FTI CONSULTING INC
Form 10-Q
May 09, 2013
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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 March 31, 2013

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 001-14875

FTI CONSULTING, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland	**52-1261113**
(State or Other Jurisdiction of	**(I.R.S. Employer**
Incorporation or Organization)	**Identification No.)**
777 South Flagler Drive, Suite 1500 West Tower,	
West Palm Beach, Florida	**33401**
(Address of Principal Executive Offices)	**(Zip Code)**

(561) 515-1900

(Registrant s telephone number, including area code)

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web Site, 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 x 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. (Check one):

Large accelerated filer x	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 Act). Yes ¨ No x

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Class	**Outstanding at May 1, 2013**
Common stock, par value $0.01 per share	40,306,832

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FTI CONSULTING, INC. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION

FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(in thousands, except per share amounts)

Item 1. Financial Statements

	March 31, 2013 (Unaudited)	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 100,703	$ 156,785
Restricted cash	1,118	1,190
Accounts receivable:		
Billed receivables	334,539	314,491
Unbilled receivables	234,961	208,797
Allowance for doubtful accounts and unbilled services	(98,904)	(94,048)
Accounts receivable, net	470,596	429,240
Current portion of notes receivable	32,452	33,194
Prepaid expenses and other current assets	43,157	50,351
Current portion of deferred tax assets	3,703	3,615
Total current assets	651,729	674,375
Property and equipment, net of accumulated depreciation	66,706	68,192
Goodwill	1,252,440	1,260,035
Other intangible assets, net of amortization	101,858	104,181
Notes receivable, net of current portion	100,948	101,623
Other assets	65,771	67,046
Total assets	$ 2,239,452	$ 2,275,452
Liabilities and Stockholders Equity		
Current liabilities		
Accounts payable, accrued expenses and other	$ 97,877	$ 98,109
Accrued compensation	132,109	168,392
Current portion of long-term debt and capital lease obligations	6,021	6,021
Billings in excess of services provided	33,238	31,675
Total current liabilities	269,245	304,197
Long-term debt and capital lease obligations, net of current portion	717,024	717,024
Deferred income taxes	111,440	105,751
Other liabilities	83,415	80,248
Total liabilities	1,181,124	1,207,220
Commitments and contingent liabilities (notes 8, 10 and 11)		
Stockholders equity		

Preferred stock, $0.01 par value; shares authorized 5,000; none outstanding		
Common stock, $0.01 par value; shares authorized 75,000; shares issued and outstanding 40,208 (2013) and 40,755 (2012)	402	408
Additional paid-in capital	349,909	367,978
Retained earnings	764,895	741,215
Accumulated other comprehensive loss	(56,878)	(41,369)
Total stockholders equity	1,058,328	1,068,232
Total liabilities and stockholders equity	$ 2,239,452	$ 2,275,452

See accompanying notes to the condensed consolidated financial statements

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FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

(in thousands, except per share data)

Unaudited

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Revenues	$ 407,178	$ 395,228
Operating expenses		
Direct cost of revenues	258,480	245,618
Selling, general and administrative expense	96,647	102,589
Special charges	427	
Acquisition-related contingent consideration	731	557
Amortization of other intangible assets	5,564	5,517
	361,849	354,281
Operating income	45,329	40,947
Other income (expense)		
Interest income and other	937	3,282
Interest expense	(12,715)	(15,204)
	(11,778)	(11,922)
Income before income tax provision	33,551	29,025
Income tax provision	9,871	10,594
Net income	$ 23,680	$ 18,431
Earnings per common share basic	$ 0.60	$ 0.46
Earnings per common share diluted	$ 0.58	$ 0.43
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax $0	$ (15,509)	$ 12,849
Other comprehensive income (loss), net of tax	$ (15,509)	12,849
Comprehensive income	$ 8,171	$ 31,280

See accompanying notes to the condensed consolidated financial statements

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FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statement of Stockholders Equity

(in thousands)

Unaudited

	Common Stock		Additional		Accumulated Other	
	Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Loss	Total
Balance December 31, 2012	40,755	$ 408	$ 367,978	$ 741,215	$ (41,369)	$ 1,068,232
Net income				23,680		23,680
Other comprehensive income:						
Cumulative translation adjustment					(15,509)	(15,509)
Issuance of common stock in connection with:						
Exercise of options, net of income tax expense from share-based awards of $180	98	1	2,538			2,539
Restricted share grants, less net settled shares of 115	182	1	(3,945)			(3,944)
Stock units issued under incentive compensation plan			2,825			2,825
Business combinations			(792)			(792)
Purchase and retirement of common stock	(827)	(8)	(28,750)			(28,758)
Share-based compensation			10,055			10,055
Balance March 31, 2013	40,208	$ 402	$ 349,909	$ 764,895	$ (56,878)	$ 1,058,328

See accompanying notes to the condensed consolidated financial statements

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FTI Consulting, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(in thousands)

Unaudited

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Operating activities		
Net income	$ 23,680	$ 18,431
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	8,006	7,496
Amortization of other intangible assets	5,564	5,517
Acquisition-related contingent consideration	731	557
Provision for doubtful accounts	4,094	4,569
Non-cash share-based compensation	10,055	10,553
Excess tax benefits from share-based compensation	(124)	(55)
Non-cash interest expense	670	1,933
Other	(11)	73
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, billed and unbilled	(47,711)	(21,996)
Notes receivable	(227)	(14,481)
Prepaid expenses and other assets	531	(7,735)
Accounts payable, accrued expenses and other	16,603	17,694
Income taxes	2,937	(15,627)
Accrued compensation	(28,862)	(67,079)
Billings in excess of services provided	1,760	2,329
Net cash used in operating activities	(2,304)	(57,821)
Investing activities		
Payments for acquisition of businesses, net of cash received	(14,676)	(18,595)
Purchases of property and equipment	(7,323)	(4,756)
Other	12	16
Net cash used in investing activities	(21,987)	(23,335)
Financing activities		
Payments of long-term debt and capital lease obligations		(156)
Purchase and retirement of common stock	(28,758)	
Net issuance of common stock under equity compensation plans	(1,335)	(647)
Excess tax benefits from share-based compensation	124	55
Other	(224)	(370)
Net cash used in financing activities	(30,193)	(1,118)
Effect of exchange rate changes on cash and cash equivalents	(1,598)	289
Net decrease in cash and cash equivalents	(56,082)	(81,985)
Cash and cash equivalents, beginning of period	156,785	264,423

Cash and cash equivalents, end of period	$ 100,703	$ 182,438
Supplemental cash flow disclosures		
Cash paid for interest	$ 321	$ 2,864
Cash paid for income taxes, net of refunds	6,970	26,222
Non-cash investing and financing activities:		
Issuance of stock units under incentive compensation plans	2,825	3,079

See accompanying notes to the condensed consolidated financial statements

FTI Consulting, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements

(dollar and share amounts in tables expressed in thousands, except per share data)

Unaudited

1. Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements of FTI Consulting, Inc. including its consolidated subsidiaries (collectively, the Company, we, our or FTI Consulting) presented herein have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) and under the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial information. Some of the information and footnote disclosures normally included in annual financial statements have been condensed or omitted pursuant to those rules and regulations. Certain prior period amounts have been reclassified to conform to the current period presentation. See Note 15 Segment Reporting for information on our segment reclassification. In management s opinion, the interim financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods presented. All adjustments made were normal recurring accruals. Results of operations for the interim periods presented herein are not necessarily indicative of results of operations for a full year. These financial statements should be read in conjunction with the consolidated financial statements and the notes contained in our Annual Report on Form 10-K for the year ended December 31, 2012.

2. Earnings Per Common Share

Basic earnings per common share are calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share adjust basic earnings per share for the effects of potentially dilutive common shares. Potentially dilutive common shares include the dilutive effects of shares issuable under our equity compensation plans, including stock options and restricted stock, and, for the three months ended March 31, 2012, shares issuable upon the potential conversion of our $3^3/_4$% senior subordinated convertible notes that were due on July 15, 2012 (Convertible Notes), each using the treasury stock method. In addition, the conversion feature of our Convertible Notes had a dilutive effect on our earnings per share for the three months ended March 31, 2012, assuming the conversion premium was converted into common stock based on the average closing price per share of our stock during the period, because the average closing price per share of our common stock for such periods was above the conversion price of the Convertible Notes of $31.25 per share.

	Three Months Ended March 31, 2013	2012
Numerator basic and diluted		
Net income	$ 23,680	$ 18,431
Denominator		
Weighted average number of common shares outstanding basic	39,403	40,358
Effect of dilutive stock options	595	963
Effect of dilutive convertible notes		1,159
Effect of dilutive restricted shares	622	705
Weighted average number of common shares outstanding diluted	40,620	43,185
Earnings per common share basic	$ 0.60	$ 0.46
Earnings per common share diluted	$ 0.58	$ 0.43
Antidilutive stock options and restricted shares	3,486	2,081

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3. New Accounting Standards Not yet Adopted

In March 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2013-05, Foreign Currency Matters (Topic 830): *Parent s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity* (ASU 2013-05). ASU 2013-05 updates accounting guidance related to the application of consolidation guidance and foreign currency matters. This guidance resolves the diversity in practice about what guidance applies to the release of the cumulative translation adjustment into net income. This guidance is effective for interim and annual periods beginning after December 15, 2013. We do not expect the adoption to have a material impact on the Company s consolidated financial position, results of operations or cash flows.

4. Special Charges

During the year ended December 31, 2012, we recorded special charges totaling $29.6 million, of which $5.0 million was non-cash. The charges reflect actions we took to realign our workforce to address current business demands and global macro-economic conditions impacting our Forensic and Litigation Consulting, Strategic Communications and Technology segments, to address certain targeted practices within our Corporate Finance/Restructuring and Economic Consulting segments, and to reduce excess real estate capacity. These actions included the termination of 116 employees, the consolidation of leased office space within nine office locations and certain other actions.

During the three months ended March 31, 2013, we recorded an adjustment to the special charge recorded in 2012 of approximately $0.4 million, primarily related to the consolidation of office spaces previously vacated. These charges reflect the changes to sublease terms and associated costs for those locations for which actual subleases have been entered into during the three months ended March 31, 2013, as well as the impact of updated forecasts of expected sublease income and employee termination costs.

The following table details the special charge adjustments by segment for the quarter ended Mach 31, 2013:

Corporate Finance/Restructuring	$ 68
Forensic and Litigation Consulting	173
Economic Consulting	(4)
Technology	14
Strategic Communications	64
	315
Unallocated Corporate	112
Total	$ 427

We did not record any special charges in the three months ended March 31, 2012.

The total cash outflow associated with the special charges is expected to be $24.9 million, of which $10.9 million has been paid as of March 31, 2013. Approximately, $5.6 million is expected to be paid during the remainder of 2013, $2.7 million is expected to be paid in 2014, $1.2 million is expected to be paid in 2015, $0.8 million is expected to be paid in 2016, and the remaining balance of $3.7 million related to lease costs will be paid from 2017 to 2025. A liability for the current and noncurrent portions of the amounts to be paid is included in Accounts payable, accrued expenses and other and Other liabilities, respectively, on the Condensed Consolidated Balance Sheets.

Activity related to the liability for these costs for the three months ended March 31, 2013 is as follows:

	Employee Termination Costs	Lease Costs	Total
Balance at December 31, 2012	$ 6,696	$ 8,517	$ 15,213
Additions	(100)	527	427
Payments	(941)	(696)	(1,637)
Foreign currency translation adjustment and other	(3)		(3)
Balance at March 31, 2013	$ 5,652	$ 8,348	$ 14,000

5. Provision for Doubtful Accounts

The provision for doubtful accounts is recorded after the related work has been billed to the client and we determine that full collectability is not reasonably assured. It is classified in Selling, general and administrative expense on the Condensed Consolidated Statements of Comprehensive Income. The provision for doubtful accounts totaled $4.1 million and $4.6 million for the three months ended March 31, 2013 and 2012, respectively.

6. Research and Development Costs

Research and development costs related to software development totaled $4.0 million and $6.5 million for the three months ended March 31, 2013 and 2012, respectively. Research and development costs are included in Selling, general and administrative expense on the Condensed Consolidated Statements of Comprehensive Income.

7. Financial Instruments

Fair Value of Financial Instruments

We consider the recorded value of certain financial assets and liabilities, which consist primarily of cash equivalents, accounts receivable and accounts payable, to approximate the fair value of the respective assets and liabilities at March 31, 2013 and December 31, 2012, based on the short-term nature of the assets and liabilities. The fair value of our long-term debt at March 31, 2013 was $774 million compared to a carrying value of $723 million. At December 31, 2012, the fair value of our long-term debt was $762 million compared to a carrying value of $723 million. We determine the fair value of our long-term debt primarily based on quoted market prices for our 6 $^{3}/_{4}$% Senior Notes Due 2020 (2020 Notes) and 6.0% Senior Notes Due 2022 (2022 Notes). The fair value of our long-term debt is classified within Level 2 of the fair value hierarchy, because it is traded in less active markets.

For business combinations consummated on or after January 1, 2009, we estimate the fair value of acquisition-related contingent consideration using a probability-weighted discounted cash flow model. This fair value measure is based on significant inputs not observed in the market and thus represents a Level 3 measurement. Fair value measurements characterized within Level 3 of the fair value hierarchy are measured based on unobservable inputs that are supported by little or no market activity and reflect our own assumptions in measuring fair value.

The significant unobservable inputs used in the fair value measurements of our acquisition-related contingent consideration are our measures of the future profitability and related cash flows and discount rates. Significant increases (decreases) in any of these inputs in isolation would result in a significantly lower (higher) fair value measurement. Generally, a change in the assumptions used for the discount rates is accompanied by a directionally opposite change in the fair value measurement and a change in the assumptions used for the future

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cash flows is accompanied by a directionally similar change in the fair value measurement. The fair value of the contingent consideration is reassessed on a quarterly basis by the Company based on a collaborative effort of the Company s operations, finance and accounting groups using additional information as it becomes available. Any change in the fair value adjustment is recorded in the earnings of that period. There were no remeasurement gains or losses recognized during the three months ended March 31, 2013 or 2012.

Accretion expense for acquisition-related contingent consideration totaled $0.7 million and $0.6 million for the three months ended March 31, 2013 and 2012, respectively.

The following table represents the change in the acquisition-related contingent consideration liability during the three months ended March 31, 2013 and 2012:

(in thousands)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Beginning balance	$ 16,426	$ 14,990
Acquisitions[(1)]	(848)	
Adjustments to fair value recorded in earnings[(2)]	731	557
Payments		(370)
Unrealized gains (losses) related to currency translation in other comprehensive income	(13)	99
Ending balance	$ 16,296	$ 15,276

(1) Includes adjustments during the purchase price allocation period.

(2) Adjustments to fair value related to accretion and remeasurement of contingent consideration are recorded in Acquisition-related contingent consideration on the Condensed Consolidated Statements of Comprehensive Income.

The following table presents financial liabilities measured at fair value:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
As of March 31, 2013				
Liabilities:				
Acquisition-related contingent consideration, including current portion	$	$	$ 16,296	$ 16,296
As of December 31, 2012				
Liabilities:				
Acquisition-related contingent consideration, including current portion	$	$	$ 16,426	$ 16,426

8. Acquisitions

Certain acquisition related restricted stock agreements entered into prior to January 1, 2009 contained stock price guarantees that may result in cash payments in the future if our share price falls below a specified per share market value on the date that the applicable stock restrictions lapse (the determination date). For those acquisitions, the future settlement of any contingency related to our common stock price will be recorded as a reduction to additional paid-in capital. During the three months ended March 31, 2013, we paid $0.8 million in cash in relation to the stock price guarantees on certain shares of common stock that became unrestricted, which was recorded as a reduction to additional paid-in-capital on the Condensed Consolidated Balance Sheets. In April

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2013, we paid $2.8 million in cash in relation to the stock price guarantees on certain shares of common stock that became unrestricted. Our remaining common stock price guarantee provision has a stock floor price of $54.33 per share and has a determination date in June 2013.

2013 Acquisitions

In April 2013, we completed an acquisition in Australia for our Corporate Finance/Restructuring segment. The purchase price includes initial consideration with an approximate value of $26 million plus acquisition-related contingent consideration, which is payable annually through December 31, 2017 if the acquired business meets certain performance measures. The results of the acquired business will be included in our consolidated results of operations beginning on April 3, 2013, the date of the completion of the acquisition, and therefore are not included in our consolidated results of operations for the three months ended March 31, 2013. We are currently evaluating the fair values of the assets acquired, liabilities assumed and acquisition-related contingent consideration.

In March 2013, we completed an acquisition in the United States for our Strategic Communications segment. The purchase price includes initial consideration with a value of $7.3 million plus acquisition-related contingent consideration, which is payable annually through December 31, 2017 if the acquired business meets certain performance measures, and is subject to an $8.0 million aggregate cap.

In January 2013, we completed an acquisition in the United States for our Forensic and Litigation Consulting segment. The purchase price includes cash consideration with a value of $1.8 million.

For acquisitions completed during the three months ended March 31, 2013, as part of the preliminary purchase price allocations, we recorded $2.0 million in identifiable intangible assets and $8.8 million in goodwill. Pro forma results of operations were not presented because these acquisitions were not material in relation to our consolidated financial position or results of operations for the periods presented.

9. Goodwill and Other Intangible Assets

The changes in the carrying amounts of goodwill by operating segment for the three months ended March 31, 2013, are as follows:

	Corporate Finance/ Restructuring	Forensic and Litigation Consulting	Economic Consulting	Technology	Strategic Communications	Total
Balances at December 31, 2012	$ 469,050	$ 198,957	$ 247,718	$ 118,035	$ 226,275	$ 1,260,035
Acquisitions [1]	(6,317)	1,441			7,390	2,514
Foreign currency translation adjustment and other	(503)	(1,781)	(553)	(107)	(7,165)	(10,109)
Intersegment transfers in/(out)[2]	(31,471)	31,471				
Balances at March 31, 2013	$ 430,759	$ 230,088	$ 247,165	$ 117,928	$ 226,500	$ 1,252,440

(1) Includes adjustments during the purchase price allocation period.

(2) Includes the reclassification of the Corporate Finance/Restructuring segment s healthcare practice into the Forensic and Litigation Consulting segment. See Note 15 Segment Reporting for information on this segment reclassification.

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Other intangible assets with finite lives are amortized over their estimated useful lives. For intangible assets with finite lives, we recorded amortization expense of $5.6 million and $5.5 million for the three months ended March 31, 2013 and 2012, respectively. Based solely on the amortizable intangible assets recorded as of March 31, 2013, we estimate amortization expense to be $16.6 million during the remainder of 2013, $13.3 million in 2014, $12.2 million in 2015, $10.7 million in 2016, $9.7 million in 2017, $7.5 million in 2018, and $26.3 million in years after 2018. Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, finalization of asset valuations for newly acquired assets, changes in useful lives, change in value due to foreign currency translation, or other factors.

arch 31, 2013	
oss	
ying	**Accumulated**
unt	**Amortization**
,988	$ 61,774
,823	9,061
,980	28,981

Accountability levels, position limits, and daily price fluctuation limits set by the exchanges have the potential to cause tracking error, which could cause the price of shares to substantially vary from the average of the prices of the Bench Futures Contracts.

Designated contract markets, such as the NYMEX, have established accountability levels and position limits on the maxi net long or net short futures contracts in commodity interests that any person or group of persons under common trading (other than as a hedge, which an investment by UNL is not) may hold, own or control. In addition to accountability levels position limits, the NYMEX also set daily price fluctuation limits on futures contracts. The daily price fluctuation limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price. Once the daily price fluctuation limit has been reached in a particular futures contract, no trades may be at a price beyond that limit.

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The CFTC has proposed to adopt limits on speculative positions in 28 physical commodity futures and option contracts a swaps that are economically equivalent to such contracts in the agriculture, energy and metals markets and rules addressi circumstances under which market participants would be required to aggregate their positions with other persons under c ownership or control, the Position Limit Rules. The Position Limit Rules would, among other things: identify which cont are subject to speculative position limits; set thresholds that restrict the number of speculative positions that a person ma in a spot month, individual month, and all months combined; create an exemption for positions that constitute *bona fide* h transactions; impose responsibilities on DCMs and SEFs to establish position limits or, in some cases, position accountab rules; and apply to both futures and swaps across four relevant venues – OTC, DCMs, SEFs as well as non-U.S. located platforms. The CFTC's first attempt at finalizing the Position Limit Rules, in 2011, was successfully challenged by mark participants in 2012 and, since then, the CFTC has re-proposed them and solicited comments from market participants m times.

Until such time as the Position Limit Rules are adopted, the regulatory architecture in effect prior to the adoption of the P Limit Rules will govern transactions in commodities and related derivatives (collectively, "Referenced Contracts"). Unde system, the CFTC enforces federal limits on speculation in agricultural products (*e.g.,* corn, wheat and soy), while future exchanges enforce position limits and accountability levels for agricultural and certain energy products (*e.g.,* oil and natu gas). As a result, UNL may be limited with respect to the size of its investments in any commodities subject to these limi Finally, subject to certain narrow exceptions, the Position Limit Rules require the aggregation, for purposes of the positio limits, of all positions in the 28 Referenced Contracts held by a single entity and its affiliates, regardless of whether such position existed on U.S. futures exchanges, non-U.S. futures exchanges, in cleared swaps or in OTC swaps. Under the C existing position limits requirements and the Position Limit Rules, a market participant is generally required to aggregate positions for which that participant controls the trading decisions with all positions for which that participant has a ten pe or greater ownership interest in an account or position, as well as the positions of two or more persons acting pursuant to express or implied agreement or understanding. At this time, it is unclear how the Position Limit Rules may affect UNL, effect may be substantial and adverse. By way of example, the Position Limit Rules may negatively impact the ability of to meet its investment objectives through limits that may inhibit USCF's ability to sell additional Creation Baskets of UN "*The Commodity Interest Markets- Regulation*" in this annual report on Form 10-K for additional information.

All of these limits may potentially cause a tracking error between the price of UNL's shares and the average of the prices Benchmark Futures Contracts. This may in turn prevent investors from being able to effectively use UNL as a way to he against natural gas-related losses or as a way to indirectly invest in natural gas.

UNL has not limited the size of its offering and is committed to utilizing substantially all of its proceeds to purchase Fut Contracts and Other Natural Gas-Related Investments. If UNL encounters accountability levels, position limits, or price fluctuation limits for Futures Contracts on the NYMEX, it may then, if permitted under applicable regulatory requireme purchase Futures Contracts on other exchanges that trade listed natural gas futures. In addition, if UNL exceeds accounta levels on either the NYMEX and is required by such exchanges to reduce its holdings, such reduction could potentially c tracking error between the price of UNL's shares and the average of the prices of the Benchmark Futures Contracts.

Tax Risk

An investor's tax liability may exceed the amount of distributions, if any, on its shares.

Cash or property will be distributed at the sole discretion of USCF. USCF has not and does not currently intend to make c other distributions with respect to shares. Investors will be required to pay U.S. federal income tax and, in some cases, sta local, or foreign income tax, on their allocable share of UNL's taxable income, without regard to whether they receive distributions or the amount of any distributions. Therefore, the tax liability of an investor with respect to its shares may ex the amount of cash or value of property (if any) distributed.

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An investor’s allocable share of taxable income or loss may differ from its economic income or loss on its shares.

Due to the application of the assumptions and conventions applied by UNL in making allocations for tax purposes and ot factors, an investor’s allocable share of UNL’s income, gain, deduction or loss may be different than its economic profit from its shares for a taxable year. This difference could be temporary or permanent and, if permanent, could result in it be taxed on amounts in excess of its economic income.

