United States Diesel-Heating Oil Fund, LP
Form POS AM
April 03, 2017

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Registration No. 333-210541

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

POST-EFFECTIVE AMENDMENT NO. 1

to

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

UNITED STATES DIESEL-HEATING OIL FUND, LP
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6770**	**20-8837345**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

United States Commodity Funds LLC **1999 Harrison Street, Suite 1530** **Oakland, California 94612** **510.522.9600**	**Carolyn M. Yu** **1999 Harrison Street, Suite 1530** **Oakland, California 94612** **510.522.9600**
(Address, Including Zip Code, and Telephone Number, Including **Area Code, of Registrant's Principal Executive Offices)**	**(Name, Address, Including Zip Code, and Telephone Number,** **Including Area Code, of Agent for Service)**

Copies to:

James M. Cain, Esq.
Eversheds Sutherland (US) LLP
700 Sixth Street, N.W., Suite 700
Washington, DC 20001-3980
202.383.0100

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

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

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

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

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

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

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

Large accelerated filer o	Accelerated filer o
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o

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

PROSPECTUS

United States Diesel-Heating Oil Fund, LP®*

58,800,000 Shares

***Principal U.S. Listing Exchange: NYSE Arca, Inc.**

The United States Diesel-Heating Oil Fund, LP ("UHN") is an exchange traded fund organized as a limited partnership that issues shares that trade on the NYSE Arca stock exchange ("NYSE Arca"). UHN's investment objective is to track a benchmark of short-term futures contracts. UHN pays its general partner, United States Commodity Funds LLC ("USCF"), a limited liability company, a management fee and incurs operating costs. The address of both UHN and USCF is 1999 Harrison Street, Suite 1530, Oakland, CA 94612. The telephone number for both UHN and USCF is 510.522.9600. In order for a hypothetical investment in shares to break even over the next 12 months, assuming a selling price of $12.69 (the net asset value as of February 28, 2017), the investment would have to generate 0.464% return or $0.073, rounded to $0.07. The amount for this breakeven analysis takes into account a fee waiver, which USCF may terminate at any time in its discretion. Please see page 30 for more information.

UHN is an exchange traded fund. This means that most investors who decide to buy or sell shares of UHN place their trade orders through their brokers and may incur customary brokerage commissions and charges. Shares trade on the NYSE Arca under the ticker symbol "UHN" and are bought and sold throughout the trading day at bid and ask prices like other publicly traded securities.

Shares trade on the NYSE Arca after they are initially purchased by "Authorized Participants," institutional firms that purchase shares in blocks of 50,000 shares called "baskets" through UHN's marketing agent, ALPS Distributors, Inc. (the "Marketing Agent"). The price of a basket is equal to the net asset value ("NAV") of 50,000 shares on the day that the order to purchase the basket is accepted by the Marketing Agent. The NAV per share is calculated by taking the current market value of UHN's total assets (after close of NYSE Arca) subtracting any liabilities and dividing that total by the total number of outstanding shares. The offering of UHN's shares is a "best efforts" offering, which means that neither the Marketing Agent nor any Authorized Participant is required to purchase a specific number or dollar amount of shares. USCF pays the Marketing Agent a marketing fee consisting of a fixed annual amount plus an incentive fee based on the amount of shares sold. Authorized Participants will not receive from UHN, USCF or any of their affiliates any fee or other compensation in connection with the sale of shares. Aggregate compensation paid to the Marketing Agent and any affiliate of USCF for distribution-related services in connection with this offering of shares will not exceed ten percent (10%) of the gross proceeds of the offering.

Investors who buy or sell shares during the day from their broker may do so at a premium or discount relative to the market value of the underlying heating oil futures contracts in which UHN invests due to supply and demand forces at work in the secondary trading market for shares that are closely related to, but not identical to, the same forces influencing the prices of diesel-heating oil and the heating oil futures contracts that serve as UHN's investment benchmark. Investing in UHN involves risks similar to those involved with an investment directly in the diesel-heating oil market, the correlation risk described above, and other significant risks. See "**Risk Factors Involved with an Investment in UHN**" beginning on page 4.

