

United States 12 Month Natural Gas Fund, LP
Form 10-Q
November 10, 2016

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 September 30, 2016.

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: 001-34535

United States 12 Month Natural Gas Fund, LP

(Exact name of registrant as specified in its charter)

Delaware **26-0431733**
(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. 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

The registrant had 1,400,000 shares outstanding as of November 7, 2016.

UNITED STATES 12 MONTH NATURAL GAS FUND, LP

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Part I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements.

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*United States 12 Month Natural Gas Fund, LP**Condensed Statements of Financial Condition**At September 30, 2016 (Unaudited) and December 31, 2015*

	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents (Notes 2 and 5)	\$ 12,934,330	\$ 11,219,734
Equity in trading accounts:		
Cash and cash equivalents	263,127	4,322,372
Unrealized gain (loss) on open commodity futures contracts	1,003,879	(2,421,976)
Receivable from General Partner (Note 3)	76,717	89,122
Dividends receivable	1,143	151
Directors' fees and insurance receivable	71	1,197
ETF transaction fees receivable	350	—
Total assets	\$ 14,279,617	\$ 13,210,600
Liabilities and Partners' Capital		
General Partner management fees payable (Note 3)	\$ 9,163	\$ 7,927
Professional fees payable	78,148	74,941
Brokerage commissions payable	1,801	1,801
License fees payable	722	828
Total liabilities	89,834	85,497
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner	—	—
Limited Partners	14,189,783	13,125,103
Total Partners' Capital	14,189,783	13,125,103
Total liabilities and partners' capital	\$ 14,279,617	\$ 13,210,600
Limited Partners' shares outstanding	1,400,000	1,350,000
Net asset value per share	\$ 10.14	\$ 9.72
Market value per share	\$ 10.14	\$ 9.70

See accompanying notes to condensed financial statements.

United States 12 Month Natural Gas Fund, LP
Condensed Schedule of Investments (Unaudited)
At September 30, 2016

	Number of Contracts	Unrealized Gain (Loss) on Open Commodity Contracts	% of Partners' Capital
Open Futures Contracts – Long			
United States Contracts			
NYMEX Natural Gas Futures NG November 2016 contracts, expiring October 2016	39	\$ 11,068	0.08
NYMEX Natural Gas Futures NG December 2016 contracts, expiring November 2016	38	100,515	0.71
NYMEX Natural Gas Futures NG January 2017 contracts, expiring December 2016	39	227,997	1.61
NYMEX Natural Gas Futures NG February 2017 contracts, expiring January 2017	38	154,899	1.09
NYMEX Natural Gas Futures NG March 2017 contracts, expiring February 2017	39	202,536	1.43
NYMEX Natural Gas Futures NG April 2017 contracts, expiring March 2017	38	159,500	1.12
NYMEX Natural Gas Futures NG May 2017 contracts, expiring April 2017	39	104,055	0.73
NYMEX Natural Gas Futures NG June 2017 contracts, expiring May 2017	38	57,905	0.41
NYMEX Natural Gas Futures NG July 2017 contracts, expiring June 2017	39	10,559	0.07
NYMEX Natural Gas Futures NG August 2017 contracts, expiring July 2017	38	(29,045)	(0.20)
NYMEX Natural Gas Futures NG September 2017 contracts, expiring August 2017	39	18,770	0.13
NYMEX Natural Gas Futures NG October 2017 contracts, expiring September 2017	38	(14,880)	(0.11)
Total Open Futures Contracts*	462	\$ 1,003,879	7.07
	Principal Amount	Market Value	
Cash Equivalents			
United States Treasury Obligations			
U.S. Treasury Bills:			
0.39%, 10/27/2016	\$400,000	\$399,887	2.82
0.37%, 11/03/2016	200,000	199,932	1.41
0.39%, 11/17/2016	500,000	499,745	3.52
0.47%, 12/01/2016	500,000	499,606	3.52
0.41%, 12/08/2016	500,000	499,613	3.52
0.34%, 12/15/2016	500,000	499,646	3.52
0.34%, 12/29/2016	500,000	499,586	3.52

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0.34%, 1/05/2017	400,000	399,637	2.81
0.43%, 1/19/2017	500,000	499,351	3.52
0.36%, 1/26/2017	500,000	499,415	3.52
0.40%, 2/02/2017	200,000	199,724	1.41
0.42%, 2/09/2017	300,000	299,541	2.11
0.45%, 2/16/2017	200,000	199,655	1.41
0.45%, 2/23/2017	300,000	299,462	2.11
0.45%, 3/02/2017	200,000	199,620	1.41
0.47%, 3/09/2017	200,000	199,585	1.41
0.50%, 3/16/2017	200,000	199,537	1.40
0.45%, 3/23/2017	300,000	299,358	2.11
0.43%, 3/30/2017	200,000	199,570	1.41
Total Treasury Obligations		6,592,470	46.46
United States - Money Market Funds			
Fidelity Institutional Money Market Funds - Government Portfolio	2,000,000	2,000,000	14.09
Goldman Sachs Financial Square Funds - Government Fund - Class FS	1,000,000	1,000,000	7.06
Morgan Stanley Institutional Liquidity Funds - Government Portfolio	2,000,000	2,000,000	14.09
Total Money Market Funds		5,000,000	35.24
Total Cash Equivalents		\$11,592,470	81.70

* Collateral amounted to \$263,127 on open futures contracts.

See accompanying notes to condensed financial statements.

*United States 12 Month Natural Gas Fund, LP**Condensed Statements of Operations (Unaudited)**For the three and nine months ended September 30, 2016 and 2015*

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Income				
Gain (loss) on trading of commodity futures contracts:				
Realized gain (loss) on closed futures contracts	\$ (231,598)	\$ (696,645)	\$ (2,808,405)	\$ (5,095,785)
Change in unrealized gain (loss) on open futures contracts	(453,152)	(1,179,075)	3,425,855	2,579,334
Dividend income	2,506	740	6,685	2,180
Interest income	9,059	826	23,986	2,048
ETF transaction fees	–	1,050	1,050	5,600
Total income (loss)	(673,185)	(1,873,104)	649,171	(2,506,623)
Expenses				
General Partner management fees (Note 3)	27,045	28,510	73,865	94,549
Professional fees	32,673	26,422	84,943	74,624
Brokerage commissions	771	1,078	2,601	4,822
Directors' fees and insurance	411	715	2,469	2,493
License fees	541	570	1,477	1,891
Total expenses	61,441	57,295	165,355	178,379
Expense waiver (Note 3)	(28,986)	(23,085)	(76,717)	(64,848)
Net expenses	32,455	34,210	88,638	113,531
Net income (loss)	\$ (705,640)	\$ (1,907,314)		