

## **Commodity Futures Trading Commission Rule 1.55(K) FCM-Specific Disclosure Documents**

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The Commodity Futures Trading Commission ("Commission" or "CFTC") requires each futures commission merchant ("FCM"), including **Hidden Road Partners CIV US LLC** ("HRP"), to provide the information contained herein to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM.

HRP will update this information annually and as necessary to take account of any material change to its business operations, financial condition or other factors that HRP believes may be material to a customer's decision to entrust the customer's funds and otherwise to do business with HRP. Nonetheless, HRP's business activities and financial data are not static and may change in non-material ways.

HRP is owned by Hidden Road Partners CIV US HoldCo LLC.

Except as otherwise noted below, information included is as of October 31, 2024.

### **Firm and Its Principals**

1.55(k)(1) FCM's name, address of its principal place of business, phone number, fax number and email address

Name - Hidden Road Partners CIV US LLC  
 Address - 10 East 40<sup>th</sup> Street, 26<sup>th</sup> Floor, New York, New York 10016  
 Phone number - 646-837-5623  
 Fax number - 877-451-6809  
 Email - [Compliance@hiddenroad.com](mailto:Compliance@hiddenroad.com)

1.55(k)(2) The name, title, business address, business background, areas of responsibility and the nature of the duties of each principal as defined in § 3.1(a)

This following link will take you to the Welcome Page of the NFA's Background Affiliation Status Information Center ("BASIC"): <http://www.nfa.futures.org/basicnet/welcome.aspx>

At this page, there is a box where you can enter the NFA ID of HiddenRoad Partners CIV US LLC (0518250) and then click “Go”. You will be transferred to the NFA’s information specific to the Firm. Under the heading “Listed Principals” is a list of the firm’s Principals and their titles.

See additional information in the table below.

<b>Name and Title</b>	<b>Business Address</b>	<b>Background Areas of Responsibility and Nature of Duties</b>
Noel Kimmel, Chief Executive Officer	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	CEO of CIV US LLC. HRP employee since 2023
Laine Litman (Moljo), President	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	Head of HRP’s global lines of business. HRP employee since 2022
Thomas Pease, Chief Operating Officer	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	Head of HRP’s global operations functions. HRP employee since 2023
Vijay Sharma, Chief Risk Officer	50 Hans Crescent London SW1X 0NA England	Manages the risk of the firm globally. HRP employee since 2024
Daniel Dietzel, Chief Financial Officer	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	Responsible for the financial and regulatory reporting for HRP. HRP employee since 2019
Joseph Cerullo, Chief Compliance Officer	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	Chief Compliance Officer of HRP. HRP employee since 2022
Alexander Kallelis, Head of Business Development	10 East 40 <sup>th</sup> Street, 26 <sup>th</sup> Floor, New York, New York 10016	Head of HRP business development. HRP employee since 2022

## Firm's Business

1.55(k)(3) The significant types of business activities and product lines engaged in by the FCM, and the approximate percentage of FCM’s assets and capital that are used in each type of activity.

HRP’s significant types of business activities, product lines and approximate percentage of assets and capital that are used in each type of activity can be summarized in the following table. Information is as of September 30, 2024:

<b>Activity</b>	<b>Percentage of Assets</b>	<b>Percentage of Capital</b>
U.S. and non-U.S. customers trading on U.S. futures exchanges	100%	100%

## FCM Customer Business

1.55(k)(4) FCM's business on behalf of its customers, including types of customers, markets traded, international businesses, and clearinghouses and carrying brokers used, and the futures commission merchant's policies and procedures concerning the choice of bank depositories, custodians, and counterparties to permitted transactions under § 1.25

HRP's offers clearing and prime brokerage services for institutional customers including corporates, financial institutions, hedge funds, asset managers, proprietary trading firms and market makers.

HRP does not clear swaps at this time.

The exchanges and clearinghouses of which HRP is a member are detailed below.

