COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 4

RIN 3038-AF68

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 275 and 279

[Release No. IA-6959; File No. S7-2026-13]

RIN 3235-AN64

Form PF; Reporting Requirements for All Filers

AGENCIES: Commodity Futures Trading Commission and Securities and Exchange Commission.

ACTION: Joint proposed rules.

SUMMARY: The Commodity Futures Trading Commission (the "CFTC") and the Securities and Exchange Commission (the "SEC") (collectively, "we" or the "Commissions") are proposing to amend Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a commodity pool operator (a "CPO") or a commodity trading advisor (a "CTA"). The proposed amendments would eliminate certain filing and reporting obligations, streamline certain requirements, and make corrections and other revisions. The proposed amendments are designed to eliminate certain burdens, among other things.

DATES: This proposal was published in the Federal Register on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Comments should be received on or before [INSERT DATE [60] DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Comments may be submitted by any of the following methods.

CFTC: Comments may be submitted to the CFTC by any of the following methods.

- *CFTC Comments portal*: https://comments.cftc.gov. Follow the instructions for submitting comments through the website.
- *Mail*: Christopher Kirkpatrick, Secretary of the Commission, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581.
- *Hand Delivery/Courier*: Follow the same instructions as for Mail above.

Please submit your comments using only one method. To avoid possible delays with mail or in-person deliveries, submissions through the CFTC website are encouraged. "Form PF" must be in the subject field of comments submitted via email, and clearly indicated on written submissions. All comments must be submitted in English, or if not, accompanied by an English translation. Comments will be posted as received to www.cftc.gov. You should submit only information that you wish to make available publicly. If you wish the CFTC to consider information that may be exempt from disclosure under the Freedom of Information Act, a petition for confidential treatment of the exempt information may be submitted according to the established procedures in 17 CFR 145.9.

The CFTC reserves the right, but shall have no obligation, to review, prescreen, filter, redact, refuse, or remove any or all of your submission from www.cftc.gov that it may deem to be inappropriate for publication, including, but not limited to, obscene language. All submissions that have been redacted or removed that contain comments on the merits of the rulemaking will be retained in the public comment file and will be considered as required under the Administrative Procedure Act and other applicable laws, and may be accessible under the Freedom of Information Act, 5 U.S.C. 552, *et seq.* ("FOIA").

SEC: Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (https://www.sec.gov/comments/s7-2026-13/form-pf-reporting-requirements-all-filers); or

- Send an email to rule-comments@sec.gov. Please include File Number S7-2026-13 on the subject line.

Paper Comments:

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number S7-2026-13. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's website (https://www.sec.gov/rules-regulations/rulemaking-activity). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct electronic receipt of such notifications, sign up through the "Stay Connected" option at www.sec.gov to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission's website (https://www.sec.gov/rules-regulations/2026/04/s7-2026-13).

FOR FURTHER INFORMATION CONTACT: *CFTC:* Michael Ehrstein or Elizabeth Groover, Special Counsels, at (202) 418-6700, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW Washington, DC 20581. *SEC:* Alexis Palascak, Janet Jun, and Daniel Levine, Senior Counsels; Adele Kittredge Murray, Private Funds Attorney Fellow; or Robert Holowka, Acting Assistant Director, Investment Adviser Regulation Office, at (202) 551-6787,

Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-8549.

SUPPLEMENTARY INFORMATION: The CFTC and SEC are requesting public comment on the following under the Investment Advisers Act of 1940 [15 U.S.C. 80b] ("Advisers Act").[1]

Agency	Reference	CFR Citation
CFTC & SEC	Form PF	17 CFR 279.9
SEC	Rule 204(b)-1	17 CFR 275.204(b)-1

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[1] 15 U.S.C. 80b. Unless otherwise noted, when we refer to the Advisers Act, or any section of the Advisers Act, we are referring to 15 U.S.C. 80b, at which the Advisers Act is codified, and when we refer to rules under the Advisers Act, or any section of these rules, we are referring to title 17, part 275 of the Code of Federal Regulations [17 CFR 275], and when we refer to forms under the Advisers Act, we are referring to title 17, part 279 of the Code of Federal Regulations [17 CFR 279], in which these rules and forms are published.

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I. INTRODUCTION

The Commissions are proposing to amend Form PF, the confidential reporting form that certain SEC-registered investment advisers, including those that also are registered with the CFTC as a CPO or a CTA, use to report information about the private funds they advise.[2] Form PF is a joint

[2] 15 U.S.C. 80b-2(a)(29) (defining "private fund").

form between the SEC and the CFTC with regard to sections 1 and 2. Sections 3, 4, 5 and 6 were adopted solely by the SEC. For this proposal, the SEC and the CFTC are jointly amending the joint sections of the form and the SEC is amending the SEC-only sections of the form. The proposed amendments would eliminate filing obligations for certain advisers, eliminate and streamline certain reporting requirements, and make corrections as well as other revisions. The proposed amendments are designed to eliminate certain burdens, among other things, while ensuring Form PF continues to collect information necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk in the U.S. financial system by the Financial Stability Oversight Council ("FSOC").[3]

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") mandated that the SEC and the CFTC, after consultation with FSOC, jointly promulgate rules to establish the form and content of private fund reports required to be filed with the SEC under the Advisers Act, and with the CFTC by investment advisers that are registered both under the Advisers Act and the Commodity Exchange Act.[4] The Advisers Act further mandates that an adviser must maintain records and reports for each private fund it advises, that include a description of the following: (1) the amount of assets under management and use of leverage, including off-balance-sheet leverage; (2) counterparty credit risk exposure; (3) trading and investment positions; (4) valuation policies and practices of the fund; (5) types of assets held; (6) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors; (7) trading practices; and (8) such other information as the SEC, in consultation with FSOC, determines is necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk, which may include the establishment of different

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3 *See* 15 U.S.C. 80b-4(b)(1)(A) and 15 U.S.C. 80b-4(b)(5).

4 Pub. L. 111-203, 124 Stat. 1376 (2010); 15 U.S.C. 80b-11(e).

reporting requirements for different classes of fund advisers, based on the type or size of private fund being advised.[5]

In response to these mandates, the Commissions adopted Form PF in 2011 and have amended Form PF multiple times, including substantively in 2023 and 2024.[6] In 2023, among other things, the SEC added requirements for (1) large hedge fund advisers to submit current reports about certain events at their qualifying hedge funds, and (2) private equity fund advisers to submit certain quarterly reports.[7]

In 2024, the Commissions comprehensively amended Form PF (the "2024 amendments"), but delayed the compliance date several times, including most recently until October 1, 2026.[8] As a result, advisers have been allowed to continue to file the version of Form PF in effect before the adoption of the 2024 amendments. The Commissions delayed the compliance date to (1) address certain challenges associated with the reporting cycle timing, (2) provide the industry more time to comply with the 2024 amendments, and (3) provide the Commissions time to complete a review in

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5 15 U.S.C. 80b-4(b)(3).

6 Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Release No. IA-3308 (Oct. 31, 2011), [76 FR 71128 (Nov. 16, 2011)] ("2011 Form PF Adopting Release"); Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, Release No. IA-6546 (Feb. 8, 2024), [89 FR 17984 (Mar. 12, 2024)] ("2024 Form PF Adopting Release"); Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, IA-6865 (Mar. 19, 2025), [90 FR 15394 (Apr. 11, 2025)]; Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N–CSR and Form N–1A, Release No. IA-6344 (Jul. 12, 2023), [88 FR 51404 (Aug. 3, 2023)]; Form PF; Event Reporting for Large Hedge Fund Advisers and Private Equity Fund Advisers; Requirements for Large Private Equity Fund Adviser Reporting, Release No. IA-6297 (May 3, 2023), [88 FR 38146 (Jun. 12, 2023)] ("May 2023 Form PF Adopting Release"); Money Market Fund Reform; Amendments to Form PF, Release No. IA-3879 (Jul. 23, 2014), [79 FR 47736 (Aug. 14, 2014)].

7 May 2023 Form PF Adopting Release; Form PF sections 5 and 6; Glossary of Terms for the definition of "qualifying hedge fund."

8 2024 Form PF Adopting Release; Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers; Further Extension of Compliance Date, Release No. IA-6919 (Sept. 17, 2025), [90 FR 45131 (Sept. 19, 2025)]; *see also*, Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers; Further Extension of Compliance Date, Release No. IA-6883 (June 11, 2025), [90 FR 25140 (June 16, 2025)]; Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers; Extension of Compliance Date, Release No. IA-6838 (Jan. 29, 2025), [90 FR 9007 (Feb. 5, 2025)] ("January 2025 Form PF Extension Release").

accordance with a Presidential Memorandum issued by President Donald J. Trump.[9] Specifically, on January 20, 2025, the President issued a Presidential Memorandum directing agencies to consider postponing the effective date of any rules that had been published in the *Federal Register*, or that were issued but had not yet taken effect, for the purpose of reviewing any questions of fact, law, and policy that the rules may raise. The Presidential Memorandum further provides that, for those rules that raise substantial questions of fact, law, or policy, agencies should provide notice and take further appropriate action.

In accordance with the Presidential Memorandum, the Commissions determined to conduct a comprehensive review that extended to the entire form. As a result of this comprehensive review, we are proposing several changes to Form PF that are designed to eliminate certain burdens, streamline certain requirements, and make corrections, as well as other revisions:

First, we propose to eliminate filing requirements for smaller advisers, irrespective of the categories of private funds they advise. Specifically, we propose to raise the filing threshold for all filers, from $150 million in private fund assets under management to $1 billion.[10] We estimate that this proposed change would eliminate filing obligations for almost half of the advisers that currently must file Form PF.[11] We further estimate that with this proposed filing threshold, Form PF would continue to obtain information on over 90 percent of private fund gross asset value that advisers report.[12] Therefore, this proposed change is designed to eliminate filing burdens for smaller advisers, while continuing to collect data on a significant percentage of private fund assets.

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9 *See id*.; Regulatory Freeze Pending Review (Jan. 20, 2025) [90 FR 8249 (Jan. 28, 2025)], *available at* https://www.whitehouse.gov/presidential-actions/2025/01/regulatory-freeze-pending-review/ (the "Presidential Memorandum").

10 Proposed rule 204(b)-1(a); proposed Form PF General Instruction 1; Form PF Glossary of Terms (defining "private fund assets under management").

11 *See infra,* Table 2.

12 *See infra*, Table 2.

Second, we propose to eliminate certain reporting requirements for smaller hedge fund advisers. Specifically, we propose to raise the reporting threshold for large hedge fund advisers from $1.5 billion in hedge fund assets under management to $10 billion.[13] We estimate that this proposed change would eliminate certain reporting obligations for almost two-thirds of advisers that currently must report as large hedge fund advisers.[14] We estimate that with this proposed reporting threshold, Form PF would continue to obtain information quarterly on over 80 percent of hedge fund gross asset value that advisers report.[15] Therefore, this proposed change is designed to eliminate certain reporting burdens for smaller hedge fund advisers, while continuing to obtain information on a substantial portion of the assets of the hedge fund industry.

Third, we propose to eliminate certain requirements, including quarterly event reporting, certain current reporting, and other requirements, as well as streamline certain requirements, and make corrections and other revisions.

Table 1a summarizes the proposed changes to the filing threshold for all Form PF filers and the reporting threshold for large hedge fund advisers:

Table 1a: Proposal to Increase Certain Thresholds	
Eliminate filing requirements for smaller advisers.	We propose to increase the filing threshold for all filers from $150 million in private fund assets under management to $1 billion. (Rule 204(b)-1(a) and General Instruction 1.)
Eliminate certain reporting requirements for smaller hedge fund advisers.	We propose to increase the reporting threshold for large hedge fund advisers from $1.5 billion in hedge fund assets under management to $10 billion. (General Instruction 3.)

Table 1b summarizes the proposed changes to the reporting obligations:

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13 Form PF General Instruction 3.

14 *See infra*, Table 4.

15 *Id*.

Table 1b: Proposed Changes to Reporting Obligations	
Eliminate separate reporting for certain feeder funds.	Currently, filers must separately report each component fund of master-feeder arrangements and parallel fund structures, except under certain limited circumstances. We propose to eliminate this separate reporting requirement for any feeder fund that has *de minimis* holdings outside a single master fund, U.S. treasury bills, and/or cash and cash equivalents. (General Instruction 6.)
Eliminate "look through" requirements.	Currently, Form PF provides instructions for where a filer should "look through" a reporting fund's investments in other private funds and entities. We propose to eliminate the prescriptive "look through" requirements and allow filers to report indirect exposures based on reasonable estimates that are consistent with their internal methodologies and the conventions of service providers. (General Instructions 7 and 8, and conforming amendments to certain questions and asset classes in the Glossary of Terms.)
Eliminate identification requirements for certain trading vehicles.	Currently, if a reporting fund holds assets, incurs leverage, or conducts trading or other activities through a trading vehicle, the adviser must provide identifying information about each such trading vehicle. We propose to narrow the universe of trading vehicles that advisers must identify. (Question 9.)
Eliminate certain performance volatility reporting requirements.	Currently, if an adviser calculates a market value on a daily basis for any position in the reporting fund's portfolio, it must report certain volatility information including aggregated calculated values, monthly annualized volatility of returns, and other data associated with the daily rates-of-return. We propose to eliminate these requirements. (Question 23(c).)
Eliminate certain trading and clearing reporting requirements.	Currently, filers must report how they use trading and clearing mechanisms, including the value traded over the reporting period and the value of positions at the end of the reporting period. We propose to eliminate the requirement to report the value of positions at the end of the reporting period. (Questions 29 and 30.)
Streamline adjusted exposure reporting.	Currently, large hedge fund advisers must report their qualifying hedge funds' monthly adjusted exposures using multiple methods. We propose to eliminate one of the methods, so advisers would no longer be required to report additional adjusted exposure based on the adviser's internal methodologies. (Question 32.)

Eliminate portfolio turnover reporting.	Currently, large hedge fund advisers must report the value of their qualifying hedge funds' monthly turnover by asset class. We propose to eliminate this question. (Question 34.)
Reduce burdens associated with reporting North American Industry Classification System ("NAICS") codes.	Currently, large hedge fund advisers must report their qualifying hedge funds' monthly industry exposures when they exceed a certain amount, using the six-digit NAICS code that best describes a company's primary business activity and principal source of revenue. We propose to provide flexibility to allow filers to report fewer digits of the NAICS codes for industry exposures. (Question 36; *see* the Glossary of Terms (defining "NAICS code.")
Eliminate certain reporting concerning qualifying hedge funds' monthly exposures to reference assets and, instead, include streamlined exposure reporting under an existing extraordinary loss current report trigger.	Currently, large hedge fund advisers must report details about their qualifying hedge funds' monthly concentrated exposure to specific, position-level reference assets. We propose to eliminate those questions. Instead, if large hedge fund advisers file a current report about their qualifying hedge funds' extraordinary investment losses, they would include a description of the largest exposure contributing to the loss. (Questions 39 and 40, and section 5, Item B.)
Simplify certain large hedge fund counterparty exposure reporting.	Currently, large hedge fund advisers must report in a consolidated counterparty exposure table their qualifying hedge funds' borrowing, collateral received, lending, and posted collateral, all aggregated across all counterparties as of the end of each month. We propose to eliminate this table and direct large hedge fund advisers to: (1) complete the more simplified table in Question 26 for their qualifying hedge funds; and (2) report all borrowings to significant counterparties under Questions 42 and 43, and (3) categorize significant borrowing entries in Question 42. (Questions 41 and 42, and conforming amendments to Questions 18, 26, 43, and the Glossary of Terms.)
Eliminate rehypothecation reporting.	Currently, large hedge fund advisers must report the total amount of collateral posted by counterparties to the qualifying hedge fund that may be and has been rehypothecated by the qualifying hedge fund. We propose to eliminate these questions. (Question 45.)
Modify the current reporting trigger for all current reports.	Currently, section 5 requires large hedge fund advisers to file a current report "as soon as practicable, but no later than 72 hours" upon the occurrence of certain events at their qualifying hedge fund. The SEC proposes to modify the reporting trigger by removing the requirement to report as soon as practicable. Under the proposal, large hedge fund advisers would have the full 72 hours to file a current report. (Section 5.)

Eliminate current reporting for large hedge fund advisers concerning certain margin defaults.	Currently, large hedge fund advisers are required to report within 72 hours if their qualifying hedge fund is in margin default or is unable to meet a call for margin, collateral, or equivalents. The SEC proposes to eliminate this requirement. (Section 5, Item D.)
Eliminate current reporting for certain operations events.	Currently, large hedge fund advisers are required to report within 72 hours if their qualifying hedge fund client experiences an operations event (*i.e.*, a significant disruption or degradation of the fund's "critical operations"). Form PF defines "critical operations" as operations necessary for (1) the investment, trading, valuation, reporting, and risk management of the reporting fund; or (2) the operation of the reporting fund in accordance with the Federal securities laws and regulations. The SEC proposes to eliminate the second element. (Section 5, Item G, and the Glossary of Terms.)
Eliminate current reporting related to the inability to satisfy redemption requests.	Currently, large hedge fund advisers are required to report within 72 hours if their qualifying hedge fund (1) is unable to pay redemption requests or (2) has suspended redemptions and the suspension lasts for more than five consecutive business days. The SEC proposes to eliminate the first element. (Section 5, Item I.)
Eliminate quarterly event reporting for all private equity fund advisers.	Currently, all private equity fund advisers must submit quarterly reports about adviser-led secondary transactions, general partner removals, termination of investment periods, and fund terminations. The SEC proposes to eliminate this requirement. (Section 6.)
Corrections and other revisions.	We propose to make corrections and other revisions to help ensure filers clearly understand Form PF requirements.
Request for comments on private credit reporting.	We are requesting comment on whether to modify the information that advisers must report about private credit funds.

The Commissions have consulted with FSOC to gain input on this proposal, and to help ensure that Form PF continues to provide FSOC with information it needs to carry out its monitoring obligations and its assessment of systemic risk while also not requiring the reporting of information that is not useful to FSOC in carrying out these responsibilities.

II. DISCUSSION

A. Increase the Filing Threshold for All Form PF Filers

The Commissions propose to increase Form PF's filing threshold for all filers. Currently, SEC-registered advisers must file Form PF if they and their related persons, collectively, had at least $150 million in private fund assets under management as of the last day of their most recently completed fiscal year.[16] We propose to increase this filing threshold from $150 million to $1 billion.[17]

When the Commissions adopted Form PF in 2011, the Commissions set a filing threshold of $150 million in private fund assets under management, which aligned with the private fund adviser registration exemption that the Dodd-Frank Act created.[18] The Commissions stated that the filing threshold, based on an adviser's private fund assets under management, would adequately differentiate between advisers with only smaller funds and those with significant fund assets.[19] Since then, Form PF has provided the Commissions with a greater ability to analyze and understand data on private fund advisers. With over a decade of experience reviewing Form PF data, we can more accurately determine an appropriate filing threshold for assessing systemic risk. Indeed, Form PF data show that the private fund industry has grown dramatically. For example, from 2013 to the first quarter of 2025, the aggregated private fund gross asset value that advisers reported on Form PF more than tripled, from $8 trillion to over $25 trillion.[20]

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16 Rule 204(b)-1(a); Form PF General Instruction 1.

17 Proposed rule 204(b)-1(a); proposed Form PF General Instruction 1.

18 *See* 15 U.S.C. 80b-3(m); 17 CFR 275.203(m)-1; 2011 Form PF Adopting Release.

19 2011 Form PF Adopting Release at n.54.

20 SEC staff Private Fund Statistics (Dec. 15, 2015) and SEC staff Private Fund Statistics (First Calendar Quarter 2025), *available at* https://www.sec.gov/data-research/statistics-data-visualizations/private-fund-statistics. Staff reports, statistics, and other staff documents (including those cited herein) represent the views of SEC staff and are not a rule, regulation, or statement of the SEC. The SEC has neither approved nor disapproved the content of these documents and, like all staff statements, they have no legal force or effect, do not alter or amend applicable law, and create no new or additional obligations for any person.

As Table 2 shows, we estimate that the proposed filing threshold would continue to allow Form PF to obtain information on approximately 94 percent of the most recent aggregate private fund gross asset value reported, while reducing the percentage of advisers that are required to file by almost half. Therefore, this proposed change is designed to better differentiate those advisers with significant private fund assets, consistent with the Commissions' original intent for the filing threshold.[21]

Table 2: Comparing the Current Filing Threshold to the Proposed Filing Threshold[1]

	Current $150 Million Threshold	**Proposed $1 Billion Threshold**	**Impact[2]**
Percent of All SEC-Registered Advisers to Private Funds	70%	40%	43% fewer advisers would file.
Percent of All Private Funds Reported by SEC-Registered Advisers[3]	83%	68%	18% fewer private funds' data would be reported.
Percent of Private Fund Gross Assets Reported by SEC-Registered Advisers[3]	96%	94%	2% less gross asset value would be reported.

Notes:

1. Form PF data as of the first quarter of 2025 and Form ADV data as of December 2024.
2. Impact Column = (Current Threshold Column – Proposed Threshold Column) / Current Threshold Column.
3. Denominators for the Current Threshold Column and the Proposed Threshold Column calculations include private funds reported on Form PF and Form ADV by SEC-Registered Advisers.

In determining how to propose re-calibrating the filing threshold, the Commissions considered the alternatives outlined in Table 3 and the distribution of private fund assets across advisers with the goal of ensuring coverage of a significant percentage of private fund industry managed assets, while at the same time minimizing filing burdens on private fund advisers where their smaller size may

21 2011 Form PF Adopting Release at n.54.

both disproportionately increase the burdens of reporting and reduce their likelihood of having a meaningful effect on the assessment of systemic risk.[22]

As evidenced by Table 3, the percentage of private fund gross assets reported by SEC-registered advisers is concentrated with the largest private fund advisers (measured by assets) of the private fund industry as a whole, which would allow us to raise the reporting threshold while maintaining substantial reporting coverage of the private fund industry by assets. However, setting the threshold too high has the potential to narrow the field of reporting advisers to a degree that they skew or fail to represent the range of private fund strategies and activities that may materially inform systemic risk assessment and investor protection efforts. Therefore, as Table 3 highlights, the proposed filing threshold is designed to strike a balance between reducing the percentage of advisers that would be required to file, and the associated burdens, while helping ensure that Form PF would continue to collect information about a significant percentage of private fund gross assets appropriately to inform the assessment of systemic risk.

By increasing the Form PF filing threshold as proposed, the burdens of Form PF's section 1 collection of information would be more focused on advisers that manage private fund assets representing a significant percentage of the private fund industry and, thus, providing a diverse and representative view of private fund advisers for systemic risk assessment, while recognizing that Form PF can be burdensome for smaller advisers that the Commissions understand generally have fewer resources available to fulfil the reporting requirements of Form PF and who are less likely to have systemic risk impact.

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22 *See also infra* section III.C.2 for a more detailed discussion of benefits and costs of increasing the filing threshold for all Form PF filers.

As Table 3 indicates, by raising the filing threshold to $1 billion, we would be able to maintain insight into the potential systemic risk implications of private funds while eliminating filing burdens for many advisers.

Table 3: Alternative Filing Thresholds[1]			
Filing Threshold	**Percent of All SEC-Registered Advisers to Private Funds**	**Percent of All Private Funds Reported by SEC-Registered Advisers[2]**	**Percent of Private Fund Gross Assets Reported by SEC-Registered Advisers[2]**
Current $150 Million	*70%*	*83%*	*96%*
Alternative $250 Million	*64%*	*83%*	*96%*
Alternative $500 Million	*53%*	*76%*	*95%*
Proposed $1 Billion	**40%**	**68%**	**94%**
Alternative $2 Billion	*30%*	*60%*	*91%*
Alternative $3 Billion	*25%*	*55%*	*89%*
Alternative $4 Billion	*22%*	*51%*	*87%*

Notes:

1. Form PF Data as of the First Quarter of 2025 and Form ADV data as of December 2024.
2. Denominators for the calculations include private funds reported on Form PF and Form ADV by SEC-Registered Advisers.

SEC-registered advisers that would no longer meet the Form PF filing threshold, and as a result, would no longer be required to report on Form PF, would nonetheless continue to publicly report certain information about their private funds on 17 CFR 279.1 (Form ADV), as all SEC-registered advisers of such funds are required to do. Form ADV, which is publicly available, provides the SEC and investors with information about advisers (including private fund advisers) and the funds they manage, and is designed to provide the SEC with information necessary to its investor protection efforts. In contrast, Form PF is primarily designed to facilitate FSOC's assessment of systemic risk,

although it is available to assist the Commissions in their regulatory programs for the protection of investors.[23] Accordingly, the proposed changes would not eliminate all private fund data reporting for the affected advisers. Any SEC-registered adviser that would no longer be required to file Form PF would nonetheless continue to report information about its private funds on Form ADV.[24]

We request comment on the proposed change to the filing threshold:

1. Should the Commissions increase the filing threshold for all private fund advisers as proposed? If not, should the current filing threshold be kept constant, increased less than the proposed threshold, or increased more than the proposed threshold? Should the Commissions adopt any of the alternative thresholds presented in Table 3? For example, should the Commissions adopt a filing threshold of $250 million, $500 million, $2 billion, or $3 billion? If the threshold should be changed, what is the appropriate threshold and why?
2. Would the proposal to increase the filing threshold sufficiently alleviate burdens on private fund advisers? Please provide quantitative and qualitative data to support your conclusion.
3. Would the proposed filing threshold result in Form PF collecting information about the private fund industry necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?
4. Should the Commissions also adopt a filing threshold that adjusts for inflation? If the Commissions should adopt an inflation adjustment for the filing threshold, how should the Commissions measure the inflation adjustment? For example, should the Commissions measure the inflation adjustment from the time of the filing threshold's original adoption in 2011, or from the date the inflation adjustment would be adopted, or from another date? Is

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23 *See* 15 U.S.C. 80b-4(b)(1)(A);15 U.S.C. 80b-4(b)(5); Form PF.

24 These advisers also must continue to comply with the Adviser Act's mandate to maintain certain enumerated records and reports for each private fund. *See* 15 U.S.C. 80b-4(b)(3).

there a price index, such as the Personal Consumption Expenditures Chain-Type Price Index, the Consumer Price Index for All Urban Consumers, the Producer Price Index, or the GDP Price Deflator, that would be best suited for this adjustment? Would using a securities market index such as the S&P 500 or the NYSE Composite Index, which is not based on inflation, be a better way to adjust the filing threshold on an ongoing basis? At what cadence should the inflation be adjusted? For example, yearly, or every ten years, or any other cadence?

B. Increase the Reporting Threshold for Large Hedge Fund Advisers

The Commissions also propose to increase Form PF's reporting threshold for large hedge fund advisers. Currently, to qualify as a large hedge fund adviser, a Form PF filer and its related persons must have, collectively, at least $1.5 billion in hedge fund assets under management as of the last day of any month in the fiscal quarter immediately preceding their most recently completed fiscal quarter and manage a qualifying hedge fund.[25] We propose to increase the large hedge fund reporting threshold from $1.5 billion to $10 billion.[26]

If an adviser qualifies as a large hedge fund adviser, it must file section 1 quarterly, instead of annually as it would if it were a hedge fund adviser that did not qualify as a large hedge fund adviser.[27] Section 1a requires all advisers to report general identifying information about themselves and the private funds they advise, including a breakdown of regulatory assets under management and net assets under management. Section 1b requires all advisers to report information about each private fund they advise, including the following: (1) the private fund type; (2) assets, financing, and investor concentration; and (3) performance. Section 1c requires all advisers to report information

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25 Form PF General Instruction 3; Form PF Glossary of Terms (defining "hedge fund assets under management").

26 Proposed Form PF General Instruction 3.

27 Form PF General Instruction 9.

about each hedge fund they advise, including the following: (1) investment strategies; (2) exposures; (3) counterparties; and (4) trading and clearing mechanisms.

If an adviser qualifies as a large hedge fund adviser, it also must file Form PF section 2 quarterly with respect to each qualifying hedge fund that it advises, including the following: (1) identifying information; (2) exposures and trading; (3) risk metrics and performance; (4) financing information; and (5) investor information.[28]

If an adviser qualifies as a large hedge fund adviser, it is also subject to Form PF Section 5 reporting, which requires a large hedge fund adviser to report information as soon as practicable, but no later than 72 hours upon the occurrence of certain events at qualifying hedge funds it advises, including the following: (1) extraordinary investment losses; (2) margin, collateral, or equivalent increases; (3) notice of margin default or determination of inability to meet a call for margin, collateral, or equivalents; (4) counterparty defaults; (5) prime broker relationships that have been terminated or materially restricted; (6) operations events; (7) withdrawals and redemptions; and (8) if the qualifying hedge fund is unable to satisfy redemptions or suspends redemptions.

Therefore, an adviser that would no longer qualify as a large hedge fund adviser under the proposed threshold would file section 1 annually, instead of quarterly, and would not file section 2 or be subject to section 5 current reporting, absent any other requirements.[29] While the quarterly section 1, quarterly section 2, and section 5 current reporting are important for the largest hedge fund advisers that are more likely to be systemically important, they can impose disproportionate burdens

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[28] Form PF General Instruction 3 and Form PF section 2.

[29] For example, large liquidity fund advisers must file section 1 quarterly, among other requirements. *See* Form PF General Instruction 9.

on smaller advisers that are less likely to be systemically important.[30] Any SEC-registered adviser would continue to report information about its private funds on Form ADV.[31]

When Form PF was originally adopted, the Commissions stated that the reporting thresholds were designed so that the group of large private fund advisers (including large hedge fund advisers) filing Form PF would be relatively small in number but would represent a substantial portion of the assets of their respective industries.[32] At that time, the Commissions estimated that advisers each managing at least $1.5 billion in hedge fund assets represented over 80 percent of the U.S. hedge fund industry based on assets under management.[33]

As Table 4 shows, we estimate that the proposed higher threshold would still result in Form PF obtaining information quarterly on over 80 percent of hedge fund gross asset value that advisers report, while reducing the percentage of advisers that are required to file as large hedge fund advisers by almost two-thirds. Therefore, the proposed change is designed to continue to obtain information on a substantial portion of the assets of the hedge fund industry, consistent with the Commission's original intent for the large hedge fund reporting threshold, while reducing burdens on hedge fund advisers.

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30 *See infra* section III.C.3 for a more detailed discussion of benefits and costs of increasing the reporting threshold for large hedge fund advisers.

31 *See supra* footnote 24.

32 2011 Form PF Adopting Release at text after n.87.

33 2011 Form PF Adopting Release at n.88 and accompanying text.

Table 4: Comparing the Current Large Hedge Fund Reporting Threshold to the Proposed Reporting Threshold[1]			
	Current $1.5 Billion Threshold	**Proposed $10 Billion Threshold**	**Impact[2]**
Percent of SEC-registered advisers reporting as large hedge fund advisers	26%	9%	65% fewer advisers would be required to report as large hedge fund advisers.
Percent of hedge funds reported by large hedge fund advisers related to those reported by all SEC-registered advisers[3]	49%	34%	Data on 31% fewer hedge funds would be reported under the large hedge fund adviser requirements, and instead would be reported under other requirements, as applicable.
Percent of hedge fund gross assets reported by large hedge fund advisers related to those reported by all SEC-registered advisers[3]	92%	81%	12% less of hedge fund gross asset value would be reported under the large hedge fund adviser requirements, and instead would be reported under other requirements, as applicable.

Notes:

1. Form PF data as of the first quarter of 2025 and Form ADV data as of December 2024.
2. Impact Column = (Current Threshold Column – Proposed Threshold Column) / Current Threshold Column.
3. Denominators for the Current Threshold Column and the Proposed Threshold Column calculations include hedge funds reported on Form PF and Form ADV by SEC-Registered Advisers.

We chose the proposed reporting threshold in light of the alternatives outlined below in Table 5, with the goal of helping ensure that Form PF would continue to collect information necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk, while reducing burdens on hedge fund advisers.[34] As in the past, the proposed amended reporting threshold is designed so that the group of large hedge fund advisers filing Form PF would be relatively small in number but represent a substantial portion of hedge fund assets.[35] In

34 15 U.S.C. 80b-4(b)(1)(A) and 15 U.S.C. 80b-4(b)(5).

35 *See* 2011 Form PF Adopting Release at text following n.87.

determining where to propose re-calibrating the reporting threshold, the Commissions considered the alternatives outlined in Table 5 and the distribution of hedge fund assets with the goal of ensuring coverage of a substantial portion of hedge fund assets, while at the same time minimizing filing burdens on hedge fund advisers where their smaller size may both increase the burdens of reporting and reduce their likelihood of having a meaningful effect on the assessment of systemic risk.

As evidenced by Table 5, the percent of hedge fund gross assets reported by SEC-registered hedge fund advisers is concentrated at the largest hedge fund advisers, which would allow us to raise the reporting threshold while maintaining substantial reporting coverage of the hedge fund industry assets. However, setting the threshold too high has the potential to narrow the field of large hedge fund advisers to a degree that they skew or fail to represent the range of hedge fund strategies and activities that may materially inform systemic risk assessment. As a result, FSOC and the Commissions could miss emerging trends in the hedge fund industry. Furthermore, too few hedge fund advisers subject to quarterly reporting, instead of annual reporting, as well as enhanced Form PF reporting in sections 2 and 5, could result in FSOC and the Commissions being alerted in a less timely manner to certain events that may indicate significant stress at a hedge fund that could signal risk in the broader financial system. Therefore, as Table 5 highlights, the proposed reporting threshold is designed to strike the appropriate balance between reducing the percentage of hedge fund advisers that would be required to file as large hedge fund advisers, while helping ensure that Form PF would continue to collect information on a substantial portion of the assets of the hedge fund industry.

In addition, the SEC is proposing to require its staff to report to the SEC on each filing and reporting threshold in the form, assessing whether any should be adjusted, approximately five years after the compliance date for the amendments to the form and approximately every five years

thereafter.[36] These staff reports would help the SEC periodically evaluate the continued appropriateness of the filing and reporting thresholds in all respects, including whether proposing revisions to the thresholds would be appropriate. In producing this report, the staff would be directed to consider data collected by the SEC pursuant to Form PF, as well as any other applicable information as the staff may determine to be appropriate for its analysis. As the private fund adviser industry grows and changes, such a report and related review would be designed to ensure that the form continues to impose minimal filing burdens for small advisers, while continuing to collect data on a significant percentage of private fund assets.[37]

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36 Proposed rule 204(b)-1(h).

37 *See also* 15 U.S.C. 80b-4(b)(3)(H) (providing that the reports required by an investment adviser for each private fund advised by the investment adviser, among other matters, may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of private fund being advised).

Table 5: Alternative Large Hedge Fund Reporting Thresholds[1]				
Reporting Threshold	**Percent of All SEC-Registered Advisers to Hedge Funds**	**Percent of All Hedge Funds Reported by SEC-Registered Advisers[2]**	**Percent of Hedge Fund Gross Assets Reported Quarterly by SEC-Registered Advisers[2]**	**Percent of Hedge Fund Gross Assets Reported as QHFs by SEC-Registered Advisers[2,3]**
Current $1.5 Billion	*26%*	*49%*	*92%*	*84%*
Alternative $2 Billion	*22%*	*47%*	*91%*	*83%*
Alternative $3 Billion	*19%*	*44%*	*90%*	*82%*
Alternative $5 Billion	*14%*	*41%*	*86%*	*79%*
Alternative $7.5 Billion	*11%*	*37%*	*83%*	*76%*
Proposed $10 Billion	**9%**	**34%**	**81%**	**74%**
Alternative $15 Billion	*7%*	*29%*	*77%*	*70%*
Alternative $20 Billion	*6%*	*27%*	*74%*	*68%*

Notes:

1. Form PF Data as of the First Quarter of 2025 and Form ADV data as of December 2024.
2. Denominators for the calculations include hedge funds reported on Form PF and Form ADV by SEC-Registered Advisers.
3. Reported by SEC-registered advisers for qualifying hedge funds (QHFs) on Form PF section 2.

We request comment on the proposed change to the large hedge fund reporting threshold:

5. Should the Commissions increase the large hedge fund adviser reporting threshold, as proposed? If not, should the current reporting threshold be kept constant, increased less than the proposed threshold, or increased more than the proposed threshold? Instead of the proposed reporting threshold, should the Commissions adopt one of the alternative thresholds

listed in Table 5? For example, should the Commissions adopt a reporting threshold of $2 billion, $3 billion, $15 billion, or $20 billion? If the threshold should be changed, what is the appropriate threshold and why?

