

United States Heating Oil Fund, LP
Form S-1/A
April 02, 2008

As filed with the Securities and Exchange Commission on April 2, 2008

Registration No. 333-142211

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933**

UNITED STATES HEATING OIL FUND, LP

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

6770
(Primary Standard Industrial
Classification Code Number)

20-8837345
(I.R.S. Employer
Identification Number)

Victoria Bay Asset Management, LLC
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510.522.3336
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive
Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit ⁽¹⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee
United States Heating Oil Fund, LP	10,000,000 Units	\$ 50.00	\$ 500,000,000	\$ 19,220

(1)

Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(d) under the Securities Act of 1933.

(2) \$1,535 was previously paid in the initial filing of the registration statement on Form S-1, filed April 19, 2007.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION

United States Heating Oil Fund, LP

10,000,000 Units

United States Heating Oil Fund, LP, a Delaware limited partnership, is a commodity pool that will issue units that may be purchased and sold on the American Stock Exchange. United States Heating Oil Fund, LP is referred to as USHO throughout this document. The investment objective of USHO is to have the changes in percentage terms of the units' net asset value reflect the changes in percentage terms of the price of heating oil (also known as No. 2 fuel) delivered at the New York harbor, as measured by the changes in the price of the futures contract on heating oil traded on the New York Mercantile Exchange that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire, less USHO's expenses. This is a best efforts offering. USHO will continuously offer creation baskets consisting of 100,000 units to authorized purchasers through ALPS Distributors, Inc., which is the marketing agent. Merrill Lynch Professional Clearing Corp. is expected to be the initial authorized purchaser. Authorized purchasers will pay a transaction fee of \$1,000 for each order to create one or more baskets. There are no arrangements to place funds in an escrow, trust, or similar account. This will be a continuous offering and will not terminate until all of the registered units have been sold.

It is anticipated that on the effective date (the date the Securities and Exchange Commission declares the registration statement relating to this prospectus effective), the initial authorized purchaser will, though it is under no obligation to do so, purchase one or more initial creation baskets of 100,000 units at a price per unit of \$50.00. It is expected that the proceeds from that purchase will be invested on that day and that USHO's initial per unit net asset value will be established as of 4:00 p.m. New York City time that day. The units are expected to begin trading on the American Stock Exchange under the ticker symbol UHN on the day following the effective date. Units offered in creation baskets on any day after the effective date will be offered at the per unit net asset value as of the earlier of 4:00 p.m. New York time or the close of trading on the New York Stock Exchange.

Authorized purchasers will be the only persons that may place orders to create and redeem baskets. An authorized purchaser is under no obligation to create or redeem baskets, and an authorized purchaser is under no obligation to offer to the public units of any baskets it does create. Authorized purchasers that do offer to the public units from the baskets they create will do so at per-unit offering prices that are expected to reflect, among other factors, the trading price of the units on the American Stock Exchange, the net asset value of USHO at the time the authorized purchaser purchased the creation basket and the net asset value at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the heating oil futures contract market and the market for other heating oil-related investments. The prices of units offered by authorized purchasers are expected to fall between USHO's net asset value and the trading price of the units on the American Stock Exchange at the time of sale. The difference between the price paid by authorized purchasers as underwriters and the price paid to such authorized purchasers by investors will be deemed underwriting compensation. Units initially comprising the same basket but offered by authorized purchasers to the public at different times may have different offering prices. Units are expected to trade in the secondary market on the American Stock Exchange. Units may trade in the secondary market at prices that are lower or higher relative to their net asset value per unit. The amount of the discount or premium in the trading price relative to the net asset value per unit may be influenced by various factors, including the number of investors who seek to purchase or sell units in the secondary market and the liquidity of the heating oil futures contract market and the market for other heating oil-related investments. Authorized purchasers will not be required to sell any specific number or dollar amount of units.

