



**U.S. COMMODITY FUTURES TRADING COMMISSION**

Three Lafayette Centre  
1155 21st Street, NW, Washington, DC 20581  
Telephone: (202) 418-5000

Market Participants  
Division

Amanda L. Olear  
Acting Director

July 27, 2021

Ms. Rebecca Peckham  
Executive Director  
Morgan Stanley AIP GP LP  
100 Front Street, Suite 400  
West Conshohocken, PA 19428

**RE: Exemptive Relief Request Concerning Quarterly Account Statements Required by Regulation 4.7(b)(2) on Behalf of Morgan Stanley AIP GP LP**

Dear Ms. Peckham:

This is in response to your letter dated April 23, 2021, to the Market Participants Division (“Division”) of the Commodity Futures Trading Commission (“Commission” or “CFTC”). You request on behalf of Morgan Stanley AIP GP LP, a registered commodity pool operator (“CPO”), relief from the requirement in Regulation 4.7(b)(2) to distribute quarterly account statements to its commodity pool participants within 30 days after the end of each quarter. You propose instead to provide the information required to be contained in a quarterly account statement on a monthly basis, and within 45 days after the end of each month, for participants in the Crest Cayman Fund, Ltd., a commodity pool operated by the CPO (the “Pool”).

Based on your letter, the Division understands the relevant facts to be as follows. You state that the CPO operates the Pool pursuant to an exemption under Regulation 4.7. You state that the Pool invests directly or indirectly in other unaffiliated, third-party collective investment vehicles. You state that in order to provide accurate account statements, the CPO must first receive financial information from the underlying collective investment vehicles. You additionally state that this information is frequently not distributed to the CPO until the last remaining days of the 30-day period following the end of a reporting period. As such, you state that it has been difficult for the CPO to process the information received, include it in the Pool’s account statements, and distribute those statements to participants within the 30-day period prescribed by Regulation 4.7(b)(2).

Accordingly, you request that the Division provide the CPO exemptive relief from the requirement in Regulation 4.7(b)(2) that a CPO prepare and distribute to pool participants quarterly account statements within 30 days of the end of each quarter with respect to the Pool. Instead, you propose that the CPO will: (1) distribute to all Pool participants, within 45 days after

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the end of each month, an account statement that includes all of the information required to be included in a Regulation 4.7(b)(2) quarterly account statement, and that is signed and affirmed in accordance with Regulation 4.22(h); and (2) inform current and prospective Pool participants that such account statements will be provided within 45 days after the end of the covered month. In support of your request, you also reference several CFTC Staff Letters that have provided similar exemptive relief.<sup>1</sup>

In consideration of the foregoing, the Division concludes that your request is neither contrary to the purposes of Regulation 4.7(b)(2) nor to the public interest. Therefore, pursuant to the authority under Regulation 4.12(a), as delegated to the Division by the Commission under Regulation 140.93, the Division hereby grants the requested relief to the CPO with respect to the operation of the Pool. This exemptive relief is conditioned upon the following:

1. The CPO must distribute to all Pool participants within 45 calendar days after the end of each month an account statement that includes all of the information required to be included in a Regulation 4.7(b)(2) quarterly account statement and that is signed and affirmed in accordance with Regulation 4.22(h); and
2. The CPO must inform current and prospective Pool participants that such account statements will be provided within 45 calendar days after the end of the covered month.

This letter, as well as the exemptive relief granted herein, is based on the representations that have been made to the Division and is applicable to the CPO solely with respect to the operation of the Pool. Any different, changed, or omitted facts or conditions might render this exemptive relief void. Moreover, 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. Finally, the Division also retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the exemptive relief provided herein in its discretion.

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<sup>1</sup> See CFTC Staff Letters 01-90, 14-142, 15-44, 16-53, 16-54, 16-67, 16-83, 17-44, 18-05, 18-06, 18-17, 19-01 and 19-03 (granting exemptive relief to CPOs permitting them to provide monthly account statements to pool participants within 45 days of the month-end, instead of quarterly account statements within 30 days of the quarter-end).