6. Would the proposal to increase the reporting threshold sufficiently alleviate burdens on hedge fund advisers? Please provide quantitative and qualitative data.
7. Would the proposed reporting threshold result in Form PF collecting information about the hedge fund industry necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?
8. The SEC is proposing to require its staff to report to the SEC on each filing and reporting threshold in the form, assessing whether any should be adjusted, approximately five years after the compliance date for the amendments to the form and approximately every five years thereafter. Alternatively, should the Commissions adopt a large hedge fund adviser reporting threshold that adjusts for inflation? If so, should the Commissions adopt the same inflation adjustment for all or just certain reporting thresholds in Form PF, or only for the large hedge fund adviser threshold? If the Commissions should adopt an inflation adjustment for any reporting threshold on Form PF, how should the Commissions measure the inflation adjustment? For example, should the Commissions measure the inflation adjustment from the time of the reporting threshold's original adoption in 2011, or from the date the inflation adjustment would be adopted, or from another date? Is there a price index, such as the Personal Consumption Expenditures Chain-Type Price Index, the Consumer Price Index for All Urban Consumers, the Producer Price Index, or the GDP Price Deflator, that would be best suited for this adjustment? Would using a securities market index such as the S&P 500 or the NYSE Composite Index, which is not based on inflation, be a better way to adjust the

reporting threshold on an ongoing basis? At what cadence should the inflation be adjusted? For example, yearly, or every ten years, or any other cadence?

9. Should the Commissions increase the qualifying hedge fund threshold? Why or why not? What is the appropriate qualifying hedge fund threshold (*e.g.*, a net asset value of $750 million or $1 billion)? The qualifying hedge fund threshold is based on net asset value, while the large hedge fund adviser threshold is based on gross asset value. Under the proposed amendments this construction would have two results: (1) it identifies and requires more detailed and frequent reporting for hedge fund advisers that manage several large hedge funds and (2) it identifies and requires more detailed and frequent reporting for hedge fund advisers that manage hedge funds with significant use of leverage. Is there an alternative approach to ensure hedge funds using significant leverage are reporting in the more detailed section 2 on a quarterly basis? If we increased the qualifying hedge fund threshold, should we change the threshold to measure on a gross asset value basis so that it does not disproportionately eliminate more frequent and detailed reporting from more leveraged hedge funds?
10. Should the Commissions increase the large liquidity fund adviser threshold? Why or why not? If so, what is the appropriate threshold for large liquidity fund advisers (*e.g.*, $2 billion, $3 billion, $5 billion)?
11. Should the Commissions increase the large private equity fund adviser threshold? Why or why not? If so, what is the appropriate threshold for large private equity fund advisers (*e.g.*, $3 billion, $5 billion)?

C. Disregarded Feeder Funds

The Commissions propose to allow advisers not to separately report feeder funds with minimal holdings outside of a feeder fund's interest in a master fund. Specifically, the Commissions propose to revise General Instruction 6 to permit advisers to treat a feeder fund as "disregarded" if it

invests not more than five percent of its gross asset value in investments that are not in a single master fund, U.S. treasury bills, and/or cash and cash equivalents.[38] This proposed change is designed to reduce filing burdens on advisers and better balance against the need for the Commissions and FSOC to understand the reporting fund's structure and the risk exposure of its component funds.[39]

Prior to the 2024 amendments, Form PF provided advisers with flexibility to respond to questions regarding master-feeder arrangements and parallel fund structures, either in the aggregate or separately, as long as they did so consistently throughout Form PF. This resulted in some advisers reporting in aggregate and some advisers reporting separately, and consequently, obscured risk profiles (*e.g.,* with respect to leverage, counterparty exposure, investor liquidity) and created difficulties when comparing complex structures.[40]

In 2024, the Commissions adopted amendments to Form PF that generally require separate reporting for every component fund of a master-feeder arrangement and parallel fund structure.[41] By prescribing the way advisers report master-feeder arrangements and parallel fund structures, the 2024 amendments were intended to provide the Commissions and FSOC with better insight into the risks and exposures of these arrangements. The 2024 amendments, however, required disregarded feeder funds to be aggregated in the reporting about master-feeder arrangements and parallel fund structures. Defined in General Instruction 6 as a feeder fund that invests all of its assets in a single master fund,

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38 *See* proposed Form PF General Instruction 6.

39 *See infra* section III.C.4 for a more detailed discussion of the benefits and costs of the proposed change to Form PF General Instruction 6.

40 *See* 2024 Form PF Adopting Release at section II.A.1.

41 *See* current Form PF General Instruction 6.

U.S. treasury bills,[42] and/or cash and cash equivalents, a "disregarded feeder fund" effectively invests only through its associated master fund, and the Commissions stated that separate reporting of these funds is not necessary for data analysis purposes because it would not convey additional information about their exposures.[43]

Since the adoption of the 2024 amendments, industry members have highlighted the significance of the burdens associated with disaggregating feeder funds in their reporting.[44] In communications with the SEC staff, several filers have stated that many private funds utilize complex master-feeder arrangements, and that separate reporting of feeder funds without additional exceptions would cause substantial burdens because it requires the collection of many more data points about many more fund entities in these private fund structures.[45] Some filers said feeders that hold minimal holdings outside of the master fund should be disregarded, as the *de minimis* amount of these outside assets do not alter the risk picture of the feeder. These filers stated that disaggregated reporting does not reflect how advisers typically manage risk and liquidity for these funds, and that reporting instructions should align with advisers' typical risk management practices in order to result in meaningful and accurate data.[46]

In response to these concerns, we are proposing to change General Instruction 6 to allow advisers to aggregate in their reporting about master-feeder arrangements feeder funds that hold a *de*

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42 *See* 2024 Form PF Adopting Release at n.25 (explaining that U.S. treasury bills, which are direct obligations of the U.S. Government with a maturity of one year or less, are "sufficiently cash-like" for purposes of the Commissions' reporting and data analysis).

43 *See* 2024 Form PF Adopting Release at section II.A.1.

44 *See*, *e.g.*, Comment Letter of the Alternative Investment Management Association (June 10, 2025).

45 *See*, *e.g.*, Comment Letter of Managed Funds Association (Mar. 11, 2025).

46 *See id.*

minimis amount of investments outside of the master fund.[47] Under the proposed change to General Instruction 6, advisers would be able to treat a feeder fund that invests not more than five percent of its gross asset value[48] in other investments that are not in a single master fund, U.S. treasury bills, and/or cash and cash equivalents, as a disregarded feeder fund. Accordingly, advisers would be permitted to aggregate such feeder funds in their reporting about master-feeder arrangements on Form PF. In our view, five percent is an appropriate threshold because it parallels the threshold used in other parts of Form PF to represent a fund's material exposure and a level of exposure that could be significant enough to present broader systemic risk and contagion risk.[49] The proposed change seeks to better align the Form PF reporting requirements with the way advisers typically track and manage the risk profile of feeder funds while preserving the Commissions and FSOC's ability to obtain a clear understanding of fund structures and the risk exposure of their component funds.[50]

We request comment on the proposed change to General Instruction 6:

12. Would the proposed change to General Instructions 6 sufficiently alleviate burdens on private fund advisers?

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47 The proposal also includes changes to Example 1 in General Instruction 6 to illustrate the application of the proposed *de minimis* exception.

48 Form PF instructs advisers to calculate gross asset value in accordance with Part 1A, Instruction 6.e(3) of Form ADV, which requires using regulatory assets under management. Instructions for calculating regulatory assets under management are found in Part 1A, Instruction 5.b of Form ADV. *See* "gross asset value" and "regulatory assets under management" as defined in Form PF Glossary of Terms; Form ADV: Instructions for Part 1A, Instruction 5.b and Instruction 6.e(3). An adviser must calculate its regulatory assets under management on a gross basis, that is, without deduction of any outstanding indebtedness or other accrued but unpaid liabilities. In addition, an adviser must include the amount of any uncalled capital commitments made to a private fund managed by the adviser.

49 *See*, *e.g.*, current Questions 27, 28, 32, 33, 35, 36, 42, 43, 44, 57 of Form PF; 2024 Form PF Adopting Release at section II.B.3 and section II.C.2. *See also* infra section III.F.3for a discussion of reasonable alternatives to this threshold and *infra* section III.C.4 for further discussion of the benefits and costs of the proposed *de minimis* exception.

50 *See also infra* section III.C.4 (explaining that the impact of the proposed change would be mitigated by the "look through" requirements we are retaining for reporting at the master fund level).

13. Would the proposed change to General Instruction 6 result in the collection of information about private fund structures and the risk exposure of their component funds necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?
14. Would the proposed change to General Instruction 6 result in certain feeder funds that are necessary to assess systemic risk not being identified in the form? If so, how?
15. Is five percent the appropriate threshold for disregarding feeder funds with minimal holdings outside of the master fund? Why or why not? What other percentages (*e.g.*, three percent, ten percent) or methods should the Commissions consider for purposes of identifying disregarded feeder funds that are not necessary and appropriate for the assessment of systemic risk? For example, should we allow filers to treat any feeder fund as disregarded if the filer does not separately consider the feeder fund and its exposures for its risk management purposes? Should we allow, as was the case prior to the 2024 amendments, filers to choose whether to respond to questions in the aggregate or separately, as long as they did so consistently through Form PF? Why or why not?
16. Is "gross asset value," as defined in the Form PF Glossary of Terms, the appropriate denominator for disregarding feeder funds with minimal holdings outside of the master fund? Why or why not? What alternatives should the Commissions consider as the denominator for purposes of disregarding feeder funds that are not necessary and appropriate for the assessment of systemic risk?
17. Are there types of investments or features of feeder funds that should be considered in permitting aggregation?
18. Is the proposed change to the definition of disregarded feeder fund in General Instruction 6 sufficiently clear? Would this raise any questions about how to determine which feeder funds

should be disregarded for purposes of General Instruction 6? Should we provide any additional clarification regarding which feeder funds should be disregarded for purposes of General Instruction 6?

D. Eliminate the Look Through Requirement

The Commissions propose changes to Form PF that would allow advisers to report indirect exposures based on reasonable estimates that are consistent with their internal methodologies and the conventions of service providers when responding to certain questions that currently require looking through the reporting fund's investments. Specifically, the Commissions propose to eliminate from General Instructions 7 and 8 the prescriptive requirement that advisers "look through" the reporting fund's investments when reporting indirect exposures and to instead allow advisers to rely on reasonable estimates consistent with their internal methodologies and conventions of service providers when reporting indirect exposures.[51] The Commissions also propose conforming amendments to the instructions for Questions 32, 33, 35, 36, and 47, and to amend the definitions of certain asset classes in the Glossary of Terms, to allow advisers to report indirect exposures consistent with the amended General Instructions 7 and 8. These changes are intended to reduce and better balance the filing burdens on advisers against the need to obtain clear and comparable data across advisers.

In 2024, the Commissions adopted amendments to General Instructions 7 and 8 to provide that, when responding to questions, advisers generally must not "look through" a reporting fund's investments in other funds or entities (other than a trading vehicle), unless the question instructs the adviser to report exposure obtained indirectly through the reporting fund's positions in such other

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[51] This proposal, however, would retain the instruction in current General Instruction 7 that advisers must include (look through to) the trading vehicle's holdings for all questions answered by the reporting fund.

funds or entities. In reporting indirect exposures of the reporting fund in response to certain questions (Questions 32, 33, 35, 36 and 47), General Instruction 7 requires advisers to "look through" the reporting fund's investments in internal private funds and external private funds. Likewise, General Instruction 8 requires advisers to "look through" the reporting fund's investments in other funds or entities when reporting indirect exposures in response to those same questions.

Prior to the 2024 amendments, Form PF generally did not address how to report indirect exposures resulting from positions held through other entities, and advisers were not required to (although they had the option to) look through a reporting fund's investments in another entity, unless the form specifically requested information regarding that entity.[52] As a result, some advisers were reporting indirect exposures, while others were not, leading to incomplete and unclear data, inconsistent comparisons, and less precise analysis across advisers. The 2024 amendments changed General Instructions 7 and 8 to direct advisers to report indirect exposures in response to certain questions by mandatorily looking through the reporting fund's investments in private funds and other entities. These changes were designed to promote FSOC's effective systemic risk assessments and the Commissions' investor protection efforts by reducing issues of data quality and incomparability with respect to data regarding indirect exposures of private funds.

After the adoption of the 2024 amendments, however, industry members reported that the rigid and granular reporting required via this mandatory look-through would create significant burdens and in many cases would be operationally difficult.[53] For example, several filers noted that looking through a reporting fund's investment in an exchange-traded fund (an "ETF") to calculate the reporting fund's indirect exposure to each underlying investment in the ETF could be particularly

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52 *See* 2024 Form PF Adopting Release at section II.A.2.

53 *See*, *e.g.*, Comment Letter of the Alternative Investment Management Association (Sept. 5, 2025) ("AIMA Letter II").

burdensome in instances where the ETF tracks and continuously rebalances a broad index comprising potentially hundreds of underlying investments. Other filers stated that the methodology for determining the exact composition of an index may be proprietary and not controlled by the adviser.

We also heard concerns that looking through the reporting fund's investments in other entities, such as investments in another private fund that in turn invests in portfolio companies, private credit instruments, or securitized assets, could be operationally challenging, if the adviser does not control those entities and therefore has limited access to information regarding the underlying investments, or the data that the adviser does obtain does not align with the timing and reporting requirements of Form PF.

In consideration of these concerns, we are now proposing changes to General Instructions 7 and 8 to eliminate the prescriptive requirement that advisers "look through" the reporting fund's investments when reporting indirect exposures and to instead allow advisers to report required indirect exposures based on reasonable estimates that are consistent with the adviser's internal methodologies and conventions of service providers. We are also proposing amendments to Questions 32, 33, 35, 36 and 47 to remove instructions that reasonable estimates used to report indirect exposures, and that indirectly held entity positions in a sub-asset class and instrument type, must "best represent" the exposure of the entity[54] or the sub-asset class exposure of the indirectly held entity.[55] The prescriptive look-through requirement in General Instructions 7 and 8 as well as the "best represent" standard in the specific questions' instructions for reporting indirect exposures would create burdens for advisers to conduct look-through for assessing indirect exposures even though they may reasonably and more efficiently estimate such indirect exposures in their own portfolio and risk

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54 *See* proposed Questions of 33, 35, 36, and 47 of Form PF.

55 *See* proposed Question 32 of Form PF.

management processes. The proposed changes are intended to provide advisers the ability to rely on reasonable estimates to report indirect exposures, provided they are consistent with their internal methodologies and the conventions of service providers.[56] For example, with respect to a reporting fund's investment in a gold ETF, the proposed changes would allow advisers to estimate the reporting fund's exposure through an ETF more broadly (*e.g.*, "gold commodities" sub-asset class) to the extent consistent with their own portfolio and risk management processes.

Relatedly, the Commissions propose conforming amendments to align other parts of the form with the proposed General Instructions 7 and 8. The proposed changes would include conforming amendments to Question 32 and Question 47 to remove certain references to indirectly held "positions."[57]

The Commissions also propose to revise definitions of certain asset classes in the Form PF's Glossary of Terms to explicitly subject those definitions to proposed General Instructions 7 and 8.[58] As part of the 2024 amendments, Form PF defined these asset classes also requiring the reporting fund to look through to indirect exposures to such assets held through another entity. The proposed definitional changes are intended to allow advisers, consistent with General Instructions 7 and 8, to use their reasonable estimates that are consistent with the adviser's internal methodologies and conventions of service providers for such indirect exposures. These proposed changes would also help to resolve any inconsistencies between the instructions in the definitions of these terms and General Instructions 7 and 8.

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56 *See infra* section III.C.5 for further discussion of the anticipated cost savings to advisers that would result from the proposed changes to General Instructions 7 and 8.

57 *See* proposed Question 32 and Question 47 of Form PF.

58 See proposed Form PF Glossary of Terms (definitions of "agency securities," "commodities," "convertible bonds," "corporate bonds," "GSE bonds," "leveraged loans," "listed equity," "other commodities," "sovereign bonds," "unlisted equity," and "US treasury securities").

Furthermore, the Commissions propose to make a conforming change to the definition of "reference asset" in the Form PF Glossary of Terms by removing the phrase "and do not conflict with any instructions or guidance relating to this Form," which would be unnecessary with the proposed changes to General Instructions 7 and 8 that would allow for the use of reasonable estimates consistent with internal methodologies to report indirect exposures.[59]

Although the proposed changes to General Instructions 7 and 8 (and related conforming changes) would lead to more filers using their internal practices to report indirect exposures and to do so less precisely, thus potentially reducing the level of specificity and comparability of indirect exposures through fund or entity holdings reported by advisers on Form PF,[60] we anticipate that these changes would not undermine FSOC's systemic risk assessment and the Commission's investor protection efforts. Based on input received from filers, we understand that the operational challenges posed by the strict look-through requirement, such as lack of the advisers' control of or access to granular position data of underlying fund or entity investments from third party entities or third party data that comports with the reporting requirements of Form PF, would likely, in practice, result in advisers having to rely on internal assumptions to comply with Form PF's requirements. As such, the prescriptive look-through requirements in General Instructions 7 and 8 would likely not achieve the intended outcome, making any greater granularity and comparability unjustified in light of the apparent significant filing burdens on advisers.[61] Our proposal, however, would retain questions

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59 *See* proposed Form PF Glossary of Terms (definition of "reference asset"). The Commissions also propose to revise the definition of "reference asset" to add "e.g.," in front of "through direct ownership (*i.e.*, a physical or cash position), synthetically (*i.e.*, the subject of a derivative or similar instrument held by the *reporting fund*), or indirect ownership (*e.g.,* through *ETFs*, other *exchange traded products*, U.S. registered investment companies, *non-U.S. registered investment companies*, *internal private funds*, *external private funds*, *commodity pools*, or other companies, fund or entities))" in order to help filers understand that these are examples, not a prescriptive nor comprehensive list, of ways a reporting fund may have exposure to a reference asset.

60 *See id.*

61 *See id*.

mandating the reporting of indirect exposures and thus preserve the objective of the 2024 amendments to address issues of data quality and comparability that had resulted from some advisers providing indirect exposures while others did not.

Moreover, the proposed changes would preserve FSOC's ability to assess systemic risk and the Commissions' ability to protect investors by collecting data based on advisers' portfolio risk management processes, which themselves are designed to capture material risk exposures from investments.

We request comment on the proposed changes to General Instructions 7 and 8, the definitions of certain asset classes in the Form PF Glossary of Terms, and other conforming changes:

19. Would the proposed changes to General Instructions 7 and 8, the definitions of asset classes including "reference asset," and other conforming changes sufficiently alleviate burdens on private fund advisers?
20. Would the proposed changes to General Instructions 7 and 8 and the definitions of asset classes including "reference asset" result in the collection of information about the reporting fund's indirect exposure necessary and appropriate for investor protection and the assessment of systemic risk?
21. Should the "look through" requirement for certain, or all, questions be eliminated entirely, as proposed, and allow advisers to instead rely on reasonable estimates that are consistent with their internal methodologies and conventions of service providers? If not, why not?
22. Are certain questions easy to "look through" funds, entities and investments than others? If so, which ones and why?
23. Are there certain types of funds or entities that are easy to "look through"? If so, which ones and why?

24. Are there certain types of reference assets that are easy to report on a "look through" basis? If so, which ones and why?

25. Should the form require a "look through" for certain, or all, types of funds, entities or reference assets? If so, which ones and why?

E. Trading Vehicles

The Commissions propose to amend Question 9 under section 1b of the Form PF to reduce the scope of trading vehicles that advisers must specifically identify. The proposed new scope focuses solely on trading vehicles that face counterparties and creditors or are reported on Form ADV as a private fund. This proposed change is intended to reduce the burdens on advisers with respect to identifying trading vehicles while still supporting the need for the Commissions and FSOC to understand the reporting fund's use of trading vehicles relevant to identifying systemic risk and investor protection efforts.[62]

Before the 2024 amendments, Form PF did not require advisers to identify trading vehicles, even though private funds often use trading vehicles to trade, incur leverage, and bear counterparty and credit exposures as part of their investment strategy.[63] In 2024, the Commissions adopted amendments to section 1b to obtain a clear view of the reporting fund's use of trading vehicles in this manner and therefore to enhance FSOC's ability to monitor systemic risk and the Commissions' ability to protect investors by better assessing the scope of the reporting fund's position sizes and counterparty exposures that are attributable to the trading vehicle and identifying areas in need of outreach, examination or investigation. The broad definition of "trading vehicle" in the final form was intended to ensure that

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62 *See infra* section III.C.6 for a detailed discussion of the benefits and costs of the proposed change to Question 9 of Form PF.

63 *See* 2024 Form PF Adopting Release at section II.A.2 (discussing the various ways private funds may use trading vehicles for their investment activities).

such trading vehicles were captured,[64] and Question 9 was designed to obtain identifying information about any trading vehicle used by the reporting fund that met this definition.[65]

Since the adoption of the 2024 amendments, filers have highlighted the broad scope of trading vehicles that would need to be identified on the form and the significance of the burden on advisers of having to meet this requirement.[66] Private funds may use trading vehicles for a wide variety of purposes other than trading and bearing counterparty exposure. Consequently, the broad definition of "trading vehicle," which includes an entity that "holds assets" and conducts "other activities" as part of the reporting fund's investment activities, potentially captures passive entities (*e.g.*, tax blockers, liability blockers, aggregator vehicles used to consolidate investments from investors in private funds, passive holding companies formed to hold portfolio investments) that are commonly used by private funds for structuring, tax and/or other operational efficiencies. Many of these passive entities, however, may not otherwise actively trade nor engage in other activities directly related to the fund's counterparty or credit exposures in a manner that creates interconnectedness of the trading vehicle to the broader financial services industry, a critical part of systemic risk assessment and investor protection efforts. Some filers have expressed concern that under the current "trading vehicle" definition, they would have to report hundreds of entities in certain private fund structures, imposing significant burdens on those advisers.[67]

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64 A trading vehicle is defined as a separate legal entity, wholly or partially owned by one or more reporting funds, that holds assets, incurs leverage, or conducts trading or other activities as part of a reporting fund's investment activities but does not operate a business. *See* Form PF Glossary of Terms (definition of "trading vehicle").

65 *See* current Question 9 of Form PF. Questions 9(d) through (f) ask the reporting fund to identify the vehicle's activities that results in it being a "trading vehicle," as defined in the Form PF Glossary of Terms.

66 *See*, *e.g.*, Comment Letter of Investment Adviser Association (May 1, 2025), *available at* https://www.investmentadviser.org/wp-content/uploads/2025/05/IAA-Letter-to-SEC-Chairman-Atkins-5.1.25.pdf?t=6813b4b033567 ("IAA Letter").

67 *See*, *e.g.*, IAA Letter.

After considering the scope of trading vehicles that must be reported under Question 9 in light of systemic risk assessment and investor protection efforts, as well as the significance of the burdens on advisers raised by the current instructions, we propose to reduce the scope of trading vehicles that must be reported under Question 9 to focus on trading vehicles that face counterparties and creditors or are reported on Form ADV as a private fund.

Specifically, the proposed changes to Question 9 would limit trading vehicles that must be identified by name and legal entity identifier ("LEI"), if any, to those that are (i) listed or required to be listed on Section 7.B. of Schedule D of the adviser's or another adviser's Form ADV,[68] or (ii) included or required to be included in a response to Questions 27, 28, 42, 43, or 44 of the Form PF,[69] which require advisers to identify the relevant party (including any trading vehicles) that bears counterparty and credit exposures.[70]

The proposed changes would entail a conforming amendment to General Instruction 7 with the same instruction limiting the scope of trading vehicles that must be identified in response to Question 9 to those that are listed on the adviser's Form ADV or in response to Questions 27, 28, 42, 43 or 44. As discussed above, the broad definition of "trading vehicle" may cover passive entities commonly

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68 Because trading vehicles may be partially owned by the filing adviser with another adviser, the proposed changes would require the identification of any partially-owned trading vehicles reported on another adviser's Form ADV.

69 Questions 27 and 28 of Form PF must be completed separately for each hedge fund that an adviser advises. Questions 42, 43, and 44 must be completed separately by large hedge fund advisers for each qualifying hedge fund that they advise. These questions require the adviser to identify significant creditors or counterparties to which a fund is exposed. For example, Question 42 requires the adviser to identify and provide information about each creditor or other counterparty to which the reporting qualifying hedge fund owed an amount in respect of cash borrowing entries which is equal to or greater than either (1) 5 percent of net asset value or (2) $1 billion. The proposed amendments would modify Questions 42 and 43. *See infra* section II.L. Amended Questions 42 and 43 would still require advisers to identify significant creditors or counterparties to which a fund is exposed. *See infra* section III.C.6.

70 The proposed change would not impact General Instructions 7 and 8 that direct advisers to look through trading vehicles and to their holdings when responding to certain questions (*e.g.*, Question 26, which requires advisers to provided consolidated counterparty exposures of the reporting fund aggregated across all creditors and counterparties).

used in private fund structures but do not directly interact with the market in a manner that may pose systemic risk such as by trading, taking on leverage, or bearing counterparty and credit exposures. Furthermore, as emphasized by some filers, the burden on advisers of having to identify each passive entity in the reporting fund's structure that meets the broad definition of "trading vehicle" may be significant.

Although the current instructions would have provided a more comprehensive visibility into the wide variety of ways trading vehicles are incorporated into private fund structures, they would have primarily captured passive trading vehicles, and reducing the scope of trading vehicles would not materially affect the Commissions' and FSOC's systemic risk oversight and investor protection efforts. The proposed changes to Question 9 would reduce the scope of trading vehicles that advisers must identify to those that are more directly relevant and meaningful to the Commissions' and FSOC's oversight and investor protection efforts. Section 7.B. of Schedule D of Form ADV requests important information about the private funds managed by advisers but does not specify whether the private funds reported therein are trading vehicles. The proposed changes would therefore facilitate our staff's ability to identify trading vehicles reported on Form ADV and the scope of trading vehicles' potential effects on systemic risk and investor protection.

Furthermore, the revised Question 9 would require advisers to identify those trading vehicles that they have included in response to questions on the form that address how the reporting fund uses trading vehicles to bear counterparty and credit exposures (Questions 27, 28, 42, 43, or 44). Hence, any trading vehicle that incurs leverage or conducts trading or other activities as part of a hedge fund's investment activities resulting in significant exposure to creditors or counterparties is currently identified by advisers in those questions and would therefore continue to be included in Question 9 under the proposed change.

Trading vehicles included in response to these questions (which may overlap with those reported on Form ADV) would provide the Commissions and FSOC with transparency into the reporting fund's risk profile and interconnectedness of private funds with the broader financial services industry. Moreover, although we propose to limit the scope of trading vehicles that must be specifically identified, General Instructions 7 and 8 would continue to require advisers to look through certain trading vehicles and to their specific holdings, which would capture their counterparty and creditor exposures.[71] These proposed changes would therefore not have a significant effect on the Commissions' and FSOC's ability to assess relevant information for purposes of their risk assessment and investor protection efforts, as the form would continue to obtain relevant information about operationally active trading vehicles that do engage in activities that could impact the broader financial services industry.[72]

We request comment on the proposed changes to Question 9 of Section 1b:

26. Would the proposed changes to Question 9 sufficiently alleviate burdens on private fund advisers?
27. Do you agree that the current definition of "trading vehicle" covers entities that do not directly interact with the market in a manner that may pose systemic risk such as by trading, taking on leverage, or bearing counterparty and credit exposures? Would the proposed changes to Question 9 result in the collection of information about trading vehicles necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?

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71 *See* proposed General Instructions 7 and 8 of Form PF.

72 *See infra* section III.C.6 for a more detailed discussion of benefits and costs of the proposed changes to Question 9.

28. Would the proposed changes to Question 9 result in certain trading vehicles that are necessary to assess systemic risk not being identified in the form? Should such trading vehicles continue to be identified in the form? If so, which ones?
29. Should we instead amend Form PF so that private fund advisers are not required to identify any trading vehicles? Is the identification of trading vehicles relevant to the assessment of systemic risk? Why or why not?

F. Eliminate Form PF Question 23(c) Volatility Reporting

The Commissions propose to eliminate Question 23(c) in its entirety for all private fund filers.[73] Question 23(c) requires private funds to report additional performance-related information if the adviser calculates a market value on a daily basis for any position in the reporting fund's portfolio. Such information includes: (1) the "reporting fund aggregate calculated value" at the end of the reporting period; (2) the reporting fund's volatility of the natural log of the "daily rate-of-return" for each month of the reporting period; (3) whether the daily return rates are reported to current or prospective investors; and (4) whether the reporting fund had one or more days with a negative daily rate of return during the reporting period and related information.

We added Question 23(c) in the 2024 amendments to allow the Commissions and FSOC to compare return volatility more accurately across different private fund types to identify market trends, for systemic risk assessment, and for investor protection efforts.[74] This measure quantifies the degree to which a portfolio's logarithmic returns fluctuate around their average, with higher values indicating greater risk of large gains or losses and uncertainty in an investment's value.

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73 *See* Form PF section 1(b), Item C, Question 23(c)(i), (ii), (iii), and (iv) ("Question 23(c)"). We also propose to remove any other references to Question 23(c) throughout the form.

74 *See* 2024 Form PF Adopting Release at section II.B.2.

However, during implementation of this new question, it is our understanding that numerous advisers encountered challenges and significant costs in preparing to respond to this question. Some advisers calculate this information in the ordinary course of their business for certain funds but not all private funds, or only at the level of the master fund. Other advisers use an internal methodology that does not necessarily align with what we ask under Question 23(c), so they have had to design complicated and bespoke calculations based on approximations of the same data points. Industry members have further pointed out that there are many investing strategies involving less liquid or illiquid assets that have less volatility and could mute or otherwise skew volatility data, so capturing intra-month volatility about them is less valuable but more burdensome, even if they can be reported.

We now propose to delete Question 23(c). Based on our review, the data captured by other questions in the form can assist in contextualizing performance-related volatility, such as the monthly performance reporting in Question 23(a) and (b) or extraordinary losses reported in current reports.[75] Although deleting Question 23(c) would result in less detailed performance-related volatility information, such that the Commissions and FSOC may lose insight into significant performance volatility swings occurring on an intra-month basis, intra-month performance-related data for less liquid or illiquid investment strategies can have limited utility when evaluating performance volatility.[76] Further, we understand that funds are making assumptions in calculating this information, which undermines its comparability.

Given the burdens associated with calculating this information, and that information related to performance-related volatility can be gathered from other existing parts of the form, we propose to eliminate Question 23(c) from Form PF.

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75 *See* Form PF section 5, Item B and Form PF Glossary of Terms (definitions of "holding period return" and "daily rate-of-return").

76 *See infra* section III.C.7 for a more detailed discussion of benefits and costs of eliminating Question 23(c).

We request comment on the proposed removal of Question 23(c):

30. Should the Commissions eliminate Question 23(c)? Why or why not?
31. Would the proposed deletion of Question 23(c) impede our ability to appropriately collect information necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk? Why or why not?
32. Alternatively, should we move Question 23(c) to section 2? Is it important to capture this information regarding qualifying hedge funds? Why or why not? Do you agree that data captured by other questions in the form can assist in contextualizing performance-related volatility?
33. Do advisers calculate a daily market value for certain fund portfolios or strategies? If yes, is it an estimated market value?
34. Do advisers calculate the volatility of the natural log of the daily rate-of-return for a reporting fund, computed as the standard deviation of the natural log of one plus each of the daily rates-of return, on either a monthly or quarterly basis? If not, what are the challenges encountered by advisers in calculating this information for a reporting fund?
35. Is it easier to track this information for certain types of funds or fund strategies compared to others?
36. Would removing Question 23(c) sufficiently alleviate burdens on private fund advisers?
37. Alternatively, should we move Question 23(c) to section 2 so that only large hedge fund advisers must complete it? Why or why not?

G. Eliminate Certain Trading and Clearing Reporting

We propose to eliminate certain trading and clearing reporting. Specifically, we propose to eliminate the requirements to report the value of positions at the end of the reporting period in Question 29(ii) and Question 30(b). Currently, all filers that advise hedge funds must report how they

use trading and clearing mechanisms in Questions 29 and 30 for each hedge fund they advise, including the value of their reporting fund's positions at the end of the reporting period. The Commissions adopted this requirement in an effort to provide the Commissions and FSOC with data that can be more efficiently compared and aggregated among advisers and other data sources.[77] However, filers have expressed concern that they do not otherwise calculate the value of positions at the end of the reporting period by trading mode for each position using the calculations Form PF requires, and it is burdensome to track, calculate, and report such data solely for purposes of Questions 29(ii) and 30(b). If we remove Questions 29(ii) and 30(b), Questions 29 and 30, nonetheless, would continue to require all filers to report the value the reporting fund traded during the reporting period, specified by instrument category and trading mode, which should be sufficient for purposes of evaluating use of trading and clearing mechanisms across hedge fund advisers. Furthermore, FSOC and the Commissions could infer the value of the positions at the end of the reporting period requested in Questions 29(ii) and 30(b) from Question 32. For example, Question 32(a) requires reporting of various sub-asset classes related to listed and unlisted equity which gives FSOC and the Commissions an indication as to whether the securities were traded on an exchange or over the counter. Accordingly, we are proposing to remove the requirements to report the value of positions at the end of the reporting period in Question 29(ii) and Question 30(b) because we are concerned that the data aggregation and comparison benefits of this reporting may not be justified by the burdens.[78]

The Commissions also propose to remove erroneous and unnecessary instructions in Questions 29. The current instructions in Question 29 provide that the "value traded" for certain

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77 2024 Form PF Adopting Release at n.249 and accompanying text.

78 *See also infra* section III.C.8 for a more detailed discussion of benefits and costs of the proposal to revise Questions 29 and 30.

instruments is the total value, but then erroneously require filers to calculate the total value by using a weighted average. We propose to remove this instruction, which would remove the error.[79] With this correction, the specific instructions about how to calculate value traded for proposed Questions 29 and 30 would be unnecessary because General Instruction 15 and the table would sufficiently instruct advisers on how to report the value traded. Therefore, this proposed change would simplify the form, by not repeating the instructions. We also propose to remove the specific instructions for column (ii). These instructions would be no longer relevant because we propose to remove column (ii).

We request comment on the proposal to revise Questions 29 and 30:

38. Should we revise Questions 29 and 30, as proposed?
39. Should we eliminate the requirement for advisers to report the value of positions at the end of the reporting period in Questions 29 and 30, as proposed? Do you agree that the information reported in other requirements in Questions 29 and 30 is sufficient to analyze data on trading and clearing mechanisms?
40. Do you agree with our characterization of the benefits and burdens that Questions 29 and 30 present? Are there more, less, or additional types of benefits or burdens? Please quantify the burdens.
41. Should we remove the specific instructions for calculating "value traded," as proposed? Does General Instruction 15 and the table itself sufficiently instruct filers about how to report value traded? Is there a clearer way to instruct filers about how to calculate value traded? Or is there a more appropriate calculation that the instructions should use? For example, should the instructions to Question 29 direct filers to use the gross notional values for options and

[79] Proposed Question 29.

interest rate derivatives in addition to other derivatives, rather than the calculations that General Instruction 15 specifies?

42. Is there a clearer way to instruct filers about how to categorize each trade into the value traded column? For example, if a bond is traded through a registered alternative trading system, should that be included in the regulated exchange category or over the counter?

H. Eliminate Form PF Question 32(b)(2) Adjusted Exposure Reporting Based on Internal Methodology

The Commissions propose to eliminate Question 32(b)(2) for large hedge fund advisers.[80] The Commissions added Question 32(b) to Form PF in 2024 to require advisers to report the adjusted exposure of long and short positions for each sub-asset class in which a fund has a reportable position.[81] At that time, the Commissions explained that gross exposure reporting by itself presents an incomplete picture that poses a significant data gap for systemic risk analysis. Question 32(b) requires large hedge fund advisers to report adjusted exposures in two ways. In Question 32(b)(1), advisers have to calculate and report adjusted exposure of long and short positions for each sub-asset class by netting positions that have the same underlying reference asset across instrument type and, for fixed income positions, within the same term using the following maturity buckets: 0-1 year, 1-2 years, 2-5 years, 5-10 years, 10-15 years, 15-20 years, and 20+ years.

In Question 32(b)(2), if, under its methodologies for internal reporting and reporting to investors, an adviser does not net all positions across all instrument types in monitoring the economic exposure of the reporting fund's investment positions, then the adviser must report adjusted exposure based on its internal methodology; the adviser must also describe in Question 4 how its internal

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80 *See* Form PF section 2, Item B, Question 32(b)(2). We also propose to remove any other references to Question 32(b)(2) throughout the form.

