

## Redline Appendix

There were a number of changes to the Revised Form and Rule 4.27 that were not discussed or highlighted in either the Proposal or the Adopting Release. Below is a redline presentation of changes to Revised Form and Rule 4.27 that we thought were worth noting (additions are underlined while deletions are crossed out):

### Changes to the Revised Form

#### Definitions:

**Commodity Pool Operator or CPO:** The term “commodity pool operator” or “CPO” has the same meaning as “commodity pool operator” defined in section 1a(11) of the Commodity Exchange Act, except that, for purposes of this Form CPO-PQR, the term does not include a CPO that is registered, but operates only Pools for which it maintains an exclusion from the definition of the term “commodity pool operator” in 17 CFR 4.5 and/or an exemption from CPO registration in 17 CFR 4.13. See 17 CFR 4.27(b)(2)(i).

**GAAP:** The term “GAAP” means U.S. Generally Accepted Accounting Principles or one of the alternative accounting principles, standards, or practices specified in 17 CFR 4.22(d)(2)(i). See 17 CFR 4.27(c)(4).

~~**Large CPO:** The term “Large CPO” refers to any CPO that had at least \$1.5 billion in aggregated Pool Assets Under Management as of the close of business on any day during the Reporting Period.~~

~~**Large Pool:** The term “Large Pool” means any Pool that has a Net Asset Value individually, or in combination with any Parallel Pool Structure, of at least \$500 million as of the close of business on any day during the Reporting Period.~~

**Legal Entity Identifier or LEI:** The term “Legal Entity Identifier” or LEI refers to the identification number required by Commission Regulation 45.6 in all recordkeeping and swap data reporting, and which is issued by an LEI utility pursuant to that regulation. See 17 CFR 45.6.

~~**Mid-Sized CPO:** The term “Mid-Sized CPO” refers to any CPO that had at least \$150 million in aggregated Pool Assets Under Management as of the close of business on any day during the Reporting Period.~~

**Negative OTE:** The term “Negative OTE” means negative open trade equity, or the amount of unrealized losses on open derivative positions.

~~**Parallel Managed Account:** The term “Parallel Managed Account” means any managed account or other pool of assets that the CPO operates and that pursues substantially the same investment objective and strategy and invests side-by-side in substantially the same assets as the identified Pool.~~

~~**Parallel Pool Structure:** The term “Parallel Pool Structure” means any structure in which one or more Pools pursues substantially the same investment objective and strategy and invests side by side in substantially the same assets as another Pool.~~

**Positive OTE:** The term “Positive OTE” means positive open trade equity, or the amount of unrealized gains on open derivative positions.

**Reporting Period:** The term “Reporting Period” means any of the individual calendar quarters (ending March 31, June 30, September 30, and December 31) for Large CPOs and the calendar year end for all other all CPOs.

## **Reporting Instructions:**

### **1. All CPOs Are Required to Complete and File the Form CPO-PQR.**

All CPOs are required to complete and file a Form CPO-PQR for each Reporting Period during which they satisfy the definition of CPO and operate at least one Pool. ~~If a pool is operated by Co-CPOs, the CPO with the higher total AUM, aggregated across all pools operated by the CPO should report for that Pool.~~ Further, if a ~~pool~~ Pool is operated by Co-CPOs and one of them is an Investment Adviser, the non-Investment Adviser CPO must file relevant section(s) even though a Form PF was filed for that ~~pool~~ Pool by the Investment Adviser-CPO.

All CPOs must complete and file Form CPO-PQR within 60 days of the close of the most recent Reporting Period. The information provided herein should be as of the Reporting Date, the last business day of the Reporting Period.

Part 1 of Form CPO-PQR surveys basic information about the reporting CPO. Part 2 of Form CPO-PQR asks for more specific information about each of the CPO’s Pools, including questions about the Pool’s key relationships and about the Pool’s investment positions.

