only PDR Services LLC, the sponsor of the Trust (Sponsor), accepts full responsibility for the accuracy of information contained in the Introduction Memorandum other than that given in the Prospectus under the heading Report of Independent Registered Public Accounting Firm, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in the Introduction Memorandum misleading.

The Trust is governed by the Standard Terms and Conditions of Trust and Trust Indenture, as amended, between State Street Bank and Trust Company, the trustee of the Trust (Trustee), and the Sponsor dated as of January 1, 1998 and effective as of January 13, 1998, as amended. Terms defined in the Trust Agreement shall have the same meaning when used in this Supplemental Information Memorandum.

All orders to buy and sell DIAMONDS trading on Euronext Amsterdam will be made in euro ( ). The primary trading markets for the securities held by the Trust (Portfolio Securities) and the securities in the DJIA are the New York Stock Exchange LLC (NYSE) and the Nasdaq Stock Market where the Portfolio Securities trade in US dollars. The NYSE and the Nasdaq Stock Market are in New York, NY, US, in the US Eastern Time Zone, and have regular trading hours between 9:30 a.m. and 4:00 p.m. Certain of the securities in the DJIA (Index Securities) may trade in euro on various European markets and in other currencies on other national markets.

The primary trading market for DIAMONDS is in the US, where DIAMONDS are listed on NYSE Arca, Inc. (NYSE Arca). Investors should note that trading in DIAMONDS may be halted under certain circumstances. Please refer to page 49 of the Prospectus. Trading of DIAMONDS on Euronext Amsterdam may be halted if the Trust fails to comply with certain requirements of Euronext Amsterdam. Regular trading for DIAMONDS ends at 4:00 p.m. on NYSE Arca (New York Trading Hours). Investors should be aware that Netherlands time is generally six hours ahead of US Eastern Standard time. Trading on Euronext Amsterdam currently occurs between the hours of 9:00 a.m. and 5:30 p.m. in the Netherlands. Therefore, trading in DIAMONDS on Euronext Amsterdam will begin before US markets open and end before regular trading concludes in the US. Also, the securities markets in the Netherlands and the US will be closed on certain national holidays in each country, so there will be days when DIAMONDS can trade on Euronext Amsterdam but not in the US, and vice versa.

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On behalf of the Sponsor, NYSE Arca makes available every 15 seconds throughout the trading day at NYSE Arca a number representing the intraday indicative value (IIV) for a DIAMONDS unit. The IIV represents, on a per DIAMONDS unit basis, the sum of an amount equal, on a per Creation Unit basis, to the dividends on the securities held in the Trust s portfolio (with ex-dividend dates within the accumulation period), net of expenses and accrued liabilities for such period, effective through and including the previous Business Day, plus the current value of the securities portion of a Portfolio Deposit as in effect on such day (which value may include a cash in lieu amount to compensate for the omission of a particular Index Security from such Portfolio Deposit).[(2)](

During trading hours on Euronext Amsterdam, Euronext N.V. will calculate and publish throughout its trading day an intraday figure in euro for a DIAMONDS unit called the indicative net asset value (INAV[(3)]).(

Because Euronext N.V. uses a different methodology and different data to calculate the INAV than that used to calculate the IIV published by NYSE Arca, the INAV and the IIV may not be the same. Investors interested in creating or redeeming DIAMONDS or purchasing or selling DIAMONDS in the secondary market should not rely solely on the INAV or IIV in making investment decisions but should also consider other market information and relevant economic and other factors (including, without limitation, information regarding the DJIA, the Index Securities and financial instruments based on the DJIA).

The Trust issues and redeems DIAMONDS in the US and only in multiples of 50,000 DIAMONDS in exchange for the specified portfolio of DJIA stocks and cash. Individual DIAMONDS trade in the secondary market on Euronext Amsterdam in round lots of 1 DIAMONDS unit. DIAMONDS listed on Euronext Amsterdam can only be transferred through the book-entry settlement system of Euroclear. No separate share certificates representing one or more DIAMONDS unit will be issued. The Trust is independent of all secondary market activities occurring on Euronext Amsterdam and does not make a market in DIAMONDS either directly or through an intermediary. Investors purchasing or selling DIAMONDS on Euronext Amsterdam

([(2)] NYSE Arca makes every effort to ensure the accuracy of the IIV. However, it should be noted that the IIV is derived from external sources. NYSE Arca accepts no explicit or implicit liability for the accuracy, completeness or updating of the IIV, or for the value thereof. The inability of NYSE Arca to provide the IIV will not in itself result in a halt in the trading of DIAMONDS on NYSE Arca.

([(3)] Euronext N.V. makes every effort to ensure the accuracy of the INAV. However, it should be noted that the INAV is derived from external sources. Euronext N.V. accepts no explicit or implicit liability for the accuracy, completeness or updating of the INAV, or for the value thereof. The inability of Euronext N.V. to provide the INAV will not itself result in a halt in the trading of DIAMONDS on Euronext Amsterdam. The Sponsor is not responsible for the calculation of the INAV and accepts no explicit or implicit liability for the accuracy or completeness of the INAV, or of the value thereof.

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will do so at market prices and will pay ordinary commissions and other usual charges for their trades in DIAMONDS to their brokers.

The Trust is registered as a unit investment trust under the US Investment Company Act of 1940, as amended, and DIAMONDS are registered under the US Securities Act of 1933, as amended, with the US Securities and Exchange Commission (SEC). Regulatory oversight of the Trust is primarily the province of the SEC.

The Trust and the Sponsor are subject to the Dutch Financial Supervision Act *(Wet op het financieel toezicht)*, as amended. Pursuant to Article 2:65 of the Dutch Financial Supervision Act, it is prohibited to offer in the Netherlands interests in a collective investment scheme, such as the Trust, if the management company of such collective investment scheme (or, if the collective investment scheme does not have a separate management company, the collective investment scheme itself) does not have a license from the AFM, unless an exception, exemption or individual dispensation applies. Under the Dutch Financial Supervision Act, an exception applies to the Sponsor in respect of the requirement to obtain a license from the AFM to act as the management company of a collective investment scheme for so long as the United States is considered by the Dutch Minister of Finance *(Minister van Financiën)* to have adequate supervision of collective investment schemes. By Ministerial Decree of January 1, 2007, as amended, in respect of the accreditation of states as referred to in Article 2:66 of the Dutch Financial Supervision Act, the United States was accredited by the Dutch Minister of Finance to have such adequate supervision, in respect of collective investment schemes authorized by and subject to supervision of the SEC. The Trust and the Sponsor will remain subject to certain ongoing requirements under the Dutch Financial Supervision Act relating to the disclosure of certain information to investors, including the publication of financial statements. The Trust is registered with the AFM pursuant to Article 1:107 of the Dutch Financial Supervision Act.

The Sponsor, as legal representative of the Trust, may discontinue the listing of DIAMONDS on Euronext Amsterdam and request the AFM to terminate the registration in the Netherlands if the Sponsor determines that to do so is in the best interest of the Trust and the investors, which determination the Sponsor will make in its sole discretion. In that event, delisting of DIAMONDS in the Netherlands will take effect as of the close of business on the fifth (5th) business day after public notice by Euronext Amsterdam N.V. of having received an application for discontinuation of the listing of DIAMONDS, provided DIAMONDS are listed on another stock exchange on the day of delisting on Euronext Amsterdam. The AFM will terminate the Trust s registration as soon as practicable following the delisting of DIAMONDS on Euronext Amsterdam. The decision to delist from Euronext Amsterdam and the request to the AFM to terminate the registration will be announced by means of a press release and through a notice in a daily newspaper of wide circulation in the Netherlands, the Euronext Amsterdam Daily Official List *(Officiële Prijscourant*)

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and on SNS Securities N.V. s website at www.snssecurities.nl/diamonds. After the DIAMONDS are delisted from Euronext Amsterdam, investors may be able to trade DIAMONDS on other markets. Higher brokerage fees may apply for trades of DIAMONDS on other markets.

If the Trust were to terminate in accordance with the terms of the Trust Agreement, investors would be notified at least 20 days prior to such termination, as described in the Prospectus. In the case of termination of the Trust, DIAMONDS shall similarly be delisted and the registration of the Trust in the Netherlands shall be terminated.

Any change in the investment policy of the Trust, and any change in the conditions of the Trust, whereby any right or security of the investors is to be reduced or any burden is to be imposed on them, can only enter into force three months after notice of such change has been given in a daily newspaper of wide circulation in the Netherlands and on SNS Securities N.V. s website at www.snssecurities.nl/diamonds together with a brief description of such change and within this period investors are allowed to redeem their DIAMONDS under the usual conditions, as described in the Prospectus. Notice of a proposal to make any such change will also be published in a daily newspaper of wide circulation in the Netherlands and on SNS Securities N.V. s website at www.snssecurities.nl/diamonds, together with a brief description of such change.

In the event a meeting of the holders of DIAMONDS is convened, notice of such meeting will be published in a daily newspaper of wide circulation in the Netherlands, the Euronext Amsterdam Daily Official List and on SNS Securities N.V. s website at www.snssecurities.nl/diamonds no later than on the fifteenth (15th) day prior to the day of the meeting. The notice will contain the agenda and the contents of all documents cognizance of which is of importance to the holders of DIAMONDS trading on Euronext Amsterdam for the purposes of the agenda or an indication of that and where these documents may be obtained in the Netherlands free of charge.

A copy of the semi-annual reports of the Trust will be published within nine (9) weeks following the end of the first half (1/2) of the Trust s fiscal year, and a copy of the Trust s annual report will be published within four (4) months following the end of the Trust s fiscal year. All such reports can be obtained free of charge at the offices of SNS Securities N.V. and on SNS Securities N.V. s website at www.snssecurities.nl/diamonds. Announcement of the availability of the semi-annual and annual reports will be made through a notice in a daily newspaper of wide circulation in the Netherlands and the Euronext Amsterdam Daily Official List.

Dividends on DIAMONDS trading on Euronext Amsterdam will be paid by the Trust in immediately available funds in US dollars.

Any dividends or other distributions on DIAMONDS will be announced on SNS Securities N.V. s website at www.snssecurities.nl/diamonds. In those circumstances where the actual dividend amount is not available in time to allow for publication on the Ex-Dividend Date, on the Ex-Dividend Date, the Euronext Amsterdam Daily

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Official List will include the dividend amount estimated as of the day before the Ex-Dividend Date and the notice in the daily newspaper of wide circulation will specify that the actual dividend amount will be available from SNS Securities N.V. s website at www.snssecurities.nl/diamonds prior to the opening of trading on Euronext Amsterdam.

Investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of DIAMONDS.

Investors in the Trust are advised to review the Introduction Memorandum in its entirety and carefully consider the risk factors set out under the heading RISK FACTORS on pages 11 to 14 of the Prospectus, and to refer to the sections of this Supplemental Information Memorandum entitled United States Taxation and Netherlands Taxation for a discussion of the tax consequences of an investment by Dutch investors in DIAMONDS.

A Financial Information Leaflet *(financiële bijsluiter)* is available with information about the Trust including the costs and risks associated with an investment in DIAMONDS. Investors are advised to obtain this leaflet from the website of SNS Securities N.V. at www.snssecurities.nl/diamonds and read it carefully before buying DIAMONDS.

ENQUIRIES

All enquiries about the Trust should be directed to DIAMONDS Trust, Series 1, c/o SNS Securities N.V., Nieuwezijds Voorburgwal 162, 1012 SJ Amsterdam, the Netherlands, telephone 020 550 8509, telefax 020 427 3486.

The 2006, 2007 and 2008 annual reports of the Trust are incorporated by reference. Copies of these reports, the letter from the AFM confirming the registration with the AFM pursuant to Article 1:107 of the Dutch Financial Supervision Act *(Wet op het financieel toezicht),* the Introduction Memorandum, Trust Agreement, latest report[(4)](and Financial Information Leaflet can be obtained free of charge at the offices of SNS Securities N.V. or on SNS Securities N.V. s website at www.snssecurities.nl/diamonds.

Additional information regarding DIAMONDS, including semi-annual reports may be obtained free of charge on SNS Securities N.V. s website at www.snssecurities.nl/diamonds and at www.spdrs.com.

([(4)] This report, published on a daily basis, contains the information required by Article 50(2) of the Netherlands Decree on Market Conduct Supervision of Financial Undertakings (*Besluit Gedragstoezicht financiële ondernemingen Wft),* including the composition and total value of the investments of the Trust, the number of outstanding DIAMONDS and the net asset value per DIAMONDS unit.

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UNITED STATES TAXATION

GENERAL

The following is a summary of the material US federal income tax considerations applicable to an investment in DIAMONDS by a Beneficial Owner (as defined in the Prospectus) who has never been nor will ever be a US citizen or resident for US federal income tax purposes or that is a corporation formed outside the US or that is an estate or trust not taxable in the US on its worldwide income without regard to source (each, a Foreign Beneficial Owner). The summary is based on the laws in effect on the date of the Prospectus and existing judicial and administrative interpretations thereof, all of which are subject to change, possibly with retroactive effect. In addition, this summary assumes that Foreign Beneficial Owners hold DIAMONDS as capital assets within the meaning of the US Internal Revenue Code of 1986, as amended (the Code), do not conduct any trade or business in the US, and do not hold DIAMONDS in connection with any trade or business. This summary does not address all potential US federal income tax considerations possibly applicable to an investment in DIAMONDS or to any Foreign Beneficial Owner who or that is (i) treated as a partnership (or other pass-through entity) for US federal income tax purposes, (ii) holding DIAMONDS through a partnership (or other pass-through entity), (iii) present in the US for 183 or more days during any tax year (as determined under special counting rules set forth in the Code) or (iv) otherwise subject to special tax rules. Prospective Foreign Beneficial Owners are urged to consult their own tax advisors with respect to the specific tax consequences of investing in DIAMONDS.

US INCOME TAX

Ordinary Income Dividends.

In general, ordinary income dividends from the Trust (including distributions of net short-term capital gains and other amounts that would not be subject to US withholding tax if paid directly to the Foreign Beneficial Owner) will be subject to US withholding tax at a rate of thirty percent (30%) or at a lower rate established under an applicable income tax treaty. However, for Trust tax years beginning on or before December 31, 2009, interest-related dividends (*i.e.*, dividends derived from certain types of interest-related income) and short-term capital gain dividends (*i.e.*, dividends that are derived from the Trust s short-term capital gains over net long-term capital losses) generally will not be subject to US withholding tax; provided that a Foreign Beneficial Owner furnishes the Trust with a completed Form W-8BEN (or acceptable substitute documentation) establishing the Foreign Beneficial Owner s status as foreign and that the Trust does not have actual knowledge or reason to know that the Foreign Beneficial Owner would be subject to withholding tax if the Foreign

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Beneficial Owner were to receive the related amounts directly rather than as dividends from the Trust.