81 *See* 2024 Form PF Adopting Release at section II.C.2.a.

methodology differs from the calculations required in Question 32(b)(1). At the time, the Commissions explained that this additional information in Question 32(b)(2) would provide better insight into how these advisers assess the economic exposure of their reporting fund's portfolio, while still ensuring an adviser provides information that supports the Commissions' and FSOC's ability to aggregate and compare the data across funds.[82]

After the adoption of the 2024 amendments, filers raised concerns that Question 32(b)(2) is substantially duplicative of Question 32(b)(1) and therefore unnecessarily burdensome to produce. They stated that these two sub-questions require them to calculate and report adjusted exposure for each sub-asset class in which the fund holds positions twice with non-meaningful differences in risk information conveyed.

Upon review, we agree that Question 32(b)(2), given its similarity to what funds will likely report under Question 32(b)(1), does not appear sufficiently necessary to justify the burdens associated with this additional reporting. While adjusted exposure reporting continues to be important for FSOC's assessment of systemic risk, eliminating Question 32(b)(2) in consideration of the concerns raised by filers, as proposed, would help further alleviate burdens on large hedge fund filers by removing duplicative reporting that does not materially build upon the quality or usefulness of data already received from Question 32(b)(1).[83]

Relatedly, we propose to delete the word "counterparties" from the last sentence in Question 32(b)(1). This instructional sentence provides that, in reporting adjusted exposure under Question 32(b)(1), the fund may net counterparties consistent with the information it reports internally and to current and prospective investors. Based on discussions with filers, we understand that the inclusion of "counterparties" in this sentence has created confusion because netting in this section is intended

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82 *See id.*

83 *See infra* section III.C.9 for a more detailed discussion of benefits and costs of eliminating Question 32(b)(2).

to be associated with exposures rather than limiting netting specifically to counterparties. Moreover, combined with the elimination of Question 32(b)(2), this deletion would be a conforming change to simplify the adjusted exposure calculations.

We request comment on the proposal to eliminate Question 32(b)(2):

43. Should the Commissions eliminate Question 32(b)(2)? Why or why not?
44. Would the proposed deletion of Question 32(b)(2) impede our ability to appropriately collect information about adjusted exposure in qualifying hedge funds necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk? Why or why not?
45. Would removing Question 32(b)(2) meaningfully alleviate burdens on large hedge fund advisers?
46. If Question 32(b)(2) is retained, should it be modified? If so, how?
47. Should the format of Question 32(b)(1) (and Question 32(b)(2) if it is retained) be revised for clarity (for example, by using charts instead of sentences, or putting instructions and responses in different colors like the PQR form)?

I. Eliminate Form PF Question 34 Monthly Asset Turnover Reporting

The Commissions propose to eliminate Question 34 for large hedge fund advisers.[84] Question 34 requires advisers to report the value of turnover in certain asset classes (including listed equities, corporate bonds, sovereign bonds, as well as various types of derivatives and consolidated foreign exchange and currency swaps) in their hedge funds' portfolios for each month during the quarterly reporting period.

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84 *See* Form PF section 2, Item B, Question 34. We also propose to remove any other references to Question 34 throughout the form.

The Commissions included this question on the original 2011 Form PF (then Question 27) to provide an indication of a large hedge fund adviser's frequency of trading in particular asset class markets and the amount of liquidity hedge funds contribute to those markets.[85] We then amended Question 34 in 2024 in two ways. First, in connection with the move to disaggregate reporting, we required reporting turnover on a per fund basis explaining that this change would provide more detailed information to the Commissions and FSOC while simplifying reporting because advisers do not generally aggregate turnover-related information among funds.[86] Second, we added new categories to better capture turnover of potentially relevant securities. We referenced how, during the March 2020 COVID-19-related market turmoil, we were unable to obtain a complete picture of market activity relating to treasuries and treasury futures given that turnover reporting was highly aggregated across funds.

While the turnover of specific asset classes can be helpful to identify the frequency of hedge fund trading activity in those asset classes, we have observed from our review that turnover data can be an imprecise signal of systemic risk or market turmoil.[87] Asset turnover might simply reflect that many large hedge funds make frequent trades as part of an investment strategy rather than suggesting issues in a given market. Conversely, a reduction in asset turnover could reflect a strategy responding to normal market conditions as opposed to an episode of stress in a market where a reduction in liquidity constrains a fund's trading. Additionally, ensuing discussions with industry members have revealed unanticipatedly high burdens in monitoring and producing the data to complete Question 34. For example, because a large hedge fund can complete upwards of ten thousand trades in a single day,

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85 *See* 2011 Form PF Adopting Release at section II.C.2.a.

86 *See* 2024 Form PF Adopting Release at section II.C.2.d.

87 *See infra* section III.C.10 for a more detailed discussion of benefits and costs of eliminating Question 34.

tracking so many transactions and breaking them down on a per-fund basis is time- and labor-intensive.

Furthermore, we are also able to approximate the data collected in Question 34 based on filers' responses to other questions, such as the asset class exposure table in Question 32, which while not providing the frequency of trading in particular asset class markets, does provide the size of their exposures in those markets, combined with the information about investment strategies reported in Question 25,[88] as some hedge fund strategies inherently involve higher trading activity. In addition, certain information relating to trading activity is still provided in Question 29.[89]

Therefore, removing Question 34 should reduce the burdens for filers while the Commissions can rely on other questions for information relating to hedge funds with significant exposures in various asset classes where there may be significant trading and liquidity provision.

We request comment on the proposal to eliminate Question 34:

48. Should the Commissions eliminate Question 34 on monthly asset turnover information? Why or why not?
49. Would the proposed deletion of Question 34 impede our ability to collect information necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk? Why or why not?
50. Would removing Question 34 meaningfully alleviate burdens on large hedge fund advisers?
51. Do you agree that information from Questions 25, 29, and 32 would help FSOC assess and monitor turnover or trading activity and liquidity provision of qualifying hedge funds for systemic risk implications? Are there any other alternative ways?

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88 *See* Form PF section 1c, Item B, Question 25.

89 Question 29 (as proposed) would still require reporting about the volume of transactions for certain asset classes during intra-quarter periods.

J. Simplify Industry Concentration Reporting in Form PF Question 36

The Commissions propose to amend Form PF Question 36 by permitting filers to report at a simpler level of classification within the NAICS code system.[90] Form PF Question 36 requires filers to report the relevant industry exposures of their reporting funds using NAICS codes. The Commissions added Question 36 in 2024 to "allow for identification of industry concentrations and help assess the potential impact of market events on industries."[91] NAICS codes are used to describe a company's primary business activity and principal source of revenue and generally can be specified up to six digits. The full set of NAICS code options is free to access online. However, some investment instruments may not have codes readily available, as discussed below. NAICS codes are often the standard used by certain Federal agencies for classifying entities by industry.[92] Currently filers responding to Question 36 are required to report at the six-digit level, national industry, NAICS code.

The purpose of requiring advisers to respond to this question based on the NAICS codes is to provide insight into hedge funds' industry exposures in a standardized way to allow for comparability among funds and meaningful aggregation of data to assess overall industry-specific concentrations. In adopting this question, we stated that NAICS codes would be useful for monitoring systemic risk, particularly if multiple funds have significant concentrations in industries that are experiencing periods of stress or disruption.[93]

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90 *See* Form PF Question 36 and Form PF Glossary of Terms. The five NAICS code classification levels are: (1) sector two-digit code, (2) subsector three-digit code, (3) industry group four-digit code, (4) NAICS industry five-digit code, (5) national industry six-digit code.

91 2024 Form PF Adopting Release at section II.C.2.d.

92 *See id.* (referencing SBA Small Business Size Regulations, 13 CFR 121.101 (2023)).

93 *See id.* SEC staff also published an FAQ attempting to clarify how filers can better respond to this question. *See* SEC staff Form PF Frequently Asked Questions; Form PF: Question 36 (updated Apr. 4, 2025), *available at* https://www.sec.gov/rules-regulations/staff-guidance/division-investment-management-frequently-asked-questions/form-pf-faq.

However, through subsequent discussions with industry members, we have come to understand certain difficulties in reporting the NAICS codes, particularly at the six-digit national industry level. The industry generally does not use NAICS codes for reporting industry concentration to investors or counterparties. In addition, certain instruments, including foreign instruments, do not have a NAICS code. We heard from multiple industry members who more commonly use the Bloomberg Industry Classification Standard ("BICS") or Global Industry Classification Standard ("GICS"), though the BICS and GICS codes are not publicly available and involve license fees and other costs and expenses to access them. As a result, in order to comply with the NAICS code requirement, advisers would need to assign a NAICS code to an instrument that does not have one, which generally would require advisers to develop data systems or pay third parties to supply or track this information and could lead to inconsistent reporting across filers. However, Form PF already requires the use of NAICS codes in Questions 81 and 82, so some filers already use NAICS codes. Additionally, we understand that allowing advisers to report NAICS industry codes at less granular levels would reduce burdens for filers because less specific options would result in less time and precision needed to assign a code. For example, this proposed change would significantly streamline filers' options by allowing them to select from approximately twenty two-digit sector NAICS codes instead of the more than one thousand six-digit national industry codes as currently required. The proposed change would continue to maintain the Commissions' and FSOC's ability to gain insight into hedge fund industry exposures, including concentrated exposures, at a level that would facilitate the assessment of systemic risk, while meaningfully reducing reporting burdens for filers.[94]

Therefore, the Commissions propose to amend Question 36 by giving filers the flexibility to choose any level of classification within the NAICS hierarchal code system. We believe that this

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94 *See infra* section III.C.11 for a more detailed discussion of benefits and costs of simplifying industry concentration reporting in Question 36.

change would allow us to continue receiving important industry-specific exposure data while reducing the burdens and costs filers face in responding to this question.

We request comment on the proposed change to the NAICS code reporting requirement:

52. Should the Commissions allow filers to use their preferred specificity of NAICS codes between two and six digits? Why or why not?
53. Would two-digit NAICS codes sufficiently allow FSOC to monitor for industry exposure to systemic risk?
54. Would allowing for additional NAICS code levels sufficiently alleviate burdens on private fund advisers?
55. Is there an alternate classification standard, such as BICS or GICS, that would be easier or less expensive for filers to use in providing this information? Why or why not? If we were to switch to a different classification system, should we also do so for Questions 81 and 82?
56. Should the Commissions create a list of categories from which filers can select their most appropriate industry, similar to how commodity pool operators file Form PQR?[95] If so, what categories should we use?
57. Is it more difficult to obtain NAICS code information for certain instruments (e.g. broadly syndicated loans) as compared to others? If yes, please describe.
58. Should this question be deleted entirely? Why or why not?

K. Eliminate Certain Questions Concerning Qualifying Hedge Funds' Exposures to Reference Assets.

We propose to remove Questions 39 and 40, which require large hedge fund advisers to report detailed information about their qualifying hedge funds' monthly portfolio exposure to reference

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95 *See, e.g.*, Pool Quarterly Report for Commodity Pool Operators, Question 11 Pool Schedule of Investments, available at https://www.nfa.futures.org/electronic-filing-systems/CPO-PQR-Template-Help-Text.pdf.

assets.[96] To mitigate the impact of losing this data, the SEC proposes to add streamlined exposure reporting to section 5, Item B.

Question 32(b)(1) requires large hedge fund advisers to report, for each qualifying hedge fund they advise except as otherwise instructed, the reporting fund's exposure to specified sub-asset classes for each month of the reporting period adjusted by netting positions in the same underlying reference asset across instrument type, among other things. In addition, Question 39 requires large hedge fund advisers to report certain information about their qualifying hedge funds' long and short netted exposure to reference assets at the end of each month in the reporting period. In particular, it requires the following reporting:

(1) the total number of reference assets to which the reporting fund holds long and short netted exposure;

(2) the percent of net asset value represented by the aggregated netted exposures of reference assets with the top five long and short netted exposures; and

(3) the percent of net asset value represented by the aggregate netted exposures of reference assets representing the top ten long and short netted exposures.

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96 To accommodate this proposed change, we also propose to remove "netted exposure" from the Glossary of Terms because Form PF would no longer use that term without Questions 39 and 40. We also propose to remove any other references to Questions 39 and 40 throughout the form.

Question 40 requires large hedge fund advisers to report certain detailed information about their qualifying hedge funds' monthly gross exposure, among other things, to reference assets that equal or exceed any of the following thresholds:[97]

(1) One percent of the net asset value, if the reference asset is a debt security and the fund's gross exposure to it exceeds 20 percent of the size of the overall debt security issuance;

(2) One percent of the net asset value, if the reference asset is a listed equity and the fund's gross exposure to it exceeds 20 percent of average daily trading volume measured over 90 days preceding the reporting date; or

(3) Either five percent of the fund's net asset value or $1 billion.

The Commissions adopted Question 39 to provide a holistic view of a reporting fund's portfolio concentration and provide insight into the extent of a reporting fund's portfolio concentration and large exposures to any reference assets.[98] The Commissions adopted Question 40 to improve their ability to assess the magnitude of hedge fund portfolio concentration, as well as to identify directional exposure. The Commissions also stated that Question 40 was designed to allow the Commissions and FSOC to link the information reported in Question 40 to exposure reporting in Question 32, which is designed to give the reported data added context and facilitate understanding of a fund's investment portfolio and assessment of any implications for systemic risk and investor protection purposes. The Commissions stated that the combination of information reported in

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97 Large hedge fund advisers must report the following: (1) the dollar value (in U.S. dollars) of all long positions with legal and contractual rights that provide exposure to the reference asset; (2) the dollar value (in U.S. dollars) of all short positions with legal and contractual rights that provide exposure to the reference asset; (3) the netted exposure to the reference asset (as defined by current Question 39 Instructions); (4) the sub-asset class and instrument type; (5) the title or description of the reference asset; (6) the reference asset issuer (if any) name and LEI; (7) the CUSIP (if any), and at least one of the following other identifiers: ISIN, Ticker if ISIN is not available, other unique identifier (if ticker and ISIN are not available); (8) for reference assets with no CUSIP or other identifier, advisers must describe the reference asset; (9) if the reference asset is a debt security, size of issue; (10) if the reference asset is a listed equity, average daily trading volume, measured over 90 days preceding the reporting date; and (11) the FIGI (optional).

98 *See generally* 2024 Form PF Adopting Release at section II.C.2.a for a discussion of why the Commissions adopted Questions 39 and 40.

Question 32 and Question 40 is designed to, among other things, provide better insight into a qualifying hedge fund's investment approach and whether it is taking on concentrated positions, potentially with leverage, and assess whether or not a qualifying hedge fund's activities may have systemic risk or investor protection implications.

Based on filer feedback, however, we are concerned about the burdens associated with collecting the information for Questions 39 and 40. Both Questions 39 and 40 require advisers to use specific methodologies to calculate and report monthly exposures to reference assets, and Question 40 includes three separate reporting thresholds that can be difficult to assess in practice due to the multiple steps embedded in each threshold and multiple data inputs required for each step. Filers have expressed concern that they do not otherwise create and maintain data using the specific calculations set forth in Questions 39 and 40, and it is burdensome to calculate the multiple data points necessary to determine the population of reportable reference assets, and report such data solely for purposes of Form PF. For example, some hedge funds may have dozens of positions that must be analyzed both collectively when calculating the thresholds and separately if the reference asset is reportable under Questions 40. Specifically, the first and second threshold require multiple calculations for a potentially significant number of positions and the calculations require inputs such as total issuance size and an average daily trading volume metric that may not be tracked or collected in the ordinary course of the filer's management of the portfolio. We are also concerned that these calculation challenges could create reliability and comparability challenges that could undermine the utility of the data.

Questions 39 and 40 were intended to provide a holistic view of a reporting fund's portfolio concentration based on commonly used industry metrics for assessing portfolio concentration

levels.[99] However, other data reported on the form, combined with the SEC's proposed enhanced current reporting, should sufficiently allow the Commissions and FSOC to assess portfolio concentration in furtherance of systemic risk assessment and investor protection efforts, as applicable. We will still receive information through responses to Question 32 on adjusted investment exposures netted across instrument type representing the same reference asset by sub-asset class, which provides information on concentrated exposures.

In addition, the SEC proposes to add an additional reporting field to section 5, Item B, which requires large hedge funds to file a current report no later than 72 hours after their qualifying hedge fund experiences an extraordinary investment loss.[100] Under the SEC's proposal, if a large hedge fund adviser files such a current report, it would be required to describe the largest exposure contributing to the reported loss, including the dollar amount and certain identifying information.[101] This proposed change is tailored to help ensure Form PF collects sufficient information to assess systemic risk and further investor protection efforts related to qualifying hedge funds' concentrated portfolio exposures without the significant burdens associated with completing Questions 39 and 40.[102] Therefore, Questions 32, along with proposed section 5, Item B, should help ensure Form PF collects information sufficient to assess systemic risk of exposures and further investor protection efforts.

We request comment on the proposal to remove Questions 39 and 40, and the SEC requests comment on the proposal to add the proposed requirement to section 5, Item B:

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99 *See* 2024 Form PF Adopting Release at n.329 and accompanying text.

100 *See* proposed section 5, Item B. In connection with this proposed change, the SEC proposes to redesignate Questions 5-4 through 5-7 to accommodate the additional reporting field.

101 Identifying information would include a subset of information that advisers would have reported in Question 40, including the sub-asset class, instrument type, title or description of the asset, issuer name, LEI (if any), CUSIP (if any), if no CUSIP, then at least one of the following other identifiers: ISIN, Ticker if ISIN is not available, other unique identifier.

102 *See also infra* section III.C.12 for a more detailed discussion of benefits and costs of these proposed amendments.

59. Should we remove Questions 39 and 40, as proposed?

60. Do you agree with our characterization of the benefits and burdens that Questions 39 and 40 present? Are there more, less, or additional types of benefits or burdens? Please quantify the benefits and burdens.

61. Instead, should we keep either Question 39 or 40, but revise them to make them less burdensome? For example, should we keep Question 40, but simplify or raise the reporting thresholds? Please provide example language. Should we reduce the reporting frequency from monthly to quarterly?

62. Is there an alternative way to collect information on concentration at the portfolio level and market level? Which is more important for systemic risk assessment? Is there an alternative way to collect information on position-level exposures to reference assets that would aid FSOC in assessing systemic risk and the SEC's investor protection efforts, but would be less burdensome than Questions 39 and 40, and better than our proposed approach of relying on adjusted exposure information reported under Question 32 combined with current reporting with the proposed revision to extraordinary investment loss event question?

63. Should the SEC add a requirement to the current report in section 5, Item B, as proposed? If the Commissions do not eliminate Questions 39 or 40, should the SEC nonetheless adopt the proposed requirements in section 5, Item B? Should the SEC add more or modify any proposed requirements to the current report in section 5, Item B?

64. Do you agree that proposed section 5, Item B, together with Question 32 would provide sufficient information to assess systemic risk of exposures? Would Question 32 alone, without proposed section 5, Item B provide sufficient information to assess systemic risk of exposures? If so, should the Commissions eliminate Questions 39 and 40 without amending section 5, Item B?

L. Simplify Large Hedge Fund Adviser Counterparty Exposure Reporting

The Commissions propose to simplify the reporting on counterparty exposures for large hedge fund advisers.

Specifically, the Commissions propose to remove Question 41 from section 2 and to require advisers to qualifying hedge funds to complete the simpler consolidated counterparty exposure table in Question 26, which all filers complete for hedge funds they advise, except qualifying hedge funds would provide monthly data points. For more detailed information on counterparty exposures, the Commissions would instead rely on the data filed in response to Questions 42 and 43, which provide information on borrowing arrangements with significant counterparties and creditors of large hedge funds.

To retain important information relating to counterparty exposure for all borrowings to significant counterparties and creditors of qualifying hedge funds, which is relevant to monitoring and assessing systemic risk, the Commissions propose to amend Question 42 to require large hedge fund advisers to report on all borrowings from significant counterparties and creditors of qualifying hedge funds rather than only cash borrowings and to categorize those borrowing entries by type.

Furthermore, the Commissions request comment on ways to alleviate burdens on advisers with respect to netting counterparty exposures in response to certain questions.[103] Through these actions, the Commissions seek to better balance filing burdens on advisers against the Commissions' and FSOC's need to obtain clear and comparable data regarding hedge funds' use of collateral and credit exposure to counterparties.

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[103] *See* Question 26, Question 27, Question 28, Question 42 and Question 43 of Form PF.

The Commissions also propose the following minor revisions to the instructions in Question 42, none of which will substantively change the form: (1) correcting a reference to a column (from column (c) to column (b)) in subsection (b) where the LEI for a counterparty should be provided, and (2) removing a sentence that instructs filers to provide a counterparty's legal name and LEI in subsection (b) in columns (vi) and (vii), which do not exist in subsection (b).

In 2024, the Commissions adopted amendments to Form PF that included the new consolidated counterparty exposure tables, which were designed to collect specific data on hedge funds' borrowing and financing arrangements with central clearing counterparties ("CCPs") and other counterparties.[104] The new tables require advisers to report a hedge fund's borrowing, lending, and similar transactions with creditors and other counterparties by type of borrowing, lending or transaction (*e.g.*, unsecured, secured borrowing and lending under a prime brokerage agreement, secured borrowing and lending via repo or reverse repo, other secured borrowing and lending, derivatives cleared by a CCP, and uncleared derivatives),[105] and the collateral posted or received by a reporting fund in connection with each type of borrowing, lending or other transaction. The consolidated counterparty tables were designed to enhance the Commissions' and FSOC's understanding of hedge funds' counterparty risk exposure, which is needed for systemic risk assessment because of the potential contagion risks of both the reporting fund and counterparty failure.[106]

For hedge funds other than qualifying hedge funds, the consolidated counterparty exposure table in section 1c (Question 26) collects the reporting fund's borrowing and collateral received and

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104 *See* Question 26 and Question 41 of Form PF; *see generally* 2024 Form PF Adopting Release at section II.B.3 and section II.C.2 for a discussion of the Commissions' rationale for the new consolidated counterparty exposure tables.

105 *See* current Question 26 and Question 41 of Form PF.

106 *See* 2024 Form PF Adopting Release at section II.B.3.

lending and posted collateral aggregated across all creditors and counterparties as of the end of the reporting period.[107] Qualifying hedge funds must complete a separate consolidated counterparty exposure table in section 2 (Question 41), which requires additional detail. Specifically, unlike the table in Question 26, the table in Question 41 directs advisers to qualifying hedge funds to classify each type of borrowing by creditor type (*i.e.*, U.S. depository institution, U.S. creditors that are not depository institutions, and non-U.S. creditors) and to provide additional classifications of collateral by type (*e.g.*, by breaking out government securities from other securities, and identifying other types of collateral or credit support (including the face amount of letters of credit and similar third party credit support)).[108] The table in Question 41 also requires reporting of the qualifying hedge fund's aggregated borrowing and collateral received and lending and posted collateral as of the end of each month of its reporting period, as opposed to as of the end of the reporting period required in Question 26 for smaller hedge funds. Furthermore, advisers to qualifying hedge funds must report in this table the expected increase in collateral required to be posted by the reporting fund if the margin increases by one percent of position size for each type of borrowing or other transaction.[109] The Commissions adopted this requirement to allow for an assessment of qualifying hedge funds' vulnerability to changes in financing costs and identification of funds that are most sensitive to potential margin changes.[110] The requirement was also designed to provide a standardized way to obtain data on funds' vulnerability to margin increases that is easy to scale up for analysis purposes and allows for uniform

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107 *See* General Instruction 9 of Form PF for applicable reporting periods for large hedge fund advisers and all other advisers. Large hedge fund advisers must update the Form PF within 60 calendar days after the end of each calendar quarter. All other advisers must file annual updates to their Form PF within 120 days after the end of their fiscal year.

108 *See* Question 41 of Form PF. *See also* 2024 Form PF Adopting Release at section II.C.2.b.

109 *See* Form PF Question 41, subsections (b)(vii), (c)(vi), (d)(vi), (e)(vi), and (f)(viii). In some subsections, the instructions appear to mistakenly require advisers to report the expected change in collateral if the required margin increases by one percent, rather than by one percent of the position size.

110 2024 Form PF Adopting Release at section II.C.2.b.

comparisons across hedge funds to see which funds have lockup agreements and which funds do not.[111]

Since the adoption of the 2024 amendments, filers have highlighted significant challenges associated with completing the new consolidated counterparty exposure tables, particularly the table in Question 41 which requires more granular reporting by collateral type (e.g. government securities, securities and other collateral) for each type of borrowing, lending or transaction (e.g. borrowing via prime brokerage or repo and reverse repo) than Question 26. Several filers voiced concerns that prime brokers report collateral on a pooled basis to funds and do not generally unbundle classifications of collateral by asset type.[112] For example, prime brokers may not break out government securities from other types of securities when reporting collateral, as required by Question 41. As such, the operational burdens of providing classifications of collateral for each type of borrowing, lending or transaction may be particularly pronounced for Question 41 because it requires additional unbundling and tracing of collateral in a manner that does not align with the typical practices of prime brokers. Filers also expressed that it is burdensome to report the expected increase in collateral from the one percent margin increase, because it necessitates hundreds or potentially even thousands of calculations. Furthermore, filers emphasized the significant difficulty of interpreting and responding with granular accuracy to the detailed sub-parts of Question 41.

In responding to these concerns, the Commissions propose to remove Question 41 from section 2 and to instead require qualifying hedge funds to complete the simpler consolidated counterparty exposure table in Question 26. By completing the table in Question 26, large hedge fund advisers to qualifying hedge funds would report each type of collateral based on fewer classifications

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111 *Id*.

112 *See*, *e.g*., AIMA Letter II.

within each borrowing, lending or transaction type in the consolidated counterparty exposure table.[113] Moreover, qualifying hedge funds would not be required to report the expected increase in collateral from the one percent margin increase that is currently required to be reported in Question 41.[114]

Unlike other hedge funds, however, qualifying hedge funds would be required to report in Question 26 collateral posted and received as of the end of each month of their reporting period, consistent with the reporting intervals in the table in the current Question 41. We propose to retain the monthly reporting of collateral obligations for qualifying hedge funds because the size of large hedge funds and therefore their broader interconnectedness to the financial markets merit more regular reporting to aid the FSOC's ability to monitor interim changes in exposures that may be relevant to systemic risk assessment that are not visible from less than monthly data.

The elimination of Question 41 would not significantly diminish the Commissions' and FSOC's ability to monitor systemic risk and protect investors because Questions 26, 42 and 43 along with other questions on Form PF, would continue to facilitate the tracking of large hedge funds' collateral practices and their credit exposure to counterparties as well as the exposure that creditors and other counterparties have to large hedge funds.[115] For more detailed information on counterparty exposures, the Commissions and FSOC would instead rely on the data filed in response to Questions 42 and 43, which, with certain proposed amendments specified below, would provide information on

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113 *But see* proposed Question 18 of Form PF which requires all reporting funds to report the value of the reporting fund's total borrowings and to classify creditors by type (*i.e.*, U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors).

114 *See supra* footnote 108 and accompanying text.

115 *See infra* section III.C.13 for a more detailed discussion of the benefits and costs of the proposed changes to counterparty exposure reporting by large hedge fund advisers, and *infra* section III.F.5 for the reasonable alternatives considered.

borrowing arrangements with significant counterparties and creditors of large hedge funds while reducing reporting burdens associated with Question 41.[116]

In connection with the proposal to remove Question 41, we propose a conforming amendment to Question 18 in section 1b, which is required for all hedge funds, so that advisers to large hedge funds must report there information regarding the value of the reporting fund's total borrowings and classify creditors by type (*i.e.*, U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors).[117]

We also propose amendments to conform Question 42 and Question 43 to the table in Question 26, as responses to these questions are based on calculations performed to complete the consolidated counterparty exposure table.[118] The conforming changes to subsection (a) of Question 42 would result in less burdensome breakdown of collateral required of the top five counterparties of the reporting fund in response to both Questions 42 and 43.

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116 *See* current Questions 42 and 43 of Form PF. Question 42 currently requires advisers, for each of their qualifying hedge funds, to identify significant creditors and counterparties. In current subsection (a) of Question 42, advisers must complete a detailed individual counterparty exposure table, which includes a break out of borrowings and lending by type, for the top five creditors and counterparties to which the reporting fund owed the greatest dollar amount in cash borrowing entries. In current subsection (b) of Question 42, advisers must identify and provide less detailed information (for example, unlike subsection (a), current subsection (b) does not require advisers to categorize borrowings by type) about creditors and counterparties (including CCPs) that were not the top five listed in the individual counterparty exposure tables, but to which the reporting fund owed an amount in respect of cash borrowing entries which is equal to or greater than either (1) 5% of the reporting fund's net asset value as of the data reporting date, or (2) $1 billion. As discussed below, the proposed changes to Question 42 would direct advisers to report on all borrowings (as opposed to cash borrowing entries) from significant counterparties and creditors of qualifying hedge funds. *See* proposed Question 42 of Form PF. In current Question 43, advisers are required, for each of their qualifying hedge funds, to identify all counterparties (including CCPs) to which a fund has net mark-to-market counterparty credit exposure after collateral that equals or is greater than either (1) five percent of the fund's net asset value or (2) $1 billion. As discussed below, proposed changes to Question 43 would direct advisers to calculate net mark-to-market counterparty credit exposure using borrowing entries (as opposed to cash borrowing entries) and lending entries (as opposed to cash lending entries). *See* proposed Question 43 of Form PF and *infra* footnote 123.

117 *See* proposed Question 18 of Form PF.

118 *See* proposed Question 42 of Form PF. The individual counterparty exposure table in proposed Question 42 would remove references to the additional classifications of collateral that the consolidated counterparty exposure table in Question 26 does not have. Revisions to Question 43, which flows from the individual counterparty exposure table in Question 42, would be reflected in the schema for Question 43.

Relatedly, we propose conforming amendments to amend instructions for Questions 42 and 43 as a result of the proposed elimination of the consolidated counterparty exposure table under Question 41 as well as conforming amendments to certain definitions in the Form PF Glossary of Terms to remove references to Question 41.[119]

In addition to the removal of Question 41 and related conforming amendments discussed above, the Commissions propose amendments to Question 42 and conforming changes to Question 43 in order to retain detailed information on counterparty exposures relevant to monitoring and assessing systemic risk.[120] To retain information on the type of counterparty exposure for all borrowings to significant counterparties and creditors of qualifying hedge funds, which is important to monitoring and assessing systemic risk, the Commissions propose to amend Question 42 to require large hedge fund advisers to report on all borrowings[121] rather than only cash borrowings, and to categorize in subsection (b) of Question 42 the borrowing entries by type (*i.e.*, unsecured borrowing, secured borrowing (prime brokerage or other brokerage agreement), secured borrowing via repo and reverse repo, other secured borrowing, derivative positions cleared and uncleared by a CCP)[122] from all significant counterparties and creditors of qualifying hedge funds.[123] Relatedly, we propose

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119 *See* proposed Form PF Glossary of Terms (definitions of "cash borrowing entries," "cash lending entries," "consolidated counterparty exposure table", "collateral posted entries" and "collateral received entries"). In addition, the definition of "individual counterparty exposure table" would be amended to correct an error. The definition currently mistakenly refers to Question 41 in addition to Question 42. Under the proposed amendments, this error would be corrected to refer to Questions 42 and 43.

120 *See* proposed Question 42 of Form PF.

121 *See* proposed Form PF Glossary of Terms (definition of "borrowing entries"). In current Question 42 of Form PF, the instructions for completing subsection (b) state that advisers must report "cash borrowing entries" in column (d), whereas column (d) of the table in subsection (b) refers to "Borrowing". The proposed change would reconcile this difference by amending the instructions for completing subsection (b) of Question 42 to instruct filers to report all borrowings (*i.e.*, "borrowing entries" as defined in the proposed Form PF Glossary of Terms) in column (d) of subsection (b).

122 Instructions for completing subsection (b) of Question 42 would be amended to direct advisers to report "the dollar amount of each type of borrowing in rows *(d)(1)* through *(d)(6)*." *See* proposed Question 42 of Form PF.

123 A counterparty or creditor is significant if the reporting fund borrows from such counterparty an amount that is equal to or greater than either five percent of its net asset value as of the data reporting date or $1 billion. *See* proposed Question 42 of Form PF.

conforming changes to the instructions for calculating the reporting fund's net mark to market counterparty credit exposure in Question 43 to revise references to "cash borrowing entries" to "borrowing entries" and "cash lending entries" to "lending entries".[124]

Information on all borrowings and borrowing types are requested on a consolidated basis under current Question 41, which would be removed under this proposal. Because this information provides critical insight into large hedge funds' interconnectedness to the broader financial system and is often integrated with other data sets that enhance systemic risk assessment, we propose to retain this information for qualifying hedge funds' significant counterparty exposures. Proposed Question 42 would provide reporting that corresponds to Question 41, but only for significant counterparties of the qualifying hedge fund, without the margin increase reporting, and with the less burdensome collateral breakdown required only for the top five counterparties of the qualifying hedge fund. As a result, the proposed counterparty reporting would provide the information the Commissions and FSOC should need to assess systemic risk or investor protection concerns relating to counterparty exposures and borrowing but with substantially limited reporting burdens.

We do not expect any significant impacts from these proposed changes to simplify large hedge fund reporting on the Commissions' and the FSOC's ability to monitor and identify systemic risk and to protect investors because the Commissions and FSOC have alternative means by which

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124 *See* proposed Question 43 of Form PF; proposed Form PF Glossary of Terms (definition of "lending entries"). Under proposed Question 43, for counterparties to which the reporting fund had net borrowing exposure, the reporting fund's net mark to market counterparty credit exposure before collateral would equal the reporting fund's borrowing entries, and the reporting fund's net mark to market counterparty credit exposure after collateral would be the amount (if any) by which the collateral posted entries exceed such borrowing entries. *See supra* footnote 120. For counterparties to which the reporting fund had net lending exposure, the reporting fund's net mark to market counterparty credit exposure before collateral would mean the lending entries. The reporting fund's net mark to market counterparty credit exposure after collateral would equal the amount (if any) by which the reporting fund's lending entries exceed the collateral received entries.

information is collected on large hedge funds' counterparty exposures.[125] For example, the information Question 26 collects would facilitate the Commissions' and FSOC's understanding of large hedge funds' borrowing and financial relationships, counterparty exposures, collateral practices, and the interconnectedness of large hedge funds within the broader financial services industry. Importantly, the table in Question 26 would obtain information regarding both borrowing and lending practices of large hedge funds and their collateral obligations on a monthly basis. This information would provide the Commissions and FSOC with a bilateral picture of large hedge funds' borrowing and financing arrangements and sufficiently granular data to be able to monitor potential contagion risks of any particular counterparty failure in rapidly changing markets and portfolios, to assess who may be impacted by a reporting fund's failure. Although we recognize that the classifications of collateral within each borrowing, lending or transaction category as required in Question 26 may be challenging in some instances for advisers to the extent counterparties do not track this information, the burdens should be mitigated by the simplification of consolidated counterparty exposure reporting by eliminating Question 41. To the extent Question 26 may nevertheless continue to pose challenges for advisers, we request comment on ways to alleviate burdens while retaining the information necessary to fulfill the Commissions' and the FSOC's systemic risk assessment and investor protection objectives.

The Commissions and FSOC would also receive, through proposed Question 18, information on large hedge funds' total borrowings and creditor types broken out into the same categories that the table in Question 41 had requested (*i.e.*, U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors).[126] Moreover, as discussed above, the proposed

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125 *See infra* section III.C.13 for a more detailed discussion of the benefits and costs of these proposed changes to counterparty exposure reporting by large hedge fund advisers.

126 *See* proposed Question 18 of Form PF.

changes to Question 42 would collect more detailed information such as types of borrowing from significant counterparties and creditors of large hedge funds. In the absence of Question 41, the aggregate reporting under Question 18 combined with reporting under Question 26 and proposed Question 42 would still be appropriate and sufficient for purposes of the Commissions' and FSOC's ability to monitor borrowing practices across the private fund industry and the level of interconnectedness of large hedge funds to banks and the broader financial system. Moreover, Question 42 and Question 43 would continue to obtain other detailed information about qualifying hedge funds' significant individual counterparties,[127] which should help the Commissions and FSOC to localize accurately a large hedge fund's risk exposure in the event of a particular counterparty failure.[128]

We also have alternative means through which we can sufficiently determine a reporting fund's sensitivity to margin increases from other questions on Form PF.[129] These alternate means afford FSOC the ability to collect and determine information relevant to monitoring systemic risk. For example, the following questions concerning liquidity would help identify funds that are sensitive to potential margin changes: Question 20, which requires advisers to report assets and liabilities categorized by the fair valuation hierarchy, and Question 37, which requires advisers to report the percentage by value of the reporting fund's positions that may be liquidated within certain specified periods. Together these questions help identify funds that are sensitive to potential margin changes because they help identify the ability of a reporting fund to meet a margin call by selling liquid assets. These alternative ways provide FSOC with sufficient information to monitor and assess systemic risk.