HRP is a member of the following Exchanges and Clearinghouse:

- Chicago Mercantile Exchange, Inc. (CME)
- Chicago Board of Trade (CBOT)
- New York Mercantile Exchange Inc (NYMEX)
- Commodities Exchange Inc (COMEX)

HRP does not use carrying brokers at this time.

### Permitted Depositories and Counterparties

HRP requires that all depositories holding customer segregated and secured funds to provide a written acknowledgement in accordance with CFTC Regulations 1.20, 1.26, 30.7 and 22.4. HRP also requires that all depositories holding funds for HRP in the three regulated customer fund categories have properly identified and titled such accounts as required by CFTC regulations.

In selecting a bank depository, custodian and other counterparties for customer assets, HRP will undertake a thorough review of an institution's capitalization, creditworthiness, operational reliability and access to liquidity. Additionally, HRP will review credit rating and outlook as published by selected third party ratings agencies, if available, together with additional quantitative (e.g. credit default swap spreads) and qualitative risk metrics. The depository review will also include the availability of deposit insurance and the extent of the regulation and supervision of the depository. As part of HRP's risk mitigation measures, HRP seeks to diversify customer and firm assets across an array of custodians to reduce its exposure to failure of any one institution. Annual diligence reviews are conducted to ensure compliance with regulatory requirements.

## Material Risks

1.55(k)(5) The material risks, accompanied by an explanation of how such risks may be material to its customers, of entrusting funds to the futures commission merchant, including, without limitation, the nature of investments made by the futures commission merchant (including credit quality, weighted average maturity, and weighted average coupon); the futures commission merchant's creditworthiness, leverage, capital, liquidity, principal liabilities, balance sheet leverage and other lines of business; risks to the futures commission merchant created by its affiliates and their activities, including investment of customer funds in an affiliated entity; and any significant liabilities, contingent or otherwise, and material commitments

The principal risks specifically related to HRP's custody of segregated funds are addressed below. Any one of these risk factors could have an impact on HRP's financial condition, results of operations and cash flows that could be material to HRP's customers.

***The nature of investments made by the FCM (including credit quality, weighted average maturity, and weighted average coupon)***

The funds that customers deposit with HRP, in its capacity as an FCM, are subject to risk of loss, including in the event of the insolvency or bankruptcy of HRP. To comply with its regulatory capital requirements and assure that it has sufficient liquidity to meet its ongoing business obligations, HRP holds a significant portion of its assets in cash and cash-like investments, all subject to CFTC's Regulation 1.25. HRP may also invest in other short-term highly liquid instruments such as money market instruments, commercial paper and certificates of deposit and may invest a limited amount of its assets in state and municipal securities and certain highly rated corporate debt securities. Further, HRP may invest in repurchase and similar instruments.

With respect to investment of customer funds under CFTC Regulation 1.25, HRP posts monthly financial disclosures that describe the asset class and investment duration of the customer funds invested by the FCM.

***The FCM's creditworthiness, leverage, capital, liquidity, principal liabilities, balance sheet leverage and other lines of business; risks to the FCM created by its affiliates and their activities, including investment of customer funds in an affiliated entity; and any significant liabilities, contingent or otherwise, and material commitments.***

Capital risk management is vital to any FCM's approach to financial stability. HRP's approach to maintaining its financial stability includes investing in short-term liquid assets to cover current, forecasted and stress tested business needs.

The primary source of HRP's liquidity is capital contributed to HRP by an affiliated entity. The capital liquidity available is expected to be a multiple of anticipated daily needs of HRP.

As of September 30, 2024, HRP's adjusted net capital is \$31,367,656.

Capital in excess of HRP's day-to-day requirements is expected to be maintained at HRP's holding company, available for deposit to HRP as deemed necessary following the firm's daily evaluation of capital and liquidity needs.

As clearing volumes grow, it is HRP's intention to establish additional credit lines and other liquidity arrangements to provide alternative liquidity sources to the affiliate funding.

