United States Gasoline Fund, LP
Form 10-Q
November 16, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2009.

OR

¨ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .

Commission File Number: 001-33975

United States Gasoline Fund, LP
(Exact name of registrant as specified in its charter)

Delaware	20-8837263
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1320 Harbor Bay Parkway, Suite 145
Alameda, California 94502
(Address of principal executive offices) (Zip code)

(510) 522-9600
(Registrant’s telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

¨ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

¨ Yes x No

UNITED STATES GASOLINE FUND, LP

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Part I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

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United States Gasoline Fund, LP
Condensed Statements of Financial Condition
At September 30, 2009 (Unaudited) and December 31, 2008

	September 30, 2009	December 31, 2008
Assets		
Cash and cash equivalents	$ 49,607,238	$ 11,691,510
Equity in UBS Securities LLC trading accounts:		
Cash	11,923,684	7,114,841
Unrealized gain (loss) on open commodity futures contracts	(3,277,869)	1,431,721
Receivable from general partner	43,203	126,348
Interest receivable	5,139	4,251
Other assets	704	—
Total assets	$ 58,302,099	$ 20,368,671
Liabilities and Partners' Capital		
General Partner management fees payable (Note 3)	$ 28,902	$ 5,902
Brokerage commission fees payable	2,700	1,400
Other liabilities	116,843	151,950
Total liabilities	148,445	159,252
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner	—	—
Limited Partners	58,153,654	20,209,419
Total Partners' Capital	58,153,654	20,209,419
Total liabilities and partners' capital	$ 58,302,099	$ 20,368,671
Limited Partners' units outstanding	1,800,000	1,000,000
Net asset value per unit	$ 32.31	$ 20.21
Market value per unit	$ 32.11	$ 19.46

See accompanying notes to condensed financial statements.

United States Gasoline Fund, LP
Condensed Schedule of Investments (Unaudited)
At September 30, 2009

	Number of Contracts	Loss on Open Commodity Contracts	% of Partners' Capital
Open Futures Contracts — Long			
United States Contracts			
NYMEX RBOB Gasoline Futures RB contracts, expire November 2009	791	$ (3,277,869)	(5.64)

	Principal Amount	Market Value	
Cash Equivalents			
United States - Money Market Funds			
Fidelity Institutional Government Portfolio – Class I	$ 23,032,318	$ 23,032,318	39.60
Goldman Sachs Financial Square Funds – Government Fund – Class SL	22,392,623	22,392,623	38.51
Total Cash Equivalents		$ 45,424,941	78.11

See accompanying notes to condensed financial statements.

United States Gasoline Fund, LP
Condensed Statements of Operations (Unaudited)
For the three and nine months ended September 30, 2009, the three months ended September 30, 2008 and the period from February 26, 2008 (commencement of operations) to September 30, 2008

	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Period from February 26, 2008 to September 30, 2008
Income				
Gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on closed positions	$ (4,214,431)	$ (7,632,467)	$ 31,614,845	$ (2,810,800)
Change in unrealized gain (loss) on open positions	3,411,437	426,560	(4,709,590)	1,057,795
Interest income	22,346	118,162	85,563	247,742
Other income	5,000	1,000	24,000	6,000
Total income (loss)	(775,648)	(7,086,745)	27,014,818	(1,499,263)
Expenses				
General Partner management fees (Note 3)	105,400	37,889	275,939	81,854
Brokerage commission fees	16,963	4,322	57,302	10,750
Other expenses	43,058	94,987	126,576	226,340
Total expenses	165,421	137,198	459,817	318,944
Expense waiver	(11,370)	(81,054)	(43,203)	(196,148)
Net expenses	154,051	56,144	416,614	122,796
Net income (loss)	$ (929,699)	$ (7,142,889)	$ 26,598,204	$ (1,622,059)
Net income (loss) per limited partnership unit	$ (0.38)	$ (15.67)	$ 12.10	$ (0.44)
Net income (loss) per weighted average limited partnership unit	$ (0.43)	$ (16.19)	$ 12.47	$ (4.03)
Weighted average limited partnership units outstanding	2,146,739	441,304	2,133,333	402,752

See accompanying notes to condensed financial statements.

United States Gasoline Fund, LP
Condensed Statement of Changes in Partners' Capital (Unaudited)
For the nine months ended September 30, 2009

	General Partner	Limited Partners	Total
Balances, at December 31, 2008	$ —	$ 20,209,419	$ 20,209,419
Addition of 2,400,000 partnership units	—	61,873,841	61,873,841
Redemption of 1,600,000 partnership units	—	(50,527,810)	(50,527,810)
Net income	—	26,598,204	26,598,204
Balances, at September 30, 2009	$ —	$ 58,153,654	$ 58,153,654
Net Asset Value Per Unit			
At December 31, 2008	$ 20.21		
At September 30, 2009	$ 32.31		

See accompanying notes to condensed financial statements.

United States Gasoline Fund, LP
Condensed Statements of Cash Flows (Unaudited)
For the nine months ended September 30, 2009 and the period from February 26, 2008 to September 30, 2008

	Nine months ended September 30, 2009	Period from February 26, 2008 to September 30, 2008
Cash Flows from Operating Activities:		
Net income (loss)	$ 26,598,204	$ (1,622,059)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Increase in commodity futures trading account – cash	(4,808,843)	(1,801,350)
Unrealized (gain) loss on futures contracts	4,709,590	(1,057,795)
Decrease in receivable from general partner	83,145	—
Increase in interest receivable and other assets	(1,592)	(216,917)
Increase in management fees payable	23,000	8,334
Increase in commission fees payable	1,300	1,000
Increase (decrease) in other liabilities	(35,107)	222,273
Net cash provided by (used in) operating activities	26,569,697	(4,466,514)
Cash Flows from Financing Activities:		
Subscription of partnership units	61,873,841	32,597,025
Redemption of partnership units	(50,527,810)	(16,108,892)
Net cash provided by financing activities	11,346,031	16,488,133
Net Increase in Cash and Cash Equivalents	37,915,728	12,021,619
Cash and Cash Equivalents, beginning of period	11,691,510	1,000
Cash and Cash Equivalents, end of period	$ 49,607,238	$ 12,022,619

See accompanying notes to condensed financial statements.

United States Gasoline Fund, LP
Notes to Condensed Financial Statements
For the period ended September 30, 2009 (Unaudited)

NOTE 1 - ORGANIZATION AND BUSINESS

The United States Gasoline Fund, LP ("UGA") was organized as a limited partnership under the laws of the state of Delaware on April 12, 2007. UGA is a commodity pool that issues limited partnership units ("units") that may be purchased and sold on the NYSE Arca, Inc. (the "NYSE Arca"). Prior to November 25, 2008, UGA's units traded on the American Stock Exchange (the "AMEX"). UGA will continue in perpetuity, unless terminated sooner upon the occurrence of one or more events as described in its Amended and Restated Agreement of Limited Partnership dated as of February 11, 2008 (the "LP Agreement"). The investment objective of UGA is for the changes in percentage terms of its units' net asset value to reflect the changes in percentage terms of the spot price of gasoline as measured by the changes in the price of the futures contract on unleaded gasoline (also known as reformulated gasoline blendstock for oxygen blending, or "RBOB") for delivery to the New York harbor, traded on the New York Mercantile Exchange (the "NYMEX") that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case the futures contract will be the next month contract to expire, less UGA's expenses. UGA accomplishes its objective through investments in futures contracts for gasoline, crude oil, natural gas, heating oil and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges (collectively, "Futures Contracts") and other gasoline-related investments such as cash-settled options on Futures Contracts, forward contracts for gasoline and over-the-counter transactions that are based on the price of gasoline, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, "Other Gasoline-Related Investments"). As of September 30, 2009, UGA held 791 Futures Contracts traded on the NYMEX.