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127 *See* proposed Question 42 and Question 43 of Form PF. *See also infra* III.C.13 for a more detailed discussion of the benefits and costs of the proposed changes to counterparty exposure reporting by large hedge fund advisers.

128 *See* 2024 Form PF Adopting Release at section II.C.2.d.

129 *See also infra* section III.C.13 for a more detailed discussion of the benefits and costs of the proposed changes to counterparty exposure reporting by large hedge fund advisers.

The Commissions also seek comment on the burdens on advisers with respect to netting counterparty exposures and cross-margining in response to Question 26, Question 27, Question 28, Question 42 and Question 43. Question 26 directs advisers to net the reporting fund's exposure to each counterparty and among affiliated entities of a counterparty and associated collateral. Hedge fund advisers that are not large hedge fund advisers are required to report certain significant individual counterparty exposures including borrowing and collateral posted by the reporting fund in response to Question 27 and Question 28, whereas large hedge fund advisers to qualifying hedge funds must report on the fund's significant individual counterparty exposures in response to Question 42 and Question 43. These questions also include detailed instructions on netting the exposure to each counterparty, which were designed to help ensure data quality and comparability.[130]

For example, in Question 26, netting must be used to reflect net cash borrowed from or lent to a counterparty but must not be used to offset securities borrowed and lent against one another, when reporting prime brokerage and repo/reverse repo transactions.[131] Since the adoption of the 2024 amendments, however, several members of the industry highlighted the significant burdens of answering these questions and continued interpretive challenges with the netting instructions in the form. In particular, reporting netted individual counterparty exposure may be operationally challenging with respect to blended margin arrangements (*e.g.*, cross-margining agreements). Although Form PF provides instructions on how to net exposures and account for cross-margining agreements,[132] these instructions have not alleviated interpretive challenges because advisers cannot

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130 *See* 2024 Form PF Adopting Release at n.227.

131 *See* Question 26 of Form PF.

132 For example, Question 42(a)(iii) instructs as follows: "check this box if one or more prime brokerage agreements provide for cross-margining of derivatives and secured financing transactions. If you have checked this box, and collateral does not clearly pertain to secured financing vs. derivatives transactions, report exposures and collateral as follows: . . . enter any additional collateral gathered by the prime broker under a cross margining agreement on lines (iii)(B),(C), (D), and (E)." *See also* 2024 Form PF Adopting Release at n.402 and accompanying text.

necessarily align associated collateral with the borrowing, lending or transaction categories in the counterparty exposure tables (*e.g.*, breaking out netted counterparty exposures by different transaction type and type of collateral as requested by Question 26 and the following questions on individual counterparty exposures in Question 27, Question 28, Question 42 and Question 43). Filers have also expressed difficulty with interpreting the netting instruction in Question 26 mentioned above as it relates to reporting prime brokerage and repo/reverse repo transactions.

The concerns raised by members of the industry indicate that adjustments to the instructions may be needed to better align them with how counterparty balances are reported to advisers in practice and to better balance the filing burdens on advisers and the need for the Commissions and FSOC to collect information necessary to monitor hedge funds' borrowings and counterparty credit exposures.

We request comment on the proposal to eliminate Question 41, as well as the proposed changes to Question 42 and Question 43, and to the conforming amendments to certain terms in the Form PF Glossary of Terms and to Question 42 and Question 43 to align them with Question 26; we also request comment on reporting netted consolidated and individual counterparty exposures in response to Question 26, Question 27, Question 28, Question 42 and Question 43:

65. Should the Commissions eliminate Question 41? Why or why not?
66. Would the proposed deletion of Question 41 impede our ability to appropriately collect information about counterparty exposures in the large hedge fund industry necessary and appropriate for the assessment of systemic risk? Why or why not?
67. Would removing Question 41 meaningfully alleviate burdens on large hedge fund advisers? Why or why not? Should any adjustments be made to Question 26 to alleviate burdens on large hedge fund advisers?

68. Are any additional amendments or clarifications needed for Question 42, Question 43 and certain definitions in the Form PF Glossary of Terms discussed above, in light of the proposed removal of Question 41?
69. Should the Commissions amend Question 42 as proposed? Why or why not?
70. Are any clarifications or adjustments needed to the definitions of "borrowing entries" and "lending entries" added to the Form PF Glossary of Terms in light of the proposed changes to Question 42?
71. Would the proposed changes to Question 42 help our ability to appropriately collect information about counterparty exposures in the large hedge fund industry necessary and appropriate for the assessment of systemic risk? Why or why not?
72. Would the proposed changes to Question 42 increase burdens on large hedge fund advisers? Why or why not? Should any adjustments be made to Question 42 to alleviate burdens on large hedge fund advisers?
73. Should the proposed changes to the borrowing column in subsection (b) of Question 42 include classifications for derivatives positions? Why or why not? Would requiring classifications for derivatives positions increase burdens on large hedge fund advisers? Why or why not? Should advisers instead be allowed to include derivatives positions under "other secured borrowing" or alternatively under a new category "other borrowing"?
74. Should the proposed changes to subsection (b) of Question 42 include a requirement to provide lending (in U.S. dollars) by the reporting fund to other creditors and counterparties identified therein and classifications of such lending (in U.S. dollars) (*e.g.*, secured lending (prime brokerage or other brokerage agreement), secured lending via repo and reverse repo, other secured lending, derivative positions cleared by a CCP, and derivative positions not cleared by a CCP)? Why or why not?

75. Should the data reported in column (d), subsection (b) of Question 43 be amended to categorize the type of borrowings (*e.g.*, via repo/reverse repo, prime brokerage, *etc*.) from all significant counterparties and creditors of qualifying hedge funds? Why or why not?
76. Should any of the types of borrowing, lending or transactions (*e.g.*, unsecured, secured borrowing and lending under a prime brokerage agreement, secured borrowing and lending via repo or reverse repo, other secured borrowing and lending, derivatives cleared by a CCP, and uncleared derivatives) be eliminated, separated or consolidated in Question 26, Question 27, Question 28, Question 42 and Question 43? Why or why not?
77. Should any of the classifications of collateral (*e.g.*, cash and cash equivalents, government securities and other securities) be eliminated or consolidated in Question 26, Question 27, Question 28, Question 42 and Question 43? Why or why not?
78. Are the instructions around netting counterparty exposures in Question 26, Question 27, Question 28, Question 42 and Question 43 burdensome and/or unclear? If so, how should the Commissions modify these instructions to alleviate burdens on large hedge fund advisers or provide greater clarity? Are the instructions around netting counterparty exposures inconsistent with respect to affiliates? If so, how?
79. In light of the information required to be reported in response to Questions 18, 26, 27, and 28, should qualifying hedge funds respond to Questions 27 and 28 instead of Questions 42 and 43? Do the benefits of the requested information in Questions 42 and 43 outweigh their costs, taking into account the information provided in response to Questions 18, 26, 27, and 28?
80. Alternatively, should the Commissions eliminate Question 27 and Question 28 to focus significant counterparty exposure reporting on large hedge fund advisers? As another alternative, should the Commissions eliminate Question 28 to focus the more complicated

netted significant counterparty exposure reporting on large hedge fund advisers? Why or why not?

81. Do cross-margining agreements make it difficult for an adviser to trace what collateral has been posted or received for certain transactions? Why or why not?
82. Should counterparty exposure reporting be based on net exposures as proposed, or instead gross exposures? Why or why not?
83. Instead of the current netting and cross-margining instructions, should filers be permitted to use their own internal methodologies with respect to netting and cross-margining agreements? If filers would be permitted to use their own such internal methodologies, would that provide better or worse insight into counterparty exposures and counterparty interconnectedness than the proposed instructions? If filers were permitted to use their own internal methodologies, would that provide better or worse ability to compare and aggregate counterparty exposures across advisers?
84. Is there a better way to determine whether the reporting fund and its counterparties are either overcollateralized or undercollateralized? If so, please describe how and provide example language.
85. When reporting prime brokerage and repo/reverse repo transactions, do the instructions in Question 26 that require netting to reflect net cash borrowed from or lent to a counterparty but do not require filers to offset securities borrowed and lent against one lead to inconsistent, inaccurate or misleading information necessary to monitor for the assessment of systemic risk? Why or why not?
86. Would these netting instructions in Question 26 lead to inconsistent, inaccurate or misleading information when comparing reported data across Question 26, Question 42 or 43?

87. Do the netting instructions in Question 26 lead to the accurate identification of material counterparties reported in Question 42 and 43? Why or why not?
88. Should the netting instructions in Question 26 require netting of both cash and securities in order to identify counterparty credit risk? Why or why not?
89. Proposed instructions for completing subsection (a) of Question 42 would direct advisers to complete the individual counterparty exposure table for the five creditors and counterparties to which the reporting fund owed the greatest dollar amount in borrowing entries (before posted collateral). Instructions in proposed Question 43 would direct advisers to provide the information required by the individual counterparty exposure table at subsection (a) for the five counterparties to which the reporting fund had the greatest dollar net mark to market counterparty credit exposure after collateral, calculated using borrowing entries and lending entries. Will amending the instructions in Question 42 and Question 43 from identifying each creditor or other counterparty to which the reporting fund owed an amount in respect of cash borrowing entries to all borrowing entries, and amending the instructions for calculating net mark to market counterparty exposure for purposes of Question 43(a) to refer to borrowing entries (as opposed to cash borrowing entries) and lending entries (as opposed to cash lending entries), result in a different set of top five counterparties required to be reported in subsection (a) of Question 42 and top five counterparties required to be reported in subsection (a) of Question 43? If so, please describe how.
90. Should the instructions to Question 27, Question 28, Question 42, and Question 43 reference only cash borrowing entries, or all borrowings of the reporting fund (both cash and non-cash)? Why or why not?

91. Should the definition of "collateral posted entries"[133] be amended to include additional entries or to remove certain entries from the reporting fund's consolidated counterparty exposure table? For example, should all cash collateral entries be included in "collateral posted entries"? Why or why not?

M. Eliminate Rehypothecation Reporting

The Commissions propose to remove Question 45 of Form PF, eliminating the requirement that advisers to qualifying hedge funds report the percentage of the total amount of collateral and other credit support that counterparties have posted to the reporting fund that may be rehypothecated and that the reporting fund has rehypothecated. To date, the reporting for Question 45 has not resulted in reliable data, and it continues to be operationally challenging and burdensome for advisers to obtain the required information.

Since 2011, Form PF has required advisers to qualifying hedge funds to report certain information regarding rehypothecation of the reporting fund's aggregate collateral. Specifically, Question 38 of Form PF prior to the 2024 amendments required qualifying hedge funds to provide the percentage of the total amount of collateral and other credit support that counterparties had posted to the reporting fund that may be rehypothecated and that the reporting fund had rehypothecated.[134] Qualifying hedge funds were also required to provide the percentage of the total amount of collateral and other credit support that the reporting fund had posted to counterparties that may be rehypothecated.[135] This information was designed to assist FSOC in, among other things, monitoring the liquidity of hedge fund exposures as well as hedge funds' ability to respond to market stresses and

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133 *See* Form PF Glossary of Terms (definition of "collateral posted entries").

134 *See* Question 38(a)(i) and Question 38(a)(ii) of the Form PF prior to the 2024 amendments, *available at* https://www.sec.gov/files/rules/final/2011/ia-3308-formpf.pdf

135 *See* Question 38(b) of the Form PF prior to the 2024 amendments, *available at* https://www.sec.gov/files/rules/final/2011/ia-3308-formpf.pdf

their interconnectedness to counterparties.[136] As part of the 2024 amendments (which redesignated Question 38 as Question 45), the Commissions eliminated the requirement for large hedge fund advisers to report the percentage of the total amount of collateral and other credit support that the reporting fund had posted to counterparties that may be re-hypothecated. The Commissions adopted this change because such reporting was burdensome for advisers, and the data that was obtained was generally not reliable.[137] This was because advisers could not easily collect and report the required information as re-hypothecation commonly occurs from omnibus accounts into which advisers generally do not have visibility.[138] The 2024 amendments, however, retained the requirement that large hedge fund advisers report information regarding the rehypothecation of collateral and other credit support that counterparties have posted to the reporting fund.[139]

Although the burdens on advisers were expected to be reduced by the elimination of rehypothecation reporting with respect to collateral posted by the reporting fund, filers continued to identify data challenges as they prepared to implement reporting under Question 45. Filers have highlighted the operational challenges of identifying the exact percentages of rehypothecated collateral after disregarding cash collateral per SEC staff FAQs, and due to the fact that agreements with counterparties typically do not stipulate the exact percentages at which posted collateral may be rehypothecated (for example, counterparty agreements may have a rehypothecation limit stated as a

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136 *See* Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Investment Advisers Act Release No. 3145 (Jan. 26, 2011), 76 FR 8,068 (Febr. 11, 2011) at section II.C.2.b.

137 *See* 2024 Form PF Adopting Release at section II.C.2.b.

138 *See id*.

139 Because counterparties typically do not track rehypothecation of cash collateral, the SEC staff retained its FAQ permitting advisers not to include cash collateral when responding to questions regarding the rehypothecation of collateral and other credit support by the reporting fund. *See* SEC staff Form PF Frequently Asked Question 45.1, *available at* https://www.sec.gov/rules-regulations/staff-guidance/division-investment-management-frequently-asked-questions/form-pf-faq; *see also* Historical SEC staff Form PF Frequently Asked Question 38.1, *available at* https://www.sec.gov/rules-regulations/staff-guidance/division-investment-management-frequently-asked-questions/historical-form-pf-faqs

maximum percentage of the reporting fund's total indebtedness to a counterparty, rather than as a percentage of the total collateral posted). Moreover, data received in response to Question 38 (redesignated as Question 45 as part of the 2024 amendments) have generally been imprecise and not comparable, as advisers have typically answered with rough estimates, *e.g.*, "0%" or "100%", with accompanying assumptions based on the parameters set by their counterparty agreements. The operational challenges in responding to Question 38 (currently Question 45 after the 2024 amendments) has resulted in data that does not provide an accurate picture of hedge funds' counterparty exposures in a manner that is meaningful to monitoring the level of their interconnectedness to the financial markets.

The Commissions therefore believe the question is unnecessary and that removing this question would not significantly impact FSOC's ability to monitor systemic risk and financial stability.[140]

We request comment on the proposal to eliminate Question 45:

92. Should the Commissions, as proposed, eliminate Question 45 in its entirety? If not, what information should be retained? If Question 45 is retained, should the Commissions alter the type of information required in this question?
93. Would removing Question 45 meaningfully alleviate burdens on private fund advisers?
94. Would the proposed elimination of Question 45 impede our ability to appropriately collect information about the private fund industry necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?
95. Is there an alternative way that the SEC should identify the amount of rehypothecation that occurs with respect to collateral posted to the reporting fund?

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140 *See infra* section III.C.14 for a more detailed discussion of the benefits and costs of eliminating Question 45.

N. Amendments to Large Hedge Fund Adviser Current Reporting

The SEC proposes to amend certain items within section 5, the section of Form PF that requires large hedge fund adviser current reporting. Currently, section 5 requires large hedge fund advisers to report the occurrence of extraordinary investment losses, certain margin events, counterparty defaults, material changes in prime broker relationships, operations events, and certain events associated with redemptions "as soon as practicable, but no later than 72 hours" after the occurrence of the event or when the adviser reasonably believes the event occurred.

The SEC is proposing to (1) remove the requirement to file a current report "as soon as practicable" so that large hedge fund advisers are afforded a full 72 hours to file a current report; (2) remove Item D, the current reporting obligation for margin default or determination of inability to meet a call for margin, collateral or equivalents; (3) amend Item G to narrow the meaning of an "operations event" by deleting the second prong of the definition of "critical operations;" and (4) remove the requirement to file a current report if a qualifying hedge fund is unable to pay a redemption request under Item I. The SEC is also requesting comment on whether the agency should revise the reporting trigger for section 5 Item I or remove this question.

1. Modify the Current Reporting Filing Deadline

The SEC proposes to remove the requirement to file a section 5 current report "as soon as practicable" after a reportable event so that large hedge fund advisers would only be required to file no later than 72 hours after the reportable event.[141] Currently, upon the occurrence of any event specified in section 5, a large hedge fund adviser to a qualifying hedge fund must file a current report "as soon as practicable, but no later than 72 hours" after the reportable event.

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141 *See* Form PF section 5.

The SEC added section 5 current reporting in 2023 to receive timely notice of certain critical hedge fund events to better allow the SEC and FSOC to assess the need for potential regulatory action in response to any harm to investors or potential risks to financial stability on an expedited basis before they worsen.[142] The SEC adopted the "as soon as practicable, but no later than 72 hours" timing standard in a change from its proposal to require filing within one business day, explaining that the extended window would provide advisers with sufficient time to identify events and conduct sufficient analysis to review and file timely current reports.[143]

However, since current reporting has come into effect, industry members have noted that this standard is inconsistent with the filing deadline used on other SEC forms. Such forms also have similar time-based filing deadlines, but they do not include an additional obligation to file "as soon as practicable."[144]

Industry members have explained that the "as soon as practicable" standard creates unnecessary burdens around the determination of when to file a current report while the adviser is already under time-sensitive and potentially stressed circumstances. An adviser might need to expend additional resources on internal and external counsel for guidance regarding when it is required to file a current report. Practically, such adviser might need to weigh the risk of filing a potentially inaccurate current report in advance of 72 hours because it is "practicable" against the risk of taking more time to file a more accurate report and have it deemed late even though it was filed with 72 hours. A definite 72-hour deadline would reduce the need for an adviser, already under potentially stressed conditions, to expend resources on counsel to help guide it through this analysis.

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142 *See* May 2023 Form PF Adopting Release at section II.A.1.

143 *See id.*

144 *See, e.g.*, Form N-CR, Form N-RN, and Form 8-K.

While the removal of the "as soon as practicable" standard may result in some current reports being filed later than under the existing standard (but still no later than 72 hours after a reportable event), the SEC expects that any difference in filing time between "as soon as practicable" and 72 hours would not significantly hinder its ability to respond.[145] The SEC anticipates that the improvement in the completeness and quality of information in the current reports would further support FSOC's assessment of systemic risk and the SEC's investor protection efforts, while reducing filers' burdens.

The SEC requests comment on the proposed change to the current reporting filing deadline:

96. Should the SEC delete the language "as soon as practicable" from the filing deadline? Why or why not?
97. Is the SEC's description of how filers attempt to comply with the "as soon as practicable" standard accurate? Why or why not? Do filers in fact expend meaningful resources on internal and external counsel for guidance to help determine the appropriate time to file a current report?
98. Is the 72-hour filing deadline too short or too long? Why or why not? Should the filing deadline instead be expressed in business days, such as three business days? Why or why not?
99. Should the Commissions eliminate the current reporting requirements?

2. Eliminate Current Reporting for Notice of Margin Default or Determination of Inability to Meet a Call for Margin, Collateral or Equivalents

The SEC proposes to eliminate from section 5 the obligation for an adviser to report a qualifying hedge fund's margin default or inability to meet a call for margin, collateral, or an equivalent ("Item D").[146]

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145 *See infra* section III.C.15 for a more detailed discussion of benefits and costs of modifying the section 5 filing deadline.

146 *See* Form PF section 5, Item D.

The SEC adopted this item in 2023 because qualifying hedge funds that default or that are unable to meet a call for margin are at risk of the counterparty liquidating that fund's assets, which to the SEC presents serious risks to the fund's investors, its counterparties, and potentially the broader financial system.[147] At that time, the SEC declined to limit the reporting trigger only to "large" margin defaults or to certain trades, strategies, or positions based on an understanding that such limits could hinder the SEC's or FSOC's ability to receive sufficiently early or fulsome information to identify and help prevent potential contagion.[148]

Since the 2023 adoption, the SEC has observed that reporting of material margin default events are likely to overlap with other triggers that large hedge fund advisers also report, such as extraordinary investment losses or margin increases, in Items B and C, respectively. For example, a fund's inability to meet margin calls due to an adverse market move against a concentrated position may trigger extraordinary investment losses reporting under Item B in section 5, margin increase reporting under Item C in section 5, or potentially both. Additionally, the SEC understands that some large hedge fund advisers have found it operationally burdensome to monitor for Item D on a continuous basis due to the lack of a materiality threshold and the difficulty in determining what constitutes the inability to meet a call for margin, collateral, or equivalents.[149] Therefore, to the extent a margin default would be captured by other requirements of Form PF, removing Item D would result in reduced burdens for filers while still retaining an alternative route to obtaining information about a material margin event from qualifying hedge funds.

147 *See* May 2023 Form PF Adopting Release at section II.A.3.b.

148 *See id.*

149 *See infra* section III.C.15 for a more detailed discussion of benefits and costs of deleting Item D.

The SEC requests comment on the proposed change to eliminate the current reporting obligation for a fund's margin default or inability to meet a call for margin, collateral, or an equivalent:

100. Should the SEC remove Item D in its entirety? Why or why not?

101. If Item D should not be removed in its entirety, should it be revised? If so, how? For example, should the SEC add a threshold to narrow the reporting requirement to material margin defaults? If so, how should that threshold be calculated? Or could the SEC include a trigger, such as limiting reporting only to written notices of default as per an adviser's counterparty agreements?

102. Are the reporting requirements in Item B and C of section 5 sufficient to identify qualifying hedge funds that are experiencing stress relating to margin or collateral?

3. Streamline Reporting of "Operations Events"

The SEC proposes to amend section 5 Item G ("Item G") by narrowing what constitutes an "operations event" that triggers current reporting.[150] Currently, large hedge fund advisers to qualifying hedge funds must file Item G if an "operations event" occurs. An "operations event" occurs when "a reporting fund or private fund adviser experiences a significant disruption or degradation of the reporting fund's critical operations." The current form defines "critical operations" to mean the "operations necessary for (i) the investment, trading, valuation, reporting, and risk management of the reporting fund; or (ii) the operation of the reporting fund in accordance with the Federal securities laws and regulations."

The SEC proposes to streamline the definition of an "operations event" by incorporating the first prong of "critical operations" directly into the definition of an "operations event" while

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150 *See* Form PF section 5, Item G and Form PF Glossary of Terms.

eliminating the second prong of "critical operations," and removing all other references to "critical operations," including in the Glossary of Terms. As a result, the proposed definition of an "operations event" would capture when the reporting fund or private fund adviser experiences a significant disruption or degradation of the operations necessary for the investment, trading, valuation, reporting, and risk management of the reporting fund, whether as a result of an event at a service provider to the reporting fund, the reporting fund, or the adviser.

The SEC added Item G in 2023 because an operations event involving a qualifying hedge fund can have systemic risk implications if the fund is not able to trade as a result of such an event, or notice of operation events from multiple advisers could provide an early indicator of market-wide operations events.[151] While the first prong of the "critical operations" definition captures specific "key operations" that could be critical, the second prong is a broader catchall for other situations that might directly or indirectly cause a fund or adviser to be unable to comply with laws and regulations such as an adviser's fiduciary duty. In the 2022 proposal, the SEC explained that the definition implied that both prongs must be met to trigger a reportable event, but the final amendments changed the conjunction between the two prongs from "and" in the proposal to "or" in the 2023 release to specify that the SEC "intended for each provision of the definition to be considered a key operation."[152]

However, since current reporting came into effect, large hedge fund advisers have had difficulty interpreting the scope of the second prong and therefore whether certain types of operations events would require them to file a current report for Item G. For example, it is unclear if a large hedge fund adviser is required to report under the second prong if it experiences an outage that may have an indirect effect on the advisers' ongoing compliance program. Deleting the second prong

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151 *See* May 2023 Form PF Adopting Release at section II.A.6.

152 *See id.* at n. 119.

while keeping the first prong—operations necessary for the investment, trading, valuation, reporting, and risk management of the reporting fund—would focus the scope of the reporting trigger and help large hedge fund advisers to understand exactly what is included in the definition of an "operations event."

Removing the second prong and retaining the items delineated in the first prong is sufficient to identify systemic risk that may be triggered by an operations event at an adviser relative to the burden of retaining the second prong.[153] Therefore, the SEC proposes to delete "or (ii) the operation of the reporting fund in accordance with the Federal securities laws and regulations" from the definition of "critical operations" and fold the simpler definition into the "operations event" trigger definition to help reduce burdens and confusion for filers when determining if an operations event has occurred that triggers a filing. In addition, the SEC proposes to delete the bulleted item "Disruption or degradation of your ability to comply with applicable laws, rules, and regulations" from the options listed in Question 5-29. This change would align Question 5-29 with the proposed change to the definition of "operations event."

The SEC requests comment on the proposed change to the definition of an "operations event":

103. Should the SEC delete the second prong of "critical operations" and remove references to "critical operations" entirely? Why or why not?

104. Should the SEC delete the operations event current reporting trigger entirely? Why or why not?

105. If this second prong language is deleted, would the definition of "operations event" become focused enough for advisers to understand if one has occurred and sufficiently lessen

153 *See infra* section III.C.15 for a more detailed discussion of benefits and costs of focusing the definition of "operations event."

the burden to monitor for such operations event? If not, how should the definition of "operations event" be modified?

106. Are there other terms or situations that the SEC should address to further specify what constitutes an "operations event"?

107. Would the proposed change to the definition of "operations event" unduly weaken investor protection or systemic risk monitoring efforts?

4. Eliminate Current Reporting for Inability to Satisfy Redemption Requests

The SEC proposes to amend section 5 Item I ("Item I") to remove the requirement to file a current report if a qualifying hedge fund is unable to pay a redemption request.[154] Currently, Item I requires a current report to be filed if a reporting fund (1) is unable to pay redemption requests, or (2) has suspended redemptions and the suspension lasts for more than 5 consecutive business days.

The SEC added Item I in 2023 to allow it and FSOC to identify stress at a reporting fund and evaluate the effects of these circumstances on fund investors and the markets more broadly.[155] The SEC stated that the inability to satisfy redemptions or a prolonged suspension of redemptions would provide a potential early warning of a fund's liquidation and potentially allow the SEC or FSOC to analyze or respond to any perceived harm to investors or systemic risks on an expedited basis before they worsen.[156]

Filers have raised concerns, in particular, around interpreting and applying the first prong of this trigger, i.e., determining when a reporting fund is "unable to pay a redemption request." Some filers have asked whether the intent of this prong is to capture all circumstances in which a fund does

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154 *See* Form PF section 5, Item I. In addition, the SEC proposes to delete "was unable to pay or" in Question 5-34 and "and not yet paid" in Question 5-35 to align with this proposed change to the reporting requirement in Item I.

155 *See* May 2023 Form PF Adopting Release at section II.A.7.b.

156 *See id.*

not fulfill a redemption request in cash. Other filers have stated that it is unclear whether a current report is required to be filed if a fund redeems an investor by providing securities (including limited partnership interests in other funds) as a matter of course or at investor request to avoid negative tax consequences. Other investors have stated that this reporting trigger, as currently worded, does not align with industry practice because an "in-kind redemption" generally is not considered a failure to satisfy a redemption request under fund partnership agreements or similar types of contractual arrangements.

Relatedly, in the SEC's experience, reporting under the first prong of Item I has been inconsistent across large hedge fund advisers. Some filers have interpreted this reporting trigger broadly while others have interpreted it narrowly, leading to inconsistent information that can be difficult to compare across large hedge fund advisers. Furthermore, certain other current reporting requirements—including for extraordinary investments losses in Item B and for redemption suspensions lasting more than 5 consecutive business days in the second prong of Item I—already assist the SEC and FSOC with identifying liquidity stress at a qualifying hedge fund. As a result, the filings received under the first prong of Item I generally have not been beneficial to the SEC or FSOC's investor protection efforts or systemic risk assessment. Deleting the first prong of Item I would reduce burdens for filers without significant impact to the SEC or FSOC's investor protection efforts or assessment of systemic risk.

The SEC requests comment on the proposed deletion of the first prong of Item I:

108. Should the first prong of Item I be removed? Why or why not?

109. Does the first prong of Item I, as currently worded, align with industry practice and understanding? Why or why not? Are there certain industry practices that the first prong of Item I should be revised to better reflect?

110. Instead of removing the first prong of Item I, should it be modified to explicitly require reporting if a reporting fund is unable to pay redemption requests in cash? If the first prong of Item I were so modified, should an exception be made if a reporting fund's partnership agreement explicitly permits non-cash redemptions?

111. If the first prong of Item I is not removed, should a reporting adviser be required to make an Item I current report filing automatically in the event that a redemption request is paid in-kind?

112. Should Item I in its entirety by removed?

O. Eliminate Form PF Private Equity Quarterly Reporting in Section 6

The SEC proposes to eliminate Form PF private equity quarterly reporting ("section 6") in its entirety.[157] Currently, advisers to private equity funds that undergo an adviser-led secondary transaction, general partner removal, termination of the investment period, or termination of fund (a "private equity event") must report in section 6 information about such private equity event within sixty calendar days after the end of each calendar quarter. If a private equity event did not occur within the quarter, then the adviser does not need to file under section 6.

The SEC added section 6 to Form PF in 2023 based on the expectation that receiving these reports on a quarterly basis would provide timely notice of these private equity events and important information in connection with the SEC's regulatory programs, including examinations, investigations, investor protection efforts, and policy relating to private fund advisers.[158] At that time, the SEC stated that it expected this section to improve the SEC's and FSOC's ability to evaluate

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157 *See* Form PF General Instruction 3. We also propose to remove any other references to section 6 throughout the form as well as the definitions of "adviser-led secondary transaction," "private equity event reports," and "private equity reporting event" from the Glossary.

158 *See generally* May 2023 Form PF Adopting Release at section II.B for a discussion of the SEC's rationale for this section and its reporting events.

material changes in market trends at the reporting funds by providing information about certain events that could significantly affect both investors and markets more broadly.

The SEC has now received these private equity quarterly reports for more than two years. In that time, we have observed that the events reported in section 6 have proven less impactful for investor protection efforts and monitoring systemic risk in the private equity markets than anticipated. The events reported in section 6 have reflected more idiosyncratic, firm-specific events that are not necessarily an indicator of broader urgent harm. For example, continuation funds have become increasingly common as an industry trend, but an adviser might raise one for any number of reasons, many of which do not signal systemic risk, such as continuing to maximize the value of a high performing asset or providing existing investors liquidity while attracting new investors.

Based on the relatively infrequent number of section 6 filings received to date—combined with the reasons discussed above—the information lost in section 6 for investor protection or the assessment of systemic risk is likely to be small.[159] Meanwhile, section 6 must be filed on a timeframe outside of the regular Form PF reporting frequency for private equity funds, which can be burdensome on affected advisers relative to the reports' low observed relationship in contributing towards investor protection and identifying systemic risk in the private equity markets. Our proposed change to eliminate section 6 would streamline the form by removing information that is not as critical to investor protection or identifying systemic risk as initially expected, further reducing unnecessary burdens on private equity fund advisers.

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[159] *See infra* section III.C.16 for a more detailed discussion of benefits and costs of eliminating section 6.

We request comment on the proposal to eliminate section 6:

113. Should the Commissions, as proposed, remove section 6 in its entirety? If not, what information should be retained? If section 6 is retained, should the Commissions alter the type of information required in the section or the frequency of reporting?

114. Would removing section 6 meaningfully alleviate burdens on private equity fund advisers?

115. Would the proposed elimination of section 6 result in appropriately collecting information about the private equity fund industry necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk?

116. Is there an alternative way that the SEC should identify the private equity events in section 6 such as by requiring reporting of these events annually rather than quarterly? In particular, general partner removals are rare but can raise investor protection concerns. If the SEC were to eliminate section 6, should the SEC move this specific question to section 1 and make it applicable to any type of filing adviser to be reported on an annual basis? Why or why not? What would be the additional burden of responding to this question annually?

P. Other Corrections and Revisions

The Commissions, and the SEC separately, as applicable, propose to make the following corrections and other revisions in Form PF:[160]

- The Commissions and the SEC, as applicable, propose to revise certain section headings to ensure they follow a consistent format.[161] Specifically, each section heading would specify which

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160 *See also infra* section III.C.17 for a more detailed discussion of benefits and costs of these proposed amendments.

161 Proposed sections 2, 3, and 4.

types of advisers are required to complete the section, in a consistent format. This proposed change is not intended to alter the substance of which advisers complete the relevant sections of the form.

- The SEC proposes to correct instructions in sections 3 and 4, and the Commissions propose to simplify the instructions in section 2. Instructions in sections 3 and 4 mistakenly state that, with respect to master-feeder arrangements and parallel fund structures, filers may report collectively or separately about the component funds as provided in the General Instructions. However, General Instruction 6 requires filers to report such component funds separately, subject to specified exceptions.[162] The SEC proposes to correct this mistake by removing the erroneous instruction in sections 3 and 4, and instead relying on General Instruction 6 to instruct filers about how to report component funds. The Commissions also propose to remove the instructions in section 2 about how to report component funds, and instead rely on General Instruction 6 to instruct filers about how to report component funds, to ensure that instructions in sections 2, 3, and 4 follow a consistent format.

- The Commissions propose to simplify instructions for Question 25, by moving certain instructions from General Instruction 15 directly to Question 25. Currently, General Instruction 15 provides that for Question 25 in particular, the numerator that advisers use to determine the percentage of net asset value should be measured on the same basis as gross asset value. General Instruction 15 further provides that responses to Question 25 may total more than 100 percent. We propose to move these instructions, which are specific to Question 25, directly to Question 25, to help ensure that instructions to Question 25 are presented in an efficient manner that helps reduce the amount of cross-referencing filers must do to understand the instructions to Question 25.[163] This proposed change does not alter the substance of any instructions.

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162 *See* 2024 Form PF Adopting Release at section II.A.1.

163 Proposed General Instruction 15 and proposed Question 25.

- The Commissions propose to correct current Questions 27 and 42. These two questions, along with current Questions 28 and 43, instruct filers not to treat affiliated counterparty entities as a single group, except that, if the applicable contractual and legal documentation requires cross margining, filers must report certain identifying information. While the instructions in current Questions 28 and 43 specify that filers must report the legal entity name, the instructions in current Questions 27 and 42 mistakenly do not. To correct this mistake, the Commissions propose to include the instruction to report a legal entity name.[164] These proposed amendments are designed to help identify counterparties.

- The Commissions propose to correct current Question 33(a).[165] Current Question 33(a)'s table and instructions appear to be inconsistent, because the table requires filers to report both the "long value" and "short value" of certain currency exposures, while the instructions require filers to report the "net long value" and "net short value" of certain currency exposures. To solve this inconsistency, the Commissions propose to correct the instructions to help ensure filers understand that they must report the long value and short value separately, without netting the two values together.[166] This proposed change would be consistent with General Instruction 15, which requires filers not to net long and short positions, unless otherwise specifically indicated.

- The Commissions propose to add an instruction to current Question 47.[167] Current Question 47 requires filers to separate the effects of certain market factors on their portfolio into long and short components. Filers have questioned how to report such components either (1) by indicating the long and short components with positive and negative signs, respectively; or (2) by reporting the

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164 Proposed Question 27; proposed Question 42.

165 Proposed Question 33(a).

166 Proposed Question 33.

167 Proposed Question 47.

absolute value of each of the long and short components. To help ensure advisers understand the instructions and help ensure data is consistent and comparable, we propose to instruct filers to indicate a negative effect of the market factor change on the long and short components with a negative sign and a positive effect of the market factor change on the long and short components with a positive sign.[168]

- The Commissions propose to correct an error in the definition of "large private equity fund adviser" in the Glossary of Terms. The 2024 amendments inadvertently included an "a" after "section 4," and as a result, this definition appears to direct filers to a section 4a, instead of section 4. There is no section 4a; therefore, we propose to correct the error so the term "large private equity fund adviser" correctly references section 4.

The Commissions and the SEC, as applicable, request comment on the proposed corrections and other revisions.

117. Should the Commissions, and the SEC, as applicable, adopt the proposed corrections and other revisions, as proposed?
118. Is there an alternative way to correct the mistakes or help ensure filers understand the questions?
119. Are there additional mistakes or clarifications that we should consider? For example, for Question 25, should the numerator or denominator change?

Q. Request for Comments on Private Credit Reporting

We are requesting comment on whether to modify the information that advisers report about private credit funds on Form PF. Currently, the Form PF Glossary of Terms does not specifically define "private credit" or "private credit fund." Private credit is an available strategy option listed in

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168 Proposed Question 47.

the drop-down menu in Question 25, but otherwise private credit fund advisers must follow the same instructions as any other private fund when determining which sections of the form must be completed for a particular private credit fund.

The private credit industry has grown significantly since the form was adopted in 2011 and has grown quickly even since the 2024 Amendments.[169] Some industry members have suggested that private credit funds should report in a new section that is tailored to the risk profile and investor protection concerns of private credit strategies and assets. Others have suggested that new or modified questions should be developed specifically for private credit fund filers.