Items of income, gain, deduction, loss and credit with respect to shares could be reallocated if the U.S. Internal Reven Service (“IRS”) does not accept the assumptions and conventions applied by UNL in allocating those items, with poter adverse consequences for an investor.

The U.S. tax rules pertaining to partnerships are complex and their application to large, publicly traded partnerships such UNL is in many respects uncertain. UNL applies certain assumptions and conventions in an attempt to comply with the in the applicable rules and to report taxable income, gains, deductions, losses and credits in a manner that properly reflects shareholders’ economic gains and losses. These assumptions and conventions may not fully comply with all aspects of th Internal Revenue Code (the “Code”) and applicable Treasury Regulations, however, and it is possible that the IRS will successfully challenge UNL’s allocation methods and require UNL to reallocate items of income, gain, deduction, loss or in a manner that adversely affects investors. If this occurs, investors may be required to file an amended tax return and to additional taxes plus deficiency interest.

UNL could be treated as a corporation for federal income tax purposes, which may substantially reduce the value of th shares.

UNL has received an opinion of counsel that, under current U.S. federal income tax laws, UNL will be treated as a partne that is not taxable as a corporation for U.S. federal income tax purposes, provided that (i) at least 90 percent of UNL’s an gross income consists of “qualifying income” as defined in the Code, (ii) UNL is organized and operated in accordance w governing agreements and applicable law and (iii) UNL does not elect to be taxed as a corporation for federal income tax purposes. Although USCF anticipates that UNL has satisfied and will continue to satisfy the “qualifying income” require all of its taxable years, that result cannot be assured. UNL has not requested and will not request any ruling from the IRS respect to its classification as a partnership not taxable as a corporation for federal income tax purposes. If the IRS were t successfully assert that UNL is taxable as a corporation for federal income tax purposes in any taxable year, rather than p through its income, gains, losses and deductions proportionately to shareholders, UNL would be subject to tax on its net i for the year at corporate tax rates. In addition, although USCF does not currently intend to make distributions with respec shares, any distributions would be taxable to shareholders as dividend income. Taxation of UNL as a corporation could materially reduce the after-tax return on an investment in shares and could substantially reduce the value of the shares.

UNL is organized and operated as a limited partnership in accordance with the provisions of the LP Agreement and applicable state law, and therefore, UNL has a more complex tax treatment than traditional mutual funds.

UNL is organized and operated as a limited partnership in accordance with the provisions of the LP Agreement and appli state law. No U.S. federal income tax is paid by UNL on its income. Instead, UNL will furnish shareholders each year wi information on IRS Schedule K-1 (Form 1065) and each U.S. shareholder is required to report on its U.S. federal income return its allocable share of the income, gain, loss and deduction of UNL.

This must be reported without regard to the amount (if any) of cash or property the shareholder receives as a distribution UNL during the taxable year. A shareholder, therefore, may be allocated income or gain by UNL but receive no cash distribution with which to pay the tax liability resulting from the allocation, or may receive a distribution that is insuffici pay such liability.

In addition to federal income taxes, shareholders may be subject to other taxes, such as state and local income taxes, unincorporated business taxes, business franchise taxes and estate, inheritance or intangible taxes that may be imposed by various jurisdictions in which UNL does business or owns property or where the shareholders reside. Although an analys those various taxes is not presented here, each prospective shareholder should consider their potential impact on its inves in UNL. It is each shareholder's responsibility to file the appropriate U.S. federal, state, local and foreign tax returns.

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OTC Contract Risk

Currently, OTC transactions are subject to changing regulation.

A portion of UNL's assets may be used to trade OTC contracts, such as forward contracts or swap or spot contracts. OTC contracts are typically contracts traded on a principal-to-principal, non-cleared basis through dealer markets that are dom by major money center and investment banks and other institutions. The markets for OTC contracts rely upon the integrit market participants in lieu of the additional regulation imposed by the CFTC on participants in the futures markets. While certain regulations adopted over the past two years are intended to provide additional protections to participants in the OT market, the current regulation of the OTC contracts could expose UNL in certain circumstances to significant losses in th of trading abuses or financial failure by participants. As a result of such regulations, if UNL enters into certain interest ra credit default swaps, such swaps will be required to be centrally cleared. Determination on other types of swaps are expec the future, and, when finalized, could require UNL to centrally clear certain OTC instruments presently entered into and s on a bi-lateral basis. See *"Item 1. Business – Regulation"* for a discussion of how the OTC market will be subject to muc extensive regulatory oversight.

UNL will be subject to credit risk with respect to counterparties to OTC contracts entered into by UNL or held by speci purpose or structured vehicles.

UNL faces the risk of non-performance by the counterparties to the OTC contracts. Unlike in futures contracts, the count to these contracts is generally a single bank or other financial institution, rather than a clearing organization backed by a g of financial institutions. As a result, there will be greater counterparty credit risk in these transactions. A counterparty ma be able to meet its obligations to UNL, in which case UNL could suffer significant losses on these contracts.

If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, UNL may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. UNL may ob only limited recovery or may obtain no recovery in such circumstances.

Valuing OTC derivatives may be less certain that actively traded financial instruments.

In general, valuing OTC derivatives is less certain than valuing actively traded financial instruments such as exchange tra futures contracts and securities or cleared swaps because the price and terms on which such OTC derivatives are entered can be terminated are individually negotiated, and those prices and terms may not reflect the best price or terms available other sources. In addition, while market makers and dealers generally quote indicative prices or terms for entering into or terminating OTC contracts, they typically are not contractually obligated to do so, particularly if they are not a party to th transaction. As a result, it may be difficult to obtain an independent value for an outstanding OTC derivatives transaction

Other Risks

Certain of UNL’s investments could be illiquid, which could cause large losses to investors at any time or from time to

Futures positions cannot always be liquidated at the desired price. It is difficult to execute a trade at a specific price when is a relatively small volume of buy and sell orders in a market. A market disruption, such as a foreign government taking political actions that disrupt the market for its currency, its natural gas production or exports, or another major export, ca make it difficult to liquidate a position. Because both Futures Contracts and Other Natural Gas-Related Investments may illiquid, UNL's Natural Gas Interests may be more difficult to liquidate at favorable prices in periods of illiquid markets a losses may be incurred during the period in which positions are being liquidated. The large size of the positions that UNL acquire increases the risk of illiquidity both by making its positions more difficult to liquidate and by potentially increasi losses while trying to do so.

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OTC contracts that are not subject to clearing may be even less marketable that futures contracts because they are not trad an exchange, do not have uniform terms and conditions, and are entered into based upon the creditworthiness of the parti the availability of credit support, such as collateral, and in general, they are not transferable without the consent of the counterparty. These conditions make such contracts less liquid than standardized futures contracts traded on a commoditi exchange and could adversely impact UNL's ability to realize the full value of such contracts. In addition, even if collater used to reduce counterparty credit risk, sudden changes in the value of OTC transactions may leave a party open to financ risk due to a counterparty default since the collateral held may not cover a party's exposure on the transaction in such situ

UNL is not actively managed and tracks the Benchmark Futures Contracts during periods in which the price of the Benchmark Futures Contracts is flat or declining as well as when the price is rising.

UNL is not actively managed by conventional methods. Accordingly, if UNL's investments in Natural Gas Interests are declining in value, UNL will not close out such positions except in connection with paying the proceeds to an Authorized Participant upon the redemption of a basket or closing out futures positions in connection with the monthly change in the Benchmark Futures Contracts. USCF will seek to cause the NAV of UNL's shares to track the Benchmark Futures Contr during periods in which its price is flat or declining as well as when the price is rising.

The NYSE Arca may halt trading in UNL's shares, which would adversely impact an investor's ability to sell shares.

UNL's shares are listed for trading on the NYSE Arca under the market symbol "UNL." Trading in shares may be halted market conditions or, in light of NYSE Arca rules and procedures, for reasons that, in the view of the NYSE Arca, make in shares inadvisable. In addition, trading is subject to trading halts caused by extraordinary market volatility pursuant to breaker" rules that require trading to be halted for a specified period based on a specified market decline. Additionally, th be no assurance that the requirements necessary to maintain the listing of UNL's shares will continue to be met or will re unchanged.

The liquidity of the shares may also be affected by the withdrawal from participation of Authorized Participants, which could adversely affect the market price of the shares.

In the event that one or more Authorized Participants which have substantial interests in the shares withdraw from partici the liquidity of the shares will likely decrease, which could adversely affect the market price of the shares and result in in incurring a loss on their investment.

Shareholders that are not Authorized Participants may only purchase or sell their shares in secondary trading market the conditions associated with trading in secondary markets may adversely affect investors' investment in the shares.

Only Authorized Participants may create or redeem Redemption Baskets. All other investors that desire to purchase or se shares must do so through the NYSE Arca or in other markets, if any, in which the shares may be traded. Shares may trac premium or discount to NAV per share.

The lack of an active trading market for UNL's shares may result in losses on an investor's investment in UNL at the investor sells the shares.

Although UNL's shares are listed and traded on the NYSE Arca, there can be no guarantee that an active trading market shares will be maintained. If an investor needs to sell shares at a time when no active trading market for them exists, the the investor receives upon sale of the shares, assuming they were able to be sold, likely would be lower than if an active existed.

USCF is leanly staffed and relies heavily on key personnel to manage UNL and other funds.

In managing and directing the day-to-day activities and affairs of UNL, USCF relies heavily on Messrs. John P. Love anc P. Crumbaugh. If Messrs. Love or Crumbaugh were to leave or be unable to carry out their present responsibilities, it ma an adverse effect on the management of UNL. Furthermore, Messrs. Love or Crumbaugh are currently involved in the management of the Related Public Funds.

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The LLC Agreement provides limited authority to the Non-Management Directors, and any Director of USCF may be removed by USCF's parent company, which is a closely-held private company where the majority of shares has histori been voted by one person.

USCF's Board of Directors currently consists of four Management Directors, each of whom are shareholders of USCF's Wainwright Holdings, Inc. ("Wainwright"), and three Non-Management Directors, each of whom are considered indepen purposes of applicable NYSE Arca and SEC rules. Under USCF's LLC Agreement, the Non-Management Directors have such authority as the Management Directors expressly confer upon them, which means that the Non-Management Directo may have less authority to control the actions of the Management Directors than is typically the case with the independen members of a company's Board of Directors. In addition, any Director may be removed by written consent of Wainwrigh which is the sole member of USCF. Wainwright is a privately held company in which the majority of shares are held by o behalf of Nicholas D. Gerber and his immediate family members (the "Gerber Family"). Historically, shares of Wainwrig been voted by, and on behalf of, the Gerber Family by Nicholas D. Gerber, and it is anticipated that such trend will conti the future. Accordingly, although USCF is governed by the USCF Board of Directors, which consists of both Manageme Directors and Non-Management Directors, pursuant to the LLC Agreement, it is possible for Mr. Gerber to exercise his c of Wainwright to effect the removal of any Director (including the Non-Management Directors which comprise the Audi Committee) and to replace that Director with another Director. Having control in one person could have a negative impac USCF and UNL, including their regulatory obligations.

There is a risk that UNL will not earn trading gains sufficient to compensate for the fees and expenses that it must pay as such UNL may not earn any profit.

UNL pays brokerage charges of approximately 0.04% of average total net assets based on brokerage fees of $3.50 per bu sell, management fees of 0.75% of NAV on its average net assets and OTC spreads and extraordinary expenses (*e.g.,* subsequent offering expenses, other expenses not in the ordinary course of business, including the indemnification of any person against liabilities and obligations to the extent permitted by law and required under the LP Agreement and under agreements entered into by USCF on UNL's behalf and the bringing and defending of actions at law or in equity and othe engaging in the conduct of litigation and the incurring of legal expenses and the settlement of claims and litigation) that c be quantified.

These fees and expenses must be paid in all cases regardless of whether UNL's activities are profitable. Accordingly, UN earn trading gains sufficient to compensate for these fees and expenses before it can earn any profit.

Regulation of the commodity interests and energy markets is extensive and constantly changing; future regulatory developments are impossible to predict but may significantly and adversely affect UNL.

The futures markets are subject to comprehensive statutes, regulations, and margin requirements. In addition, the CFTC a futures exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for exampl retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price and the suspension of trading. Regulation of commodity interest transactions in the United States is a rapidly changing ar law and is subject to ongoing modification by governmental and judicial action. Considerable regulatory attention has be focused on non-traditional investment pools that are publicly distributed in the United States. In addition, various nationa governments outside of the United States have expressed concern regarding the disruptive effects of speculative trading i energy markets and the need to regulate the derivatives markets in general. The effect of any future regulatory change on is impossible to predict, but it could be substantial and adverse. For a more detailed discussion of the regulations to be im by the CFTC and the SEC and the potential impacts thereof on UNL, please see *"Item 1. Business – Regulation"* in this a report on Form 10-K.

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An investment in UNL may provide little or no diversification benefits. Thus, in a declining market, UNL may have no to offset losses from other investments, and an investor may suffer losses on an investment in UNL while incurring los with respect to other asset classes.

Historically, Futures Contracts and Other Natural Gas-Related Investments have generally been non-correlated to the performance of other asset classes such as stocks and bonds. Non-correlation means that there is a low statistically valid relationship between the performance of futures and other commodity interest transactions, on the one hand, and stocks o bonds, on the other hand.

However, there can be no assurance that such non-correlation will continue during future periods. If, contrary to historic patterns, UNL's performance were to move in the same general direction as the financial markets, investors will obtain li no diversification benefits from an investment in UNL's shares. In such a case, UNL may have no gains to offset losses f other investments, and investors may suffer losses on their investment in UNL at the same time they incur losses with res other investments.

Variables such as drought, floods, weather, embargoes, tariffs and other political events may have a larger impact on natu prices and natural gas-linked instruments, including Futures Contracts and Other Natural Gas-Related Investments, than o traditional securities. These additional variables may create additional investment risks that subject UNL's investments to volatility than investments in traditional securities.

Non-correlation should not be confused with negative correlation, where the performance of two asset classes would be opposite of each other. There is no historical evidence that the spot price of natural gas and prices of other financial assets as stocks and bonds, are negatively correlated. In the absence of negative correlation, UNL cannot be expected to be automatically profitable during unfavorable periods for the stock market, or vice versa.

UNL is not a registered investment company so shareholders do not have the protections of the 1940 Act.

UNL is not an investment company subject to the 1940 Act. Accordingly, investors do not have the protections afforded l statute which, for example, requires investment companies to have a majority of disinterested directors and regulates the relationship between the investment company and its investment manager.

Trading in international markets could expose UNL to credit and regulatory risk.

UNL invests primarily in Futures Contracts, a significant portion of which are traded on United States exchanges, includi NYMEX. However, a portion of UNL's trades may take place on markets and exchanges outside the United States. Some non-U.S. markets present risks because they are not subject to the same degree of regulation as their U.S. counterparts. T on such non-U.S. markets or exchanges presents risks because they are not subject to the same degree of regulation as the counterparts, including potentially different or diminished investor protections. In trading contracts denominated in curre other than U.S. dollars, UNL is subject to the risk of adverse exchange-rate movements between the dollar and the functi currencies of such contracts. Additionally, trading on non-U.S. exchanges is subject to the risks presented by exchange co expropriation, increased tax burdens and exposure to local economic declines and political instability. An adverse develo with respect to any of these variables could reduce the profit or increase the loss earned on trades in the affected internati markets.

UNL and USCF may have conflicts of interest, which may permit them to favor their own interests to the detriment of shareholders.

UNL is subject to actual and potential inherent conflicts involving USCF, various commodity futures brokers and Author Participants. USCF's officers, directors and employees do not devote their time exclusively to UNL. These persons are di officers or employees of other entities that may compete with UNL for their services. They could have a conflict between responsibilities to UNL and to those other entities. As a result of these and other relationships, parties involved with UNL a financial incentive to act in a manner other than in the best interests of UNL and the shareholders. USCF has not establi any formal procedure to resolve conflicts of interest. Consequently, investors are dependent on the good faith of the respe parties subject to such conflicts of interest to resolve them equitably. Although USCF attempts to monitor these conflicts, extremely difficult, if not impossible, for USCF to ensure that these conflicts do not, in fact, result in adverse consequenc the shareholders.

UNL may also be subject to certain conflicts with respect to the FCM, including, but not limited to, conflicts that result fr receiving greater amounts of compensation from other clients, or purchasing opposite or competing positions on behalf o party accounts traded through the FCM. In addition, USCF's principals, officers, directors or employees may trade future related contracts for their own account. A conflict of interest may exist if their trades are in the same markets and at the sa time as UNL trades using the clearing broker to be used by UNL. A potential conflict also may occur if USCF's principal officers, directors or employees trade their accounts more aggressively or take positions in their accounts which are oppo ahead of, the positions taken by UNL.

UNL could terminate at any time and cause the liquidation and potential loss of an investor's investment and could up overall maturity and timing of an investor's investment portfolio.

UNL may terminate at any time, regardless of whether UNL has incurred losses, subject to the terms of the LP Agreemen particular, unforeseen circumstances, including the death, adjudication of incompetence, bankruptcy, dissolution, or remo USCF as the general partner of UNL could cause UNL to terminate unless a majority interest of the limited partners with days of the event elects to continue the partnership and appoints a successor general partner, or the affirmative vote of a majority in interest of the limited partners subject to certain conditions. However, no level of losses will require USCF to terminate UNL. UNL's termination would cause the liquidation and potential loss of an investor's investment. Terminati also negatively affect the overall maturity and timing of an investor's investment portfolio.

UNL does not expect to make cash distributions.

UNL has not previously made any cash distributions and intends to reinvest any realized gains in additional Natural Gas Interests rather than distributing cash to limited partners. Therefore, unlike mutual funds, commodity pools or other inves pools that actively manage their investments in an attempt to realize income and gains from their investing activities and distribute such income and gains to their investors, UNL generally does not expect to distribute cash to limited partners. investor should not invest in UNL if the investor will need cash distributions from UNL to pay taxes on its share of incon gains of UNL, if any, or for any other reason. Nonetheless, although UNL does not intend to make cash distributions, the income earned from its investments held directly or posted as margin may reach levels that merit distribution, *e.g.*, at leve where such income is not necessary to support its underlying investments in Natural Gas Interests and investors adversel to being taxed on such income without receiving distributions that could be used to pay such tax. If this income becomes significant then cash distributions may be made.

An unanticipated number of redemption requests during a short period of time could have an adverse effect on UNL's asset value.

If a substantial number of requests for redemption of Redemption Baskets are received by UNL during a relatively short p
of time, UNL may not be able to satisfy the requests from UNL's assets not committed to trading. As a consequence, it co
necessary to liquidate positions in UNL's trading positions before the time that the trading strategies would otherwise dic
liquidation.

Money Market Reform

On July 23, 2014, the SEC adopted to reform money market funds, such that institutional prime money market funds will
their net asset value as well as impose rules such that all money market funds' boards of directors will be required to imp
rules to discourage and prevent runs by investors through the use of redemption fees and gates. Money market funds have
years from the date of adoption to implement the reform. UNL currently invests in money market funds, as well as Treasu
with a maturity date of two years or less, as an investment for assets not used for margin or collateral in the Futures Contr
is unclear at this time what the impact of money market reform would have on UNL's ability to hedge risk, however, the
imposition of a floating net asset value could cause UNL to limit remaining assets solely in Treasuries and cash.

As the regulatory requirements are constantly evolving, it is difficult to predict the effect any regulatory changes may hav
UNL.

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The failure or bankruptcy of a clearing broker could result in a substantial loss of UNL's assets and could impair UN ability to execute trades.

In the event of the bankruptcy of a clearing broker or an Exchange's clearing house, UNL could be exposed to a risk of lo respect to its assets that are posted as margin. If such a bankruptcy were to occur, UNL would be afforded the protections granted to customers of an FCM, and participants to transactions cleared through a clearing house, under the United State Bankruptcy Code and applicable CFTC regulations. Such provisions generally provide for a pro rata distribution to custo of customer property held by the bankrupt FCM or an Exchange's clearing house if the customer property held by the FC the Exchange's clearing house is insufficient to satisfy all customer claims. In any case, there can be no assurance that th protections will be effective in allowing UNL to recover all, or even any, of the amounts it has deposited as margin.

Bankruptcy of a clearing FCM can be caused by, among other things, the default of one of the FCM's customers. In this the Exchange's clearing house is permitted to use the entire amount of margin posted by UNL (as well as margin posted customers of the FCM) to cover the amounts owed by the bankrupt FCM. Consequently, UNL could be unable to recove amounts due to it on its futures positions, including assets posted as margin, and could sustain substantial losses.

On January 13, 2014, new regulations became effective relating to enhanced customer protections, risk management prog internal monitoring and controls, capital and liquidity standards, customer disclosures and auditing and 20 examination programs for FCMs. There can be no assurance that the implementation of these regulations will prevent losses to, or not materially adversely affect, UNL or its investors.

Notwithstanding that UNL could sustain losses upon the failure or bankruptcy of its FCM, the majority of UNL's assets a in Treasuries, cash and/or cash equivalents with the Custodian and would not be impacted by the bankruptcy of an FCM.

The failure or bankruptcy of UNL's Custodian could result in a substantial loss of UNL's assets.

The majority of UNL's assets are held in Treasuries, cash and/or cash equivalents with the Custodian. The insolvency of Custodian could result in a complete loss of UNL's assets held by that Custodian, which, at any given time, would likely comprise a substantial portion of UNL's total assets.

Third parties may infringe upon or otherwise violate intellectual property rights or assert that USCF has infringed or otherwise violated their intellectual property rights, which may result in significant costs and diverted attention.

It is possible that third parties might utilize UNL's intellectual property or technology, including the use of its business m trademarks and trading program software, without permission. USCF has a patent for UNL's business method and has reg its trademarks. UNL does not currently have any proprietary software. However, if it obtains proprietary software in the f any unauthorized use of UNL's proprietary software and other technology could also adversely affect its competitive adv UNL may not have adequate resources to implement procedures for monitoring unauthorized uses of its patents, tradema proprietary software and other technology. Also, third parties may independently develop business methods, trademarks o proprietary software and other technology similar to that of USCF or claim that USCF has violated their intellectual prop rights, including their copyrights, trademark rights, trade names, trade secrets and patent rights. As a result, USCF may ha litigate in the future to protect its trade secrets, determine the validity and scope of other parties' proprietary rights, defen against claims that it has infringed or otherwise violated other parties' rights, or defend itself against claims that its rights invalid. Any litigation of this type, even if USCF is successful and regardless of the merits, may result in significant costs divert its resources from UNL, or require it to change its proprietary software and other technology or enter into royalty o licensing agreements.

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Due to the increased use of technologies, intentional and unintentional cyber-attacks pose operational and informatio security risks.

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessar business functions, UNL is susceptible to operational and information security risks. In general, cyber incidents can resul deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to di systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruptio Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites. Cyber security failures or breaches of UNL's clearing broker or third party service provider (including, but not limited to, index providers, the administrator and transfer agent, the custodian), have the abil cause disruptions and impact business operations, potentially resulting in financial losses, the inability of UNL sharehold transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs.

In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. UNL and its sharehold could be negatively impacted as a result. While UNL has established business continuity plans, there are inherent limitati such plans.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

Not applicable.

Item 3. Legal Proceedings.

