

DIAMONDS TRUST SERIES I

Form 497

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Table of Contents

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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**

TABLE OF CONTENTS

	Page
<u>DIAMONDS TRUST, SERIES 1</u>	S-3
<u>UNITED STATES TAXATION</u>	S-8
<u>NETHERLANDS TAXATION</u>	S-11
<u>GENERAL AND STATUTORY INFORMATION</u>	S-14

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Table of Contents

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.

Table of Contents

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.

Table of Contents

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*)

Table of Contents

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 (15) 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

Table of Contents

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.

Table of Contents

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

Table of Contents

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.

Table of Contents

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.

Table of Contents

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).

Table of Contents

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 alienation 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

Table of Contents

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.

Table of Contents

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.

Table of Contents**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	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended	For Fiscal Year Ended
10/31/2008	10/31/2007	10/31/2006	10/31/2005	10/31/2004	10/31/2003	10/31/2002	10/31/2001	10/31/2000	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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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

TABLE OF CONTENTS

<u>Summary</u>	1
<u>Essential Information as of October 31, 2008</u>	1
<u>Highlights</u>	3
<u>Risk Factors</u>	11
<u>Report of Independent Registered Public Accounting Firm</u>	15
<u>Statement of Assets and Liabilities</u>	16
<u>Statements of Operations</u>	17
<u>Statements of Changes in Net Assets</u>	18
<u>Financial Highlights</u>	19
<u>Notes to Financial Statements</u>	20
<u>Schedule of Investments</u>	29
<u>The Trust</u>	30
<u>Creation of Creation Units</u>	30
<u>Procedures for Creation of Creation Units</u>	32
<u>Placement of Creation Orders Using DIAMONDS Clearing Process</u>	33
<u>Placement of Creation Orders Outside DIAMONDS Clearing Process</u>	33
<u>Securities Depository: Book-Entry-Only System</u>	34
<u>Redemption of DIAMONDS</u>	36
<u>Procedures for Redemption of Creation Units</u>	36
<u>Placement of Redemption Orders Using DIAMONDS Clearing Process</u>	39
<u>Placement of Redemption Orders Outside DIAMONDS Clearing Process</u>	39
<u>The Portfolio</u>	40
<u>Portfolio Securities Conform to the DJIA</u>	40
<u>Adjustments to the Portfolio Deposit</u>	42
<u>The DJIA</u>	44
<u>License Agreement</u>	48
<u>Exchange Listing</u>	49
<u>Federal Income Taxes</u>	50
<u>Tax Treatment of the Trust</u>	51
<u>Tax Treatment of Beneficial Owners</u>	51
<u>ERISA Considerations</u>	54
<u>Continuous Offering of DIAMONDS</u>	55
<u>Dividend Reinvestment Service</u>	56
<u>Expenses of the Trust</u>	57
<u>Trustee Fee Scale</u>	59
<u>Valuation</u>	60
<u>Administration of the Trust</u>	60
<u>Distributions to Beneficial Owners</u>	60
<u>Statements to Beneficial Owners: Annual Reports</u>	62
<u>Rights of Beneficial Owners</u>	62
<u>Amendments to the Trust Agreement</u>	63
<u>Termination of the Trust Agreement</u>	64
<u>Sponsor</u>	65

<u>Trustee</u>	66
<u>Depository</u>	68
<u>Legal Opinion</u>	68
<u>Independent Registered Public Accounting Firm</u>	68
<u>Code of Ethics</u>	68
<u>Daily DIAMONDS Trading Information</u>	68
<u>Information and Comparisons Relating to Trust, Secondary Market Trading, Net Asset Size, Performance and Tax Treatment</u>	69
<u>Glossary</u>	76

Dow Jones Industrial AverageSM, 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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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

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.

Table of Contents

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.

Table of Contents**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.

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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.

Table of Contents

**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

Table of Contents
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.

Table of Contents**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.

Table of Contents**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