

United States Diesel-Heating Oil Fund, LP
Form 10-Q
August 13, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

^x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2018.**

OR

..Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to .

Commission file number: 001-34016

United States Diesel-Heating Oil Fund, LP

(Exact name of registrant as specified in its charter)

Delaware 20-8837345
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1999 Harrison Street, Suite 1530

Oakland, California 94612

(Address of principal executive offices) (Zip code)

(510) 522-9600

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes " No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes " No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer "
Non-accelerated filer x (Do not check if a smaller reporting company) Smaller reporting company "
Emerging growth company "

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). "
Yes x No

The registrant had 350,000 outstanding shares as of August 9, 2018.

UNITED STATES DIESEL-HEATING OIL FUND, LP

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Part I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

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United States Diesel-Heating Oil Fund, LP**Condensed Statements of Financial Condition****At June 30, 2018 (Unaudited) and December 31, 2017**

	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents (at cost \$6,399,805 and \$5,287,792, respectively) (Notes 2 and 5)	\$ 6,399,805	\$ 5,287,792
Equity in trading accounts:		
Cash and cash equivalents (at cost \$355,335 and \$1,678,048, respectively)	355,335	1,678,048
Unrealized gain (loss) on open commodity futures contracts	396,833	607,051
Receivable from General Partner (Note 3)	33,102	71,554
Dividends receivable	3,967	1,379
Interest receivable	81	1,304
Directors' fees and insurance receivable	403	63
Prepaid registration fees	183,479	187,099
Total assets	\$ 7,373,005	\$ 7,834,290
Liabilities and Partners' Capital		
General Partner management fees payable (Note 3)	\$ 3,517	\$ 3,730
Professional fees payable	27,675	62,175
	247	247

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Brokerage commissions payable		
License fees payable	222	208
Total liabilities	31,661	66,360
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner	—	—
Limited Partners	7,341,344	7,767,930
<i>Total Partners' Capital</i>	7,341,344	7,767,930
Total liabilities and partners' capital	\$ 7,373,005	\$ 7,834,290
Limited Partners' shares outstanding	350,000	400,000
Net asset value per share	\$ 20.98	\$ 19.42
Market value per share	\$ 20.96	\$ 19.34

See accompanying notes to condensed financial statements.

United States Diesel-Heating Oil Fund, LP
Condensed Schedule of Investments (Unaudited)
At June 30, 2018

	Notional Amount	Number of Contracts	Value/ Unrealized Gain (Loss) on Open Commodity Contracts	% of Partners' Capital
Open Futures Contracts - Long				
United States Contracts				
NYMEX Heating Oil Futures HO August 2018 contracts, expiring July 2018*	\$6,934,952	79	\$ 396,833	5.41

	Principal Amount	Market Value	
Cash Equivalents			
United States Treasury Obligations			
U.S. Treasury Bills:			
1.56%, 7/05/2018	\$200,000	\$199,966	2.72
1.56%, 7/12/2018	200,000	199,905	2.72
1.60%, 7/19/2018	100,000	99,920	1.36
1.61%, 7/26/2018	100,000	99,889	1.36
1.63%, 8/02/2018	100,000	99,856	1.36
1.71%, 8/09/2018	100,000	99,816	1.36
1.77%, 8/16/2018	200,000	199,552	2.72
1.82%, 8/23/2018	100,000	99,735	1.36
1.82%, 8/30/2018	200,000	199,398	2.72
1.85%, 9/06/2018	100,000	99,659	1.36
1.90%, 9/13/2018	100,000	99,613	1.36
1.92%, 9/20/2018	100,000	99,571	1.36
1.90%, 9/27/2018	100,000	99,541	1.36
1.87%, 10/04/2018	200,000	199,021	2.71
1.90%, 10/11/2018	200,000	198,935	2.71
1.97%, 10/18/2018	100,000	99,410	1.35
2.00%, 10/25/2018	100,000	99,362	1.35
2.00%, 11/01/2018	100,000	99,324	1.35
2.03%, 11/08/2018	200,000	198,552	2.70
2.05%, 11/15/2018	200,000	198,455	2.70
2.07%, 11/23/2018	200,000	198,349	2.70
2.05%, 11/29/2018	200,000	198,301	2.70
2.09%, 12/06/2018	200,000	198,183	2.70

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2.06%, 12/13/2018	100,000	99,065	1.35
2.09%, 12/20/2018	200,000	198,022	2.70
2.07%, 12/27/2018	200,000	197,961	2.70
Total Treasury Obligations		3,879,361	52.84
United States - Money Market Funds			
Fidelity Investments Money Market Funds - Government Portfolio	810,000	810,000	11.04
Goldman Sachs Financial Square Funds - Government Fund - Class FS	1,000,000	1,000,000	13.62
Morgan Stanley Institutional Liquidity Funds - Government Portfolio	1,000,000	1,000,000	13.62
Total Money Market Funds		2,810,000	38.28
Total Cash Equivalents		\$6,689,361	91.12

*Collateral amounted to \$355,335 on open futures contracts.

