



U.S. COMMODITY FUTURES TRADING COMMISSION

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Market Participants
Division

Amanda L. Olear
Director

Ms. Rita M. Molesworth
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019-6099

RE: Exemptive Relief Request Concerning Quarterly Account Statements Required by Commission Regulation 4.7(b)(3) on Behalf of Citi Global Alternatives, LLC and European Investment Management Services, Inc.

Dear Ms. Molesworth:

This is in response to your letter dated October 31, 2022, to the Market Participants Division (“Division” or “MPD”) of the Commodity Futures Trading Commission (“Commission” or “CFTC”). You request on behalf of Citi Global Alternatives, LLC (NFA ID# 0551098) (“CGA”) and European Investment Management Services, Inc. (NFA ID# 0440498) (“EIMS”), each of which is registered with the Commission as a commodity pool operator (“CPO”) (together, the “Registrants”), certain exemptive relief concerning account statements required by Commission regulation 4.7(b)(3).

Based on your letter, the Division understands the relevant facts to be as follows. Although the Registrants are not affiliated, they serve as co-CPOs of several private funds operated pursuant to Commission regulations 4.7 and 4.13(a)(3); additionally, CGA also serves as the sole CPO to various funds (each, a “Pool,” and together, the “Pools”). Certain of these Pools are “funds of funds” that invest in one or more unaffiliated, third-party collective investment vehicles that are not operated by the Pools’ CPO(s) (“Investee Funds”), and each such Pool for which the Registrants are requesting relief is listed on Appendix A attached hereto.¹ You request on behalf of the Registrants relief from the requirement in Commission regulation 4.7(b)(3) to distribute quarterly account statements to the Pools’ participants within 30 days after the end of each quarter.²

You state further that due to the Pools’ investments directly or indirectly in various Investee Funds, the Registrants must first receive financial information from the underlying

¹ CGA also serves as the sole CPO of certain other commodity pools which are not the subject of this request for relief.

² 17 CFR 4.7(b)(3). All Commission regulations referred to herein are found at 17 CFR Ch. I (2022), particularly, 17 CFR pt. 4.

RE: CGA and EIMS – Commission Regulation 4.7(b)(3) Exemptive Relief

January 30, 2023

Page 2

Investee Funds and/or their operators, to provide accurate account statements to the Pools' participants. You additionally state that this information is frequently not distributed to the Registrants 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 Registrants to process the information received, include it in the Pools' account statements, and distribute those statements to participants within the 30-day period prescribed by Commission regulation 4.7(b)(3).

Accordingly, you request that the Division provide exemptive relief to the Registrants from the requirement in Commission regulation 4.7(b)(3) 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 Pools. Instead, you propose that, if relief is provided, the Registrants will: (1) distribute to all Pool participants, within 45 days after the end of each month, an account statement that includes all of the information required to be included in a Commission regulation 4.7(b)(3) quarterly account statement, and that is signed and affirmed in accordance with Commission 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.³ Moreover, although the Pools for which exemptive relief is requested today are listed in Appendix A, the Division understands further that the Registrants may establish and operate in the future similarly situated funds of funds that will face the same reporting difficulty.

Prior Relief

The Pools listed in Appendix A were formerly operated by co-CPOs that were the subject of prior exemptive relief issued by the Division's predecessor, the Division of Swap Dealer and Intermediary Oversight ("DSIO"). Citi Private Advisory, LLC (NFA ID# 0423752) ("CPA") and AMACAR CPO, Inc. (NFA ID# 0307487) ("AMACAR" and together with CPA, the "Initial Registrants") submitted to DSIO a series of exemptive relief requests from the quarterly account statement requirement in Commission regulation 4.7(b)(3) with respect to these Pools (the "Prior Request Letters"). DSIO Staff granted the exemptive relief requested in the Prior Request Letters to the Initial Registrants under the same terms and subject to the same conditions that the Registrants are currently requesting ("Prior Relief Letters"). Subsequently, each of the co-CPOs was replaced at different times by the current co-CPOs.⁴ Because neither of the Initial Registrants is still operating the Pools, a new relief request on behalf of the Registrants seeking

³ 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, 19-03 and 21-16 (granting exemptive relief to CPOs permitting them to provide monthly account statements to their pools' participants within 45 days of the month-end, instead of quarterly account statements within 30 days of the quarter-end).