USHO is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

Some of the risks of investing in USHO include:

Investing in heating oil interests subjects USHO to the risks of the heating oil industry which could result in large fluctuations in the price of USHO's units.

If certain correlations do not exist, then investors may not be able to use USHO as a cost-effective way to invest indirectly in heating oil or as a hedge against the risk of loss in heating oil-related transactions.

USHO does not expect to make cash distributions.

USHO and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.

USHO has no operating history so there is no performance history to serve as a basis for you to evaluate an investment in USHO.

Investing in USHO involves other significant risks. See [What Are the Risk Factors Involved with an Investment in USHO?](#) beginning on page 12.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OFFERED IN THIS PROSPECTUS, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS IT PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

This prospectus is in two parts: a disclosure document and a statement of additional information. These parts are bound together, and both contain important information.

Price of the units in the first basket(s) sold

Per Unit Per Basket
\$ 50.00 \$ 5,000,000.00

The date of this prospectus is April [], 2008.

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COMMODITY FUTURES TRADING COMMISSION RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING ON PAGE 10 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, ON PAGE 6.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING ON PAGE 12.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

AS OF THE DATE OF THIS PROSPECTUS THIS POOL HAS NOT COMMENCED TRADING AND DOES NOT HAVE ANY PERFORMANCE HISTORY.

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UNITED STATES HEATING OIL FUND, LP

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Until [Date] , 2008 (25 days after the date of this prospectus), all dealers effecting transactions in the offered units, whether or not participating in this distribution, may be required to deliver a prospectus. This requirement is in addition to the obligations of dealers to deliver a prospectus when acting as underwriters and with respect to unsold allotments or subscriptions.	

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PROSPECTUS SUMMARY

*This is only a summary of the prospectus and, while it contains material information about USHO and its units, it does not contain or summarize all of the information about USHO and the units contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including *What Are the Risk Factors Involved with an Investment in USHO?* beginning on page 12, before making an investment decision about*

the units.

Overview of USHO

United States Heating Oil Fund, LP, a Delaware limited partnership (USHO or Us or We), is a commodity pool that will issue units that may be purchased and sold on the American Stock Exchange. USHO was organized as a limited partnership under Delaware law on April 13, 2007. USHO is currently operated pursuant to the Amended and Restated Agreement of Limited Partnership dated March 7, 2008 (LP Agreement), which is included as Appendix B.

It is managed and controlled by its general partner, Victoria Bay Asset Management, LLC (General Partner). The General Partner is a single member limited liability company formed in Delaware on May 10, 2005 that is registered as a commodity pool operator (CPO) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA). USHO will pay the General Partner a management fee of 0.60% of NAV on its average net assets.

The net assets of USHO will consist primarily of investments in futures contracts for heating oil, crude oil, gasoline, natural gas and other petroleum-based fuels that are traded on the New York Mercantile Exchange, ICE Futures or other U.S. and foreign exchanges (collectively, Futures Contracts). USHO may also invest in other heating oil-related investments such as cash-settled options on Futures Contracts, forward contracts for heating oil, and over-the-counter transactions that are based on the price of heating oil, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, Other Heating Oil-Related Investments). For convenience and unless otherwise specified, Futures Contracts and Other Heating Oil-Related Investments collectively are referred to as Heating Oil Interests in this prospectus. The General Partner is authorized by USHO in its sole judgment to employ, establish the terms of employment for, and terminate commodity trading advisors or futures commission merchants.

USHO will invest in Heating Oil Interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations with respect to its investments in Futures Contracts and Other Heating Oil-Related Investments. The primary focus of the General Partner will be the investment in Futures Contracts and the management of investments in short-term obligations of the United States of two years or less (Treasuries), cash and/or cash equivalents for margining purposes and as collateral.