UGA commenced investment operations on February 26, 2008 and has a fiscal year ending on December 31. United States Commodity Funds LLC (formerly known as Victoria Bay Asset Management, LLC) (the "General Partner") is responsible for the management of UGA. The General Partner is a member of the National Futures Association (the "NFA") and became a commodity pool operator registered with the Commodity Futures Trading Commission effective December 1, 2005. The General Partner is also the general partner of the United States Oil Fund, LP ("USOF"), the United States Natural Gas Fund, LP ("USNG"), the United States 12 Month Oil Fund, LP ("US12OF") and the United States Heating Oil Fund, LP ("USHO"), which listed their limited partnership units on the AMEX under the ticker symbols "USO" on April 10, 2006, "UNG" on April 18, 2007, "USL" on December 6, 2007 and "UHN" on April 9, 2008 respectively. As a result of the acquisition of the AMEX by NYSE Euronext, each of USOF's, USNG's, US12OF's and USHO's units commenced trading on the NYSE Arca on November 25, 2008. The General Partner is also the general partner of the United States Short Oil Fund, LP, which listed its limited partnership units on the NYSE Arca on September 24, 2009. The General Partner has also filed registration statements to register units of the United States 12 Month Natural Gas Fund, LP and the United States Brent Oil Fund, LP.

The accompanying unaudited condensed financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the "SEC") and, therefore, do not include all information and footnote disclosure required under accounting principles generally accepted in the United States of America. The financial information included herein is unaudited, however; such financial information reflects all adjustments which are, in the opinion of management, necessary for the fair presentation of the condensed financial statements for the interim period.

UGA issues units to certain authorized purchasers ("Authorized Purchasers") by offering baskets consisting of 100,000 units ("Creation Baskets") through ALPS Distributors, Inc. (the "Marketing Agent"). The purchase price for a Creation Basket is based upon the net asset value of a unit calculated shortly after the close of the core trading session on the NYSE Arca on the day the order to create the basket is properly received. In addition, Authorized

Purchasers pay UGA a $1,000 fee for each order to create one or more Creation Baskets or redeem one or more baskets consisting of 100,000 units ("Redemption Baskets"). Units may be purchased or sold on a nationally recognized securities exchange in smaller increments than a Creation Basket or Redemption Basket. Units purchased or sold on a nationally recognized securities exchange are not purchased or sold at the net asset value of UGA but rather at market prices quoted on such exchange.

In November 2007, UGA initially registered 30,000,000 units on Form S-1 with the SEC. On February 26, 2008, UGA listed its units on the AMEX under the ticker symbol “UGA”. On that day, UGA established its initial net asset value by setting the price at $50.00 per unit and issued 300,000 units in exchange for $15,001,000. UGA also commenced investment operations on February 26, 2008 by purchasing Futures Contracts traded on the NYMEX based on gasoline. As of September 30, 2009, UGA had registered a total of 30,000,000 units and had 1,800,000 units outstanding.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Commodity futures contracts, forward contracts, physical commodities, and related options are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized gains or losses on open contracts are reflected in the condensed statement of financial condition and in the difference between the original contract amount and the market value (as determined by exchange settlement prices for futures contracts and related options and cash dealer prices at a predetermined time for forward contracts, physical commodities, and their related options) as of the last business day of the year or as of the last date of the condensed financial statements. Changes in the unrealized gains or losses between periods are reflected in the condensed statement of operations. UGA earns interest on its assets denominated in U.S. dollars on deposit with the futures commission merchant at the 90-day Treasury bill rate. In addition, UGA earns interest on funds held at the custodian at prevailing market rates earned on such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

UGA is not subject to federal income taxes; each partner reports his/her allocable share of income, gain, loss deductions or credits on his/her own income tax return.

Additions and Redemptions

Authorized Purchasers may purchase Creation Baskets or redeem Redemption Baskets only in blocks of 100,000 units equal to the net asset value of the units calculated shortly after the close of the core trading session on the NYSE Arca on the day the order is placed.

UGA receives or pays the proceeds from units sold or redeemed within three business days after the trade date of the purchase or redemption. The amounts due from Authorized Purchasers are reflected in UGA’s condensed statement of financial condition as receivable for units sold, and amounts payable to Authorized Purchasers upon redemption are reflected as payable for units redeemed.

Partnership Capital and Allocation of Partnership Income and Losses

Profit or loss shall be allocated among the partners of UGA in proportion to the number of units each partner holds as of the close of each month. The General Partner may revise, alter or otherwise modify this method of allocation as described in the LP Agreement.

Calculation of Net Asset Value

UGA's net asset value is calculated on each NYSE Arca trading day by taking the current market value of its total assets, subtracting any liabilities and dividing the amount by the total number of units issued and outstanding. UGA uses the closing price for the contracts on the relevant exchange on that day to determine the value of contracts held on such exchange.

Net Income (Loss) per Unit

Net income (loss) per unit is the difference between the net asset value per unit at the beginning of each period and at the end of each period. The weighted average number of units outstanding was computed for purposes of disclosing net income (loss) per weighted average unit. The weighted average units are equal to the number of units outstanding at the end of the period, adjusted proportionately for units redeemed based on the amount of time the units were outstanding during such period. There were no units held by the General Partner at September 30, 2009.

Offering Costs

Offering costs incurred in connection with the registration of additional units after the initial registration of units are borne by UGA. These costs include registration fees paid to regulatory agencies and all legal, accounting, printing and other expenses associated with such offerings. These costs will be accounted for as a deferred charge and thereafter amortized to expense over twelve months on a straight-line basis or a shorter period if warranted.

Cash Equivalents

Cash equivalents include money market funds and overnight deposits or time deposits with original maturity dates of three months or less.

Use of Estimates

The preparation of condensed financial statements in conformity with accounting principles generally accepted in the United States of America requires UGA’s management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

NOTE 3 - FEES PAID BY THE FUND AND RELATED PARTY TRANSACTIONS

General Partner Management Fee

Under the LP Agreement, the General Partner is responsible for investing the assets of UGA in accordance with the objectives and policies of UGA. In addition, the General Partner has arranged for one or more third parties to provide administrative, custody, accounting, transfer agency and other necessary services to UGA. For these services, UGA is contractually obligated to pay the General Partner a fee, which is paid monthly and based on average daily net assets, that is equal to 0.60% per annum on average daily net assets.

Ongoing Registration Fees and Other Offering Expenses

UGA pays all costs and expenses associated with the ongoing registration of its units subsequent to the initial offering. These costs include registration or other fees paid to regulatory agencies in connection with the offer and sale of units, and all legal, accounting, printing and other expenses associated with such offer and sale. For the nine months ended September 30, 2009 and the period from February 26, 2008 (commencement of operations) to September 30, 2008, UGA incurred $0 and $0, respectively, in registration fees and other offering expenses.

Directors’ Fees

UGA is responsible for paying its portion of the directors’ and officers’ liability insurance of the General Partner and the fees and expenses of the independent directors of the General Partner who are also the General Partner’s audit committee members. UGA shares these fees with USOF, USNG, US12OF, USHO and USSO based on the relative assets of each fund, computed on a daily basis. These fees for the calendar year 2009 are estimated to be a total of $477,000 for all funds.

Licensing Fees

As discussed in Note 4, UGA entered into a licensing agreement with the NYMEX on May 30, 2007. Pursuant to the agreement, UGA and the affiliated funds managed by the General Partner pay a licensing fee that is equal to 0.04% for the first $1,000,000,000 of combined assets of the funds and 0.02% for combined assets above $1,000,000,000. During the nine months ended September 30, 2009 and the period from February 26, 2008 (commencement of operations) to September 30, 2008, UGA incurred $10,968 and $4,403, respectively, under this arrangement.

Investor Tax Reporting Cost

The fees and expenses associated with UGA's audit expenses and tax accounting and reporting requirements, with the exception of certain initial implementation service fees and base service fees which are borne by the General Partner, are paid by UGA.