We request comment on all aspects of private credit reporting on Form PF, including the following items:

120. Should a new private credit Form PF section be added? If so, what should the reporting threshold be? What data should be collected on the fund? What data should be collected on the investments of the fund? How, if at all, should the data collected address (a) credit strategy, (b) gross and net assets under management, (c) leverage, (d) financing counterparties, (e) loan maturity, (f) investor liquidity, (g) liquidity management framework, (h) credit quality, and (i) credit loan exposures? Are there other areas for which data should be collected to better capture the operation and strategies of private credit funds? Relatedly, should the section focus on funds making only private credit investments or on any fund that has an investment that is deemed to be private credit?

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169 *See*, *e.g.*, 2025 Private Credit Market Outlook—Part I, Private Credit Market Trends: From Originations to Bank Partnerships and Insurance, Paul Weiss, Mar. 10, 2025, https://www.paulweiss.com/media/oejpsdor/part-i-private-credit-market-trends_-from-originations-to-bank-partnerships-and-insurance.pdf ("Private credit is a rapidly expanding sector that has grown nearly tenfold to reach $1.5 trillion in 2024 and this remarkable growth trajectory is expected to continue, reaching an estimated US$3.5 trillion by 2028."). *See also* Understanding Private Credit's Rapid Growth, Morgan Stanley, Oct. 3, 2025, https://www.morganstanley.com/ideas/private-credit-outlook-considerations ("The size of private credit at the start of 2025 was $3 trillion, compared to about $2 trillion in 2020, and it is estimated to grow to approximately $5 trillion by 2029.").

121. Should a new private credit subsection be added to an existing section? If so, which section? If private credit is added as a subsection to an existing section, should private funds that invest in broadly syndicated loans be required to report in this new subsection? Why or why not? If a private credit subsection is added to an existing section, should it include both open-end and closed-end private funds that invest in private credit? Why or why not? Should private funds that invest in private credit be required to submit current reports under section 5?

122. Where should private funds that employ short selling as part of a private credit strategy report? Should such private funds report in an existing section? Why or why not? Or, should such private funds report in a new section or subsection? Why or why not?

123. Should we specifically define "private credit"? Why or why not? What should the definition be? Should any specific types of loans be excluded from the definition? Why or why not?

124. Should we specifically define "private credit fund"? Why or why not? What should the definition be? Should securitized asset funds that invest in private credit be included in the definition of a private credit fund? Why or why not? Should any of the definitions of the current types of funds, including the definitions for hedge funds and private equity funds, be modified to include or exclude funds that invest in private credit? Should a definition of a private credit fund include funds that use or may use leverage? If yes, how should leverage be calculated? Should the definition include funds that are not permitted to use leverage?

125. If a new section for private credit is not created, should we add new questions for private credit-related filers? If so, in which section should additional questions be added? Or should we exempt them from certain existing questions? Should such questions focus on funds making only private credit investments or on any fund that has an investment that is deemed to be private credit? Should we require advisers to private credit funds to report under only

certain questions from each of sections 3 and 4 if they meet the size thresholds for those sections and if so which ones?

126. What are the greatest risks from private credit or private credit funds from a systemic risk perspective?

R. Proposed Transition Period

We propose to provide a minimum 12-month transition period from the date of publication in the *Federal Register* for filers to comply with the proposed amendments, if adopted, with some filers having longer to accommodate their reporting cycle.[170] Given the nature of the proposed amendments, such as eliminating many requirements, a 12-month transition period should provide filers with sufficient time to implement system changes, test them, and come into compliance with the proposed requirements. We are mindful that the compliance date for the 2024 amendments is October 1, 2026, and the Commissions will consider how the timing of any amendments that the Commissions may adopt will relate to that timing.[171]

We request comment on the proposed transition period:

127. Would the proposed transition period provide filers with enough time to comply with the proposed amendments? Should it be longer or shorter? For example, should it be six months or 18 months, instead of 12 months?

128. Instead of the proposed transition period, should the transition period differ for certain proposed amendments? For example, should the SEC's proposed amendments have a longer or shorter transition period from the jointly proposed amendments? Should either or both of

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170 *See* January 2025 Form PF Extension Release at section I for a discussion of compliance date alignment with reporting cycles.

171 *See supra* footnote 8.

the proposed threshold amendments have a shorter or longer transition period than the other proposed amendments? For example, should the proposed filing threshold have a compliance date that is the same as the adopting release's publication in the Federal Register, while the other proposed amendments would have a 12-month transition period?

III. ECONOMIC ANALYSIS

A. Introduction

The SEC is mindful of the economic effects, including the costs and benefits, of the proposed amendments. Section 202(c) of the Advisers Act provides that when the SEC is engaging in rulemaking under the Advisers Act and is required to consider or determine whether an action is necessary or appropriate in the public interest, the SEC shall also consider whether the action will promote efficiency, competition, and capital formation, in addition to the protection of investors.[172] The analysis below addresses the likely economic effects of the proposed amendments, including the anticipated and estimated benefits and costs of the amendments and their likely effects on efficiency, competition, and capital formation. The SEC also discusses the potential economic effects of certain alternatives to the approaches taken in this proposal.

The Commissions are proposing amendments that would:

1. eliminate filing obligations for smaller advisers, irrespective of the categories of private funds they advise;
2. eliminate certain reporting obligations for smaller hedge fund advisers;
3. eliminate certain other requirements, including quarterly event reporting, certain current reporting, and other requirements; and

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172 15 U.S.C. 80b-2(c).

4. streamline certain requirements and make corrections as well as other revisions.

The proposed amendments are designed to eliminate certain burdens, among other things, while ensuring Form PF continues to collect information necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk in the U.S. financial system by FSOC.[173]

The compliance date for the 2024 Form PF amendments has been postponed multiple times.[174] Since the adoption of the 2024 amendments, industry members have provided feedback regarding some of these requirements, stating that some have been particularly challenging to implement.[175]

Many of the benefits and costs discussed below are difficult to quantify. In some cases, data needed to quantify these economic effects are not currently available and the SEC does not have information or data that would allow such quantification. For example, while we anticipate that the quantified cost-savings estimates would apply broadly for each category of private fund adviser, these estimates depend on many factors that could differ across reporting persons, including advisers' existing systems and the nature and degree of advisers' efforts to prepare for the postponed compliance dates for the 2024 amendments, and for which we do not have data.[176] Further, we are unable to quantify costs arising from any increase in systemic risk that could result from the proposed amendments, although we are able to describe mitigating factors and expect that the practical effects of the amendments on systemic risk monitoring would be small.[177] While the SEC has attempted to

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173 *See supra* section I.

174 *See supra* footnote 8 and accompanying text.

175 *See, e.g., supra* footnotes 53 and 66; sections II.F, II.K.

176 *See infra* footnotes 240 and 241 and accompanying text.

177 *See infra* section III.C.1.

quantify economic effects where possible, much of the discussion of economic effects is thus qualitative in nature. Accordingly, the SEC seeks comment on all aspects of the economic analysis, especially any data or information that would enable a quantification of the proposal's economic effects.[178]

B. Baseline

The baseline against which the costs, benefits, and the effects on efficiency, competition, and capital formation of the proposed amendments are measured consists of the current state of the market, Form PF filers' current practices, and the current regulatory framework.[179]

1. Regulatory Baseline

General Background. Form PF is filed by investment advisers to provide the Commissions and FSOC with information on the private funds they advise. Investment advisers registered (or required to be registered) with the SEC with at least $150 million in private fund assets under management must file Form PF.[180] Advisers generally file at quarterly or annual frequencies and fill out different sections of the form depending on their assets under management and the types of private funds they manage. All private fund advisers that are required to file Form PF must complete sections 1a and 1b.[181] In addition, all private fund advisers that are required to file Form PF and that

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178 *See infra* section III.G.

179 *See, e.g.*, *Nasdaq v. SEC*, 34 F.4th 1105, 1111–14 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. *See* SEC Staff, Current Guidance on Economic Analysis in SEC Rulemaking (Mar. 16, 2012), *available at* https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf ("The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action."); *id.* at 7 ("The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.").

180 Private fund assets under management are the portion of an adviser's regulatory assets under management that are attributable to private funds it advises. A private fund is any issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that Act. *See* Form PF Glossary of Terms (definitions of "private fund assets under management" and "private fund").

181 *See* Form PF General Instruction 3.

advise one or more hedge funds must complete section 1c.[182] Large hedge fund advisers, defined as any private fund advisers that are required to file Section 2 of Form PF for a qualifying hedge fund, must file at a quarterly frequency and complete section 2 for each qualifying hedge fund that they advise.[183] Similarly, large liquidity fund advisers, defined as any private fund advisers that are required to file section 3 of Form PF, must file at a quarterly frequency and complete section 3 for each liquidity fund they advise.[184] Large private equity fund advisers, defined as any private fund advisers that are required to file section 4 of Form PF, file at an annual frequency and are required to complete section 4 for each private equity fund they advise.[185] In sections 2, 3, and 4, advisers generally provide more granular information about the qualifying hedge funds, liquidity funds, and private equity funds that they advise, respectively.[186] In addition, as discussed below, large hedge fund advisers and advisers to private equity funds must file sections 5 and 6, respectively, upon the occurrence of certain events.[187] Lastly, smaller private fund advisers are considered to be all other advisers required to file Form PF that do not meet the definition of large hedge fund adviser, large

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182 *Id.*

183 A private fund adviser is required to file section 2 of Form PF for each qualifying hedge fund it advises if (collectively with its related persons) it had at least $1.5 billion in hedge fund assets under management as of the last day of any month in the fiscal quarter immediately preceding its most recently completed fiscal quarter. A qualifying hedge fund is any hedge fund with a net asset value (individually or in combination with any feeder funds, parallel funds, and/or dependent parallel managed accounts) of at least $500 million as of the last day of any month in the adviser's fiscal quarter immediately preceding its most recently completed fiscal quarter. *See* Form PF General Instructions 3 and 9; Form PF Glossary of Terms (definitions of "large hedge fund adviser" and "qualifying hedge fund").

184 A private fund adviser is required to file section 3 of Form PF if it advises one or more liquidity funds and it (collectively with its related persons) had at least $1 billion in combined money market and liquidity fund assets under management as of the last day of any month in the fiscal quarter immediately preceding its most recently completed fiscal quarter, *See* Form PF General Instructions 3 and 9; Form PF Glossary of Terms (definition of "large liquidity fund adviser").

185 A private fund adviser is required to file section 4 of Form PF if it (collectively with its related persons) had at least $2 billion in private equity fund assets under management as of the last day of its most recently completed fiscal year. *See* Form PF General Instructions 3 and 9; Form PF Glossary of Terms (definition of "large private equity fund adviser"). *See also* infra section III.C.17.

186 *See* Form PF sections 2, 3, and 4.

187 *See* Form PF General Instruction 3; Form PF sections 5 and 6.

liquidity fund adviser, or large private equity fund adviser. Smaller private fund advisers must file Form PF annually.[188] The thresholds used to define the different categories of advisers were introduced when Form PF was initially adopted in 2011.

All private fund advisers required to file Form PF are investment advisers registered or required to be registered with the SEC. As such, they are also required to file Form ADV.[189] In addition to providing information about themselves, investment advisers to private funds report on Form ADV general information about the private funds that they advise, including organizational and operational information, as well as information about the funds' key service providers. Hence, Form ADV provides the SEC and investors with information about advisers (including private fund advisers) and the funds they manage. It is designed to provide the SEC with information necessary for its investor protection efforts. In contrast, Form PF is primarily designed to facilitate FSOC's assessment of systemic risk, although it is available to assist the Commissions in their regulatory programs for the protection of investors.[190]

Past Form PF Amendments. Since its adoption in 2011 pursuant to the Dodd-Frank Act,[191] Form PF has been amended several times, including in 2023 and 2024.[192] The 2023 amendments

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188 *See* Form PF General Instruction 9.

189 Information on Form ADV is available to the public through the Investment Adviser Public Disclosure System, which allows the public to access the most recent Form ADV filing made by an investment adviser. *See, e.g.*, Form ADV, *available at* https://www.investor.gov/introduction-investing/investing-basics/glossary/form-adv; *see also* Investment Adviser Public Disclosure, *available at* https://adviserinfo.sec.gov/.

190 *See* 15 U.S.C. 80b-4(b)(1)(A) and 15 U.S.C. 80b-4(b)(5).

191 *See* 2011 Form PF Adopting Release.

192 In May 2023, the SEC amended Form PF section 4, added new sections 5 and 6, and redesignated prior section 5 as section 7 in connection with certain amendments to require event reporting for large hedge fund advisers and all private equity fund advisers and to revise certain reporting requirements for large private equity fund advisers. *See* May 2023 SEC Form PF Adopting Release. In July 2023, the SEC amended Form PF section 3 in connection with certain money market fund reforms. *See* July 2023 Form PF Amending Release. In February 2024, the SEC and CFTC jointly adopted amendments to Form PF to enhance information advisers file on Form PF and to improve data quality. *See* 2024 Form PF Adopting Release. In addition, in July 2014, the SEC amended Form PF section 3 in connection with certain money market fund reforms. *See* Money Market Fund Reform; Amendments to Form PF, Release No. IA-3879 (Jul. 23, 2014), [79 FR 47736 (Aug. 14, 2014)].

added sections 5 and 6 to Form PF requiring, respectively, large hedge fund advisers and all private equity fund advisers to report the occurrence of certain events to the SEC. Section 5 requires large hedge fund advisers to report as soon as practicable (but no later than 72 hours) the occurrence of extraordinary investment losses, certain margin events, counterparty defaults, material changes in prime broker relationships, operations events, and certain events associated with redemptions.[193] Section 6 directs advisers to private equity funds to report on adviser-led secondary transactions, general partner removal, termination of the investment period, or termination of the fund within 60 days of the end of each calendar quarter.[194]

The 2024 amendments, the compliance date of which has been extended multiple times since their adoption,[195] added new questions and modified existing questions to collect more granular data.[196] The following subsections describe questions that constitute a relevant baseline to the proposed amendments to Form PF.

Form PF Instructions. The 2024 amendments changed Form PF's General Instructions, which are applicable to all filers. General Instruction 6 requires advisers to report separately each component fund of master-feeder arrangements, except for feeder funds that invest all of their assets in (i) a single master fund, (ii) U.S. treasury bills, and/or (iii) cash and cash equivalent.[197] General Instruction 7 indicates that advisers must identify any trading vehicles for which the reporting fund holds assets, incurs leverage, or conducts trading or other activities.[198] Additionally, General

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193 *See* Form PF section 5.

194 Advisers are not required to file a section 6 quarterly report if a private equity reporting event did not occur during that calendar quarter. *See* Form PF section 6.

195 *See supra* footnote 8.

196 These unimplemented amendments should be considered as part of the regulatory baseline as they are set to be implemented on October 1, 2026 in the absence of the adoption of the proposed amendments. The effective date for the 2024 amendments was March 12, 2025.

197 *See* Form PF General Instruction 6.

198 *See* Form PF General Instruction 7; Question 9.

Instructions 7 and 8 describe when and how an adviser must "look through" a reporting fund's investments in other entities for the purpose of completing various Form PF questions. General Instructions 7 and 8 direct advisers to not look through the reporting fund's investments in other funds or entities (not including trading vehicles) when answering questions, unless the question instructions direct the adviser to do so.[199]

Counterparties. The 2024 amendments introduced new requirements for hedge fund counterparty exposure reporting.[200] Specifically, the amendments added requirements for advisers of hedge funds to complete a consolidated counterparty exposure table where they must detail a fund's borrowing, collateral received, lending, and posted collateral for different types of borrowing, lending, and similar transactions, aggregated across all of the fund's counterparties. Question 26 requires a version of this consolidated counterparty exposure table for all hedge fund advisers, except for qualifying hedge funds advised by large hedge fund advisers. Question 41 contains a consolidated counterparty exposure table with more granular requirements than Question 26 and is required to be completed only by large hedge fund advisers for each qualifying hedge fund they advise.[201] Additional questions ask for more detailed information on hedge funds' most important "debtor" and "creditor" counterparties. Question 42 requires advisers to identify and provide information on counterparties to which reporting funds owed an amount in respect of cash borrowing entries (before

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199 *See* Form PF General Instructions 7 and 8. The questions for which advisers must look through are explicitly identified in General Instructions 7 and 8 as Questions 32, 33, 35, 36, and 47. The instructions to these questions indicate that reasonable estimates used to report indirect exposures reported in these questions are permissible. The Glossary of Terms includes certain asset class definitions (*e.g.*, "commodities"), as well as the definition of a reference asset, which also pertain to indirect exposures. *See infra* footnote 295.

200 The 2024 amendments also amended Question 18 (then Question 12), which requires filing advisers to provide information on their funds' total borrowing and the types of creditors from which this borrowing is obtained. Large hedge fund advisers are not currently required to complete Question 18 for their qualifying hedge funds.

201 *See supra* section II.L; *infra* section III.C.13.

posted collateral) equal to or greater than certain thresholds.[202] Question 43 requires advisers to identify and provide information on counterparties to which reporting funds had net mark to market counterparty credit exposure, after taking into account collateral received or posted by the reporting fund, equal to or greater than certain thresholds.

Moreover, Form PF requires large hedge fund advisers to report the percentages of the total amount of collateral and other credit support that counterparties have posted to each of their qualifying hedge funds that (i) may be rehypothecated and (ii) that the reporting fund has rehypothecated.[203]

Gross and Netted Investment Exposure. The 2024 amendments increased the amount of information that is required to be reported by advisers to hedge funds regarding their investment exposures. Amendments to section 1c require all hedge fund advisers to report both value traded (in U.S. dollars) and value as of the end of the reporting period for different types of instruments, categorized by trading mode where applicable.[204] For large hedge fund advisers, the 2024 amendments require additional information about each qualifying hedge fund's long and short positions by sub-asset class and instrument type.[205] Large hedge fund advisers must report the dollar value of the qualifying hedge fund's long and short positions as well as its adjusted (or netted) exposure of long and short positions. The 2024 amendments also require large hedge fund advisers to report industry exposure information via six-digit NAICS codes at the level of each qualifying hedge

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202 Questions 42 and 43 are required for qualifying hedge funds advised by large hedge fund advisers. Questions 27 and 28 are similar to Questions 42 and 43 and are required for all hedge fund advisers, except for qualifying hedge funds advised by large hedge fund advisers.

203 *See* Form PF Question 45. This question was not modified by the 2024 amendments and has been in Form PF since its inception.

204 *See* Form PF Questions 29 and 30.

205 *See* Form PF Question 32.

fund's investment instruments,[206] as well as information on the fund's netted and gross exposure to reference assets for each month of the reporting period.[207]

Turnover and Volatility. The 2024 amendments also require large hedge fund advisers to report turnover information by asset class at a monthly frequency for each qualifying hedge fund they advise.[208] The 2024 amendments also augmented the collection of performance data for all reporting funds by requiring aggregated calculated value and monthly volatility of daily log returns if an adviser calculates a market value on a daily basis for any position in the reporting fund's portfolio.[209] This new question also asks whether the daily return rates are reported to current or prospective investors and requires information about drawdowns for the reporting fund.

Miscellaneous Instructions. Form PF includes instances of errors or inconsistencies between the General Instructions and individual questions. Filers have also indicated certain elements of Form PF that they believe do not provide adequate instruction. These instances constitute part of the relevant baseline to the proposed amendments to Form PF, as described below.

For example, the header for some (but not all) of the sections includes a parenthetical statement indicating the type of filer required to complete the section. Currently, the headings for sections 2 and 3 do not specify who must complete these sections, while the heading for section 4 erroneously indicates that it must be completed by all large private fund advisers. In addition, the instructions for sections 3 and 4 of Form PF mistakenly state that filers may report collectively or separately about the component funds of master-feeder fund structures, as provided in the General

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206 *See* Form PF Question 36.

207 *See* Form PF Question 39 and 40.

208 *See* Form PF Question 34.

209 *See* Form PF Question 23(c).

Instructions,[210] while General Instruction 6 requires filers to report such component funds separately, subject to some exceptions. Further, the definition of large private equity fund adviser in the Glossary of Terms erroneously refers to section 4a of Form PF, which does not exist.

General Instruction 15 states that, for Question 25, the numerator used to determine the percentage of net asset value should be measured in the same basis as gross asset value. The placement of this instruction inadvertently creates potentially error-inducing cross references between the Question 25 instructions and the General Instructions. Separately, the instructions in Questions 27 and 42 mention the LEI, but not the legal entity name, of the entities in connection with affiliated counterparties, in contrast to the instructions to Questions 28 and 43. The omission of the legal entity name in these instructions is inconsistent with the inclusion of counterparty legal entity name in the tables included in Questions 27 and 42. In addition, Question 33 asks large hedge fund advisers to report monthly information on the qualifying hedge funds' currency exposure arising from foreign exchange derivatives and all other assets and liabilities of the funds that are denominated in a currency other than the reporting fund's base currency. However, the table in Question 33(a) requires advisers to report both the "long value" and the "short value," while the question text mistakenly requires advisers to report the "net long value" and the "net short value." Finally, Question 47, which requires large hedge fund advisers to separate the effects of certain market factors on their qualifying hedge funds' portfolios into long and short components, does not include an instruction on appropriate mathematical signage. Some advisers have questioned whether to report short values with a negative value or as an absolute value.[211]

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210 *See* Form PF sections 3 and 4. The instructions for section 2 specify that for such arrangements and structures that comprise qualifying hedge funds, filers must report the component funds as provided in General Instructions 3, 5, and 6. *See* Form PF section 2.

211 *See supra* section II.P.

2. Affected Parties

The proposed amendments would amend reporting requirements for advisers to private funds and could also affect service providers engaged by private funds or their advisers.

Private fund advisers would be directly affected by the proposed amendments. Advisers that are registered or required to be registered with the SEC and have private fund assets under management of at least $150 million file Form PF. The filing cadence and the sections completed depend both on the type of funds advised by an adviser and the adviser's assets under management.[212] All private fund advisers that file Form PF submit more general information in sections 1a and 1b of the form about the private funds they advise.[213] Advisers to hedge funds complete section 1c for each hedge fund they advise.[214] Form PF solicits more detailed information on qualifying hedge funds managed by large hedge fund advisers,[215] liquidity funds managed by large liquidity fund advisers,[216] and private equity funds managed by large private equity fund advisers.[217]

Advisers manage assets on behalf of the private funds they advise and typically cover fund operating costs out of these assets. Fees charged to the fund lower the net return that investors receive from the fund. Investors in private funds are thus affected by any regulatory changes, including the reporting requirements of Form PF, affecting the fund adviser's costs to the extent that cost savings or increases are passed through to the funds.[218]

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212 *See supra* section III.B.1.

213 *Id*.

214 *Id.*

215 *Id.* A qualifying hedge fund is a hedge fund that has a net asset value of at least $500 million. *See* Form PF Glossary of Terms (definition of "qualifying hedge fund"). Large hedge fund advisers are also subject to current event reporting under section 5.

216 *See supra* section III.B.1.

217 *Id.* Private equity fund advisers are also subject to quarterly event reporting under section 6.

218 *See infra* footnote 230 and accompanying text.

As of the first quarter of 2025,[219] the universe of Form PF filers consists of 3,999 advisers that advise 54,039 private funds with approximately $25.49 trillion in gross asset value ("GAV") and $16.43 trillion in net assets value ("NAV").[220]

Among the private funds managed by advisers registered with the SEC and filing Form PF, hedge funds are the largest category by GAV: hedge fund assets total $12.59 trillion in aggregate GAV and $5.42 trillion in aggregate NAV.[221] These totals are aggregated over 9,822 funds advised by 1,830 advisers.[222] Of those, 2,076 are qualifying hedge funds advised by large hedge fund advisers and have an aggregate GAV (NAV) of $10.76 trillion ($4.33 trillion) managed by 617 advisers.[223]

Private equity funds are the largest category when measured by the number of funds, with 24,986 funds advised by 1,935 advisers.[224] Private equity funds also constitute a sizable portion of private fund assets under management, with an aggregate GAV (NAV) of $7.94 trillion ($7.28 trillion).[225] Among these advisers, 541 meet the definition of large private equity fund advisers, managing 10,349 private equity funds with an aggregate GAV (NAV) of $6.46 trillion ($6.01 trillion).[226]

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219 Here and throughout this economic analysis, Form PF statistics account for filers whose fiscal year (quarter) does not align with calendar year (quarter) and filers with different reporting cadences (annual vs quarterly). For a description of how these filers are handled, *see* Private Fund Statistics as of calendar quarter 1 of 2025, https://www.sec.gov/files/investment/private-funds-statistics-2025-q1.pdf at Appendix 11.2.

220 *See* Private Fund Statistics as of calendar quarter 1 of 2025, https://www.sec.gov/files/investment/private-funds-statistics-2025-q1.pdf at Table 1.3, Table 1.1, Table 2.1 and Table 2.3, respectively.

221 *Id.* at Table 2.1 and Table 2.3, respectively.

222 *Id.* at Table 1.1 and Table 1.3, respectively.

223 *Id.* at Table 1.2, Table 2.2, Table 2.4 and Table 1.3, respectively.

224 *Id.* at Table 1.1 and Table 1.3, respectively.

225 *Id.* at Table 2.1 and Table 2.3, respectively.

226 *Id.* at Table 1.3, Table 1.2, Table 2.2 and Table 2.3, respectively.

The remaining categories of funds reported on Form PF are real estate funds, securitized asset funds, liquidity funds, venture capital funds, and other private funds. There are 19,231 such funds.[227] These funds have $4.96 trillion ($3.73 trillion) in aggregate GAV (NAV).[228]

The proposed amendments to Form PF may also affect service providers that private funds or their advisers hire to perform functions related to completing and filing Form PF. These service providers may assist advisers in populating the form, provide software to compute certain statistics required by the form, or may provide data solutions, among other possible services. Advisers generally choose to retain the services of a service provider when it is more cost effective for the adviser than performing a particular function themselves. Some advisers may reevaluate their choice to retain service providers to assist in filing Form PF in light of the lower expected burdens of the proposed amendments.

C. Benefits and Costs

1. General Considerations

The benefits and costs relative to the baseline are discussed for each of the proposed amendments in the subsections below.[229] In general, the amendments would reduce costs for advisers to private funds that file Form PF, which could ultimately lead to lower fees for investors in these funds. Specifically, the proposed amendments would reduce the set of advisers that would be required to file Form PF, reduce the set of advisers that would be required to complete certain sections of Form PF, and reduce the burden of filing Form PF for advisers that would continue to file the form. Any

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227 *Id.* at Table 1.1 (obtained by summing across these remaining categories). As many advisers manage assets for more than one type of private fund reported on Form PF, the number of advisers to these remaining categories cannot be obtained by summing across fund types in Table 1.3.

228 *Id.* at Table 2.1 and Table 2.3, respectively. Each dollar amount is obtained by summing across these remaining categories in these Tables.

229 While the proposed amendments could also affect the usefulness of this data for the CFTC, this economic analysis does not include the benefits and costs associated with the CFTC's use of Form PF reporting.

portion of the associated cost savings of filing Form PF that would not be absorbed by advisers would be passed on to investors via reductions in expenses.[230]

The proposed amendments would bring cost reductions to private fund advisers. These benefits would result from 1) fewer advisers that would have Form PF reporting obligations and 2) reduced burdens for advisers that would continue to file Form PF. Burden reduction for private fund advisers would take the form of fewer resources that would be devoted to monitoring, collecting, and reporting information to meet Form PF reporting obligations. This burden reduction is quantified later in this section.[231]

The extent of the reduction in costs resulting from the proposed amendments for a specific adviser would also be affected by the number of private funds managed by the adviser.[232] Advisers managing many funds are likely to spend more time and resources on filing Form PF, particularly if many of the funds have characteristics that require individualized attention to file accurate reports. At the same time, advisers managing multiple funds are likely to spread some of the costs associated with filing Form PF across multiple funds. Hence, the reduction in costs per adviser that could result from the proposed amendments may not be proportional to the number of private funds that an adviser manages.[233]

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230 Depending on the agreement between the fund's general partner and limited partners, the way a fund's costs are reflected in its expenses may be direct or indirect. To the extent that the proposed amendments would lower costs to advisers of filing Form PF, including the costs associated with hiring service providers to perform functions related to completing and filing Form PF, these cost-savings could be passed on to investors.

231 *See infra* section III.C.18.

232 While advisers managing many private funds generally have more private assets under management than advisers managing fewer private funds, the scale and complexity considerations discussed here are distinct from the advisers' Form PF filing obligations that would result from the proposed filing and reporting thresholds. *See infra* section III.C.18 for quantification of cost reductions resulting from the proposed threshold changes.

233 For example, if an adviser manages several funds that share service providers and infrastructure, the compliance costs of filing Form PF may be better shared among these funds. The cost savings associated with the proposed amendments would likely be smaller for such funds.

The proposed amendments would reduce the number of advisers that would file Form PF and would eliminate certain questions that would be reported under the baseline.[234] These changes would thus result in less data being available to the regulators that use Form PF.[235] In principle, the loss of this data could affect the monitoring of potential systemic risk and investor protection efforts relating to activities in the private fund industry to the extent that information relevant for such purposes would not be collected under the proposed amendments. However, we expect that the practical effects of the amendments on systemic risk monitoring and investor protection efforts would be small. This is because the vast majority of private fund assets under management are held in private funds advised by advisers that would continue to file Form PF under the proposed $1 billion threshold.[236] Similarly, the proposed large hedge fund adviser reporting threshold of $10 billion would have a limited effect on Form PF's coverage of hedge fund assets held in funds advised by large hedge fund advisers.[237] Lastly, the responses to many of the questions that would be eliminated under the proposed amendments carry limited information relevant for systemic risk monitoring,[238] or could partially be inferred from responses to other Form PF questions.[239] Hence, we do not expect that

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234 As noted above, the SEC is also proposing to require its staff to report to the SEC on each filing and reporting threshold in the form, assessing whether any should be adjusted, approximately five years after the compliance date for the amendments to the form and approximately every five years thereafter. *See supra* footnote 36. These staff reports would help the SEC periodically evaluate the continued appropriateness of the filing and reporting thresholds in all respects, including whether proposing revisions to the thresholds would be appropriate. This report and related review would be designed to ensure that the form continues to impose minimal filing burdens for small advisers, while continuing to collect data on a significant percentage of private fund assets.

235 To the extent that SEC staff currently use information on Form PF that would no longer be reported under the proposed amendments to assist with regulatory programs for the protection of investors, the loss of this information could impact staff's ability to implement such activities efficiently. *See supra* text accompanying footnote 190. If staff are unable to substitute other sources of information, including from Form ADV, this could ultimately affect advisers and investors.

236 *See infra* footnote 244.

237 *See infra* footnote 260.

238 *See e.g. infra* sections III.C.9, III.C.14, and III.C.16.

239 *See, e.g., infra* sections III.C.7, III.C.10, and III.C.12.

systemic risk monitoring and investor protection efforts would be significantly affected by the proposed amendments.

In the analysis below, we assume that advisers have already incurred the one-time costs necessary to comply with the 2024 amendments.[240] However, we recognize that this may not fully be the case for all advisers and that the cost savings associated with the proposed modifications of certain questions may depend on the specific steps an individual adviser has taken in preparation for these amendments ahead of the compliance date.[241] We also recognize that there might be one-time costs for existing filers of Form PF associated with modifying their systems to reflect the reduced granularity or outright removal of certain information to be reported under the proposed amendments. However, we anticipate that these costs would be insignificant, particularly compared to the cost savings that would ultimately result from these changes.

2. Increase the Filing Threshold for All Form PF Filers

Currently, advisers that are registered or required to be registered with the SEC and that manage one or more private funds must file Form PF if they, collectively with their related persons, have at least $150 million in private fund assets under management as of the last day of their most recently completed fiscal year.[242] The proposed amendments would increase this threshold to $1 billion.[243] As a result, a number of advisers required to file Form PF under the current Form PF instructions would not be required to file Form PF under the proposed change in filing threshold.

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240 *See* 2024 Form PF Adopting Release at section IV.C.2. One exception is in the analysis of cost savings from the proposed amendments to industry concentration reporting in Question 36. For this question, we understand that many large hedge fund advisers have been unable to map some assets to 6-digit NAICS codes. *See infra* section III.C.11.

241 For example, an adviser that had fully prepared to report question 23(c) would not avoid the one-time costs associated with its preparation. Except for the proposed increases in filing and large hedge fund adviser reporting thresholds, this analysis does not explicitly consider the likely effects of proposed amendments on future one-time cost savings of advisers that are not currently subject to the requirements being amended.

242 *See* Rule 204(b)-1(a); Form PF General Instruction 1.

243 *See* proposed Rule 204(b)-1(a); proposed Form PF General Instruction 1.

Based on Form PF data for the first quarter of 2025, we estimate that the number of Form PF filers would decrease from 3,999 to approximately 2,280.[244] The corresponding percentage of private fund gross assets managed by investment advisers registered with the SEC that would be reported on Form PF would decrease from approximately 96 percent to approximately 94 percent.

Benefits

The main benefit of this proposed increase to the Form PF filing threshold would be to eliminate the burden for advisers that would not have to file Form PF under the proposed threshold but who must file Form PF under the current threshold.[245] The increased filing threshold would reduce the set of advisers that incur the compliance costs associated with filing Form PF.[246] All advisers with private fund assets under management between $150 million and $1 billion would save on the costs associated with the ongoing filing of Form PF.[247] In addition, advisers that are not currently required to file Form PF because their private fund assets under management are below $150 million would avoid the one-time costs associated with filing Form PF for the first time when

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244 Based on data for the first quarter of 2025, 3,999 advisers reported 54,039 private funds on Form PF. These funds collectively held $25,491 billion in gross assets, representing approximately 96 percent of the private fund gross assets reported by registered investment advisers. We estimate that under the proposed increase in filing threshold, 2,280 advisers would have reported 44,312 private funds on Form PF. These funds collectively held $24,981 billion in gross assets, representing 94 percent of the private fund gross assets reported by registered investment advisers.

245 *See supra* footnote 244 and accompanying text.

246 *See infra* section III.C.18 at Table 7. Under the proposed amendments, we estimate that the compliance costs of filing Form PF for smaller private fund advisers would be $31,677 per adviser for initial filings and $8,700 per adviser for ongoing filings. These costs, and therefore the estimated cost savings per adviser attributable to the proposed filing threshold increase, are averages for smaller private fund advisers and would generally scale with the number of private funds managed. Cost savings would also be higher for smaller private fund advisers that advise more hedge funds relative to those that advise fewer, as advisers must complete section 1c for each hedge fund they advise. *See also infra* section IV.A.3.

247 Additionally, the SEC anticipates receiving fewer final filings and temporary hardship requests on an ongoing basis due to the reduced set of advisers that would file Form PF under the proposed filing threshold. The cost savings that would be associated with this decrease are estimated to be $5,901 (calculated as $4,879 saved in final filing costs plus $1,022 saved in temporary hardship costs). *See infra* section III.C.18 at Table 11. *But see infra* footnote 255 and accompanying text.

their private fund assets under management reach this threshold, if this were to occur.[248] Advisers below this threshold would also avoid ongoing costs associated with monitoring their private fund assets under management to the extent they keep this amount beneath the current $150 million filing threshold so that they are not required to file Form PF.[249]

Costs

The proposed change in the Form PF filing threshold would result in advisers with private fund assets under management below the proposed threshold no longer submitting information on Form PF to the SEC.[250] As a result, the proposed amendments could, in theory, affect the understanding and monitoring of systemic risk relating to the private fund industry. However, we expect that this effect would be minimal since the advisers that would no longer be required to file Form PF under the proposed threshold are relatively small and do not manage a significant percentage of private fund assets. We estimate that the percentage of private fund gross assets managed by registered investment advisers reported on Form PF would decrease from approximately 96 percent to approximately 94 percent, or by $510 million.[251] A reduction of two percentage points of private fund gross assets reported on Form PF appears to be *de minimis* in the context of monitoring for systemic risk.

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248 For advisers with private assets under management that would eventually exceed the proposed $1 billion filing threshold, these one-time costs associated with filing Form PF for the first time would be delayed rather than eliminated.

249 But *see supra* footnote 248.

250 In the first quarter of 2025, the SEC received Form PF filings covering 54,039 funds managed by 3,999 advisers. This represents approximately 83 percent of private funds managed by registered investment advisers and 70 percent of registered private fund advisers, respectively. We estimate that under the proposed filing threshold, the SEC would have received Form PF filings covering 44,312 funds managed by 2,280 advisers. This represents 68 percent of private funds managed by registered investment advisers and 40 percent of registered private fund advisers. *See supra* section II.A.

251 *See supra* footnote 244.