### **2. [Old Instruction 2 was replaced in its entirety with the following]Relationship to the National Futures Association’s NFA Form PQR**

To the extent that a CPO has timely filed the National Futures Association’s NFA Form PQR, such filing shall be deemed to satisfy this Form CPO-PQR. See 17 CFR 4.27(c)(2).

### **3. ~~The CPO May Be~~ CPOs Are Required to Aggregate Separately Report Information Concerning ~~Certain Types of Pools in a Master-Feeder Arrangement.~~**

~~For purposes of determining whether a CPO meets the reporting thresholds for Schedules B and/or C of this Form CPO-PQR, the CPO must: (i) aggregate all Parallel Pool Structures, Parallel Managed Accounts and Master Feeder Arrangements; and (ii) treat any~~

~~Pool or Parallel Managed Account operated by any of its Affiliated Entities as though it was operated by the CPO.~~

~~For purposes of determining whether a Pool qualifies as a Large Pool for Schedule C of this Form CPO-PQR, the CPO must: (i) aggregate all Pools that are part of the same Parallel Fund Structure or Master Feeder Arrangement; (ii) aggregate any Parallel Managed Accounts with the largest Pool to which that Parallel Managed Account relates; and (iii) treat any Pool or Parallel Managed Account operated by any of your Affiliated Entities as though it was operated by the CPO.~~

~~However, for~~ For the parts of Form CPO-PQR that request information about individual Pools, you must report ~~aggregate~~ information for Parallel Managed Accounts and Master Feeder Arrangements as if each were an individual Pool, but not Parallel Pools. ~~Assets held in Parallel Managed Accounts should be treated as assets of the Pools with which they are aggregated~~ each of the Pools in a Master-Feeder Arrangement individually.

**4. I advise a Pool that invests in other Pools or funds (e.g., a “fund of funds”). How should I treat these investments for purposes of Form CPO-PQR?**

Investments in other Pools generally. For purposes of this Form CPO-PQR, you may disregard any Pool’s equity investments in other Pools. However, if you disregard these investments, you must do so consistently (~~e.g., do not include disregarded investments in the net asset value used for determining whether the fund is a “Qualifying Pool”~~). ~~For Schedule A,~~ For Question 119, even if you disregard these assets, you may report the performance of the entire Pool and are not required to recalculate performance ~~in order~~ to exclude these investments. Do not disregard any liabilities, even if incurred in connection with these investments.

Pools that invest substantially all of their assets in other Pools or funds. If you are the CPO for a Pool that: (i) invests substantially all of its assets in the equity of Pools or Private Funds for which you are not the CPO; and (ii) aside from such Pool ~~or Private Fund~~ investments, holds only cash and cash equivalents and instruments acquired for the purpose of hedging currency exposure, then you are only required to must still complete Schedule A this Form CPO-PQR for that Pool. ~~For all other purposes, you should disregard such Pools. For example, where questions request aggregate information regarding the Pools you advise, do not and include the all assets or liabilities of any such that Pool.~~

Notwithstanding the foregoing, you must include disregarded assets in responding to ~~Schedule A, Question 0~~ Questions 8 and 11 in this Form.

**5. ~~6.~~ I advise a Pool that invests in entities that are not Pools, or are exempt. How should I treat these investments for purposes of Form CPO-PQR? [Note Old Instruction 5 was removed in its entirety]**

~~Except as provided in Instruction 4, investments in funds should be included for all purposes under this Form CPO-PQR. You are not, however, required to “look through” a~~

~~Pool's investments in any other entity unless the Form CPO-PQR specifically requests information regarding that entity or the other entity's primary purpose is to hold assets or incur leverage as part of the Pool's investment activities.~~

With respect to investments in entities that are not Pools or are exempt, these investments should be treated consistent with Instruction 4 above.