Although UNL may, from time to time, be involved in litigation arising out of its operations in the normal course of busi otherwise, UNL is currently not a party to any pending material legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

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Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Sec

Price Range of Shares

UNL’s shares have traded on the NYSE Arca under the symbol “UNL” since November 18, 2009. The following table se the range of reported high and low sales prices of the shares as reported on the NYSE Arca, for the periods indicated belo

	High	Low
Fiscal year 2015		
First quarter	$14.54	$12.58
Second quarter	$13.63	$12.00
Third quarter	$13.05	$11.28
Fourth quarter	$11.48	$8.61

	High	Low
Fiscal year 2014		
First quarter	$21.04	$17.52
Second quarter	$21.20	$19.20
Third quarter	$19.52	$17.24
Fourth quarter	$18.13	$13.81

As of December 31, 2015, UNL had approximately 1,674 holders of shares.

Dividends

UNL has not made and does not currently intend to make cash distributions to its shareholders.

Issuer Purchases of Equity Securities

UNL does not purchase shares directly from its shareholders; however, in connection with its redemption of baskets held
Authorized Participants, UNL redeemed 15 baskets (comprising 750,000 shares) during the year ended December 31, 20

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Item 6. Selected Financial Data.

Financial Highlights (for the years ended December 31, 2015, 2014, 2013, 2012 and 2011)

(Dollar amounts in 000's except for per share information)

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012	Year en Decemb 2011
Total assets	$ 13,211	$ 16,520	$ 27,656	$ 43,246	$ 21,38
Net realized and unrealized gain (loss) on futures transactions, inclusive of commissions	$ (4,425)	$ (3,808)	$ 4,384	$ (4,499)	$ (14,06
Net income (loss)	$ (4,548)	$ (3,972)	$ 4,090	$ (4,829)	$ (14,34
Weighted-average limited partnership shares	1,305,753	1,031,781	1,866,712	2,132,514	1,039,
Net income (loss) per share	$ (3.97)	$ (4.63)	$ 1.09	$ (3.98)	$ (13.81
Net income (loss) per weighted average share	$ (3.48)	$ (3.85)	$ 2.19	$ (2.26)	$ (13.80
Cash and cash equivalents at end of year	$ 11,220	$ 15,113	$ 25,515	$ 39,667	$ 19,71

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the financial statements and the notes thereto of UNL includ elsewhere in this annual report on Form 10-K.

Forward-Looking Information

This annual report on Form 10-K, including this "Management's Discussion and Analysis of Financial Condition and Re Operations," contains forward-looking statements regarding the plans and objectives of management for future operation information may involve known and unknown risks, uncertainties and other factors that may cause UNL's actual results, performance or achievements to be materially different from future results, performance or achievements expressed or im by any forward-looking statements. Forward-looking statements, which involve assumptions and describe UNL's future strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "believe," "intend" or "project," the negative of these words, other variations on these words or comparable terminology. forward-looking statements are based on assumptions that may be incorrect, and UNL cannot assure investors that the projections included in these forward-looking statements will come to pass. UNL's actual results could differ materially f those expressed or implied by the forward-looking statements as a result of various factors.

UNL has based the forward-looking statements included in this annual report on Form 10-K on information available to i
the date of this annual report on Form 10-K, and UNL assumes no obligation to update any such forward-looking
statements. Although UNL undertakes no obligation to revise or update any forward-looking statements, whether as a res
new information, future events or otherwise, investors are advised to consult any additional disclosures that UNL may ma
directly to them or through reports that UNL in the future files with the SEC, including annual reports on Form 10-K, qua
reports on Form 10-Q and current reports on Form 8-K.

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Introduction

UNL, a Delaware limited partnership, is a commodity pool that issues shares that may be purchased and sold on the NYS Arca. The investment objective of UNL is for the daily changes in percentage terms of its shares' per share NAV to refle daily changes, in percentage terms, of the spot price of natural gas delivered at the Henry Hub, Louisiana, as measured by daily changes in the average of the prices of 12 futures contracts on natural gas traded on the NYMEX, consisting of the month contract to expire and the contracts for the following 11 months, for a total of 12 consecutive months' contracts, e when the near month contract is within two weeks of expiration, in which case it will be measured by the futures contract the next month contract to expire and the contracts for the following 11 consecutive months (the "Benchmark Futures Co less UNL's expenses. "Near month contract" means the next contract traded on the NYMEX due to expire. "Next month means the first contract traded on the NYMEX due to expire after the near month contract. When calculating the daily movement of the average price of the 12 contracts, each contract month is equally weighted. It is not the intent of UNL to operated in a fashion such that the per share NAV will equal, in dollar terms, the spot price of natural gas or any particula futures contract based on natural gas. It is not the intent of UNL to be operated in a fashion such that its per share NAV w reflect the percentage change of the price of any particular futures contract as measured over a time period greater than o USCF believes that it is not practical to manage the portfolio to achieve such an investment goal when investing in Futur Contracts and Other Natural Gas-Related Investments.

UNL seeks to achieve its investment objective by investing in a combination of natural gas Futures Contracts and Other N Gas-Related Investments such that daily changes in its per share NAV, measured in percentage terms, will closely track t daily changes in the average of the prices of the Benchmark Futures Contracts, also measured in percentage terms. USCF believes the daily changes in the average of the prices of the Benchmark Futures Contracts have historically exhibited a c correlation with the daily changes in the spot price of natural gas. It is not the intent of UNL to be operated in a fashion su that the per share NAV will equal, in dollar terms, the spot price of or any particular futures contract based on natural gas

The regulation of commodity interest trading in the United States and other countries is an evolving area of the law. The statements made in this summary are subject to modification by legislative action and changes in the rules and regulation SEC, FINRA, CFTC, the NFA, the futures exchanges, clearing organizations and other regulatory bodies. Pending final resolution of all applicable regulatory requirements, some examples of how new rules and regulations could impact UNL discussed in "Item 1. Business" and "Item 1A. Risk Factors" in this annual report on Form 10-K.

Price Movements

Natural gas futures prices were volatile during the year ended December 31, 2015. The average price of the Benchmark F Contracts started the year at $3.057. It fell over the course of the year and hit a peak on January 14, 2015 of $3.248. The average low price of the year was on December 15, 2015, when the average price of the Benchmark Futures Contracts wa $2.168. The average price of the Benchmark Futures Contracts on December 31, 2015 was $2.528, for a decrease of approximately (17.30)% over the year. UNL's per share NAV began the year at $13.69 and ended the year at $9.72 on December 31, 2015, a decrease of approximately (29.00)% over the year. UNL's per share NAV reached its high for the y January 14, 2015 at $14.54 and reached its low for the year on December 15, 2015 at $8.61. The average Benchmark Fut Contracts price listed above began with the February 2014 to January 2015 contracts and ended with the February 2015 to January 2016 contracts. The decrease of approximately (29.00)% on the average price of the Benchmark Futures Contrac listed above is a hypothetical return only and could not actually be achieved by an investor holding Futures Contracts. An investment in natural gas Futures Contracts would need to be rolled forward during the time period described in order to simulate such a result. Furthermore, the change in the nominal price of these differing natural gas Futures Contracts, mea from the start of the year to the end of the year, does not represent the actual benchmark results that UNL seeks to track, w are more fully described below, in the section titled *"Tracking UNL's Benchmark."*

During the year ended December 31, 2015, the natural gas futures market exhibited periods of both contango and backwardation. During periods of contango, the price of the near month natural gas Futures Contract was typically lower the price of the next month natural gas Futures Contract, or contracts further away from expiration. On days when the ma was in backwardation, the price of the near month natural gas Futures Contract was typically higher than the price of the month natural gas Futures Contract, or contracts further away from expiration. For a discussion of the impact of contango backwardation on total returns, see *"Term Structure of Natural Gas Futures Prices and the Impact on Total Returns"* bel

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Valuation of Futures Contracts and the Computation of the Per Share NAV

The per share NAV of UNL's shares is calculated once each NYSE Arca trading day. The per share NAV for a particular day is released after 4:00 p.m. New York time. Trading during the core trading session on the NYSE Arca typically close 4:00 p.m. New York time. The Administrator uses the NYMEX closing price (determined at the earlier of the close of the NYMEX or 2:30 p.m. New York time) for the contracts held on the NYMEX, but calculates or determines the value of al UNL investments, including cleared swaps, or other futures contracts, as of the earlier of the close of the NYSE Arca or 4 p.m. New York time.

Results of Operations and the Natural Gas Market

Results of Operations. On November 18, 2009, UNL listed its shares on the NYSE Arca under the ticker symbol "UNL." day, UNL established its initial offering price at $50.00 per share and issued 200,000 shares to the initial Authorized Participant, Merrill Lynch Professional Clearing Corp., in exchange for $10,000,000 in cash.

Since its initial offering of 30,000,000 shares, UNL has not registered any subsequent offerings of its shares. As of Decer 31, 2015, UNL had issued 5,300,000 shares, 1,350,000 of which were outstanding. As of December 31, 2015, there were 24,700,000 shares registered but not yet issued.

More shares may have been issued by UNL than are outstanding due to the redemption of shares. Unlike funds that are registered under the 1940 Act, shares that have been redeemed by UNL cannot be resold by UNL. As a result, UNL contemplates that additional offerings of its shares will be registered with the SEC in the future in anticipation of additior issuances and redemptions.

As of December 31, 2015, UNL had the following Authorized Participants: Citigroup Global Markets, Inc., Credit Suisse Securities USA LLC, JP Morgan Securities, Inc., Merrill Lynch Professional Clearing Corporation, Morgan Stanley & Co LLC, Nomura Securities International Inc., RBC Capital Markets LLC, SG Americas Securities LLC and Virtu Financial LLC.

For the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014; and for the Year Ended Decer
31, 2014, Compared to the Year Ended December 31, 2013

	For the Year Ended December 31, 2015		For the Year Ended December 31, 2014		For the Year Ended December 31, 2013
Per share net asset value, end of period	$ 9.72		$ 13.69		$ 18.32
Average daily total net assets	$ 15,846,367		$ 19,192,502		$ 33,343,355
Dividend and interest income earned on Treasuries, cash and/or cash equivalents	$ 6,435		$ 5,086		$ 9,200
Annualized yield based on average daily total net assets	0.04	%	0.03	%	0.03
Management fee	$ 118,848		$ 143,944		$ 250,075
Total fees and other expenses excluding management fees	$ 112,972		$ 163,639		$ 171,483
Total amount of the expense waiver	$ 89,122		$ 128,906		$ 100,580
Expenses before allowance for the expense waiver	$ 231,820		$ 307,583		$ 421,558
Expenses after allowance for the expense waiver	$ 142,698		$ 178,677		$ 320,978
Fees and expenses related to the registration or offering of additional shares	$ —		$ —		$ —
Total commissions accrued to brokers	$ 6,117		$ 3,918		$ 8,360
Total commissions as annualized percentage of average total net assets	0.04	%	0.02	%	0.03
Commissions accrued as a result of rebalancing	$ 4,698		$ 2,126		$ 4,484
Percentage of commissions accrued as a result of rebalancing	76.80	%	54.26	%	53.64
Commissions accrued as a result of creation and redemption activity	$ 1,419		$ 1,792		$ 3,876
Percentage of commissions accrued as a result of creation and redemption activity	23.20	%	45.74	%	46.36

Portfolio Expenses. UNL's expenses consist of investment management fees, brokerage fees and commissions, certain of
costs, licensing fees, the fees and expenses of the independent directors of USCF and expenses relating to tax accounting
reporting requirements. The management fee that UNL pays to USCF is calculated as a percentage of the total net assets
UNL. The fee is accrued daily and paid monthly.

The decrease in the per share NAV for December 31, 2015, compared to the year ended December 31, 2014 was primaril
to the decrease in value of the Futures Contracts in which UNL invested; and the decrease in the year ended December 31
2014, compared to the year ended December 31, 2013, was primarily due to the decrease in value of the Futures Contract
which UNL invested.

Average interest income earned on short-term investments held by UNL, including cash, cash equivalents and Treasuries
similar during the year ended December 31, 2015, compared to the year ended December 31, 2014; and was similar for th
ended December 31, 2014 compared to 2013, as measured on average daily total net assets.

The decrease in total fees and expenses excluding management fees for the year ended December 31, 2015, compared to
year ended December 31, 2014 was due to a decrease in certain of UNL's expenses including professional fees; and the d
in total fees and expenses excluding management fees for the year ended December 31, 2014, compared to the year ende
December 31, 2013, was due to a decrease in certain of UNL's expenses.

UNL's total commissions accrued to brokers for the year ended December 31, 2015, compared to the year ended Decemb
2014, were higher due to the number of Futures Contracts traded; and were similar for the year ended December 31, 2014
compared to the year ended December 31, 2013, as measured as an annualized percentage of average total net assets.

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For the Three Months Ended December 31, 2015 Compared to the Three Months Ended December 31, 2014; and for the Months Ended December 31, 2014 Compared to the Three Months Ended December 31, 2013

	For the three months ended December 31, 2015		For the three months ended December 31, 2014		For the th months en December 2013
Per share net asset value, end of period	$ 9.72		$ 13.69		$ 18.32
Average daily total net assets	$ 12,853,676		$ 17,584,491		$ 27,672,8
Dividend and interest income earned on Treasuries, cash and/or cash equivalents	$ 2,207		$ 1,396		$ 1,974
Annualized yield based on average daily total net assets	0.07	%	0.03	%	0.03
Management fee	$ 24,299		$ 33,242		$ 52,313
Total fees and other expenses excluding management fees	$ 29,142		$ 17,360		$ 52,526
Total amount of the expense waiver	$ 24,274		$ 10,778		$ 37,562
Expenses before allowance for the expense waiver	$ 53,441		$ 50,602		$ 104,839
Expenses after allowance for the expense waiver	$ 29,167		$ 39,824		$ 67,277
Fees and expenses related to the registration or offering of additional shares	$ —		$ —		$ —
Total commissions accrued to brokers	$ 1,295		$ 1,396		$ 1,550
Total commissions as annualized percentage of average total net assets	0.04	%	0.03	%	0.02
Commissions accrued as a result of rebalancing	$ 1,105		$ 976		$ 1,051
Percentage of commissions accrued as a result of rebalancing	85.33	%	69.91	%	67.81
Commissions accrued as a result of creation and redemption activity	$ 190		$ 420		$ 499
Percentage of commissions accrued as a result of creation and redemption activity	14.67	%	30.09	%	32.19

The decrease in the per share NAV for the three months ended December 31, 2015, compared to the three months ended December 31, 2014, were primarily due to lower prices for Futures Contracts and the related decrease in the value of the Futures Contracts in which UNL invested; and the decrease in the per share NAV for the three months ended December 3 2014, compared to the three months ended December 31, 2013, was a result of lower prices for Futures Contracts and the related decrease in the value of the Futures Contracts in which UNL held and traded.

Average interest income earned on short-term investments held by UNL, including cash, cash equivalents and Treasuries higher during the three months ended December 31, 2015, compared to the three months ended December 31, 2014; and similar during the three months ended December 31, 2014, and 2013, as measured on average daily total net assets.

The increase in total fees and expenses excluding management fees for the three months ended December 31, 2015, comp to the three months ended December 31, 2014 were due to an increase in certain UNL's expenses. The decrease in total f expenses excluding management fees for the three months ended December 31, 2014, compared to the year ended Decem

31, 2013 were due to a decrease in certain of UNL's expenses.

The total commissions accrued to brokers by UNL for the three months ended December 31, 2015, was similar compared three months ended December 31, 2014; and was similar for the three months ended December 31, 2014, compared to the months ended December 31, 2013 as measured as an annualized percentage of average total net assets

Tracking UNL's Benchmark. USCF seeks to manage UNL's portfolio such that changes in its average daily per share NA percentage basis, closely track the daily changes in the average prices of the Benchmark Futures Contracts, also on a perc basis. Specifically, USCF seeks to manage the portfolio such that over any rolling period of 30 valuation days, the averag change in UNL's per share NAV is within a range of 90% to 110% (0.9 to 1.1) of the average daily change in the price of Benchmark Futures Contracts. As an example, if the average daily movement of the average of the prices of the Benchmark Futures Contracts for a particular 30-valuation day time period was 0.50% per day, USCF would attempt to m the portfolio such that the average daily movement of the per share NAV during that same time period fell between 0.45% 0.50% (*i.e.*, between 0.9 and 1.1 of the benchmark's results). UNL's portfolio management goals do not include trying to the nominal price of UNL's per share NAV equal to the average of the nominal prices of the current Benchmark Futures Contracts or the spot price for natural gas. USCF believes that it is not practical to manage the portfolio to achieve such a investment goal when investing in natural gas Futures Contracts and other Natural Gas-Related Investments.

For the 30 valuation days ended December 31, 2015, the simple average daily change in the Benchmark Futures Contract (0.236)% while the simple average daily change in the per share NAV of UNL over the same time period was (0.240)%. average daily difference was (0.004)% (or (0.4) basis points, where 1 basis point equals 1/100 of 1%). As a percentage of daily movement of the average price of the Benchmark Futures Contracts, the average error in daily tracking by the per sh NAV was (1.12)% meaning that over this time period UNL's tracking error was within the plus or minus 10% range estab as its benchmark tracking goal. The first chart below shows the daily movement of UNL's per share NAV versus the dail movement of the Benchmark Futures Contracts for the 30-valuation day period ended December 31, 2015, the last trading in December. The second chart below shows the monthly total returns of UNL as compared to the monthly value of the Benchmark Futures Contracts for the five years ended December 31, 2015.

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Since the commencement of the offering of UNL shares to the public on November 18, 2009 to December 31, 2015, the s average daily change in the average price of its Benchmark Futures Contracts was (0.087)%, while the simple average da change in the per share NAV of UNL over the same time period was (0.090)%. The average daily difference was (0.003) (0.3) basis points, where 1 basis point equals 1/100 of 1%). As a percentage of the daily movement of the average price o Benchmark Futures Contracts, the average error in daily tracking by the per share NAV was (0.730)%, meaning that over time period UNL's tracking error was within the plus or minus 10% range established as its benchmark tracking goal.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

An alternative tracking measurement of the return performance of UNL versus the return of its Benchmark Futures Contr can be calculated by comparing the actual return of UNL, measured by changes in its per share NAV, versus the *expected* changes in its per share NAV under the assumption that UNL's returns had been exactly the same as the dai changes in its Benchmark Futures Contracts.

For the year ended December 31, 2015, the actual total return of UNL as measured by changes in its per share NAV was (29.00)%. This is based on an initial per share NAV of $13.69 on December 31, 2014 and an ending per share NAV as of December 31, 2015 of $9.72. During this time period, UNL made no distributions to its shareholders. However, if UNL's changes in its per share NAV had instead exactly tracked the changes in the daily total return of the Benchmark Futures Contracts, UNL would have had an estimated per share NAV of $9.80 as of December 31, 2015, for a total return over th relevant time period of (28.41)%. The difference between the actual per share NAV total return of UNL of (29.00)% and expected total return based on the Benchmark Futures Contracts of (28.41)% was an error over the time period of (0.59)% which is to say that UNL's actual total return underperformed the benchmark result by that percentage. UNL incurs expe primarily composed of the management fee, brokerage commissions for the buying and selling of futures contracts, and o expenses. The impact of these expenses tends to cause daily changes in the per share NAV of UNL to track slightly lowe daily changes in the price of the Benchmark Oil Futures Contract.

By comparison, for the year ended December 31, 2014, the actual total return of UNL as measured by changes in its per s NAV was (25.27)%. This is based on an initial per share NAV of $18.32 on December 31, 2013 and an ending per share as of December 31, 2014 of $13.69. During this time period, UNL made no distributions to its shareholders. However, if daily changes in its per share NAV had instead exactly tracked the changes in the daily total return of the Benchmark Fut Contracts, UNL would have had an estimated per share NAV of $13.81 as of December 31, 2014, for a total return over t relevant time period of (24.62)%. The difference between the actual per share NAV total return of UNL of (25.27)% and expected total return based on the Benchmark Futures Contracts of (24.62)% was an error over the time period of (0.65)% which is to say that UNL's actual total return underperformed the benchmark result by that percentage. UNL incurs expe primarily composed of the management fee, brokerage commissions for the buying and selling of futures contracts, and o expenses. The impact of these expenses tended to cause daily changes in the per share NAV of UNL to track slightly low daily changes in the price of the Benchmark Oil Futures Contract.

By comparison, for the year ended December 31, 2013, the actual total return of UNL as measured by changes in its per s NAV was 6.33%. This is based on an initial per share NAV of $17.23 on December 31, 2012 and an ending per share NA of December 31, 2013 of $18.32. During this time period, UNL made no distributions to its shareholders. However, if UN daily changes in its per share NAV had instead exactly tracked the changes in the daily total return of the Benchmark Fut Contracts, UNL would have had an estimated per share NAV of $18.48 as of December 31, 2013, for a total return over t relevant time period of 7.24%. The difference between the actual per share NAV total return of UNL of 6.33% and the ex total return based on the Benchmark Futures Contracts of 7.24% was an error over the time period of (0.91)%, which is to that UNL's actual total return underperformed the benchmark result by that percentage. UNL incurs expenses primarily composed of the management fee, brokerage commissions for the buying and selling of futures contracts, and other expe The impact of these expenses tended to cause daily changes in the per share NAV of UNL to track slightly lower than dai changes in the price of the Benchmark Oil Futures Contract.

There are currently three factors that have impacted or are most likely to impact UNL's ability to accurately track its Benchmark Futures Contracts.

First, UNL may buy or sell its holdings in the then current Benchmark Futures Contracts at a price other than the closing settlement price of that contract on the day during which UNL executes the trade. In that case, UNL may pay a price that higher, or lower, than that of the Benchmark Futures Contracts, which could cause the changes in the daily per share NA UNL to either be too high or too low relative to the daily changes in the Benchmark Futures Contracts. During the year en December 31, 2015, USCF attempted to minimize the effect of these transactions by seeking to execute its purchase or sa the Benchmark Futures Contracts at, or as close as possible to, the end of the day settlement price. However, it may not a be possible for UNL to obtain the closing settlement price and there is no assurance that failure to obtain the closing settl price in the future will not adversely impact UNL's attempt to track the Benchmark Futures Contracts over time.

Second, UNL incurs expenses primarily composed of the management fee, brokerage commissions for the buying and se Futures Contracts, and other expenses. The impact of these expenses tends to cause daily changes in the per share NAV c to track slightly lower than daily changes in the average price of the Benchmark Futures Contracts. At the same time, UN earns dividend and interest income on its cash, cash equivalents and Treasuries. UNL is not required to distribute any por its income to its shareholders and did not make any distributions to shareholders during the year ended December 31, 201 Interest payments, and any other income, were retained within the portfolio and added to UNL's NAV. When this income exceeds the level of UNL's expenses for its management fee, brokerage commissions and other expenses (including ongo registration fees, licensing fees and the fees and expenses of the independent directors of USCF), UNL will realize a net y that will tend to cause daily changes in the per share NAV of UNL to track slightly higher than daily changes in the Benchmark Futures Contracts. If short-term interest rates rise above the current levels, the level of deviation created by t yield would decrease. Conversely, if short-term interest rates were to decline, the amount of error created by the yield wo increase. When short-term yields drop to a level lower than the combined expenses of the management fee and the broke commissions, then the tracking error becomes a negative number and would tend to cause the daily returns of the per sha NAV to underperform the daily returns of the Benchmark Futures Contracts. USCF anticipates that interest rates will con to remain at historical lows and therefore, it is anticipated that fees and expenses paid by UNL will continue to be higher interest earned by UNL. As such, USCF anticipates that UNL will continue to underperform its benchmark until such a ti when interest earned at least equals or exceeds the fees and expenses paid by UNL.