The proposed increase in the filing threshold would reduce the number of advisers that would file Form PF.[252] We anticipate that any cost to investor protection efforts resulting from this reduction would be small. This is because each adviser that currently files Form PF but would not do so under the proposed threshold would continue to report information about its private funds on Form ADV.[253] Additionally, advisers that would no longer file Form PF would continue to be required under the Adviser's Act to maintain certain enumerated records and reports for each private fund they advise.[254]

Any adviser that is currently filing Form PF but would not be required to under the proposed amendments would have to make a final filing with the SEC indicating that it would no longer be subject to Form PF's reporting requirements. These final filings are not subject to Form PF requirements, do not carry a filing fee, and entail a small hour burden.[255]

3. Increase the Reporting Threshold for Large Hedge Fund Advisers

Currently, advisers that have at least $1.5 billion in hedge fund assets under management on the last day of any month in the fiscal quarter immediately preceding their most recently completed fiscal quarter and that advise at least one qualifying hedge fund (*i.e.*, large hedge fund advisers) must file Form PF on a quarterly basis. Additionally, they must complete section 2 for each qualifying hedge fund that they advise.[256] They must also complete section 5 upon certain current reporting events with respect to the qualifying hedge funds that they advise.[257] The proposed amendments

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252 *See supra* footnote 244 and accompanying text.

253 Form ADV is designed to provide the SEC with information necessary to its investor protection efforts. *See supra* section II.A.

254 *See* 15 U.S.C. 80b-4(b)(3).

255 We estimate that the compliance cost associated with final filings is approximately $41 per filing. *See infra* section IV.A.3.c) at Table 9. As this cost would be incurred by the approximately 1,719 advisers with private fund assets under management of at least $150 million and less than $1 billion, the aggregate cost of these final filings is estimated to be $41×1,719 = $70,479.

256 Hedge fund assets under management are the portion of an adviser's regulatory assets under management that are attributable to hedge funds that it advises. *See* Form PF General Instruction 3; Form PF Glossary of Terms (definitions of "hedge fund assets under management" and "qualifying hedge fund").

257 *See* Form PF General Instruction 3.

would increase this threshold to $10 billion.[258] As a result, a number of advisers required to file Form PF quarterly and to complete section 2 under the current Form PF instructions would instead be required to file Form PF annually, as applicable, and would not be required to complete section 2. Additionally, these advisers would no longer be subject to section 5 current reporting. Based on data for the first quarter of 2025, we estimate that the number of large hedge fund advisers would decrease from 617 to 227. The percentage of all hedge fund assets managed by registered investment advisers that would be held in hedge funds managed by large hedge fund advisers would decrease from 92 percent to 81 percent.[259] The percentage of hedge fund assets managed by registered investment advisers that would be reported in section 2 would decrease from 84 percent to 74 percent.[260] The proposed increase in the reporting threshold would also likely decrease the number of section 5 reports filed with the SEC. The exact decrease would depend on the number of reportable events and how these are distributed across large hedge fund advisers by size.[261]

Benefits

The proposed increase in the large hedge fund adviser reporting threshold would reduce the set of advisers that are subject to the additional requirements accompanying that designation. Advisers that would no longer meet the large hedge fund adviser threshold would file annually

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258 *See supra* section II.B.

259 *See supra* section II.B at Table 4. This represents a decrease in hedge fund gross assets managed by large hedge fund advisers from $11,801 billion to $10,435 billion. The corresponding number of hedge funds advised by large hedge fund advisers would decrease from 6,087 to 4,265. Each fund affected by this change would be reported on Form PF annually rather than quarterly. Additionally, affected hedge funds that are also qualifying hedge funds would no longer be reported on section 2 of Form PF. *See infra* footnote 260.

260 *See supra* section II.B at Table 5. In the first quarter of 2025, 617 advisers reported 2,076 qualifying hedge funds on Form PF. These funds collectively held $10,759 billion in gross assets, representing approximately 84 percent of the hedge fund gross assets reported by registered investment advisers. We estimate that under the proposed increase in threshold, 227 advisers would have reported 1,378 qualifying hedge funds on Form PF. These funds collectively held $9,493 billion in gross assets, representing approximately 74 percent of the hedge fund gross assets reported by registered investment advisers.

261 We estimate that increasing the reporting threshold would reduce the number of section 5 reports from approximately 258 to approximately 94 per year. *See infra* section III.C.18 at Table 9.

instead of quarterly and would no longer complete section 2 or be subject to section 5 current event reporting. The cost savings resulting from each of these filing changes that would result from the proposed increase in large hedge fund reporting threshold would be substantial.

We estimate that 390 advisers with hedge fund assets under management between $1.5 billion and $10 billion would no longer incur the costs associated with the ongoing filing of section 2 of Form PF for any qualifying hedge funds they advise.[262] While approximately one in every three hedge funds advised by a large hedge fund adviser is a qualifying hedge fund,[263] the requirements associated with completing section 2 are substantially higher than those associated with completing section 1.[264] We therefore anticipate that a substantial portion of the cost savings that would result from increasing the large hedge fund adviser threshold would be due to the reduction in the number of section 2 filings.

In addition, hedge fund advisers that are not currently required to complete section 2 because their hedge fund assets under management are below $1.5 billion would avoid the one-time and ongoing costs associated with completing section 2 if their hedge fund assets under management reach this threshold. Similarly, large hedge fund advisers with less than $10 billion in hedge fund assets under management that do not advise any qualifying hedge funds would avoid the one-time and ongoing costs associated with completing section 2 if any of their hedge funds become qualifying

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262 390 is obtained as the difference between 617 and 227. *See supra* footnote 260 and accompanying text. Additionally, the SEC anticipates receiving fewer transition filings on an ongoing basis due to the reduced set of advisers that would be classified as large hedge fund advisers under the proposed reporting threshold. The cost savings that would be associated with this decrease are estimated to be $1,230. *See infra* section III.C.18 at Table 11. *But see infra* footnote 282 and accompanying text.

263 This would be true under both the baseline and the proposed reporting threshold. Under the baseline, large hedge fund advisers complete section 2 of Form PF for 2,076 of the 6,087 hedge funds they advise. Under the proposed amendments, we estimate that large hedge fund advisers would complete section 2 for 1,378 of the 4,265 hedge funds they advise. *See supra* footnotes 259 and 260.

264 For instance, large hedge fund advisers must provide the effect of several market factor changes on the long and short components of the portfolio net asset value for each qualifying hedge fund they advise. *See* Form PF Question 47. No analogous information is required about non-qualifying hedge funds in section 1c. *See also infra* footnote 273.

hedge funds.[265] Finally, advisers below the current $1.5 billion threshold would also avoid ongoing costs associated with monitoring their hedge fund assets under management to the extent they keep this amount beneath the current $1.5 billion filing threshold so that they are not required to complete section 2 (and section 5, when applicable) of Form PF or to file Form PF quarterly.

Hedge fund advisers that are classified as large hedge fund advisers under the current threshold would also benefit from the proposed threshold increase by lowering the frequency with which they file Form PF to the extent such advisers would not fall into the category of large hedge fund advisers under the proposed threshold. Specifically, large hedge fund advisers must file Form PF quarterly for each private fund they advise.[266] The burden reductions that would result from no longer filing section 1 on a quarterly basis would be substantial for large hedge fund advisers that manage multiple non-qualifying hedge funds or private funds that are not hedge funds.[267]

Lastly, large hedge fund advisers are required to submit section 5 reports following the occurrence of certain events at their qualifying hedge funds, including extraordinary investment losses, certain margin events, counterparty defaults, material changes in prime broker relationships, operations events, and certain events associated with redemptions.[268] Increasing the threshold which defines a large hedge fund adviser would result in fewer advisers being subject to section 5 reporting. As a result, advisers with hedge fund assets under management between $1.5 billion and $10 billion

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265 *See supra* footnote 215.

266 *See* Form PF General Instruction 9.

267 *See infra* section III.C.18 at Table 6. Under the proposed amendments, we estimate that the compliance cost of an ongoing filing for smaller private fund advisers, that is, for advisers that are required to complete only section 1 of Form PF, would be $8,700.

268 *See* Form PF section 5.

and advising at least one qualifying hedge fund would save on the ongoing costs of collecting and reporting information on these events.[269]

In total, we estimate that the reduction in per-adviser compliance costs of filing Form PF for advisers that currently meet the definition of large hedge fund advisers but that would not under the proposed amendments would be $49,875 per filing.[270]

Costs

The proposed amendments would reduce the set of large hedge fund advisers.[271] Private fund advisers with hedge fund assets under management that exceed the current large hedge fund adviser threshold but are below the proposed threshold would no longer be required to complete section 2,[272] which requires more granular information for each of their qualifying hedge funds.[273] In addition, the Commissions and FSOC would receive information annually rather than quarterly for approximately 1,124 non-qualifying hedge funds that are managed by advisers that would no longer be considered

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269 *See infra* section III.C.18 at Table 9. Advisers with between $1.5 billion and $10 billion in hedge fund assets under management would save approximately $8,873 each time one of their qualifying hedge funds experiences an event that would require them to file a section 5 report under the baseline but not under the proposed amendments.

270 *See infra* section III.C.18 at Tables 6 and 7. We estimate that the reduction in compliance costs of filing Form PF for advisers that currently meet the definition of large hedge fund advisers but that would not under the proposed amendments would be $49,875 ($58,575 minus $8,700) per adviser for ongoing filings. These estimated cost savings are derived from averages for large hedge fund advisers as well as smaller private fund advisers and would generally scale with the number of private funds managed. *See also infra* section IV.A.3.

271 As of the first quarter of 2025, the SEC received Form PF filings from 617 large hedge fund advisers, representing 26 percent of registered investment advisers that advise hedge funds. We estimate that under the proposed reporting threshold for large hedge fund advisers, the SEC would have received 227 filings from large hedge fund advisers, representing 9 percent of registered investment advisers that advise hedge funds.

272 As of the first quarter of 2025, the SEC received Form PF filings for 2,076 qualifying hedge funds. This represents 17 percent of hedge funds advised by registered investment advisers. We estimate that under the proposed reporting threshold for large hedge fund advisers, the SEC would have received filings for 1,378 qualifying hedge funds. This represents 11 percent of hedge funds advised by registered investment advisers.

273 For instance, while some information on counterparty exposure is collected from all hedge funds managed by private fund advisers that file Form PF (Questions 26 and 27), a large hedge fund adviser reports more granular counterparty information in section 2 (Questions 42 and 43) for each counterparty to which the adviser's qualifying hedge funds face exposures exceeding certain levels. While the questions relating to counterparty exposures would be modified under the proposed amendments, this would continue to be true. Additionally, large hedge fund advisers report exposure to various sub-asset classes on section 2 (Question 32) by instrument type for each of their qualifying hedge funds, while section 1c contains only information on how hedge fund exposures are financed (Questions 18, 19, and 26).

large hedge fund advisers under the proposal.[274] Both of these reductions would reduce the information available to monitor risks in the hedge fund industry, which could, in principle, affect the monitoring of systemic risk. For example, hedge funds advised by smaller private fund advisers may, in some cases, experience liquidity stress sooner than the hedge funds advised by advisers that would continue to meet the definition of large hedge fund advisers,[275] or they could have returns that are sufficiently correlated with each other to collectively carry systemic risk concerns.[276]

However, we expect that the potential effect on systemic risk monitoring would be mitigated by the fact that the section 2 filings would still cover a large percentage of hedge fund assets reported by registered investment advisers.[277] A still larger percentage of those assets would continue to be reported quarterly on section 1 of Form PF as they would be advised by advisers with hedge fund assets under management of at least $10 billion.[278] In addition, filing advisers with hedge fund assets

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274 Under the current large hedge fund adviser threshold, of the 6,087 hedge funds advised by large hedge fund advisers, 2,076 are qualifying hedge funds and 4,011 are not qualifying hedge funds. Under the proposed large hedge fund adviser reporting threshold, there would be 4,265 hedge funds advised by large hedge fund advisers, of which 1,378 would be qualifying hedge funds and 2,887 would not be qualifying hedge funds. The number of hedge funds for which large hedge fund advisers currently file quarterly for section 1 only but would be reported annually under the proposed threshold increase is therefore 1,124 (4,011 minus 2,887).

275 *See, e.g.*, Mathis S. Kruttli et al., *The Life of the Counterparty: Shock Propagation in Hedge Fund-Prime Broker Credit Networks* (OFF. FIN. RSCH., Working Paper No. 19-03, 2019*), available at* https://www.financialresearch.gov/working-papers/files/OFRwp-19-03_the-life-of-the-counterparty.pdf (finding that large hedge funds can more easily obtain borrowing from alternate prime brokers following a prime broker liquidity shock). Large hedge fund advisers' hedge funds are generally larger than smaller private fund advisers' hedge funds (averaging $0.9 billion in GAV for advisers with hedge fund assets under management between $1.5 billion and $10 billion and advising at least one qualifying hedge fund vs $2.1 billion in GAV for advisers with hedge fund assets under management above $10 billion and advising at least one qualifying hedge fund).

276 Large hedge fund advisers that complete Form PF for qualifying hedge funds implementing equity strategies (equity long/short and/or equity market neutral) for more than 50% of their assets would be disproportionately affected by the proposed increase in threshold compared to funds that follow other strategies. While the total number of funds reported on section 2 would decrease by 34%, from 2,076 to 1,378, under the proposed increase in the large hedge fund adviser reporting threshold, the number of equity funds reported on section 2 would decrease by 56%, from 530 to 234. To the extent that these funds hold similar positions, their returns may be sufficiently correlated to collectively carry systemic risk concerns.

277 *See supra* footnote 260.

278 *See supra* footnote 259.

under management that are less than $10 billion would continue to provide information in section 1c about the hedge funds they advise on an annual basis.[279]

Additionally, under the proposed large hedge fund adviser threshold, advisers with hedge fund assets under management between $1.5 billion and $10 billion would not submit section 5 reports. Visibility into the events that trigger these reports and that may have implications for systemic risk monitoring would thus be reduced. For instance, a qualifying hedge fund that experiences a margin increase of 20 percent of its average daily aggregate calculated value would not be visible via Item C of section 5 if its adviser manages less than $10 billion in hedge fund assets. As a result, regulators could, in principle, miss an early signal of a broader trend or circumstance affecting multiple hedge funds and which could ultimately contribute to systemic events.[280] However, we expect this effect would be mitigated due to the relatively modest drop in aggregate hedge fund assets managed by advisers that would be affected by the proposed increased threshold.[281] For instance, in the example given above, if the margin increase is the result of market factors that affect other qualifying hedge funds, it is more likely that the event would be captured by current event reports filed by hedge funds managed by advisers with private fund assets under management above the proposed reporting threshold.

Lastly, any adviser that is currently filing Form PF as a large hedge fund adviser but would not meet the definition of large hedge fund adviser under the proposed amendments would have to make a transition filing with the SEC indicating that it would no longer be obligated to report on a

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279 *See* Form PF section 1c.

280 *See supra* footnotes 275 and 276.

281 *See supra* footnote 260.

quarterly basis. These transition filings are not subject to Form PF requirements, do not carry a filing fee, and entail a small hour burden.[282]

We anticipate that any adverse effect to investor protection resulting from the proposed increase in the large hedge fund adviser threshold would be small. This is because advisers with hedge fund assets under management above the current $1.5 billion threshold and below the proposed $10 billion threshold would file section 1 of Form PF annually, providing information about the hedge funds they advise. These advisers would also continue to report on Form ADV information about the private funds they advise. Hence the SEC would continue to receive information supporting its investor protection efforts.

4. Disregarded Feeder Funds

The Commissions are proposing to amend General Instruction 6 to include a *de minimis* threshold when determining whether a feeder fund is separately reportable or could be disregarded. Currently, advisers to funds structured as master-feeder arrangements must separately report each component fund except for feeder funds that invest only in i) a single master fund, ii) U.S. treasury bills, and/or iii) cash and cash equivalents (a disregarded feeder fund). The proposed amendments to General Instruction 6 would permit an adviser to apply the exception from separate reporting if the feeder fund does not invest more than five percent of its gross asset value in investments that are not in a single master fund, U.S. treasury bills, and/or cash and cash equivalents.[283]

Benefits

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282 We estimate that the compliance cost associated with transition filings is approximately $41 per filing. *See infra* section IV.A.3.c) at Table 9. As this cost would be incurred by the approximately 390 advisers with hedge fund assets under management of at least $1.5 billion and less than $10 billion and advising at least one qualifying hedge fund, the aggregate cost of these transition filings is estimated to be $41×390 = $15,990. *See supra* footnote 262 and accompanying text.

283 *See supra* section II.C.

The proposed amendments to General Instruction 6 could decrease the number of feeder funds that would be reported separately on Form PF, which would decrease the burden for advisers that would no longer need to report their master funds' feeders separately.[284] The extent of this reduction would depend on the number of feeder funds that make non-zero but no more than five percent of their gross asset value in investments outside of a single master fund, U.S. treasury bills, and/or cash and cash equivalents and on the number of advisers that would choose to not report separately these feeder funds as a result of the proposed amendment. For instance, the decrease in the number of feeder funds that would be reported separately would be limited if most feeder funds invest either entirely in the current categories for disregarded funds or do not fall within the proposed *de minimis* category. However, the cost savings for advisers to feeder funds that are not disregarded feeder funds under the current requirements but that would fall within the proposed *de minimis* category could be substantial as these advisers would no longer need to disaggregate these feeder funds in their reporting and would no longer need to complete their applicable Form PF sections in their entirety for these funds.[285]

The cost savings that would accrue from reducing the number of feeder funds that would be reported separately would be partially mitigated by the "look through" requirements associated with reporting at the level of the master fund. Specifically, General Instruction 6 requires that advisers "look through" to any disregarded feeder funds' investors in responding to several Form PF questions.[286] For instance, even if a feeder fund falls within the *de minimis* category and would not

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284 General Instruction 6 applies to all private fund advisers filing Form PF. Under the proposed amendments, we estimate that there would be approximately 2,280 such advisers, advising approximately 44,312 private funds. *See supra* sections III.B.2 and III.C.2. We estimate that approximately 19 percent of private funds advised by registered investment advisers are either a master or a feeder in a master-feeder structure.

285 Industry members have highlighted that the burdens of disaggregating feeder funds in their reporting can be significant. *See supra* section II.C. In addition, *see infra* section III.C.18 for estimates of cost savings associated with no longer filing Form PF.

286 These questions are Questions 21 – 22, 51 – 53, and 59 – 64. *See* Form PF General Instruction 6.

have to be reported separately under the proposed amendments to General Instruction 6, the adviser would still need to look through to the disregarded feeder's investors when specifying the approximate percentage of the master fund's equity that is beneficially owned by various categories of investors.[287]

Costs

The proposed amendments would permit advisers of feeder funds with investments of no more than five percent of the feeder fund's gross asset value in assets other than a single master fund, U.S. treasury bills, and/or cash and cash equivalents to aggregate their reporting in the master fund's reporting rather than reporting separately. As a result, there would be reduced visibility into the exposures of feeder funds that would be aggregated under the proposed amendments, which could, in principle, limit access to information potentially relevant to systemic risk monitoring. For instance, current Form PF includes certain counterparty exposure information for any feeder fund that makes investments outside of a single master fund, U.S. treasury bills, and/or cash and cash equivalents.[288] Under the proposed amendments, if these investments account for no more than five percent of the feeder fund's gross asset value, the adviser could choose to aggregate the feeder fund's investments with the master fund's investments for the purpose of reporting this counterparty exposure information. Such aggregation could, in principle, obscure visibility into the risk profiles of certain complex fund structures and thus could affect systemic risk monitoring.[289] However, the proposed five percent threshold is *de minimis*, and therefore it is unlikely that aggregation would meaningfully obscure counterparty or other types of risk in master-feeder fund structures, particularly given the requirement that advisers "look through" to any disregarded feeder funds' investors in responding to

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287 *See* Form PF Question 22.

288 *See* Form PF Question 26.

289 *See* 2024 Form PF Adopting Release, section II.A.1.

several Form PF questions.[290] Additionally, since the adoption of the 2024 amendments, filers have indicated that disaggregated reporting of master-feeder funds in these de minimis cases would not reflect how advisers to these structures manage risk internally, which could affect the accuracy of the reported data.[291] Accordingly, the value of disaggregated reporting for systemic risk monitoring may be muted, particularly for investment exposures of less than five percent of the feeder fund's gross asset value. Hence, we do not expect that the cost of the proposed amendment to allow greater aggregation would be significant.

5. Eliminate the Look Through Requirement

The Commissions are proposing to amend General Instructions 7 and 8, the instructions to Questions 32, 33, 35, 36, and 47, and certain definitions in the Glossary of Terms that refer to positions held indirectly.[292] In reporting indirect exposures of the reporting fund in response to Questions 32, 33, 35, 36, and 47, General Instructions 7 and 8 require advisers to "look through" the reporting fund's investments in certain entities.[293] By contrast, the instructions under each of these questions indicate that reasonable estimates that "best represent" the exposures reported in these questions are permissible.[294] Additionally, the Glossary of Terms includes definitions that direct advisers to look through to indirect exposures to such assets held through another entity.[295] Moreover, the Glossary of Terms defines a reference asset as a security or other investment asset to which a fund

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290 *See supra* footnote 286.

291 *See supra* section II.C.

292 *See supra* section II.D.

293 The look through requirement in General Instruction 7 pertains to a fund's investments in private funds and trading vehicles, while the look through requirement in General Instruction 8 pertains to a fund's investments in funds or other entities that are not private funds or trading vehicles. Before the 2024 amendments, advisers were not required to but had the option to "look through" a reporting fund's investments in other entities. *See supra* section II.D.

294 *See* Instructions to Questions 32, 33, 35, 36, and 47.

295 *See* Form PF Glossary of Terms (definitions of "agency securities," "commodities," "convertible bonds," "corporate bonds," "GSE bonds," "leveraged loans," "listed equity," "other commodities," "sovereign bonds," "unlisted equity," and "U.S. treasury securities").

is exposed, for example through direct ownership, synthetically, or through indirect ownership. Advisers can identify reference assets based on their internal methodologies and the conventions of service providers, as long as the methodologies and conventions are consistently applied and do not conflict with any instructions or guidance relating to Form PF and reported information is consistent with information reported internally and to investors and counterparties.

Under the proposed amendments to General Instructions 7 and 8, where selected questions require advisers to report indirect exposure resulting from positions held in other entities (including other private funds), advisers would be permitted to provide indirect exposures based on reasonable estimates that are consistent with their internal methodologies and conventions of service providers.[296] The Commissions also propose conforming amendments to the instructions on reporting indirectly held exposure under these questions. Specifically, the Commissions propose to remove the instructions that reasonable estimates used to report indirect exposures and that an indirectly held entity position in a sub-asset class and instrument type must "best represent" the exposure of the entity or the sub-asset class exposure of the indirectly held entity.[297] Additionally, the Commissions propose to revise definitions of certain asset classes in the Form PF Glossary of Terms to explicitly subject those definitions to the proposed General Instructions 7 and 8.[298] The Commissions also

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296 These questions are Questions 32, 33, 35, 36, and 47. *See* proposed Form PF General Instructions 7 and 8. The proposed amendments would eliminate Question 32(b)(2) of Form PF, but the amendments to the "look through" requirements would still apply to the remaining part of Question 32. *See supra* section II.H; *infra* section III.C.9. In addition, Questions 39 and 40 require reporting of exposure to reference assets, which are defined to include exposure obtained indirectly. *See* Form PF Glossary of Terms (definition of "reference asset"). These two questions would be eliminated under the proposed amendments. *See supra* section II.K; *infra* section III.C.12. This proposal, however, would retain the instruction in current General Instruction 7 that advisers must include (look through to) the trading vehicle's holdings for all questions answered by the reporting fund.

297 *See* proposed Form PF Questions 32, 33, 35, 36, and 47.

298 *See* proposed Form PF Glossary of Terms (definitions of "agency securities," "commodities," "convertible bonds," "corporate bonds," "GSE bonds," "leveraged loans," "listed equity," "other commodities," "sovereign bonds," "unlisted equity," and "US treasury securities"). Relatedly, the Commissions propose conforming amendments to Questions 32 and 47 to align them with the proposed General Instructions 7 and 8. *See supra* footnote 57 and accompanying text.

propose to amend the Form PF Glossary of Terms to remove the words "and do not conflict with any instructions or guidance relating to this Form" in the definition of reference asset.[299]

Benefits

Removing the requirement in the instructions to Questions 32, 33, 35, 36, and 47 that reasonable estimates of indirect exposures "best represent" the exposure of the entity would result in cost savings for large hedge fund advisers.[300] Specifically, an estimate that "best represents" a fund's indirect exposure for the purposes of these questions is likely to be more costly for the fund's adviser to compute than would be an estimate not requiring this standard. Therefore, eliminating the "best represent" standard in the specific questions could decrease the cost burden of completing Form PF.[301]

More generally, Form PF General Instructions 7 and 8 currently indicate that advisers must look through the fund or entity (as applicable) when answering these questions. Accordingly, some advisers have expressed concern that looking through a position in another entity to identify and calculate a particular exposure is costly and not always feasible.[302] For instance, Question 32(b)(1) asks for information on adjusted exposure to fixed income reference assets grouped by maturity buckets, where the definition of a reference asset includes assets owned indirectly.[303] Advisers have indicated that assessing indirect exposure to each underlying investment of an ETF that tracks a broad

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299 In addition, the Commissions propose to further amend the definition of reference asset in order to help filers understand that the list given in the definition contains examples, and not a prescriptive or comprehensive list, of ways a reporting fund may have exposure to a reference asset. *See supra* footnote 59.

300 Instruction on "look through" apply to all private fund advisers filing Form PF. Under the proposed amendments, we estimate that there would be approximately 2,280 such advisers, advising approximately 44,312 private funds. *See supra* sections III.B.2 and III.C.2. *See also infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

301 The conforming changes to certain related definitions would have similar effects. *See supra* footnote 298 and text accompanying footnote 299.

302 *See supra* section II.D.

303 *See* Form PF Glossary of Terms (definition of "reference asset").

index could require analyzing dozens or hundreds of assets.[304] Aside from the burdens of this analysis, some advisers have indicated that the information required to complete these questions is outside of the adviser's control, and that they have limited access to information about underlying investments of third party entities that a reporting fund may be invested in.[305] Therefore, specifying in General Instructions 7 and 8 that advisers may provide reasonable estimates of indirect exposures that are consistent with their existing internal methodologies and the conventions of their service providers would substantially reduce large hedge fund advisers' cost burden associated with completing these questions. The proposed amendments to certain asset definitions and the definition of "reference asset" would likewise apply the reasonable estimates that would be permitted by General Instructions 7 and 8 with respect to these definitions as well.[306] The Commissions also propose to amend the Form PF Glossary of Terms to remove the words "and do not conflict with any instructions or guidance relating to this Form" in the definition of reference asset. We expect that this proposed amendment would help filers understand the requirements, which could decrease their compliance costs associated with the relevant questions.

Costs

The proposed changes to General Instructions 7 and 8 and to various question instructions and definitions relating to reference assets or indirectly held positions in the Glossary of Terms would permit advisers to report indirect exposures in response to certain questions based on reasonable estimates that are consistent with the adviser's internal methodologies and conventions of service providers. The proposed changes therefore would likely result in less granular reporting relative to the baseline. This change could, in principle, result in a decrease in the level of specificity and

304 *See supra* section II.D.

305 *Id*.

306 *See supra* footnote 298.

comparability of indirect exposures reported by advisers on Form PF, which in turn could reduce the utility of this information in some cases. For instance, if an adviser used a reasonable estimate under the proposed changes to the Form instructions that would result in substantially less granular information being reported relative to what it would have reported under the current instructions, that information could be less useful for systemic risk analysis. However, based on input received from filers, we understand that the operational challenges posed by the current look-through instructions would likely, in practice, result in advisers relying on internal assumptions and estimates to comply with Form PF's requirements.[307] As a result, the current look-through requirements in General Instructions 7 and 8 and the instructions to Questions 32, 33, 35, 36, and 47 may not in practice result in greater granularity and comparability of the resulting data, limiting its incremental value for systemic risk analysis. Hence, we do not expect that these proposed changes would adversely limit the utility of these questions for systemic risk monitoring. For the same reason, we likewise anticipate that the proposed changes to the "look through" instructions would not adversely affect investor protection.

6. Trading Vehicles

Question 9 must be completed by all Form PF filers and it must be completed separately for each private fund that an adviser advises. It was added to Form PF as part of the 2024 amendments.[308] The question requires advisers to provide information about each trading vehicle through which a fund holds assets, incurs leverage, or conducts trading or other activities.[309] The information required includes identifying information such as legal name, as well as information on the type of activity performed by the fund through the trading vehicle. The proposed amendments would reduce the

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307 *See supra* section II.D.

308 *See supra* section II.E.

309 *See* Question 9 of Form PF.

scope of trading vehicles for which advisers must complete Question 9. Specifically, the proposed amendments would require advisers to identify only trading vehicles that are (1) listed or required to be listed in section 7.B. of Schedule D of Form ADV (either the adviser's or another adviser's) or (2) included or required to be included in a response to Questions 27, 28, 42, 43, or 44 of Form PF.[310]

Benefits

The proposed change to Question 9 would reduce the burden for advisers by narrowing the set of trading vehicles that would need to be identified on this question.[311] In general, the cost savings to each adviser from this amendment to Question 9 would depend on the number of trading vehicles used by each fund it advises. We understand that some funds have structures that involve multiple trading vehicles, including potentially several hundred of them.[312] This could result in significant compliance costs for advisers as Question 9 requires advisers to enter individualized information about each trading vehicle. We also understand that many of these trading vehicles are passive entities, and that, as such, they are unlikely to be reported either on Form ADV or elsewhere on Form PF.[313] Hence, we expect that the decrease in the cost for advisers of completing Question 9 resulting from the proposed change would be most significant for those advisers that advise funds with a large number of trading vehicles that are not listed (or required to be listed) in section 7.B. of Schedule D of Form ADV or included (or required to be included) in a response to Questions 27, 28, 42, 43, or 44

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310 *See supra* section II.E. Under the proposed amendments, General Instruction 7 would also be amended to conform with the amended instruction to Question 9.

311 Question 9 applies to all private funds advisers that are required to file Form PF. Under the proposed amendments, we expect that there would be approximately 2,280 such advisers, advising approximately 44,312 private funds. *See supra* sections III.B.2 and III.C.2.

312 *See supra* section II.E.

313 *Id.*

of Form PF. Conversely, the decrease in cost would be least significant or non-existent for advisers that advise funds with only a few or no such trading vehicles.[314]

Costs

The proposed change to Question 9 would result in no information being reported by private fund advisers on some trading vehicles they use to hold assets, incur leverage, or conduct trading or other activities. It would therefore result in reduced visibility into private funds' structure and reliance on trading vehicles. Because more fulsome visibility can enhance systemic risk assessment and investor protection efforts, the decrease in information could impact these activities.

However, we expect that this cost would be substantially mitigated by the fact that advisers would still provide information on trading vehicles that also appear (or are required to appear) in Questions 27, 28, 42, 43, or 44 of Form PF.[315] Questions 27 and 28 of Form PF must be completed separately for each hedge fund that an adviser advises. Questions 42, 43, and 44 must be completed separately by large hedge fund advisers for each qualifying hedge fund that they advise. These questions require the adviser to identify significant creditors or counterparties to which a fund is exposed.[316] The questions also require the adviser to indicate the name and the LEI of the entity that has direct exposure to the creditor or counterparty. Hence, any trading vehicle that incurs leverage or conducts trading or other activities as part of a hedge fund's investment activities resulting in

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314 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

315 Advisers would also continue to report information on trading vehicles that also appear in section 7.B of Schedule D of Form ADV. This information is useful to determine whether a fund identified by an adviser as a private fund in Form ADV is the trading vehicle of a private fund for which Form PF has been filed.

316 For example, Question 42 requires the adviser to identify and provide information about each creditor or other counterparty to which the reporting qualifying hedge fund owed an amount in respect of cash borrowing entries which is equal to or greater than either (1) 5 percent of net asset value or (2) $1 billion. The proposed amendments would modify Questions 42 and 43. Amended Questions 42 and 43 would still require advisers to identify significant creditors or counterparties to which a fund is exposed. *See supra* section II.L*; infra* section III.C.13.

significant exposure to creditors or counterparties is currently required to be identified by advisers in those questions and would therefore continue to be included in Question 9 under the proposed change.

We also anticipate that the reduced scope resulting from the proposed amendment to Question 9 would exclude trading vehicles whose reporting provides limited utility to systemic risk monitoring and investor protection efforts. Private funds are typically structured using various legal entities to limit liability of fund advisers and investors, enhance tax efficiency for the fund's varied investor base, and for other purposes.[317] The details of these structures may not be beneficial for a complete understanding of a fund's exposures or other considerations pertinent to an analysis of systemic risk or as a signal of potential investor harm.[318] Hence, we do not expect that this proposed change would significantly affect the assessment and monitoring of systemic risk or investor protection.

7. Eliminate Form PF Question 23(c) Volatility Reporting

Question 23(c) is in section 1b of Form PF, which applies to all filing private fund advisers and must be completed separately for each private fund that an adviser advises. Question 23(c) more specifically must be completed by advisers that calculate a market value on a daily basis for any position in a private fund's portfolio.[319] The question, which was adopted in the 2024 Form PF amendments, requires advisers to report 1) the "reporting fund aggregate calculated value" at the end of the reporting period and 2) the reporting fund's volatility of the natural log of its daily rate-of-

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317 For instance, a special purpose entity or special purpose vehicle may hold assets so that they are bankruptcy remote.

318 For instance, a master fund in a master-feeder structure would typically be the counterparty for its trading activity and associated use of leverage. Any trading vehicles in which the master fund holds assets for an ancillary purpose (*e.g.*, for tax efficiency) is less likely to be pertinent to analyzing systemic risk or for investor protection. If, on the other hand, the master fund uses a trading vehicle to actively trade and incur leverage, that trading vehicle would potentially be relevant to analyzing systemic risk.

319 Advisers that do not calculate a market value on a daily basis for any of the positions in a fund's portfolio are not required to complete Question 23(c) for this fund.

return for each month of the reporting period. [320] The question also asks for other statistics derived from the fund's daily rate-of-return. The proposed amendments would eliminate Question 23(c) of Form PF.[321]

Benefits

All filing advisers that calculate market values for any of their funds' portfolio positions daily would benefit from this proposed change via lower costs.[322] The proposed elimination of Question 23(c) would reduce the costs associated with completing Question 23(c). These costs include the time and resources spent by advisers to compute a prescribed value for the positions of the fund's portfolio. Question 23(c) requires the calculation of the reporting fund's aggregate calculated value, which is the value of every position in the portfolio, including the value of cash and cash equivalents, short positions, and any fund-level borrowing. For the positions that are valued less frequently than daily, advisers are instructed to carry forward the last price. For positions that are not valued in U.S. dollars, a daily foreign exchange rate can be applied to the carried-forward price.[323] The costs also include the time and resources to calculate the aggregated value of the portfolio from the individual position values and to compute the daily rate-of-return and other statistics to be reported in the question. Industry members have indicated that completing Question 23(c) can be burdensome for advisers, especially for those that calculate this information for master-feeder structures at the master fund level or have to translate the information from an internal methodology to comport with the

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320 *See supra* section II.F.

321 *See id.*

322 Question 23(c) applies to all private fund advisers filing Form PF. Under the proposed amendments, we estimate that there would be approximately 2,280 such advisers, advising approximately 44,312 private funds. *See supra* sections III.B.2 and III.C.2. Because the compliance date of the 2024 amendments has been extended to October 1, 2026, we do not have data on the number of advisers that calculate market values for any of their funds' portfolio positions daily, which would necessitate their completion of Question 23(c) under the baseline. *See supra* footnote 8.

323 *See* Form PF Glossary of Terms (definition of "reporting fund aggregate calculated value").

methodology prescribed in this question.[324] We expect that the decrease in costs resulting from the proposed elimination of Question 23(c) would be most significant for such advisers.[325] We expect that there would be no decrease in costs for advisers that do not calculate a market value on a daily basis for any position in their funds, since these advisers are not required to complete Question 23(c).[326]

The cost savings that would accrue from the proposed elimination of Question 23(c) could be mitigated for some advisers by some of the requirements in section 5 of Form PF. Large hedge fund advisers to qualifying hedge funds are required to file a current report with the SEC when their qualifying hedge funds experience certain stress events.[327] One such stress event is an extraordinary investment loss. If, on any business day, the 10-business day holding period return of a fund is less than or equal to negative 20 percent, the fund's adviser is required to file a current report.[328] The holding period return is calculated from the daily rate-of-return, which is itself calculated from the aggregate calculated value of the reporting fund.[329] Hence, to the extent that large hedge fund advisers to qualifying hedge funds would use identical or similar calculations when monitoring extraordinary investment losses requiring the filing of section 5 and for completing Question 23(c), the decrease in costs resulting from the proposed elimination of Question 23(c) would not be as significant for these advisers as for other advisers.

