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**COMMENT**



July 13, 1998

Jean A. Webb, Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
Via fax: 202-418-5521

Re: Performance Data and Disclosure for Commodity Trading Advisors and Commodity Pools

Dear Madam/Sir:

I do not object to the presentation of returns based on nominal account size. However, increasing the amount of disclosure data is potentially counterproductive. Investors recognize that the materials CTAs provide them are largely boiler-plated bureaucratic requirements. As you note, the more you require, the less it "is likely to attract the attention of the potential investor." Thus, you should minimize the number of added requirements, and should exempt those CTAs who do not allow investors to partially fund accounts.

Of the proposed measures, reporting margin levels is the worst. Margins are related to volatility, but only indirectly. Margins are a mystery to most investors and are subject to misinterpretation. They are a variable over which a CTA has no direct control – exchanges and FCMs set margins and can change them without consulting the CTA. We do not even consider margins when designing and implementing our trading programs. If you require us to state a maximum margin, then the rational course of action is to publish an unrealistically high maximum, e.g. 100%.

Yours truly,

GW Schaumburg Jr.

Grant W. Schaumburg Jr.
Chairman

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