The offering of UHN's shares is registered with the Securities and Exchange Commission ("SEC") in accordance with the Securities Act of 1933 (the "1933 Act"). The offering is intended to be a continuous offering and is not expected to terminate until all of the registered shares have been sold or three years from the date of the original offering, whichever is earlier, unless extended as permitted under the rules under the 1933 Act, although the offering may be temporarily suspended if and when no suitable investments for UHN are available or practicable. UHN is not a mutual fund registered under the Investment Company Act of 1940 ("1940 Act") and is not subject to regulation under such

Act.

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

UHN is a commodity pool and USCF is a commodity pool operator subject to regulation by the Commodity Futures Trading Commission and the National Futures Association under the Commodities Exchange Act.

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

The date of this prospectus is   , 2017.

COMMODITY FUTURES TRADING COMMISSION
RISK DISCLOSURE STATEMENT

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

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL AT PAGE 29 AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, AT PAGE 30.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 4.

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

SWAPS TRANSACTIONS, LIKE OTHER FINANCIAL TRANSACTIONS, INVOLVE A VARIETY OF SIGNIFICANT RISKS. THE SPECIFIC RISKS PRESENTED BY A PARTICULAR SWAP TRANSACTION NECESSARILY DEPEND UPON THE TERMS OF THE TRANSACTION AND YOUR CIRCUMSTANCES. IN GENERAL, HOWEVER, ALL SWAPS TRANSACTIONS INVOLVE SOME COMBINATION OF MARKET RISK, CREDIT RISK, COUNTERPARTY CREDIT RISK, FUNDING RISK, LIQUIDITY RISK, AND OPERATIONAL RISK.

HIGHLY CUSTOMIZED SWAPS TRANSACTIONS IN PARTICULAR MAY INCREASE LIQUIDITY RISK, WHICH MAY RESULT IN A SUSPENSION OF REDEMPTIONS. HIGHLY LEVERAGED TRANSACTIONS MAY EXPERIENCE SUBSTANTIAL GAINS OR LOSSES IN VALUE AS A RESULT OF RELATIVELY SMALL CHANGES IN THE 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 CONSIDER THAT A SWAP TRANSACTION MAY BE MODIFIED OR TERMINATED ONLY BY MUTUAL CONSENT OF THE

ORIGINAL PARTIES AND SUBJECT TO AGREEMENT ON INDIVIDUALLY NEGOTIATED TERMS. THEREFORE, IT MAY NOT BE POSSIBLE FOR THE COMMODITY POOL OPERATOR TO MODIFY, TERMINATE, OR OFFSET THE POOL'S OBLIGATIONS OR THE POOL'S EXPOSURE TO THE RISKS ASSOCIATED WITH A TRANSACTION PRIOR TO ITS SCHEDULED TERMINATION DATE.

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UNITED STATES DIESEL-HEATING OIL FUND, LP

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PROSPECTUS SUMMARY

This is only a summary of the prospectus and, while it contains material information about UHN and its shares, it does not contain or summarize all of the information about UHN and the shares contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including "Risk Factors Involved with an Investment in UHN" beginning on page 4, before making an investment decision about the shares. For a glossary of defined terms, see Appendix A.

United States Diesel-Heating Oil Fund, LP ("UHN"), a Delaware limited partnership, is a commodity pool that continuously issues common shares of beneficial interest that may be purchased and sold on the NYSE Arca stock exchange ("NYSE Arca"). UHN is managed and controlled by United States Commodity Funds LLC ("USCF"), a Delaware limited liability company. USCF is registered as a commodity pool operator ("CPO") with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA'').

UHN's Investment Objective and Strategy

The investment objective of UHN is for the daily changes in percentage terms of its shares' per share net asset value ("NAV") to reflect the daily changes in percentage terms of the spot price of heating oil (also known as No. 2 fuel) for delivery at the New York harbor, as measured by the daily changes in the price of a specified short-term futures contract on heating oil called the "Benchmark Futures Contract", less UHN's expenses.

What Are the "Benchmark Futures Contracts"?

The Benchmark Futures Contracts are the futures contracts on diesel-heating oil as traded on the New York Mercantile Exchange (the "NYMEX") that are the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case it will be the next month contract to expire.