Other Expenses and Fees and Expense Waivers

In addition to the fees described above, UGA pays all brokerage fees, taxes and other expenses in connection with the operation of UGA, excluding costs and expenses paid by the General Partner as outlined in Note 4. The General Partner, though under no obligation to do so, agreed to pay certain expenses, to the extent that such expenses exceed 0.15% (15 basis points) of UGA's NAV, on an annualized basis, through at least December 31, 2009. The General Partner has no obligation to continue such payment into subsequent periods.

NOTE 4 - CONTRACTS AND AGREEMENTS

UGA is party to a marketing agent agreement, dated as of January 18, 2008, with the Marketing Agent and the General Partner, whereby the Marketing Agent provides certain marketing services for UGA as outlined in the agreement. The fee of the Marketing Agent, which is borne by the General Partner, is equal to 0.06% on UGA's assets up to $3 billion; and 0.04% on UGA's assets in excess of $3 billion.

The above fees do not include the following expenses, which are also borne by the General Partner: the cost of placing advertisements in various periodicals; web construction and development; or the printing and production of various marketing materials.

UGA is also party to a custodian agreement, dated January 16, 2008, with Brown Brothers Harriman & Co. ("BBH&Co.") and the General Partner, whereby BBH&Co. holds investments on behalf of UGA. The General Partner pays the fees of the custodian, which are determined by the parties from time to time. In addition, UGA is party to an administrative agency agreement, dated February 7, 2008, with the General Partner and BBH&Co., whereby BBH&Co. acts as the administrative agent, transfer agent and registrar for UGA. The General Partner also pays the fees of BBH&Co. for its services under this agreement and such fees are determined by the parties from time to time.

Currently, the General Partner pays BBH&Co. for its services, in the foregoing capacities, a minimum amount of $75,000 annually for its custody, fund accounting and fund administration services rendered to UGA and each of the affiliated funds managed by the General Partner, as well as a $20,000 annual fee for its transfer agency services. In addition, the General Partner pays BBH&Co. an asset-based charge of (a) 0.06% for the first $500 million of UGA's, USOF's, USNG's, US12OF's, USHO and USSO's combined net assets, (b) 0.0465% for UGA's, USOF's, USNG's, US12OF's, USHO's and USSO's combined net assets greater than $500 million but less than $1 billion, and (c) 0.035% once UGA's, USOF's, USNG's, US12OF's, USHO's and USSO's combined net assets exceed $1 billion. The annual minimum amount will not apply if the asset-based charge for all accounts in the aggregate exceeds $75,000. The

General Partner also pays transaction fees ranging from $7.00 to $15.00 per transaction.

UGA has entered into a brokerage agreement with UBS Securities LLC ("UBS Securities"). The agreement requires UBS Securities to provide services to UGA in connection with the purchase and sale of Futures Contracts and Other Gasoline-Related Investments that may be purchased and sold by or through UBS Securities for UGA's account. The agreement provides that UBS Securities charge UGA commissions of approximately $7 per round-turn trade, plus applicable exchange and NFA fees for Futures Contracts and options on Futures Contracts.

UGA invests primarily in Futures Contracts traded on the NYMEX. On May 30, 2007, UGA and the NYMEX entered into a licensing agreement whereby UGA was granted a non-exclusive license to use certain of the NYMEX's settlement prices and service marks. Under the licensing agreement, UGA and the affiliated funds managed by the General Partner pay the NYMEX an asset-based fee for the license, the terms of which are described in Note 3.

UGA expressly disclaims any association with the NYMEX or endorsement of UGA by the NYMEX and acknowledges that "NYMEX" and "New York Mercantile Exchange" are registered trademarks of the NYMEX.

NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES

UGA engages in the trading of Futures Contracts and options on Futures Contracts (collectively, "derivatives"). UGA is exposed to both market risk, which is the risk arising from changes in the market value of the contracts, and credit risk, which is the risk of failure by another party to perform according to the terms of a contract.

UGA may enter into futures contracts and options on futures contracts to gain exposure to changes in the value of an underlying commodity. A futures contract obligates the seller to deliver (and the purchaser to accept) the future delivery of a specified quantity and type of a commodity at a specified time and place. Some futures contracts may call for physical delivery of the asset, while others are settled in cash. The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery.

The purchase and sale of futures contracts and options on futures contracts require margin deposits with a futures commission merchant. Additional deposits may be necessary for any loss on contract value. The Commodity Exchange Act requires a futures commission merchant to segregate all customer transactions and assets from the futures commission merchant's proprietary activities.

Futures contracts involve, to varying degrees, elements of market risk (specifically commodity price risk) and exposure to loss in excess of the amount of variation margin. The face or contract amounts reflect the extent of the total exposure UGA has in the particular classes of instruments. Additional risks associated with the use of futures contracts are an imperfect correlation between movements in the price of the futures contracts and the market value of the underlying securities and the possibility of an illiquid market for a futures contract.

All of the futures contracts currently traded by UGA are exchange-traded. The risks associated with exchange-traded contracts are generally perceived to be less than those associated with over-the-counter transactions since, in over-the-counter transactions, UGA must rely solely on the credit of its respective individual counterparties. However, in the future, if UGA were to enter into non-exchange traded contracts, it would be subject to the credit risk associated with counterparty non-performance. The credit risk from counterparty non-performance associated with such instruments is the net unrealized gain, if any. UGA also has credit risk since the sole counterparty to all domestic and foreign futures contracts is the exchange on which the relevant contracts are traded. In addition, UGA bears the risk of financial failure by the clearing broker.

UGA's cash and other property, such as U.S. Treasuries, deposited with a futures commission merchant are considered commingled with all other customer funds subject to the futures commission merchant's segregation requirements. In the event of a futures commission merchant's insolvency, recovery may be limited to a pro rata share of segregated funds available. It is possible that the recovered amount could be less than the total of cash and other property deposited. The insolvency of a futures commission merchant could result in the complete loss of UGA's assets posted with that futures commission merchant; however, the vast majority of UGA's assets are held in Treasuries, cash and/or cash equivalents with UGA's custodian and would not be impacted by the insolvency of a futures commission

merchant. Also, the failure or insolvency of UGA's custodian could result in a substantial loss of UGA's assets.

UGA invests a portion of its cash in money market funds that seek to maintain a stable net asset value. UGA is exposed to any risk of loss associated with an investment in these money market funds. As of September 30, 2009 and December 31, 2008, UGA had deposits in domestic and foreign financial institutions, including cash investments in money market funds, in the amounts of $61,530,922 and $18,806,351, respectively. This amount is subject to loss should these institutions cease operations.

For derivatives, risks arise from changes in the market value of the contracts. Theoretically, UGA is exposed to a market risk equal to the value of futures contracts purchased and unlimited liability on such contracts sold short. As both a buyer and a seller of options, UGA pays or receives a premium at the outset and then bears the risk of unfavorable changes in the price of the contract underlying the option.

UGA's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of financial, position and credit exposure reporting controls and procedures. In addition, UGA has a policy of requiring review of the credit standing of each broker or counterparty with which it conducts business.

The financial instruments held by UGA are reported in its condensed statement of financial condition at market or fair value, or at carrying amounts that approximate fair value, because of their highly liquid nature and short-term maturity.

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective January 1, 2008, UGA adopted Accounting Standards Codification 820 – Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurement. The changes to past practice resulting from the application of ASC 820 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurement. ASC 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of UGA (observable inputs) and (2) UGA's own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the ASC 820 hierarchy are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II assets include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level III – Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

In some instances, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest input level that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of UGA's securities at September 30, 2009 using the fair value hierarchy:

At September 30, 2009	Total	Level I	Level II	Level III
Short-Term Investments	$ 45,424,941	$ 45,424,941	$ —	$ —
Exchange-Traded Futures Contracts				
United States Contracts	(3,277,869)	(3,277,869)	—	—

NOTE 7 - FINANCIAL HIGHLIGHTS

The following table presents per unit performance data and other supplemental financial data for the nine months ended September 30, 2009 and the period from February 26, 2008 (commencement of operations) to September 30, 2008 for the unitholders. This information has been derived from information presented in the condensed financial statements.