Costs

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324 *See supra* section II.F.

325 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

326 We do not have an estimate of the number of advisers that would complete Question 23(c) were it to remain in Form PF. *See supra* footnote 322.

327 *See* Form PF section 5.

328 *See* Form PF section 5, Item B.

329 *See* Form PF Glossary of Terms (definitions of "holding period return" and "daily rate-of-return").

The proposed elimination of Question 23(c) would result in advisers submitting less information about private funds' performance compared to the current requirements. Under the baseline, Question 23(c) would give insight into significant volatility swings occurring over a period of a month. Under the proposed amendments, volatility would be observed over longer time frames. As a result, these swings could be masked, obscuring the assessment of systemic risk. Under the baseline, the information reported in Question 23(c) would also provide context to the monthly return values reported in Question 23(a), providing information on fund returns on a risk-adjusted basis. In addition, it would allow for the comparison of volatility across fund types for systemic risk assessment.[330] Because more detailed information on the volatility of funds' performance can enhance systemic risk assessment efforts, the reduction in information collected that would result from the proposed elimination of Question 23(c) could impact systemic risk monitoring.

However, the utility of the data obtained from Question 23(c), and therefore the potential cost of eliminating it, is limited by the quality and comparability of the responses submitted by advisers. Industry members have indicated that different advisers could answer this question using different methodologies that do not necessarily align with what is required under Question 23.[331] In addition, because Question 23(c) is not required in the case where the adviser does not calculate market value on a daily basis for any of the positions in the fund, the coverage of the question across funds could be incomplete.[332] These challenges could reduce the ability to infer volatility of returns on a wider

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330 For example, comparing volatility across different fund types allows for the identification of market trends and of strategies that are the most volatile and therefore pose the greatest risk to counterparties.

331 Form PF allows for the aggregate calculated value of a fund to be calculated using the adviser's own internal methodologies and conventions of the adviser's service providers, provided that these are consistent with information reported internally. *See* Form PF Glossary of Terms (definition of "reported fund aggregate calculated value"). *See also supra* section II.F.

332 Because the compliance date for the 2024 amendments has been delayed to October 1, 2026, we do not have an estimate of the number of funds for which Question 23(c) would not be completed even if it were to be kept in Form PF. *See supra* footnote 322.

scale and affect systemic risk monitoring. The costs of eliminating this question could thus be lower than they would be in the absence of these challenges.

We anticipate that any remaining costs of the proposed elimination of Question 23(c) would be substantially mitigated by two factors. First, advisers would submit information on monthly or quarterly performance reporting in Questions 23(a) and 23(b), which would help with the assessment, over longer timeframes than under the baseline, of performance-related volatility that can contribute to systemic risk. Second, large hedge fund advisers are required to file a current report with the SEC if the return on a qualifying hedge fund's portfolio is less than or equal to negative 20 percent.[333] Hence, for qualifying hedge funds, there would continue to be information available about periods of large negative returns even if Question 23(c) were to be eliminated. Even though the current reporting does not apply to other types of funds, we expect that qualifying hedge funds, by their size and investment strategies, are the most likely to see volatility of returns of a magnitude that could contribute to systemic risk.[334] However, to the extent that other types of funds or hedge funds that do not meet the definition of qualifying hedge funds also show volatility that could contribute to systemic risk, or to the extent that periods of high volatility in daily rate-of-return that do not result in

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333 *See* Form PF section 5. *See also supra* text accompanying footnote 328.

334 Hedge funds often conduct large, highly leveraged trades to attempt to profit from small price discrepancies in certain markets. Adverse market movements can lead to hedge funds facing margin calls or having to rapidly unwind their positions. Many also offer liquidity to fund investors, which can lead to forced sales in response to sustained redemption pressures. *See, e.g.*, John Kambhu, Til Schuermann & Kevin J. Stiroh, *Hedge Funds, Financial Intermediation, and Systemic Risk*, 13 FED. RES. BANK OF N.Y. ECON. POL'Y REV. 1 (Dec. 2007), *available at* https://www.newyorkfed.org/medialibrary/media/research/epr/07v13n3/0712kamb.pdf.These scenarios can affect market liquidity and prices more broadly, particularly if many hedge funds are concentrated in the same or similar positions. *See, e.g.*, *Crowded trades and consequences*, MACROSYNERGY RSCH. BLOG (Jan. 4, 2025), https://macrosynergy.com/research/crowded-trades-and-consequences/#crowded-trades-and-consequences. By contrast, private equity funds typically require investor capital to be committed for the duration of the fund's life. In addition, their investments are often infrequently appraised. Similarly, liquidity funds invest in lower-risk assets and employ minimal leverage. Hedge funds are also the largest category of private fund by both NAV and GAV, at $5.42 trillion and $12.59 trillion, respectively. *See supra* section III.B.2.

the filing of current reports could contribute to systemic risk, the ability to assess systemic risk could be reduced under the proposed change compared to the current requirements.

We expect that any effect on investor protection from the proposed elimination of Question 23(c) would be minimal. As with systemic risk monitoring, information relevant to investor protection resulting from this question would likely be limited due to data quality and comparability concerns.

8. Eliminate Certain Trading and Clearing Reporting

Questions 29 and 30 must be completed by all filing advisers that advise hedge funds and must be completed separately for each hedge fund that such advisers advise. Question 29 requires advisers to report values for securities (other than derivatives), interest rate derivatives, derivatives (other than interest rate derivatives), and repo/reverse repos trades, categorized by trading mode (*e.g.*, "on a regulated exchange"). In column (i), advisers must report the value traded during the reporting period (in U.S. dollars). In column (ii), advisers must report the value of positions as of the end of the reporting period. Question 30 requires advisers to report values for transactions that are not described in any of the categories listed in Question 29. As with Question 29, advisers must report the value traded during the reporting period in U.S. dollars (in Question 30(a)) and the value of positions as of the end of the reporting period (in Question 30(b)). The proposed amendments would remove column (ii) of Question 29 and item (b) of Question 30.[335]

Currently, Question 29 includes an instruction on how filers must calculate the value traded of transactions in different transaction categories and trading modes. The current instruction in Question 29 provides that the value traded is the total value in U.S. dollars of the reporting fund's transactions

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335 Relatedly, the proposed amendments would also remove the specific instructions for column (ii) that are given in Question 29. *See supra* section II.G.

in the instrument category and trading mode during the reporting period. It also specifies how filers must determine this value for different types of derivatives trades. For derivatives trades other than options and interest rate derivatives, it erroneously requires filers to calculate the total value by using a weighted average. General Instruction 15 also includes instructions on how filers are required to calculate the value of different types of derivatives trades, unless otherwise specifically indicated. For derivatives other than options and interest rate derivatives, it requires filers to use the gross notional value. The proposed amendments would remove the specific instruction in Question 29 concerning how to calculate the value traded, which would remove the error. Without these specific instructions, advisers would rely on General Instruction 15 and the table to calculate the value traded for proposed Questions 29 and 30.[336]

Benefits

The proposed elimination of column (ii) of Question 29 and item (b) of Question 30 would lower the burden on all investment advisers required to complete Questions 29 and 30.[337] Since these questions were added as part of the 2024 amendments to Form PF, some industry participants have expressed that they do not otherwise calculate the value of positions at the end of the reporting period by trading mode for each position using the calculations Form PF requires and that it is burdensome to track, calculate, and report such data solely for purposes of completing column (ii) in Question 29 and Questions 30(b).[338] Thus, advisers would likely benefit from cost savings associated with removing this reporting requirement.[339]

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336 *See supra* section II.G.

337 Questions 29 and 30 apply to all private fund advisers filing Form PF and advising hedge funds. Under the proposed amendments, we estimate that there would be approximately 1,048 such advisers, advising approximately 7,977 hedge funds. *See supra* sections III.B.2 and III.C.2.

338 *See supra* section II.G.

339 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

Advisers would also benefit from the elimination of the specific instruction in Question 29 concerning how to calculate the value traded. The current instruction for derivatives that are not options or interest rate derivatives specifies erroneously that the value traded should be calculated using the weighted average notional amount of the reporting fund's aggregate derivatives transactions during the reporting period. However, the same instruction also specifies that the value traded is the total value of the reporting fund's transactions during the report period. The proposed removal of the specific instructions in Question 29 about how to calculate value traded would therefore reduce confusion for advisers.[340] In addition, because the current error in the instructions could result in different advisers calculating these values using different methodologies based on their understanding of the requirements, the proposed removal of the instruction in Question 29 could result in improved data quality, which would support systemic risk monitoring by improving the information available on the use of different types of trading and clearing mechanisms by hedge funds.

Costs

Eliminating column (ii) of Question 29 and Question 30(b) would reduce the amount of information that advisers report regarding hedge funds' positions by investment category compared to the current requirements. These questions provide a snapshot of hedge funds' gross market footprint across varying trading modes. Removing these questions could, in principle, reduce visibility into large positions in certain categories and venues that may implicate systemic risk. For instance, information on end-of-period repo/reverse repo positions that are not centrally cleared would not be reported,[341] which could limit the effectiveness of systemic risk monitoring.

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340 General Instruction 15 and the table in Question 29 would sufficiently instruct advisers how to report the value traded.

341 *See* Form PF Question 29(d) column (ii).

Two factors would mitigate this potential cost of eliminating these items. First, the data reported in column (ii) of Question 29 and in Question 30(b) may have limited utility for systemic risk assessment as the snapshot provided as of the end of the period may not provide a representative picture of a fund's use of trading and clearing mechanisms. Second, the form would continue to collect related relevant information. For example, Question 32(a) requires monthly long and short position values by more granular sub-asset class for each qualifying hedge fund advised by a large hedge fund adviser.[342] The instructions to Question 29 indicate that for filers that also complete section 2 for a reporting fund, the sum of the fund's end-of-period position value by category should be consistent with the sum of the long and short positions across the fund's sub-asset classes in Question 32. Thus, while Question 32 does not directly include information on trading mode, it retains end-of-period category position values for qualifying hedge funds advised by large hedge fund advisers, which could provide an indication as to whether the securities were traded on an exchange or over the counter. In addition, column (i) of Question 29 and Question 30(a) require the total U.S. dollar value of the reporting fund's transactions by investment category and trading mode (for column (i) of Question 29) during the fund's reporting period. This information offers a more relevant measure of hedge funds' use of trading and clearing mechanisms. Hence, we expect that the effect of the proposed elimination of column (ii) of Question 29 and of Question 30(b) on systemic risk monitoring would be minimal.

We do not expect that the elimination of the instruction in Question 29 on how to calculate the value traded would impose costs on advisers. Advisers would be able to rely on the table in Question 29 and on General Instruction 15 to understand how to complete the proposed table in Question 29.

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342 Question 29 is in section 1c of Form PF, while Question 32 is in section 2. We estimate that under the proposed amendments, 1,048 advisers would be required to complete section 1c but not section 2 for 6,599 hedge funds (with aggregate gross assets of $2,816 billion) and that 227 large hedge fund advisers would complete both section 1c and section 2 for 1,378 hedge funds (with aggregate gross assets of $9,493 billion).

The required information would be no more burdensome to report than what is currently erroneously specified in the instruction to Question 29.[343]

9. Eliminate Form PF Question 32(b)(2) Adjusted Exposure Netting Based on Internal Methodologies

Question 32 must be completed by large hedge fund advisers and separately for each qualifying hedge fund that such advisers advise. It was amended as part of the 2024 amendments.[344] The question requires advisers to report information on a fund's long and short positions, by sub-asset class and instrument type, where applicable. In section (a), advisers must report the dollar value of the fund's long and short positions. In section (b), advisers must report the fund's adjusted exposure of long and short positions. In subsection (b)(1), advisers are instructed to calculate adjusted exposure by netting positions in the same underlying reference asset across instrument types. For fixed income assets, advisers are instructed to net positions within the same term, using the listed maturity buckets.[345] Advisers must also complete subsection (b)(2) if, under their methodologies for internal reporting and reporting to investors, they do not net all positions across all instrument types. Subsection (b)(2) requires advisers to (i) report adjusted exposure for each sub-asset class calculated using the adviser's internal methodologies and (ii) describe in Question 4 how their internal methodologies differ from the calculations required in subsection (b)(1). Under the proposed amendments, subsection (b)(2) would be eliminated.[346]

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343 Advisers that would be reporting derivatives trades in Question 29 would also report them in Question 32. Since General Instruction 15 on the calculation of the value of derivatives trades applies to Question 32, we expect that these advisers would already be familiar with this part of General Instruction 15.

344 *See supra* section II.H.

345 The question specifies that advisers "may net counterparties consistent with the information [they] report internally and to current and prospective investors." *See* Form PF Question 32(b)(1). The proposed amendments would remove the word "counterparties" from this sentence. *See supra* section II.H. We do not expect that this change would have significant economic effects.

346 *See supra* section II.H. In addition, the responses submitted by advisers to Question 32(b)(1) may be impacted by the proposed changes to how advisers are required to "look through" a fund's investments when considering positions held indirectly. *See supra* sections II.D and III.C.5.

Benefits

All large hedge fund advisers that would have completed Question 32(b)(2) under the current requirements would benefit from the proposed elimination of this question via lower compliance costs.[347] These costs include the time and resources spent by advisers to compute the adjusted exposure for each sub-asset class using their own methodologies and to describe in Question 4 how their internal methodologies differ from the calculations required by Question 32(b)(1). Among the advisers that would have to complete Question 32(b)(2) under the current requirements, these costs are likely to be higher for advisers of funds that have a large number of positions in a large number of sub-asset classes.[348] We expect that the decrease in costs resulting from the proposed elimination of Question 32(b)(2) would be most significant for such advisers.[349] We expect that there would be no decrease in costs for advisers with internal methodologies that align with the requirements in Question 32(b)(1), since these advisers are not required to complete Question 32(b)(2).

Costs

The proposed elimination of Question 32(b)(2) would result in FSOC receiving less information on how large hedge fund advisers to qualifying hedge funds report economic exposure of

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347 Question 32(b)(2) is in section 2 of Form PF and applies to all qualifying hedge funds advised by large hedge fund advisers. Under the proposed amendments, we estimate that there would be approximately 227 such advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3. Because the compliance date of the 2024 amendments has been extended to October 1, 2026, we do not have data on the number of large hedge fund advisers to qualifying hedge funds whose internal methodology makes them required to complete Question 32(b)(2) under the baseline. *See supra* footnote 8.

348 While data from Question 32(b)(2) is not available due to the extension of the 2024 amendments to October 1, 2026, Questions 30 and 34 of the version of Form PF that advisers are currently required to file inform the number of positions and unique sub-asset classes, respectively, held by qualifying hedge funds. We estimate that under the proposed reporting threshold for large hedge fund advisers, 304 qualifying hedge funds (representing 22.1% of qualifying hedge funds) advised by 108 large hedge fund advisers (representing 47.6% of large hedge fund advisers) would hold at least 500 open positions across 10 or more unique sub-asset classes, while 278 qualifying hedge funds (representing 20.2% of qualifying hedge funds) advised by 77 large hedge fund advisers (representing 33.9% of large hedge fund advisers) would hold less than 100 open positions across fewer than 5 unique sub-asset classes.

349 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

the funds' investment positions internally and to investors. This change could reduce FSOC's understanding of how advisers internally categorize their economic exposure to sub-asset classes across instrument types to the extent that this information differs from the prescriptive approach required in 32(b)(1). We do not expect that this would lead to a significant reduction in FSOC's ability to monitor systemic risk since it would still collect relevant information in Question 32(b)(1). Moreover, based on feedback received from filers following the adoption of the 2024 amendments to Form PF, the additional information required by Question 32(b)(2) would likely yield non-meaningful differences in risk information conveyed.[350] Therefore, we anticipate the costs of eliminating this question would be minimal.

10. Eliminate Form PF Question 34 Monthly Asset Turnover Reporting

Question 34 appears in section 2 of Form PF and must be completed by large hedge fund advisers and separately for each qualifying hedge fund that such advisers advise. It was amended as part of the 2024 amendments and was previously numbered as Question 27.[351] The question requires advisers to report turnover information by asset class for each month during the quarterly reporting period.[352] Under the proposed amendments, Question 34 would be eliminated.[353]

Benefits

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350 *See supra* section II.H.

351 *See supra* section II.I.

352 The categories of assets listed in Question 34 include equity, corporate bonds, convertible bonds, sovereign bonds and municipal bonds, listed equity derivatives, interest rate derivatives, foreign exchange derivatives, derivative exposure to U.S. treasury securities, derivative exposure to sovereign bonds issued by G10 countries other than U.S., derivative exposure to other sovereign bonds, and other derivatives. Some of these categories contain more narrowly defined asset classes.

353 *See supra* section II.I.

Eliminating Question 34 would benefit large hedge fund advisers by reducing the amount of turnover information they must collect and report for each of their qualifying hedge funds.[354] Currently, this information is reportable at the asset class level for each month, requiring large hedge fund advisers to compute up to 90 data points for each quarterly filing for each of their qualifying hedge funds.[355] Industry participants have indicated that these data points are particularly burdensome to monitor and produce in order to complete Question 34.[356] The burden of completing the question is likely highest for advisers to funds that make hundreds or even thousands of trades each day. Thus, the cost savings are likely to be the largest for such advisers.[357]

Costs

The proposed elimination of Question 34 would result in advisers reporting less information on qualifying hedge funds' asset turnover. As a result, regulators could have diminished visibility into the role of private funds' trading activity and contribution of trading liquidity in certain market events. To the extent that the granular turnover data required in Question 34 would support analyses that improve regulators' ability to evaluate market risk and industry trends in future crises, its removal could affect systemic risk assessment. However, asset turnover may be an imprecise signal of market turmoil. A high level of trading could primarily reflect a fund's investment strategy and not a particular issue in a given market.[358] In addition, a reduction in trading could reflect a fund's strategy in response to normal market conditions or could instead reflect an episode of stress in a

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354 Under the proposed amendments, we estimate that there would be approximately 227 large hedge fund advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

355 This number is computed as 30 asset classes times 3 months per quarter.

356 *See supra* section II.I.

357 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

358 *See supra* section II.I.

given market where a reduction in liquidity constrains a fund's trading. These factors may limit the utility of this item to monitor systemic risk.

To the degree that visibility into asset turnover is useful to monitor systemic risk, two factors could mitigate the potential costs of eliminating Question 34. First, large hedge fund advisers would still report long and short positions by sub-asset class (and instrument type, if applicable) at a monthly frequency for their qualifying hedge funds.[359] This information, combined with the information about investment strategies reported in Question 25, would continue to provide visibility into qualifying hedge funds' exposure by sub-asset class at a monthly frequency and may serve as a substitute for trading volume data that would be removed from Form PF. In addition, certain information relating to trading activity would still be provided in Question 29. Second, large hedge fund advisers to qualifying hedge funds would still need to file section 5 current reports upon extraordinary investment losses or substantial increases in margin, collateral, or equivalent.[360] While these reports do not provide specific data on trading or turnover, they may still provide information that may be used to ascertain a timeline following instances of severe market turmoil involving hedge funds.

11. Simplify Industry Concentration Reporting in Form PF Question 36

Question 36 must be completed by large hedge fund advisers and separately for each qualifying hedge fund that such advisers advise. It was added to Form PF as part of the 2024 amendments.[361] The question requires advisers to identify the fund's exposure by industry, based on the NAICS code of the underlying exposures, if the exposure is equal to or exceeds either (1) five

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359 *See* Form PF Question 32. While under the proposed amendments some parts of Question 32 would be eliminated, this requirement would remain. *See supra* section II.H; *supra* section III.C.9.

360 *See* Form PF section 5 Items B and C.

361 *See supra* section II.J.

percent of the reporting fund's net asset value or (2) $1 billion. The adviser must also report the long and short dollar value of these exposures in U.S. dollars. Currently, advisers are required to report the NAICS code at the six-digit level.[362] The proposed amendments would give advisers the flexibility to choose any level of classification within the NAICS hierarchical code system. That is, advisers would be able to choose any NAICS code with between two and six digits.

Benefits

The main benefit of the proposed change to Question 36 would be to reduce the burden for advisers.[363] The proposed amendment to Question 36 would reduce the different types of costs associated with completing Question 36. These costs include the time and resources spent by the adviser to assign a NAICS code to a fund's assets that meet the specified threshold and to keep track of such assignment over time. We understand that, while a six-digit NAICS code may be readily available for many assets from third parties, for other assets, such as those issued outside of North America, a NAICS code is not readily available. In these cases, the adviser must either develop an internal system or find a third party that would be able to assign NAICS codes. Hence, the cost to the adviser to perform this task is significantly higher. Under the proposed amendments, a NAICS code would still need to be assigned. However, the adviser would have the possibility to choose between, for example, approximately twenty two-digit industry codes instead of more than one thousand six-digit industry codes. We expect that this would significantly reduce the burden to advisers to qualifying hedge funds of assigning a NAICS code for those assets that do not have a six-digit

362 *See* Form PF Glossary of Terms (definition of "NAICS code"). *See also supra* footnote 90 and accompanying paragraph for a description of the NAICS code classification. The proposed amendments would also modify the definition of "NAICS code" in the Glossary of Terms to specify that advisers must report at the six-digit level unless otherwise specifically indicated.

363 Question 36 appears in section 2 of Form PF and applies to qualifying hedge funds advised by large hedge fund advisers. Under the proposed amendments, we estimate that there would be approximately 227 large hedge fund advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

NAICS code readily available.[364] This reduction in costs would apply to large hedge fund advisers to qualifying hedge funds.

The proposed change to Question 36 could also reduce the occurrence of instruments being assigned inconsistent NAICS codes. Industry members have indicated that assigning a six-digit NAICS code to an instrument can be challenging or infeasible.[365] This can result in different advisers assigning different NAICS codes to the same instrument, which could affect FSOC's assessment of the exposure of qualifying hedge funds to specific industries, and consequently its ability to monitor systemic risk. Fewer and broader industry categories would likely lead to fewer inconsistent NAICS code assignments, which would increase the reliability of the information reported in this question and thus its utility for systemic risk monitoring.

Costs

The proposed change to Question 36 would result in FSOC receiving less precise information on qualifying hedge funds' exposure by industry, which could, in principle, impact its monitoring of systemic risk. For instance, if a significant event affecting a specific industry were to occur, less granular reporting on industry exposures could, in principle, result in FSOC obtaining a less precise estimate of the number of qualifying hedge funds that could be affected or of the magnitude of the potential effects, which in turn could reduce its ability to assess systemic risk. This effect is mitigated by a number of factors, however. For example, industry members have indicated that complying with the current NAICS code requirement would necessitate assigning NAICS codes to instruments that do not have them, which could lead to inconsistent reporting across filers.[366] This inconsistency may

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364 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

365 *See supra* section II.J.

366 *See supra* text accompanying footnote 365; section II.J.

lower the value of this information, and hence the cost of the proposed lower granularity, to FSOC's monitoring of systemic risk. Additionally, we expect that any effect would be mitigated by the fact that FSOC would still have access to qualifying hedge funds' exposures to industry, as more broadly defined in the two-digit NAICS code classification, which could be sufficient for systemic risk monitoring. Further, to the extent that advisers continue to provide six-digit NAICS code for the assets for which such a code is readily available,[367] the effective decrease in information available to FSOC would be limited. Hence, we expect that the effect of the proposed amendment to Question 36 on FSOC's ability to monitor systemic risk would be limited.

12. Eliminate Certain Questions Concerning Qualifying Hedge Funds' Exposures to Reference Assets

The proposed amendments to Form PF would eliminate Questions 39 and 40.[368] These questions require large hedge fund advisers to provide information about each of their qualifying hedge funds' netted and gross exposure to reference assets for each month of the reporting period. Question 39 requires monthly long and short entries of: (i) the total number of reference assets to which the reporting fund holds netted exposure; (ii) the percent of net asset value represented by the aggregated netted exposures of reference assets with the top five long and short netted exposures; and (iii) the percent of net asset value represented by the aggregate netted exposures of reference assets representing the top ten long and short netted exposures. Question 40 requires identifying and descriptive information for each of the reporting fund's reference assets whose gross exposure equals or exceeds certain thresholds for each month of the reporting period.

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367 A six-digit NAICS code could be readily available for a specific asset because the adviser has already paid a service provider to obtain it or because the adviser has developed an internal methodology to assign one, for example.

368 *See supra* section II.K. In addition, the proposed amendments would remove the definition of "netted exposure" from the Glossary of Terms since this term would not appear in Form PF. We do not expect this propose change to the Glossary of Terms to have economic effects.

Benefits

Removing Questions 39 and 40 would substantially lower the reporting burden for large hedge fund advisers.[369] Both questions require a multi-step analysis of the reference assets in a reporting fund's portfolio at a monthly frequency. These exercises may be especially costly for advisers to qualifying hedge funds with large, complex portfolios in which exposure to reference assets is achieved via direct and indirect ownership and across various instruments.

As a preliminary step, Question 39 requires advisers to account for all of a reporting fund's reference assets with net long or net short exposure which may contribute to the fund's portfolio directly or indirectly across multiple financial instruments.[370] Answering parts (b) and (c) of Question 39 requires the adviser to determine the top five and top ten reference assets by both long and short netted exposure for each month of the reporting period. We thus anticipate that eliminating this question would result in substantial cost savings to advisers to qualifying hedge funds.

Question 40 requires detailed information by month for reference assets which account for exposure exceeding any of three thresholds.[371] Industry participants have indicated that this question requires specific and numerous calculations that are both particularly burdensome and not otherwise used by the funds.[372] We anticipate that substantial burden reductions would result from removing this question, due in part to the operational complexity of monitoring whether exposures to each

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369 Questions 39 and 40 appear in section 2 of Form PF and apply to all qualifying hedge funds advised by large hedge fund advisers. Under the proposed amendments, we estimate that there would be approximately 227 large hedge fund advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

370 For instance, a fund may have economic exposure to a particular listed equity via direct ownership, futures contract, options, or other derivatives.

371 These thresholds are: (i) 1% of net asset value, if the reference asset is a debt security and the reporting fund's gross exposure to the reference asset exceeds 20% of the size of the overall debt security issuance; (ii) 1% of net asset value, if the reference asset is a listed equity and the reporting fund's gross exposure to the reference asset exceeds 20% of average daily trading volume measured over 90 days preceding the reporting date; or (iii) either (1) five percent of the reporting fund's net asset value or (2) $1 billion.

372 *See supra* section II.K.

reference asset exceeds these thresholds. This complexity, and thus the gains from the question's removal, is further elevated to the extent a fund obtains exposure to a reference asset indirectly through one or more entities. Removing Question 40 would decrease the burden associated with estimating exposures to reference assets obtained through entities that the adviser does not control. Moreover, advisers would not have to report for these reference assets the dollar value of long and short exposures, netted exposure, sub-asset class and instrument type, title or description, unique identifier, size of issuance of debt securities, and listed equity average daily trading volume. We expect there would be substantial burden reduction to advisers to qualifying hedge funds associated with discontinuing the collection of this information.[373]

Costs

Removing Questions 39 and 40 would eliminate a source of data on concentrated netted exposure and material gross exposures to reference assets, respectively. The loss of this data could impact FSOC in monitoring systemic risk. In particular, removing Question 39 could affect FSOC's ability to obtain information on concentration in fund net positions, while removing Question 40 could reduce its visibility into the overall market footprint of large positions. Removing Questions 39 and 40 could also therefore impact regulators' ability to prepare retrospective analyses into the causes of instances of major market turmoil.

Two factors could mitigate the potential costs of eliminating Questions 39 and 40. First, the substantial burden associated with completing these questions could reduce the reported data's reliability and comparability across advisers, which could reduce its utility for systemic risk monitoring.[374] Second, other information reported on Form PF could mitigate the reduction in

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373 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

374 *See supra* section II.K.

efficacy of systemic risk monitoring that could result from removing Questions 39 and 40. Question 32 requires large hedge fund advisers to qualifying hedge funds to report certain information on their reporting fund's long and short positions by sub-asset class and instrument type.[375] The required information includes the dollar value of long and short positions, the adjusted exposure for fixed income assets binned by reference asset maturity, and 10-year bond equivalent long and short position dollar values for each sub-asset class with interest rate risk. While the information reported in Question 32 is less granular than the information required in Questions 39 and 40, it nonetheless provides insight into the risk exposure and footprint of qualifying hedge funds at the sub-asset level. Finally, the proposed addition of requirements in Item B of section 5 would recover identifying information and investment sizes of the asset with the largest contribution to a qualifying hedge fund's loss of 20 percent or more in a rolling 10-day business-day period.[376] We thus expect the effect of the removal of Questions 39 and 40 on systemic risk monitoring to be limited.

We do not expect a cost to investor protection resulting from the proposed elimination of these questions. As discussed, issues with data reliability and comparability may result from the substantial burden associated with these questions under the baseline. As such, any signal relevant for investor protection that these questions provide may likewise be unreliable. Also as discussed, other information reported on Form PF would be available for investor protection efforts.

13. Simplify Large Hedge Fund Adviser Counterparty Exposure Reporting

Questions 26 and 41 contain consolidated counterparty exposure tables where advisers are required to report their funds' borrowing (and collateral received) as well as lending (and posted collateral) for different types of borrowing, lending, and similar transactions with creditors and other counterparties, aggregated across all counterparties. Both questions were added to Form PF as part of

375 This would remain true under the proposed amendment to Question 32. *See supra* sections II.H and III.C.9.

376 *See infra* section III.C.15.

the 2024 amendments.[377] All private fund advisers must complete Question 26 for each hedge fund that they advise that is not a qualifying hedge fund.[378] It must be completed as of the end of the reporting period.[379] Question 41 must be completed by large hedge fund advisers for each qualifying hedge fund that they advise and it must be completed as of the end of each month of the reporting period.[380] It requires more granular detail and more information than Question 26. First, for several types of borrowing, lending, and similar transactions, Question 41 requires advisers to provide details on a larger number of categories of collateral types associated with each type of borrowing, lending, or other transactions than Question 26.[381] Second, Question 41 requires advisers to break down different types of borrowing across different types of creditors (U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors).[382] Third, for several types of borrowing, lending, and similar transactions, Question 41 requires advisers to specify the expected increase in collateral required to be posted by the fund if the required margin increases by one percent

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377 *See supra* section II.L.

378 Large hedge fund advisers are not currently required to complete Question 26 for their qualifying hedge funds, for which they are required to complete Question 41 instead.

379 For large hedge fund advisers, the reporting period is the fund's calendar quarter. For hedge fund advisers that do not meet the definition of large hedge fund advisers, the reporting period is the fund's fiscal year. *See supra* section III.B.1; *see also* Form PF General Instruction 9; Form PF Glossary of Terms (definition of "reporting period").

380 For large hedge fund advisers, the reporting period is the fund's calendar quarter. *See supra* section III.B.1; *see also* Form PF General Instruction 9; Form PF Glossary of Terms (definition of "reporting period").

381 For example, for secured borrowing and lending via prime brokerage or other brokerage agreement, Question 26 asks the amount of borrowing (and collateral received) and lending (and collateral posted) for the following types of collateral: (i) cash and cash equivalents received in cash margin borrowing, or received or paid by the reporting fund in securities lending and short sale transactions; (ii) cash and cash equivalents received or posted by the reporting fund as collateral for derivatives under any cross-margining agreement; and (iii) government securities and other securities received and posted by the reporting fund. For the same category of lending and borrowing, Question 41 asks for the amounts for the following categories: (i) cash and cash equivalents received in cash margin borrowing, or received or paid by the reporting fund in securities lending and short sale transactions; (ii) cash and cash equivalents received or posted by the reporting fund as collateral for derivatives under any cross-margining agreement; (iii) government securities (other than cash and cash equivalents) received and posted by the reporting fund; (iv) securities (other than cash and cash equivalents and government securities) received and posted by the reporting fund; and (v) other collateral or credit support (including face amount of letters of credit and similar third party credit support) received and posted by the reporting fund.

382 *See* Form PF Question 41 subsections (a), (b)(vi), (c)(v), (d)(v), and (f)(vii).

of position size.[383] Question 26 does not include these last two requirements. The proposed amendments would eliminate Question 41 and require that advisers complete Question 26 for all hedge funds, including qualifying hedge funds.[384] The proposed amendments would also require large hedge fund advisers to report in Question 26 as of the end of each month of the reporting period for the qualifying hedge funds that they advise.

Separately, Question 42 must be completed by large hedge fund advisers for each qualifying hedge fund that they advise. It was added to Form PF as part of the 2024 amendments.[385] The question requires advisers to identify and provide information on each creditor or other counterparty (including CCPs) to which reporting funds owed an amount in respect of cash borrowing entries (before posted collateral) which is equal to or greater than either (1) five percent of net asset value as of the data reporting date, or (2) $1 billion. For the top five creditors or counterparties that meet this threshold, the adviser is required to provide details on the amount of borrowing or lending for different types of borrowing or lending positions and for different types of collateral in Question 42(a). The different types of collateral categories for each type of borrowing or other transaction are aligned with the requirements in Question 41. In Question 42(b), the adviser must identify all other creditors or counterparties (including CCPs) that meet the specified threshold but that are not the top five listed in Question 42(a). For each of these creditors or counterparties, the adviser must report, among other things, the cash borrowing entries and the collateral posted entries of the reporting

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383 *See* Form PF Question 41, subsections (b)(vii). (c)(vi), (d)(vi), (e)(vi), and (f)(viii). In some subsections, the instructions appear to mistakenly require advisers to report the expected change in collateral if the required margin increases by one percent, rather than by one percent of the position size.

384 The definitions of "cash borrowing entries," "cash lending entries," and "consolidated counterparty exposure table" in the Glossary of Terms would also be amended to remove references to Question 41. In addition, the definition of "individual counterparty exposure table" would be amended to correct an error. The definition currently mistakenly refers to Question 41 in addition to Question 42. Under the proposed amendments, this error would be corrected to refer to Questions 42 and 43. *See supra* footnote 119 and accompanying text; Form PF Glossary of Terms (definition of "individual counterparty exposure table").

385 *See supra* section II.L.

fund,[386] but is not required to provide information as granular as in Question 42(a). The proposed amendments to Question 42 would require advisers to identify each creditor or other counterparty (including CCPs) to which reporting funds owed an amount in respect of borrowing entries (instead of in respect of cash borrowing entries) that is equal to or above the specified threshold.[387] The proposed amendments would also modify Question 42(a) to align it with the less granular reporting categories in Question 26. Finally, the proposed amendments would modify Question 42(b) to require advisers to categorize borrowings reported in column (d) by type: unsecured borrowing, secured borrowing (prime brokerage or other brokerage agreement), secured borrowing via repo and reverse repo (including tri-party repo), other secured borrowing, derivative positions cleared by a CCP, and derivative positions that are not cleared by a CCP.[388]

In addition, Question 43 must be completed by large hedge fund advisers for each qualifying hedge fund that they advise. It was added to Form PF as part of the 2024 amendments.[389] The question requires advisers to identify and provide information on each counterparty to which reporting funds had net mark to market counterparty credit exposure, after taking into account collateral received or posted by the reporting fund, which is equal to or greater than either (1) five percent of net asset value as of the data reporting date, or (2) $1 billion. For this question, the

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386 *See* proposed Form PF Glossary of Terms (definition of "borrowing entries"). In current Question 42 of Form PF, the instructions for completing subsection (b) state that advisers must report "cash borrowing entries" in column (d), whereas column (d) of the table in subsection (b) refers to "Borrowing." The proposed amendments would reconcile this difference by amending the instructions for completing subsection (b) of Question 42 to instruct filers to report all borrowings (*i.e.*, "borrowing entries" as defined in the proposed Form PF Glossary of Terms) in column (d) of subsection (b). *See supra* footnote 121; *infra* footnote 387 and accompanying text.

387 The proposed amendments would also include "borrowing entries" as a defined term in the Glossary of Terms. *See* proposed Form PF Glossary of Terms (definition of "borrowing entries").

388 *See* proposed Form PF Question 42(b); *supra* section II.L. Instructions for completing subsection (b) of Question 42 would be amended to direct advisers to report "the dollar amount of each type of borrowing in rows (d)(1) through (d)(6)." *See* proposed Form PF Question 42; *supra* footnote 122. In addition, the proposed amendments would correct two minor revisions to the instructions to Question 42. *See supra* section II.L. We do not expect that these corrections would have economic effects as we expect that advisers already understand the correct current requirements.