See accompanying notes to condensed financial statements.

United States Diesel-Heating Oil Fund, LP**Condensed Statements of Operations (Unaudited)****For the three and six months ended June 30, 2018 and 2017**

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Income				
Gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on closed futures contracts	\$ 803,187	\$ (119,372)	\$ 795,698	\$ (880,937)
Change in unrealized gain (loss) on open futures contracts	(69,241)	(77,133)	(210,218)	(55,238)
Realized gain (loss) on short-term investments	—	(13)	—	(13)
Dividend income	11,438	234	19,640	1,713
Interest income*	17,888	5,456	33,789	11,188
ETF transaction fees	350	700	1,050	1,400
Total income (loss)	763,622	(190,128)	639,959	(921,887)
Expenses				
General Partner management fees (Note 3)	11,251	5,210	22,259	14,253
Professional fees	14,042	13,130	30,106	31,881
Brokerage commissions	1,682	1,184	3,591	2,996
Directors' fees and insurance	386	365	793	576
License fees	282	130	557	356
Registration fees	1,820	1,820	3,620	3,620
Total expenses	29,463	21,839	60,926	53,682
Expense waiver (Note 3)	(15,403)	(15,364)	(33,102)	(35,865)
Net expenses	14,060	6,475	27,824	17,817
Net income (loss)	\$ 749,562	\$ (196,603)	\$ 612,135	\$ (939,704)
Net income (loss) per limited partnership share	\$ 1.95	\$ (1.09)	\$ 1.56	\$ (2.88)
Net income (loss) per weighted average limited partnership share	\$ 2.02	\$ (0.82)	\$ 1.59	\$ (2.98)
Weighted average limited partnership shares outstanding	371,429	240,659	384,530	315,746

*Interest income does not exceed paid in kind of 5%.

See accompanying notes to condensed financial statements.

United States Diesel-Heating Oil Fund, LP

Condensed Statement of Changes in Partners' Capital (Unaudited)

For the six months ended June 30, 2018

	General Partner	Limited Partners	Total
Balances, at December 31, 2017	\$ —	\$ 7,767,930	\$7,767,930
Addition of 50,000 partnership shares	—	984,782	984,782
Redemption of 100,000 partnership shares	—	(2,023,503)	(2,023,503)
Net income (loss)	—	612,135	612,135
Balances, at June 30, 2018	\$ —	\$ 7,341,344	\$7,341,344
Net Asset Value Per Share:			
At December 31, 2017			\$19.42
At June 30, 2018			\$20.98

See accompanying notes to condensed financial statements.

United States Diesel-Heating Oil Fund, LP**Condensed Statements of Cash Flows (Unaudited)****For the six months ended June 30, 2018 and 2017**

	Six months ended June 30, 2018	Six months ended June 30, 2017
Cash Flows from Operating Activities:		
Net income (loss)	\$612,135	\$(939,704)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on open futures contracts	210,218	55,238
(Increase) decrease in receivable from General Partner	38,452	64,878
(Increase) decrease in dividends receivable	(2,588)	361
(Increase) decrease in interest receivable	1,223	—
(Increase) decrease in directors' fees and insurance receivable	(340)	(763)
(Increase) decrease in prepaid registration fees	3,620	3,620
Increase (decrease) in General Partner management fees payable	(213)	(1,988)
Increase (decrease) in professional fees payable	(34,500)	(52,581)
Increase (decrease) in directors' fees and insurance payable	—	(73)
Increase (decrease) in license fees payable	14	(147)
<i>Net cash provided by (used in) operating activities</i>	828,021	(871,159)
Cash Flows from Financing Activities:		
Addition of partnership shares	984,782	—
Redemption of partnership shares	(2,023,503)	(3,005,331)
Net cash provided by (used in) financing activities	(1,038,721)	(3,005,331)
Net Increase (Decrease) in Cash and Cash Equivalents	(210,700)	(3,876,490)
Total Cash, Cash Equivalents and Equity in Trading Accounts , beginning of period	6,965,840	6,369,988
Total Cash, Cash Equivalents and Equity in Trading Accounts , end of period	\$6,755,140	\$2,493,498
Components of Cash and Cash Equivalents:		
Cash and Cash Equivalents	\$6,399,805	\$2,073,055
Equity in Trading Accounts:		
Cash and Cash Equivalents	355,335	420,443
Total Cash, Cash Equivalents and Equity in Trading Accounts	\$6,755,140	\$2,493,498

See accompanying notes to condensed financial statements.

United States Diesel-Heating Oil Fund, LP

Notes to Condensed Financial Statements

For the period ended June 30, 2018 (Unaudited)