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**17 CFR Ch. I (4-1-09 Edition)**

return computation, including documentation supporting the rationale for use of that alternate method.

*1. Compounded Rate of Return Method*

Rate of return for a period may be calculated by computing the net performance divided by the beginning net asset value for

each trading day in the period and compounding each daily rate of return to determine the rate of return for the period. If daily compounding is not practicable, the rate of return may be compounded on the basis of each sub-period within which an addition or withdrawal occurs during a month. For example:

	Account value	Change in value
Start of month .....	\$10,000	+10% (\$1,000 profit).
End of 1st acct. period .....	11,000	\$4,000 addition.
Start of 2nd acct. period .....	15,000	-20% (\$3,000 loss).
End of 2nd acct. period .....	12,000	\$2,000 withdrawal.
Start of 3rd acct. period .....	10,000	+25% (\$2,500 profit).
End of month .....	12,500	

Compounded ROR = [(1 + .1)(1 - .2)(1 + .25)] - 1 = 10%.

*2. Time-weighted method*

Time-weighting allows for adjustment to the denominator of the rate of return calculation for additions and withdrawals, weighted for the amount of time such funds were available during the period. Several methods exist for time-weighting, all of which will have the same arithmetic result. These methods include: dividing the net performance by the average weighted account sizes for the month; dividing the net performance by the arithmetic mean of the account sizes for each trading day during the period; and taking the number of days funds were available for trading divided by the total number of days in the period.

[68 FR 47236, Aug. 8, 2003; 68 FR 53430, Sept. 10, 2003]

**PART 5 [RESERVED]**

**PART 7—CONTRACT MARKET RULES ALTERED OR SUPPLEMENTED BY THE COMMISSION**

**Subpart A—General Provisions**

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7.1 Scope of rules.

**Subpart B [Reserved]**

7.100-7.101 [Reserved]

**Subpart C—Board of Trade of the City of Chicago Rules**

7.200 [Reserved]

7.201 Regulation 620.01(B).

AUTHORITY: 7 U.S.C. 7a(a)(12)(A) and 12a(7).

SOURCE: 45 FR 51526, Aug. 1, 1980, unless otherwise noted.

**Subpart A—General Provisions**

**§ 7.1 Scope of rules.**

This part sets forth contract market rules altered or supplemented by the Commission pursuant to section 8a(7) of the Act.

**Subpart B [Reserved]**

§§ 7.100-7.101 [Reserved]

**Subpart C—Board of Trade of the City of Chicago Rules**

**§ 7.200 [Reserved]**

**§ 7.201 Regulation 620.01(B).**

*Customers' claims and grievances.* The Arbitration Committee and Mixed Panels constituted pursuant to Regulation 620.02 have jurisdiction to arbitrate all customers' claims and grievances against any member or employee thereof which have arisen prior to the date the customer's claim is asserted. If the customer elects to initiate an arbitration proceeding of any customer claim or grievance, the member shall submit to arbitration in accordance with these Arbitration Rules and Regulations. The Arbitration shall be initiated by delivery to the Administrator of (a) a Statement of Claim and a "Chicago Board of Trade Arbitration Submission Agreement for Customer's Claims and Grievances" signed by the customer or (b) a Statement of Claim and another arbitration agreement between the parties, which agreement