



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and  
Intermediary Oversight

Thomas J. Smith  
Acting Director

CFTC Letter No. 15-10  
Exemption  
February 3, 2015  
Division of Swap Dealer and Intermediary Oversight

**RE: “A”, registered commodity pool operator for the “B” and Feeder Funds**

Dear:

This letter is in response to your letter dated February 2, 2015, to the Division of Swap Dealer and Intermediary Oversight (“Division”) of the Commodity Futures Trading Commission (“Commission”). You request on behalf of “A”, the commodity pool operator (“CPO”) for the “B” (“Master Fund”) and “C” (“Feeder Fund”) (collectively, the “Pools”), exemptive relief from Commission Regulation 4.7(b)(3), which requires that the CPO distribute to its participants, and file with the National Futures Association (“NFA”), an Annual Report within 90 days of the close of the Pool’s fiscal year. Instead, you propose to file an Annual Report for the Pools for the period from December 1, 2014, the date the Pools received their initial investments and began trading, to December 31, 2015. The Pools are operated pursuant to an exemption under Commission Regulation 4.7.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. You are requesting an exemption from the requirement of filing an Annual Report for the Pool’s fiscal year ending December 31, 2014, and instead, are seeking permission to distribute an Annual Report to the Pools’ participants with respect to the period beginning on December 1, 2014, and ending on December 31, 2015. In support of your request, you state that the Pools received their initial investments on December 1, 2014. The Master Fund has a NAV of \$, and has two participants: the Feeder Fund and one other participant. The Feeder Fund has a NAV of \$, and has three participants. In support of your request for relief, you have submitted signed waivers from the Feeder Fund’s three participants, as well as the other participant in the Master Fund, waiving their right to receive an Annual Report for the fiscal year ending on December 31, 2014. The correspondence attached to the waivers sent by the CPO and received by the Pools’ participants explains that participants will instead receive an audited Annual Report covering the period from December 1, 2014 to December 31, 2015.

Commission Regulation 4.7(b)(3) requires each registered CPO to file an Annual Report with NFA and distribute copies to the pool participants within 90 calendar days of the end of the

**RE: "A"**

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pool's fiscal year or the permanent cessation of trading. The principal purpose of financial reporting required by Commission Regulation 4.7 is to ensure that pool participants receive accurate, fair and timely information on the overall trading performance and financial condition of the pool. Based upon the representations made in your letter, the Division believes that granting the request of the CPO to file an Annual Report for the Pools for the period from December 1, 2014 to December 31, 2015 is neither contrary to the purposes of Commission Regulation 4.7 nor to the public interest. Accordingly, pursuant to the authority delegated by Commission Regulations 140.93 and 4.12(a), the Division will grant the CPO's request for relief from the Annual Report requirement of Regulation 4.7(b)(3), thereby permitting it to file an Annual Report for the Pools for the period from December 1, 2014 to December 31, 2015.

This relief is based upon the representations that you have made to the Division. Any different or omitted facts may result in a different determination and may render any relief set forth in this letter void. Therefore, you must notify the Division immediately in the event that the operations or activities of the CPO or the Pools changes in any material way from those represented to the Division. Further, the relief granted in this letter is conditioned on the distribution to the Pools' participants and the filing with NFA of an Annual Report containing combined financial information for the period beginning December 1, 2014 and ending on December 31, 2015, in full compliance with Commission Regulation 4.7(b)(3).

This relief shall not excuse the CPO from compliance with any other applicable requirements contained in the Commodity Exchange Act or in the Commission's regulations issued thereunder, including, but not limited to, Part 4 of the Commission's regulations.

If you have any questions regarding this letter, please contact Amanda Olear, Associate Director, at 202-418-5283 or aolear@cftc.gov, or Elizabeth Groover, Special Counsel, at 202-418-5985 or egroover@cftc.gov.

Very truly yours,

Thomas J. Smith  
Acting Director  
Division of Swap Dealer and  
Intermediary Oversight