**Form Items:**

**3. POOL INFORMATION**

Provide the following general information concerning the Pool:

a. ~~Pool's name~~ CPO's Name:

b. Pool's ~~NFA ID#~~ Name:

~~c. If the Pool is operated by Co-CPOs the name of the other CPOs~~

~~d. Under the laws of what state or country is the Pool organized:~~

~~e. On what date does the Pool's fiscal year end:~~

~~f. Is this Pool a Private Fund? \_\_\_\_\_ Yes  \_\_\_\_\_ No~~

~~g. List the English name of each Foreign Financial Regulatory Authority and the country with which the Pool is registered:~~

~~Foreign Financial Regulatory Authority \_\_\_\_\_ Country \_\_\_\_\_~~

~~h. Is this a Master Fund in a Master Feeder Arrangement? \_\_\_\_\_ Yes  \_\_\_\_\_ No~~

~~If "Yes," provide the name and NFA ID# of each Feeder Fund investing in this Pool:~~

~~c. Feeder Fund~~ Pool's NFA ID#:

d. Pool's LEI #:

~~i. Is this a Feeder Fund in a Master Feeder Arrangement? \_\_\_\_\_ Yes  \_\_\_\_\_ No~~

~~If "Yes," provide the name and NFA ID# of the Master Fund in which this Pool invests:~~

~~Master Fund \_\_\_\_\_ NFA ID# \_\_\_\_\_~~

~~j. If this Pool invests in other Pools, a) what is the maximum number of investee pool tiers?~~

~~i. What is the value of this Pool's investments in equity of other Pools or private funds?~~

**4. POOL THIRD PARTY ADMINISTRATORS**

Provide the following information concerning the Pool's third party administrator(s):

a. Does the CPO use third party administrators for the Pool? \_\_\_\_\_ Yes  \_\_\_\_\_ No

If "Yes," provide the following information for each third party administrator:

i. Name of the administrator:

ii. NFA ID# of administrator:

iii. Address of the administrator:

iv. Telephone number of the administrator:

v. Starting date of the relationship with the administrator:

vi. Services performed by the administrator:

Preparation of Pool financial statements:

- Maintenance of the Pool's books and records:
- Calculation of Pool's performance:
- Other:

~~b. What percentage of the Pool's Assets Under Management is valued by a third party administrator, or similar entity, that is independent of the CPO? \_\_\_\_\_%~~

~~If the number entered is greater than "0," provide the following information:  
Name(s) of the third party(-ies):~~

### **10. 12. POOL SUBSCRIPTIONS AND REDEMPTIONS**

Provide the following information concerning subscriptions to and redemptions from the Pool during the Reporting Period.

- ~~a. \_\_\_\_\_ Total Pool subscriptions by participants during the Reporting Period:~~
- ~~b. \_\_\_\_\_ Total Pool redemptions by participants during the Reporting Period:~~
- ~~c. \_\_\_\_\_ Are any Pool participants or share classes currently below the Pool's high water mark? \_\_\_\_\_ Yes  \_\_\_\_\_ No~~

~~If "Yes," provide the following information:~~

~~\_\_\_\_\_ i. What is the percentage of participants below the Pool's high water mark as of the Reporting Date? \_\_\_\_\_%~~

~~\_\_\_\_\_ ii. What is the weighted average percentage of participants below the Pool's high water mark as of the Reporting Date? \_\_\_\_\_%~~

~~d. \_\_\_\_\_ Provide the following information regarding the Pool's restrictions on participant withdrawals and redemptions:~~

~~(For Questions iv. and v., please note that the standards for imposing suspensions and restrictions on withdrawals/redemptions may vary among funds. Make a good faith determination of the provisions that would likely be triggered during conditions that you view as significant market stress.)~~

- ~~i. \_\_\_\_\_ Does the reporting fund provide participants with withdrawal/redemption rights in the ordinary course?  
Yes  \_\_\_\_\_ No~~

~~(If you responded "yes" to Question 12(d)(i), then you must respond to Questions 12(d)(ii) - (v).) As of the data reporting date, what percentage of the Pool's net asset value, if any:~~

~~ii. May be subjected to a suspension of participant withdrawals/redemptions CPO (this question relates to a CPO's right to suspend and not just whether a suspension is currently effective) —~~