UHN seeks to achieve its investment objective by investing in futures contracts for diesel-heating oil, crude oil, gasoline, natural gas and other petroleum-based fuels that are traded on the NYMEX, ICE Futures Exchange or other U.S. and foreign exchanges (such futures contracts are collectively referred to herein as "Futures Contracts"), and to a lesser extent, in order to comply with regulatory requirements or in view of market conditions, other heating oil-related investment such as cash-settled options on Futures Contracts, forward contracts for diesel-heating oil, crude oil and other petroleum-based fuels, cleared swap contracts, and non-exchange traded ("over-the-counter") transactions that are based on the price of diesel-heating oil, crude oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, "Other Diesel-Heating Oil-Related Investments"). Market conditions that USCF currently anticipates could cause UHN to invest in Other Diesel-Heating Oil-Related Investments include those allowing UHN to obtain greater liquidity or to execute transactions with more favorable pricing. For convenience and unless otherwise specified, Futures Contracts and Other Diesel-Heating Oil-Related Investments collectively are referred to as "Diesel-Heating Oil Interests" in this prospectus.

Heating Oil Contract. The heating oil contract offered by NYMEX was the first energy commodity futures contract listed in the United States in 1978, predating similar contracts on crude oil, natural gas, and gasoline by a number of years. Heating oil is physically similar to diesel fuel with the primary physical difference historically being the amount of allowable sulfur permitted in heating oil versus the lower levels of sulfur permitted in diesel fuel. Despite this physical difference, the similarities between the two distilled products was such that physical producers or users of diesel fuel, as well as financial investors, have traditionally used the heating oil contract to hedge or speculate on diesel fuel prices. In recent years several diesel-specific contracts have been listed on U.S. futures exchanges. However, none of these contracts have seen much use as the diesel market continued to make use of the heating oil contract, which provided greater liquidity. At the same time, several states in the U.S. Northeast have proposed new standards for heating oil that would require heating oil to contain lower levels of sulfur. These new levels of permitted sulfur will have the effect of removing the single largest physical difference between heating oil and diesel fuel.

Following the transition to lower sulfur specifications, the heating oil futures contract will serve as a dual-use price benchmark for both the heating oil and on-road diesel markets. It will also more closely match diesel specifications in international markets, including the European ultra-low sulfur diesel market.

NYMEX has made clear their desire to encourage the use of the heating oil futures contracts as a proxy for the diesel fuel market, and in fact, renamed the contract to “NY Harbor ULSD Futures” in April 2013.

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Diesel-heating oil, also known as No. 2 fuel oil, accounts for 25% of the yield of a barrel of crude oil, the second largest "cut" from oil after gasoline. The heating oil futures contract listed and traded on the NYMEX trades in units of 42,000 gallons (1,000 barrels) and is based on delivery in the New York harbor, the principal cash market center. The ICE Futures also offers a heating oil futures contract which trades in units of 42,000 U.S. gallons (1,000 barrels). The Futures Contract is cash-settled against the prevailing market price for heating oil delivered to the New York Harbor.

In addition, USCF believes that market arbitrage opportunities will cause daily changes in UHN's share price on the NYSE Arca on a percentage basis to closely track daily changes in UHN's per share NAV on a percentage basis. USCF further believes that the daily changes in prices of the Benchmark Futures Contracts have historically tracked the daily changes in the spot price of diesel-heating oil. USCF believes that the net effect of these relationships will be that the daily changes in the price of UHN's shares on NYSE Arca on a percentage basis will closely track the daily changes in the spot price of diesel-heating oil on a percentage basis, less UHN's expenses.

Specifically, UHN seeks to achieve its investment objective by investing so that the average daily percentage change in UHN's NAV for any period of 30 successive valuation days will be within plus/minus ten percent (10%) of the average daily percentage change in the price of the Benchmark Futures Contracts over the same period.

Investors should be aware that UHN's investment objective is not for its NAV or market price of shares to equal, in dollar terms, the spot price of diesel-heating oil or any particular futures contract based on diesel-heating oil, nor is UHN's investment objective for the percentage change in its NAV to reflect the percentage change of the price of any particular futures contract as measured over a time period *greater than one day*. This is because natural market forces called contango and backwardation have impacted the total return on an investment in UHN's shares during the past year relative to a hypothetical direct investment in diesel-heating oil and, in the future, it is likely that the relationship between the market price of UHN's shares and changes in the spot prices of diesel-heating oil will continue to be so impacted by contango and backwardation. (It is important to note that the disclosure above ignores the potential costs associated with physically owning and storing diesel-heating oil, which could be substantial.)