HRP's clearing bank provides an uncommitted intraday payment line of credit, sized to HRP's expected needs and capital level.

HRP's objective is to promote short-term resilience of liquidity by ensuring HRP has adequate funds of unencumbered high-quality liquid assets that can be converted easily and immediately into cash to meet our liquidity needs to cover any customer shortfalls (debits/deficits) and other settlement payment obligations that may arise.

As of September 30, 2024, HRP's leverage ratio was 1.24. Leverage ratio is a measure of HRP's adjusted assets compared to equity as defined by NFA Financial Requirements. Higher ratios indicate more leverage and a higher leverage results in additional risk to customers as less capital is available to cover increased liabilities.

HRP's principal liabilities (which largely consists of accounts payable and accrued expenses) are approximately \$1.09 million. As of September 30, 2024, HRP had no other liabilities.

HRP does not have any additional significant liabilities, contingent or otherwise, or any material commitments.

HRP does not have a public credit rating.

## **Risks Related to Affiliates**

Because HRP is dependent on Hidden Road group companies affiliated with HRP ("Hidden Road Entities") to a significant extent, including for access to capital and funding and for risk management, risks that could affect Hidden Road Entities could also have a significant impact on HRP. Hidden Road Entities face a variety of risks that are substantial and inherent in its businesses, including market, liquidity, credit, operational, legal, regulatory and reputational risks. Further, certain Hidden Road Entities have exposure to virtual currencies and other digital assets. In the event that one or more Hidden Road Entities experience materially adverse effects on their businesses or profitability, HRP's businesses, reputation or financial condition may also be adversely affected. Financial losses or changes in regulations could affect the ability of Hidden Road Entities to contribute capital to HRP, their ability to extend loans to HRP, or their ability to continue business, investment or credit arrangements that HRP currently has in place with Hidden Road Entities. From time to time, HRP may facilitate the hedging activities of its Hidden Road Entities when such entities determine the need to hedge market risk and for cash and/or liquidity management purposes. Any such hedging activity will be conducted in non-customer trading accounts.

## **Risks Related to the Economic Environment**

HRP may be adversely affected by U.S. and global market and economic conditions that may cause fluctuations in interest rates, exchange rates, equity and commodity prices and credit spreads. The financial services industry and the U.S. and global financial markets are influenced by numerous unpredictable factors including economic conditions, monetary and fiscal policies of various governments, the liquidity of global markets, availability and cost of capital, international and regional political events, acts of war or terrorism and investor sentiment.

## **Customer or Counterparty Credit Risk**

HRP may incur losses from its credit exposure related to clearing business activities. HRP is exposed to the potential for credit-related losses that can occur because of a customer or counterparty being unable or unwilling to honor its contractual obligations. These exposures may arise, for example, from a decline in the financial condition or insolvency of a customer or counterparty, from a decrease in the value of securities of third parties held by HRP as collateral and from extending credit or margin to customers or counterparties through various arrangements. HRP's credit exposures could have an adverse effect on its business and profitability if credit losses exceed any credit provisions.

## **Operational Risk**

HRP may incur losses arising from its exposure to operational risk. Financial services firms, including HRP, are exposed to the risk of loss resulting from inadequate or failed internal processes and systems, the actions of employees, customers, counterparties or third-party vendors and from external events. Such operational risks may include, for example, exposure to natural or man-made disasters, mistakes made in the confirmation or settlement of transactions or from the improper recording, evaluating, or accounting for transactions. In such instances, HRP could suffer financial loss, disruption of its business, liability to customers, regulatory intervention, or reputational damage, which would affect its business and financial condition.

## **Reputational Risk**

Maintaining HRP's reputation among customers, investors and regulators is an important aspect of its business, and depends on many factors, including the selection of customers, the conduct of business

activities and regulatory actions. In the event one of these factors or other risks set forth herein materialize, HRP could experience market losses, loss of access to credit, or an inability to do business because of the adverse impact these risks may have on its reputation.