⁴ CPA and AMACAR operated under the Prior Relief Letters from September 2013 through March 2021. Effective March 31, 2021, one of the Initial Registrants, AMACAR, withdrew as managing member and resigned as co-CPO of the Pools operated by the Initial Registrants. Following such resignation, CPA entered into a co-CPO agreement with EIMS under substantially the same terms as those of the terminated co-CPO agreement between CPA and AMACAR. Effective September 30, 2022, CGA replaced the remaining Initial Registrant, CPA, as investment manager and CPO or co-CPO (as applicable) of the Pools listed on Appendix A. CGA assumed the CPO duties with respect to the Pools and entered into a co-CPO agreement with EIMS on terms that are substantially similar to the prior co-CPO agreement between CPA and EIMS.

RE: CGA and EIMS – Commission Regulation 4.7(b)(3) Exemptive Relief

January 30, 2023

Page 3

exemptive relief under the same terms and conditions as that provided in the Prior Relief Letters to the Initial Registrants would be necessary for the Registrants to continue relying upon the relief granted. Aside from the change to the CPOs operating the Pools, all other arrangements have remained unchanged from the description in the Prior Relief Letters.

Relief Granted

In consideration of the foregoing, the Division concludes that your request is neither contrary to the purposes of Commission regulation 4.7(b)(3) nor to the public interest, and is consistent with the Prior Relief Letters issued for the Pools and their Initial Registrants. This reporting schedule will result in Pool participants receiving 12 account statements instead of the required quarterly statements. Despite participants receiving the statements within 45 days of the end of the reporting period, instead of 30 days, the information will be more complete because the relief herein provides the CPOs with more time to compile reports from the Investee Funds and accurately incorporate that information into the Pools' account statements. By permitting flexibility in the time and manner of distributing these account statements, this exemptive relief facilitates the Pool participants receiving more frequent and more accurate reporting. Therefore, pursuant to the authority under Commission regulation 4.12(a), as delegated to the Division by the Commission under Commission regulation 140.93, the Division hereby grants the requested relief to the Registrants with respect to the operation of the Pools. This exemptive relief is conditioned upon the following:

1. The Registrants 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 Commission regulation 4.7(b)(3) quarterly account statement and that is signed and affirmed in accordance with Commission regulation 4.22(h);
2. The Registrants 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; and
3. Going forward, should the Registrants, together or individually, establish additional similarly situated fund of fund commodity pools pursuant to Commission regulation 4.7 that also require exemptive relief from the quarterly account statement requirement in Commission regulation 4.7(b)(3), the Registrant(s) will inform the Director of MPD via email at mpdnoaction@cftc.gov of the name and NFA ID number of each such new pool and comply with all of the conditions contained herein for such additional pools, in order to make this exemptive relief available to them.

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 Registrants solely with respect to the operation of the Pools. 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

RE: CGA and EIMS – Commission Regulation 4.7(b)(3) Exemptive Relief

January 30, 2023

Page 4

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.

If you have any questions regarding this letter, please contact Pamela Geraghty, Deputy Director, at 202-418-5634 or pgeraghty@cftc.gov, or Peter Sanchez, Special Counsel, at 202-418-5237 or psanchez@cftc.gov

Very truly yours,

Amanda L. Olear
Director
Market Participants Division

cc: Regina Thoele, Compliance
National Futures Association

RE: CGA and EIMS – Commission Regulation 4.7(b)(3) Exemptive Relief

January 30, 2023

Page 5

Appendix A

POOLS OPERATED BY CGA AND EIMS AS CO-CPOs

4.7 fund of funds Pool Name	NFA ID	Exemption
HedgeForum Portfolios LLC – HF Activist Series	P112611	4.7
HedgeForum Portfolios LLC – HF Core Series	P061687	4.7
HedgeForum Portfolios LLC – HF Diversifiers Series	P114958	4.7
HedgeForum Renaissance Equities, LLC	P077513	4.7

POOLS OPERATED SOLELY BY CGA

4.7 fund of funds Pool Name	NFA ID	Exemption
HedgeForum Portfolios S.A. – HF Activist	P112610	4.7
HedgeForum Portfolios S.A. – HF Core	P057940	4.7
HedgeForum Portfolios S.A. – HF Diversifiers	P115248	4.7
HedgeForum Portfolios S.A. – HF Dedicated 4	P171491	4.7
HedgeForum Portfolios S.A. – HF Fundamental Trading	P127364	4.7
HedgeForum Renaissance Equities, Ltd.	P078974	4.7
HedgeForum Millennium, Ltd.	P148332	4.7
HedgeForum Caxton, Ltd.	P051691	4.7