Principal Investment Risks of an Investment in UHN

An investment in UHN involves a degree of risk. Some of the risks you may face are summarized below. A more extensive discussion of these risks appears beginning on page 4.

Investment Risk

Investors may choose to use UHN as a means of investing indirectly in diesel-heating oil. There are significant risks and hazards inherent in the diesel-heating oil industry that may cause the price of heating oil to widely fluctuate.

Correlation Risk

To the extent that investors use UHN as a means of indirectly investing in diesel-heating oil, there is the risk that the daily changes in the price of UHN's shares on the NYSE Arca on a percentage basis will not closely track the daily changes in the spot price of diesel-heating oil on a percentage basis. This could happen if the price of shares traded on the NYSE Arca does not correlate closely with the value of UHN's NAV; the changes in UHN's NAV do not correlate closely with the changes in the average price of the Benchmark Futures Contracts, or the changes in the average price of the Benchmark Futures Contracts do not closely correlate with the changes in the cash or spot price of diesel-heating oil. This is a risk because if these correlations do not exist, then investors may not be able to use UHN as a cost-effective way to indirectly invest in diesel-heating oil or as a hedge against the risk of loss in diesel-heating oil-related transactions.

The price relationship between the near month contract to expire and the next month contract to expire that compose the Benchmark Futures Contract will vary and may impact both the total return over time of UHN's NAV, as well as the degree to which its total return tracks other diesel-heating oil price indices' total returns. In cases in which the near month contract's price is lower than the next month contract's price (a situation known as "contango" in the futures markets), then absent the impact of the overall movement in diesel-heating oil prices the value of the benchmark contract would tend to decline as it approaches expiration. In cases in which the near month contract's price is higher than the next month contract's price (a situation known as "backwardation" in the futures markets), then absent the impact of the overall movement in diesel-heating oil prices the value of the benchmark contract would tend to rise as it approaches expiration.

Tax Risk

UHN is organized and operated as a limited partnership in accordance with the provisions of its limited partnership agreement and applicable state law, and therefore, has a more complex tax treatment than conventional mutual funds.

Over-the-Counter ("OTC") Contract Risk

UHN may also invest in Other Diesel-Heating Oil-Related Investments, many of which are negotiated or "OTC" contracts that are not as liquid as diesel-heating oil Futures Contracts and expose UHN to credit risk that its counterparty may not be able to satisfy its obligations to UHN.

Other Risks

UHN pays fees and expenses that are incurred regardless of whether it is profitable.

Unlike mutual funds, commodity pools or other investment pools that manage their investments in an attempt to realize income and gains and distribute such income and gains to their investors, UHN generally does not distribute cash to limited partners or other shareholders. You should not invest in UHN if you will need cash distributions from UHN to pay taxes on your share of income and gains of UHN, if any, or for any other reason.

You will have no rights to participate in the management of UHN and will have to rely on the duties and judgment of USCF to manage UHN.

UHN is subject to actual and potential inherent conflicts involving USCF, various commodity futures brokers and Authorized Participants. USCF's officers, directors and employees do not devote their time exclusively to UHN. USCF's persons are directors, officers or employees of other entities that may compete with UHN for their services, including other commodity pools (funds) that USCF manages (these funds are referred to in this prospectus as the "Related Public Funds" and are identified in the Glossary). USCF could have a conflict between its responsibilities to UHN and to those other entities. As a result of these and other relationships, parties involved with UHN have a financial incentive to act in a manner other than in the best interests of UHN and the shareholders.

UHN's Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of UHN. You should note that you may pay brokerage commissions on purchases and sales of UHN's shares, which are not reflected in the table. Authorized Participants will pay applicable creation and redemption fees. ***See*** **"Creation and Redemption of Shares-*Creation and Redemption Transaction Fee,*" page 53.**

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees(1)	0.60 %
Distribution Fee	None
Other Fund Expenses(1)	2.58 %
Expense Waiver(2)	(2.43)%
Net Other Fund Expenses	0.15 %
Total Annual Fund Operating Expenses After Expense Waiver	0.75 %

(1) Based on amounts for the year ended December 31, 2016. The individual expense amounts in dollar terms are shown in the table below. As used in this table, (i) Professional Expenses include expenses for legal, audit, tax accounting and printing; and (ii) Independent Director and Officer Expenses include amounts paid to independent directors and for officers' liability insurance.