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If you have any questions regarding this letter, please contact Pamela Geraghty, Associate Director, at 202-418-5634 or pgeraghty@cftc.gov, or Elizabeth Groover, Special Counsel, at 202-418-5985 or egroover@cftc.gov.

Very truly yours,

Amanda L. Olear  
Acting Director  
Market Participants Division

cc: Regina Thoele, Compliance  
National Futures Association

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**Appendix A: Pools Receiving Exemptive Relief**

**P160623** Crest Cayman Fund, Ltd.

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**Incoming Request for Relief:**

Morgan Stanley AIP GP LP  
100 Front Street, Suite 400  
West Conshohocken, PA 19428

April 23, 2021

**BY EMAIL**

Amanda Olear  
Acting Director  
Market Participants Division  
U.S. Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

**CFTC Rule 4.7(b)(2)**

**RE: Request for Relief from Certain Requirements of Commodity Futures Trading Commission (“CFTC”) Regulation 4.7(b)(2)**

Dear Ms. Olear:

Morgan Stanley AIP GP LP (“MSAIP GP LP”), a registered commodity pool operator (NFA ID: 0312728), is writing with respect to the commodity pools listed in Exhibit A for which MSAIP GP LP serves as commodity pool operator (the “Pools”), to request that the Market Participants Division (the “Division”) grant relief to MSAIP GP LP to extend the period by which it is required to deliver account statements to investors in the Pools pursuant to CFTC Rule 4.7(b)(2) from at least quarterly within 30 calendar days to monthly within 45 calendar days.

MSAIP GP LP operates the Pools pursuant to the exemption available under CFTC Rule 4.7, the requirements of which include, among other things, that a registered commodity pool operator distribute to investors a statement within 30 calendar days after the end of each reporting period. Each Pool is organized as “fund of funds,” which invests its assets, either directly or indirectly, in other unaffiliated collective investment vehicles.

In order to provide accurate periodic account statements, MSAIP GP LP must first receive financial information from the unaffiliated collective investment vehicles. Historically, MSAIP GP LP has not received this financial information in sufficient time to prepare the Pools’ periodic statements within 30 calendar days after the end of each reporting period. Therefore, it has been very difficult for MSAIP GP LP to distribute account statements to participants within 30 calendar days after the end of the reporting period as required by CFTC Regulation 4.7(b)(2). MSAIP GP LP proposes to provide account statements to participants in each Pool on a monthly basis within 45 calendar days of each month-end. These account statements will include all of the information required to be included in a CFTC Regulation 4.7(b)(2) account statement and

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will be signed and affirmed in accordance with CFTC Regulation 4.22(h). MSAIP GP LP will inform current and prospective participants in each Pool that account statements will be provided within 45 calendar days after the end of each month. In support of this request, MSAIP GP LP cites CFTC Staff Letters 01-90, 14-142, 15-44, 17-44 and 18-06, each granting relief under similar circumstances.

We appreciate your attention to this matter. Please do not hesitate to contact Kara Fricke at 212-537-1805 or via email at Kara.Fricke@morganstanley.com, or the undersigned via telephone at 212-537-1420 or via email at Rebecca.Peckham@morganstanley.com, if you wish to discuss this request or require further information. If for any reason the Division is considering declining to issue relief along the lines requested, we would ask that we be given the opportunity to further discuss this request with you at that time. The undersigned hereby certifies that the material facts set forth above are true and complete to the best of his knowledge. If, at any time prior to the issuance of the requested no-action letter, any material representation made in this letter ceases to be true and complete, the undersigned will ensure that the Division staff is informed promptly in writing of all materially changed facts and circumstances.

Very truly yours,  
Morgan Stanley AIP GP LP  
By: Morgan Stanley Alternative Investments  
LLC, its general partner  
By: \_\_\_\_\_  
Name: Rebecca Peckham  
Title: Executive Director

**APPENDIX A**

<b>Pool Name</b>	<b>Pool ID</b>
Crest Cayman Fund, Ltd.	(P160623)