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Kevin C. Piccoli
Chief Financial Officer

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COMMENT

OFFICE OF THE SECRETARIAT

September 16, 1998
Jean A Webb
Secretary to the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington DC 20581

Re: Performance Data and Disclosure for CTA's and Commodity Pools

Dear Ms. Webb

Greenwich Capital is pleased to have an opportunity to respond to the Commission's request for comments concerning its Concept Release: Performance Data and Disclosure for Commodity Trading Advisors and Commodity Pools.

We support the Commission's efforts to improve the quality of information presented to investors thereby enabling more informed decisions when investing. Further, we appreciate the importance of performance disclosure by commodity trading advisors (CTA's) and commodity pool operators (CPO's), but there are some issues that should be addressed for them to work effectively in practice. There are two concerns that arise from this observation.

The presentation of data concerning estimated margin ratios may be skewed. To illustrate, assume margin represents the daily profit and loss relating to a futures transaction. If the futures trade is hedged by/with options or a cash position, the daily profit and loss for both sides of the trade would not be effected in the daily net margin, only the futures activity would be included in the daily margin. This would be an effective measure of risk if the trade was futures versus futures, or if there was correlation in the aggregate of all of the futures trades.

The disclosure of risk profile data for clients considering participation on a partially funded basis may be confusing to the investor. Reporting fully funded results represents the return of non-leveraged investments. More data does not necessarily result in better information to the contrary; it could become confusing to the investor. In addition, the partial funding levels carry a cost of funding that is not being taken into account. The additional cost, that fluctuates from time to time, would reduce returns that were obtained from the leverage in the partially funded strategy. Instead of reporting several partial funding levels, perhaps requiring disclosure on the impact of expected leverage has on profits and losses would adequately address the risks and impact that leverage has on returns

If you have any questions, please do not hesitate to call.

Sincerely,

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