Management Fees	$24,844
Professional Expenses	$92,854
Brokerage Commissions	$5,696

Independent Director and Officer Expenses	$464
License fees	$621
Registration fees	$7,320

(2) USCF has voluntarily agreed to pay certain expenses typically borne by UHN, to the extent that such expenses exceed 0.15% of UHN's NAV, on an annualized basis. USCF has no obligation to continue such payments. If this agreement were terminated, the Annual Fund Operating Expenses could increase, which would negatively impact your total return from an investment in UHN.

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RISK FACTORS INVOLVED WITH AN INVESTMENT IN UHN

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this prospectus, as well as information found in our periodic reports, which include UHN's financial statements and the related notes that are incorporated by reference. See "Incorporation by Reference of Certain Information", page 57.

UHN's investment objective is for the daily percentage change in NAV per share to reflect the daily changes in percentage terms of the spot price of heating oil (also known as No. 2 fuel oil) for delivery to the New York harbor, as measured by the daily changes in the price of the futures contract, plus interest earned on UHN's collateral holdings, for heating oil traded on the NYMEX, that is the near month contract to expire, except when the near month contract is within two weeks of expiration, in which case the futures contract will be the next month contract to expire (the "Benchmark Futures Contract"), less UHN's expenses. USCF seeks to achieve its investment objective by investing so that the average daily percentage change in UHN's NAV for any period of 30 successive valuation days will be over the same period. UHN's investment strategy is designed to provide investors with a cost-effective way to invest indirectly in diesel-heating oil and to hedge against movements in the spot price of diesel-heating oil. An investment in UHN involves investment risk similar to a direct investment in Diesel-Heating Oil Interests, and correlation risk, or the risk that investors purchasing shares to hedge against movements in the price of diesel-heating oil will have an efficient hedge only if the price they pay for their shares closely correlates with the price of diesel-heating oil. In addition to investment risk and correlation risk, an investment in UHN involves tax risks, OTC risks, and other risks.

Investment Risk

The NAV of UHN's shares relates directly to the value of the Benchmark Futures Contracts and other assets held by UHN and fluctuations in the prices of these assets could materially adversely affect an investment in UHN's shares. Past performance is not necessarily indicative of future results; all or substantially all of an investment in UHN could be lost.

The net assets of UHN consist primarily of investments in Futures Contracts and, to a lesser extent, in Other Diesel-Heating Oil-Related Investments. The NAV of UHN's shares relates directly to the value of these assets (less liabilities, including accrued but unpaid expenses), which in turn relates to the price of diesel-heating oil in the marketplace. Diesel-heating prices depend on local, regional and global events or conditions that affect supply and demand for diesel and heating oil.

Economic conditions impacting diesel-heating oil. The demand for diesel-heating oil correlates closely with general economic growth rates. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on diesel-heating oil prices. Other factors that affect general economic conditions in the world or in a major region, such as changes in population growth rates, periods of civil unrest, government austerity programs, or currency exchange rate fluctuations, can also impact the demand for diesel-heating oil. Sovereign debt downgrades, defaults, inability to access debt markets due to credit or legal constraints, liquidity crises, the breakup or restructuring of fiscal, monetary, or political systems such as the European Union, and other events or conditions that impair the functioning of financial markets and institutions also may adversely impact the demand for diesel-heating oil.

Other diesel-heating oil demand-related factors. Other factors that may affect the demand for diesel-heating oil and therefore its price, include technological improvements in energy efficiency; seasonal weather patterns, which affect the demand for diesel-heating oil associated with heating and cooling; increased competitiveness of alternative energy sources that have so far generally not been competitive with oil without the benefit of government subsidies or mandates; and changes in technology or consumer preferences that alter fuel choices, such as toward alternative fueled vehicles.

Other diesel-heating oil supply-related factors. Diesel-heating oil prices also vary depending on a number of factors affecting supply. For example, increased supply from the development of new oil supply sources and technologies to enhance recovery from existing sources tends to reduce diesel-heating oil prices to the extent such supply increases are not offset by commensurate growth in demand. Similarly, increases in industry refining or petrochemical manufacturing capacity may impact the supply of diesel-heating oil. World oil supply levels can also be affected by factors that reduce available supplies, such as adherence by member countries to the Organization of the Petroleum Exporting Countries ("OPEC") production quotas and the occurrence of wars, hostile actions, natural disasters, disruptions in competitors' operations, or unexpected unavailability of distribution channels that may disrupt supplies. Technological change can also alter the relative costs for companies in the petroleum industry to find, produce, and refine oil and to manufacture petrochemicals, which in turn may affect the supply of and demand for oil.