Under certain circumstances, the thirty percent (30%) withholding tax rate may be reduced pursuant to an income tax treaty. Pursuant to the US-Netherlands Income Tax Treaty, a qualified resident of the Netherlands (as determined under rules promulgated under the US-Netherlands Income Tax Treaty) will be subject to US withholding tax at a reduced rate of fifteen percent (15%) with respect to ordinary income dividends from the Trust; provided that the qualified Netherlands resident certifies entitlement to the benefits of the US-Netherlands Income Tax Treaty on a Form W-8BEN.

Treatment of Capital Gain Distributions and Sales Proceeds

In general, capital gain distributions (*i.e.*, distributions from the excess of net long-term capital gains over net short-term capital losses) and gain or proceeds from a sale or redemption of DIAMONDS will be exempt from US federal income tax (including withholding at the source).

Backup Withholding

The Trust may be required to withhold federal income tax (known as backup withholding) at a twenty-eight percent (28%) rate from dividends (other than dividends subject to the thirty-percent withholding tax described above) and redemption proceeds payable to a non-corporate Foreign Beneficial Owner if the non-corporate Foreign Beneficial Owner fails to provide the Trust with a completed exemption certificate (Form W-8BEN). Backup withholding is not an additional tax and any amount withheld may be credited against a Foreign Beneficial Owner s US federal income tax liability or may be refunded. To claim a credit or refund for any taxes collected through back-up withholding or any Trust-level taxes on any undistributed long-term capital gains, a Foreign Beneficial Owner must obtain a US taxpayer identification number and file a federal income tax return even if the Foreign Beneficial Owner would not otherwise be required to obtain a US taxpayer identification number or file a US income tax return.

Information Reporting

In the case of a Foreign Beneficial Owner, the Trust must report to the US Internal Revenue Service and the Foreign Beneficial Owner the amount of dividends, capital gain dividends, interest-related dividends, short-term capital gain dividends or redemption proceeds paid that are subject to withholding (including backup withholding, if any) and the amount of tax withheld, if any, with respect to such amounts. This information may also be made available to the tax authorities in the Foreign Beneficial Owner s country of residence.

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US ESTATE TAX

The estate of an individual non-resident holder of DIAMONDS may be subject to US estate tax on the value of such DIAMONDS, which are considered US situs property for such purposes. An estate tax credit is currently available for the estates of non-residents, the effect of which is to exempt up to $60,000 of US situs property. US estate tax is imposed at graduated rates, the highest of which is currently forty-five percent (45%). If the non-resident holder is a domiciliary of a country with which the US maintains an estate tax treaty, DIAMONDS may be exempt from US estate tax. The US-Netherlands Estate Tax Treaty generally exempts DIAMONDS from US estate tax if the decedent was a domiciliary of the Netherlands.

The estate of a non-resident holder of DIAMONDS that is subject to US estate tax must generally file an IRS Form 706-NA (United States Estate and Generation-Skipping Transfer Tax Return Estate of non-resident not a citizen of the US) within nine months of the non-resident holder s date of death. Subject to certain exceptions, if the estate takes a tax return position that any estate tax treaty of the US overrules or modifies any provision of the Code and thereby effects (or potentially effects) a reduction of estate tax, the estate must disclose such position on a statement attached to such return in the form required by US Treasury regulations. The requirement of attaching a statement to the estate tax return is generally satisfied by attaching an IRS Form 8833 (Treaty-Based Return Position Disclosure under Section 6114 or 7701(b)) to such return. If a tax return would not otherwise be required to be filed, a tax return must nevertheless be filed for purposes of making the required disclosures discussed above.

The US estate tax is a lien against a non-resident decedent s assets for ten years unless the tax is paid in full or otherwise provided for in accordance with US Treasury regulations. Upon payment in full (or provision for such payment) of the US estate tax liability, a transfer certificate will be issued permitting the non-resident decedent s assets to be transferred without liability.

The tax discussion set forth above is included for general information only. Prospective investors should consult their own tax advisors concerning the US and foreign tax consequences to them of an investment in DIAMONDS.

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NETHERLANDS TAXATION

GENERAL

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of DIAMONDS. This section solely addresses the situation of investors resident or deemed resident of the Netherlands (including the individual investor who has opted to be taxed as a resident of the Netherlands). This section does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, hold or dispose of DIAMONDS. Each investor should consult his or her own professional tax advisor with respect to the tax consequences of an investment in DIAMONDS. The discussion of the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of DIAMONDS set forth below is included for general information only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation in force as at the date hereof without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of the principal Netherlands tax consequences described herein, it is assumed that:

(i) neither the Trust is, nor one or more companies whose shares are included in the Index are, a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes;

(ii) no individual holder of DIAMONDS (Individual Holder), alone, or together with his or her partner (statutorily defined term) or certain other related persons, directly or indirectly, holds (a) an interest of 5 percent (5%) or more of the total issued capital of the Trust or a company whose shares are included in the DJIA or of 5 percent (5%) or more of the issued capital of a certain class of DIAMONDS or a certain class of shares of a company whose shares are included in the DJIA, (b) rights to acquire, directly or indirectly, such interest or (c) certain profit sharing rights in the Trust or certain profit sharing rights in a company whose shares are included in the Index; no such interest as mentioned under (a), (b) or (c) has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(iii) no Individual Holder s DIAMONDS or benefits derived therefrom are in anyway connected to his past, present or future employment, if any; and

(iv) no corporate body holder of DIAMONDS (Corporate Holder), is eligible to the participation exemption (as set out in the Dutch Corporate Income Tax Act 1969).

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DIVIDEND WITHHOLDING TAX

Distributions from the Trust are not subject to Netherlands dividend withholding tax.

CORPORATE INCOME TAX AND INDIVIDUAL INCOME TAX

Corporate Holders

If a Corporate Holder is subject to Netherlands corporate income tax and the DIAMONDS are attributable to its (deemed) business assets, distributions on the DIAMONDS and the gains realised upon the disposal, transfer or alientation of the DIAMONDS are generally taxable in the Netherlands.

Special rules apply to Corporate Holders that are Netherlands qualifying pension funds, Netherlands investment institutions (as defined in Article 28 of the Corporate Income Tax Act 1969) and other entities that are exempt from Netherlands corporate income tax.

In general, the US dividend withholding tax which is withheld with respect to distributions made by the Trust will be creditable for Netherlands corporate income tax purposes in the hands of the beneficial owner of the DIAMONDS.

Individual Holders

Distributions derived from the Trust and actual gains realised upon the disposal, transfer or alienation of DIAMONDS by an Individual Holder are subject to individual income tax at the progressive rates, the maximum being 52 percent (52%), if:

(i) the Individual Holder has an enterprise or an interest in an enterprise, to which enterprise or part thereof, as the case may be, DIAMONDS are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities *(resultaat uit overige werkzaamheden)* within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to DIAMONDS that exceed regular, active portfolio management *(normaal, actief vermogensbeheer)*.

If neither condition (i) nor condition (ii) applies to the Individual Holder, the actual distributions derived from DIAMONDS and the actual gains realised upon the disposal, transfer or alienation of DIAMONDS will not be taxable as such. Instead, such Individual Holder will be taxed at a flat rate of 30 percent (30%) on deemed income from savings and investments *(sparen en beleggen)* within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4 percent (4%) of the average of the individual s yield basis *(rendementsgrondslag)* within the meaning of Article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual s yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The fair market value of DIAMONDS on 1 January and 31 December of each year will be included in the individual s yield basis. The fair market value on 31 December is determined by reference to the closing market price on Euronext Amsterdam on 31 December and this closing

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market price will also be used as the reference value for 1 January of the subsequent year.

In general, the US dividend withholding tax which is withheld with respect to distributions made by the Trust will be creditable for Netherlands individual income tax purposes in the hands of the beneficial owner of the DIAMONDS.

GIFT AND INHERITANCE TAXES

Generally, gift and inheritance taxes will be due in the Netherlands in connection with the acquisition of DIAMONDS by way of gift by, or on the death of, a holder of DIAMONDS who is a resident or deemed to be a resident of the Netherlands at the time of the gift or of his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift and inheritance tax if he or she has been a resident of the Netherlands during the ten years preceding the gift or of his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purpose of the Netherlands gift tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift. Applicable tax treaties may override deemed residency.

VALUE ADDED TAX (VAT)

No Netherlands VAT should arise in respect of the issuance, transfer or redemption of DIAMONDS or with regard to distributions on DIAMONDS.

OTHER TAXES AND DUTIES

No capital tax, net wealth tax, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be due in the Netherlands by an Individual Holder or a Corporate Holder in respect of or in connection with the subscription, issue, placement, allotment or delivery of DIAMONDS.

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GENERAL AND STATUTORY INFORMATION

CURRENCY

All valuations set forth in the Introduction Memorandum, semi-annual and annual reports and other communications or materials provided by the Trust or the Sponsor shall be stated in US Dollars ($).

PAYING AGENT

The Trust has appointed SNS Securities N.V. as the Netherlands paying agent with respect to the offering of DIAMONDS in the Netherlands.

LISTING

DIAMONDS are listed on Euronext Amsterdam. SNS Securities N.V. is acting as the listing agent for DIAMONDS for the listing on Euronext Amsterdam.

CLEARING AND SETTLEMENT

DIAMONDS have been accepted for settlement through the systems of Euroclear.

ISIN code: US2527871063

NOTICES

Any notice regarding DIAMONDS shall be validly given if published in the Euronext Amsterdam Daily Official List and in at least one daily newspaper of wide circulation in the Netherlands. Any such notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

SNS Securities N.V. will make available free of charge to investors in the Netherlands investor communications from the Trust, including semi-annual and annual reports, prospectuses and communications and materials relating to investor meetings.

COMPLAINTS

Complaints about the Trust or the Sponsor should be sent in writing to Lisa M. Dallmer, PDR Services LLC, c/o NYSE Euronext, 11 Wall Street, New York, NY 10005, telephone +1-800-843-2639.

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TOTAL EXPENSE RATIO OF THE TRUST SINCE INCEPTION

This chart shows the total expense ratio of the Trust (after rebates, Trustee s earning credits and waivers) for the fiscal years 1999-2008.

Total Expense Ratio of the Trust

For Fiscal Year Ended 10/31/2008	For Fiscal Year Ended 10/31/2007	For Fiscal Year Ended 10/31/2006	For Fiscal Year Ended 10/31/2005	For Fiscal Year Ended 10/31/2004	For Fiscal Year Ended 10/31/2003	For Fiscal Year Ended 10/31/2002	For Fiscal Year Ended 10/31/2001	For Fiscal Year Ended 10/31/2000	For Fiscal Year Ended 10/31/1999
0.17%	0.14%	0.17%	0.17%	0.18%	0.18%	0.18%	0.17%	0.17%	0.18%

The total expense ratio is post-calculated at least once a year by dividing the total costs by the average intrinsic value of the DIAMONDS Trust.

Ordinary operating expenses do not include taxes, brokerage commissions and any extraordinary non-recurring expenses, including the cost of any litigation to which the DIAMONDS Trust or the Trustee may be a party.

STOCK MOVEMENT INFORMATION CHART:
DAILY CLOSING PRICE OF A DIAMONDS UNIT VS.
DAILY CLOSING INDEX LEVEL OF THE DJIA VS.
DAILY NAV OF A DIAMONDS UNIT
FOR THE PREVIOUS CALENDAR YEAR

Sources: The daily NAV and daily closing price of the Trust were provided by the NYSE Arca and the daily closing index level for the DJIA was provided by Bloomberg. Although information contained in the Stock Movement Information Chart above has been obtained from sources deemed to be reliable, all information is provided as is without warranty of any kind. Because of the possibility of human and mechanical errors, as well as other factors, the Sponsor is not responsible for any errors or omissions in the information contained in the Stock Movement Information Chart above.

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PORTFOLIO TURNOVER RATE

DIAMONDS portfolio turnover rate is 22.13% for the fiscal year ended October 31, 2008. Pursuant to Article 3:25(2) of the Further Regulations on Market Conduct Supervision of Financial Undertakings (*Nadere Regeling gedragstoezicht financiële ondernemingen Wft)* this portfolio turnover rate is calculated by dividing the total of security transactions (security purchases + security sales = total 1) less the total transactions (issue + purchase = total 2) in units by the average intrinsic value of the investment institution (X) according to the formula: [(total 1 - total 2)/X]* 100.

Pursuant to the formula promulgated under the U.S. Investment Company Act of 1940, as amended, DIAMONDS portfolio turnover rate is 11.27% for the fiscal year ended October 31, 2008. This portfolio turnover rate is calculated by dividing the lesser of purchases or sales by the monthly average value of the portfolio * 100.

LEGAL PROCEEDINGS

As of the date of this Supplemental Information Memorandum, the Trust is not involved in any legal proceedings which might have an impact on the Trust s future financial situation.

MATERIAL CHANGES

There are no material changes since the last full financial year.

STATEMENT IN ACCORDANCE WITH ARTICLE 4:49(2)(b) DUTCH FINANCIAL SUPERVISION ACT

The Sponsor believes that it and the Trust comply with the applicable requirements of the Dutch Financial Supervision Act (*Wet op het financieel toezicht)* and the rules promulgated thereunder and that the Introduction Memorandum complies with the applicable provisions of the Dutch Financial Supervision Act and the rules promulgated thereunder.

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To: Mr G. French, Senior Vice President State Street Bank,
Trustee for DIAMONDS Trust, Series 1 and

Mrs L. Dallmer, President PDR Services LLC,
Sponsor of DIAMONDS Trust, Series 1

Assurance report

Engagement and responsibilities

We have performed an assurance engagement in respect of the contents of the prospectus and supplemental information memorandum for the Netherlands of DIAMONDS Trust, Series 1. Our engagement was aimed at establishing whether the prospectus dated 27 February 2009 of DIAMONDS Trust, Series 1 (the Prospectus) together with the supplemental information memorandum for the Netherlands of DIAMONDS Trust, Series 1, dated 2 March 2009 (the Supplemental Information Memorandum) at least contains the information which is required to be included therein pursuant to section 4:49, subsections 2a through 2e, of the Dutch Financial Supervision Act. This assurance engagement is aimed at obtaining a reasonable level of assurance pursuant to section 4:49, subsections 2b through 2e. Unless specifically stated to the contrary in the Prospectus and the Supplemental Information Memorandum, the information contained in the Prospectus and the Supplemental Information Memorandum is unaudited.

The respective responsibilities are as follows:

The Sponsor of the Trust is responsible for preparing the Prospectus and the Supplemental Information Memorandum, which at least should contain the data required to be included therein under the Dutch Financial Supervision Act.