	For the nine months ended September 30, 2009 (Unaudited)	For the period from February 26, 2008 (commencement of operations) to September 30, 2008 (Unaudited)
Per Unit Operating Performance:		
Net asset value, beginning of period	$ 20.21	$ 50.00
Total income (loss)	12.30	(0.14)
Net expenses	(0.20)	(0.30)
Net increase (decrease) in net asset value	12.10	(0.44)
Net asset value, end of period	$ 32.31	$ 49.56
Total Return	59.87%	(0.88)%
Ratios to Average Net Assets		
Total income (loss)	43.93%	(6.55)%
Management fees*	0.60%	0.60%
Total expenses excluding management fees*	0.40%	1.73%
Expenses waived*	(0.09)%	(1.43)%
Net expenses excluding management fees*	0.31%	0.30%
Net income (loss)	43.26%	(7.08)%

*Annualized

Total returns are calculated based on the change in value during the period. An individual unitholder's total return and ratio may vary from the above total returns and ratios based on the timing of contributions to and withdrawals from UGA.

NOTE 8 – RECENTLY ADOPTED ACCOUNTING STANDARDS

In March 2008, the Financial Accounting Standards Board (the "FASB") released Accounting Standards Codification 815 – Derivatives and Hedging ("ASC 815"). ASC 815 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of, and gains and losses on, derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. UGA adopted ASC 815 on January 1, 2009.

NOTE 9 – SUBSEQUENT EVENTS

UGA has performed an evaluation of subsequent events through November 16, 2009, which is the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or

adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the condensed financial statements and the notes thereto of the United States Gasoline Fund, LP ("UGA") included elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Information

This quarterly report on Form 10-Q, including this "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding the plans and objectives of management for future operations. This information may involve known and unknown risks, uncertainties and other factors that may cause UGA's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe UGA's future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend" or "project," the negative of these w variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and UGA cannot assure investors that the projections included in these forward-looking statements will come to pass. UGA's actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

UGA has based the forward-looking statements included in this quarterly report on Form 10-Q on information available to it on the date of this quarterly report on Form 10-Q, and UGA assumes no obligation to update any such forward-looking statements. Although UGA undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, investors are advised to consult any additional disclosures that UGA may make directly to them or through reports that UGA in the future files with the U.S. Securities and Exchange Commission (the "SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Introduction

UGA, a Delaware limited partnership, is a commodity pool that issues units that may be purchased and sold on the NYSE Arca, Inc. (the "NYSE Arca"). The investment objective of UGA is to have the changes in percentage terms of its units' net asset value ("NAV") reflect the changes in percentage terms of the price of gasoline, as measured by the changes in the price of the futures contract on unleaded gasoline (also known as reformulated gasoline blendstock for oxygen blending, or "RBOB", for delivery to the New York harbor), as traded on the New York Mercantile Exchange (the "NYMEX") that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire (the "Benchmark Futures Contract"), less UGA's expenses.

UGA seeks to achieve its investment objective by investing in a combination of gasoline futures contracts and other gasoline-related investments such that changes in its NAV, measured in percentage terms, will closely track the changes in the price of the Benchmark Futures Contract, also measured in percentage terms. UGA's general partner believes the Benchmark Futures Contract historically has exhibited a close correlation with the spot price of gasoline. It is not the intent of UGA to be operated in a fashion such that the NAV will equal, in dollar terms, the spot price of gasoline or any particular futures contract based on gasoline. Management believes that it is not practical to manage the portfolio to achieve such an investment goal when investing in listed gasoline futures contracts and other gasoline-related investments.

On any valuation day, the Benchmark Futures Contract is the near month futures contract for gasoline traded on the New York Mercantile Exchange (the "NYMEX") unless the near month contract will expire within two weeks of the

valuation day, in which case the Benchmark Futures Contract is the next month contract for gasoline traded on the NYMEX. "Near month contract" means the next contract traded on the NYMEX due to expire. "Next month contract" means the first contract traded on the NYMEX due to expire after the near month contract.

UGA invests in futures contracts for other types of gasoline, crude oil, natural gas, heating oil and other petroleum-based fuels that are traded on the NYMEX, ICE Futures or other U.S. and foreign exchanges (collectively, "Futures Contracts") and other gasoline-related investments such as cash-settled options on Futures Contracts, forward contracts for gasoline and over-the-counter transactions that are based on the price of gasoline, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, "Other Gasoline-Related Investments"). For convenience and unless otherwise specified, Futures Contracts and Other Gasoline-Related Investments collectively are referred to as "Gasoline Interests" in this quarterly report on Form 10-Q.

The regulation of Gasoline Interests in the United States is a rapidly changing area of law and is subject to ongoing modification by governmental and judicial action. As stated in the section "What are the Risk Factors Involved with an Investment in UGA?" of UGA's prospectus as filed with the SEC, regulation of the commodity interests and energy markets is extensive and constantly changing; future regulatory developments in the commodity interests and energy markets are impossible to predict but may significantly and adversely affect UGA.

Currently, a number of proposals to alter the regulation of Gasoline Interests are being considered by federal regulators and legislators. These proposals include the imposition of hard position limits on energy-based commodity futures contracts, the extension of position and accountability limits to futures contracts on non-U.S. exchanges previously exempt from such limits, and the forced use of clearinghouse mechanisms for all over-the-counter transactions. An additional proposal would aggregate and limit all positions in energy futures held by a single entity, whether such positions exist on U.S. futures exchanges, non-U.S. futures exchanges, or in over-the-counter contracts. If any of the aforementioned proposals is implemented, UGA's ability to meet its investment objective may be negatively impacted.

The general partner of UGA, United States Commodity Funds LLC (formerly, Victoria Bay Asset Management, LLC) (the "General Partner"), which is registered as a commodity pool operator ("CPO") with the U.S. Commodity Futures Trading Commission (the "CFTC"), is authorized by the Amended and Restated Agreement of Limited Partnership of UGA (the "LP Agreement") to manage UGA. The General Partner is authorized by UGA in its sole judgment to employ and establish the terms of employment for, and termination of, commodity trading advisors or futures commission merchants.

Gasoline futures prices exhibited an uneven upward trend during the nine months ended September 30, 2009. The price of the Benchmark Futures Contract started the period at $1.0620 per gallon which was the low of the period. Prices rose sharply over the course of the period and hit a peak on June 16, 2009 of $2.071 per gallon. The period ended with the Benchmark Futures Contract at $1.752 per gallon, up approximately 64.93% over this time period (investors are cautioned that these represent prices for gasoline on a wholesale basis and should not be directly compared to retail prices at a gasoline service station). Similarly, UGA's NAV rose during the period from a starting level of $20.21 per unit to a high of $35.71 per unit on August 3, 2009. UGA's NAV reached its low for the period on February 3, 2009 at $19.73 per unit. The NAV on September 30, 2009 was $32.31, up approximately 59.87% over the period. The return of approximately 64.93% on the Benchmark Futures Contract listed above is a hypothetical return only and could not actually be achieved by an investor holding futures contracts. An investment in gasoline futures contracts would need to be rolled forward during the time period described in order to achieve such a result.

For the first quarter of 2009, the gasoline futures market remained primarily in a state of contango, meaning that the price of the near month gasoline futures contract was typically higher than the price of the next month gasoline futures contract, or contracts further away from expiration. At the end of the first quarter of 2009, the gasoline futures marked moved into a backwardation market and remained there through the end of the first half of 2009. In September 2009, the gasoline futures market moved from a backwardation market into contango, and ended the quarter ended September 30, 2009 in contango. A backwardation market is one in which the price of the near month gasoline futures contract is higher than the price of the next month gasoline futures contract, or contracts further away from expiration. For a discussion of the impact of backwardation and contango on total returns, see "Term Structure of Gasoline Prices and the Impact on Total Returns."