Other factors impacting the diesel-heating oil market. The supply of and demand for diesel-heating oil may also be impacted by changes in interest rates, inflation, and other local or regional market conditions, as well as by the development of alternative energy sources.

Price Volatility May Possibly Cause the Total Loss of Your Investment. Futures contracts have a high degree of price variability and are subject to occasional rapid and substantial changes. Consequently, you could lose all or substantially all of your investment in UHN.

Correlation Risk

Investors purchasing shares to hedge against movements in the price of diesel-heating oil will have an efficient hedge only if the price investors pay for their shares closely correlates with the price of diesel-heating oil. Investing in UHN's shares for hedging purposes involves the following risks:

- The market price at which the investor buys or sells shares may be significantly less or more than NAV.
- Daily percentage changes in NAV may not closely correlate with daily percentage changes in the price of the Benchmark Futures Contract.
- Daily percentage changes in the prices of the Benchmark Futures Contract may not closely correlate with daily percentage changes in the price of diesel-heating oil.

The market price at which investors buy or sell shares may be significantly less or more than NAV.

UHN's NAV per share will change throughout the day as fluctuations occur in the market value of UHN's portfolio investments. The public trading price at which an investor buys or sells shares during the day from their broker may be different from the NAV of the shares. Price differences may relate primarily to supply and demand forces at work in the secondary trading market for shares that are closely related to, but not identical to, the same forces influencing the prices of the diesel-heating oil and the Benchmark Futures Contract at any point in time. USCF expects that exploitation of certain arbitrage opportunities by Authorized Participants and their clients and customers will tend to cause the public trading price to track NAV per share closely over time, but there can be no assurance of that.

The NAV of UHN's shares may also be influenced by non-concurrent trading hours between the NYSE Arca and the various futures exchanges on which diesel-heating oil is traded. While the shares trade on the NYSE Arca from 9:30 a.m. to 4:00 p.m. Eastern Time, the trading hours for the futures exchanges on which diesel-heating oil trade may not necessarily coincide during all of this time. For example, while the shares trade on the NYSE Arca until 4:00 p.m. Eastern Time, liquidity in the global diesel-heating oil market will be reduced after the close of the NYMEX at 2:30 p.m. Eastern Time. As a result, during periods when the NYSE Arca is open and the futures exchanges on which heating oil is traded are closed, trading spreads and the resulting premium or discount on the shares may widen and, therefore, increase the difference between the price of the shares and the NAV of the shares.

Daily percentage changes in UHN's NAV may not correlate with daily percentage changes in the price of the Benchmark Futures Contract.

It is possible that the daily percentage changes in UHN's NAV per share may not closely correlate to daily percentage changes in the price of the Benchmark Futures Contract. Non-correlation may be attributable to disruptions in the market for diesel-heating oil, the imposition of position or accountability limits by regulators or exchanges, or other extraordinary circumstances. As UHN approaches or reaches position limits with respect to the Benchmark Futures Contract and other Futures Contracts or in view of market conditions, UHN may begin investing in Other Diesel-Heating Oil-Related Investments. In addition, UHN is not able to replicate exactly the changes in the price of the Benchmark Futures Contract because the total return generated by UHN is reduced by expenses and transaction costs, including those incurred in connection with UHN's trading activities, and increased by interest income from UHN's holdings of Treasuries (defined below). Tracking the Benchmark Futures Contract requires trading of UHN's portfolio with a view to tracking the Benchmark Futures Contract over time and is dependent upon the skills of USCF and its trading principals, among other factors.

Daily percentage changes in the price of the Benchmark Futures Contract may not correlate with daily percentage changes in the spot price of diesel-heating oil.

The correlation between changes in prices of the Benchmark Futures Contract and the spot price of diesel-heating oil may at times be only approximate. The degree of imperfection of correlation depends upon circumstances such as variations in the speculative oil market, supply of and demand for Futures Contracts (including the Benchmark Futures Contract) and Other Diesel-Heating Oil-Related Investments, and technical influences in oil futures trading.

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Natural forces in the diesel-heating oil futures market known as "backwardation" and "contango" may increase UHN's tracking error and/or negatively impact total return.