Our responsibility is to issue a conclusion as referred to in section 4:49, subsection 2c, of the Dutch Financial Supervision Act.

Scope

We conducted our examination in accordance with Dutch law, including Standard 3000 Assurance engagements other than engagements of audit or review of historical financial information . Based thereon, we have performed the procedures that we deemed necessary under the circumstances to draw a conclusion.

We have examined whether the Prospectus contains the data required to be included therein under section 4:49, subsections 2a through 2e, of the Dutch Financial Supervision Act.

The law does not require the auditor to perform additional procedures with respect to section 4:49, subsection 2a. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Conclusion

Based on our procedures performed and the description included in the section *Engagement and responsibilities*, we conclude that the Prospectus together with the Supplemental Information Memorandum at least contains the data required to be included therein under section 4:49, subsections 2a through 2e, of the Dutch Financial Supervision Act.

With respect to section 4:49, subsection 2a of the Dutch Financial Supervision Act we report to the extent of our knowledge that the Prospectus together with the Supplemental Information Memorandum contains the information required to be included therein.

Rotterdam, 2 March 2009

PricewaterhouseCoopers Accountants N.V.

drs. S. Barendregt-Roojers RA

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Prospectus

DIAMONDS® TRUST, SERIES 1
(A Unit Investment Trust)

DIAMONDS Trust is an exchange traded fund designed to generally correspond to the price and yield performance of the Dow Jones Industrial Average.

DIAMONDS Trust holds all of the Dow Jones Industrial Average stocks.

Each DIAMONDS unit represents an undivided ownership interest in the DIAMONDS Trust.

The DIAMONDS Trust issues and redeems DIAMONDS units only in multiples of 50,000 DIAMONDS in exchange for Dow Jones Industrial Average stocks and cash.

Individual DIAMONDS units trade on NYSE Arca, Inc. like any other equity security.

Minimum trading unit: 1 DIAMONDS unit.

SPONSOR: PDR SERVICES LLC
(Wholly Owned by NYSE Euronext)

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES NOR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus Dated February 27, 2009

DIAMONDS TRUST, SERIES 1

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Dow Jones Industrial Average[sm], DJIA®, Dow Jones®, The Dow® and DIAMONDS® are trademarks and service marks of Dow Jones & Company, Inc. (Dow Jones) and have been licensed for use for certain purposes by State Street Global Markets, LLC pursuant to a License Agreement with Dow Jones and have been sublicensed for use for certain purposes to the Trust, PDR Services LLC and NYSE Arca, Inc. pursuant to separate Sublicenses. DIAMONDS are not sponsored, endorsed, sold or promoted by Dow Jones and Dow Jones makes no representation regarding the advisability of investing in the Trust.

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SUMMARY

Essential Information as of October 31, 2008*

Glossary:	All defined terms used in this Prospectus and page numbers on which their definitions appear are listed in the Glossary.
Total Trust Assets:	$9,140,913,992
Net Trust Assets:	$9,114,230,276
Number of DIAMONDS:	97,770,848
Fractional Undivided Interest in the Trust Represented by each DIAMONDS unit:	1/97,770,848th
Dividend Record Dates:	Monthly
Dividend Payment Dates:	Monthly
Trustee s Annual Fee:	From 6/100 of one percent to 10/100 of one percent, based on the NAV of the Trust, as the same may be adjusted by certain amounts.
Estimated Ordinary Operating Expenses of the Trust:	18/100 of one percent (0.1800%) (inclusive of Trustee s annual fee).**
NAV per DIAMONDS unit (based on the value of the Portfolio Securities, other net assets of the Trust and number of DIAMONDS outstanding):	$93.22
Evaluation Time:	Closing time of the regular trading session on the New York Stock Exchange, LLC. (ordinarily 4:00 p.m. New York time).
Licensor:	Dow Jones & Company, Inc.

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Mandatory Termination Date:	The Trust is scheduled to terminate no later than January 13, 2123, but may terminate earlier under certain circumstances.
Discretionary Termination:	The Trust may be terminated if at any time the value of the securities held by the Trust is less than $350,000,000, as adjusted for inflation. The Trust may also be terminated under other circumstances.
Market Symbol:	DIAMONDS trade on NYSE Arca, Inc. under the symbol DIA .
Fiscal Year End:	October 31
CUSIP:	252787106

* The Trust Agreement became effective, the initial deposit was made and the Trust commenced operation on January 13, 1998 (Initial Date of Deposit).

** Ordinary operating expenses of the Trust are estimated to be 0.1800%, although ordinary operating expenses of the Trust are accruing at approximately 0.1670% as of the date of this Prospectus. As of the fiscal year ended October 31, 2008, ordinary operating expenses of the Trust were 0.1692%. Future expense accruals will depend primarily on the level of the Trust s net assets and the level of Trust expenses. The amount of the earnings credit will be equal to the then current Federal Funds Rate, as reported in nationally distributed publications, multiplied by each day s daily cash balance in the Trust s cash account, if any, reduced by the amount of reserves, if any, for that account required by the Federal Reserve Board of Governors. The Sponsor has undertaken that the ordinary operating expenses of the Trust will not exceed an amount that is 0.1800% of the daily NAV of the Trust, but this amount may be changed. Therefore, there is no guarantee that the Trust s ordinary operating expenses will not exceed 0.1800% of the Trust s daily NAV.

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Highlights

DIAMONDS are Ownership Interests in the DIAMONDS Trust

DIAMONDS Trust, Series 1 (Trust) is a unit investment trust that issues securities called DIAMONDS . The Trust is organized under New York law and is governed by a trust agreement between State Street Bank and Trust Company (Trustee) and PDR Services LLC (Sponsor), dated and executed as of January 13, 1998, as amended (Trust Agreement). The Trust is an investment company registered under the Investment Company Act of 1940. DIAMONDS represent an undivided ownership interest in a portfolio of all of the common stocks of the Dow Jones Industrial Average (DJIA).

DIAMONDS Should Closely Track the Value of the Stocks Included in the DJIA

DIAMONDS intend to provide investment results that, before expenses, generally correspond to the price and yield performance of the DJIA. Current information regarding the value of the DJIA is available from market information services. Dow Jones obtains information for inclusion in, or for use in the calculation of, the DJIA from sources Dow Jones considers reliable. None of Dow Jones, the Sponsor, the Trust, the Trustee, NYSE Arca, Inc. or its affiliates accepts responsibility for or guarantees the accuracy and/or completeness of the DJIA or any data included in the DJIA.

The Trust holds the Portfolio and cash and is not actively managed by traditional methods, which typically involve effecting changes in the Portfolio on the basis of judgments made relating to economic, financial and market considerations. To maintain the correspondence between the composition and weightings of stocks held by the Trust (Portfolio Securities or, collectively, Portfolio) and component stocks of the DJIA (Index Securities), the Trustee adjusts the Portfolio from time to time to conform to periodic changes in the identity and/or relative weightings of Index Securities. The Trustee generally makes these adjustments to the Portfolio within three (3) Business Days (defined below) before or after the day on which changes in the DJIA are scheduled to take effect. Any change in the identity or weighting of an Index Security will result in a corresponding adjustment to the prescribed Portfolio Deposit effective on any day that the New York Stock Exchange, LLC (NYSE) is open for business (Business Day) either prior to, on, or following the day on which the change to the DJIA takes effect after the close of the market.

The value of DIAMONDS fluctuates in relation to changes in the value of the Portfolio. The market price of each individual DIAMONDS may not be identical to the net asset value (NAV) of such DIAMONDS but, historically, these two valuations have generally been close.

DIAMONDS are Listed and Trade on NYSE Arca, Inc.

DIAMONDS are listed for trading on NYSE Arca, Inc. (Exchange or NYSE Arca), and are bought and sold in the secondary market like ordinary shares of stock at any time during the trading day. DIAMONDS are traded on the Exchange in 100 DIAMOND round lots, but can be traded in odd lots of as little as one DIAMOND. The Exchange may halt trading of DIAMONDS under certain circumstances as summarized herein (see Exchange Listing).

Brokerage Commissions on DIAMONDS

Secondary market purchases and sales of DIAMONDS are subject to ordinary brokerage commissions and charges.

The Trust Issues and Redeems DIAMONDS in Multiples of 50,000 DIAMONDS Called Creation Units

The Trust issues and redeems DIAMONDS only in specified large lots of 50,000 DIAMONDS or multiples thereof referred to as Creation Units. Fractional Creation Units may be created or redeemed only in limited circumstances.*

Creation Units are issued by the Trust to anyone who, after placing a creation order with ALPS Distributors, Inc. (Distributor), deposits with the Trustee a specified portfolio of Index Securities and a cash payment generally equal to dividends (net of expenses) accumulated up to the time of deposit. If the Trustee determines that one or more Index Securities are likely to be unavailable, or available in insufficient quantity, for delivery upon creation of Creation Units, the Trustee may permit the cash equivalent value of one or more of these Index Securities to be included in the Portfolio Deposit as a part of the Cash Component in lieu thereof. If a creator is restricted by regulation or otherwise from investing or engaging in a transaction in one or more Index Securities, the Trustee may permit the cash equivalent value of such Index Securities to be included in the Portfolio Deposit based on the market value of such Index Securities as of the Evaluation Time on the date such creation order is deemed received by the Distributor as part of the Cash Component in lieu of the inclusion of such Index Securities in the stock portion of the Portfolio Deposit.

Creation Units are redeemable in kind only and are not redeemable for cash. Upon receipt of one or more Creation Units, the Trust delivers to the redeeming holder a portfolio of Index Securities (based on NAV of the Trust), together with a cash payment. Each redemption has to be accompanied by a Cash Redemption Payment that on any given Business Day is an amount identical to the Cash Component of a Portfolio Deposit. If the Trustee determines that one or more Index Securities are

* See the discussion of termination of the Trust in this Summary and Dividend Reinvestment Service for a description of the circumstances in which DIAMONDS may be redeemed or created by the Trustee in less than a Creation Unit size aggregation of 50,000 DIAMONDS.

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likely to be unavailable or available in insufficient quantity for delivery by the Trust upon the redemption of Creation Units, the Trustee may deliver the cash equivalent value of one or more of these Index Securities, based on their market value as of the Evaluation Time on the date the redemption order is deemed received by the Trustee, as part of the Cash Redemption Payment in lieu thereof.

Creation Orders Must be Placed with the Distributor

All orders to create Creation Units must be placed with the Distributor. To be eligible to place these orders, an entity or person must be (a) a Participating Party, or (b) a DTC Participant, and in each case must have executed an agreement with the Distributor and the Trustee, as may be amended from time to time (Participant Agreement). The term Participating Party means a broker-dealer or other participant in the DIAMONDS Clearing Process, through the Continuous Net Settlement (CNS) System of the National Securities Clearing Corporation (NSCC), a clearing agency registered with the Securities and Exchange Commission (SEC). Payment for orders is made by deposits with the Trustee of a portfolio of securities, substantially similar in composition and weighting to Index Securities, and a cash payment in an amount equal to the Dividend Equivalent Payment, plus or minus the Balancing Amount. Dividend Equivalent Payment is an amount equal, on a per Creation Unit basis, to the dividends on the Portfolio (with ex-dividend dates within the accumulation period), net of expenses and accrued liabilities for such period (including, without limitation, (i) taxes or other governmental charges against the Trust not previously deducted, if any, and (ii) accrued fees of the Trustee and other expenses of the Trust (including legal and auditing expenses) and other expenses not previously deducted), calculated as if all of the Portfolio Securities had been held for the entire accumulation period for such distribution. The Dividend Equivalent Payment and the Balancing Amount collectively are referred to as Cash Component and the deposit of a portfolio of securities and the Cash Component collectively are referred to as a Portfolio Deposit. Persons placing creation orders with the Distributor must deposit Portfolio Deposits either (i) through the CNS clearing process of NSCC, as such processes have been enhanced to effect creations and redemptions of Creation Units, such processes referred to herein as the DIAMONDS Clearing Process, or (ii) with the Trustee outside the DIAMONDS Clearing Process (*i.e.*, through the facilities of DTC).

The Distributor acts as underwriter of DIAMONDS on an agency basis. The Distributor maintains records of the orders placed with it and the confirmations of acceptance and furnishes to those placing such orders confirmations of acceptance of the orders. The Distributor also is responsible for delivering a prospectus to persons creating DIAMONDS. The Distributor also maintains a record of the delivery instructions in response to orders and may provide certain other administrative services, such as those related to state securities law compliance. The Distributor is a corporation organized under the laws of the State of Colorado and is located at 1290 Broadway, Suite 1100, Denver, CO 80203, toll free number: 1-800-843-2639. The

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Distributor is a registered broker-dealer and a member of FINRA (the successor organization to the National Association of Securities Dealers, Inc.) The Sponsor of the Trust pays the Distributor for its services a flat annual fee. The Sponsor will not seek reimbursement for such payment from the Trust without obtaining prior exemptive relief from the SEC.

Expenses of the Trust

The expenses of the Trust are accrued daily and reflected in the NAV of the Trust. The Trust currently is accruing ordinary operating expenses at an annual rate of 0.1670% (excluding earnings credits).

Shareholder Fees:* (fees paid directly from your investment)	None*

Estimated Trust Annual Ordinary Operating Expenses:

Current Trust Annual Ordinary Operating Expenses	**As a % of Trust Net Assets**
Trustee s Fee	0.0594%
Dow Jones License Fee	0.0411%
Registration Fees	0.0000%
Marketing	0.0600%
Other Operating Expenses	0.0065%
Net Expenses**	0.1670%

Future expense accruals will depend primarily on the level of the Trust s net assets and the level of expenses.

* Investors do not pay shareholder fees directly from their investment, but purchases and redemptions of Creation Units are subject to Transaction Fees (described below in A Transaction Fee is Payable For Each Creation and For Each Redemption of Creation Units), and purchases and sales of DIAMONDS in the secondary market are subject to ordinary brokerage commissions and charges (described above in Brokerage Commissions on DIAMONDS).

** Until the Sponsor otherwise determines, the Sponsor has undertaken that the ordinary operating expenses of the Trust will not be permitted to exceed 0.1800% of the Trust s daily NAV. Gross expenses of the Trust for the year ending October 31, 2008, without regard to this undertaking, were 0.1692% of the daily NAV of the Trust and therefore no expenses of the Trust were assumed by the Sponsor. The Sponsor reserves the right to discontinue this undertaking in the future. Therefore, there is no guarantee that the Trust s ordinary operating expenses will not exceed 0.1800% of the Trust s daily NAV. Trust expenses were reduced during the same period by a Trustee s earnings credit of 0.0044% of the Trust s daily NAV as a result of uninvested cash balances in the Trust. The amount of earnings credit will be equal to the then current Federal Funds Rate, as reported in nationally distributed publications, multiplied by each day s daily cash balance, if any, in the Trust s cash account, reduced by the amount of reserves, if any, for that account required by the Federal Reserve Board of Governors.