The investment objective of USHO is to have the changes in percentage terms of its units net asset value (NAV) reflect the changes in percentage terms of the price of heating oil (also known as No. 2 fuel) delivered at the New York harbor, as measured by the changes in the price of the futures contract on heating oil traded on the New York Mercantile Exchange (the Benchmark Futures Contract) that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract that is the next month contract to expire, less USHO s expenses. It is not the intent of USHO to be operated in a fashion such that its NAV will equal, in dollar terms, the dollar price of spot heating oil or any particular futures contract based on heating oil. USHO may invest in interests other than the Benchmark Futures Contract to comply with accountability levels and position limits. For a detailed discussion of accountability levels and position limits, see What are Futures Contracts?

As a specific benchmark, the General Partner will endeavor to place USHO s trades in Futures Contracts and Other Heating Oil-Related Investments and otherwise manage USHO s investments so that A will be within plus/minus 10 percent of B , where:

A is the average daily change in USHO s NAV for any period of 30 successive valuation days, *i.e.*, any day as of which USHO calculates its NAV, and

B is the average daily change in the price of the Benchmark Futures Contract over the same period.

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An investment in the units will allow both retail and institutional investors to easily gain exposure to the heating oil market in a cost-effective manner. The units are also expected to provide additional means for diversifying an investor's investments or hedging exposure to changes in heating oil prices.

The Benchmark Futures Contract will be changed or rolled from the near month contract to expire to the next month contract to expire during one day.

The General Partner will employ a neutral investment strategy intended to track the changes in the price of the Benchmark Futures Contract regardless of whether the price goes up or goes down. USHO's neutral investment strategy is designed to permit investors generally to purchase and sell USHO's units for the purpose of investing indirectly in heating oil in a cost-effective manner, and/or to permit participants in the heating oil or other industries to hedge the risk of losses in their heating oil-related transactions. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in heating oil and/or the risks involved in hedging may exist. In addition, an investment in USHO involves the risk that the changes in the price of USHO's units will not accurately track the changes in the price of the Benchmark Futures Contract. For example, USHO will also invest in Treasuries and hold cash and/or cash equivalents to be used to meet its current or potential margin or collateral requirements with respect to its investments in Futures Contracts and Other Heating Oil-Related Investments. USHO does not expect there to be any meaningful correlation between the performance of USHO's investments in Treasuries/cash/cash equivalents and the changes in the price of heating oil. While the level of interest earned on or the market price of these investments may in some respect correlate to changes in the price of heating oil, this correlation is not anticipated as part of USHO's efforts to meet its objectives. This and certain risk factors discussed in this prospectus may cause a lack of correlation between the changes in USHO's NAV and the changes in the price of heating oil.

USHO will create and redeem units only in blocks of 100,000 units called Creation Baskets and Redemption Baskets, respectively. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public units of any baskets it does create. It is expected that baskets will be created when there is sufficient demand for units that the market price per unit is at a premium to the NAV per unit. Authorized Purchasers will then sell such units, which will be listed on the American Stock Exchange, to the public at per unit offering prices that are expected to reflect, among other factors, the trading price of the units on the American Stock Exchange, the NAV of USHO at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the Futures Contracts market and the market for Other Heating Oil-Related Investments. The prices of units offered by Authorized Purchasers are expected to fall between USHO's NAV and the trading price of the units on the American Stock Exchange at the time of sale. Similarly, it is expected that baskets will be redeemed when the market price per unit is at a discount to the NAV per unit. Retail investors seeking to purchase or sell units on any day are expected to effect such transactions in the secondary market, on the American Stock Exchange, at the market price per unit, rather than in connection with the creation or redemption of baskets.

The minimum number of Creation Baskets that must be sold is one. All proceeds from the sale of Creation Baskets will be invested as quickly as possible in the investments described in this prospectus. There will be no escrow or similar holding of funds that has a time period or other conditions. Investments will be held through USHO's custodian, Brown Brothers Harriman & Co. (Custodian), or through accounts with USHO's commodity futures brokers. There is no stated maximum time period for USHO's operations and the fund will continue until all units are redeemed or the fund is liquidated pursuant to the terms of the LP Agreement.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, position limits on certain of the Futures Contracts in which USHO intends to invest may practically limit the maximum amount

of Creation Baskets that will be sold if the General Partner determines that the other investment alternatives available to USHO at that time will not enable it to meet its stated investment objective.