Third, UNL may hold Other Natural Gas-Related Investments in its portfolio that may fail to closely track the Benchmark Futures Contracts' total return movements. In that case, the error in tracking the changes in the average of the Benchmark Futures Contracts could result in daily changes in the per share NAV of UNL that are either too high, or too l relative to the daily changes in the average of the Benchmark Futures Contracts. During the year ended December 31, 20 UNL did not hold Other Natural Gas-Related Investments. If UNL increases in size, and due to its obligations to comply regulatory limits, UNL may invest in Other Natural Gas-Related Investments which may have the effect of increasing transaction related expenses and may result in increased tracking error.

Term Structure of Natural Gas Futures Prices and the Impact on Total Returns. Several factors determine the total return investing in a futures contract position. One factor that impacts the total return that will result from investing in near mon natural gas Futures Contracts and "rolling" those contracts forward each month is the price relationship between the curre month contract and the next month contract. For example, if the price of the near month contract is higher than the next n contract (a situation referred to as "backwardation" in the futures market), then absent any other change there is a tendenc price of a next month contract to rise in value as it becomes the near month contract and approaches expiration. Converse the price of a near month contract is lower than the next month contract (a situation referred to as "contango" in the futur market), then absent any other change there is a tendency for the price of a next month contract to decline in value as it b the near month contract and approaches expiration.

As an example, assume that the price of natural gas for immediate delivery (the "spot price"), was $7 per MMBtu, and th of a position in the near month futures contract was also $7. Over time, the price of 10,000 MMBtu of natural gas will fluctuate based on a number of market factors, including demand for natural gas relative to its supply. The value of the ne month contract will likewise fluctuate in reaction to a number of market factors. If investors seek to maintain their positio near month contract and not take delivery of the natural gas, every month they must sell their current near month contract approaches expiration and invest in the next month contract.

If the futures market is in backwardation, *e.g.*, when the expected price of natural gas in the future would be less, the inve would be buying a next month contract for a lower price than the current near month contract. Using the $7 per MMBtu p above to represent the front month price, the price of the next month contract could be $6.86 per barrel, that is, 2% cheap the front month contract. Hypothetically, and assuming no other changes to either prevailing natural gas prices or the pric relationship between the spot price, the near month contract and the next month contract (and ignoring the impact of commission costs and the income earned on cash and/or cash equivalents), the value of the $6.86 next month contract wo rise as it approaches expiration and becomes the new near month contract with a price of $7. In this example, the value of investment in the second month contract would tend to rise faster than the spot price of natural gas, or fall slower. As a re would be possible in this hypothetical example for the spot price of natural gas to have risen 10% after some period of tin while the value of the investment in the second month futures contract would have risen 12%, assuming backwardation is enough or enough time has elapsed. Similarly, the spot price of natural gas could have fallen 10% while the value of an investment in the futures contract could have fallen only 8%. Over time, if backwardation remained constant, the differen would continue to increase.

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If the futures market is in contango, the investor would be buying a next month contract for a higher price than the curren
month contract. Using again the $7 per MMBtu price above to represent the front month price, the price of the next mont
contract could be $7.14 per barrel, that is, 2% more expensive than the front month contract. Hypothetically, and assumin
other changes to either prevailing natural gas prices or the price relationship between the spot price, the near month contr
the next month contract (and ignoring the impact of commission costs and the income earned on cash and/or cash equival
the value of the next month contract would fall as it approaches expiration and becomes the new near month contract wit
price of $7. In this example, it would mean that the value of an investment in the second month would tend to rise slower
the spot price of natural gas, or fall faster. As a result, it would be possible in this hypothetical example for the spot price
of natural gas to have risen 10% after some period of time, while the value of the investment in the second month futures
contract will have risen only 8%, assuming contango is large enough or enough time has elapsed. Similarly, the spot pric
natural gas could have fallen 10% while the value of an investment in the second month futures contract could have falle
12%. Over time, if contango remained constant, the difference would continue to increase.

The chart below compares the price of the near month contract to the average price of the near 12 month contracts over th
10 years for natural gas. When the price of the near month contract is higher than the average price of the near 12 month
contracts, the market would be described as being in backwardation. When the price of the near month contract is lower t
the average price of the near 12 month contracts, the market would be described as being in contango. Although the price
the near month contract and the average price of the near 12 month contracts do tend to move up or down together, it can
seen that at times the near month prices are clearly higher than the average price of the near 12 month contracts
(backwardation), and other times they are below the average price of the near 12 month contracts (contango). In addition,
investors can observe that natural gas prices, both front month and second month, often display a seasonal pattern in whic
price of natural gas tends to rise in the early winter months and decline in the summer months. This mirrors the physical
demand for natural gas, which typically peaks in the winter.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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An alternative way to view backwardation and contango data over time is to subtract the dollar price of the near month na gas Futures Contract from the dollar price of the near 12 month natural gas Futures Contracts. If the resulting number is a positive number, then the near month price is higher than the average price of the near 12 months and the market could be described as being in backwardation. If the resulting number is a negative number, then the near month price is lower tha average price of the near 12 months and the market could be described as being in contango. The chart below shows the r from subtracting the average dollar price of the near 12 month contracts from the near month price for the 10 year period between December 31, 2005 and December 31, 2015. Investors will note that the natural gas market spent time in both backwardation and contango.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

An investment in a portfolio that involved owning only the near month contract would likely produce a different result th investment in a portfolio that owned an equal number of each of the near 12 months' worth of contracts. Generally speak when the natural gas futures market is in backwardation, the near month only portfolio would tend to have a higher total r than the 12 month contract portfolio. Conversely, if the natural gas futures market was in contango, the portfolio containi months' worth of contracts would tend to outperform the near month only portfolio. The chart below shows the annual re owning a portfolio consisting of the near month contract and a portfolio containing the near 12 months' worth of contract addition, the chart shows the annual change in the spot price of natural gas. In this example, each month, the near month portfolio would sell the near month contract at expiration and buy the next month out contract. The portfolio holding an e number of the near 12 months' worth of contracts would sell the near month contract at expiration and replace it with the contract that becomes the new twelfth month contract.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHIC ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT UNL WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SH DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRAD DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLET ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING.

FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADIN PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

As seen in the chart above, there have been periods of both positive and negative annual total returns for both hypothetica portfolios over the last 10 years. In addition, there have been periods during which the near month only approach had hig returns, and periods where the 12 month approach had higher total returns. The above chart does not represent the perforn history of UNL or any Related Public Fund.

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Historically, the natural gas futures markets have experienced periods of contango and backwardation. Because natural ga demand is seasonal, it is possible for the price of Futures Contracts for delivery within one or two months to rapidly move backwardation into contango and back again within a relatively short period of time of less than one year. While the inve objective of UNL is not to have the market price of its shares match, dollar for dollar, changes in the spot price of natural contango impacted the total return on an investment in UNL shares during the year ended December 31, 2014 relative to hypothetical direct investment in natural gas. For example, an investment in UNL shares made on December 31, 2013 an to December 31, 2014 decreased, based upon the changes in the NAV for UNL shares on those days, by approximately 2 while the spot price of natural gas for immediate delivery during the same period decreased by approximately 31.70% (no this comparison ignores the potential costs associated with physically owning and storing natural gas, which could be substantial). By comparison, an investment made in UNL shares on December 31, 2012 and held to December 31, 2013 increased, based upon the changes in the NAV for UNL shares on those days, by approximately 9.11%, while the spot pr natural gas for immediate delivery during the same period increased by approximately 26.23% (note: this comparison ign the potential costs associated with physically owning and storing natural gas, which could be substantial).

Periods of contango or backwardation do not materially impact UNL's investment objective of having the daily percentag changes in its per share NAV track the daily percentage changes in the price of the Benchmark Futures Contract since the impact of backwardation and contango tend to equally impact the daily percentage changes in price of both UNL's shares the Benchmark Futures Contract. It is impossible to predict with any degree of certainty whether backwardation or contan will occur in the future. It is likely that both conditions will occur during different periods and, because of the seasonal na natural gas demand, both may occur within a single year's time.

Natural Gas Market. During the year ended December 31, 2015, natural gas prices in the United States were volatile and finished the period lower than the beginning of the year. Prices were impacted by several factors. Colder weather in some of the country during the early months of 2015 increased demand for natural gas, while a historic storage surplus that has weighed on prices in recent year exceeded the five-year average and prior year levels. As of December 31, 2015, the amo natural gas in storage had reached 3,756 billion cubic feet, which was approximately 14% above the five-year average an above prior year levels.

By comparison, during the year ended December 31, 2014, natural gas prices in the United States were volatile and finish period lower than the beginning of the year. Prices were impacted by several factors. Colder weather in some parts of the country during the early months of 2014 increased demand for natural gas, while a historic storage surplus that had weigh prices in recent years fell below the five-year average and 2013 levels. From April through October, strong weekly suppl injections allowed inventory levels to recover, and a combination of warmer weather and weak storage withdraws headin the winter resulted in inventories returning to approximate 5-year average levels. As of December 31, 2014, the amount o natural gas in storage had reached 3,089 billion cubic feet, which was approximately 2.1% below the five-year average an 0.09% above 2013 levels.

By comparison, during the year ended December 31, 2013, natural gas prices in the United States were volatile and finish period higher than the beginning of the year. Prices were impacted by several factors. Colder weather in some parts of the

country during the winter months increased demand for natural gas, while a historic storage surplus that had weighed on p
in recent years fell below the five-year average and 2012 levels. As of December 31, 2013, the amount of natural gas in s
had reached 2,974 billion cubic feet, which was approximately 9.4% and 15.9% below the five-year average and 2012 lev
respectively.

Natural Gas Price Movements in Comparison to Other Energy Commodities and Investment Categories. USCF believes
investors frequently measure the degree to which prices or total returns of one investment or asset class move up or down
value in concert with another investment or asset class. Statistically, such a measure is usually done by measuring the
correlation of the price movements of the two different investments or asset classes over some period of time. The correla
scaled between 1 and -1, where 1 indicates that the two investment options move up or down in price or value together, k
as "positive correlation," and -1 indicates that they move in completely opposite directions, known as "negative correlatio
correlation of 0 would mean that the movements of the two are neither positively nor negatively correlated, known as
"non-correlation." That is, the investment options sometimes move up and down together and other times move in opposi
directions.

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For the ten year time period between 2005 and 2015, the table below compares the monthly movements of natural gas pri versus the monthly movements of the prices of several other energy commodities, such as crude oil, diesel-heating oil, an unleaded gasoline, as well as several major non-commodity investment asset classes, such as large cap U.S. equities, U.S government bonds and global equities. It can be seen that over this particular time period, the movement of natural gas or monthly basis was neither strongly correlated nor inversely correlated with the movements of large cap U.S. equities, U.S government bonds, global equities, crude oil, diesel-heating oil or unleaded gasoline.

Correlation Matrix December 31, 2005-2015	Large Cap U.S. Equities (S&P 500)	U.S. Gov't. Bonds (EFFAS U.S. Gov't. Bond Index)	Global Equities (FTSE World Index)	Crude Oil	Diesel-Heating Oil	Unleaded Gasoline	N G
Large Cap U.S. Equities (S&P 500)	1.000	(0.300)	0.963	0.424	0.419	0.401	(
U.S. Gov't. Bonds (EFFAS U.S. Gov't. Bond Index)		1.000	(0.276)	(0.369)	(0.326)	(0.404)	(
Global Equities (FTSE World Index)			1.000	0.504	0.483	0.458	(
Crude Oil				1.000	0.800	0.747	(
Diesel-Heating Oil					1.000	0.740	(
Unleaded Gasoline						1.000	(
Natural Gas							1

Source: Bloomberg, NYMEX

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

The table below covers a more recent, but much shorter, range of dates than the above table. Over the one year period enc December 31, 2015, the movement of natural gas on a monthly basis was neither strongly correlated nor inversely correla with movements in large-cap U.S. equities, U.S government bonds, global equities, crude oil, diesel-heating oil or unlead gasoline.

Correlation Matrix 12 Months ended December 31, 2015	Large Cap U.S. Equities (S&P 500)	U.S. Gov't. Bonds (EFFAS U.S. Gov't. Bond Index)	Global Equities (FTSE World Index)	Crude Oil	Diesel-Heating Oil	Unleaded Gasoline	N G
Large Cap U.S. Equities (S&P 500)	1.000	(0.412)	0.974	0.160	0.380	0.531	(

U.S. Gov't. Bonds (EFFAS U.S. Gov't. Bond Index)	1.000	(0.357)	(0.491)	(0.591)	(0.550)
Global Equities (FTSE World Index)		1.000	0.264	0.432	0.636
Crude Oil			1.000	0.648	0.629
Diesel-Heating Oil				1.000	0.752
Unleaded Gasoline					1.000
Natural Gas					

Source: Bloomberg, NYMEX

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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Investors are cautioned that the historical price relationships between natural gas and various other energy commodities, a as other investment asset classes, as measured by correlation may not be reliable predictors of future price movements an correlation results. The results pictured above would have been different if a different range of dates had been selected. U believes that natural gas has historically not demonstrated a strong correlation with equities or bonds over long periods of time. However, USCF also believes that in the future it is possible that natural gas could have long term correlation result indicate prices of natural gas more closely track the movements of equities or bonds. In addition, USCF believes that, wh measured over time periods shorter than ten years, there will always be some periods where the correlation of natural gas equities and bonds will be either more strongly positively correlated or more strongly negatively correlated than the long historical results suggest.

The correlations between natural gas, crude oil, diesel-heating oil and gasoline are relevant because USCF endeavors to i UNL's assets in Futures Contracts and Other Natural Gas-Related Investments so that daily changes in percentage terms UNL's per share NAV correlate as closely as possible with daily changes in percentage terms in the average of the prices Benchmark Futures Contracts. If certain other fuel-based commodity futures contracts do not closely correlate with the na gas Futures Contracts, then their use could lead to greater tracking error. As noted, USCF also believes that the changes i percentage terms in the average of the prices of the Benchmark Futures Contracts will closely correlate with changes in percentage terms in the spot price of natural gas.

Critical Accounting Policies

Preparation of the financial statements and related disclosures in compliance with accounting principles generally accepte the United States of America requires the application of appropriate accounting rules and guidance, as well as the use of estimates. UNL's application of these policies involves judgments and actual results may differ from the estimates used.

USCF has evaluated the nature and types of estimates that it makes in preparing UNL's financial statements and related disclosures and has determined that the valuation of its investments which are not traded on a United States or internation recognized futures exchange (such as forward contracts and OTC contracts) involves a critical accounting policy. The va which are used by UNL for its Futures Contracts are provided by its commodity broker who uses market prices when ava while OTC contracts are valued based on the present value of estimated future cash flows that would be received from or to a third party in settlement of these derivative contracts prior to their delivery date and valued on a daily basis. In additi UNL estimates dividend and interest income on a daily basis using prevailing rates earned on its cash and cash equivalents. These estimates are adjusted to the actual amount received on a monthly basis and the difference, if any, is n considered material.

Liquidity and Capital Resources

UNL has not made, and does not anticipate making, use of borrowings or other lines of credit to meet its obligations. UN met, and it is anticipated that UNL will continue to meet, its liquidity needs in the normal course of business from the pro of the sale of its investments or from the Treasuries, cash and/or cash equivalents that it intends to hold at all times. UNL liquidity needs include: redeeming shares, providing margin deposits for its existing natural gas Futures Contracts or the purchase of additional natural gas Futures Contracts and posting collateral for its OTC swaps and, if applicable, payment expenses, summarized below under “Contractual Obligations.”

UNL currently generates cash primarily from: (i) the sale of baskets consisting of 50,000 shares and (ii) income earned or Treasuries, cash and/or cash equivalents. UNL has allocated substantially all of its net assets to trading in Natural Gas Int UNL invests in Natural Gas Interests to the fullest extent possible without being leveraged or unable to satisfy its current potential margin or collateral obligations with respect to its investments in Futures Contracts and Other Natural Gas-Rela Investments. A significant portion of UNL’s NAV is held in Treasuries, cash and cash equivalents that are used as margi collateral for its trading in Natural Gas Interests. The balance of the assets is held in UNL’s account at its custodian bank investments in Treasuries at the FCM. Income received from UNL’s investments in money market funds and Treasuries i to UNL. During the year ended December 31, 2015, UNL’s expenses exceeded the income UNL earned and the cash earn from the sales of Creation Baskets. During the year ended December 31, 2014, UNL’s expenses exceeded the income UN earned and the cash earned from the sale of Creation Baskets. To the extent expenses exceed income, UNL’s NAV will b negatively impacted.

UNL’s investments in Natural Gas Interests may be subject to periods of illiquidity because of market conditions, regulat considerations and other reasons. For example, most commodity exchanges limit the fluctuations in futures contracts pric during a single day by regulations referred to as “daily limits.” During a single day, no trades may be executed at prices b the daily limit. Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, posit the contracts can neither be taken nor liquidated unless the traders are willing to effect trades at or within the specified da limit. Such market conditions could prevent UNL from promptly liquidating its positions in futures contracts. During the ended December 31, 2015, UNL did not purchase or liquidate any of its positions while daily limits were in effect; howe UNL cannot predict whether such an event may occur in the future.

Since the initial offering of UNL, all payments with respect to UNL’s expenses were paid by USCF. UNL does not have obligation or intention to refund such payments by USCF. USCF has voluntary agreed to pay certain expenses typically b by UNL, to the extent that such expenses exceeded 0.15% (15 basis points) of UNL’s NAV, on an annualized basis, throu least April 30, 2016 USCF has no obligation to continue such payment into subsequent periods. UNL will be responsible expenses incurred subsequent to the initial offering of shares relating to: (i) management fees, (ii) brokerage fees and commissions, (iii) licensing fees for the use of intellectual property, (iv) ongoing registration expenses in connection with and sales of its shares subsequent to the initial offering, (v) other expenses, including tax reporting costs, (vi) fees and ex of the independent directors of USCF and (vii) other extraordinary expenses not in the ordinary course of business, while has been responsible for expenses relating to the fees of UNL’s Marketing Agent, Administrator and Custodian. If USCF UNL are unsuccessful in raising sufficient funds to cover these respective expenses or in locating any other source of fun UNL will terminate and investors may lose all or part of their investment.

Market Risk

Trading in Futures Contracts and Other Natural Gas-Related Investments, such as forwards, involves UNL entering into contractual commitments to purchase or sell natural gas at a specified date in the future. The aggregate market value of th contracts will significantly exceed UNL’s future cash requirements since UNL intends to close out its open positions pric settlement. As a result, UNL is generally only subject to the risk of loss arising from the change in value of the contracts. considers the “fair value” of its derivative instruments to be the unrealized gain or loss on the contracts. The market risk associated with UNL’s commitments to purchase natural gas is limited to the aggregate market value of the contracts held. However, should UNL enter into a contractual commitment to sell natural gas, it would be required to make deliver the natural gas at the contract price, repurchase the contract at prevailing prices or settle in cash. Since there are no limits future price of natural gas, the market risk to UNL could be unlimited.

UNL’s exposure to market risk depends on a number of factors, including the markets for natural gas, the volatility of int rates and foreign exchange rates, the liquidity of the Futures Contracts and Other Natural Gas-Related Investments marke the relationships among the contracts held by UNL. Drastic market occurrences could ultimately lead to the loss of all or substantially all of an investor’s capital.

Credit Risk

When UNL enters into Futures Contracts and Other Natural Gas-Related Investments, it is exposed to the credit risk that counterparty will not be able to meet its obligations. The counterparty for the Futures Contracts traded on the NYMEX ar most other futures exchanges is the clearinghouse associated with the particular exchange. In general, in addition to marg required to be posted by the clearinghouse in connection with cleared trades, clearinghouses are backed by their members may be required to share in the financial burden resulting from the nonperformance of one of their members and, therefor additional member support should significantly reduce credit risk. UNL is not currently a member of any clearinghouse. S foreign exchanges are not backed by their clearinghouse members but may be backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearinghouse, or their members or their financial backers will satisfy their obligations to UNL in such circumstances.

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USCF attempts to manage the credit risk of UNL by following various trading limitations and policies. In particular, UNL generally posts margin and/or holds liquid assets that are approximately equal to the market value of its obligations to counterparties under the Futures Contracts and Other Natural Gas-Related Investments it holds. USCF has implemented procedures that include, but are not limited to, executing and clearing trades only with creditworthy parties and/or requiri posting of collateral or margin by such parties for the benefit of UNL to limit its credit exposure. An FCM, when acting o behalf of UNL, in accepting orders to purchase or sell Futures Contracts on United States exchanges, is required by CFTC regulations to separately account for and segregate as belonging to UNL, all assets of UNL relating to domestic Futures Contracts trading. These FCMs are not allowed to commingle UNL's assets with their other assets. In addition, the CFTC requires commodity brokers to hold in a secure account UNL's assets related to foreign Futures Contracts trading.

In the future, UNL may purchase OTC swaps. See *"Item 7A. Quantitative and Qualitative Disclosures About Market Ris* annual report on Form 10-K for a discussion of OTC swaps.

As of December 31, 2015, UNL held cash deposits and investments in Treasuries and money market funds in the amount $15,542,106 with the custodian and FCM. Some or all of these amounts held by a custodian or an FCM, as applicable, m subject to loss should UNL's custodian or FCM, as applicable, cease operations.

Off Balance Sheet Financing

As of December 31, 2015, UNL had no loan guarantee, credit support or other off-balance sheet arrangements of any kin than agreements entered into in the normal course of business, which may include indemnification provisions relating to risks that service providers undertake in performing services which are in the best interests of UNL. While UNL's exposu under these indemnification provisions cannot be estimated, they are not expected to have a material impact on UNL's fi position.

European Sovereign Debt

UNL had no direct exposure to European sovereign debt as of December 31, 2015 and has no direct exposure to Europea sovereign debt as of the filing of this annual report on Form 10-K.

Redemption Basket Obligation

In order to meet its investment objective and pay its contractual obligations described below, UNL requires liquidity to re shares, which redemptions must be in blocks of 50,000 shares called "Redemption Baskets." UNL has to date satisfied th obligation by paying from the cash or cash equivalents it holds or through the sale of its Treasuries in an amount proporti to the number of shares being redeemed.

Contractual Obligations

UNL's primary contractual obligations are with USCF. In return for its services, USCF is entitled to a management fee calculated daily and paid monthly as a fixed percentage of UNL's NAV, currently 0.75% of UNL's NAV on its average d total net assets.

USCF agreed to pay the start-up costs associated with the formation of UNL, primarily its legal, accounting and other cos connection with USCF's registration with the CFTC as a CPO and the registration and listing of UNL and its shares with the SEC, FINRA and NYSE Arca (formerly, AMEX), respectively. However, since UNL's initial offering of shares, offe costs incurred in connection with registering and listing additional shares of UNL have been directly borne on an ongoing by UNL, and not by USCF.

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USCF pays the fees of the Marketing Agent and the fees of BBH&Co., as well as BBH&Co.'s fees for performing administrative services, including those in connection with the preparation of UNL's financial statements and its SEC, NI CFTC reports. USCF and UNL have also entered into a licensing agreement with the NYMEX pursuant to which UNL ar Related Public Funds, other than BNO, USCI, CPER and USAG, pay a licensing fee to the NYMEX. UNL also pays the and expenses associated with its tax accounting and reporting requirements. USCF has voluntarily agreed to pay certain expenses typically borne by UNL, to the extent that such expenses exceeded 0.15% (15 basis points) of UNL's NAV, on annualized basis, through at least April 30, 2016. USCF has no obligation to continue such payment into subsequent peri This voluntary expense waiver is in addition to those amounts USCF is contractually obligated to pay as described in Not Item 8 of this annual report on Form 10-K.

