

CFTC Letter No. 00-35**March 8, 2000****Exemption****Division of Trading & Markets**

Re: Request for Exemption from the Time Requirements of Rule 4.7(a)(2)(iii)
(A)

Dear :

This is in response to your letter to the Division of Trading and Markets dated February 11, 2000 in which you request, on behalf of XX (the "General Partner") of Y (the "Fund"), an exemption from the time requirements contained in Commission Rule 4.7(a)(2)(iii)(A).

Based on the representations made in your letter, the Division understands the facts to be as follows. The Fund is a commodity pool that operates pursuant to Rule 4.7 and thus is exempt from the filing requirements contained in §§ 4.21, 4.24, 4.25 and 4.26. Interests in the Fund are offered only to qualified eligible participants, as defined in Commission Rule 4.7. The Fund is a "multi-manager" investment partnership, whereby the General Partner invests in partnerships or pools sponsored by various investment managers and commodity trading advisors. The General Partner has requested relief from Rule 4.7(a)(2)(iii)(A) which requires that it distribute to its investors and file with the Commission and the National Futures Association an Annual Report within 90 days after the end of each annual period. The General Partner requests such relief because it has experienced difficulties receiving the necessary information in a timely manner from the entities in which it invests. The General Partner has requested that it be allowed an additional 90 days to prepare, distribute and file its Annual Report. Investors will continue to receive quarterly reports from the General Partner which set forth the performance of the Fund and state the value of the investor's interest in the Fund.

The Division is currently working to construct a comprehensive solution to this "fund of funds" problem. For the present, the Division hereby grants the General Partner an indefinite exemption from the time requirements contained in Commission Rule 4.7(a)(2)(iii)(A). This relief is subject to the following conditions: (1) the General Partner will inform current and prospective investors that receipt of the Fund's Annual Report will occur within 135 days after the end of the annual period, instead of the 90 days enunciated in Rule 4.7; (2) the Fund will continue to provide quarterly reports to investors pursuant to Rule 4.7(a)(2)(iii) within 30 days after the close of each quarter; and, (3) this exemption will terminate upon the adoption by the Commission of a final rule which amends Rule 4.7(a)(2)(iii) - specifically the time requirements for the filing of annual reports by "funds of funds." When such a rule is adopted by the Commission, the General Partner will then be subject to the terms of the new rule.

Please note that we are granting the General Partner an additional 45 days to distribute and file its Annual Report, not an additional 90 days as requested in your letter. The reason for this is that prior letters from the Division have consistently granted an additional 45 days for "funds of funds" to distribute and file their annual reports.¹ Absent extraordinary circumstances that would make this timetable insufficient, we see no reason to stray from the relief granted in these prior letters.

The relief granted in this letter relieves the General Partner solely from compliance with the above requirement contained in the Commission's Rules and does not excuse it from compliance with any other applicable requirements contained in the Commodity Exchange Act (the "Act") or in the Commission's regulations issued thereunder. This letter, and the exemption

granted herein, is based upon the representations provided to the Division and is subject to compliance with the conditions stated above. Any different, changed or omitted material facts or circumstances might render this exemption void. You must notify us immediately in the event that the operation of the Fund changes in any material way from what was represented in your letter to us.

If you have any questions concerning this correspondence, please feel free to contact me at (202) 418-5463 or Owen Pinkerton of my staff at (202) 418-5485.

Sincerely,

Kevin P.
Walek
Branch
Chief,
Managed
Funds

cc: Anthony Gialanella
National Futures Association

1 For example, see CFTC Letter 99-62 (1999 WL 1267235); CFTC Letter 99-20 (1999 WL 224858); CFTC Letter 97-36 (1997 WL 235143); CFTC Letter 96-33 (1996 WL 233460); and CFTC Letter 96-25 (1996 WL 137404).