





George T. Simon, Esq.  
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June 21, 2006  
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commodity index, or commodity futures contracts. Therefore, neither the creation nor the redemption of CBIV shares, nor purchases or sales of CBIV shares in the secondary market, significantly impact their net asset value, and such transactions do not have a significant impact on the market value of CBIV shares.

The creation, redemption, and secondary market transactions in Shares do not appear to result in the abuses that Rule 10a-1 under the Exchange Act, Rules 101 and 102 of Regulation M, and Rule 200(g) of Regulation SHO were designed to prevent and, therefore, the Staff will not recommend to the Commission enforcement action under Rule 10a-1 under the Exchange Act, Rules 101 and 102 of Regulation M, or Rule 200(g) of Regulation SHO with regard to persons and entities engaging in the creation, redemption, and secondary market transactions in Shares. In addition, the Staff will no longer respond to requests for relief from Rule 10a-1 under the Exchange Act, Rules 101 and 102 of Regulation M, and Rule 200(g) of Regulation SHO relating to other CBIVs, unless they present novel or unusual issues.

The foregoing no-action positions taken under Rule 10a-1 under the Exchange Act, Rules 101 and 102 of Regulation M, and Rule 200(g) of Regulation SHO are based solely on your representations and the facts presented, and are strictly limited to the application of those rules to transactions involving Shares under the circumstances described above and in your letter. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations. Moreover, the foregoing no-action positions taken under Rule 10a-1 under the Exchange Act, Rules 101 and 102 of Regulation M, and Rule 200(g) of Regulation SHO are subject to the condition that such transactions in Shares or any related securities are not made for the purpose of creating actual, or apparent, active trading in or raising or otherwise affecting the price of such securities.

The foregoing no-action positions are subject to modification or revocation as necessary or appropriate. In addition, persons relying on these no-action positions are directed to the anti-fraud and anti-manipulation provisions of the Exchange Act, particularly Sections 9(a), 10(b), and Rule 10b-5 thereunder. Responsibility for compliance with these and other provisions of the federal or state securities laws must rest with persons relying on these no-action positions. The Staff expresses no view with respect to other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of other federal or state laws or rules or regulations of any self-regulatory organizations to, the proposed transactions.

Very truly yours,



Racquel L. Russell  
Branch Chief  
Office of Trading Practices and Processing  
Division of Market Regulation



FOLEY & LARDNER LLP

June 20, 2006

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SECURITIES AND EXCHANGE COMMISSION  
RECEIVED

JUN 30 2006

Mr. James A. Brigagliano  
Acting Associate Director  
DIVISION OF MARKET REGULATION

Office of Trading Practices and Processing  
Division of Market Regulation  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1001

Re: **Request of Rydex Specialized Products LLC d/b/a "Rydex Investments" for Exemptive, Interpretative or No-Action Relief from Rule 10a-1 under, Rules 101 and 102 of Regulation M under, Rule 200(g) of Regulation SHO under the Securities Exchange Act of 1934, as amended, for CurrencyShares British Pound Sterling Trust, CurrencyShares Australian Dollar Trust, CurrencyShares Canadian Dollar Trust, CurrencyShares Mexican Peso Trust, CurrencyShares Swedish Krona Trust and CurrencyShares Swiss Franc Trust**

Dear Mr. Brigagliano:

We are writing on behalf of Rydex Specialized Products LLC, sponsor (the "Sponsor") of CurrencyShares British Pound Sterling Trust, CurrencyShares Australian Dollar Trust, CurrencyShares Canadian Dollar Trust, CurrencyShares Mexican Peso Trust, CurrencyShares Swedish Krona Trust and CurrencyShares Swiss Franc Trust (each, a "Trust" and, collectively, the "Trusts"). The Sponsor, on behalf of itself, the Trusts, The Bank of New York as trustee of the Trusts (along with any successor trustee, "Trustee"), JPMorgan Chase, N.A., London Branch, as the depository for the Trusts ("Depository"), Rydex Distributors, Inc. as the distributor for the Trusts ("Distributor"), and various financial institutions<sup>1</sup> as the initial purchasers ("Initial Purchasers"), the New York Stock Exchange, Inc. ("NYSE") and any other national securities

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<sup>1</sup> Bear Hunter Structured Products LLC will be the Initial Purchaser for CurrencyShares Australian Dollar Trust, CurrencyShares Swedish Krona Trust and CurrencyShares Swiss Franc Trust. Goldman Sachs Execution & Clearing LLP will be the Initial Purchaser for CurrencyShares British Pound Sterling Trust and CurrencyShares Canadian Dollar Trust. LaBranche and Company, Inc. will be the Initial Purchaser for CurrencyShares Mexican Peso Trust.



























of a Share and the value of the corresponding currency represented by that Share.<sup>14</sup> Accordingly, the rationale for exempting redeemable securities of ETFs from the application of Rule 101 is equally applicable to the Shares. Although redemption is subject to the minimum condition of tendering 50,000 Shares, the Trusts, as ETFs, are intended to function like UITs continuously offering their shares. It is in recognition of the special nature of continuous offerings that open-end management investment company and UIT securities are exempted under paragraph (c) (4) of Rule 101 and that the Staff has been willing to grant no-action relief to ETFs. Without such an exemption, or no-action relief, each of those issuers could not operate as intended. The Trusts respectfully request that the Staff or the Commission grant an exemption under paragraph (d) of Rule 101 to such effect or adopt a no-action position permitting distribution participants to engage in secondary market transactions in the Shares. Application of Rule 101 in this context would not further the anti-manipulative purposes underlying the Rule.

Orders may be placed for Baskets to be created and redeemed, in kind, on any business day. Beneficial owners of Shares also have the benefit of intra-day secondary market liquidity by virtue of the Exchange listing. Because of the redeemability of Baskets and the open-ended character of the Trusts, any significant disparity between the market price of the Shares and the value of underlying currency represented by the Shares should be eliminated by arbitrage. Because their trading value is determined largely by the market value of the Trusts' currency portfolios, neither the creation nor redemption of Shares, nor purchases or sales in the secondary market, will impact the value of currency represented by the Shares, and such transactions should not have a significant impact on the market value of the Shares.

In view of the predictable lack of any meaningful potential for the issuance and the secondary market trading of Shares to affect significantly Share pricing, application of Rule 101 to the Distributor and to Authorized Participants that may be participating in a distribution is unnecessary and inappropriate and could hinder Authorized Participants in their creation and redemption activities and undermine the potential beneficial market effects of Share trading and arbitrage.

The Sponsor also requests that the Staff or the Commission confirm that, as a result of the redeemable nature of the Shares, the Staff or the Commission would grant an exemption under paragraph (e) of Rule 102 or adopt a no-action position permitting the Trusts to redeem Shares in Baskets during the continuous offering of Shares, and permitting the Trusts' affiliated purchasers, as defined in Rule 100 of Regulation M, to engage in redemption transactions and secondary market transactions in Shares. The purpose of Rule 102 is to prevent persons from manipulating the price of a security during a distribution and to protect the integrity of the offering process by prohibiting activities that could artificially influence the market for the security being distributed. The Sponsor respectfully submits that the redemption transactions

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<sup>14</sup> In the event of unanticipated impediments to creations and/or redemptions of Baskets, larger discounts or premiums may occur.