Valuation of Futures Contracts and the Computation of the NAV

The NAV of UGA units is calculated once each NYSE Arca trading day. The NAV for a particular trading day is released after 4:00 p.m. New York time. Trading during the core trading session on the NYSE Arca typically closes at 4:00 p.m. New York time. UGA's administrator uses the NYMEX closing price (determined at the earlier of the close

of the NYMEX or 2:30 p.m. New York time) for the contracts held on the NYMEX, but calculates or determines the value of all other UGA investments, including ICE Futures contracts or other futures contracts, as of the earlier of the close of the New York Stock Exchange or 4:00 p.m. New York time.

Results of Operations and the Gasoline Market

Results of Operations. On February 26, 2008, UGA listed its units on the American Stock Exchange (the “AMEX”) under the ticker symbol “UGA.” On that day, UGA established its initial offering price at $50.00 per unit and issued 300,000 units to the initial authorized purchaser, Kellogg Capital Group, LLC, in exchange for $15,001,000 in cash. As a result of the acquisition of the AMEX by NYSE Euronext, UGA’s units no longer trade on the AMEX and commenced trading on the NYSE Arca on November 25, 2008.

Since its initial offering of 30,000,000 units, UGA has not made any subsequent offering of its units. As of September 30, 2009, UGA had issued 3,700,000 units, 1,800,000 of which were outstanding. As of September 30, 2009, there were 26,300,000 units registered but not yet issued.

More units may have been issued by UGA than are outstanding due to the redemption of units. Unlike funds that are registered under the Investment Company Act of 1940, as amended, units that have been redeemed by UGA cannot be resold by UGA. As a result, UGA contemplates that additional offerings of its units will be registered with the SEC in the future in anticipation of additional issuances and redemptions.

For the Nine Months Ended September 30, 2009 Compared to the Period from February 26, 2008 (Commencement of Operations) to September 30, 2008

Since UGA was conducting operations for only a portion of the nine months ended September 30, 2008, the comparison of the results of operations for the nine months ended September 30, 2009 and the period from February 26, 2008 to September 30, 2008 may not be meaningful.

As of September 30, 2009, the total unrealized loss on gasoline Futures Contracts owned or held on that day was $3,277,869 and UGA established cash deposits, including cash investments in money market funds, that were equal to $61,530,922. UGA held 80.62% of its cash assets in overnight deposits and money market funds at its custodian bank, while 19.38% of the cash balance was held with the futures commission merchant as margin deposits for the Futures Contracts purchased. The ending per unit NAV on September 30, 2009 was $32.31.

By comparison, as of September 30, 2008, the total unrealized gain on gasoline Futures Contracts owned or held on that day was $1,057,795 and UGA established cash deposits, including cash investments in money market funds, that were equal to $13,823,969. UGA held 86.97% of its cash assets in overnight deposits and money market funds at its custodian bank, while 13.03% of the cash balance was held with the futures commission merchant as margin deposits for the Futures Contracts purchased. The ending per unit NAV on September 30, 2008 was $49.56. The decrease in the per unit NAV from September 30, 2008 to September 30, 2009 was primarily a result of sharply lower prices for gasoline and the related decline in the value of the gasoline Futures Contracts that UGA had invested in between the period ended September 30, 2008 and the period ended September 30, 2009.

Portfolio Expenses. UGA’s expenses consist of investment management fees, brokerage fees and commissions, certain offering costs, licensing fees and the fees and expenses of the independent directors of the General Partner. UGA pays the General Partner a management fee of 0.60% of its average net assets. The fee is accrued daily.

During the nine months ended September 30, 2009, the daily average total net assets of UGA were $61,488,170. The management fee paid by UGA during the period amounted to $275,939, which was calculated at 0.60% of its average net assets and was accrued daily. By comparison, during the period from February 26, 2008 to September 30, 2008, the daily average total net assets of UGA were $22,904,104. The management fee paid by UGA during the period amounted to $81,854, which was calculated at 0.60% of its average net assets and was accrued daily.

In addition to the management fee, UGA pays all brokerage fees, taxes and other expenses, including certain tax reporting costs, licensing fees for the use of intellectual property, ongoing registration or other fees paid to the SEC, the Financial Industry Regulatory Authority ("FINRA") and any other regulatory agency in connection with offers and sales of its units subsequent to the initial offering and all legal, accounting, printing and other expenses associated therewith. The total of these fees, taxes and expenses for the nine months ended September 30, 2009 was $183,878, as compared to $237,090 for the period from February 26, 2008 to September 30, 2008. The decrease in expenses from the period from the period from February 26, 2008 to September 30, 2008 to the nine months ended September 30, 2009 was primarily due to the current reporting period being longer than the comparison period. UGA did not incur any fees or other expenses relating to the registration and offering of additional units for the nine months ended September 30, 2009 or for the period from February 26, 2008 to September 30, 2008.

UGA is responsible for paying its portion of the directors' and officers' liability insurance of the General Partner and the fees and expenses of the independent directors of the General Partner who are also the General Partner's audit committee members. UGA shares these fees with the United States Oil Fund, LP ("USOF"), the United States Natural Gas Fund, LP ("USNG"), the United States 12 Month Oil Fund, LP ("US12OF"), the United States Heating Oil Fund, LP ("USHO") and the United States Short Oil Fund, LP ("USSO") based on the relative assets of each fund computed on a daily basis. These fees for calendar year 2009 are estimated to be a total of $477,000 for all funds. By comparison, for the year ended December 31, 2008, these fees amounted to a total of $282,000 for all funds, and UGA's portion of such fees was $2,759. Directors' expenses are expected to increase in 2009 due to payment for directors' and officers' liability insurance and an increase in the compensation awarded to the independent directors of the General Partner. Effective as of March 3, 2009, the General Partner has obtained directors' and officers' liability insurance covering all of the directors and officers of the General Partner. Previously, the General Partner did not have liability insurance for its directors and officers; instead, the independent directors received a payment in lieu of directors' and officers' liability insurance coverage.

UGA also incurs commissions to brokers for the purchase and sale of Futures Contracts, Other Gasoline-Related Investments or short-term obligations of the United States of two years or less ("Treasuries"). During the nine months ended September 30, 2009, total commissions paid to brokers amounted to $57,302. By comparison, during the period from February 26, 2008 to September 30, 2008, total commissions paid to brokers amounted to $10,750. The increase in the total commissions paid to brokers from the period from February 26, 2008 to September 30, 2008 to the nine months ended September 30, 2009 was primarily a function of the increase in UGA's average total net assets, increased redemptions and creations of units during the nine months ended September 30, 2009 and the reporting period being longer than the comparison period. The increase in assets required UGA to purchase a greater number of futures contracts and incur a larger amount of commissions. As an annualized percentage of total net assets, the figure for the nine months ended September 30, 2009 represents approximately 0.12% of total net assets. By comparison, the figure for the period from February 26, 2008 to September 30, 2008 represented 0.08% of total net assets. However, there can be no assurance that commission costs and portfolio turnover will not cause commission expenses to rise in future quarters.

Interest Income. UGA seeks to invest its assets such that it holds Futures Contracts and Other Gasoline-Related Investments in an amount equal to the total net assets of its portfolio. Typically, such investments do not require UGA to pay the full amount of the contract value at the time of purchase, but rather require UGA to post an amount as a margin deposit against the eventual settlement of the contract. As a result, UGA retains an amount that is approximately equal to its total net assets, which UGA invests in Treasuries, cash and/or cash equivalents. This includes both the amount on deposit with the futures commission merchant as margin, as well as unrestricted cash and cash equivalents held with UGA's custodian bank. The Treasuries, cash and/or cash equivalents earn interest that accrues on a daily basis. For the nine months ended September 30, 2009, UGA earned $85,563 in interest income on such cash holdings. Based on UGA's average daily total net assets, this was equivalent to an annualized yield of 0.19%. UGA did not purchase Treasuries during the nine months ended September 30, 2009 and held all of its funds in cash and/or cash equivalents during this time period. By comparison, for the period from February 26, 2008 to September 30, 2008, UGA earned $247,742 in interest income on such cash holdings. Based on UGA's average daily total net assets, this was equivalent to an annualized yield of 1.82%. UGA did not purchase Treasuries during the period from February 26, 2008 to September 30, 2008 and held all of its funds in cash and/or cash equivalents during this time period. Interest rates on short-term investments in the United States, including cash, cash equivalents, and short-term Treasuries, were sharply lower during the nine months ended September 30, 2009 compared to the period from February 26, 2008 to September 30, 2008. As a result, the amount of interest earned by UGA as a percentage of total net assets was lower during the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008.