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Bar Chart and Table

The bar chart below and the table on the next page entitled Average Annual Total Returns (For Periods Ending December 31, 2008) (Table) provide some indication of the risks of investing in the Trust by showing the variability of the Trust s returns based on net assets and comparing the Trust s performance to the performance of the DJIA. Past performance (both before and after tax) is not necessarily an indication of how the Trust will perform in the future.

The after-tax returns presented in the Table are calculated using the highest historical individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your specific tax situation and may differ from those shown below. After-tax returns are not relevant to investors who hold DIAMONDS through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The total returns in the bar chart below, as well as the total and after-tax returns presented in the Table, do not reflect Transaction Fees payable by those persons purchasing and redeeming Creation Units, nor brokerage commissions incurred by those persons purchasing and selling DIAMONDS in the secondary market (see footnotes (2) and (3) to the Table).

This bar chart shows the performance of the Trust for each full calendar year for the past 10 years ended December 31, 2008. During the period shown above (January 1, 1999 through December 31, 2008), the highest quarterly return for the Trust was 13.75% for the quarter ended December 31, 2001, and the lowest was −18.39% for the quarter ended December 31, 2008.

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Average Annual Total Returns* (For Periods Ending December 31, 2008)

	Past One Year	Past Five Years	Past Ten Years
DIAMONDS Trust, Series 1			
Return Before Taxes(1)(2)(3)	–31.92%	–1.27%	1.52%
Return After Taxes on Distributions(1)(2)(3)	–32.21%	–1.68%	1.03%
Return After Taxes on Distributions and Redemption of Creation Units(1)(2)(3)	–20.27%	–1.08%	1.14%
DJIA(4)	–31.93%	–1.12%	1.66%

* Total returns assume that dividends and capital gain distributions have been reinvested in the Trust at the net asset value per unit.

(1) Includes all applicable ordinary operating expenses set forth above in the section of Highlights entitled Expenses of the Trust .

(2) Does not include the Transaction Fee which is payable to the Trustee only by persons purchasing and redeeming Creation Units as discussed below in the section of Highlights entitled A Transaction Fee is Payable For Each Creation and For Each Redemption of Creation Units . If these amounts were reflected, returns would be less than those shown.

(3) Does not include brokerage commissions and charges incurred only by persons who make purchases and sales of DIAMONDS in the secondary market as discussed above in the section of Highlights entitled Brokerage Commissions on DIAMONDS . If these amounts were reflected, returns would be less than those shown.

(4) Does not reflect deductions for taxes, operating expenses, Transaction Fees, brokerage commissions, or fees of any kind.

DIAMONDS TRUST, SERIES 1

GROWTH OF $10,000 INVESTMENT SINCE INCEPTION(1)

(1) Past performance is not necessarily an indication of how the Trust will perform in the future.

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A Transaction Fee is Payable for Each Creation and for Each Redemption of Creation Units

The transaction fee payable to the Trustee in connection with each creation and redemption of Creation Units made through the DIAMONDS Clearing Process (Transaction Fee) is non-refundable, regardless of the NAV of the Trust. This Transaction Fee is $1,000 per Participating Party per day, regardless of the number of Creation Units created or redeemed on such day. The $1,000 charge is subject to a limit not to exceed 10/100 of one percent (10 basis points) of the value of one Creation Unit at the time of creation (10 Basis Point Limit).

For creations and redemptions outside the DIAMONDS Clearing Process, an additional amount not to exceed three (3) times the Transaction Fee applicable for one Creation Unit is charged per Creation Unit per day. Under the current schedule, therefore, the total fee charged in connection with creation or redemption outside the DIAMONDS Clearing Process would be $1,000 (the Transaction Fee for the creation or redemption of one Creation Unit) plus an additional amount up to $3,000 (3 times $1,000), for a total not to exceed $4,000. Creators and redeemers restricted from engaging in transactions in one or more Index Securities may pay the Trustee the Transaction Fee and may pay an additional amount per Creation Unit not to exceed three (3) times the Transaction Fee applicable for one Creation Unit.

DIAMONDS are Held in Book Entry Form Only

The Depository Trust Company (DTC) or its nominee is the record or registered owner of all outstanding DIAMONDS. Beneficial ownership of DIAMONDS is shown on the records of DTC or its participants. Individual certificates are not issued for DIAMONDS. See The Trust Securities Depository; Book-Entry-Only System.

DIAMONDS Make Periodic Dividend Payments

DIAMONDS holders receive each calendar month an amount corresponding to the amount of any cash dividends declared on the Portfolio Securities during the applicable period, net of fees and expenses associated with operation of the Trust, and taxes, if applicable. Because of such fees and expenses, the dividend yield for DIAMONDS is ordinarily less than that of the DJIA. Investors should consult their tax advisors regarding tax consequences associated with Trust dividends, as well as those associated with DIAMONDS sales or redemptions.

Monthly distributions based on the amount of dividends payable with respect to Portfolio Securities and other income received by the Trust, net of fees and expenses, and taxes, if applicable, are made via DTC and its participants to Beneficial Owners on each Dividend Payment Date. Any capital gain income recognized by the Trust in any taxable year that is not previously treated as distributed during the year ordinarily is to be distributed at least annually in January of the following taxable year. The Trust may make additional distributions shortly after the end of the year in order to

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satisfy certain distribution requirements imposed by the Internal Revenue Code of 1986, as amended (Code). Although all income distributions are currently made monthly, the Trustee may vary the periodicity with which distributions are made. Those Beneficial Owners interested in reinvesting their monthly distributions may participate through DTC Participants in the DTC Dividend Reinvestment Service (Service) available through certain brokers. See The Trust Securities Depository; Book-Entry-Only System.

The Trust Intends to Qualify as a Regulated Investment Company

For the fiscal year ended October 31, 2008, the Trust believes that it qualified for tax treatment as a regulated investment company under Subchapter M of the Code. The Trust intends to continue to so qualify and to distribute annually its entire investment company taxable income and net capital gain. Distributions that are taxable as ordinary income to Beneficial Owners generally are expected to constitute qualified dividend income eligible (a) for the maximum 15% tax rate for non-corporate taxpayers through 2009 and (b) for federal income tax purposes and to be eligible for the dividends-received deduction available to many corporations to the extent of qualified dividend income received by the Trust. The Trust s regular monthly distributions are based on the dividend performance of the Portfolio during such monthly distribution period rather than the actual taxable income of the Trust. As a result, a portion of the distributions of the Trust may be treated as a return of capital or a capital gain dividend for federal income tax purposes or the Trust may be required to make additional distributions to maintain its status as a regulated investment company or to avoid imposition of income or excise taxes on undistributed income.

Subchapter M of the Code imposes certain diversification requirements. The Trustee may adjust the composition of the Portfolio at any time if, in the Trustee s view, such adjustment is necessary to ensure continued qualification of the Trust as a regulated investment company for tax purposes.

Termination of the Trust

The Trust has a specified lifetime term. The Trust is scheduled to terminate on the first to occur of (a) January 13, 2123 or (b) the date 20 years after the death of the last survivor of fifteen persons named in the Trust Agreement, the oldest of whom was born in 1994 and the youngest of whom was born in 1997. Upon termination, the Trust may be liquidated and pro rata shares of the assets of the Trust, net of certain fees and expenses, distributed to holders of DIAMONDS.

Restrictions on Purchases of DIAMONDS by Investment Companies

Purchases of DIAMONDS by investment companies are subject to restrictions set forth in Section 12(d)(1) of the Investment Company Act of 1940. The Trust has received an SEC order that permits registered investment companies to invest in

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DIAMONDS beyond these limits, subject to certain conditions and terms. One such condition is that registered investment companies relying on the order must enter into a written agreement with the Trust. Registered investment companies wishing to learn more about the order and the agreement should telephone 1-800-843-2639.

The Trust itself is also subject to the restrictions of Section 12(d)(1). This means that (a) the Trust cannot invest in any registered investment company, to the extent that the Trust would own more than 3% of that registered investment company s outstanding share position, (b) the Trust cannot invest more than 5% of its total assets in the securities of any one registered investment company, and (c) the Trust cannot invest more than 10% of its total assets in the securities of registered investment companies in the aggregate.

Risk Factors

Investors can lose money by investing in DIAMONDS. Investors should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding to invest in DIAMONDS.

Investment in the Trust involves the risks inherent in an investment in any equity security. An investment in the Trust is subject to the risks of any investment in a portfolio of large-capitalization common stocks, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of such investment. The value of Portfolio Securities may fluctuate in accordance with changes in the financial condition of the issuers of Portfolio Securities (particularly those that are heavily weighted in the DJIA), the value of common stocks generally and other factors. The identity and weighting of Index Securities and the Portfolio Securities also change from time to time.

The financial condition of the issuers may become impaired or the general condition of the stock market may deteriorate (either of which may cause a decrease in the value of the Portfolio and thus in the value of DIAMONDS). Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic and banking crises.

Holders of common stocks of any given issuer incur more risk than holders of preferred stocks and debt obligations of the issuer because the rights of common stockholders, as owners of the issuer, generally are inferior to the rights of creditors of, or holders of debt obligations or preferred stocks issued by, such issuer. Further, unlike debt securities that typically have a stated principal amount payable at maturity, or preferred stocks that typically have a liquidation preference and may have stated optional or mandatory redemption provisions, common stocks have neither a fixed principal amount nor a maturity. Common stock values are subject to market fluctuations as long as the common stock remains outstanding. The value of the Portfolio may be expected to fluctuate over the entire life of the Trust.

There can be no assurance that the issuers of Portfolio Securities will pay dividends. Distributions generally depend upon the declaration of dividends by the issuers of Portfolio Securities and the declaration of such dividends generally depends upon various factors, including the financial condition of the issuers and general economic conditions.

The Trust is not actively managed. The Trust is not actively managed by traditional methods, and therefore the adverse financial condition of an issuer will not result in the elimination of its stocks from the Portfolio unless the stocks of such issuer are removed from the DJIA.

A liquid trading market for certain Portfolio Securities may not exist. Although most of the Portfolio Securities are listed on a national securities exchange, the principal trading market for some may be in the over-the-counter market. The existence of a liquid trading market for certain Portfolio Securities may depend on whether dealers will make a market in such stocks. There can be no assurance that a market will be made for any Portfolio Securities, that any market will be maintained or that any such market will be or remain liquid. The price at which Portfolio Securities may be sold and the value of the Portfolio will be adversely affected if trading markets for Portfolio Securities are limited or absent.

The Trust may not always be able exactly to replicate the performance of the DJIA. It is possible that the Trust may not always fully replicate the performance of the DJIA due to the unavailability of certain Index Securities in the secondary market or due to other extraordinary circumstances. In addition, the Trust is not able to replicate exactly the performance of the DJIA because the total return generated by the Portfolio is reduced by Trust expenses and transaction costs incurred in adjusting the actual balance of the Portfolio. In addition, the Trust s portfolio may deviate from the DJIA to the extent required to ensure continued qualification as a regulated investment company under Subchapter M of the Code.

Investment in the Trust may have adverse tax consequences. Investors in the Trust should also be aware that there are tax consequences associated with the ownership of DIAMONDS resulting from the distribution of Trust dividends and sales of DIAMONDS as well as under certain circumstances the sales of stocks held by the Trust in connection with redemptions.

NAV may not always correspond to market price. The NAV of DIAMONDS in Creation Unit size aggregations and, proportionately, the NAV per DIAMONDS unit, changes as fluctuations occur in the market value of Portfolio Securities. Investors should be aware that the aggregate public trading market price of 50,000 DIAMONDS may be different from the NAV of a Creation Unit (*i.e.*, 50,000 DIAMONDS may trade at a premium over, or at a discount to, the NAV of a Creation Unit) and

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similarly the public trading market price per DIAMONDS unit may be different from the NAV of a Creation Unit on a per DIAMONDS unit basis. This price difference may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for DIAMONDS are closely related to, but not identical to, the same forces influencing the prices of Index Securities trading individually or in the aggregate at any point in time. Investors also should note that the size of the Trust in terms of total assets held may change substantially over time and from time to time as Creation Units are created and redeemed.

The Exchange may halt trading in DIAMONDS. DIAMONDS are listed for trading on the Exchange under the market symbol DIA. Trading in DIAMONDS may be halted under certain circumstances as summarized herein (see Exchange Listing). Also, there can be no assurance that the requirements of the Exchange necessary to maintain the listing of DIAMONDS will continue to be met or will remain unchanged. The Trust will be terminated if DIAMONDS are delisted from the Exchange.

DIAMONDS are subject to market risks. DIAMONDS are subject to the risks other than those inherent in an investment in equity securities, discussed above, in that the selection of the stocks included in the Portfolio, the expenses associated with the Trust, or other factors distinguishing an ownership interest in a trust from the direct ownership of a portfolio of stocks may affect trading in DIAMONDS.

Additionally, DIAMONDS may perform differently than other investments in portfolios containing large capitalization stocks based upon or derived from an index other than the DJIA. For example, the great majority of component stocks of the DJIA are drawn from among the largest of the large capitalization universe, while other indexes may represent a broader sampling of large capitalization stocks. Also, other indexes may use different methods for assigning relative weights to the index components than the price weighted method used by the DJIA. As a result, DJIA accords relatively more weight to stocks with a higher price to market capitalization ratio than a similar market capitalization weighted index.

The regular settlement period for Creation Units may be reduced. Except as otherwise specifically noted, the time frames for delivery of stocks, cash, or DIAMONDS in connection with creation and redemption activity within the DIAMONDS Clearing Process are based on NSCC s current regular way settlement period of three (3) days during which NSCC is open for business (each such day an NSCC Business Day). NSCC may, in the future, reduce such regular way settlement period, in which case there may be a corresponding reduction in settlement periods applicable to DIAMONDS creations and redemptions.

Clearing and settlement of Creation Units may be delayed or fail. The Trustee delivers a portfolio of stocks for each Creation Unit delivered for redemption substantially identical in weighting and composition to the stock portion of a Portfolio Deposit as in effect on the date the request for redemption is deemed received by the Trustee. If redemption is processed through the DIAMONDS

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Clearing Process, the stocks that are not delivered are covered by NSCC s guarantee of the completion of such delivery. Any stocks not received on settlement date are marked-to-market until delivery is completed. The Trust, to the extent it has not already done so, remains obligated to deliver the stocks to NSCC, and the market risk of any increase in the value of the stocks until delivery is made by the Trust to NSCC could adversely affect the NAV of the Trust. Investors should note that the stocks to be delivered to a redeemer submitting a redemption request outside of the DIAMONDS Clearing Process that are not delivered to such redeemer are not covered by NSCC s guarantee of completion of delivery.