In addition to USCF's management fee, UNL pays its brokerage fees (including fees to an FCM), OTC dealer spreads, ar licensing fees for the use of intellectual property, and, subsequent to the initial offering, registration and other fees paid to SEC, FINRA, or other regulatory agencies in connection with the offer and sale of shares, as well as legal, printing, accou and other expenses associated therewith, and extraordinary expenses. The latter are expenses not incurred in the ordinary of UNL's business, including expenses relating to the indemnification of any person against liabilities and obligations to extent permitted by law and under the LP Agreement, the bringing or defending of actions in law or in equity or otherwis conducting litigation and incurring legal expenses and the settlement of claims and litigation. Commission payments to ar are on a contract-by-contract, or round turn, basis. UNL also pays a portion of the fees and expenses of the independent directors of USCF. See Note 3 to the Notes to Financial Statements in Item 8 of this annual report on Form 10-K.

The parties cannot anticipate the amount of payments that will be required under these arrangements for future periods, a UNL's per share NAVs and trading levels to meet its investment objective will not be known until a future date. These agreements are effective for a specific term agreed upon by the parties with an option to renew, or, in some cases, are in e for the duration of UNL's existence. Either party may terminate these agreements earlier for certain reasons described in agreements.

As of December 31, 2015, UNL's portfolio consisted of 520 Natural Gas Futures NG Contracts traded on the NYMEX. A December 31, 2015, UNL did not hold any Futures Contracts traded on ICE Futures. For a list of UNL's current holdings see UNL's website at www.unitedstatescommodityfunds.com.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

OTC Derivatives

UNL may purchase OTC swaps. Unlike most exchange-traded Futures Contracts or exchange-traded options on such futu each party to an OTC swap bears the credit risk that the other party may not be able to perform its obligations under its co

UNL may enter into certain transactions where an OTC component is exchanged for a corresponding futures contract ("Exchange for Related Position" or "EFRP" transactions). In the most common type of EFRP transaction entered into b OTC component is the purchase or sale of one or more baskets of UNL's shares. These EFRP transactions may expose U counterparty risk during the interim period between the execution of the OTC component and the exchange for a correspo futures contract. Generally, the counterparty risk from the EFRP transaction will exist only on the day of execution.

Swap transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by particular swap transaction necessarily depend upon the terms and circumstances of the transaction. In general, however, swap transactions involve some combination of market risk, credit risk, counterparty credit risk, funding risk, liquidity ris operational risk.

Highly customized swap transactions in particular may increase liquidity risk, which may result in a suspension of redem Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in value or level of an underlying or related market factor.

In evaluating the risks and contractual obligations associated with a particular swap transaction, it is important to conside swap transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement o individually negotiated terms. Therefore, it may not be possible for USCF to modify, terminate or offset UNL's obligatio exposure to the risks associated with a transaction prior to its scheduled termination date.

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To reduce the credit risk that arises in connection with such contracts, UNL will generally enter into an agreement with e counterparty based on the Master Agreement published by International Swaps and Derivatives Association that provides the netting of its overall exposure to its counterparty, if the counterparty is unable to meet its obligations to UNL due to t occurrence of a specified event, such as the insolvency of the counterparty.

USCF assesses or reviews, as appropriate, the creditworthiness of each potential or existing counterparty to an OTC swa pursuant to guidelines approved by USCF's board of directors (the "Board"). Furthermore, USCF on behalf of UNL only into OTC swaps with counterparties who are, or are affiliates of, (a) banks regulated by a United States federal bank regu (b) broker-dealers regulated by the SEC, (c) insurance companies domiciled in the United States, or (d) producers, users traders of energy, whether or not regulated by the CFTC. Any entity acting as a counterparty shall be regulated in either t United States or the United Kingdom unless otherwise approved by the Board after consultation with its legal counsel. E counterparties are also reviewed periodically by USCF. UNL will also require that the counterparty be highly rated and/o provide collateral or other credit support. Even if collateral is used to reduce counterparty credit risk, sudden changes in t value of OTC transactions may leave a party open to financial risk due to a counterparty default since the collateral held not cover a party's exposure on the transaction in such situations.

In general, valuing OTC derivatives is less certain than valuing actively traded financial instruments such as exchange-tra futures contracts and securities or cleared swaps because the price and terms on which such OTC derivatives are entered can be terminated are individually negotiated, and those prices and terms may not reflect the best price or terms available other sources. In addition, while market makers and dealers generally quote indicative prices or terms for entering into or terminating OTC swaps, they typically are not contractually obligated to do so, particularly if they are not a party to the transaction. As a result, it may be difficult to obtain an independent value for an outstanding OTC derivatives transaction

During the 12 month reporting period ended December 31, 2015, UNL limited its OTC activities to EFRP transactions.

Item 8. Financial Statements and Supplementary Data.

United States 12 Month Natural Gas Fund, LP

Index to Financial Statements

Management's Annual Report on Internal Control Over Financial Reporting.

USCF assessed the effectiveness of UNL's internal control over financial reporting as of December 31, 2015. In making assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control Integrated Framework (2013).* Based on the assessment, USCF believes that, as of December 31, 2015, internal control over financial reporting is effective.

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Report of Independent Registered Public Accounting Firm

To the Partners of

United States 12 Month Natural Gas Fund, LP

We have audited the accompanying statements of financial condition of United States 12 Month Natural Gas Fund, LP (tl
"Fund") as of December 31, 2015 and 2014, including the schedule of investments as of December 31, 2015 and 2014 an
related statements of operations, changes in partners' capital and cash flows for the years ended December 31, 2015, 201
2013. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opi
these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United State
Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial
statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amou
disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant est
made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provi
reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U
States 12 Month Natural Gas Fund, LP as of December 31, 2015 and 2014, and the results of its operations and its cash fl
for the years ended December 31, 2015, 2014 and 2013, in conformity with accounting principles generally accepted in tl
United States of America.

/s/ Spicer Jeffries LLP

Greenwood Village, Colorado

March 24, 2016

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United States 12 Month Natural Gas Fund, LP

Statements of Financial Condition

At December 31, 2015 and 2014

	December 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents (Notes 2 and 5)	$ 11,219,734	$ 15,113,447
Equity in trading accounts:		
Cash and cash equivalents	4,322,372	5,525,172
Unrealized gain (loss) on open commodity futures contracts	(2,421,976)	(4,919,890)
Receivable for shares sold	-	733,461
Receivable from General Partner (Note 3)	89,122	66,266
Dividends receivable	151	247
Directors' fees and insurance receivable	1,197	1,112
ETF transaction fees receivable	-	350
Total assets	$ 13,210,600	$ 16,520,165
Liabilities and Partners' Capital		
General Partner management fees payable (Note 3)	$ 7,927	$ 11,069
Professional fees payable	74,941	80,049
Brokerage commissions payable	1,801	1,581
License fees payable	828	998
Total liabilities	85,497	93,697
Commitments and Contingencies (Notes 3, 4 and 5)		
Partners' Capital		
General Partner	-	-
Limited Partners	13,125,103	16,426,468
Total Partners' Capital	13,125,103	16,426,468
Total liabilities and partners' capital	$ 13,210,600	$ 16,520,165
Limited Partners' shares outstanding	1,350,000	1,200,000
Net asset value per share	$ 9.72	$ 13.69
Market value per share	$ 9.70	$ 13.81

See accompanying notes to financial statements.

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United States 12 Month Natural Gas Fund, LP
Schedule of Investments
At December 31, 2015

	Number of Contracts	Unrealized Gain (Loss) on Open Commodity Contracts	% o Par Cap
Open Futures Contracts - Long			
United States Contracts			
NYMEX Natural Gas Futures NG February 2016 contracts, expiring January 2016	44	$(401,350)	(3
NYMEX Natural Gas Futures NG March 2016 contracts, expiring February 2016	43	(368,312)	(2
NYMEX Natural Gas Futures NG April 2016 contracts, expiring March 2016	43	(259,738)	(1
NYMEX Natural Gas Futures NG May 2016 contracts, expiring April 2016	44	(198,797)	(1
NYMEX Natural Gas Futures NG June 2016 contracts, expiring May 2016	43	(274,070)	(2
NYMEX Natural Gas Futures NG July 2016 contracts, expiring June 2016	43	(232,402)	(1
NYMEX Natural Gas Futures NG August 2016 contracts, expiring July 2016	44	(250,586)	(1
NYMEX Natural Gas Futures NG September 2016 contracts, expiring August 2016	43	(192,206)	(1
NYMEX Natural Gas Futures NG October 2016 contracts, expiring September 2016	43	(167,008)	(1
NYMEX Natural Gas Futures NG November 2016 contracts, expiring October 2016	44	(120,034)	(0
NYMEX Natural Gas Futures NG December 2016 contracts, expiring November 2016	43	(46,933)	(0
NYMEX Natural Gas Futures NG January 2017 contracts, expiring December 2016	43	89,460	0.
Total Open Futures Contracts*	520	$(2,421,976)	(1

	Principal Amount	Market Value	
Cash Equivalents			
United States Treasury Obligations			
U.S. Treasury Bills:			
0.19%, 2/04/2016	$1,000,000	$999,825	7.62
0.22%, 2/11/2016	1,000,000	999,755	7.62
0.43%, 6/02/2016	500,000	499,097	3.80
0.52%, 6/09/2016	500,000	498,845	3.80
0.47%, 6/30/2016	1,000,000	997,662	7.60
Total Treasury Obligations		3,995,184	30.44
United States - Money Market Funds			
Goldman Sachs Financial Square Funds - Government Fund - Class FS	500,000	500,000	3.81
Morgan Stanley Institutional Liquidity Funds - Government Portfolio	4,000,000	4,000,000	30.47
Total Money Market Funds		4,500,000	34.28
Total Cash Equivalents		$8,495,184	64.72

* Collateral amounted to $4,322,372 on open future contracts.

See accompanying notes to financial statements.

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United States 12 Month Natural Gas Fund, LP

Schedule of Investments

At December 31, 2014

	Number of Contracts	Unrealized Gain (Loss) on Open Commodity Contracts	% of Partn Capit
Open Futures Contracts - Long			
United States Contracts			
NYMEX Natural Gas Futures NG February 2015 contracts, expiring January 2015	44	$(575,580)	(3.5
NYMEX Natural Gas Futures NG March 2015 contracts, expiring February 2015	45	(682,500)	(4.1
NYMEX Natural Gas Futures NG April 2015 contracts, expiring March 2015	45	(469,990)	(2.8
NYMEX Natural Gas Futures NG May 2015 contracts, expiring April 2015	45	(487,830)	(2.9
NYMEX Natural Gas Futures NG June 2015 contracts, expiring May 2015	45	(431,920)	(2.6
NYMEX Natural Gas Futures NG July 2015 contracts, expiring June 2015	44	(470,800)	(2.8
NYMEX Natural Gas Futures NG August 2015 contracts, expiring July 2015	45	(383,790)	(2.3
NYMEX Natural Gas Futures NG September 2015 contracts, expiring August 2015	45	(340,100)	(2.0
NYMEX Natural Gas Futures NG October 2015 contracts, expiring September 2015	45	(336,770)	(2.0
NYMEX Natural Gas Futures NG November 2015 contracts, expiring October 2015	45	(284,380)	(1.7
NYMEX Natural Gas Futures NG December 2015 contracts, expiring November 2015	44	(277,720)	(1.6
NYMEX Natural Gas Futures NG January 2016 contracts, expiring December 2015	45	(178,510)	(1.0
Total Open Futures Contracts	537	$(4,919,890)	(29.

	Principal Amount	Market Value		
Cash Equivalents				
United States Treasury Obligation				
U.S. Treasury Bill, 0.06%, 4/30/15	$3,000,000	$2,999,455	18.26	
United States - Money Market Funds				
Goldman Sachs Financial Square Funds - Government Fund - Class FS	1	1	0.00	**
Morgan Stanley Institutional Liquidity Funds - Government Portfolio - Class I	6,510,691	6,510,691	39.64	
Wells Fargo Advantage Government Money Market Fund - Class I	3,000,000	3,000,000	18.26	
Total Money Market Funds		9,510,692	57.90	
Total Cash Equivalents		$12,510,147	76.16	

* Collateral amounted to $5,525,172 on open futures contracts.

** Represents less than 0.005%.

See accompanying notes to financial statements.

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United States 12 Month Natural Gas Fund, LP

Statements of Operations

For the years ended December 31, 2015, 2014 and 2013

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31
Income			
Gain (loss) on trading of commodity futures contracts:			
Realized gain (loss) on closed futures contracts	$ (6,916,714)	$ 2,205,950	$ 2,395,300
Change in unrealized gain (loss) on open futures contracts	2,497,914	(6,009,940)	1,996,630
Dividend income	2,766	2,798	4,719
Interest income	3,669	2,288	4,481
ETF transaction fees	6,650	5,600	9,450
Total income (loss)	(4,405,715)	(3,793,304)	4,410,580
Expenses			
General Partner management fees (Note 3)	118,848	143,944	250,075
Professional fees	101,338	150,833	150,502
Brokerage commissions	6,117	3,918	8,360
Directors' fees and insurance	3,140	6,009	7,620
License fees	2,377	2,879	5,001
Total expenses	231,820	307,583	421,558
Expense waiver (Note 3)	(89,122)	(128,906)	(100,580
Net expenses	142,698	178,677	320,978
Net income (loss)	$ (4,548,413)	$ (3,971,981)	$ 4,089,602
Net income (loss) per limited partnership share	$ (3.97)	$ (4.63)	$ 1.09
Net income (loss) per weighted average limited partnership share	$ (3.48)	$ (3.85)	$ 2.19
Weighted average limited partnership shares outstanding	1,305,753	1,031,781	1,866,712

See accompanying notes to financial statements.

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United States 12 Month Natural Gas Fund, LP

Statements of Changes in Partners' Capital

For the years ended December 31, 2015, 2014 and 2013

	General Partner	Limited Partners	Total
Balances, at December 31, 2012	$ -	$ 43,085,691	$43,085,691
Addition of 350,000 partnership shares	-	5,962,931	5,962,931
Redemption of 1,1350,000 partnership shares	-	(25,655,241)	(25,655,241)
Net income (loss)	-	4,089,602	4,089,602
Balances, at December 31, 2013	-	27,482,983	27,482,983
Addition of 300,000 partnership shares	-	4,902,725	4,902,725
Redemption of 600,000 partnership shares	-	(11,987,259)	(11,987,259)
Net income (loss)	-	(3,971,981)	(3,971,981)
Balances, at December 31, 2014	-	16,426,468	16,426,468
Addition of 900,000 partnership shares	-	11,129,688	11,129,688
Redemption of 750,000 partnership shares	-	(9,882,640)	(9,882,640)
Net income (loss)	-	(4,548,413)	(4,548,413)
Balances, at December 31, 2015	$ -	$ 13,125,103	$13,125,103
Net Asset Value Per Share:			
At December 31, 2012			$17.23
At December 31, 2013			$18.32
At December 31, 2014			$13.69
At December 31, 2015			$9.72

See accompanying notes to financial statements.

United States 12 Month Natural Gas Fund, LP

Statements of Cash Flows

For the years ended December 31, 2015, 2014 and 2013

	Year ended December 31, 2015		Year ended December 31, 2014		Year ended December 3 2013
Cash Flows from Operating Activities:					
Net income (loss)	$ (4,548,413	)	$ (3,971,981	)	$ 4,089,602
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in commodity futures trading account - cash and cash equivalents	1,202,800		(4,576,085	)	3,466,968
Unrealized (gain) loss on open futures contracts	(2,497,914	)	6,009,940		(1,996,630
(Increase) decrease in receivable from General Partner	(22,856	)	34,314		(32,077
(Increase) decrease in dividends receivable	96		425		(249
(Increase) decrease in directors' fees and insurance receivable	(85	)	(277	)	(688
(Increase) decrease in ETF transaction fees receivable	350		(350	)	-
Increase (decrease) in General Partner management fees payable	(3,142	)	(7,276	)	(10,280
Increase (decrease) in professional fees payable	(5,108	)	(70,453	)	25,229
Increase (decrease) in brokerage commissions payable	220		(1,027	)	(1,400
Increase (decrease) in license fees payable	(170	)	(372	)	(790
Net cash provided by (used in) operating activities	(5,874,222	)	(2,583,142	)	5,539,685
Cash Flows from Financing Activities:					
Addition of partnership shares	11,863,149		4,169,264		5,962,931
Redemption of partnership shares	(9,882,640	)	(11,987,259	)	(25,655,24
Net cash provided by (used in) financing activities	1,980,509		(7,817,995	)	(19,692,31
Net Increase (Decrease) in Cash and Cash Equivalents	(3,893,713	)	(10,401,137	)	(14,152,62
Cash and Cash Equivalents, beginning of year	15,113,447		25,514,584		39,667,209
Cash and Cash Equivalents, end of year	$ 11,219,734		$ 15,113,447		$ 25,514,584

See accompanying notes to financial statements.

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United States 12 Month Natural Gas Fund, LP

Notes to Financial Statements

For the years ended December 31, 2015, 2014 and 2013

NOTE 1 - ORGANIZATION AND BUSINESS

The United States 12 Month Natural Gas Fund, LP ("UNL") was organized as a limited partnership under the laws of the Delaware on June 27, 2007. UNL is a commodity pool that issues limited partnership shares ("shares") that may be purch sold on the NYSE Arca, Inc. (the "NYSE Arca"). UNL will continue in perpetuity, unless terminated sooner upon the occ of one or more events as described in its Second Amended and Restated Agreement of Limited Partnership dated as of M 2013 (the "LP Agreement"). The investment objective of UNL is for the daily changes in percentage terms of its shares' net asset value ("NAV") to reflect the daily changes in percentage terms of the spot price of natural gas delivered at the H Hub, Louisiana, as measured by the daily changes in the average of the prices of 12 futures contracts on natural gas trade the New York Mercantile Exchange (the "NYMEX"), consisting of the near month contract to expire and the contracts fo following 11 months for a total of 12 consecutive months' contracts, except when the near month contract is within two w expiration, in which case it will be measured by the futures contracts that are the next month contract to expire and the co for the following 11 consecutive months (the "Benchmark Futures Contracts"), less UNL's expenses. It is not the intent o be operated in a fashion such that the per share NAV will equal, in dollar terms, the spot price of natural gas or any partic futures contract based on natural gas. It is not the intent of UNL to be operated in a fashion such that its per share NAV w reflect the percentage change of the price of any particular futures contract as measured over a time period greater than on United States Commodity Funds LLC ("USCF"), the general partner of UNL, believes that it is not practical to manage th portfolio to achieve such an investment goal when investing in Futures Contracts (as defined below) and Other Natural Gas-Related Investments (as defined below). UNL accomplishes its objective through investments in futures contracts for natural gas, crude oil, diesel-heating oil, gasoline and other petroleum-based fuels that are traded on the NYMEX, ICE Fu or other U.S. and foreign exchanges (collectively, "Futures Contracts") and other natural gas-related investments such as cash-settled options on Futures Contracts, forward contracts for natural gas, cleared swap contracts and over-the-counter transactions that are based on the price of natural gas, crude oil and other petroleum-based fuels, Futures Contracts and in based on the foregoing (collectively, "Other Natural Gas-Related Investments"). As of December 31, 2015, UNL held 52 Contracts for natural gas traded on the NYMEX and did not hold any Futures Contracts traded on ICE Futures.

UNL commenced investment operations on November 18, 2009 and has a fiscal year ending on December 31. USCF is responsible for the management of UNL. USCF is a member of the National Futures Association (the "NFA") and became registered as a commodity pool operator registered with the Commodity Futures Trading Commission (the "CFT effective December 1, 2005 and a swaps form on August 8, 2013. USCF is also the general partner of the United States O Fund, LP ("USO"), the United States Natural Gas Fund, LP ("UNG"), the United States 12 Month Oil Fund, LP ("USL") States Gasoline Fund, LP ("UGA") and the United States Diesel-Heating Oil Fund, LP ("UHN"), which listed their limite partnership shares on the AMEX under the ticker symbols "USO" on April 10, 2006, "UNG" on April 18, 2007, "USL" o December 6, 2007, "UGA" on February 26, 2008 and "UHN" on April 9, 2008, respectively. As a result of the acquisitio American Stock Exchange (the "AMEX") by NYSE Euronext, each of USO's, UNG's, USL's UGA's and UHN's shares trading on the NYSE Arca on November 25, 2008. USCF is also the general partner of the United States Short Oil Fund, (“DNO”) and the United States Brent Oil Fund, LP (“BNO”), which listed their limited partnership shares on the NYSE A the ticker symbols “DNO” on September 24, 2009 and “BNO” on June 2, 2010, respectively. USCF is also the sponsor o States Commodity Index Fund (“USCI”), the United States Copper Index Fund (“CPER”) and the United States Agricult Fund (“USAG”), each a series of the United States Commodity Index Funds Trust. USCI, CPER and USAG listed their s the NYSE Arca under the ticker symbol “USCI” on August 10, 2010, “CPER” on November 15, 2011 and “USAG” on A 2012, respectively.

All funds listed previously are referred to collectively herein as the “Related Public Funds.”

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UNL issues shares to certain authorized purchasers (“Authorized Participants”) by offering baskets consisting of 50,000 s (“Creation Baskets”) through ALPS Distributors, Inc. as its marketing agent (“ALPS Distributors” or the “Marketing Age purchase price for a Creation Basket is based upon the NAV of a share calculated shortly after the close of the core tradin session on the NYSE Arca on the day the order to create the basket is properly received.

From July 1, 2011 through December 31, 2015 (and continuing at least through April 30, 2016), the applicable transactio paid by Authorized Participants is $350 to UNL for each order they place to create or redeem one or more baskets (“Rede Baskets”); prior to July 1, 2011, this fee was $1,000. Shares may be purchased or sold on a nationally recognized securiti exchange in smaller increments than a Creation Basket or Redemption Basket. Shares purchased or sold on a nationally recognized securities exchange are not purchased or sold at the per share NAV of UNL but rather at market prices quoted such exchange.

In November 2009, UNL initially registered 30,000,000 shares on Form S-1 with the U.S. Securities and Exchange Comm (the “SEC”). On November 18, 2009, UNL listed its shares on the NYSE Arca under the ticker symbol “UNL”. On that d established its initial per share NAV by setting the price at $50.00 and issued 200,000 shares in exchange for $10,000,000 also commenced investment operations on November 18, 2009 by purchasing Futures Contracts traded on the NYMEX b on natural gas. As of December 31, 2015, UNL had registered a total of 30,000,000 shares.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in conformity with GAAP as detailed in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification. UNL is an investment company and follows the accounting and re guidance in FASB Topic 946.

Revenue Recognition

Commodity futures contracts, forward contracts, physical commodities and related options are recorded on the trade date such transactions are recorded on the identified cost basis and marked to market daily. Unrealized gains or losses on open contracts are reflected in the statements of financial condition and represent the difference between the original contract a and the market value (as determined by exchange settlement prices for futures contracts and related options and cash deal prices at a predetermined time for forward contracts, physical commodities, and their related options) as of the last busine of the year or as of the last date of the financial statements. Changes in the unrealized gains or losses between periods are reflected in the statements of operations. UNL earns income on funds held at the custodian or futures commission mercha ("FCM") at prevailing market rates earned on such investments.

Brokerage Commissions

Brokerage commissions on all open commodity futures contracts are accrued on a full-turn basis.

