

United States Brent Oil Fund, LP
Form 10-Q
August 15, 2011
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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, 2011.**

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: 001-34704

United States Brent Oil Fund, LP

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

27-0925904
(I.R.S. Employer
Identification No.)

1320 Harbor Bay Parkway, Suite 145

Alameda, California 94502

(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. 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). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

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Part I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

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Table of Contents*United States Brent Oil Fund, LP**Condensed Statements of Financial Condition**At June 30, 2011 (Unaudited) and December 31, 2010*

	June 30, 2011	December 31, 2010
Assets		
Cash and cash equivalents (Note 5)	\$ 45,963,859	\$ 9,140,476
Equity in UBS Securities LLC trading accounts:		
Cash	7,254,148	3,169,218
Unrealized gain (loss) on open commodity futures contracts	(614,110)	322,660
Receivable from General Partner (Note 3)	75,906	113,715
Dividend receivable	218	286
Other assets	1,102	
<i>Total assets</i>	<i>\$ 52,681,123</i>	<i>\$ 12,746,355</i>
Liabilities and Partners' Capital		
Investment payable	\$ 40	\$
Professional fees payable	102,556	122,904
General Partner management fees payable (Note 3)	26,340	7,803
Brokerage commissions payable	1,246	416
Other liabilities	906	201
<i>Total liabilities</i>	<i>131,088</i>	<i>131,324</i>
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner		
Limited Partners	52,550,035	12,615,031
<i>Total Partners' Capital</i>	<i>52,550,035</i>	<i>12,615,031</i>
<i>Total liabilities and partners' capital</i>	<i>\$ 52,681,123</i>	<i>\$ 12,746,355</i>
Limited Partners' units outstanding	700,000	200,000
Net asset value per unit	\$ 75.07	\$ 63.08
Market value per unit	\$ 74.76	\$ 62.45

See accompanying notes to condensed financial statements.

Table of Contents*United States Brent Oil Fund, LP**Condensed Schedule of Investments (Unaudited)**At June 30, 2011*

	Number of Contracts	Loss on Open Commodity Contracts	% of Partners Capital
Open Futures Contracts - Long			
Foreign Contracts			
ICE Brent Crude Oil Futures CO August 2011 contracts, expiring July 2011	350	\$ (614,110)	(1.17)
ICE Brent Crude Oil Futures CO September 2011 contracts, expiring August 2011	117		0.00
Total Open Futures Contracts	467	\$ (614,110)	(1.17)

	Principal Amount	Market Value	
Cash Equivalents			
United States - Money Market Funds			
Fidelity Institutional Government Portfolio - Class I	\$ 11,501,895	\$ 11,501,895	21.89
Goldman Sachs Financial Square Funds - Government Fund - Class SL	8,000,247	8,000,247	15.22
Morgan Stanley Institutional Liquidity Fund - Government Portfolio	23,502,996	23,502,996	44.73
Total Cash Equivalents		\$ 43,005,138	81.84

See accompanying notes to condensed financial statements.

Table of Contents*United States Brent Oil Fund, LP**Condensed Statements of Operations (Unaudited)**For the three and six months ended June 30, 2011 and 2010*

	Three months ended June 30, 2011	Three months ended June 30, 2010	Six months ended June 30, 2011	Six months ended June 30, 2010
Income				
Gain (loss) on trading of commodity futures contracts:				
Realized gain on closed positions	\$ 2,052,560	\$ 107,120	\$ 5,967,540	\$ 107,120
Change in unrealized gain (loss) on open positions	(2,100,770)	95,980	(936,770)	95,980
Dividend income	1,003	287	2,095	287
Interest income	463	81	897	81
Other income	5,000		12,000	
<i>Total income (loss)</i>	(41,744)	203,468	5,045,762	203,468
Expenses				
General Partner management fees (Note 3)	87,790	6,164	133,251	6,164
Professional fees	49,868	11,300	102,556	11,300
Brokerage commissions	7,088	1,422	13,440	1,422
Other expenses	1,318	45	1,843	45
<i>Total expenses</i>	146,064	18,931	251,090	18,931
Expense waiver (Note 3)	(32,310)	(10,438)	(75,906)	(10,438)
<i>Net expenses</i>	113,754	8,493	175,184	8,493
Net income (loss)	\$ (155,498)	\$ 194,975	\$ 4,870,578	\$ 194,975
Net income (loss) per limited partnership unit	\$ (2.83)	\$ 0.97	\$ 11.99	\$ 0.97
Net income (loss) per weighted average limited partnership unit	\$ (0.26)	\$ 0.97	\$ 10.37	\$ 0.97
Weighted average limited partnership units outstanding	601,099	200,000	469,613	200,000

See accompanying notes to condensed financial statements.

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United States Brent Oil Fund, LP

Condensed Statement of Changes in Partners' Capital (Unaudited)

For the six months ended June 30, 2011

	General Partner	Limited Partners	Total
Balances, at December 31, 2010	\$	\$ 12,615,031	\$ 12,615,031
Addition of 1,000,000 partnership units		74,125,512	74,125,512
Redemption of 500,000 partnership units		(39,061,086)	(39,061,086)
Net income		4,870,578	4,870,578

Balances, at June 30, 2011	\$	\$ 52,550,035	\$ 52,550,035
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Net Asset Value Per Unit:

At December 31, 2010	\$	63.08
At June 30, 2011	\$	75.07

See accompanying notes to condensed financial statements.

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United States Brent Oil Fund, LP

Condensed Statements of Cash Flows (Unaudited)

For the six months ended June 30, 2011 and 2010

	Six months ended June 30, 2011	Six months ended June 30, 2010
Cash Flows from Operating Activities:		
Net income	\$ 4,870,578	\$ 194,975
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Increase in commodity futures trading account - cash	(4,084,930)	(743,639)
Unrealized (gain) loss on futures contracts	936,770	(95,980)
(Increase) decrease in receivable from General Partner	37,809	(10,438)