



U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of Swap Dealer and
Intermediary Oversight

Eileen T. Flaherty
Director

CFTC Letter 16-51
Exemption
March 31, 2016
Division of Swap Dealer and Intermediary Oversight

RE: “A”, the registered commodity pool operator for the “B” and the “C”

Dear :

This letter is in response to your letter dated March 24, 2016, 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” (the “Master Fund”), and the “C” (the “Feeder Fund”) (together, the “Pools”), 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 a 13-month Annual Report for the Pools for the period from December 1, 2015, the date upon which the Pools commenced operations, through December 31, 2016, the close of the Pool’s 2016 fiscal year.

Based upon the representations made in your letter, we understand the relevant facts to be as follows. You request, on behalf of the CPO and Pools, an exemption from the requirements of Commission Regulation 4.7(b)(3) that the CPO distribute and file an Annual Report within 90 days of the close of the Pools’ fiscal year. Instead, you request permission for the CPO to combine information that would be contained in the 2015 Annual Report with the 2016 Annual Report, creating a 13-month combined Annual Report covering the period from the Pools’ commencement of operations, December 1, 2015, through December 31, 2016. The Feeder Fund invests substantially all of its assets in the Master Fund, and at the end of the 2015 fiscal year (December 31, 2015), it had two participants and a net asset valuation of \$. Also, as of December 31, 2015, the Master Fund had a net asset valuation of \$, and you represent that the Feeder Fund is the Master Fund’s sole participant. In support of your request, you indicate that the offering memorandum for the Pools stated that the first fiscal year would end on December 31, 2016, and that participants, by their investment and signature of the subscription agreement, consented to receive an initial 13-month Annual Report containing audited financial statements for the Pools. You have also submitted with your request copies of the signatory pages from the two participants’ subscription agreements.

RE: "A"

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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 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 13-month period from December 1, 2015 to December 31, 2016 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 and distribute an Annual Report for the Pools for the 13-month period from December 1, 2015 to December 31, 2016.

The relief issued by this letter does not excuse persons relying on it from compliance with any other applicable requirements contained in the Commodity Exchange Act or in the Commission regulations issued thereunder. Further, this letter, and the relief contained herein, is based upon the representations made to the Division. Any different, changed or omitted material facts or circumstances might render this letter void. Finally, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the relief provided herein, in its discretion.

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,

Eileen T. Flaherty
Director
Division of Swap Dealer and
Intermediary Oversight