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DIAMONDS TRUST, SERIES 1
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustee and Unitholders of DIAMONDS Trust, Series 1

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of DIAMONDS Trust, Series 1 (the Trust) at October 31, 2008, the results of its operations, the changes in its net assets and the financial highlights for the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Trustee; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at October 31, 2008 by correspondence with the custodian and brokers, and the application of alternative auditing procedures where securities purchased had not been received, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
December 23, 2008

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DIAMONDS Trust Series 1
Statement of Assets and Liabilities
October 31, 2008

Assets	
Investments in securities, at value	$ 9,105,099,863
Cash	20,368,437
Dividends receivable	15,445,692
Total Assets	9,140,913,992
Liabilities	
Income distribution payable	16,564,734
Payable for DIAMONDS redeemed in-kind	17,535
Accrued Trustee expense	799,304
Accrued expenses and other liabilities	9,302,143
Total Liabilities	26,683,716
Net Assets	$ 9,114,230,276
Net Assets Consist of:	
Paid in surplus	$ 13,599,260,467
Undistributed net investment income	2,493,120
Accumulated net realized loss on investments	(800,674,454)
Net unrealized depreciation on investments	(3,686,848,857)
Net Assets	$ 9,114,230,276
Net asset value per DIAMOND	$ 93.22
Units of fractional undivided interest (DIAMONDS) outstanding, unlimited units authorized, $0.00 par value	97,770,848
Cost of investments	$ 12,791,948,720

See accompanying notes to financial statements.

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DIAMONDS Trust Series 1
Statements of Operations

	For the Year Ended October 31, 2008	For the Year Ended October 31, 2007	For the Year Ended October 31, 2006
Investment Income			
Dividend income	$ 234,266,377	$ 172,683,551	$ 154,659,959
Expenses			
Trustee expense	4,878,701	4,232,050	4,562,765
Marketing expense	5,319,946	4,437,144	3,903,738
DJIA license fee	4,152,507	2,555,000	2,555,000
Legal and audit services	181,128	174,890	100,378
Other expenses	389,842	218,083	384,919
Total expenses	14,922,124	11,617,167	11,506,800
Trustee earnings credits		(965,742)	(418,803)
Net expenses after Trustee earnings credits	14,922,124	10,651,425	11,087,997
Net Investment income	219,344,253	162,032,126	143,571,962
Realized and Unrealized Gain (Loss) on Investments			
Net realized gain (loss) on investment transactions	(172,099,218)	854,766,927	413,807,291
Net change in unrealized appreciation (depreciation)	(3,238,666,792)	139,514,977	517,345,427
Net Realized and Unrealized Gain (Loss) on Investments	(3,410,766,010)	994,281,904	931,152,718
Net Increase (Decrease) in Net Assets Resulting from Operations	$ (3,191,421,757)	$ 1,156,314,030	$ 1,074,724,680

See accompanying notes to financial statements.

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DIAMONDS Trust Series 1
Statements of Changes in Net Assets

	For the Year Ended October 31, 2008	For the Year Ended October 31, 2007	For the Year Ended October 31, 2006
Increase (Decrease) in Net Assets Resulting from Operations:			
Net investment income	$ 219,344,253	$ 162,032,126	$ 143,571,962
Net realized gain (loss) on investment transactions	(172,099,218)	854,766,927	413,807,291
Net change in unrealized appreciation (depreciation)	(3,238,666,792)	139,514,977	517,345,427
Net Increase (Decrease) in Net Assets Resulting from Operations	(3,191,421,757)	1,156,314,030	1,074,724,680
Net Equalization Credits and Charges	1,639,517	(13,594,558)	(1,800,594)
Distributions to Unitholders from Net Investment Income	(218,527,182)	(147,731,248)	(141,435,357)
Net Increase (Decrease) in Net Assets from Issuance and Redemption of DIAMONDS	3,182,648,908	1,785,284,683	(1,781,857,294)
Net Increase (Decrease) in Net Assets	(225,660,514)	2,780,272,907	(850,368,565)
Net Assets at Beginning of Year	9,339,890,790	6,559,617,883	7,409,986,448
Net Assets at End of Year*	$ 9,114,230,276	$ 9,339,890,790	$ 6,559,617,883
*Includes Undistributed Net Investment Income	$ 2,493,120	$ 17,835,012	$ 3,534,134

See accompanying notes to financial statements.

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DIAMONDS Trust Series 1
Financial Highlights
Selected Data for a DIAMOND Outstanding During the Year

	For the Year Ended October 31, 2008	For the Year Ended October 31, 2007	For the Year Ended October 31, 2006	For the Year Ended October 31, 2005	For the Year Ended October 31, 2004
Net asset value, beginning of year	$ 139.17	$ 120.69	$ 104.31	$ 100.48	$ 98.20
Investment Operations:					
Net investment income(1)	2.96	2.85	2.45	2.39(5)	1.94
Net realized and unrealized gain (loss) on investments	(45.91)	18.57	16.37	3.91	2.28
Total from investment operations	(42.95)	21.42	18.82	6.30	4.22
Net equalization credits and charges(1)	0.02	(0.24)	(0.03)	(0.03)	0.00(2)
Less distributions from:					
Net investment income	(3.02)	(2.70)	(2.41)	(2.44)	(1.94)
Net asset value, end of year	$ 93.22	$ 139.17	$ 120.69	$ 104.31	$ 100.48
Total investment return(3)	(31.23)%	17.72%	18.23%	6.23%	4.27%
Ratios and supplemental data					
Ratios to average net assets:					
Net investment income	2.49%	2.19%	2.21%	2.27%	1.89%
Total expenses	0.17%	0.16%	0.18%	0.18%	0.18%
Net expenses excluding trustee earnings credit	0.17%	0.14%	0.17%	0.17%	0.18%
Portfolio turnover rate(4)	11.27%	1.45%	0.01%	7.69%	13.88%
Net asset value, end of year (000 s)	$ 9,114,230	$ 9,339,891	$ 6,559,618	$ 7,409,986	$ 8,190,891

(1) Per unit numbers have been calculated using the average shares method.

(2) Amount shown represents less than $0.005.

(3) Total return is calculated assuming a purchase of shares at net asset value per share on the first day and a sale at net asset value per share on the last day of each period reported. Distributions are assumed, for the purposes of

this calculation, to be reinvested at the net asset value per share on the respective payment dates of the Trust. Broker commission charges are not included in the calculation.

(4) Portfolio turnover ratio excludes securities received or delivered from processing creations or redemptions of DIAMONDS.

(5) Net investment income per unit reflects receipt of a one time dividend from a portfolio holding (Microsoft Corp.). The effect of this dividend amounted to $0.22 per unit.

See accompanying notes to financial statements.

DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

NOTE 1 ORGANIZATION

DIAMONDS Trust, Series 1 (the Trust) is a unit investment trust created under the laws of the State of New York and registered under the Investment Company Act of 1940, as amended. The Trust was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the component common stocks, in substantially the same weighting, which comprise the Dow Jones Industrial Average (the DJIA). Each unit of fractional undivided interest in the Trust is referred to as a DIAMOND . The Trust commenced operations on January 14, 1998 upon the initial issuance of 500,000 DIAMONDS (equivalent to ten Creation Units see Note 4) in exchange for a portfolio of securities assembled to reflect the intended portfolio composition of the Trust.

Under the Trust Agreement, the Sponsor and Trustee (each as defined below) are indemnified against certain liabilities arising from the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. However, based on experience the Trust expects the risk of material loss to be remote.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Trust.

Security Valuation

The value of the Trust s portfolio securities is based on the market price of the securities, which generally means a valuation obtained from an exchange or other market (or based on a price quotation or other equivalent indication of value supplied by an exchange or other market) or a valuation obtained from an independent pricing service.

In September 2006, Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157 or the Statement), was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

value measurements. As a result, the Trust will adopt SFAS 157 for the fiscal year beginning November 1, 2008. The Trustee is evaluating the application of the Statement to the Trust, and believes the impact will be limited to expanded disclosures resulting from the adoption of this Statement in the Trust s financial statements.

Investment Risk

The Trust invests in various investments which are exposed to risks, such as market risk. Due to the level of risk associated with certain investments it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

An investment in the Trust involves risks similar to those of investing in any fund of equity securities, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. You should anticipate that the value of DIAMONDS will decline, more or less, in correlation with any decline in value of the DJIA. The values of equity securities could decline generally or could underperform other investments. Further, the Trust would not sell an equity security because the security s issuer was in financial trouble unless that security is removed from the DJIA.

Investment Transactions

Investment transactions are recorded on the trade date. Realized gains and losses from the sale or disposition of securities are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date.

Distributions to Unitholders

The Trust declares and distributes dividends from net investment income to its unitholders monthly. The Trust will distribute net realized capital gains, if any, at least annually.

Equalization

The Trust follows the accounting practice known as Equalization by which a portion of the proceeds from sales and costs of reacquiring the Trust s units, equivalent on a per unit basis to the amount of distributable net investment income on the date of the transaction, is credited or charged to undistributed net investment income. As a result, undistributed net investment income per unit is unaffected by sales or reacquisitions of the Trust s units.

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

Federal Income Tax

The Trust has qualified and intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. By so qualifying and electing, the Trust will not be subject to federal income taxes to the extent it distributes its taxable income, including any net realized capital gains, for each fiscal year. In addition, by distributing during each calendar year substantially all of its net investment income and capital gains, if any, the Trust will not be subject to federal excise tax. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from those determined in accordance with US GAAP. These differences are primarily due to differing treatments for income equalization, in-kind transactions and losses deferred due to wash sales. Net investment income per unit calculations in the financial highlights for all years presented exclude these differences.

During the fiscal year ended October 31, 2008, the Trust reclassified $341,238,222 of non-taxable security gains realized in the in-kind redemption of Creation Units (Note 4) as an increase to paid in surplus in the Statement of Assets and Liabilities.

At October 31, 2008, the Trust had the following capital loss carryforwards which may be used to offset any net realized gains, expiring October 31:

2010	$	2,065,467
2011		68,716,435
2012		221,460,584
2014		52,316
2016		506,750,845

The tax character of distributions paid during the year ended October 31, 2008, 2007, and 2006 were as follows:

Distributions paid from:		**2008**		**2007**		**2006**
Ordinary Income	$	218,527,182	$	147,731,248	$	141,435,357

There were no significant differences between the book basis and tax basis components of net assets other than differences in the net unrealized appreciation (depreciation) in value of investments attributable to the tax deferral of losses on wash sales and undistributed ordinary income attributable to dividends payable at period end.

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

As of October 31, 2008, the components of distributable earnings (excluding unrealized appreciation/(depreciation)) on the tax basis were undistributed ordinary income of $19,057,854 and undistributed long term capital gain of $0.

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48 or the Interpretation). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Trust s tax return to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date.

The Trust adopted the provisions of FIN 48 on November 1, 2007. Management evaluated the implications of FIN 48 and determined that the tax positions met the more-likely than not threshold. There was no impact resulting from the adoption of this Interpretation on the Trust s financial statements. The Trust s federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service. It is the Trust s policy to record interest and penalty charges on underpaid taxes associated with its tax positions as interest expense and miscellaneous expense, respectively. No such charges were recorded in the current financial statements.

NOTE 3 TRANSACTIONS WITH THE TRUSTEE AND SPONSOR

In accordance with the Trust Agreement, State Street Bank and Trust Company (the Trustee) maintains the Trust s accounting records, acts as custodian and transfer agent to the Trust, and provides certain administrative services. The Trustee is also responsible for determining the composition of the portfolio of securities which must be delivered and/or received in exchange for the issuance and/or redemption of Creation Units of the Trust, and for adjusting the composition of the Trust s portfolio from time to time to conform to changes in the composition

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

and/or weighting structure of the DJIA. For these services, the Trustee received a fee at the following annual rates for the year ended October 31, 2008:

Net asset value of the Trust	Fee as a percentage of net asset value of the Trust
$0 $499,999,999	10/100 of 1% per annum plus or minus the Adjustment Amount
$500,000,000 $2,499,999,999	8/100 of 1% per annum plus or minus the Adjustment Amount
$2,500,000,000 and above	6/100 of 1% per annum plus or minus the Adjustment Amount

The Adjustment Amount is the sum of (a) the excess or deficiency of transaction fees received by the Trustee, less the expenses incurred in processing orders for creation and redemption of DIAMONDS and (b) the amounts earned by the Trustee with respect to the cash held by the Trustee for the benefit of the Trust. During the year ended October 31, 2008, the Adjustment Amount reduced the Trustee s fee by $1,011,636. The Adjustment Amount included an excess of net transaction fees from processing orders of $624,774 and a Trustee earnings credit of $386,862. Prior to 2008, the Trustee earnings credits were presented seperately on the Statements of Operation.

Effective November 1, 2006, the Trustee changed the method of computing the Adjustment Amount to the Trustee Fee such that all income earned with respect to cash held for the benefit of the Trust is credited against the Trustee s Fee. In addition, during the period from December 1, 2006 through December 31, 2006, the Trustee applied incremental cash balance credits of $374,030 which is included in the Trustee earnings credit of $965,742.

PDR Services LLC (the Sponsor), a wholly-owned subsidiary of NYSE Alternext US LLC, formerly the American Stock Exchange LLC (NYSE Alternext), agreed to reimburse the Trust for, or assume, the ordinary operating expenses of the Trust which exceeded 18.00/100 of 1% per annum of the daily net asset value of the Trust. There were no such reimbursements by the Sponsor for the fiscal years ended October 31, 2006, October 31, 2007 and October 31, 2008.

Dow Jones & Company, Inc. (Dow Jones), NYSE Alternext, the Sponsor and State Street Global Markets, LLC (SSgM) have entered into a License Agreement. The License Agreement grants SSgM, an affiliate of the Trustee, a license to use the DJIA as a basis for determining the composition of the Portfolio and to use certain trade names and trademarks of Dow Jones in connection with the Portfolio. The Trustee on behalf of the Trust, the Sponsor and the Exchange have each received a sublicense from SSgM for the use of the DJIA and such trade names and trademarks

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

in connection with their rights and duties with respect to the Trust. The License Agreement may be amended without the consent of any of the owners of beneficial interests of DIAMONDS, as shown on, and effected only through, records maintained by the Depository Trust Company (DTC) and DTC s Participants, as defined in the prospectus (Beneficial Owners). Currently, the License Agreement is scheduled to terminate on December 31, 2017, but its term may be extended without the consent of any of the Beneficial Owners of DIAMONDS. The Trust pays an annual sub-license fee to Dow Jones of an amount equal to 0.05% on the first $1 billion of the then rolling average asset balance, and 0.04% on any excess rolling average asset balance over and above $1 billion. The minimum annual fee for the Trust is $1 million.