~~iii. May be subjected to material restrictions on participant withdrawals/redemptions (e.g., "gates") CPO (this question relates to a CPO's right to impose a restriction and not just whether a restriction has been imposed) —~~

~~iv. Is subject to a suspension of participant withdrawals/redemptions (this question relates to whether a suspension is currently effective and not just a CPO's~~

~~right to suspend)——~~

~~v. Is subject to a material restriction on participant withdrawals/redemptions (e.g., a “gate”) (this question relates to whether a restriction has been imposed and not just a CPO's right to impose a restriction)——~~

~~a.-~~ Has the Pool imposed a halt or any other material limitation on redemptions during the Reporting Period?

~~Yes  No~~

If “Yes,” provide the following information:

i. On what date was the halt or material limitation imposed?

ii. If the halt or material limitation has been lifted, on what date was it lifted?

iii. What disclosure was provided to participants to notify them that the halt or material limitation was being imposed? What disclosure was provided to participants to notify them that the halt or material limitation was being lifted?

iv. On what date(s) was this disclosure provided?

~~v. Briefly explain the halt or material limitation(s) on redemptions and the reason for such halt or material limitation(s):~~

**Rule 4.27 - Additional reporting by commodity pool operators and commodity trading advisors.**

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**(c) Reporting.**

(1) ~~Except as provided in paragraph (c)(2) of this section, each~~ Each reporting person shall file with the National Futures Association, a report with respect to the directed assets of each pool under the advisement of ~~the~~ a commodity pool operator consistent with appendix A to this part, or a commodity trading advisor consistent with appendix C to this part.

(2) A reporting person required to file NFA Form PQR with the National Futures Association for the reporting period may make such filing in lieu of the report required under paragraph (c)(1) of this section; provided that, the Commission has determined that NFA Form PQR is substantively consistent with appendix A to this part.

(3) Nothing in this provision restricts the National Futures Association's ability

to require reporting beyond that required by the Commission; provided that, such additional requirements are consistent with the Commodity Exchange Act and Commission regulations promulgated thereunder.

(4) ~~(2)~~ All financial information shall be reported in accordance with generally accepted accounting principles consistently applied. ~~Notwithstanding the foregoing, or anything in the instructions to appendix A of this part to the contrary, a commodity pool operator of~~ A reporting person operating a pool that meets the conditions specified in § 4.22(d)(2)(i) to present and compute the commodity pool's financial statements contained in the Annual Report other than in accordance with United States generally accepted accounting principles and has filed notice pursuant to § 4.22(d)(2)(iii) may also use the alternative accounting principles, standards, or practices identified in ~~the~~ that notice in reporting information required to be reported pursuant to paragraph (c)(1) of this section.

**(d) Investment advisers to private funds.** ~~Except as otherwise expressly provided in this section, CPOs~~ Commodity pool operators and ~~CTAs~~ commodity trading advisors that are dually registered as investment advisers with the Securities and Exchange Commission, and that are required to file Form PF ~~pursuant to~~ under the rules promulgated under the Investment Advisers Act of 1940, shall file Form PF with the Securities and Exchange Commission, ~~in lieu of filing such other reports with respect to private funds as may be required under this section. In addition, except as otherwise expressly provided in this section, CPOs and CTAs that are dually registered with the Securities and Exchange Commission and are required to file Form PF pursuant to the rules promulgated under the Investment Advisers Act of 1940, may file Form PF with the Securities and Exchange Commission in lieu of filing such other reports with respect to commodity pools that are not private funds as may be required under~~ addition to filings made pursuant to paragraph (c)(1) of this section. Dually registered ~~CPOs and CTAs~~ commodity pool operators and commodity trading advisors that file Form PF with the Securities and Exchange Commission will be deemed to have filed Form PF with the Commission, for purposes of any enforcement action regarding any false or misleading statement of ~~a~~ material fact in Form PF.

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