Income Taxes

UNL is not subject to federal income taxes; each partner reports his/her allocable share of income, gain, loss deductions c credits on his/her own income tax return.

In accordance with GAAP, UNL is required to determine whether a tax position is more likely than not to be sustained up examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, bas the technical merits of the position. UNL files an income tax return in the U.S. federal jurisdiction, and may file income t returns in various U.S. states. UNL is not subject to income tax return examinations by major taxing authorities for years 2012. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likeliho being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in UNL recording a liability that reduces net assets. However, UNL's conclusions regarding this policy may be subject to review and adjustm later date based on factors including, but not limited to, on-going analysis of and changes to tax laws, regulations and interpretations thereof. UNL recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income tax fees payable, if assessed. No interest expense or penalties have been recognized a and for the year ended December 31, 2015.

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Creations and Redemptions

Authorized Participants may purchase Creation Baskets or redeem Redemption Baskets only in blocks of 50,000 shares a price equal to the NAV of the shares calculated shortly after the close of the core trading session on the NYSE Arca on th the order is placed.

UNL receives or pays the proceeds from shares sold or redeemed within three business days after the trade date of the pu or redemption. The amounts due from Authorized Participants are reflected in UNL's statements of financial condition as receivable for shares sold, and amounts payable to Authorized Participants upon redemption are reflected as payable for s redeemed.

Authorized Participants pay UNL a fee of $350 for each order placed to create one or more Creation Baskets or to redeem or more Redemption Baskets.

Partnership Capital and Allocation of Partnership Income and Losses

Profit or loss shall be allocated among the partners of UNL in proportion to the number of shares each partner holds as of close of each month. USCF may revise, alter or otherwise modify this method of allocation as described in the LP Agreem

Calculation of Per Share Net Asset Value ("NAV")

UNL's per share NAV is calculated on each NYSE Arca trading day by taking the current market value of its total assets, subtracting any liabilities and dividing that amount by the total number of shares outstanding. UNL uses the closing price the contracts on the relevant exchange on that day to determine the value of contracts held on such exchange.

Net Income (Loss) Per Share

Net income (loss) per share is the difference between the per share NAV at the beginning of each period and at the end of period. The weighted average number of shares outstanding was computed for purposes of disclosing net income (loss) p

weighted average share. The weighted average shares are equal to the number of shares outstanding at the end of the peri
adjusted proportionately for shares added and redeemed based on the amount of time the shares were outstanding during
period. There were no shares held by USCF at December 31, 2015.

Offering Costs

Offering costs incurred in connection with the registration of additional shares after the initial registration of shares are b
UNL. These costs include registration fees paid to regulatory agencies and all legal, accounting, printing and other expen
associated with such offerings. These costs are accounted for as a deferred charge and thereafter amortized to expense ov
twelve months on a straight-line basis or a shorter period, if warranted.

Cash Equivalents

Cash equivalents include money market funds and overnight deposits or time deposits with original maturity dates of six
months or less.

Reclassification

Certain amounts in the accompanying financial statements were reclassified to conform with the current presentation.

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Use of Estimates

The preparation of financial statements in conformity with GAAP requires USCF to make estimates and assumptions tha the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. Actual results may differ f those estimates and assumptions.

NOTE 3 - FEES PAID BY THE FUND AND RELATED PARTY TRANSACTIONS

USCF Management Fee

Under the LP Agreement, USCF is responsible for investing the assets of UNL in accordance with the objectives and pol UNL. In addition, USCF has arranged for one or more third parties to provide administrative, custody, accounting, transf agency and other necessary services to UNL. For these services, UNL is contractually obligated to pay USCF a fee, whic paid monthly, that is equal to 0.75% per annum of average daily total net assets.

Ongoing Registration Fees and Other Offering Expenses

UNL pays all costs and expenses associated with the ongoing registration of its shares subsequent to the initial offering. T costs include registration or other fees paid to regulatory agencies in connection with the offer and sale of shares, and all accounting, printing and other expenses associated with such offer and sale. For the years ended December 31, 2015, 201 2013, UNL did not incur any registration fees and other offering expenses.

Directors' Fees and Expenses

UNL is responsible for paying its portion of the directors' and officers' liability insurance for UNL and the Related Publi and the fees and expenses of the independent directors who also serve as audit committee members of UNL and the Relat Public Funds. UNL shares the fees and expenses on a pro rata basis with each Related Public Fund, as described above, b on the relative assets of each fund, computed on a daily basis. These fees and expenses for the year ended December 31, were $569,303 for UNL and the Related Public Funds. UNL's portion of such fees and expenses for the year ended Dece 31, 2015 was $3,140. For the years ended December 31, 2014 and 2013, these fees and expenses were $567,863 and $55 respectively, for UNL and the Related Public Funds. UNL's portion of such fees and expenses was $6,009 and $7,620, respectively.

Licensing Fees

A discussed in Note 4 below, UNL entered into a licensing agreement with the NYMEX on December 4, 2007, as amend October 20, 2011. Pursuant to the agreement, UNL and the Related Public Funds, other than BNO, USCI, CPER and US pay a licensing fee that is equal to 0.015% on all net assets. During the years ended December 31, 2015, 2014 and 2013, incurred $2,377, $2,879, $5,001, respectively, under this arrangement.

Investor Tax Reporting Cost

The fees and expenses associated with UNL's audit expenses and tax accounting and reporting requirements are paid by UNL. These costs were approximately $86,000, $86,000 and $125,000, respectively, for the years ended December 31, 2 2014 and 2013.

Other Expenses and Fees and Expense Waivers

In addition to the fees described above, UNL pays all brokerage fees and other expenses in connection with the operation UNL, excluding costs and expenses paid by USCF as outlined in Note 4 below. USCF has voluntarily agreed to pay certa expenses typically borne by UNL, to the extent that such expenses exceeded 0.15% (15 basis points) of UNL's NAV, on annualized basis, through at least April 30, 2016. USCF has no obligation to continue such payment into subsequent peri For the year ended December 31, 2015, USCF waived $89,122 of UNL's expenses. This voluntary expense waiver is in a to those amounts USCF is contractually obligated to pay as described in *Note 4 – Contracts and Agreements*.

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NOTE 4 - CONTRACTS AND AGREEMENTS

Marketing Agent Agreement

UNL is party to a marketing agent agreement, dated as of October 30, 2009, as amended from time to time, with the Marl Agent and USCF, whereby the Marketing Agent provides certain marketing services for UNL as outlined in the agreemer fee of the Marketing Agent, which is borne by USCF, is equal to 0.06% on UNL's assets up to $3 billion; and 0.04% on U assets in excess of $3 billion. In no event may the aggregate compensation paid to the Marketing Agent and any affiliate c USCF for distribution-related services exceed ten percent (10%) of the gross proceeds of UNL's offering.

The above fee does not include website construction and development, which are borne by USCF.

Brown Brothers Harriman & Co. Agreements

UNL is also party to a custodian agreement, dated November 3, 2009, as amended from time to time, with Brown Brothe Harriman & Co. ("BBH&Co.") and USCF, whereby BBH&Co. holds investments on behalf of UNL. USCF pays the fees custodian, which are determined by the parties from time to time. In addition, UNL is party to an administrative agency agreement, dated as of November 3, 2009, as amended from time to time, with USCF and BBH&Co., whereby BBH&Co as the administrative agent, transfer agent and registrar for UNL. USCF also pays the fees of BBH&Co. for its services ur such agreement and such fees are determined by the parties from time to time.

Currently, USCF pays BBH&Co. for its services, in the foregoing capacities, a minimum amount of $75,000 annually for custody, fund accounting and fund administration services rendered to UNL and each of the Related Public Funds, as wel $20,000 annual fee for its transfer agency services. In addition, USCF pays BBH&Co. an asset-based charge of (a) 0.06% the first $500 million of the Related Public Funds' combined net assets, (b) 0.0465% for the Related Public Funds' comb assets greater than $500 million but less than $1 billion, and (c) 0.035% once the Related Public Funds' combined net ass exceed $1 billion. The annual minimum amount will not apply if the asset-based charge for all accounts in the aggregate exceeds $75,000. USCF also pays BBH&Co. transaction fees ranging from $7 to $15 per transaction.

Brokerage and Futures Commission Merchant Agreements

On October 8, 2013, UNL entered into a brokerage agreement with RBC Capital Markets, LLC (“RBC Capital” or “RBC as UNL’s FCM, effective October 10, 2013. The agreement with RBC requires it to provide services to UNL in connecti the purchase and sale of Futures Contracts and Other Natural Gas-Related Investments that may be purchased and sold b through RBC Capital and/or UBS Securities for UNL’s account. In accordance with the agreement, RBC Capital charges commissions of approximately $7 to $15 per round-turn trade, including applicable exchange and NFA fees for Futures Contracts and options on Futures Contracts. Such fees include those incurred when purchasing Futures Contracts and opt Futures Contracts when UNL issues shares as a result of a Creation Basket, as well as fees incurred when selling Futures Contracts and options on Futures Contracts when UNL redeems shares as a result of a Redemption Basket. Such fees are incurred when Futures Contracts and options on Futures Contracts are purchased or redeemed for the purpose of rebalanc portfolio. UNL also incurs commissions to brokers for the purchase and sale of Futures Contracts, Other Natural Gas-Rel Investments or short term obligations of the United States of two years or less (“Treasuries”).

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	For the Year Ended December 31, 2015		For the Year Ended December 31, 2014		For the Year Ended December 3 2013
Total commissions accrued to brokers	$ 6,117		$ 3,918		$ 8,360
Total commissions as annualized percentage of average total net assets	0.04	%	0.02	%	0.03
Commissions accrued as a result of rebalancing	$ 4,698		$ 2,126		$ 4,484
Percentage of commissions accrued as a result of rebalancing	76.80	%	54.26	%	53.64
Commissions accrued as a result of creation and redemption activity	$ 1,419		$ 1,792		$ 3,876
Percentage of commissions accrued as a result of creation and redemption activity	23.20	%	45.74	%	46.36

UNL's total commissions accrued to brokers for the year ended December 31, 2015, compared to the year ended Decemb 2014, was similar; and was similar for the year ended December 31, 2014, compared to the year ended December 31, 201 measured as an annualized percentage of average total net assets. However, there can be no assurance that commission co and portfolio turnover will not cause commission expenses to rise in future quarters.

NYMEX Licensing Agreement

UNL and the NYMEX entered into a licensing agreement on December 4, 2007, as amended on October 20, 2011, where UNL was granted a non-exclusive license to use certain of the NYMEX's settlement prices and service marks. Under the licensing agreement, UNL and the Related Public Funds, other than BNO, USCI, CPER and USAG, pay the NYMEX asset-based fee for the license, the terms of which are described in Note 3. UNL expressly disclaims any association with NYMEX or endorsement of UNL by the NYMEX and acknowledges that "NYMEX" and "New York Mercantile Exchar registered trademarks of the NYMEX.

NOTE 5 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND CONTINGENCIES

UNL engages in the trading of futures contracts, options on futures contracts and cleared swap contracts (collectively, "derivatives"). UNL is exposed to both market risk, which is the risk arising from changes in the market value of the con and credit risk, which is the risk of failure by another party to perform according to the terms of a contract.

UNL may enter into futures contracts and options on futures contracts and may engage in cleared swap contracts to gain exposure to changes in the value of an underlying commodity. A futures contract obligates the seller to deliver (and the purchaser to accept) the future delivery of a specified quantity and type of a commodity at a specified time and place. Sor futures contracts may call for physical delivery of the asset, while others are settled in cash. The contractual obligations o buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or by maki offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. Cleared swaps are OTC agreements that are eligible to be cleared by a clearinghouse, e.g. ICE Clear Europe, bu which are not traded on an exchange. A cleared swap is created when the parties to an off-exchange OTC swap transactio agree to extinguish their OTC swap and replace it with a cleared swap. Cleared swaps are intended to provide the efficien and benefits that centralized clearing on an exchange offers to traders of futures contracts, including credit risk intermedi and the ability to offset positions initiated with different counterparties.

The purchase and sale of futures contracts, options on futures contracts and cleared swaps require margin deposits with a FCM. Additional deposits may be necessary for any loss on contract value. The Commodity Exchange Act requires an F segregate all customer transactions and assets from the FCM’s proprietary activities.

Futures contracts, options on futures contracts and cleared swaps involve, to varying degrees, elements of market risk (specifically commodity price risk) and exposure to loss in excess of the amount of variation margin. The face or contract amounts reflect the extent of the total exposure UNL has in the particular classes of instruments. Additional risks associat with the use of futures contracts are an imperfect correlation between movements in the price of the futures contracts and market value of the underlying securities and the possibility of an illiquid market for a futures contract. Buying and sellin options on futures contracts exposes investors to the risks of purchasing or selling futures contracts.

All of the Futures Contracts held by UNL through December 31, 2015 were exchange-traded futures contracts. The risks associated with exchange-traded contracts are generally perceived to be less than those associated with OTC swaps, since OTC swaps, a party must rely solely on the credit of its respective individual counterparties. However, in the future, if UI were to enter into non-exchange traded contracts, it would be subject to credit risks associated with counterparty non-performance. OTC transactions subject UNL to the credit risk associated with counterparty non-performance. The cr risk from counterparty non-performance associated with such instruments is the net unrealized gain, if any, on the transac UNL has credit risk under its futures contracts since the sole counterparty to all domestic and foreign futures contracts is clearinghouse for the exchange on which the relevant contracts are traded. In addition, UNL bears the risk of financial fai the clearing broker.

UNL's cash and other property, such as Treasuries, deposited with an FCM are considered commingled with all other cus funds, subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to a share of segregated funds available. It is possible that the recovered amount could be less than the total of cash and other property deposited. The insolvency of an FCM could result in the complete loss of UNL's assets posted with that FCM; however, the majority of UNL's assets are held in cash and/or cash equivalents with UNL's custodian and would not be i by the insolvency of an FCM. The failure or insolvency of UNL's custodian, however, could result in a substantial loss o assets.

USCF invests a portion of UNL's cash in money market funds that seek to maintain a stable per share NAV. UNL is exp any risk of loss associated with an investment in such money market funds. As of December 31, 2015 and December 31, UNL held investments in money market funds in the amounts of $4,500,000 and $9,510,692, respectively. UNL also hol deposits with its custodian. Pursuant to a written agreement with BBH&Co., uninvested overnight cash balances are swe offshore branches of U.S. regulated and domiciled banks located in Toronto, Canada; London, United Kingdom; Grand Cayman, Cayman Islands; and Nassau, Bahamas; which are subject to U.S. regulation and regulatory oversight. As of December 31, 2015 and December 31, 2014, UNL held cash deposits and investments in Treasuries in the amounts of $11,042,106 and $11,127,927, respectively, with the custodian and FCM. Some or all of these amounts may be subject to should UNL's custodian and/or FCM cease operations.

For derivatives, risks arise from changes in the market value of the contracts. Theoretically, UNL is exposed to market ris equal to the value of futures contracts purchased and unlimited liability on such contracts sold short. As both a buyer and seller of options, UNL pays or receives a premium at the outset and then bears the risk of unfavorable changes in the pric the contract underlying the option.

UNL's policy is to continuously monitor its exposure to market and counterparty risk through the use of a variety of finar position and credit exposure reporting controls and procedures. In addition, UNL has a policy of requiring review of the c standing of each broker or counterparty with which it conducts business.

The financial instruments held by UNL are reported in its statements of financial condition at market or fair value, or at c amounts that approximate fair value, because of their highly liquid nature and short-term maturity.

NOTE 6 - FINANCIAL HIGHLIGHTS

The following table presents per share performance data and other supplemental financial data for the years ended Decem 31, 2015, 2014 and 2013. This information has been derived from information presented in the financial statements.

	Year Ended December 31, 2015		Year Ended December 31, 2014		Year Ended December 31, 2013	
Per Share Operating Performance:						
Net asset value, beginning of year	$ 13.69		$ 18.32		$ 17.23	
Total income (loss)	(3.86	)	(4.33	)	1.32	
Net expenses	(0.11	)	(0.30	)	(0.23	)
Net increase (decrease) in net asset value	(3.97	)	(4.63	)	1.09	
Net asset value, end of year	$ 9.72		$ 13.69		$ 18.32	
Total Return	(29.00	)%	(25.27	)%	6.33	%
Ratios to Average Net Assets						
Total income (loss)	(27.80	)%	(19.76	)%	13.23	%
Management fees	0.75	%	0.75	%	0.75	%
Total expenses excluding management fees	0.71	%	0.85	%	0.51	%
Expenses waived	(0.56	)%	(0.67	)%	(0.30	)%
Net expenses excluding management fees	0.15	%	0.18	%	0.21	%
Net income (loss)	(28.70	)%	(20.70	)%	12.27	%

Total returns are calculated based on the change in value during the period. An individual shareholder's total return and r may vary from the above total returns and ratios based on the timing of contributions to and withdrawals from UNL.

NOTE 7 - QUARTERLY FINANCIAL DATA (Unaudited)

The following summarized (unaudited) quarterly financial information presents the results of operations and other data fo three-month periods ended March 31, June 30, September 30 and December 31, 2015 and 2014.

	First Quarter 2015		Second Quarter 2015		Third Quarter 2015		Fourth Quarter 2015	
Total income (loss)	$ (1,302,350	)	$ 668,831		$ (1,873,104	)	$ (1,899,092	)
Total expenses	56,985		64,099		57,295		53,441	
Expense waivers	(17,835	)	(23,928	)	(23,085	)	(24,274	)
Net expenses	39,150		40,171		34,210		29,167	

Net income (loss)	$ (1,341,500)	$ 628,660	$ (1,907,314)	$ (1,928,259)
Net income (loss) per share	$ (1.09)	$ 0.22	$ (1.54)	$ (1.56)

	First Quarter 2014	Second Quarter 2014	Third Quarter 2014	Fourth Quarter 2014
Total income (loss)	$ 2,154,963	$ 59,752	$ (1,333,315)	$ (4,674,704)
Total expenses	96,400	85,090	75,491	50,602
Expense waivers	(38,045)	(40,700)	(39,383)	(10,778)
Net expenses	58,355	44,390	36,108	39,824
Net income (loss)	$ 2,096,608	$ 15,362	$ (1,369,423)	$ (4,714,528)
Net income (loss) per share	$ 1.31	$ (0.07)	$ (1.52)	$ (4.35)

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NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

UNL values its investments in accordance with Accounting Standards Codification 820 – Fair Value Measurements and Disclosures (“ASC 820”). ASC 820 defines fair value, establishes a framework for measuring fair value in generally acce accounting principles, and expands disclosures about fair value measurement. The changes to past practice resulting from application of ASC 820 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurement. ASC 820 establishes a fair value hierarchy that distinguishes between: (1) mar participant assumptions developed based on market data obtained from sources independent of UNL (observable inputs) (2) UNL’s own assumptions about market participant assumptions developed based on the best information available und circumstances (unobservable inputs). The three levels defined by the ASC 820 hierarchy are as follows:

Level I – Quoted prices (unadjusted) in active markets for *identical* assets or liabilities that the reporting entity has the ab access at the measurement date.

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either direc indirectly. Level II assets include the following: quoted prices for *similar* assets or liabilities in active markets, quoted pri identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable fo asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or means (market-corroborated inputs).

Level III – Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be use measure fair value to the extent that observable inputs are not available.

In some instances, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. The in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lo input level that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of UNL’s securities at December 31, 2015 using the fair value hierarchy:

At December 31, 2015	Total	Level I	Level II	Level III
Short-Term Investments	$8,495,184	$8,495,184	$ —	$ —
Exchange-Traded Futures Contracts				

United States Contracts	(2,421,976)	(2,421,976)	—	—

During the year ended December 31, 2015, there were no transfers between Level I and Level II.

The following table summarizes the valuation of UNL's securities at December 31, 2014 using the fair value hierarchy:

At December 31, 2014	Total	Level I	Level II	Level III
Short-Term Investments	$12,510,147	$12,510,147	$ —	$ —
Exchange-Traded Futures Contracts				
United States Contracts	(4,919,890)	(4,919,890)	—	—

During the year ended December 31, 2014, there were no transfers between Level I and Level II.

Effective January 1, 2009, UNL adopted the provisions of Accounting Standards Codification 815 – Derivatives and Hed
("ASC 815"), which require presentation of qualitative disclosures about objectives and strategies for using derivatives,
quantitative disclosures about fair value amounts and gains and losses on derivatives.

Fair Value of Derivative Instruments

Derivatives not Accounted for as Hedging Instruments	**Statements of Financial Condition Location**	**Fair Value At December 31, 2015**	**Fair Value At December 31, 2014**
Futures - Commodity Contracts	Assets	$ (2,421,976)	$ (4,919,890)

The Effect of Derivative Instruments on the Statements of Operations

		For the year ended December 31, 2015		For the year ended December 31, 2014		For the year ended December 31, 201	
Derivatives not Accounted for as Hedging Instruments	Location of Gain (Loss) on Derivatives Recognized in Income	Realized Gain (Loss) on Derivatives Recognized in Income	Change in Unrealized Gain (Loss) on Derivatives Recognized in Income	Realized Gain (Loss) on Derivatives Recognized in Income	Change in Unrealized Gain (Loss) on Derivatives Recognized in Income	Realized Gain (Loss) on Derivatives Recognized in Income	Chan Unrea Gain (Loss Deriv Reco in Inc
Futures - Commodity Contracts	Realized gain (loss) on closed positions	$(6,916,714)		$2,205,950		$2,395,300	
	Change in unrealized gain (loss) on open positions		$2,497,914		$(6,009,940)		$1,99

NOTE 9 - RECENT ACCOUNTING PRONOUNCEMENTS

In August 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2015
Revenue from Contracts with Customers, modifying ASU 2014-09. The core principle of the guidance is that an entity sh
recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the conside
to which the entity expects to be entitled in exchange for those goods or services. ASU 2015-14 is effective for fiscal yea
beginning on or after December 15, 2016, and interim periods within those annual periods. Early application is permitted
this time, management does not believe there will be any impact to the Fund's financial statements.

NOTE 10 - SUBSEQUENT EVENTS

UNL has performed an evaluation of subsequent events through the date the financial statements were issued. This evalu
did not result in any subsequent events that necessitated disclosures and/or adjustments.

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United States Commodity Funds LLC

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Member of
United States Commodity Funds LLC

We have audited the accompanying statements of financial condition of United States Commodity Funds LLC (the "Com
as of December 31, 2015 and 2014. The Company's management is responsible for these financial statements. Our respo
is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United S
Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial
statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an a
its internal control over financial reporting. Our audits included consideration of internal control over financial reporting
basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an op
on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion
audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement
assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall
financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U
States Commodity Funds LLC as of December 31, 2015 and 2014 in conformity with accounting principles generally acc
in the United States of America.

As discussed in Note 8 to the statements of financial condition, the Company restated and corrected the statement of fina
condition for certain errors resulting in an understatement of previously reported 2014 prepaid income taxes, deferred tax
and accounts payable and accrued liabilities. Our opinion is not modified with respect to this matter.

/s/ Burr Pilger Mayer, Inc.