## **Liquidity Risk**

HRP's business and financial condition could be adversely affected by an inability to borrow funds or sell assets to meet obligations.

Financial services firms, including HRP, are exposed to funding liquidity risk, which is the potential inability to repay financial obligations (both contractual as well as behavioral) when due. This could be most pronounced in times of stress when tenor mismatches between funding sources and uses or incremental requirements put a strain on available sources of liquidity.

HRP's liquidity could be impaired due to circumstances that it may be unable to control, such as general market disruptions or an operational problem that affects its customers, third parties or itself. HRP's ability to sell assets also could be impaired if other market participants are seeking to sell similar assets at the same time in significant volumes or in a thinly traded market environment.

HRP endeavors to maintain sufficient levels of capital, considering its asset and liability structure and other factors. However, capital levels could decline in the future if its financial condition deteriorates significantly, because of the materialization of any of the risks enumerated in these "Material Risks" or other factors. If the capital levels fall below specified amounts or ratios set forth by the CFTC or other regulators, HRP could have to take corrective actions, including, depending on the level of the deficiency, submission of an improvement plan that would strengthen its capital base, a reduction of its total assets or a suspension of its business operations.

## **Litigation Risk**

Legal proceedings could adversely affect HRP's operating results and financial condition for a particular period and have a negative impact. HRP could be named as a defendant in legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities as a financial services institution.

## **Regulatory and Legislative Risks**

HRP's businesses are highly regulated and could be adversely affected by regulatory and legislative initiatives. HRP could be subject to investigations and/or proceedings by governmental, regulatory, and self-regulatory authorities including federal and state securities regulators such as the SEC, the CFTC, self-regulatory organizations including the NFA, the CME, and FINRA. Such investigations and proceedings could result in fines, penalties, and sanctions, including a loss of the necessary licenses to conduct business, as well as increased governmental and self-regulatory scrutiny following an investigation.

## **Tax Risk**

HRP is subject to the tax laws in all jurisdictions in which it operates. Tax risk is the risk associated with changes in tax law or in the interpretation or application of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to additional tax charges or a financial penalty for failure to comply with required tax procedures or other aspects of tax law.

## **Competitive Environment**

Competitive pressures in the financial services industry in which HRP operates could adversely affect its business and results of operations. The futures and prime brokerage business in the United States is highly competitive. HRP competes with numerous U.S. and international competitors for customers based on

price, the range of products that it offers, the quality of its services, its financial resources, and product and service innovation. The financial services industry continues to be affected by an intensifying competitive environment, as demonstrated by the introduction of new technology platforms, consolidation through mergers, increased competition from new and established industry participants and diminishing margins in many mature products and services.

*Plans to enter new businesses could be unsuccessful or could expose HRP to new or increased risks.*

HRP seeks opportunities to enter new businesses that it believes would be profitable or necessary to provide services to its customers. There may be significant costs associated with commencing a new business line, but there is no assurance that any new business HRP enters will be successful. Although HRP has developed and intends to maintain risk management policies that HRP believes are appropriate to address such risks, if a risk materializes in a manner or to a degree outside of HRP's expectations, its business, financial condition, and results of operations could be materially and adversely affected.

## Designated Self-Regulatory Organization

1.55(k)(6) The name of the futures commission merchant's designated self-regulatory organization and its Web site address and the location where the annual audited financial statements of the futures commission merchant is made available

HRP's designated self-regulatory organization ("DSRO") is the Chicago Mercantile Exchange Inc. ([www.cmegroup.com](http://www.cmegroup.com)).

The most recent audited financial statement for HRP is available electronically at [www.hiddenroad.com/disclosures/hrp-civ-us-llc](http://www.hiddenroad.com/disclosures/hrp-civ-us-llc).