For the Three Months Ended September 30, 2009 Compared to the Three Months Ended September 30, 2008

During the three months ended September 30, 2009, the daily average total net assets of UGA were $69,693,775. The management fee paid by UGA during the period amounted to $105,400, which was calculated at 0.60% of its average net assets and was accrued daily. By comparison, during the three months ended September 30, 2008, the daily average total net assets of UGA were $25,122,354. The management fee paid by UGA during the period amounted to $37,889, which was calculated at 0.60% of its average net assets and was accrued daily.

In addition to the management fee, UGA pays all brokerage fees, taxes and other expenses, including certain tax reporting costs, licensing fees for the use of intellectual property, ongoing registration or other fees paid to the SEC, FINRA and any other regulatory agency in connection with offers and sales of its units subsequent to the initial offering and all legal, accounting, printing and other expenses associated therewith. The total of these fees, taxes and expenses for the three months ended September 30, 2009 was $60,021, as compared to $99,309 for the three months ended September 30, 2008. The decrease in expenses from the three months ended September 30, 2008 to the three months ended September 30, 2009 was primarily due to higher expenses, including higher licensing fees and tax reporting costs, incurred in the three months ended September 30, 2008 in connection with the initial launch and operation of UGA. UGA did not incur any fees or other expenses relating to the registration and offering of additional units for the three months ended September 30, 2009 or for the three months ended September 30, 2008.

UGA is responsible for paying its portion of the directors' and officers' liability insurance of the General Partner and the fees and expenses of the independent directors of the General Partner who are also the General Partner's audit committee members. UGA shares these fees with USOF, USNG, US12OF, USHO and USSO based on the relative assets of each fund computed on a daily basis. These fees for the three months ended September 30, 2009 amounted to a total of $80,648 for all funds, and UGA's portion of such fees was $893. By comparison, for the three months ended September 30, 2008, these fees amounted to a total of $72,126 for all funds, and UGA's portion of such fees was $881. Directors' expenses increased from the three months ended September 30, 2008 to the three months ended September 30, 2009 due to payment for directors' and officers' liability insurance and an increase in the compensation awarded to the independent directors of the General Partner. Effective as of March 3, 2009, the General Partner has obtained directors' and officers' liability insurance covering all of the directors and officers of the General Partner. Previously, the General Partner did not have liability insurance for its directors and officers; instead, the independent directors received a payment in lieu of directors' and officers' liability insurance coverage.

UGA also incurs commissions to brokers for the purchase and sale of Futures Contracts, Other Gasoline-Related Investments or Treasuries. During the three months ended September 30, 2009, total commissions paid to brokers amounted to $16,963. By comparison, during the three months ended September 30, 2008, total commissions paid to brokers amounted to $4,322. The increase in the total commissions paid to brokers from the three months ended September 30, 2008 to the three months ended September 30, 2009 was primarily a function of the increase in UGA's average total net assets and increased redemptions and creations of units during the three months ended September 30, 2009. The increase in assets required UGA to purchase a greater number of futures contracts and incur a larger amount of commissions. As an annualized percentage of total net assets, the figure for the three months ended September 30, 2009 represents approximately 0.10% of total net assets. By comparison, the figure for the three months ended September 30, 2008 represented 0.07% of total net assets. However, there can be no assurance that commission costs and portfolio turnover will not cause commission expenses to rise in future quarters.

Interest Income. UGA seeks to invest its assets such that it holds Futures Contracts and Other Gasoline-Related Investments in an amount equal to the total net assets of its portfolio. Typically, such investments do not require UGA to pay the full amount of the contract value at the time of purchase, but rather require UGA to post an amount as a margin deposit against the eventual settlement of the contract. As a result, UGA retains an amount that is approximately equal to its total net assets, which UGA invests in Treasuries, cash and/or cash equivalents. This includes both the amount on deposit with the futures commission merchant as margin, as well as unrestricted cash and cash equivalents held with UGA's custodian bank. The Treasuries, cash and/or cash equivalents earn interest that accrues on a daily basis. For the three months ended September 30, 2009, UGA earned $22,346 in interest income on such cash holdings. Based on UGA's average daily total net assets, this was equivalent to an annualized yield of 0.13%. UGA did not purchase Treasuries during the three months ended September 30, 2009 and held all of its funds in cash and/or cash equivalents during this time period. By comparison, for the three months ended September 30, 2008, UGA earned $118,162 in interest income on such cash holdings. Based on UGA's average daily total net assets, this was equivalent to an annualized yield of 1.87%. UGA did not purchase Treasuries during the three months ended

September 30, 2008 and held all of its funds in cash and/or cash equivalents during this time period. Interest rates on short-term investments in the United States, including cash, cash equivalents, and short-term Treasuries, were sharply lower during the three months ended September 30, 2009 compared to the three months ended September 30, 2008. As a result, the amount of interest earned by UGA as a percentage of total net assets was lower during the three months ended September 30, 2009.

Tracking UGA's Benchmark

UGA seeks to manage its portfolio such that changes in its average daily NAV, on a percentage basis, closely track the changes in the average daily price of the Benchmark Futures Contract, also on a percentage basis. Specifically, UGA seeks to manage the portfolio such that over any rolling period of 30 valuation days, the average daily change in the NAV is within a range of 90% to 110% (0.9 to 1.1) of the average daily change in the price of the Benchmark Futures Contract. As an example, if the average daily movement of the Benchmark Futures Contract for a particular 30-day time period was 0.5% per day, UGA's management would attempt to manage the portfolio such that the average daily movement of the NAV during that same time period fell between 0.45% and 0.55% (i.e., between 0.9 and 1.1 of the benchmark's results). UGA's portfolio management goals do not include trying to make the nominal price of UGA's NAV equal to the nominal price of the current Benchmark Futures Contract or the spot price for gasoline. Management believes that it is not practical to manage the portfolio to achieve such an investment goal when investing in listed gasoline Futures Contracts.

For the 30 valuation days ended September 30, 2009, the simple average daily change in the Benchmark Futures Contract was -0.190%, while the simple average daily change in the NAV of UGA over the same time period was -0.192%. The average daily difference was -1.738 % (or .001738 basis points, where 1 basis point equals 1/100 of 1%). As a percentage of the daily movement of the Benchmark Futures Contract, the average error in daily tracking by the NAV was -0.003%, meaning that over this time period UGA's tracking error was within the plus or minus 10% range established as its benchmark tracking goal. The first chart below shows the daily movement of UGA's NAV versus the daily movement of the Benchmark Futures Contract for the 30-day period ended September 30, 2009.

Since the offering of UGA units to the public on February 26, 2008 to September 30, 2009, the simple average daily change in the Benchmark Futures Contract was -0.046%, while the simple average daily change in the NAV of UGA over the same time period was -0.047%. The average daily difference was -0.0004% (or -0.04 basis points, where 1 basis point equals 1/100 of 1%). As a percentage of the daily movement of the Benchmark Futures Contract, the average error in daily tracking by the NAV was -1.134%, meaning that over this time period UGA's tracking error was within the plus or minus 10% range established as its benchmark tracking goal.

An alternative tracking measurement of the return performance of UGA versus the return of its Benchmark Futures Contract can be calculated by comparing the actual return of UGA, measured by changes in its NAV, versus the expected changes in its NAV under the assumption that UGA's returns had been exactly the same as the daily changes in its Benchmark Futures Contract.