The design of UHN's Benchmark Futures Contract is such that every month it begins by using the near month contract to expire until the near month contract is within two weeks of expiration, when, over a one day period, it transitions to the next month contract to expire as its benchmark contract and keeps that contract as its benchmark until it becomes the near month contract and close to expiration. In the event of a diesel-heating oil futures market where near month contracts trade at a higher price than next month to expire contracts, a situation described as "backwardation" in the futures market, then absent the impact of the overall movement in diesel-heating oil prices the value of the benchmark contract would tend to rise as it approaches expiration. Conversely, in the event of a diesel-heating oil futures market where near month contracts trade at a lower price than next month contracts, a situation described as "contango" in the futures market, then absent the impact of the overall movement in diesel-heating oil prices the value of the benchmark contract would tend to decline as it approaches expiration. When compared to total return of other price indices, such as the spot price of diesel-heating oil, the impact of backwardation and contango may cause the total return of UHN's per share NAV to vary significantly. Moreover, absent the impact of rising or falling heating oil prices, a prolonged period of contango could have a significant negative impact on UHN's per share NAV and total return and investors could lose part or all of their investment. See "Additional Information About UHN, its Investment Objective and Investments" for a discussion of the potential effects of contango and backwardation.

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 price of the Benchmark Futures Contract.

Designated contract markets, such as the NYMEX and ICE Futures have established accountability levels and position limits on the maximum net long or net short futures contracts in commodity interests that any person or group of persons under common trading control (other than as a hedge, which an investment by UHN is not) may hold, own or control. These levels and position limits apply to the futures contracts that UHN invests in to meet its investment objective. In addition to accountability levels and position limits, the NYMEX and ICE Futures 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 made at a price beyond that limit.

The accountability levels for the Benchmark Futures Contract and other Futures Contracts traded on U.S. based futures exchanges, such as the NYMEX, are not a fixed ceiling, but rather a threshold above which the NYMEX may exercise greater scrutiny and control over an investor's positions. The current accountability level for any one-month in the Benchmark Futures Contract is 5,000 contracts. In addition, the NYMEX imposes an accountability level for all months of 7,000 net futures contracts for investments in heating oil. In addition, the ICE Futures maintains the same accountability levels, position limits and monitoring authority for its heating oil contracts as the NYMEX. If UHN and the Related Public Funds exceed these accountability levels for investments in the futures contracts for diesel-heating oil, the NYMEX and ICE Futures will monitor such exposure and may ask for further information on their activities, including the total size of all positions, investment and trading strategy, and the extent of liquidity resources of UHN and the Related Public Funds. If deemed necessary by the NYMEX and/or ICE Futures, UHN could be ordered to reduce its Heating Oil Futures HO contracts back to the accountability levels. UHN did not exceed accountability levels of the NYMEX or ICE Futures during the year ended December 31, 2016. As of December 31, 2016, UHN held 93 Heating Oil Futures HO contracts traded on the NYMEX and did not hold any Futures Contracts traded on the ICE Futures.

Position limits differ from accountability levels in that they represent fixed limits on the maximum number of futures contracts that any person may hold and cannot allow such limits to be exceeded without express CFTC authority to do so. In addition to accountability levels and position limits that may apply at any time, the NYMEX and the ICE

Futures impose position limits on contracts held in the last few days of trading in the near month contract to expire. It is unlikely that UHN will run up against such position limits because UHN's investment strategy is to close out its positions and "roll" from the near month contract to expire to the next month contract beginning two weeks from expiration of the contract. For the year ended December 31, 2016, UHN did not exceed position limits imposed by NYMEX and ICE Futures.

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The CFTC has proposed to adopt limits on speculative positions in 25 physical commodity futures and option contracts and swaps that are economically equivalent to such contracts in the agriculture, energy and metals markets (the “Position Limit Rules”). The Position Limit Rules would, among other things: identify which contracts are subject to speculative position limits; set thresholds that restrict the size of speculative positions that a person may hold in the spot month, other individual months, and all months combined; create an exemption for positions that constitute bona fide hedging transactions; impose responsibilities on designated contract markets (“DCMs”) and swap execution facilities (“SEFs”) to establish position limits or, in some cases, position accountability rules; and apply to both futures and swaps across four relevant venues: OTC, DCMs, SEFs as well as certain non-U.S. located platforms. The CFTC’s first attempt at finalizing the Position Limit Rules, in 2011, was successfully challenged by market participants in 2012 and, since then, the CFTC has reproposed them and solicited comments from market participants multiple times.