NOTE 4 TRUST TRANSACTIONS IN DIAMONDS

Transactions in DIAMONDS were as follows:

	Year Ended October 31, 2008	
	DIAMONDS	**Amounts**
DIAMONDS sold	366,850,000	$ 43,007,862,019
DIAMONDS issued upon dividend reinvestment	11,778	1,388,124
DIAMONDS redeemed	(336,200,000)	(39,824,961,718)
Net income equalization		(1,639,517)
Net increase	30,661,778	$ 3,182,648,908

	Year Ended October 31, 2007	
	DIAMONDS	**Amounts**
DIAMONDS sold	283,800,000	$ 37,094,855,531
DIAMONDS issued upon dividend reinvestment	9,870	1,275,186
DIAMONDS redeemed	(271,050,000)	(35,324,440,592)
Net income equalization		13,594,558
Net increase	12,759,870	$ 1,785,284,683

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

	Year Ended October 31, 2006		
	DIAMONDS		**Amounts**
DIAMONDS sold	142,300,000	$	15,848,129,501
DIAMONDS issued upon dividend reinvestment	12,974		1,429,406
DIAMONDS redeemed	(159,000,000)		(17,633,216,795)
Net income equalization			1,800,594
Net decrease	(16,687,026)	$	(1,781,857,294)

With the exception of the Trust s dividend reinvestment plan, DIAMONDS are issued and redeemed by the Trust only in Creation Unit size aggregations of 50,000 DIAMONDS. Such transactions are only permitted on an in-kind basis, with a separate cash payment which is equivalent to the undistributed net investment income per DIAMOND (income equalization) and a balancing cash component to equate the transaction to the net asset value per unit of the Trust on the transaction date. A transaction fee of $1,000 is charged in connection with each creation or redemption of Creation Units through the DIAMONDS Clearing Process per participating party per day, regardless of the number of Creation Units created or redeemed. For creations and redemptions outside the DIAMONDS Clearing Process, an additional amount not to exceed three (3) times the Transaction Fee applicable for one Creation Unit is charged per Creation Unit per day. Under the current schedule, therefore, the total fee charged in connection with creation or redemption outside the DIAMONDS Clearing Process would be $1,000 (the Transaction Fee for the creation or redemption of one Creation Unit) plus an additional amount up to $3,000 (3 times $1,000), for a total not to exceed $4,000. Transaction fees are received by the Trustee and used to defray the expense of processing orders.

NOTE 5 INVESTMENT TRANSACTIONS

For the year ended October 31, 2008, the Trust had net in-kind contributions, net in-kind redemptions, purchases and sales of investment securities of $26,714,386,380, $23,539,127,988, $994,695,926 and $986,832,359, respectively. At October 31, 2008, the cost of investments for federal income tax purposes was $12,793,577,527, accordingly, gross unrealized appreciation was $0 and gross unrealized depreciation was $3,688,477,664, resulting in net unrealized depreciation of $3,688,477,664.

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

Tax Information

For federal income tax purposes, the percentage of Trust ordinary distributions which qualify for the corporate dividends received deduction for the fiscal year ended October 31, 2008 is 99.79%.

For the fiscal year ended October 31, 2008, certain dividends paid by the Trust may be designated as qualified dividend income and subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. Complete information will be reported in conjunction with your 2008 Form 1099-DIV.

FREQUENCY DISTRIBUTION OF DISCOUNTS AND PREMIUMS

Bid/Ask Price(1) vs Net Asset Value
As of October 31, 2008

	Bid/Ask Price Above NAV			Bid/Ask Price Below NAV		
	50-99 BASIS POINTS	100-199 BASIS POINTS	>200 BASIS POINTS	50-99 BASIS POINTS	100-199 BASIS POINTS	>200 BASIS POINTS
2008	3	2	2	2	0	0
2007	1	0	0	0	0	0
2006	0	0	0	0	0	0
2005	0	0	0	0	0	0
2004	0	0	0	0	0	0

Comparison of Total Returns Based on NAV and Bid/Ask Price(1)

The table below is provided to compare the Trust s total pre-tax returns at NAV with the total pre-tax returns based on bid/ask price and the performance of the DJIA. Past performance is not necessarily an indication of how the Trust will perform in the future.

Cumulative Total Return

	1 Year	5 Year	10 Year
DIAMONDS Trust, Series 1			
Return Based on NAV	–31.23%	6.02%	31.62%
Return Based on Bid/Ask Price	–31.37%	5.81%	31.06%
DJIA	–31.24%	6.83%	33.51%

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DIAMONDS Trust Series 1
Notes to Financial Statements
October 31, 2008

Average Annual Total Return

	1 Year	5 Year	10 Year
DIAMONDS Trust, Series 1			
Return Based on NAV	−31.23%	1.18%	2.79%
Return Based on Bid/Ask Price	−31.37%	1.14%	2.74%
DJIA	−31.24%	1.33%	2.93%

(1) The Bid/Ask Price is calculated based on the best bid and best offer on the NYSE Alternext at 4:00 p.m.

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DIAMONDS Trust Series 1
Schedule of Investments
October 31, 2008

Common Stocks	Shares		Value
3M Co.	7,776,952	$	500,058,014
Alcoa, Inc.	7,776,952		89,512,718
American Express Co.	7,776,952		213,866,180
AT&T, Inc.	7,776,952		208,189,005
Bank of America Corp.	7,776,952		187,968,930
Boeing Co.	7,776,952		406,501,281
Caterpillar, Inc.	7,776,952		296,846,258
Chevron Corp.	7,776,952		580,160,619
Citigroup, Inc.	7,776,952		106,155,395
Coca-Cola Co.	7,776,952		342,652,505
Du Pont (E.I.) de Nemours & Co.	7,776,952		248,862,464
Exxon Mobil Corp.	7,776,952		576,427,682
General Electric Co.	7,776,952		151,728,333
General Motors Corp.	7,776,952		44,950,783
Hewlett-Packard Co.	7,776,952		297,701,723
Home Depot, Inc.	7,776,952		183,458,298
Intel Corp.	7,776,952		124,431,232
International Business Machines Corp.	7,776,952		723,023,227
Johnson & Johnson	7,776,952		477,038,236
JPMorgan Chase & Co.	7,776,952		320,799,270
Kraft Foods, Inc. (Class A)	7,776,952		226,620,381
McDonald s Corp.	7,776,952		450,518,829
Merck & Co., Inc.	7,776,952		240,696,664
Microsoft Corp.	7,776,952		173,659,338
Pfizer, Inc.	7,776,952		137,729,820
Procter & Gamble Co.	7,776,952		501,924,482
United Technologies Corp.	7,776,952		427,421,282
Verizon Communications, Inc.	7,776,952		230,742,166
Wal-Mart Stores, Inc.	7,776,952		434,031,691
Walt Disney Co.	7,776,952		201,423,057
Total Common Stocks (Cost $12,791,948,720)		$	9,105,099,863

See accompanying notes to financial statements.

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THE TRUST

The Trust, an exchange traded fund or ETF , is a registered investment company which both (a) continuously issues and redeems in-kind its shares, known as DIAMONDS, only in large lot sizes called Creation Units at their once-daily NAV and (b) lists DIAMONDS individually for trading on the Exchange at prices established throughout the trading day, like any other listed equity security trading in the secondary market on the Exchange.

Creation of Creation Units

Portfolio Deposits may be made through the DIAMONDS Clearing Process or outside the DIAMONDS Clearing Process only by a person who executed a Participant Agreement with the Distributor and the Trustee. The Distributor shall reject any order that is not submitted in proper form. A creation order is deemed received by the Distributor on the date on which it is placed (Transmittal Date) if (a) such order is received by the Distributor not later than the Closing Time (as defined below) on such Transmittal Date and (b) all other procedures set forth in the Participant Agreement are properly followed. The Transaction Fee is charged at the time of creation of a Creation Unit, and an additional amount not to exceed three (3) times the Transaction Fee applicable for one Creation Unit is charged for creations outside the DIAMONDS Clearing Process, in part due to the increased expense associated with settlement.

The Trustee, at the direction of the Sponsor, may increase*, reduce or waive the Transaction Fee (and/or the additional amounts charged in connection with creations and/or redemptions outside the DIAMONDS Clearing Process) for certain lot-size creations and/or redemptions of Creation Units. The Sponsor has the right to vary the lot-size of Creation Units subject to such an increase, reduction or waiver. The existence of any such variation shall be disclosed in the then current DIAMONDS Prospectus.

The DJIA is a price-weighted stock index; that is, the component stocks of the DJIA are represented in exactly equal share amounts and therefore are accorded relative importance in the DJIA based on their prices. The shares of common stock of the stock portion of a Portfolio Deposit on any date of deposit will reflect the composition of the component stocks of the DJIA on such day. The portfolio of Index Securities that is the basis for a Portfolio Deposit varies as changes are made in the composition of the Index Securities. Further, the Trustee is permitted to take account of changes to the identity or weighting of any Index Security resulting from a change to the Index by making a corresponding adjustment to the Portfolio Deposit on the day prior to the day on which the change to the DJIA takes effect.

* Such increase is subject to the 10 Basis Point Limit.

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The Trustee makes available to NSCC** before the commencement of trading on each Business Day a list of the names and required number of shares of each of the Index Securities in the current Portfolio Deposit as well as the amount of the Dividend Equivalent Payment for the previous Business Day. Under certain extraordinary circumstances which may make it impossible for the Trustee to provide such information to NSCC on a given Business Day, NSCC shall use the information regarding the identity of the Index Securities of the Portfolio Deposit on the previous Business Day. The identity of each Index Security required for a Portfolio Deposit, as in effect on October 31, 2008, is set forth in the above Schedule of Investments. The Sponsor makes available (a) on each Business Day, the Dividend Equivalent Payment effective through and including the previous Business Day, per outstanding DIAMONDS unit, and (b) every 15 seconds throughout the day at the Exchange a number representing, on a per DIAMONDS unit basis, the sum of the Dividend Equivalent Payment effective through and including the previous Business Day, plus the current value of the securities portion of a Portfolio Deposit as in effect on such day (which value may occasionally include a cash in lieu amount to compensate for the omission of a particular Index Security from such Portfolio Deposit). Such information is calculated based upon the best information available to the Sponsor and may be calculated by other persons designated to do so by the Sponsor. The inability of the Sponsor to provide such information will not in itself result in a halt in the trading of DIAMONDS on the Exchange.

Upon receipt of one or more Portfolio Deposits, following placement with the Distributor of an order to create DIAMONDS, the Trustee (a) delivers one or more Creation Units to DTC, (b) removes the DIAMONDS unit position from its account at DTC and allocates it to the account of the DTC Participant acting on behalf of the investor creating Creation Unit(s), (c) increases the aggregate value of the Portfolio, and (d) decreases the fractional undivided interest in the Trust represented by each DIAMONDS unit.

Under certain circumstances, (a) a portion of the stock portion of a Portfolio Deposit may consist of contracts to purchase certain Index Securities or (b) a portion of the Cash Component may consist of cash in an amount required to enable the Trustee to purchase such Index Securities. If there is a failure to deliver Index Securities that are the subject of such contracts to purchase, the Trustee will acquire such Index Securities in a timely manner. To the extent the price of any such Index Security increases or decreases between the time of creation and the time of its purchase and delivery, DIAMONDS will represent fewer or more shares of such

** As of December 31, 2008, the Depository Trust and Clearing Corporation (DTCC) owned 100% of the issued and outstanding shares of common stock of NSCC. Also, as of such date, NYSE Euronext, the parent company of the Sponsor, and its affiliates collectively owned less than 0.3% of the issued and outstanding shares of common stock of DTCC (DTCC Shares), and the Trustee owned 6.2% of DTCC Shares.

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Index Security. Therefore, price fluctuations during the period from the time the cash is received by the Trustee to the time the requisite Index Securities are purchased and delivered will affect the value of all DIAMONDS.

Procedures for Creation of Creation Units

All creation orders must be placed in Creation Units and must be received by the Distributor by no later than the closing time of the regular trading session on the NYSE (Closing Time) (ordinarily 4:00 p.m. New York time) in each case on the date such order is placed in order for creation to be effected based on the NAV of the Trust as determined on such date. Orders must be transmitted by telephone, through the Internet or other transmission methods acceptable to the Distributor and the Trustee, pursuant to procedures set forth in the Participant Agreement and described in this prospectus. In addition, orders submitted through the Internet must also comply with the terms and provisions of the State Street Fund Connect Buy-Side User Agreement and other applicable agreements and documents, including but not limited to the applicable Fund Connect User Guide or successor documents. Severe economic or market disruptions or changes, or telephone or other communication failure, may impede the ability to reach the Distributor, the Trustee, a Participating Party or a DTC Participant.

DIAMONDS may be created in advance of receipt by the Trustee of all or a portion of the Portfolio Deposit. In these circumstances, the initial deposit has a value greater than the NAV of the DIAMONDS on the date the order is placed in proper form, because in addition to available Index Securities, cash collateral must be deposited with the Trustee in an amount equal to the sum of (a) the Cash Component, plus (b) 115% of the market value of the undelivered Index Securities (Additional Cash Deposit). The Trustee holds such Additional Cash Deposit as collateral in an account separate and apart from the Trust. The order is deemed received on the Business Day on which the order is placed if the order is placed in proper form before the Closing Time, on such date and federal funds in the appropriate amount are deposited with the Trustee by 11:00 a.m., New York time, the next Business Day.

If the order is not placed in proper form by the Closing Time or federal funds in the appropriate amount are not received by 11:00 a.m. New York time on the next Business Day, the order may be deemed to be rejected and the investor shall be liable to the Trust for any losses, resulting therefrom. An additional amount of cash must be deposited with the Trustee, pending delivery of the missing Index Securities to the extent necessary to maintain the Additional Cash Deposit with the Trustee in an amount at least equal to 115% of the daily mark-to-market value of the missing Index Securities. If missing Index Securities are not received by 1:00 p.m., New York time, on the third Business Day following the day on which the purchase order is deemed received and if a mark-to-market payment is not made within one Business Day following notification by the Distributor that such a payment is required, the Trustee may use the Additional Cash Deposit to purchase the missing Index Securities of the Portfolio Deposit. The Trustee will return any unused portion of the Additional Cash

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Deposit once all of the missing Index Securities have been properly received or purchased by the Trustee and deposited into the Trust. In addition, a Transaction Fee of $4,000 is charged in all cases. The delivery of Creation Units so created will occur no later than the third (3rd) Business Day following the day on which the purchase order is deemed received. The Participant Agreement for any Participating Party intending to follow these procedures contains terms and conditions permitting the Trustee to buy the missing portion(s) of the Portfolio Deposit at any time and will subject the Participating Party to liability for any shortfall between the cost to the Trust of purchasing such stocks and the value of such collateral. The Participating Party is liable to the Trust for the costs incurred by the Trust in connection with any such purchases. The Trust will have no liability for any such shortfall.