San Francisco, California

March 24, 2016

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United States Commodity Funds LLC

Statements of Financial Condition

December 31, 2015 and 2014

	2015	2014 (As Restated)
ASSETS		
Current assets:		
Cash and cash equivalents	$1,796,767	$ 1,370,123
Short-term investments	966	1,190,630
Accounts receivable - related party	1,933,672	1,383,922
Prepaid income taxes	508,070	769,320
Other current assets	36,251	800
Total current assets	4,275,726	4,714,795
Deferred tax assets, net	1,162,919	1,251,776
Other assets	8,558	8,558
Total assets	$5,447,203	$ 5,975,129
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$1,281,780	$ 834,064
Expense waivers payable - related party	760,973	574,746
Total current liabilities	2,042,753	1,408,810
Commitments and contingencies (Note 5)		
Member's equity	3,404,450	4,566,319
Total liabilities and member's equity	$5,447,203	$ 5,975,129

The accompanying notes are an integral
part of these statements of financial condition.

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

1. Business

In May 2005, United States Commodity Funds, LLC ("USCF" or the "Company"), a wholly-owned subsidiary of Wainw Holdings Inc. ("Wainwright"), was formed as a single member limited liability company in the State of Delaware. USCF registered commodity pool operator with the Commodity Futures Trading Commission ("CFTC") and a member of the N Futures Association ("NFA") and serves as the General Partner ("General Partner") for various limited partnerships ("LP below.

The Company's operating activities consist primarily of providing management services to twelve public funds.

The Company is currently the General Partner in the following Securities Act of 1933 LP commodity based index funds a Sponsor ("Sponsor") for the fund series within the United States Commodity Index Funds Trust ("USCIF Trust"):

USCF as General Partner for the following Funds	
United States Oil Fund, LP ("USO")	Organized as a Delaware limited partnership in May 2005
United States Natural Gas Fund, LP ("UNG")	Organized as a Delaware limited partnership in November 2006
United States Gasoline Fund, LP ("UGA")	Organized as a Delaware limited partnership in April 2007
United States Diesel Heating Oil Fund, LP ("UHN")	Organized as a Delaware limited partnership in April 2007
United States 12 Month Oil Fund, LP ("USL")	Organized as a Delaware limited partnership in June 2007
United States 12 Month Natural Gas Fund, LP ("UNL")	Organized as a Delaware limited partnership in June 2007
United States Short Oil Fund, LP ("DNO")	Organized as a Delaware limited partnership in June 2008
United States Brent Oil Fund, LP ("BNO")	Organized as a Delaware limited partnership in September 2009
USCF as fund Sponsor - each a series within the USCIF Trust	

United States Commodity Index Funds Trust ("USCI Trust")	A series trust formed in Delaware December 2009
United States Commodity Index Fund ("USCI")	A commodity pool formed in April 2010 and made public August 2010
United States Copper Index Fund ("CPER")	A commodity pool formed in November 2010 and made public November 2
United States Agriculture Index Fund ("USAG")	A commodity pool formed in November 2010 and made public April 2012
United States Metal Index Fund ("USMI")	A commodity pool formed in November 2010, and made public June 2012, c trading and liquidated March 2015

All USCF funds are collectively referred to as the "Funds" hereafter.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying statements of financial condition of the Company have been prepared on the accrual basis of accounti conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

2. Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilitie disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue under the Funds' respective Limited Partnership Agreements, as amended from time to (the "Limited Partnership Agreements") and the Trust Agreement, as amended from time to time (the "Trust Agreement" Agreements provide for fees based upon a percentage of the daily average net asset value of the Funds. The Company is responsible for investing the assets of the Funds in accordance with the objectives and policies of the respective Funds. In addition, The Company has arranged for one or more third parties to provide administrative, custody, accounting, transfe agency and other necessary services to the Funds and is contractually obligated to pay for these services. The Funds are contractually obligated to pay the Company a management fee, which is paid monthly, based on the average daily net ass the Funds.

USO pays a management fee of 0.45% (45 basis points) per annum on its average daily net assets. UNG pays a fee equal 0.60% (60 basis points) per annum on average daily net assets of $1,000,000,000 or less and 0.50% (50 basis points) of a daily net assets that are greater than $1,000,000,000. USL, UGA, UHN, and DNO each pay a fee of 0.60% (60 basis poin annum on their average daily net assets. From inception through April 30, 2010, the Company has been charging UNL a management fee at a reduced rate of 0.60% (60 basis points) per annum of average daily net assets. Effective May 1, 201 Company resumed charging UNL its standard rate of 0.75% (75 basis points) per annum of average daily net assets. The difference of 0.15% (15 basis points) per annum of average daily net assets since inception through April 30, 2010 has be waived by the Company and will not be recouped from UNL. BNO pays a management fee of 0.75% (75 basis points) pe annum on its average daily net assets.

Effective May 1, 2014 and continuing through December 31, 2015, the Company has contractually agreed to lower the management fee for USCI to 0.80% (80 basis points), 0.65% (65 basis points) for CPER and 0.65% (65 basis points) for per annum on its average daily net assets.

Management fees are recognized in the period earned in accordance with the terms of their respective agreements.

Expense Waivers

The Company has voluntarily agreed to pay certain expenses normally borne by UGA, UHN, DNO, UNL, BNO, CPER a USAG to the extent such expenses exceed 0.15% (15 basis points) of the respective fund's average daily net assets, on an annualized basis. The Company has no obligation to continue such payments into subsequent periods. These expenses tot $760,973 and $854,085 for the years ended December 31, 2015 and 2014, respectively, and are included in general and administrative expense. Expense waivers payable totaled $760,973 and $574,746 as of December 31, 2015 and 2014, respectively.

Continued

United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

2. Summary of Significant Accounting Policies, continued

Fund Startup Expenses

The Company expenses all startup expenses associated with the registration of each fund and the expense is charged to ge and administrative expense. Fund startup expenses include costs relating to the initial registration of shares and include, b not limited to, legal fees pertaining to the initial registration of shares, SEC and FINRA registration fees, initial fees to be on an exchange, and other similar costs.

The Funds pay for all brokerage fees, taxes and other expenses, including registration or other fees paid to the SEC, the Financial Industry Regulatory Authority ("FINRA") formerly the National Association of Securities Dealers, or any other regulatory agency in connection with the offer and sale of subsequent shares after their initial registration and all legal, accounting, printing and other expenses associated therewith.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purcha be cash equivalents. The Company places its cash with various high credit quality institutions. At times, the Company ma cash deposits in excess of the United States Federal Deposit Corporation coverage of $250,000, but the Company does no expect any losses.

Accounts Receivable – Related Party

Accounts receivable consists of management fees receivable. Management fees receivable generally consist of one month
management fees which are collected in the month after they are earned.

Management closely monitors receivables and records an allowance for any balances that are determined to be uncollecti
of December 31, 2015 and 2014, the Company considered all remaining accounts receivable to be fully collectible.

Investments

Management determines the appropriate classification of investments at the time of purchase based upon management's i
with respect to such investments. Short-term investments consist of equities and money market funds. Short-term investm
are classified as available-for-sale securities. The Company measures the investments at estimated fair value at period en
any changes in estimated fair value reflected as unrealized gains (losses) in the accumulated other comprehensive income

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

2. Summary of Significant Accounting Policies, continued

Comprehensive Income (Loss)

The Company reports all changes in equity during the year, except those resulting from investment by its member and distributions to its member, in the year in which they are recognized. Comprehensive income is the total of net income (lo and other comprehensive income (loss). For the years ended December 31, 2015 and 2014, other comprehensive loss con unrealized losses on investments.

Fair Value Measurements

The Company's short-term investments are carried at estimated fair value. In determining fair value, the Company follow guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Val Measurement* ("ASC 820"). Under ASC 820, the fair value is defined as the price that would be received upon the sale of or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement

ASC 820 establishes a fair value hierarchy based on the lowest level input that is significant to the fair value measuremen entirety:

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborate observable market data.

Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investr

Unrealized gains and losses on investments resulting from market fluctuations are recorded in the accumulated other comprehensive income (loss) account. Realized gains or losses on sales of investments determined on a specific identifica basis.

All short-term investments, which include money market funds and equities, are classified as Level 1 investments at December 31, 2015 and 2014. The Company has no Level 2 and 3 investments. There were no transfers between levels d the years ended December 31, 2015 and 2014.

Short-term investments are valued at the closing price reported on the active market on which the individual securities are traded.

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

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2. Summary of Significant Accounting Policies, continued

Income Taxes

The Company has filed an election with the Internal Revenue Service to be treated as an association taxable as a corporat The Company files a federal consolidated income tax return with entities not included on these financials. In connection filing a consolidated federal income tax return, the tax benefit of utilizing tax losses generated by the consolidated group reflected on USCF's statements of financial condition. The Company accounts for income taxes using the asset and liabil method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, valuation of net operating losses and tax credit carryforwards, if any. Deferred tax assets and liabilities are measured usin enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. If necessary, a valuation allowance is recorded to reduce the carrying amounts of deferred tax assets is more likely than not that such assets will be realized.

The Company provides for uncertain tax positions using guidance which prescribes a recognition threshold and measuren attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax r It provides that a tax benefit from an uncertain tax position may be recognized when it is more-likely-than-not recognitio threshold at the effective date to be recognized upon the adoption of the accounting standard and in subsequent periods. I addition, the accounting standard provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

Concentration of Credit Risk

Concentrations of accounts receivable as of December 31, 2015 and 2014 are as follows:

	December 31, 2015		
Fund	Accounts Receivable		
USO	$ 1,179,092	61	%
USCI	359,544	19	%
UNG	249,953	13	%
All Others	145,083	7	%
Total	$ 1,933,672	100	%

	December 31, 2014		
Fund	Accounts Receivable		
USCI	$ 531,781	38	%
USO	403,300	29	%
UNG	364,245	26	%
All Others	84,596	7	%
Total	$ 1,383,922	100	%

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

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2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customer* 2014-09"). ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising fron contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidanc standard is effective for the Company for annual reporting periods beginning after December 15, 2016, including interim periods. In April 2015, the FASB has voted on a one year deferral of the effective date.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes*, to eliminate the requirement to classify deferred income tax assets and liabilities between current and noncurrent. The ASU simply requir all deferred income tax assets and liabilities be classified as noncurrent. The ASU is effective for interim and annual peri beginning after December 15, 2017, with early adoption permitted. Adoption of the ASU is either retrospective to each p period presented or prospective. As of December 31, 2015, the Company early adopted the ASU. The adoption of the AS no material effect to the financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, to mainly change the accounting for investments in equity securities and financial liabilities carried at fair val well as to modify the presentation and disclosure requirements for financial instruments. The ASU is effective for annual periods beginning after December 15, 2018, with early adoption permitted. Adoption of the ASU is retrospective with a cumulative adjustment to retained earnings or accumulated deficit as of the adoption date. The Company does not anticip that the adoption of the ASU will have a material impact on its financial statements.

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

3. Investments and Fair Value Measurements

Investments measured at estimated fair value consist of the following as of December 31, 2015 and 2014:

	December 31, 2015			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$96	$ -	$ -	$ 96
Equities	1,577	-	(707)	870
Total short-term investments	$1,673	$ -	$ (707)	$ 966

	December 31, 2014			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$1,189,417	$ -	$ -	$1,189,417
Equities	1,213	-	-	1,213
Total short-term investments	$1,190,630	$ -	$ -	$1,190,630

As of December 31, 2015 and 2014, the Company did not have any investments with gross unrealized losses greater than months on a continuous basis.

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United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

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4. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) is included in member's equity on the statements of financial condition. Changes in accumulated other comprehensive income (loss) are as follows:

Balance, January 1, 2014		$6,820
Other comprehensive income before reclassifications	-	
Amounts reclassified from accumulated other comprehensive income to earnings	(6,820)	
Other comprehensive (loss)		(6,820)
Balance, December 31, 2014		-
Other comprehensive (loss) before reclassifications	(707)	
Amounts reclassified from accumulated other comprehensive income (loss) to earnings	-	
Other comprehensive (loss)		(707)
Balance, December 31, 2015		$(707)

5. Commitments and Contingencies

Operating Leases

The Company leases office space in Oakland, California under an operating lease, which expires in October 2018. Rent e
was $108,350 and $98,014 for the years ended December 31, 2015 and 2014, respectively.

Future minimum rental payments required under the operating lease, which has remaining non-cancellable lease terms in
of one year, are as follows:

For the year ending December 31:	
2016	$128,801
2017	132,665
2018	113,304
	$374,770

Contingencies

From time to time, the Company is involved in legal proceedings arising mainly from the ordinary course of its business.
management's opinion, the legal proceedings are not expected to have a material effect on the Company's financial posit
results of operations.

Continued

United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

6. Income Taxes

The Company has filed an election with the Internal Revenue Service to be treated as an association taxable as a corporat
The Company files a federal consolidated income tax return with entities not included on these financials. In connection v
filing a consolidated federal income tax return, the tax benefit of utilizing tax losses generated by the consolidated group
reflected on USCF's statements of financial condition. In connection with filing a consolidated federal income tax return,
Company has recorded federal income tax expense at the legal entity level.

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amounts of ass
liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the
Company's deferred tax assets as of December 31, 2015 and 2014 are as follows:

	2015	2014 (As Restated)
Deferred tax assets:		
Intangible assets	$1,162,919	$1,251,776
Capital loss carryover	20,213	20,213
Gross deferred tax assets	1,183,132	1,271,989
Less valuation allowance	(20,213)	(20,213)
Total deferred tax assets, net	$1,162,919	$1,251,776

The majority of the deferred tax assets relate to startup costs associated with the organization and registration of the Fund
which the Company is a general partner. The Funds have no obligation to reimburse the Company nor will the Company
reimbursement for these costs.

Realization of the deferred tax assets is dependent upon future taxable income, if any, the amount and timing of which is uncertain. Based upon available objective evidence, management believes it is more likely than not that the net deferred t assets will not be fully realizable for capital loss carryover. Accordingly, management has established a valuation allowar related to this deferred tax asset.

The Company is subject to income taxes in the U.S. federal jurisdiction and California. Tax regulations within each jurisc are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The mat jurisdictions where the Company is subject to examination after 2010 include federal and California. As of December 31, there were no active taxing authority examinations.

The Company had unrecognized tax benefits ("UTBs") of approximately $15,000 and $11,000 as of December 31, 2015 2014, respectively, which would affect the effective tax rate if recognized before consideration of the valuation allowanc Company will recognize interest and penalties, when they occur, related to uncertain tax provisions as a component of tax expense. There is no interest or penalties to be recognized for the years ended December 31, 2015 and 2014. The Compar not expect its UTBs to change significantly over the next 12 months.

Continued

United States Commodity Funds LLC

Notes to Statements of Financial Condition

December 31, 2015 and 2014

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7. Related Party Transactions

The Funds are deemed by management to be related parties. The Company’s revenues, totaling $21,716,866 and $14,602 the years ended December 31, 2015 and 2014, respectively, were earned from these related parties. Accounts receivable, totaling $1,933,672 and $1,383,922 as of December 31, 2015 and 2014, respectively, were owed from these relate parties Expense waivers, totaling $760,973 and $854,085 for the years ended December 31, 2015 and 2014, respectively, were i on behalf of these related parties. Waivers payable, totaling $760,973 and $574,746 as of December 31, 2015 and 2014, respectively, were owed to these related parties.

During the years ended December 31, 2015 and 2014, the Company paid $5,576,099 and $2,128,113, respectively, in distributions to its member Wainwright.

On January 14, 2015, Wainwright entered into a stock repurchase agreement as part of an employment separation agreem with one of its shareholders. The agreement called for Wainwright to purchase the shareholder’s stock for $4,389,066. Th payments were made from funds from the Company’s distribution payments to its member parent company, Wainwright. total repurchase amount was paid by July 15, 2015.

The Company files a federal consolidated income tax return with entities not included on these financials. In connection filing a consolidated federal income tax return, the tax benefit of utilizing tax losses generated by the consolidated group reflected on USCF’s statements of financial condition. See Note 6.

8. Prior Period Adjustment and Restatement of 2014 Statement of Financial Condition

As a result of an internal review of the Company's income taxes and accounts payable and accrued liabilities during 2015
Company discovered an error had occurred in accounting for income taxes and that prepaid income taxes and deferred ta
assets, net, and member's equity had been understated as well as accounts payable and accrued liabilities reported in the p
year. Corrective and preventive actions have been taken. Accordingly, the Company restated its 2014 statement of financ
condition to correct this error. The effect of the restatement on the 2014 statement of financial condition is as follows:

	As Previously Reported	As Restated
Prepaid income taxes	$-	$769,320
Deferred tax assets, net	-	1,251,776
Accounts payable and accrued liabilities	689,662	834,064
Member's equity	2,737,892	4,566,319

9. Subsequent Events

The Company evaluated subsequent events for recognition and disclosure through the date the statements of financial con
were issued or filed. Nothing has occurred outside normal operations since that required recognition or disclosure in these
statements of financial condition other than the items noted below.

Effective January 1, 2016, USCF permanently lowered the management fee to 0.80% (80 basis points) per annum of aver
daily total net assets for USCI and 0.65% (65 basis points) per annum of average daily total net assets for both CPER and
USAG.

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Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

UNL maintains disclosure controls and procedures that are designed to ensure that material information required to be dis in UNL’s periodic reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, process summarized and reported within the time period specified in the SEC’s rules and forms.

The duly appointed officers of USCF, including its chief executive officer and chief financial officer, who perform functi equivalent to those of a principal executive officer and principal financial officer of UNL if UNL had any officers, have evaluated the effectiveness of UNL’s disclosure controls and procedures and have concluded that the disclosure controls procedures of UNL have been effective as of the end of the period covered by this annual report on Form 10-K.

Management’s Annual Report on Internal Control Over Financial Reporting

UNL is responsible for establishing and maintaining adequate internal control over financial reporting. UNL’s internal co system is designed to provide reasonable assurance to USCF and the Board of USCF regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect financial statement preparation and presentation. USCF’s report on internal control over financial reporting is set forth ab under the heading, “Management’s Annual Report on Internal Control Over Financial Reporting” in Item 8 of this annual Form 10-K.

Change in Internal Control Over Financial Reporting

There were no changes in UNL’s internal control over financial reporting during UNL’s last fiscal quarter that have mate affected, or are reasonably likely to materially affect, UNL’s internal control over financial reporting.

Item 9B. Other Information.

Monthly Account Statements

Pursuant to the requirement under Rule 4.22 under the CEA, each month UNL publishes an account statement for its shareholders, which includes a Statement of Income (Loss) and a Statement of Changes in net asset value. The account statement is furnished to the SEC on a current report on Form 8-K pursuant to Section 13 or 15(d) of the Exchange Act ar posted each month on UNL's website at www.unitedstatescommodityfunds.com

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Principals and Key Personnel of USCF. UNL has no executive officers. Pursuant to the terms of the LP Agreement, UN affairs are managed by USCF. The following principals of USCF serve in the below mentioned capacities:

Name	**Age**	**Capacity**
Nicholas D. Gerber	53	Chairman of the Board of Directors, Vice President
Andrew F. Ngim	55	Management Director and Portfolio Manager
Robert Nguyen	56	Management Director
Melinda Gerber	48	Management Director
John P. Love	44	President and Chief Executive Officer
Stuart P. Crumbaugh	52	Chief Financial Officer, Secretary and Treasurer
Carolyn M. Yu	57	General Counsel and Chief Compliance Officer
Ray W. Allen	59	Portfolio Manager
Gordon L. Ellis	69	Independent Director
Malcolm R. Fobes	51	Independent Director
Peter M. Robinson	58	Independent Director

John P. Love, 44, President and Chief Executive Officer of USCF since June 2015. Mr. Love previously served as a Seni Portfolio Manager for the Related Public Funds from March 2010 through June 2015. Prior to that, while still at USCF, h a Portfolio Manager beginning with the launch of USO in April 2006. Mr. Love was the portfolio manager of USO from 2006 until March 2010 and the portfolio manager for USL from December 2007 until March 2010. Mr. Love has been th portfolio manager of UNG since April 2007, and the portfolio manager of UGA, UHN, and UNL since March 2010. Additionally, Mr. Love serves as President of USCF Advisers LLC, an investment adviser registered under the Investmen Advisers Act of 1940, as amended and has acted as co-portfolio manager of the Stock Split Index Fund, a series of the US ETF Trust for the period from September 2014 to December 2015, when he was promoted to the position of President an Executive Officer upon Mr. Gerber's resignation from those positions. Mr. Love has been a principal of USCF listed with

CFTC and NFA since January 17, 2006. Mr. Love has been registered as an associated person of USCF since February 2 and from December 1, 2005 to April 16, 2009. Additionally, Mr. Love has been approved as an NFA swaps associated pe since February 2015. Mr. Love earned a B.A. from the University of Southern California, holds NFA Series 3 and FINR Series 7 registrations and is a CFA Charterholder.

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Nicholas D. Gerber, 53, Chairman of the Board of Directors of USCF since June 2005. Mr. Gerber also served as Preside Chief Executive Officer of USCF from June 2005 through June 2015 and Vice President since June 2015. Mr. Gerber co-founded USCF in 2005 and prior to that, he co-founded Ameristock Corporation in March 1995, a California-based investment adviser registered under the Investment Advisers Act of 1940 from March 1995 until January 2013. From Jan 26, 2015 to the present, Mr. Gerber is also the Chief Executive Officer, President and Secretary of Concierge Technologi ("Concierge"), a supplier of mobile video recording devices thru its wholly owned subsidiary Janus Cam. Concierge is no affiliated with USCF and the Related Public Funds, other than through ownership by common control. Concierge is a pub traded company under the ticker symbol "CNGC." From August 1995 to January 2013, Mr. Gerber served as Portfolio M of Ameristock Mutual Fund, Inc. On January 11, 2013, the Ameristock Mutual Fund, Inc. merged with and into the Drex Hamilton Centre American Equity Fund, a series of Drexel Hamilton Mutual Funds. Drexel Hamilton Mutual Funds is no affiliated with Ameristock Corporation, the Ameristock Mutual Fund, Inc. or USCF. From the period June 2014 to the pr Mr. Gerber also serves as Chairman of the Board of Trustees of USCF ETF Trust, an investment company registered und Investment Company Act of 1940, as amended, and has previously served as President of USCF Advisers LLC, an invest adviser registered under the Investment Advisers Act of 1940, as amended. In addition to his role as Chairman of the Boa USCF ETF Trust, he also served as its President and Chief Executive Officer from June 2014 until December 2015. In th roles, Mr. Gerber has gained extensive experience in evaluating and retaining third-party service providers, including custodians, accountants, transfer agents, and distributors. Mr. Gerber has been a principal of USCF listed with the CFTC NFA since November 2005, an NFA associate member and associated person of USCF since December 2005 and a Bran Manager of USCF since May 2009. Mr. Gerber earned an MBA degree in finance from the University of San Francisco, from Skidmore College and holds an NFA Series 3 registration.

Stuart P. Crumbaugh, 52, Chief Financial Officer, Secretary and Treasurer of USCF since May 2015. Mr. Crumbaugh h been a principal of USCF listed with the CFTC and NFA since July 1, 2015. Mr. Crumbaugh joined USCF as the Assista Chief Financial Officer on April 6, 2015. Prior to joining USCF, Mr. Crumbaugh was the Vice President Finance and Ch Financial Officer of Sikka Software Corporation, a software service healthcare company providing optimization software data solutions from April 2014 to April 6, 2015. Mr. Crumbaugh served as a consultant providing technical accounting, I readiness and M&A consulting services to various early stage companies with the Connor Group, a technical accounting consulting firm, for the periods of January 2014 through March 2014; October 2012 through November 2012; and Januar through February 2011. From December 2012 through December 2013, Mr. Crumbaugh was Vice President, Corporate Controller and Treasurer of Auction.com, LLC, a residential and commercial real estate online auction company. From M 2011 through September 2012, Mr. Crumbaugh was Chief Financial Officer IP Infusion Inc., a technology company prov network routing and switching software enabling software-defined networking solutions for major mobile carriers and ne infrastructure providers. Mr. Crumbaugh was the Global Vice President of Finance at Virage Logic Corporation, a semi-conductor IP and software company (acquired by Synopsys, Inc., a software company), from January 2010 through December 2010. Mr. Crumbaugh earned a B.A. in Accounting and Business Administration from Michigan State Univers 1987 and is a Certified Public Accountant – Michigan (inactive).