At this time, it is unclear how the Position Limit Rules may affect UHN, but the effect may be substantial and adverse. By way of example, the Position Limit Rules may negatively impact the ability of UHN to meet its investment objectives through limits that may inhibit USCF’s ability to sell additional Creation Baskets of UHN. See “The Commodity Interest Markets- Regulation” in this annual report on Form 10-K for additional information.

Until such time as the Position Limit Rules are adopted, the regulatory architecture in effect prior to the adoption of the Position Limit Rules will govern transactions in commodities and related derivatives. Under that system, the CFTC enforces federal limits on speculation in nine agricultural products (e.g., corn, wheat and soy), while futures exchanges establish and enforce position limits and accountability levels for agricultural and certain energy products (e.g., oil and natural gas). As a result, UHN may be limited with respect to the size of its investments in any commodities subject to these limits.

Under existing and recently adopted CFTC regulations, for the purposes of position limits, a market participant is generally required to aggregate all positions for which that participant controls the trading decisions with all positions for which that participant has a 10 percent (or greater ownership interest in an account or position, as well as the positions of two or more persons acting pursuant to an express or implied agreement or understanding with that market participant (the “Aggregation Rules”). The Aggregation Rules will also apply to the Position Limit Rules if and when such Position Limit Rules are adopted.

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 cash or other distributions with respect to shares. Investors will be required to pay U.S. federal income tax and, in some cases, state, local, or foreign income tax, on their allocable share of UHN’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 exceed the amount of cash or value of property (if any) distributed.

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 UHN in making allocations for tax purposes and other factors, an investor’s allocable share of UHN’s income, gain, deduction or loss may be different than its economic profit or loss from its shares for a taxable year. This difference could be temporary or permanent and, if permanent, could result in it being taxed on amounts in excess of its economic income.

Items of income, gain, deduction, loss and credit with respect to shares could be reallocated, and for taxable periods beginning after December 31, 2017, UHN could be liable for U.S. federal income tax, if the U.S. Internal Revenue Service (“IRS”) does not accept the assumptions and conventions applied by UHN in allocating those items,

with potential adverse consequences for an investor.

The U.S. tax rules pertaining to partnerships are complex and their application to large, publicly traded partnerships such as UHN is in many respects uncertain. UHN applies certain assumptions and conventions in an attempt to comply with the intent of 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 the Internal Revenue Code (the "Code") and applicable Treasury Regulations, however, and it is possible that the IRS will successfully challenge UHN's allocation methods and require UHN to reallocate items of income, gain, deduction, loss or credit in a manner that adversely affects investors. If this occurs, investors may be required to file an amended tax return and to pay additional taxes plus deficiency interest.

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In addition, for periods beginning after December 31, 2017, UHN may be liable for U.S. federal income tax on any "imputed understatement" of tax resulting from an adjustment as a result of an IRS audit. The amount of the imputed understatement generally includes increases in allocations of items of income or gains to any investor and decreases in allocations of items of deduction, loss, or credit to any investor without any offset for any corresponding reductions in allocations of items of income or gain to any investor or increases in allocations of items of deduction, loss, or credit to any investor. If UHN is required to pay any U.S. federal income taxes on any imputed understatement, the resulting tax liability would reduce the net assets of UHN and would likely have an adverse impact on the value of the shares. Under certain circumstances, UHN may be eligible to make an election to cause the investors to take into account the amount of any imputed understatement, including any interest and penalties. The ability of a publicly traded partnership such as UHN to make this election is uncertain. If the election is made, UHN would be required to provide investors who owned beneficial interests in the shares in the year to which the adjusted allocations relate with a statement setting forth their proportionate shares of the adjustment ("Adjusted K-1s"). The investors would be required to take the adjustment into account in the taxable year in which the Adjusted K-1s are issued.

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

UHN has received an opinion of counsel that, under current U.S. federal income tax laws, UHN will be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, provided that (i) at least 90 percent of UHN's annual gross income will be derived from (x) income and gains from commodities (not held as inventory) or futures, forwards, options, swaps and other notional principal contracts with respect to commodities, and (y) interest income, (ii) UHN is organized and operat