For the nine months ended September 30, 2009, the actual total return of UGA as measured by changes in its NAV was 59.87%. This is based on an initial NAV of $20.21 on December 31, 2008 and an ending NAV as of September 30, 2009 of $32.31. During this time period, UGA made no distributions to its unitholders. However, if UGA's daily changes in its NAV had instead exactly tracked the changes in the daily return of the Benchmark Futures Contract, UGA would have ended the third quarter of 2009 with an estimated NAV of $32.53, for a total return over the relevant time period of 60.96%. The difference between the actual NAV total return of UGA of 59.87% and the expected total return based on the Benchmark Futures Contract of 60.96% was an error over the time period of 1.09%, which is to say that UGA's actual total return trailed the benchmark result by that percentage. Management believes that a portion of the difference between the actual return and the expected benchmark return can be attributed to the net impact of the expenses that UGA pays and the interest that UGA collects on its cash and cash equivalent holdings. During the nine months ended September 30, 2009, UGA received interest income of $85,563, which is equivalent to a weighted average interest rate of 0.19% for the nine months ended September 30, 2009. In addition, during the nine months ended September 30, 2009, UGA also collected $24,000 from its authorized purchasers ("Authorized Purchasers") creating or redeeming baskets of units. This income also contributed to UGA's actual return. However, if the total assets of UGA continue to increase, management believes that the impact on total returns of these fees from creations and redemptions will diminish as a percentage of the total return. During the nine months ended September 30, 2009, UGA incurred net expenses of $416,614. Income from interest and Authorized Purchaser collections net of expenses was $(307,051), which is equivalent to a weighted average net interest rate of -0.67% for the nine months ended September 30, 2009.

By comparison, for the period from February 26, 2008 to September 30, 2008, the actual total return of UGA as measured by changes in its NAV was -0.88%. This was based on an initial NAV of $50.00 on February 26, 2008 and an ending NAV as of September 30, 2008 of $49.56. During this time period, UGA made no distributions to its unitholders. However, if UGA's daily changes in its NAV had instead exactly tracked the changes in the daily return of the Benchmark Futures Contract, UGA would have ended the third quarter of 2008 with an estimated NAV of $49.30, for a total return over the relevant time period of (1.40)%. The difference between the actual NAV total return of UGA of -0.88% and the expected total return based on the Benchmark Futures Contract of (1.40)% was an error over the time period of 0.52%, which is to say that UGA's actual total return exceeded the benchmark result by that percentage. Management believes that a portion of the difference between the actual return and the expected benchmark return can be attributed to the impact of the interest that UGA collected on its cash and cash equivalent holdings. During the period from February 26, 2008 to September 30, 2008, UGA received interest income of $247,742, which is equivalent to a weighted average interest rate of 1.82% for the period from February 26, 2008 to September 30, 2008. In addition, during the period from February 26, 2008 to September 30, 2008, UGA also collected $6,000 from Authorized Purchasers creating or redeeming baskets of units. During the period from February 26, 2008 to September 30, 2008, UGA incurred net expenses of $122,796. Income from interest and Authorized Purchaser collections net of expenses was $130,946, which is equivalent to a weighted average net interest rate of 0.92% for the period from February 26, 2008 to September 30, 2008. This income also contributed to UGA's actual return exceeding the benchmark results.

There are currently three factors that have impacted or are most likely to impact UGA's ability to accurately track its Benchmark Futures Contract.

First, UGA may buy or sell its holdings in the then current Benchmark Futures Contract at a price other than the closing settlement price of that contract on the day during which UGA executes the trade. In that case, UGA may pay a price that is higher, or lower, than that of the Benchmark Futures Contract, which could cause the changes in the daily NAV of UGA to either be too high or too low relative to the changes in the Benchmark Futures Contract. During the nine months ended September 30, 2009, management attempted to minimize the effect of these transactions by seeking to execute its purchase or sale of the Benchmark Futures Contract at, or as close as possible to, the end of the day settlement price. However, it may not always be possible for UGA to obtain the closing settlement price and there is no assurance that failure to obtain the closing settlement price in the future will not adversely impact UGA's attempt to track the Benchmark Futures Contract over time.

Second, UGA earns interest on its cash, cash equivalents and Treasury holdings. UGA is not required to distribute any portion of its income to its unitholders and did not make any distributions to unitholders during the nine months ended September 30, 2009. Interest payments, and any other income, were retained within the portfolio and added to UGA's NAV. When this income exceeds the level of UGA's expenses for its management fee, brokerage commissions and other expenses (including ongoing registration fees, licensing fees and the fees and expenses of the independent directors of the General Partner), UGA will realize a net yield that will tend to cause daily changes in the NAV of UGA to track slightly higher than daily changes in the Benchmark Futures Contract. During the nine months ended September 30, 2009, UGA earned, on an annualized basis, approximately 0.19% on its cash holdings. It also incurred cash expenses on an annualized basis of 0.60% for management fees and approximately 0.12% in brokerage commission costs related to the purchase and sale of futures contracts, and 0.19% for other expenses. The foregoing fees and expenses resulted in a net yield on an annualized basis of approximately -0.72% and affected UGA's ability to track its benchmark. If short-term interest rates rise above the current levels, the level of deviation created by the yield would decrease. Conversely, if short-term interest rates were to decline, the amount of error created by the yield would increase. When short-term yields drop to a level lower than the combined expenses of the management fee and the brokerage commissions, then the tracking error becomes a negative number and would tend to cause the daily returns of the NAV to underperform the daily returns of the Benchmark Futures Contract.

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Third, UGA may hold Other Gasoline-Related Investments in its portfolio that may fail to closely track the Benchmark Futures Contract's total return movements. In that case, the error in tracking the Benchmark Futures Contract could result in daily changes in the NAV of UGA that are either too high, or too low, relative to the daily changes in the Benchmark Futures Contract. During the nine months ended September 30, 2009, UGA did not hold any Other Gasoline-Related Investments. However, there can be no assurance that in the future UGA will not make use of such Other Gasoline-Related Investments, which may have the effect of increasing transaction related expenses and result in increased tracking error.

Term Structure of Gasoline Futures Prices and the Impact on Total Returns

Several factors determine the total return from investing in a futures contract position. One factor that impacts the total return that will result from investing in near month gasoline futures contracts and "rolling" those contracts forward each month is the price relationship between the current near month contract and the next month contract. For example, if the price of the near month contract is higher than the next month contract (a situation referred to as "backwardation" in the futures market), then absent any other change there is a tendency for the price of a next month contract to rise in value as it becomes the near month contract and approaches expiration. Conversely, if the price of a near month contract is lower than the next month contract (a situation referred to as "contango" in the futures market), then absent any other change there is a tendency for the price of a next month contract to decline in value as it becomes the near month contract and approaches expiration.

As an example, assume that the price of gasoline for immediate delivery (the "spot" price), was $2.00 per gallon, and the value of a position in the near month futures contract was also $2.00. Over time, the price of a gallon of gasoline will fluctuate based on a number of market factors, including demand for gasoline relative to its supply. The value of the near month contract will likewise fluctuate in reaction to a number of market factors. If investors seek to maintain their position in a near month contract and not take delivery of the gasoline, every month they must sell their current near month contract as it approaches expiration and invest in the next month contract.

If the futures market is in backwardation, e.g., when the expected price of gasoline in the future would be less, the investor would be buying a next month contract for a lower price than the current near month contract. Hypothetically, and assuming no other changes to either prevailing gasoline prices or the price relationship between the spot price, the near month contract and the next month contract (and ignoring the impact of commission costs and the interest earned on Treasuries, cash and/or cash equivalents), the value of the next month contract would rise as it approaches expiration and becomes the new near month contract. In this example, the value of the $2.00 investment would tend to rise faster than the spot price of gasoline, or fall slower. As a result, it would be possible in this hypothetical example for the price of spot gasoline to have risen to $2.50 after some period of time, while the value of the investment in the futures contract would have risen to $2.60, assuming backwardation is large enough or enough time has elapsed. Similarly, the spot price of gasoline could have fallen to $1.50 while the value of an investment in the futures contract could have fallen to only $1.60. Over time, if backwardation remained constant, the difference would continue to increase.