## Material Complaints or Actions

1.55(k)(7) Any material administrative, civil, enforcement or criminal complaints or actions filed against FCM where such complaints or actions have not concluded, and any enforcement complaints or actions filed against FCM during the last three years

There have been no material administrative, civil, enforcement or criminal complaints or actions filed against HRP where such complaints or actions have not concluded. There have been no enforcement complaints or actions filed against HRP during the last three years.

## Customer Funds Segregation

1.55(k)(8) A basic overview of customer fund segregation, futures commission merchant collateral management and investments, futures commission merchants, and joint futures commission merchant/broker dealers

FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

- (i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on U.S. futures exchanges;
- (ii) a **30.7 Account** for customers that trade futures and options on futures listed on foreign boards of trade; and

- (iii) a **Cleared Swaps Customer Account** for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities, and other collateral (collectively, "Customer Funds") required to be held in one type of account, e.g., the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, e.g., the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures U.S. and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

**Customer Segregated Account.** Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the U.S., i.e., designated contract markets, are held in a Customer Segregated Account in accordance with Section 4d(a)(2) of the Commodity Exchange Act ("CEA") and Commission Regulation 1.20. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, i.e., a customer omnibus account, and held with: (i) a bank or trust company located in the U.S.; (ii) a bank or trust company located outside of the U.S. that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such a commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the U.S.; (ii) in a money center country; or (iii) in the country of origin of the currency.

An FCM must hold sufficient U.S. dollars in the U.S. to meet all U.S. dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the U.S. dollar) as follows: (i) U.S. dollars may be held in the U.S. or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies may be held in the U.S. or in money center countries to meet obligations denominated in currencies other than the U.S. dollar.

**30.7 Account.** Funds that 30.7 Customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, i.e., 30.7 Customer Funds, and sometimes referred to as the foreign futures and foreign options secured amount, are held in a 30.7 Account in accordance with Commission Regulation 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the U.S.; (ii) a bank or trust company located outside the U.S. that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such a commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Regulation 30.7 restricts the amount of such funds that may be held outside of the U.S.



Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the U.S. may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the U.S. Bankruptcy Code. Return of 30.7 Customer Funds to the U.S. will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the U.S. customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' U.S. FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the U.S. FCM were to fail, potential differences between the trustee for the U.S. FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the U.S. FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the U.S., Commission Regulation 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the U.S. except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the U.S., an FCM may maintain in accounts located outside of the U.S. an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

**Cleared Swaps Customer Account.** Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, (i.e., Cleared Swaps Customer Collateral), are held in a Cleared Swaps Customer Account in accordance with the provisions of section 4d(f) of the CEA and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the U.S. that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such a commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

Further, Commission rules require HRP to hold funds deposited to margin futures and options on futures contracts traded on U.S. designated contract markets in Customer Segregated Accounts. Similarly, HRP must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, HRP may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (e.g. securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned under-margined account.

**Investment of Customer Funds.** Section 4d(a)(2) of the CEA authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Regulation 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

- (i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);
- (ii) General obligations of any State or of any political subdivision thereof (municipal securities);
- (iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);
- (iv) Certificates of deposit issued by a bank (CDs) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;
- (v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);
- (vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and
- (vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, (i.e., Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account). Further, in accordance with the provisions of Commission Regulation 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.

Further, Commission rules require HRP to hold funds deposited to margin futures and options on futures contracts traded on U.S. designated contract markets in Customer Segregated Accounts. Similarly, HRP must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, HRP may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (e.g., securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned under-margined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at <https://fia.org/articles/protection-customer-funds-frequently-asked-questions>.

**HRP does not currently clear for customers that trade futures and options on futures listed on foreign boards of trade.**

HRP does not currently engage in Cleared Swaps clearing.