All questions as to the number of shares of each Index Security, the amount of the Cash Component and the validity, form, eligibility (including time of receipt) and acceptance for deposit of any Index Securities to be delivered are resolved by the Trustee. The Trustee may reject a creation order if (a) the depositor or group of depositors, upon obtaining the DIAMONDS ordered, would own 80% or more of the current outstanding DIAMONDS, (b) the Portfolio Deposit is not in proper form; (c) acceptance of the Portfolio Deposit would have certain adverse tax consequences; (d) the acceptance of the Portfolio Deposit would, in the opinion of counsel, be unlawful; (e) the acceptance of the Portfolio Deposit would otherwise have an adverse effect on the Trust or the rights of Beneficial Owners; or (f) circumstances outside the control of the Trustee make it for all practical purposes impossible to process creations of DIAMONDS. The Trustee and the Sponsor are under no duty to give notification of any defects or irregularities in the delivery of Portfolio Deposits or any component thereof and neither of them shall incur any liability for the failure to give any such notification.

Placement of Creation Orders Using DIAMONDS Clearing Process

Creation Units created through the DIAMONDS Clearing Process must be delivered through a Participating Party that has executed a Participant Agreement. The Participant Agreement authorizes the Trustee to transmit to the Participating Party such trade instructions as are necessary to effect the creation order. Pursuant to the trade instructions from the Trustee to NSCC, the Participating Party agrees to transfer the requisite Index Securities (or contracts to purchase such Index Securities that are expected to be delivered through the DIAMONDS Clearing Process in a regular way manner by the third NSCC Business Day) and the Cash Component to the Trustee, together with such additional information as may be required by the Trustee.

Placement of Creation Orders Outside DIAMONDS Clearing Process

Creation Units created outside the DIAMONDS Clearing Process must be delivered through a DTC Participant that has executed a Participant Agreement and has stated in its order that it is not using the DIAMONDS Clearing Process and that creation will instead be effected through a transfer of stocks and cash. The requisite number of Index Securities must be delivered through DTC to the account of the Trustee by no later than 11:00 a.m. of the next Business Day immediately following the Transmittal Date. The Trustee, through the Federal Reserve Bank wire transfer system, must receive the Cash Component no later than 2:00 p.m. on the next Business Day immediately following the Transmittal Date. If the Trustee does not receive both the requisite Index Securities and the Cash Component in a timely fashion, the order will be cancelled. Upon written notice to the Distributor, the cancelled order may be resubmitted the following Business Day using a Portfolio Deposit as newly constituted to reflect the current NAV of the Trust. The delivery of DIAMONDS so created will occur no later than the third (3rd) Business Day following the day on which the creation order is deemed received by the Distributor.

Securities Depository; Book-Entry-Only System

DTC acts as securities depository for DIAMONDS. DIAMONDS are represented by one or more global securities, registered in the name of Cede & Co., as nominee for DTC and deposited with, or on behalf of, DTC.

DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC* was created to hold securities of its participants (DTC Participants) and to facilitate the clearance and settlement of securities transactions among the DTC Participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Access to the DTC system also is available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (Indirect Participants).

Upon the settlement date of any creation, transfer or redemption of DIAMONDS, DTC credits or debits, on its book-entry registration and transfer system, the amount of DIAMONDS so created, transferred or redeemed to the accounts of the appropriate DTC Participants. The accounts to be credited and charged are designated by the Trustee to NSCC, in the case of a creation or redemption through the DIAMONDS Clearing Process, or by the Trustee and the DTC Participant, in the case of a creation or redemption outside of the DIAMONDS Clearing Process. Beneficial ownership of DIAMONDS is limited to DTC Participants, Indirect Participants and persons holding interests through DTC Participants and Indirect Participants. Ownership of beneficial interests in DIAMONDS (owners of such beneficial interests are

* As of December 31, 2008, DTCC owned 100% of the issued and outstanding shares of the common stock of DTC.

referred to herein as Beneficial Owners) is shown on, and the transfer of ownership is effected only through, records maintained by DTC (with respect to DTC Participants) and on the records of DTC Participants (with respect to Indirect Participants and Beneficial Owners that are not DTC Participants). Beneficial Owners are expected to receive from or through the DTC Participant a written confirmation relating to their purchase of DIAMONDS. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability of certain investors to acquire beneficial interests in DIAMONDS.

As long as Cede & Co., as nominee of DTC, is the registered owner of DIAMONDS, references to the registered or record owner of DIAMONDS shall mean Cede & Co. and shall not mean the Beneficial Owners of DIAMONDS. Beneficial Owners of DIAMONDS are not entitled to have DIAMONDS registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and will not be considered the record or registered holders thereof under the Trust Agreement. Accordingly, each Beneficial Owner must rely on the procedures of DTC, the DTC Participant and any Indirect Participant through which such Beneficial Owner holds its interests, to exercise any rights under the Trust Agreement.

The Trustee recognizes DTC or its nominee as the owner of all DIAMONDS for all purposes except as expressly set forth in the Trust Agreement. Pursuant to the agreement between the Trustee and DTC (Depository Agreement), DTC is required to make available to the Trustee upon request and for a fee to be charged to the Trust a listing of the DIAMONDS holdings of each DTC Participant. The Trustee inquires of each such DTC Participant as to the number of Beneficial Owners holding DIAMONDS, directly or indirectly, through the DTC Participant. The Trustee provides each such DTC Participant with copies of such notice, statement or other communication, in the form, number and at the place as the DTC Participant may reasonably request, in order that the notice, statement or communication may be transmitted by the DTC Participant, directly or indirectly, to the Beneficial Owners. In addition, the Trust pays to each such DTC Participant a fair and reasonable amount as reimbursement for the expense attendant to such transmittal, all subject to applicable statutory and regulatory requirements.

Distributions are made to DTC or its nominee, Cede & Co. DTC or Cede & Co., upon receipt of any payment of distributions in respect of DIAMONDS, is required immediately to credit DTC Participants accounts with payments in amounts proportionate to their respective beneficial interests in DIAMONDS, as shown on the records of DTC or its nominee. Payments by DTC Participants to Indirect Participants and Beneficial Owners of DIAMONDS held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in a street name, and will be the responsibility of such DTC Participants. Neither the Trustee nor the Sponsor has or will have any responsibility or liability for any aspects of the records relating to or notices to Beneficial Owners, or payments made on account of beneficial ownership interests in DIAMONDS, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and the DTC Participants or the relationship between such DTC Participants and the Indirect Participants and Beneficial Owners owning through such DTC Participants.

DTC may discontinue providing its service with respect to DIAMONDS at any time by giving notice to the Trustee and the Sponsor and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trustee and the Sponsor shall take action either to find a replacement for DTC to perform its functions at a comparable cost or, if such a replacement is unavailable, to terminate the Trust.

REDEMPTION OF DIAMONDS

DIAMONDS are redeemable only in Creation Units. Creation Units are redeemable in kind only and are not redeemable for cash except as described under Summary Highlights Termination of the Trust.

Procedures for Redemption of Creation Units

Redemption orders must be placed with a Participating Party (for redemptions through the DIAMONDS Clearing Process) or DTC Participant (for redemptions outside the DIAMONDS Clearing Process), as applicable, in the form required by such Participating Party or DTC Participant. A particular broker may not have executed a Participant Agreement, and redemption orders may have to be placed by the broker through a Participating Party or a DTC Participant who has executed a Participant Agreement. At any given time, there may be only a limited number of broker-dealers that have executed a Participant Agreement. Redeemers should afford sufficient time to permit (a) proper submission of the order by a Participating Party or DTC Participant to the Trustee and (b) the receipt of the DIAMONDS to be redeemed and any Excess Cash Amounts (as defined below) by the Trustee in a timely manner. Orders for redemption effected outside the DIAMONDS Clearing Process are likely to require transmittal by the DTC Participant earlier on the Transmittal Date than orders effected using the DIAMONDS Clearing Process. These deadlines vary by institution. Persons redeeming outside the DIAMONDS Clearing Process are required to transfer DIAMONDS through DTC and the Excess Cash amounts, if any, through the Federal Reserve Bank wire transfer system in a timely manner.

Requests for redemption may be made on any Business Day to the Trustee and not to the Distributor. In the case of redemptions made through the DIAMONDS Clearing Process, the Transaction Fee is deducted from the amount delivered to the redeemer. In the case of redemptions outside the DIAMONDS Clearing Process, the Transaction Fee plus an additional amount not to exceed three (3) times the

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Transaction Fee applicable for one Creation Unit per Creation Unit redeemed, and such amount is deducted from the amount delivered to the redeemer.

The Trustee transfers to the redeeming Beneficial Owner via DTC and the relevant DTC Participant(s) a portfolio of stocks for each Creation Unit delivered, generally identical in weighting and composition to the stock portion of a Portfolio Deposit as in effect (a) on the date a request for redemption is deemed received by the Trustee or (b) in the case of the termination of the Trust, on the date that notice of the termination of the Trust is given. The Trustee also transfers via the relevant DTC Participant(s) to the redeeming Beneficial Owner a Cash Redemption Payment, which on any given Business Day is an amount identical to the amount of the Cash Component and is equal to a proportional amount of the following: dividends on the Portfolio Securities for the period through the date of redemption, net of expenses and liabilities for such period including, without limitation, (i) taxes or other governmental charges against the Trust not previously deducted if any, and (ii) accrued fees of the Trustee and other expenses of the Trust, as if the Portfolio Securities had been held for the entire accumulation period for such distribution, plus or minus the Balancing Amount. The redeeming Beneficial Owner must deliver to the Trustee any amount by which the amount payable to the Trust by such Beneficial Owner exceeds the amount of the Cash Redemption Payment (Excess Cash Amounts). For redemptions through the DIAMONDS Clearing Process, the Trustee effects a transfer of the Cash Redemption Payment and stocks to the redeeming Beneficial Owner by the third (3rd) NSCC Business Day following the date on which request for redemption is deemed received. For redemptions outside the DIAMONDS Clearing Process, the Trustee transfers the Cash Redemption Payment and the stocks to the redeeming Beneficial Owner by the third (3rd) Business Day following the date on which the request for redemption is deemed received. The Trustee will cancel all DIAMONDS delivered upon redemption.

If the Trustee determines that an Index Security is likely to be unavailable or available in insufficient quantity for delivery by the Trust upon redemption, the Trustee may elect to deliver the cash equivalent value of any such Index Securities, based on its market value as of the Evaluation Time on the date such redemption is deemed received by the Trustee as a part of the Cash Redemption Payment in lieu thereof.

If a redeemer is restricted by regulation or otherwise from investing or engaging in a transaction in one or more Index Securities, the Trustee may elect to deliver the cash equivalent value based on the market value of any such Index Securities as of the Evaluation Time on the date of the redemption as a part of the Cash Redemption Payment in lieu thereof. In such case, the investor will pay the Trustee the standard Transaction Fee, and may pay an additional amount equal to the actual amounts incurred in connection with such transaction(s) but in any case not to exceed three (3) times the Transaction Fee applicable for one Creation Unit.

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The Trustee upon the request of a redeeming investor, may elect to redeem Creation Units in whole or in part by providing such redeemer, with a portfolio of stocks differing in exact composition from Index Securities but not differing in NAV from the then-current Portfolio Deposit. Such a redemption is likely to be made only if it were determined that it would be appropriate in order to maintain the Trust s correspondence to the composition and weighting of the DJIA Index.

The Trustee may sell Portfolio Securities to obtain sufficient cash proceeds to deliver to the redeeming Beneficial Owner. To the extent cash proceeds are received by the Trustee in excess of the required amount, such cash proceeds shall be held by the Trustee and applied in accordance with the guidelines applicable to residual cash set forth under The Portfolio Portfolio Securities Conform to the DJIA .

All redemption orders must be transmitted to the Trustee by telephone or other transmission method acceptable to the Trustee so as to be received by the Trustee not later than the Closing Time on the Transmittal Date, pursuant to procedures set forth in the Participant Agreement. Severe economic or market disruption or changes, or telephone or other communication failure, may impede the ability to reach the Trustee, a Participating Party, or a DTC Participant.

The calculation of the value of the stocks and the Cash Redemption Payment to be delivered to the redeeming Beneficial Owner is made by the Trustee according to the procedures set forth under Valuation and is computed as of the Evaluation Time on the Business Day on which a redemption order is deemed received by the Trustee. Therefore, if a redemption order in proper form is submitted to the Trustee by a DTC Participant not later than the Closing Time on the Transmittal Date, and the requisite DIAMONDS are delivered to the Trustee prior to DTC Cut-Off Time on such Transmittal Date, then the value of the stocks and the Cash Redemption Payment to be delivered to the Beneficial Owner is determined by the Trustee as of the Evaluation Time on such Transmittal Date. If, however, a redemption order is submitted not later than the Closing Time on a Transmittal Date but either (a) the requisite DIAMONDS are not delivered by DTC Cut-Off Time on the next Business Day immediately following such Transmittal Date or (b) the redemption order is not submitted in proper form, then the redemption order is not deemed received as of such Transmittal Date. In such case, the value of the stocks and the Cash Redemption Payment to be delivered to the Beneficial Owner is computed as of the Evaluation Time on the Business Day that such order is deemed received by the Trustee, *i.e.*, the Business Day on which the DIAMONDS are delivered through DTC to the Trustee by DTC Cut-Off Time on such Business Day pursuant to a properly submitted redemption order.

The Trustee may suspend the right of redemption, or postpone the date of payment of the NAV for more than five (5) Business Days following the date on which the request for redemption is deemed received by the Trustee (a) for any period during which the NYSE is closed, (b) for any period during which an emergency exists as a result of which disposal or evaluation of the Portfolio Securities is not

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reasonably practicable, (c) or for such other period as the SEC may by order permit for the protection of Beneficial Owners. Neither the Sponsor nor the Trustee is liable to any person or in any way for any loss or damages that may result from any such suspension or postponement.

Placement of Redemption Orders Using DIAMONDS Clearing Process

A redemption order made through the DIAMONDS Clearing Process is deemed received on the Transmittal Date if (a) such order is received by the Trustee not later than the Closing Time on such Transmittal Date and (b) all other procedures set forth in the Participant Agreement are properly followed. The order is effected based on the NAV of the Trust as determined as of the Evaluation Time on the Transmittal Date. A redemption order made through the DIAMONDS Clearing Process and received by the Trustee after the Closing Time will be deemed received on the next Business Day immediately following the Transmittal Date. The Participant Agreement authorizes the Trustee to transmit to NSCC on behalf of the Participating Party such trade instructions as are necessary to effect the Participating Party s redemption order. Pursuant to such trade instructions from the Trustee to NSCC, the Trustee transfers the requisite stocks (or contracts to purchase such stocks which are expected to be delivered in a regular way manner) by the third (3rd) NSCC Business Day following the date on which the request for redemption is deemed received, and the Cash Redemption Payment.