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Units may also be purchased and sold by individuals and entities that are not Authorized Purchasers in smaller increments than Creation Baskets on the American Stock Exchange. However, these transactions will be effected at bid and ask prices established by specialist firm(s). Like any listed security, units of USHO can be purchased and sold at any time a secondary market is open.

In managing USHO's assets, the General Partner does not intend to use a technical trading system that issues buy and sell orders. The General Partner intends instead to employ quantitative methodologies whereby each time one or more baskets are purchased or redeemed, the General Partner will purchase or sell Futures Contracts and Other Heating Oil-Related Investments with an aggregate face amount that approximates the amount of Treasuries and/or cash received or paid upon the purchase or redemption of the basket(s).

Note to Secondary Market Investors: The units can be directly purchased from or redeemed by USHO only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket will consist of 100,000 units and may be worth millions of dollars. Individual investors, therefore, will not be able to directly purchase units from or redeem units with USHO. Some of the information contained in this prospectus, including information about buying and redeeming units directly from and to USHO is only relevant to Authorized Purchasers. Units will also be listed and traded on the American Stock Exchange under the ticker symbol UHN and may be purchased and sold as individual units. Individuals interested in purchasing units in the secondary market should contact their broker. Units purchased or sold through a broker may be subject to commissions.

Except when aggregated in Redemption Baskets, units will not be redeemable securities. There is no guarantee that units will trade at or near the per-unit NAV.

The Units

The units are registered as securities under the Securities Act of 1933 ("1933 Act") and the Securities Exchange Act of 1934 ("Exchange Act") and will not provide dividend rights or conversion rights and there will not be sinking funds.

The units may only be redeemed when aggregated in Redemption Baskets as discussed under "Creations and Redemptions" and limited partners will have limited voting rights as discussed under "Who is the General Partner? Cumulative voting will neither be permitted nor required and there will be no preemptive rights. As discussed in the LP Agreement, upon liquidation of USHO, its assets will be distributed pro rata to limited partners based upon the number of units held. Each limited partner will receive its share of the assets in cash or in kind, and the proportion of such share that is received in cash may vary from partner to partner, as the General Partner in its sole discretion may decide.

This will be a continuous offering under Rule 415 of the 1933 Act and will terminate when all of the registered units have been sold. It is anticipated that when all registered units have been sold, additional units will be registered in subsequent continuous offerings. As discussed above, the minimum purchase requirement for Authorized Purchasers is a Creation Basket, which will consist of 100,000 units. Under the plan of distribution, USHO does not require a minimum purchase amount for investors who purchase units from Authorized Purchasers. There are no arrangements to place funds in an escrow, trust, or similar account.

Except when aggregated in Redemption Baskets, units will not be redeemable securities. There is no guarantee that

USHO s Investments in Heating Oil Interests

A brief description of the principal types of Heating Oil Interests in which USHO may invest is set forth below.

A futures contract is a standardized contract traded on a futures exchange that calls for the future delivery of a specified quantity of a commodity at a specified time and place.

A forward contract is a supply contract between principals, not traded on an exchange, to buy or sell a specified quantity of a commodity at or before a specified date at a specified price.

A spot contract is a cash market transaction in which the buyer and seller agree to the immediate purchase and sale of a commodity, usually with a two-day settlement. Spot contracts are not uniform and are not exchange-traded.

An option on a futures contract, forward contract or a commodity on the spot market gives the buyer of the option the right, but not the obligation, to buy or sell a futures contract, forward contract or a commodity as applicable, at a specified price on or before a specified date. Options on

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