## Filing a Complaint

1.55(k)(9) Information on how a customer may obtain information regarding filing a complaint about the futures commission merchant with the Commission or with the firm's designated self-regulatory organization

A customer that wishes to file a complaint about HRP or one of its employees with the Commission can contact the Division of Enforcement either electronically at <https://www.cftc.gov/Forms/tipsandcomplaints.html> or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A customer that wishes to file a complaint about HRP or one of its employees with the National Futures Association may do so electronically at <http://www.nfa.futures.org/basicnet/Complaint.aspx> or by calling NFA directly at 800-621-3570.

A customer that wishes to file a complaint about HRP or one of its employees may do so with HRP's DSRO, the Chicago Mercantile Exchange electronically at: <http://www.cmegroup.com/market-regulation/file-complaint.html> or by calling the CME at 312.341.7970.

## Relevant Financial Data

1.55(k)(10) Financial data as of the most recent month-end when the Disclosure Document is prepared:

(i) the FCM's total equity and regulatory capital, all computed in accordance with U.S. Generally Accepted Accounting Principles and Rule 1.17, as applicable;

As of September 30, 2024, HRP's total equity was \$33,178,728, net capital was \$31,529,296 and adjusted net capital was \$31,367,656.

(ii) the dollar value of HRP's proprietary margin requirements as a percentage of the aggregate margin requirement for futures customers, cleared swaps customers, and 30.7 customers;

As of September 30, 2024, the firm did not maintain any open proprietary positions and as such the proprietary charge is \$0.

(iii) the smallest number of futures customers, Cleared Swaps Customers, and 30.7 customers that comprise 50 percent of HRP's total funds held for futures customers, Cleared Swaps Customers, and 30.7 customers, respectively;

As of September 30, 2024, two of HRP's futures customers comprised 50% of HRP's total funds held for futures customers. The firm does not maintain cleared swaps customers or secured 30.7 customers.

(iv) the aggregate notional value, by asset class, of all non-hedged, principal over-the counter transactions into which the FCM has entered;

As of September 30, 2024, zero.

(v) the amount, generic source and purpose of any committed unsecured lines of credit (or similar short-term finding) the FCM has obtained but not yet drawn upon;

As of September 30, 2024, zero.

(vi) the aggregated amount of financing the futures commission merchant provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices;

As of September 30, 2024, zero.

(vii) the percentage of futures customers, cleared swaps customer, and 30.7 customer receivable balances that the FCM had to write-off as uncollectable during the past 12-month period, as compared to the current balance of funds held for futures customers, cleared swaps customers, and 30.7 customers.

As of September 30, 2024, zero.

Additional financial information on all FCMs is also available on the Commission's website at <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

Customers should be aware that the NFA publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, i.e., the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Regulation 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account. The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (<http://www.nfa.futures.org/basicnet/>) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

## Risk Practices, Controls and Procedures

1.55(k)(11) A summary of the futures commission merchant's current risk practices, controls and procedures

HRP has established a detailed system of risk management policies and procedures designed to monitor and manage the risks associated with the activities of our firm as an FCM. HRP has established a Risk Management Program, which encompasses all functional areas of the firm, taking into account market, credit, liquidity, foreign currency, legal, operational, settlement, segregation, technological, capital and any other applicable risks.

Each HRP department that supports or is directly involved in the firm's FCM business has in place written policies and procedures which are intended to ensure that the firm operates in compliance with applicable legal, regulatory, and exchange requirements and in a manner that incorporates and promotes an internal control environment.

HRP's procedures are reasonably designed to ensure that all customer segregated funds are separately accounted for at all times and that HRP maintains sufficient capital to be in compliance with the Commodity

Exchange Act and CFTC and NFA rules and regulations and to meet the reasonably foreseeable needs of HRP's operations as an FCM.

HRP conducts reviews to determine compliance with written policies and procedures and to identify vulnerabilities, if any, that could subvert internal controls.

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This Disclosure Document was first used on June 7, 2023. This version of the Disclosure Document was first used on December 16, 2024.