Andrew F. Ngim, 55, co-founded USCF in 2005 and has served as a Management Director since May 2005. Mr. Ngim ha served as the portfolio manager for USCI, CPER and USAG since January 2013. Mr. Ngim also served as USCF's Treas from June 2005 to February 2012. Prior to and concurrent with his services to USCF, from January 1999 to January 2013 Ngim served as a Managing Director for Ameristock Corporation which he co-founded in March 1995 and was Co-Portfo Manager of Ameristock Mutual Fund, Inc. from January 2000 to January 2013. From the period September 2014 to the p Mr. Ngim also serves as portfolio manager of the Stock Split Index Fund, a series of the USCF ETF Trust, as well as a

Management Trustee of the USCF ETF Trust from the period of August 2014 to the present. Mr. Ngim has been a princip
USCF listed with the CFTC and NFA since November 2005. Mr. Ngim earned his B.A. from the University of California
Berkeley.

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Robert L. Nguyen, 56, Management Director and principal since July 2015. Mr. Nguyen has served on the Board of Wainwright Holdings Inc. since December 2014. Mr. Nguyen co-founded USCF in 2005 and served as a Management D until March 2012. Mr. Nguyen was an Investment Manager with Ribera Investment Management, a high net worth mone management firm, from January 2013 to March 2015. Prior to and concurrent with his services to USCF, from January 20 January 2013, Mr. Nguyen served as a Managing Principal for Ameristock Corporation, a California-based investment ad registered under the Investment Advisers Act of 1940, which he co-founded in March 1995. Mr. Nguyen was a principal USCF listed with the CFTC and NFA from November 2005 to March 2012 and since December 2015. Mr. Nguyen earne B.S. from California State University at Sacramento.

Melinda D. Gerber, 48, Management Director of USCF since June 2015. Ms. Gerber co-founded USCF in 2005. She is a and published her book, How to Create and manage a Mutual Fund or Exchange-Traded Fund: A Professional's Guide (W 2008). Ms. Gerber has been a principal of USCF listed with the CFTC and NFA since November 2005. Ms. Gerber co-fo USCF in 2005 and prior to that, she co-founded Ameristock Corporation in March 1995, a California-based investment a registered under the Investment Advisers Act of 1940 from March 1995 until January 2013. From March 1995 to January Ms. Gerber served as Secretary on the Board of Directors for the Ameristock Corporation and Ameristock Mutual Fund. Concurrent to her service as Secretary during the period of September 1994 to June 1999, Ms. Gerber was a project mana and consultant at GAP, Inc. a global apparel retail company. She was recognized by GAP, Inc., as one of the five most innovative individuals in the company. Ms. Gerber earned an MBA from the University of Southern California in 1994 a graduated from the University of California at Santa Barbara in 1990.

Ray W. Allen, 59, Portfolio Manager of USCF since January 2008. Mr. Allen was the portfolio manager of UGA from Fe 2008 until March 2010, the portfolio manager of UHN from April 2008 until March 2010 and the portfolio manager of U from November 2009 until March 2010. Mr. Allen has been the portfolio manager of DNO since September 2009, and th portfolio manager of USO and USL since March 2010 and the manager of BNO since June 2010. Mr. Allen has been a pr of USCF listed with the CFTC and NFA since March 2009 and has been registered as an associated person of USCF sinc

2015 and from March 2008 to November 2012. Additionally, Mr. Allen has been approved as an NFA swaps associated p since July 2015. Mr. Allen earned a B.A. in economics from the University of California at Berkeley and holds an NFA S registration.

Carolyn M. Yu, 57, General Counsel and Chief Compliance Officer of USCF since May 2015 and February 2013, respec and from August 2011 through April 2015, Ms. Yu served as Assistant General Counsel. Since May 2015, Ms. Yu has se Chief Legal Officer and Chief Compliance Officer of USCF Advisers LLC and USCF ETF Trust as well as Chief AML O of USCF ETF Trust. Prior to May 2015, Ms. Yu was the Assistant Chief Compliance Officer and AML Officer of the US ETF Trust. Previously, Ms. Yu served as Branch Chief with the Securities Enforcement Branch for the State of Hawaii, Department of Commerce and Consumer Affairs from February 2008 to August 2011. She has been a principal of USCF with the CFTC and NFA since August 2013. Ms. Yu earned her JD from Golden Gate University School of Law and a B business administration from San Francisco State University.

Gordon L. Ellis, 69, Independent Director of USCF since September 2005. Previously, Mr. Ellis was a founder of Interna Absorbents, Inc., its Class 1 Director and Chairman since July 1985 and July 1988, respectively, and Chief Executive Off and President since November 1996. He also served as a director of Absorption Corp., a wholly-owned subsidiary of International Absorbents, Inc., which is a leading developer and producer of environmentally friendly pet care and indust products from May 2010 until March 2013 when International Absorbents, Inc. and Absorption Corp. were sold to Kinde Industries, a private investment banking firm. Concurrent with that, he founded and has served as Chairman from Novem 2000 to May 2010 of Lupaka Gold Corp., f/k/a Kcrok Enterprises Ltd., a firm that acquires, explores, develops, and evalu gold mining properties in Peru, South America. Mr. Ellis has his Chartered Directors designation from The Director's Co joint venture of McMaster University and The Conference Board of Canada). He has been a principal of USCF listed wit CFTC and NFA since November 2005. Mr. Ellis is an engineer and earned an MBA in international finance.

Malcolm R. Fobes III, 51, Independent Director of USCF and Chairman of USCF's audit committee since September 20 founded and is the Chairman and Chief Executive Officer of Berkshire Capital Holdings, Inc., a California-based investm adviser registered under the Investment Advisers Act of 1940 that has been sponsoring and providing portfolio managem services to mutual funds since June 1997. Mr. Fobes serves as Chairman and President of The Berkshire Funds, a mutual investment company registered under the Investment Company Act of 1940. Since 1997, Mr. Fobes has also served as po manager of the Berkshire Focus Fund, a mutual fund registered under the Investment Company Act of 1940, which conce its investments in the electronic technology industry. He was also contributing editor of *Start a Successful Mutual Fund: Step-by-Step Reference Guide to Make It Happen* (JV Books, 1995). Mr. Fobes has been a principal of USCF listed with CFTC and NFA since November 2005. He earned a B.S. in finance with a minor in economics from San Jose State Unive in California.

Peter M. Robinson, 58, Independent Director of USCF since September 2005. Mr. Robinson has been a Research Fellow 1993 with the Hoover Institution, a public policy think tank located on the campus of Stanford University. He authored th books and has been published in the *New York Times*, *Red Herring*, and *Forbes ASAP* and is the editor of *Can Congress Fixed?: Five Essays on Congressional Reform* (Hoover Institution Press, 1995). Mr. Robinson has been a principal of US listed with the CFTC and NFA since December 2005. He earned an MBA from the Stanford University Graduate School Business, graduated from Oxford University in 1982 after studying politics, philosophy, and economics and graduated su cum laude from Dartmouth College in 1979.

The following are individual Principals, as that term is defined in CFTC Rule 3.1, for USCF: John P. Love, Stuart P. Crumbaugh, Nicholas D. Gerber, Melinda Gerber, the Nicholas & Melinda Gerber Living Trust, dated November 9, 2005 Gerber Family Trust FBO Jacob & Vasch, Eliot Gerber, Sheila Gerber, Jennifer Schoenberger and Scott Schoenberger, A Ngim, Robert Nguyen, Peter Robinson, Gordon Ellis, Malcolm Fobes, Ray Allen, Carolyn Yu and Wainwright Holdings The individuals who are Principals due to their positions are John P. Love, Stuart P. Crumbaugh, Nicholas D. Gerber, Me Gerber, Andrew Ngim, Robert Nguyen, Peter Robinson, Gordon Ellis, Malcolm Fobes, Ray Allen, and Carolyn Yu. In ad Nicholas D. Gerber, Melinda Gerber, the Nicholas & Melinda Gerber Living Trust, dated November 9, 2005, Gerber Fan Trust FBO Jacob & Vasch, Eliot Gerber, Sheila Gerber, Jennifer Schoenberger and Scott Schoenberger are Principals due their controlling stake in Wainwright. None of the Principals owns or has any other beneficial interest in USO. Ray Allen John P. Love make trading and investment decisions for USO. John P. Love and Ray Allen execute trades on behalf of U addition, Nicholas D. Gerber, John P. Love, Robert Nguyen, and Ray Allen are registered with the CFTC as Associated P of USCF and are NFA Associate Members. John P. Love, Robert Nguyen, and Ray Allen are also registered with the CF Swaps Associated Persons.

Audit Committee

The Board of USCF has an audit committee which is made up of the three independent directors (Gordon L. Ellis, Malco Fobes III and Peter M. Robinson,). The audit committee is governed by an audit committee charter that is posted on UNL website at www.unitedstatescommodityfunds.com. Any shareholder of UNL may also obtain a printed copy of the audit committee charter, free of charge, by calling 1-800-920-0259. The Board has determined that each member of the audit

committee meets the financial literacy requirements of the NYSE Arca and the audit committee charter. The Board has fu
determined that each of Messrs. Ellis and Fobes have accounting or related financial management expertise, as required b
NYSE Arca, such that each of them is considered an "Audit Committee Financial Expert" as such term is defined in Item 407(d)(5) of Regulation S-K.

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Other Committees

Since the individuals who perform work on behalf of UNL are not compensated by UNL, but instead by USCF, UNL doe have a compensation committee. Similarly, since the directors noted above serve on the Board of USCF, there is no nomi committee of the Board that acts on behalf of UNL. USCF believes that it is necessary for each member of the Board to p many qualities and skills. USCF further believes that all directors should possess a considerable amount of business management and educational experience. When vacancies on USCF's Board occur, the members of the Board consider a candidate's management experience as well as his/her background, stature, conflicts of interest, integrity and ethics. In connection with this, the Board also considers issues of diversity, such as diversity of gender, race and national origin, education, professional experience and differences in viewpoints and skills. The Board does not have a formal policy wit respect to diversity; however, the Board believes that it is essential that the Board represent diverse viewpoints.

Corporate Governance Policy

The Board of USCF has adopted a Corporate Governance Policy that applies to UNL and the Related Public Funds. UNL posted the text of the Corporate Governance Policy on its website at www.unitedstatescommodityfunds.com. Any shareh of UNL may also obtain a printed copy of the Corporate Governance Policy, free of charge, by calling 1-800-920-0259.

Code of Ethics

USCF has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") that applies to its principal executive o principal financial officer, principal accounting officer or controller, or persons performing similar functions, and also to UNL. UNL has posted the text of the Code of Ethics on its website at www.unitedstatescommodityfunds.com. Any share of UNL may also obtain a printed copy of the Code of Ethics, free of charge, by calling 1-800-920-0259. UNL intends to disclose any amendments or waivers to the Code of Ethics applicable to USCF's principal executive officer, principal fin officer, principal accounting officer or controller, or persons performing similar functions, on its website.

Executive Sessions of the Non-Management Directors

In accordance with the Corporate Governance Policy of USCF, the non-management directors of the Board (who are the as the independent directors of the Board) meet separately from the other directors in regularly scheduled executive sessi without the presence of Management Directors or executive officers of USCF. The non-management directors have desig Gordon L. Ellis to preside over each such executive session. Interested parties who wish to make their concerns known to non-management directors may communicate directly with Mr. Ellis by writing to 475 Milan Drive, No. 103, San Jose, CA 95134-2453 or by e-mail at uscf.director@gmail.com.

Board Leadership Structure and Role in Risk Oversight

The Board of USCF is led by a Chairman, Nicholas Gerber, Mr. John P. Love serves as USCF's President and Chief Exe Officer. The Board's responsibilities include (i) the selection, evaluation, retention and succession of the Chief Executive and the oversight of the selection and performance of other executive officers, (ii) understanding, reviewing and monitori implementation of strategic plans, annual operating plans and budgets, (iii) the selection and oversight of UNL's indepen auditors and the oversight of UNL's financial statements, (iv) advising management on significant issues, (v) the review approval of significant company actions and certain other matters, (vi) nominating directors and committee members and overseeing effective corporate governance and (vii) the consideration of other constituencies, such as USCF's and UNL's customers, employees, suppliers and the communities impacted by UNL. The non-management directors have designated Gordon L. Ellis as the presiding independent director. Mr. Ellis' role as the presiding independent director includes presid over each executive session of the non-management directors, facilitating communications by shareholders and employee the non-management directors and may also include representing the non-management directors with respect to certain m as to which the views of the non-management directors are sought pursuant to UNL's Corporate Governance Policy.

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The Board believes that Mr. Gerber is best situated to serve as Chairman of USCF because he is the director most familia the business of USCF, including investing in the futures contracts and other commodity interests in order to track the benchmark futures contracts of UNL and the Related Public Funds. Because of his background, he is most capable of effectively leading discussions and execution of new strategic objectives while facilitating information flow between USC the full Board, including the independent directors, which is essential to effective governance. The independent directors USCF are actively involved in the oversight of USCF and, because of their varied backgrounds, provide different perspec in connection with the oversight of USCF, UNL and the Related Public Funds. USCF's independent directors bring exper from outside USCF and the commodities industry, while Mr. Gerber brings company-specific and industry-specific exper and expertise.

Risk Management

The full Board is actively involved in overseeing the management and operation of USCF, including oversight of the risk face UNL and the Related Public Funds. For example, the Board has adopted an Investment Policy and a Policy for Use o Derivatives. The policies are intended to ensure that USCF takes prudent and careful action while entering into and mana investments taken by UNL, including Futures Contracts or Other Natural Gas-Related Investments such as OTC swap contracts. Additionally, the policies are intended to provide assurance that there is sufficient flexibility in controlling risk returns associated with the use of investments by UNL. The policies, among other things, limit UNL's ability to have too a concentration of its assets in non-exchange traded futures contracts or cleared swap contracts or concentrating its invest in too few counterparties, absent prior approval from the Board. Existing counterparties are reviewed periodically by the to ensure that they continue to meet the criteria outlined in the policies. The Board tasks USCF with assessing risks, inclu market risk, credit risk, liquidity risk, cash flow risk, basis risk, legal and tax risk, settlement risk, and operational risk.

The Board also determines compensation payable to employees of USCF, including the portfolio managers of each of UN the Related Public Funds. The compensation of certain employees of USCF is, in part, based on the amount of assets und management by UNL and the Related Public Funds. The Board feels that compensating certain employees, in part, based amount of assets under management is appropriate since having more assets in a fund generally reflects that investors per the fund's investment objective is being met. There are certain risks that may arise as a result of a growth in assets under management. For example, if position limits are imposed on UNL and the assets under management continue to increase, UNL may not be able to invest solely in the Benchmark Futures Contracts and may have to invest in OTC swap contracts Other Natural Gas-Related Investments as it seeks to track its benchmark. Other Futures Contracts in which UNL may in may not track changes in the price of the Benchmark Futures Contracts. Other Natural Gas-Related Investments, includin swap contracts, may also expose UNL to increased counterparty credit risk and may be less liquid and more difficult to v than Futures Contracts. UNL and the Related Public Funds ameliorate the potential credit, liquidity and valuation risks by collateralizing any OTC swap contracts or other investments. In making compensation decisions, the Board considers wh compensation arrangement would expose UNL or the Related Public Funds to additional risks and whether the risks pose such arrangement are consistent with the best interests of UNL's investors.

Other Information

In addition to the certifications of the Chief Executive Officer and Chief Financial Officer of USCF filed or furnished wit
annual report on Form 10-K regarding the quality of UNL's public disclosure, UNL will submit, within 30 days after filin
annual report on Form 10-K, to the NYSE Arca a certification of the Chief Executive Officer of USCF certifying that he
aware of any violation by UNL of NYSE Arca corporate governance listing standards.

Item 11. Executive Compensation.

Compensation to USCF and Other Compensation

UNL does not directly compensate any of the executive officers noted above. The executive officers noted above are compensated by USCF for the work they perform on behalf of UNL and other entities controlled by USCF. UNL doe reimburse USCF for, nor does it set the amount or form of any portion of, the compensation paid to the executive officers USCF. UNL pays fees to USCF pursuant to the LP Agreement under which it is obligated to pay USCF an annualized fee 0.75% of its average daily total net assets. For 2015, UNL accrued aggregate management fees of $118,848.

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Director Compensation

The following table sets forth compensation earned during the year ended December 31, 2015, by the directors of USCF. portion of the aggregate fees paid to the directors for the year ended December 31, 2015 was $3,140.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Plan	All Other Compensation	Total
Management Directors							
Nicholas Gerber	$0	NA	NA	NA	$ 0	$ 0	$0
Melinda Gerber	$0	NA	NA	NA	$ 0	$ 0	$0
Andrew F. Ngim	$0	NA	NA	NA	$ 0	$ 0	$0
Robert L. Nguyen	$0	NA	NA	NA	$ 0	$ 0	$0
Independent Directors							
Peter M. Robinson	$103,000	NA	NA	NA	$ 0	$ 0	$103,000
Gordon L. Ellis	$103,000	NA	NA	NA	$ 0	$ 0	$103,000
Malcolm R. Fobes III(1)	$123,000	NA	NA	NA	$ 0	$ 0	$123,000

(1) Mr. Fobes serves as chairman of the audit committee of USCF and receives additional compensation in reco of the additional responsibilities he has undertaken in this role.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

None of the directors or executive officers of USCF, nor the employees of UNL own any shares of UNL. In addition, UN not aware of any 5% holder of its shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Certain Relationships and Related Transactions

UNL has and will continue to have certain relationships with USCF and its affiliates. However, there have been no direct financial transactions between UNL and the directors or officers of USCF that have not been disclosed herein. See "*Item Executive Compensation*" and "*Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*" Any transaction with a related person that must be disclosed in accordance with SEC Regulation S 404(a), including financial transactions by UNL with directors or executive officers of USCF or holders of beneficial inte in USCF or UNL of more than 5%, will be subject to the provisions regarding "Resolutions of Conflicts of Interest; Stand Care" as set forth in Section 7.7 of the LP Agreement and will be reviewed and approved by the audit committee of the B USCF.

Director Independence

In February 2016, the Board undertook a review of the independence of the directors of USCF and considered whether ar director has a material relationship or other arrangement with USCF, UNL, or the Related Public Funds that could compr his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, the Board dete that each of Messrs. Fobes, Ellis and Robinson is an "independent director," as defined under the rules of NYSE Arca.

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Item 14. Principal Accountant Fees and Services.

The fees for services billed to UNL by its independent auditors for the last two fiscal years are as follows:

	2015	2014
Audit fees	$25,000	$25,000
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
	$25,000	$25,000

Audit fees consist of fees paid to Spicer Jeffries LLP for (i) the audit of UNL's annual financial statements included in th annual report on Form 10-K, and review of financial statements included in the quarterly reports on Form 10-Q and certa UNL's current reports on Form 8-K; (ii) the audit of UNL's internal control over financial reporting included in the annu on Form 10-K; and (iii) services that are normally provided by the Independent Registered Public Accountants in connec with statutory and regulatory filings of registration statements.

Tax fees consist of fees paid to Spicer Jeffries LLP for professional services rendered in connection with tax compliance partnership income tax return filings.

The audit committee has established policies and procedures which are intended to control the services provided by UNL independent auditors and to monitor their continuing independence. Under these policies and procedures, no audit or perr non-audit services (including fees and terms thereof), except for the *de minimis* exceptions for non-audit services describ Section 10A(i)(1)(B) of the Exchange Act, may be undertaken by UNL's independent auditors unless the engagement is specifically pre-approved by the audit committee. The audit committee may form and delegate authority to subcommittee consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitte non-audit services, provided that decisions of such subcommittee to grant pre-approvals must be presented to the full aud committee at its next scheduled meeting.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

1. See Index to Financial Statements on page 60.
2. No financial statement schedules are filed herewith because (i) such schedules are not required or (ii) the information r
has been presented in the aforementioned financial statements.
3. Exhibits required to be filed by Item 601 of Regulation S-K.

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Exhibit Index

Listed below are the exhibits which are filed or furnished as part of this annual report on Form 10-K (according to the nu
assigned to them in Item 601 of Regulation S-K):

Exhibit Number	Description of Document
3.1(1)	Certificate of Limited Partnership of the Registrant.
3.2(2)	Second Amended and Restated Agreement of Limited Partnership.
3.3(8)	Sixth Amended and Restated Limited Liability Company Agreement of USCF.
10.1(3)	Authorized Participant Agreement.
10.2(4)	Marketing Agent Agreement.
10.3(5)	Amendment Agreement to the Marketing Agent Agreement.
10.4(2)	Second Amendment Agreement to the Marketing Agent Agreement.
10.5(4)	Custodian Agreement.
10.6(5)	Amendment Agreement to the Custodian Agreement.
10.7(4)	Administrative Agency Agreement.
10.8(5)	Amendment Agreement to the Administrative Agency Agreement.
10.10(6)	Third Amendment to License Agreement between United States Commodity Funds LLC and New Yo Mercantile Exchange, Inc.
14.1(8)	Code of Ethics.
31.1(8)	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange 1934.
31.2(8)	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange 1934.
32.1(8)	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 200 U. S. C. 1350).
32.2(8)	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 U. S. C. 1350).
99.1(7)	Customer Agreement for Futures Contracts.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

(1) Incorporated by reference to Registrant's Registration Statement on Form S-1 (File No. 333-144409) filed on July 6,

(2) Incorporated by reference to Registrant's Annual Report on Form 10-K for the Year ended December 31, 2012, filed March 26, 2013.

(3) Incorporated by reference to Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form S-1 No. 333-144409) filed on November 2, 2009.

(4)

Incorporated by reference to Registrant's Pre-Effective Amendment No. 2 to the Registration Statement on Form S-1 No. 333-144409) filed on September 23, 2009.

(5) Incorporated by reference to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2012, filed August 14, 2012.

(6) Incorporated by reference to Registrant's report on Form 8-K filed on October 24, 2011.

(7) Incorporated by reference to Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 2009 fil December 23, 2009.

(8) Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused
report to be signed on its behalf by the undersigned thereunto duly authorized.

United States 12 Month Natural Gas Fund, LP (Registrant)

By: United States Commodity Funds LLC, its general partner

By: /s/ John P. Love
John P. Love
President and Chief Executive Officer
(Principal executive officer)

Date: March 24, 2016

By: /s/ Stuart Crumbaugh
Stuart Crumbaugh
Chief Financial Officer
(Principal financial and accounting officer)

Date: March 24, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title (Capacity)	Date
/s/ Nicholas D. Gerber Nicholas D. Gerber	Management Director	March 24, 2016
/s/ Melinda Gerber Melinda Gerber	Management Director	March 24, 2016
/s/ Andrew Ngim Andrew Ngim	Management Director	March 24, 2016
/s/ Robert L. Nguyen Robert L. Nguyen	Management Director	March 24, 2016
/s/ Peter M. Robinson Peter M. Robinson	Independent Director	March 24, 2016
/s/ Gordon L. Ellis Gordon L. Ellis	Independent Director	March 24, 2016
/s/ Malcolm R. Fobes III Malcolm R. Fobes III	Independent Director	March 24, 2016