If the futures market is in contango, the investor would be buying a next month contract for a higher price than the current near month contract. Hypothetically, and assuming no other changes to either prevailing gasoline prices or the price relationship between the spot price, the near month contract and the next month contract (and ignoring the impact of commission costs and the interest earned on cash), the value of the next month contract would fall as it approaches expiration and becomes the new near month contract. In this example, it would mean that the value of the $2.00 investment would tend to rise slower than the spot price of gasoline, or fall faster. As a result, it would be possible in this hypothetical example for the spot price of gasoline to have risen to $2.50 after some period of time, while the value of the investment in the futures contract will have risen to only $2.40, assuming contango is large enough or enough time has elapsed. Similarly, the spot price of gasoline could have fallen to $1.50 while the value of

an investment in the futures contract could have fallen to $1.40. Over time, if contango remained constant, the difference would continue to increase.

The chart below compares the price of the near month contract to the price of the next month contract over the last 10 years (1999-2008) for gasoline. When the price of the near month contract is higher than the price of the next month contract, the market would be described as being in backwardation. When the price of the near month contract is lower than the price of the next month contract, the market would be described as being in contango. Although the prices of the near month contract and the price of the next month contract do tend to move up or down together, it can be seen that at times the near month prices are clearly higher than the price of the next month contract (backwardation), and other times they are below the price of the next month contract (contango). In addition, investors can observe that gasoline prices, both near month and next month, often display a seasonal pattern in which the price of gasoline tends to rise in the summer months and decline in the winter months. This mirrors the physical demand for gasoline, which typically peaks in the summer.

Near Month Gasoline Price and Next Month Gasoline Price *
(10 years ending 12/31/08)

*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Another way to view backwardation and contango data over time is to subtract the dollar price of the next month gasoline futures contract from the dollar price of the near month gasoline futures contract. If the resulting number is a positive number, then the price of the near month contract is higher than the price of the next month and the market could be described as being in backwardation. If the resulting number is a negative number, then the near month price is lower than the price of the next month and the market could be described as being in contango. The chart below shows the results from subtracting the next month price from the price of the near month contract for the 10 year period between 1999 and 2008. Investors will note that the near month gasoline futures contract spent time in both backwardation and contango. Investors will further note that the markets display a very seasonal pattern that corresponds to the seasonal demand patterns for gasoline mentioned above. That is, in many, but not all, cases the price of the near month is higher than the next month during the middle of the summer months as the price of gasoline for delivery in those summer months rises to meet peak demand. At the same time, the price of the near month, when that month is just before the onset of spring, does not rise as far or as fast as the price of a next month contract whose delivery falls closer to the start of the summer season.

Gasoline Near Month Futures Contract Price Minus Next Month Futures Contract Price *
(10 year ending 12/31/08)

*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

While the investment objective of UGA is not to have the market price of its units match, dollar for dollar, changes in the spot price of gasoline, contango and backwardation have impacted the total return on an investment in UGA units during the past year relative to a hypothetical direct investment in gasoline. For example, an investment in UGA units made on December 31, 2008 and held to September 30, 2009 increased based upon the changes in the NAV for UGA units on those days, by 59.87%, while the spot price of gasoline for immediate delivery during the same period increased by 60.96% (note: this comparison ignores the potential costs associated with physically owning and storing gasoline, which could be substantial). By comparison, an investment in UGA units made on February 26, 2008 and held to September 30, 2008 decreased, based upon the changes in the NAV for UGA units on those days, by 0.32%, while the spot price of gasoline for immediate delivery during the same period decreased by 0.83% (note: this comparison ignores the potential costs associated with physically owning and storing gasoline, which could be substantial).

Periods of contango or backwardation do not materially impact UGA's investment objective of having the percentage changes in its per unit NAV track the percentage changes in the price of the Benchmark Futures Contract since the impact of backwardation and contango tended to equally impact the percentage changes in price of both UGA's units and the Benchmark Futures Contract. It is impossible to predict with any degree of certainty whether backwardation or contango will occur in the future. It is likely that both conditions will occur during different periods.

Gasoline Market. During the nine months ended September 30, 2009, the price of unleaded gasoline in the United States was impacted by several factors. The price of the Benchmark Futures Contract on January 2, 2009 was at $1.0620 per gallon. It rose sharply over the course of the quarter and hit a peak on June 16, 2009 of $2.071 per gallon. The third quarter ended with the Benchmark Futures Contract at $1.752 per gallon, up approximately 64.93% over this time period (investors are cautioned that these represent prices for gasoline on a wholesale basis and should not be directly compared to retail prices at a gasoline service station).

During the nine months ended September 30, 2009, the price of crude oil, the raw material from which gasoline is refined, rose approximately 58.32% from approximately $44.60 per barrel to approximately $70.61per barrel. The price of crude oil was influenced by several factors, including ongoing weak demand for crude oil globally and modest decreases in the production levels of crude oil However, oil prices still increased as investors looked forward to improvements in the global economy. Management believes however that should the global economic situation remain weak, there is a meaningful possibility that crude oil prices could retreat from their current levels.

Management believes that over both the medium-term and the long-term, changes in the price of crude oil will exert the greatest influence on the price of refined petroleum products such as gasoline. At the same time, there can be other factors that, particularly in the short term, cause the price of gasoline to rise (or fall), more (or less) than the price of crude oil. For example, higher gasoline prices cause American consumers to reduce their gasoline consumption, particularly during the high demand period of the summer driving season and gasoline prices are impacted by the availability of refining capacity. Furthermore, a slowdown or recession in the U.S. economy may have a greater impact on U.S. gasoline prices than on global crude oil prices. As a result, it is possible that changes in gasoline prices may not match the changes in crude oil prices.

Unleaded Gasoline Price Movements in Comparison to other Energy Commodities and Investment Categories. The General Partner believes that investors frequently measure the degree to which prices or total returns of one investment or asset class move up or down in value in concert with another investment or asset class. Statistically, such a measure is usually done by measuring the correlation of the price movements of the two different investments or asset classes over some period of time. The correlation is scaled between 1 and -1, where 1 indicates that the two investment options move up or down in price or value together, known as “positive correlation,” and -1 indicating that they move in completely opposite directions, known as “negative correlation.” A correlation of 0 would mean that the movements of the two are neither positively or negatively correlated, known as “non-correlation.” That is, the investment options sometimes move up and down together and other times move in opposite directions.

For the ten year time period between 1998 and 2008, the chart below compares the monthly movements of unleaded gasoline prices versus the monthly movements of the prices of several other energy commodities, such as natural gas, crude oil and heating oil, as well as several major non-commodity investment asset classes, such as large cap U.S. equities, U.S. government bonds and global equities. It can be seen that over this particular time period, the movement of unleaded gasoline on a monthly basis was not strongly correlated, positively or negatively, with the movements of large cap U.S. equities, U.S. government bonds or global equities. However, movements in unleaded gasoline had a strong positive correlation to movements in crude oil and heating oil. Finally, unleaded gasoline had a positive, but weaker, correlation with natural gas.

10 Year Correlation Matrix 1998-2008	Large Cap U.S. Equities (S&P 500)	U.S. Govt. Bonds (EFFAS U.S. Government Bond Index)	Global Equities (FTSE World Index)	Crude Oil	Natural Gas	Heating Oil	Unleaded Gasoline
Large Cap U.S. Equities (S&P 500)	1.000	-0.223	0.936	0.063	0.045	0.003	0.266
U.S. Govt. Bonds (EFFAS U.S. Government Bond Index)		1.000	-0.214	-0.29	0.054	0.037	-0.134
Global Equities (FTSE World Index)			1.000				