Placement of Redemption Orders Outside DIAMONDS Clearing Process

A DTC Participant who wishes to place an order for redemption of DIAMONDS to be effected outside the DIAMONDS Clearing Process need not be a Participating Party, but its order must state that the DTC Participant is not using the DIAMONDS Clearing Process and that redemption will instead be effected through transfer of DIAMONDS directly through DTC. An order is deemed received by the Trustee on the Transmittal Date if (a) such order is received by the Trustee not later than the Closing Time on such Transmittal Date, (b) such order is preceded or accompanied by the requisite number of DIAMONDS specified in such order, which delivery must be made through DTC to the Trustee no later than 11:00 a.m. on the next Business Day immediately following such Transmittal Date (DTC Cut-Off Time) and (c) all other procedures set forth in the Participant Agreement are properly followed. Any Excess Cash Amounts owed by the Beneficial Owner must be delivered no later than 2:00 p.m. on the next Business Day immediately following the Transmittal Date.

The Trustee initiates procedures to transfer the requisite stocks (or contracts to purchase such stocks that are expected to be delivered within three Business Days and the Cash Redemption Payment to the redeeming Beneficial Owner by the third Business Day following the Transmittal Date.

THE PORTFOLIO

Because the objective of the Trust is to provide investment results that, before expenses, generally correspond to the price and yield performance of the DJIA, the Portfolio at any time will consist of as many of Index Securities as is practicable. It is anticipated that cash or cash items (other than dividends held for distribution) normally would not be a substantial part of the Trust s net assets. Although the Trust may at any time fail to own certain of Index Securities, the Trust will be substantially invested in Index Securities and the Sponsor believes that such investment should result in a close correspondence between the investment performance of the DJIA and that derived from ownership of DIAMONDS.

Portfolio Securities Conform to the DJIA

The DJIA is a price-weighted index of 30 component common stocks, the components of which are determined by the editors of *The Wall Street Journal,* without any consultation with the companies, the respective stock exchange or any official agency.

The Trust is not managed and therefore the adverse financial condition of an issuer does not require the sale of stocks from the Portfolio. The Trustee on a non-discretionary basis adjusts the composition of the Portfolio to conform to changes in the composition and/or weighting structure of Index Securities. To the extent that the method of determining the DJIA is changed by Dow Jones in a manner that would affect the adjustments provided for herein, the Trustee and the Sponsor have the right to amend the Trust Agreement, without the consent of DTC or Beneficial Owners, to conform the adjustments to such changes and to maintain the objective of tracking the DJIA.

The Trustee aggregates certain of these adjustments and makes conforming changes to the Portfolio at least monthly. The Trustee directs its stock transactions only to brokers or dealers, which may include affiliates of the Trustee, from whom it expects to obtain the most favorable prices or execution of orders. Adjustments are made more frequently in the case of significant changes to the DJIA. Specifically, the Trustee is required to adjust the composition of the Portfolio whenever there is a change in the identity of any Index Security (*i.e.*, a substitution of one security for another) within three (3) Business Days before or after the day on which the change is scheduled to take effect. While other DJIA changes may lead to adjustments in the Portfolio, the most common changes are likely to occur as a result of changes in the Index Securities included in the DJIA and as a result of stock splits. The Trust Agreement sets forth the method of adjustments which may occur thereunder as a result of corporate actions to the DJIA, such as stock splits or changes in the identity of the component stocks.

For example, in the event of an Index Security change (in which the common stock of one issuer held in the DJIA is replaced by the common stock of another), the Trustee may sell all shares of the Portfolio Security corresponding to the old Index

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Security and use the proceeds of such sale to purchase the replacement Portfolio Security corresponding to the new Index Security. If the share price of the removed Portfolio Security was higher than the price of its replacement, the Trustee will calculate how to allocate the proceeds of the sale of the removed Portfolio Security between the purchase of its replacement and purchases of additional shares of other Portfolio Securities so that the number of shares of each Portfolio Security after the transactions would be as nearly equal as practicable. If the share price of the removed Portfolio Security was lower than the price of its replacement, the Trustee will calculate the number of shares of each of the other Portfolio Securities that must be sold in order to purchase enough shares of the replacement Portfolio Security so that the number of shares of each Portfolio Security after the transactions would be as nearly equal as practicable.

In the event of a stock split, the price weighting of the stock which is split will drop. The Trustee may make the corresponding adjustment by selling the additional shares of the Portfolio Security received from the stock split. The Trustee may then use the proceeds of the sale to buy an equal number of shares of each Portfolio Security-including the Portfolio Security which had just experienced a stock split. In practice, of course, not all the shares received in the split would be sold: enough of those shares would be retained to make an increase in the number of split shares equal to the increase in the number of shares in each of the other Portfolio Securities purchased with the proceeds of the sale of the remaining shares resulting from such split.

As a result of the purchase and sale of stock in accordance with these requirements, or the creation of Creation Units, the Trust may hold some amount of residual cash (other than cash held temporarily due to timing differences between the sale and purchase of stock or cash delivered in lieu of Index Securities or undistributed income or undistributed capital gains). This amount may not exceed for more than two (2) consecutive Business Days 5/10th of 1 percent of the value of the Portfolio. If the Trustee has made all required adjustments and is left with cash in excess of 5/10th of 1 percent of the value of the Portfolio, the Trustee will use such cash to purchase additional Index Securities.

All portfolio adjustments are made as described herein unless such adjustments would cause the Trust to lose its status as a regulated investment company under Subchapter M of the Code. Additionally, the Trustee is required to adjust the composition of the Portfolio at any time to insure the continued qualification of the Trust as a regulated investment company.

The Trustee relies on Dow Jones for information as to the composition and weightings of Index Securities. If the Trustee becomes incapable of obtaining or processing such information or NSCC is unable to receive such information from the Trustee on any Business Day, the Trustee shall use the composition and weightings of Index Securities for the most recently effective Portfolio Deposit for the purposes of all adjustments and determinations (including, without limitation, determination of the stock portion of the Portfolio Deposit) until the earlier of (a) such time as current information with respect to Index Securities is available or (b) three (3) consecutive Business Days have elapsed. If such current information is not available and three (3) consecutive Business Days have elapsed, the composition and weightings of Portfolio Securities (as opposed to Index Securities) shall be used for the purposes of all adjustments and determinations (including, without limitation, determination of the stock portion of the Portfolio Deposit) until current information with respect to Index Securities is available.

If the Trust is terminated, the Trustee shall use the composition and weightings of Portfolio Securities as of such notice date for the purpose and determination of all redemptions or other required uses of the basket.

From time to time Dow Jones may adjust the composition of the DJIA because of a merger or acquisition involving one or more Index Securities. In such cases, the Trust, as shareholder of an issuer that is the object of such merger or acquisition activity, may receive various offers from would-be acquirors of the issuer. The Trustee is not permitted to accept any such offers until such time as it has been determined that the stocks of the issuer will be removed from the DJIA. As stocks of an issuer are often removed from the DJIA only after the consummation of a merger or acquisition of such issuer, in selling the securities of such issuer the Trust may receive, to the extent that market prices do not provide a more attractive alternative, whatever consideration is being offered to the shareholders of such issuer that have not tendered their shares prior to such time. Any cash received in such transactions is reinvested in Index Securities in accordance with the criteria set forth above.

Any stocks received as a part of the consideration that are not Index Securities are sold as soon as practicable and the cash proceeds of such sale are reinvested in accordance with the criteria set forth above.

Adjustments to the Portfolio Deposit

On each Business Day (each such day an Adjustment Day), the number of shares and identity of each Index Security in a Portfolio Deposit are adjusted in accordance with the following procedure. At the close of the market the Trustee calculates the NAV of the Trust. The NAV is divided by the number of outstanding DIAMONDS multiplied by 50,000 DIAMONDS in one Creation Unit, resulting in a NAV per Creation Unit (NAV Amount). The Trustee then calculates the number of shares (without rounding) of each of the component stocks of the DJIA in a Portfolio Deposit for the following Business Day (Request Day), so that (a) the market value at the close of the market on the Adjustment Day of the stocks to be included in the Portfolio Deposit on Request Day, together with the Dividend Equivalent Payment effective for requests to create or redeem on the Adjustment Day, equals the NAV Amount and (b) the identity and weighting of each of the stocks in a Portfolio Deposit mirrors proportionately the identity and weightings of the stocks in the DJIA, each as in effect on Request Day. For each stock, the number resulting from such calculation is rounded down to the nearest whole share. The identities and weightings of the stocks so calculated constitute the stock portion of the Portfolio Deposit effective on Request Day and thereafter until the next subsequent Adjustment Day, as well as Portfolio Securities to be delivered by the Trustee in the event of request for redemption on the Request Day and thereafter until the following Adjustment Day.

In addition to the foregoing adjustments, if a corporate action such as a stock split, stock dividend or reverse split occurs with respect to any Index Security that results in an adjustment to the DJIA divisor, the Portfolio Deposit shall be adjusted to take into account the corporate action in each case rounded to the nearest whole share. Further, the Trustee is permitted to take account of changes to the identity or weighting of any Index Security resulting from a change to the Index by making a corresponding adjustment to the Portfolio Deposit on the day prior to the day on which the change to the DJIA takes effect.

On the Request Day and on each day that a request for the creation or redemption is deemed received, the Trustee calculates the market value of the stock portion of the Portfolio Deposit as in effect on the Request Day as of the close of the market and adds to that amount the Dividend Equivalent Payment effective for requests to create or redeem on Request Day (such market value and Dividend Equivalent Payment are collectively referred to herein as Portfolio Deposit Amount). The Trustee then calculates the NAV Amount, based on the close of the market on the Request Day. The difference between the NAV Amount so calculated and the Portfolio Deposit Amount is the Balancing Amount . The Balancing Amount serves the function of compensating for any differences between the value of the Portfolio Deposit Amount and the NAV Amount at the close of trading on Request Day due to, for example, (a) differences in the market value of the securities in the Portfolio Deposit and the market value of the Securities on Request Day and (b) any variances from the proper composition of the Portfolio Deposit.

The Dividend Equivalent Payment and the Balancing Amount in effect at the close of business on the Request Date are collectively referred to as the Cash Component or the Cash Redemption Payment. If the Balancing Amount is a positive number (*i.e.*, if the NAV Amount exceeds the Portfolio Deposit Amount) then, with respect to creation, the Balancing Amount increases the Cash Component of the then effective Portfolio Deposit transferred to the Trustee by the creator. With respect to redemptions, the Balancing Amount is added to the cash transferred to the redeemer by the Trustee. If the Balancing Amount is a negative number (*i.e.*, if the NAV Amount is less than the Portfolio Deposit Amount) then, with respect to creation, this amount decreases the Cash Component of the then effective Portfolio Deposit to be transferred to the Trustee by the creator or, if such cash portion is less than the Balancing Amount, the difference must be paid by the Trustee to the creator. With respect to redemptions, the Balancing Amount is deducted from the cash transferred to the redeemer or, if such cash is less than the Balancing Amount, the difference must be paid by the redeemer to the Trustee.

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If the Trustee has included the cash equivalent value of one or more Index Securities in the Portfolio Deposit because the Trustee has determined that such Index Securities are likely to be unavailable or available in insufficient quantity for delivery, or if a creator or redeemer is restricted from investing or engaging in transactions in one or more of such Index Securities, the Portfolio Deposit so constituted shall determine the Index Securities to be delivered in connection with the creation of DIAMONDS in Creation Unit size aggregations and upon the redemption of DIAMONDS until the time the stock portion of the Portfolio Deposit is subsequently adjusted.

THE DJIA

The DJIA was first published in 1896. Initially comprised of 12 companies, the DJIA has evolved into the most recognizable stock indicator in the world, and the only index composed of companies that have sustained earnings performance over a significant period of time. In its second century, the DJIA is the oldest continuous barometer of the U.S. stock market, and the most widely quoted indicator of U.S. stock market activity.

The 30 stocks now comprising the DJIA are all leaders in their respective industries, and their stocks are widely held by individuals and institutional investors. These stocks represent more than one-quarter of the $14.4 trillion market value of all US common stocks.

Dow Jones is not responsible for and shall not participate in the creation or sale of DIAMONDS or in the determination of the timing of, prices at, or quantities and proportions in which purchases or sales of Index Securities or Securities shall be made. The information in this Prospectus concerning Dow Jones and the DJIA has been obtained from sources that the Sponsor believes to be reliable, but the Sponsor takes no responsibility for the accuracy of such information.

The following table shows the actual performance of the DJIA for the years 1896 through 2008. Stock prices fluctuated widely during this period and were higher at the end than at the beginning. The results shown should not be considered as a representation of the income yield or capital gain or loss that may be generated by the DJIA in the future, nor should the results be considered as a representation of the performance of the Trust.

Year Ended	DJIA Close	Point Change	Year % Change	Divs	% Yield
2008	8776.39	−4488.42	−33.84%	316.40	3.61%
2007	13264.82	801.67	6.43	298.97	2.35
2006	12463.15	1745.65	16.29	267.75	2.24
2005	10717.50	−65.51	−.61	246.85	2.30
2004	10783.01	329.09	3.15	239.27	2.22
2003	10453.92	2112.29	25.32	209.42	2.00
2002	8341.63	−1679.87	−16.76	189.68	2.27
2001	10021.50	−765.35	−7.10	181.07	1.81

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Year Ended	DJIA Close	Point Change	Year % Change	Divs	% Yield
2000	10786.85	–710.27	–6.18	172.08	1.60
1999	11497.12	2315.69	25.20	168.52	1.47
1998	9181.43	1273.18	16.10	151.13	1.65
1997	7908.25	1459.98	22.60	136.10	1.72
1996	6448.27	1331.20	26.00	131.14	2.03
1995	5117.12	1282.70	33.50	116.56	2.28
1994	3834.44	80.30	2.10	105.66	2.76
1993	3754.09	453.00	13.70	99.66	2.65
1992	3301.11	132.30	4.20	100.72	3.05
1991	3168.83	535.20	20.30	95.18	3.00
1990	2633.66	–119.50	–4.30	103.70	3.94
1989	2753.20	584.60	27.00	103.00	3.74
1988	2168.57	229.70	11.80	79.53	3.67
1987	1938.83	42.90	2.30	71.20	3.67
1986	1895.95	349.30	22.60	67.04	3.54
1985	1546.67				