389 *See supra* section II.L.

counterparty credit exposure relates to cash borrowing entries or cash lending entries.[390] For the top five counterparties that meet this threshold, the adviser is required to provide details on the amount of borrowing or lending for different types of borrowing or lending positions and for different types of collateral in Question 43(a). The different types of collateral categories for each type of borrowing, lending, or other transaction are aligned with the requirements in Question 41. In Question 43(b), the adviser must identify all other counterparties that meet the specified threshold but that are not the top five listed in Question 43(a). For each counterparty identified, the adviser must report, among other things, the net mark to market exposure before collateral and the net mark to market exposure after collateral but is not required to provide information as granular as in Question 43(a). Under the proposed amendments, counterparty credit exposure would relate to all borrowing entries or all lending entries,[391] instead of only cash borrowing entries or cash lending entries.[392] The proposed amendments would also modify Question 43(a) to align it with the less granular reporting categories in Question 26.[393]

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390 For counterparties to which the reporting fund had net borrowing exposures, the reporting fund's net mark to market counterparty credit exposure before collateral equals the reporting fund's cash borrowing entries and the reporting fund's net mark to market counterparty credit exposure after collateral equals the amount (if any) by which the collateral posted entries exceed such cash borrowing entries. For counterparties to which the reporting fund had net lending exposure, the reporting fund's net mark to market counterparty credit exposure before collateral means the cash lending entries and the reporting fund's net mark to market counterparty credit exposure after collateral equals the amount (if any) by which the reporting fund's cash lending entries exceed the collateral received entries.

391 The proposed amendments would also include "lending entries" as a defined term in the Glossary of Terms. *See* proposed Form PF Glossary of Terms (definition of "lending entries").

392 Under the proposed amendments, for counterparties to which the reporting fund had net borrowing exposures, the reporting fund's net mark to market counterparty credit exposure before collateral would equal the reporting fund's borrowings and the reporting fund's net mark to market counterparty credit exposure after collateral would equal the amount (if any) by which the collateral posted entries exceed such borrowings. For counterparties to which the reporting fund had net lending exposure, the reporting fund's net mark to market counterparty credit exposure before collateral would mean the lending entries and the reporting fund's net mark to market counterparty credit exposure after collateral would equal the amount (if any) by which the reporting fund's lending entries exceed the collateral received entries. *See* proposed Form PF Question 43.

393 The definitions of "collateral posted entries" and "collateral received entries" in the Glossary of Terms would also be amended to reflect the amended requirements for Questions 42 and 43. *See supra* footnote 119 and accompanying text.

Finally, Question 18 requires filing advisers to provide information on each of their funds' borrowings and types of creditors. Large hedge fund advisers are not currently required to complete Question 18 for their qualifying hedge funds. Applicable advisers must report the dollar amount of a fund's total borrowing, as well as the percentage of this borrowing that is borrowed from (i) U.S. depository institutions, (ii) U.S. creditors that are not U.S. depository institutions, and (iii) non-U.S. creditors. Under the proposed amendments, large hedge fund advisers would be required to complete Question 18 for their qualifying hedge funds.[394]

Benefits

The main benefit of these proposed changes would be to reduce the burden for large hedge fund advisers.[395] The proposed amendments would reduce the costs associated with completing the parts of Question 41 that are not required in Question 26. They would also reduce the costs associated with completing Questions 42(a) and 43(a) for the different categories of collateral, since the granularity of these categories would decrease to align with those in Question 26. These cost savings would include those related to the time and resources spent by advisers to compute the required information. We expect that these would be higher for the advisers of qualifying hedge funds that utilize several types of borrowing, lending, and similar transactions with creditors or other counterparties that correspond to the different subsections of Questions 41. We also expect that they would be higher for the advisers of qualifying hedge funds that have a larger number of counterparties, since advisers are required to aggregate their responses across all counterparties in

394 All filing advisers would therefore be required to complete Question 18 for all of their funds, except for the funds for which they complete Question 71.

395 Questions 41, 42, and 43 appear in section 2 of Form PF and apply to qualifying hedge funds advised by large hedge fund advisers. Under the proposed amendments, we estimate that there would be approximately 227 large hedge fund advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

Question 41.[396] We understand that some advisers find the requirements in Questions 41 burdensome.[397] Hence, we expect that the proposed changes to these questions would result in a significant reduction in costs for large hedge fund advisers.[398]

These cost reductions could be mitigated by the proposed changes to Questions 18, 42, and 43. The proposed requirements to make Question 18 required for qualifying hedge funds could result in higher costs for their advisers since this question is not currently required for these funds. However, Question 41 requires advisers to break out different types of borrowings by type of creditor (U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors) and on a monthly basis. Question 18 requires this information in aggregated form across all of the fund's borrowings and on a quarterly basis for large hedge fund advisers. Hence, advisers are likely to have this information, or to have systems in place to collect this information. Aggregating it to complete Question 18 is unlikely to result in significant costs.

Similarly, the proposed change to Question 42(a) to include the requirement to report amounts for different types of borrowings reported in column (d) could increase costs to advisers since they would have to break out the individual counterparty exposure by the type of the borrowing exposure, whereas this question currently requires exposure aggregated across all borrowing types within a counterparty. However, Question 41 (and Question 26, which would be required instead of Question 41 under the proposed amendments) requires this information aggregated across all counterparties. To complete Question 41, advisers would have to collect information for each counterparty to be able to aggregate it. Hence, we expect that advisers already collect or already have systems in place to collect the information at the counterparty level. If not, advisers would have to collect this information in

396 *See* instructions to Question 41 of Form PF.

397 *See supra* section II.L.

398 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

order to be able to complete Question 26 under the proposed amendments. Overall, we do not expect that the increase in costs that could result from this proposed change to Question 42(a) would be significant.

Finally, the proposed change to require advisers to consider all borrowing entries and lending entries when determining which counterparties meet the materiality thresholds in Questions 42 and 43, instead of considering only cash borrowing entries and cash lending entries, as is currently required, could lead to advisers having to complete Questions 42(b) and 43(b) for a larger number of counterparties, thereby increasing their costs.[399] However, as with the proposed change to Question 42(a), advisers should already collect this information or have systems in place to collect this information at the counterparty level for Question 41. If not, they would have to collect it to be able to complete Question 26 under the proposed amendments. Nevertheless, completing Questions 42 and 43 could still be more costly than under the baseline, as advisers could be required to complete more line items depending on their fund's borrowing entries.

Despite these potential mitigating factors, we expect that the reduction in costs that would result from the proposed amendments to Questions 18, 26, 41, 42, and 43 for advisers of qualifying hedge funds would be significant. This is because advisers would need to collect less information under the proposed amendments than under the current requirements. In addition, the elements that they would no longer be required to collect under the proposed changes include elements that filers have identified as being particularly burdensome to collect and report.[400]

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399 This proposed change could also result in some advisers having to complete Questions 42(a) and 43(a) for additional counterparties, to the extent that they do not have five counterparties meeting the current specified thresholds (which relate to cash entries only).

400 For example, filers have expressed that prime brokers report to funds collateral on a pooled basis and do not generally unbundle classification of collateral by asset type. This makes it challenging for them to complete Question 41. *See supra* footnote 112 and accompanying text. Filers have also expressed that reporting the expected increase in collateral from a one percent margin increase, also required in Question 41, is particularly

Costs

Taken together, these proposed changes would result in advisers reporting less information on qualifying hedge funds' exposure to counterparties, which could affect systemic risk monitoring and investor protection efforts. The proposed reduction in the number of categories of collateral for which advisers must provide details within several types of borrowing or other transaction would result in advisers reporting less granular information on qualifying hedge funds' collateral with different types of counterparties.[401] This could reduce the SEC's and FSOC's ability to assess qualifying hedge funds' vulnerability to certain types of risk, including contagion risk that could result from a counterparty's failure, which could reduce FSOC's ability to assess systemic risk compared to the current requirements. However, we do not expect that these effects would be significant. Advisers would report detailed information on qualifying hedge funds' most important counterparties and associated collateral in Questions 42 and 43. In addition, they would report information on these funds' consolidated exposure in Questions 18 and 26. Therefore, we expect that FSOC would be able to have visibility into potential counterparty risk, including contagion risk, to support its monitoring of systemic risk.

The proposed elimination of the requirement for advisers to specify the expected increase in collateral required to be posted by the fund if required margin increases by one percent of position size could reduce regulators' ability to assess qualifying hedge funds' vulnerability to changes in financing costs and sensitivity to margin changes, which could impact FSOC's ability to assess systemic risk. We expect that this effect would be mitigated by the possibility to assess qualifying

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burdensome. *See supra* section II.L. Under the proposed amendments, both of these requirements would be eliminated.

401 For example, with respect to consolidated counterparty exposures, the SEC and FSOC would not be able to distinguish between government securities and other securities received and posted as collateral by qualifying hedge funds.

hedge funds' sensitivity to market conditions by considering the liquidity of the assets held by the funds. For example, Question 37 requires large hedge fund advisers to report the percentage (by value) of a qualifying hedge fund's positions that could be liquidated within specific periods.[402] A fund able to liquidate assets in shorter periods is likely to be better able to meet an increase in required margin on short notice, making it more resistant to market conditions. Hence, we expect that regulators would continue to be able to assess qualifying hedge funds' sensitivity to changes in required margins under the proposed change.

The proposed elimination of the requirement for advisers to break down different types of borrowing across different types of counterparties (U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors) would result in less information being reported on the type of creditors used by qualifying hedge funds for different types of borrowing. This could affect the assessment of qualifying hedge funds' vulnerability to certain types of risk, which could impact the assessment of systemic risk. For example, regulators would have less visibility into the amount of different types of borrowings that is obtained from non-U.S. creditors by qualifying hedge funds. This could affect their ability to assess whether certain events affecting hedge funds could destabilize financial markets.[403]

We expect that this potential cost would be mitigated by two factors. First, under the proposed amendments, large hedge fund advisers would be required to complete Question 18 for their

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402 In addition, Question 20, which must be completed by all filing advisers and separately for all private funds that such advisers advise, requires an adviser to classify a fund's assets and liabilities into different categories capturing different valuation methods. Regulators can infer from this question the liquidity of a fund's assets. For example, assets that are valued with quoted prices in active markets ("Level 1" assets) are likely to be more liquid than assets valued using an adviser's own assumptions ("Level 3" assets). Relatedly, under the current Form PF, large hedge fund advisers are required to report to the SEC a qualifying hedge fund's margin default or inability to meet a call for margin, collateral, or equivalent. *See* Form PF section 5 Item D. Under the proposed amendments, this requirement would be eliminated. *See supra* section II.N.1 *infra* section III.C.15.

403 For example, certain events can affect some hedge funds' ability to borrow abroad, which could result in these funds resorting to selling assets in a short time frame.

qualifying hedge funds.[404] Hence, the SEC and FSOC would have information on a fund's total borrowings broken down by the same three types of counterparties.[405] However, this mitigation would be partial. While the information from Question 18 would be available from large hedge fund advisers for the reporting period (that is, for a quarter), Question 41 must be completed as of the end of each of the months of the reporting period. In addition, this information would only be available for funds' total borrowings and would not be available by type of borrowing.

Second, this cost would be mitigated by the proposed amendments to Question 42(b) under which, for the creditors or other counterparties to which reporting funds owed amounts above certain thresholds, advisers would be required to indicate the type of borrowing or other transaction.[406] In addition, when identifying these creditors or other counterparties, funds would have to consider all of their borrowing entries instead of only cash borrowing entries, resulting in potentially more creditors or other counterparties being identified and reported on. The SEC and FSOC would be able to use other information reported in Question 42(b), such as legal entity name and LEI, to classify identified creditors and other counterparties by type (U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors). Hence, while the SEC and FSOC would lose access to monthly data on qualifying hedge funds' total borrowing broken down by type of borrowing and type of creditor or other counterparty under the proposed amendments, they would receive this information at a disaggregated level at a quarterly frequency and for creditors or other counterparties

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404 *See supra* footnote 394 and accompanying text. We do not expect that the amendment to Question 18 would result in additional costs for large hedge fund advisers since they are likely to already have collected the required data for their qualifying hedge funds, or to already have set up a system to collect such data, to be able to complete Question 41. *See supra* text accompanying footnote 240.

405 Question 18 requires advisers to report a fund's total borrowings in dollars as well as the percentage that is borrowed from U.S. depository institutions, U.S. creditors that are not U.S. depository institutions, and non-U.S. creditors.

406 For the top five creditors identified in Queston 42(a), indicating the type of borrowing or other transaction is currently required and would continue to be under the proposed amendments.

reaching materiality thresholds. As a result, while FSOC's ability to monitor systemic risk could be affected by these proposed amendments, we do not expect that this effect would be significant.

Overall, the proposed elimination of Question 41 would result in the SEC and FSOC receiving less granular data on each qualifying hedge fund's aggregated exposure to counterparties. This could affect systemic risk assessment and monitoring. However, the proposed amendments to Questions 42 and 43 would result in additional and potentially more relevant data on individual counterparties that reach certain materiality thresholds. The proposed amendments to require advisers to consider all borrowing entries (for Question 42) and all borrowing or lending entries, as relevant, (for Question 43) instead of only cash borrowing entries and cash lending entries when determining which counterparties reach the materiality thresholds would result in the SEC and FSOC having a more complete picture of qualifying hedge funds' exposures to individual counterparties. While cash borrowing and lending entries are likely to capture unsecured borrowing and lending, which may represent higher counterparty risk for funds, other types of borrowing and lending also entail risk and are therefore important to analyze. For example, these proposed amendments would allow an easier assessment of whether a specific fund is under- or over-collateralized. In addition, these amendments would preserve the alignment between Questions 42 and 43,[407] which allows the SEC and FSOC to have a more complete picture of a fund's exposure to counterparties. Hence, these amendments would support FSOC's assessment of systemic risk and mitigate the potential impact of the proposed elimination of Question 41.

For these reasons, we expect that any effect on the SEC's investor protection efforts that could result from the proposed amendments to large hedge fund adviser counterparty exposure reporting

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407 As opposed to, for example, amending Question 42 to require advisers to consider all borrowing entries while leaving the current requirement in Question 43 that advisers consider only cash borrowing and lending entries, as relevant.

would be minimal. While the proposed elimination of Question 41 would result in some information being unavailable, the proposed amendments to other questions would ensure the SEC retains access to information on counterparty exposure that is necessary for investor protection efforts.

14. Eliminate Rehypothecation Reporting

Question 45 must be completed by large hedge fund advisers and separately for each qualifying hedge fund that such advisers advise. The question requires advisers to report the percentages of the total amount of collateral and other credit support that counterparties have posted to the reporting fund that may be rehypothecated (subsection (a)(i)) and that the reporting fund has rehypothecated (subsection (a)(ii)). Under the proposed amendments, Question 45 would be eliminated.[408]

Benefits

All large hedge fund advisers to qualifying hedge funds would benefit from this proposed change via lower costs.[409] The proposed elimination of Question 45 would reduce the costs associated with completing Question 45. These costs include the time and resources spent by advisers to keep track of the portion of the collateral and other credit support that their funds' counterparties have posted to the funds that may be rehypothecated and that have been rehypothecated. We understand from industry members that computing this data is operationally challenging.[410] The costs of computing the required data are likely to be higher for advisers of funds that have collateral or other

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408 *See supra* section II.M.

409 Under the proposed amendments, we estimate that there would be approximately 227 large hedge fund advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

410 *See supra* section II.M.

types of credit support posted by a large number of counterparties. Hence, we expect that the decrease in cost is likely to be larger for such advisers.[411]

Costs

The proposed elimination of Question 45 would result in FSOC receiving no information on the amount of collateral and other credit support that counterparties have posted to qualifying hedge funds and that can be or have been rehypothecated. However, the data received for this question so far has proven unreliable,[412] likely because of the challenges faced by advisers to fulfill the requirements.[413] Hence, we do not expect that this proposed amendment would have significant effects on FSOC's ability to monitor systemic risk.

15. Amendments to Large Hedge Fund Adviser Current Reporting

Since December 2023, large hedge fund advisers have had to file a current report with the SEC when their qualifying hedge funds experience certain stress events: (1) extraordinary investment losses, (2) significant margin events and default events, (3) a prime broker relationship being terminated or materially restricted, (4) operations events, and (5) certain events associated with withdrawals and redemptions at the reporting hedge fund. The report must be filed as soon as reasonably practicable, but no later than 72 hours after a reportable event.[414] The proposed amendments would instead simply allow for the report to be submitted no later than 72 hours after a reportable event.[415] Furthermore, the proposed amendments would revise the section 5 filing triggers in three ways. First, the amendments would eliminate section 5 Item D—the obligation for an adviser

411 *See infra* section III.C.18 for estimates of cost savings associated with the proposed amendments.

412 Before the 2024 amendments, the requirements appeared under the question that was previously numbered as Question 38. *See supra* section II.M.

413 *See supra* section II.M.

414 *See* Form PF section 5.

415 *See supra* section II.N.1.

to report a fund's margin default or inability to meet a call for margin, collateral, or equivalent.[416] Second, the amendments would modify the reporting trigger related to operations events.[417] Currently, section 5 Item G specifies that an "operations event" occurs when "a reporting fund or private fund adviser experiences a significant disruption or degradation of the reporting fund's critical operations" and that "critical operations" means "operations necessary for (i) the investment, trading, valuation, reporting, and risk management of the reporting fund; or (ii) the operation of the reporting fund in accordance with the Federal securities laws and regulations." The proposed amendments would remove "(ii) the operation of the reporting fund in accordance with the Federal securities laws and regulations" from the definition of "operations events" and would make other streamlining changes including removing references to "critical operations" in the form.[418] Third, the proposed amendments would modify the reporting trigger related to the inability to satisfy redemptions. Currently, section 5 Item I requires large hedge fund advisers to submit a current report when a qualifying hedge fund it advises 1) is unable to pay redemption requests, or 2) has suspended redemptions and the suspension lasts for more than five consecutive business days. The proposed amendments would eliminate the first prong requiring advisers to file section 5 if the fund is unable to pay redemption requests.[419]

Separately, in connection with the proposed removal of Questions 39 and 40, which require large hedge fund advisers to report detailed information about their qualifying hedge funds' monthly

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416 *See supra* section II.N.2.

417 *See supra* section II.N.3.

418 Relatedly, the bulleted item "Disruption or degradation of your ability to comply with applicable laws, rules, and regulations" would also be removed from Question 5-29 in section 5 of Form PF under the proposed amendments. *See supra* section II.N.3.

419 The proposed amendments would also include conforming changes to Questions 5-34 and 5-35. *See supra* section II.N.4.

portfolio exposure to reference assets,[420] the SEC proposes including additional information to Item B of section 5. Large hedge fund advisers would provide asset-level details regarding the largest exposure contributing to an extraordinary investment loss.

Benefits

The main benefit of these proposed amendments to Items D, G, and I of Form PF section 5 would be to reduce the burden for advisers that would have to file section 5 absent the proposed changes.[421] Separately, the proposed amendments to Item B would provide FSOC with targeted information regarding qualifying hedge funds' extraordinary investment losses, which would give timely notice of events that could potentially indicate broader market stress, supporting FSOC's monitoring of systemic risk.

The proposed amendments would remove the requirement that section 5 reports be filed with the SEC as soon as practicable, but no later than 72 hours upon the occurrence of the event, and would instead give a deadline of 72 hours after the triggering event.[422] This change would benefit large hedge fund advisers to the extent that they would otherwise divert additional resources to determine when to file a current report within the 72-hour period or to report the event sooner than the maximum deadline. For instance, under the baseline, an adviser whose qualifying hedge fund experiences a holding period return of less than negative 20 percent may opt to utilize resources and personnel to file the current report within a short period after the loss. The proposed amendments would benefit the adviser by allowing more flexibility to report the loss. The additional flexibility that

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420 *See supra* sections II.K and III.C.12.

421 Section 5 applies to qualifying hedge funds advised by large hedge fund advisers. Under the proposed amendments, we estimate that there would be approximately 227 such advisers advising approximately 1,378 qualifying hedge funds. *See supra* sections III.B.2 and III.C.3.

422 *See supra* section II.N.1.

would be afforded by the amendments could also improve the quality of the data contained in the reports,[423] which would improve its utility for FSOC's monitoring of systemic risk and the SEC's investor protection efforts.

Additionally, the proposed amendments to section 5 would reduce the costs associated with monitoring for occurrences that trigger current reporting requirements for large hedge fund advisers to qualifying hedge funds. For the purposes of section 5 current reporting, these advisers would not need to continuously monitor occurrences that trigger Item D reporting or constitute an operations event in Item G solely via the second prong of the definition. Large hedge fund advisers would likely still monitor for significant events in the absence of the current reporting requirement, which would mitigate the cost-savings benefit associated with the proposed amendments to section 5.[424] However, some large hedge fund advisers have indicated since the requirement was adopted that monitoring for Item D continuously is operationally burdensome due to its lack of a materiality threshold.[425] Hence, some large hedge fund advisers may realize larger ongoing cost savings from the proposed elimination of this Item. Similarly, some large hedge fund advisers have had difficulty interpreting the scope of the second prong of the definition of "operations event" in Item G, which refers to the reporting fund's operation in accordance with Federal securities laws and regulations in the definition of "critical operations."[426] This difficulty may increase the current burden associated with determining whether an incident meets the definition of an operations event, which would further contribute to the ongoing costs of large hedge fund advisers. Thus, we anticipate meaningful ongoing cost savings from the proposed amendments to Items D and G of Form PF section 5.

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423 *See supra* section II.N.1.

424 *See* 2023 Form PF Adopting Release section IV.C.2.

425 *See supra* section II.N.2.

426 *See supra* section II.N.3.

In addition to monitoring for specific events, the compliance costs associated with section 5 reporting also include the costs to complete the report when reportable events occur.[427] The extent to which these compliance costs would decrease under the proposed changes depends on the occurrence of reporting events that would result in advisers filing section 5 under the current version of Form PF but not under the proposed changes. Under the proposed changes, the SEC would not receive any Item D filings and potentially fewer Item G filings. Given that there have been relatively few section 5 filings related to Item D or Item G,[428] the aggregate reduction in costs associated with these proposed changes to section 5 is likely to be small.

Eliminating the inability to pay redemption requests as a reporting trigger for Item I would modestly lower the number of current reports filed by large hedge fund advisers for this item.[429] Advisers with qualifying hedge funds that cannot pay redemption requests but do not need to suspend redemptions for more than five consecutive business days would save on the costs associated with submitting a current report for Item I. Additionally, some filers have raised concerns regarding the interpretation and application of this prong of the Item I trigger.[430] Some filers have asked whether the trigger includes all circumstances in which a fund does not fulfill a redemption request in cash. For instance, some hedge funds currently meet investor redemption requests with in-kind payments of underlying portfolio securities, sometimes at the request of fund investors to avoid negative tax consequences or as a matter of course. Some large hedge fund advisers may conservatively interpret the scope of this trigger as including some or all of these circumstances, leading to additional

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427 *See infra* section III.C.18. We estimate that the reduction in compliance costs associated with the elimination of Item D and the modification of Item G would be $8,873 per filing that would be submitted under the current requirements but not under the proposed amendments. *See also infra* section IV.A.3. The additional proposed amendments to section 5, relating to Item B, are discussed below.

428 Items D and G have been infrequently filed with the SEC.

429 Item I has been infrequently filed with the SEC under this prong.

430 *See supra* section II.N.4.

compliance burdens for these advisers. Eliminating this element of the Item I trigger could therefore modestly lower ongoing costs, including in cases when the fund is able to fulfill redemption requests in kind.[431]

The proposed amendments would also require that large hedge fund advisers provide specific information in conjunction with a section 5 Item B filing indicating a qualifying hedge fund's holding period return of less than or equal to negative 20 percent. The new sub-question would request identifying and descriptive information for the largest exposure contributing to the reported loss, including the dollar amount of the exposure, sub-asset class, instrument type, a title or description of the asset, and identifying information about the asset's issuer. The information introduced by this proposed amendment overlaps with reference asset information that would not be received due to the proposed elimination of Question 40.[432] In contrast with Question 40, which applies to any of the reporting fund's reference assets with gross exposure equal to or exceeding certain thresholds, the proposed additional information in section 5, Item B would only be reported by large hedge fund advisers for a single asset contributing to their qualifying hedge fund's extraordinary investment loss. Thus, while these filings would be less frequent and comprehensive than the information currently reported in Question 40, they would provide FSOC with more timely indicia of acute market stress, substantially mitigating the cost of eliminating Question 40.[433]

Costs

The proposed amendment to modify the requirement that section 5 reports be filed with the SEC as soon as practicable, but no later than 72 hours upon the occurrence of the event to instead

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431 *See supra* footnote 429.

432 *See supra* section II.K.

433 *See supra* section III.C.12.

give a deadline of 72 hours after the triggering event could delay the SEC's receipt of section 5 reports. We expect that any such delay would not significantly affect FSOC's ability to monitor systemic risk or the SEC's investor protection efforts given that the deadline would still be limited to 72 hours.

The proposed elimination of Item D could, in principle, result in less information available to the SEC and FSOC on funds' events of margin default or inability to meet a call for margin, collateral, or equivalent, to the extent that these events would not be captured by other requirements of Form PF. However, given the potential overlap in the information provided by Items B, C, and D,[434] we do not anticipate that the removal of Item D would significantly hinder detection of margin stress in qualifying hedge funds which could contribute to systemic risk. In particular, if a fund is unable to meet a margin call, there is a higher probability that the fund has suffered a large investment loss or has faced a large margin, collateral, or equivalent increase. On the other hand, a fund can experience a large investment loss or face a large margin, collateral, or equivalent increase without defaulting on the margin call. That is, Items B and C are likely to be more sensitive triggers with respect to margin stress at a hedge fund. Therefore, it is unlikely that the proposed elimination of Item D would affect systemic risk monitoring or investor protection.

Removing the second prong from Item G would narrow the scope of what constitutes "critical operations." However, we expect that this proposed change would only modestly decrease the number of reports filed, which the SEC already receives only infrequently.[435] Compared to the first prong, the second prong is a broader catchall for other situations that might cause a fund or adviser to

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434 Large hedge fund advisers must file an Item B report when one of their qualifying hedge funds experiences an extraordinary loss and an Item C report when one of their qualifying hedge funds experiences a significant margin, collateral, or equivalent increase. *See* Form PF section 5.

435 *See supra* footnote 428.

be unable to comply with rules or violate a fiduciary duty. Therefore, we do not expect that its elimination would lead to a significant reduction in the number of reports relevant for systemic risk assessment or investor protection received by the SEC and FSOC because most situations would likely be captured by the first prong.

Removing the first prong from Item I would narrow the scope of events that would require a section 5 filing under Item I. Temporary events in which funds are unable to meet certain redemption requests but do not suspend redemption requests for more than five consecutive days would not be reported. Thus, the removal of this prong could, in principle, eliminate an early indicator of stress in broader market liquidity that could support FSOC's monitoring of systemic risk. For the same reasons, the proposed change could also affect the SEC's investor protection efforts. However, filers have indicated that it is unclear whether a current report is required to be filed if a fund redeems an investor by providing securities as a matter of course or at investor request to avoid negative tax consequences.[436] Filers have also stated that the first prong of Item I, as currently worded, does not align with industry practice because an "in-kind redemption" generally is not considered a failure to satisfy a redemption request under fund partnership agreements or similar types of contractual arrangements. Relatedly, reporting under the first prong of Item I has been inconsistent across large hedge fund advisers, limiting its use for systemic risk monitoring and investor protection efforts. Current reporting under the second prong of item I as well as other current reporting requirements such as those related to extraordinary investment losses in Item B could be stronger signals of systemic events or investor harm, mitigating the costs of removing the first prong.

Finally, the proposed amendments to Item B of section 5 would impose some costs on large hedge fund advisers. Proposed Item B would require specific identifying and descriptive information

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436 *See supra* section II.N.4.

regarding the largest exposure contributing to an extraordinary investment loss. We do not anticipate that these costs would be significant, as the new question would not change whether a large hedge fund adviser must file section 5. Moreover, fund managers are likely aware of the identity and dollar size of the largest exposure which contributes to substantial fund losses. We therefore do not expect that identifying and reporting the new information that would be required in this Item would lead to a substantial new burden for large hedge fund advisers.[437]

16. Eliminate Form PF Private Equity Quarterly Reporting in Section 6

Since December 2023, advisers to private equity funds have had to file quarterly reports with the SEC within 60 days of the end of each calendar quarter during which a private equity reporting event occurs.[438] The events that trigger section 6 reporting are the occurrence of an adviser-led secondary transaction, general partner removal, termination of the investment period, or termination of fund.[439] The proposed amendments would eliminate section 6 from Form PF.[440] The SEC has received approximately 176 section 6 filings per year since December 2023.

Benefits

This proposed amendment would result in advisers to private equity funds no longer submitting quarterly reports to the SEC indicating the occurrence of a private equity reporting event.[441] Benefits would accrue to advisers to private equity funds in the form of cost savings. The proposed removal of section 6 would eliminate the ongoing costs associated with filing section 6

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437 In addition, advisers are likely to already have in place systems to collect at least some of this information in order to be able to complete Question 40. *See supra* section III.C.12; *see also supra* text accompanying footnote 240.

438 *See supra* section II.O.

439 *See* Form PF section 6.

440 *See supra* section II.O.

441 Section 6 applies to private equity fund advisers that are required to file Form PF. Under the proposed amendments, we estimate that there would be approximately 1,143 such advisers, advising approximately 19,620 private equity funds. *See supra* sections III.B.2 and III.C.2.

quarterly reports. These ongoing costs include the costs associated with monitoring private equity reporting events during each calendar quarter and compliance costs associated with actual filings. The cost of monitoring for section 6 reporting is likely to be small, as private equity fund advisers would be aware of the occurrence of an adviser-led secondary transaction, general partner removal, termination of the investment period, or termination of fund even in the absence of the reporting requirement. The main cost saving that would result from the proposed elimination of section 6 would therefore come from the elimination of filing costs due to the time required to complete the relevant item.[442] Given that there have been relatively few section 6 quarterly reports filed with the SEC,[443] the aggregate cost savings to eliminating section 6 is also likely to be small.[444]

Costs

Section 6 of Form PF informs the SEC and FSOC of the removal of a private equity fund's general partner, the termination of a private equity fund or its investment period, or the occurrence of an adviser-led secondary transaction. Eliminating section 6 could reduce the efficiency with which the SEC and FSOC identify significant changes in some types of private equity market trends and potential growing risks to investors and broader financial markets, to the extent that these relevant market trends and risks are not captured by answers to questions in section 1 and section 4 of Form PF. For instance, without the information on a private equity fund's adviser-led secondary transaction,

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442 Section 6 filings must be filed on a timeframe outside of the regular Form PF reporting frequency for private equity funds, which can add to the burden for filing advisers.

443 There have been approximately 176 section 6 reports filed with the SEC per year since the December 2023 compliance date of the 2023 Form PF amendments. Dividing 176 reports per year by 24,986 private equity funds as reported on Form PF as of the first quarter of 2025 corresponds to fewer than 1% of private equity funds filing reports per year.

444 *See infra* section III.C.18. We estimate that the reduction in compliance costs associated with the elimination of section 6 would be $5,508 per report that would be submitted under the current requirements but not under the proposed amendments. *See also infra* section IV.A.3.

the SEC and FSOC would have limited visibility into changes in the prevalence of private equity continuation funds, which may carry investor protection as well as systemic risk concerns.[445]

We anticipate the impact of eliminating section 6 reports on market risks monitoring and investor protection efforts would likely be limited due to two factors. First, section 6 reports may be an imprecise signal of systemic risk, which could limit their efficacy for systemic risk monitoring efforts. An adviser-led secondary transaction in some instances may indicate an attempt to restructure a struggling investment portfolio, but alternatively it may indicate strength in a particular investment or simply be an adviser providing investors a chance to get liquidity while attracting new investors.[446] Second, section 6 reports have occurred relatively infrequently since the reporting requirement was implemented.[447] Combined with the imprecision of the reports as a signal for systemic risk, this infrequency suggests that the amount of information loss relevant for this purpose that would result from the proposed elimination of section 6 is likely to be small. Overall, we therefore anticipate that the loss of information relevant to systemic risk monitoring and investor protection efforts that would result from the proposed elimination of section 6 would be minimal.

17. Other Corrections and Revisions

The proposed amendments include additional changes to make corrections and other small revisions to Form PF.[448] These changes include (1) revising some of the section headings; (2) correcting the instructions in sections 3 and 4 and simplify the instructions in section 2; (3)

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445 A continuation fund is raised by a private fund adviser to provide exit liquidity to limited partners in an existing private fund by purchasing some of the fund's portfolio companies. *See, e.g.*, Antoine Guera & Ivan Levingston, *"Private equity firms flip assets to themselves in record numbers"*, FIN. TIMES, July 23, 2025, *available at* https://www.ft.com/content/88a4e3e3-cefb-48d8-ab81-75cf85039b83. This may raise investor protection concerns as the same private fund adviser is party to both sides of the transaction, and the adviser's carry in both funds may be influenced by the terms of the transaction. An increase in the use of continuation funds in private equity may also signal underlying stress in the market.

446 *See* May 2023 Form PF Adopting Release at section II.B.1.

447 *See supra* footnote 443.

448 *See supra* section II.P.

simplifying instructions about Question 25; (4) correcting Questions 27 and 42; (5) correcting Question 33(a); (6) adding an instruction to Question 47; and (7) correcting an error in the definition of "large private equity fund adviser" in the Glossary of Terms.

Under the proposed amendments, the heading of section 2 would be modified to specify that section 2 must be completed by large hedge funds advisers, the heading of section 3 would be modified to specify that section 3 must be completed by large liquidity fund advisers, and the heading of section 4 would be modify to specify that section 4 must be completed by large private equity fund advisers.[449] We expect that these changes would have minimal economic effect, since General Instruction 9 describes clearly the types of advisers that are required to complete each section of Form PF. Hence, we do not expect that this change would result in fewer or additional sections of Form PF being completed.

Under the proposed amendments, instructions to sections 2, 3, and 4 would be modified. Currently, the instructions for sections 3 and 4 erroneously state that, with respect to master-feeder arrangements and parallel fund structures, filers may report collectively or separately about the component funds, as provided in the General Instructions.[450] However, General Instruction 6 requires filers to report such component funds separately, subject to some exceptions. Under the proposed amendments, the instructions to sections 3 and 4 would be modified to be consistent with General Instruction 6. The proposed amendments would remove instructions in section 2 about how to report component funds and instead rely on General Instruction 6 to instruct filers about how to report component funds, to ensure that the instructions for sections 2, 3, and 4 follow a consistent format.

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449 The current headings for sections 2 and 3 do not specify who must complete these sections. The heading for section 4 currently erroneously indicates that it must be completed by all large private fund advisers. *See* Form PF sections 2, 3, and 4.

450 *See* Form PF sections 3 and 4. The instructions for section 2 specify that for such arrangements and structures that comprise qualifying hedge funds, filers must report the component funds as provided in General Instructions 3, 5, and 6. *See* Form PF section 2.

We do not expect that these changes would have significant economic effects since current General Instruction 6 indicates that each component fund of a master-feeder structure or parallel fund structure must be reported separately. However, the proposed change could result in reduced compliance costs for advisers by facilitating their understanding of how to report the components of such structures in Form PF. In addition, to the extent that some advisers concluded that the component funds could be reported on collectively in sections 3 and 4, the proposed changes could result in improved data quality and finer granularity of information available, as all component funds would be reported on consistently across advisers, which could improve systemic risk monitoring and investor protection efforts. However, this could also result in additional costs for advisers, to the extent that reporting for each component separately is more costly than reporting collectively for all components.

Under the proposed amendments, General Instruction 15 and the instructions to Question 25 would be modified. Currently, General Instruction 15 states that for Question 25, the numerator used to determine the percentage of net asset value should be measured in the same basis as gross asset value. It also states that the response to this question may total more than 100 percent.[451] Under the proposed amendments, the section of General Instruction 15 that is specific to Question 25 would be moved to Question 25.[452] We do not expect that this change would have significant economic effect as it does not alter the substance of any instructions. However, the proposed change could result in reduced costs for advisers by facilitating their understanding of the requirements for Question 25.

Under the proposed amendments, the instructions in Questions 27 and 42 would be modified to state that advisers report a legal entity name for certain affiliated counterparty entities of qualifying

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451 *See* Form PF General Instruction 15.

452 *See supra* section II.P.

hedge funds. Currently, the instructions to these questions mention the LEI of the entities, but not the legal entity name. The tables to be filled in those questions include columns for "legal entity name," and so we expect that filers already understand the requirement and would most likely fill the legal entity name under the current instructions. Hence, we expect the effect of this proposed change would be minimal.

Question 33 asks large hedge fund advisers to report monthly information on their qualifying hedge funds' currency exposure arising from foreign exchange derivatives and all other assets and liabilities of the funds that are denominated in a currency other than the reporting fund's base currency. The table in Question 33(a) requires advisers to report both the "long value" and the "short value," while the question text erroneously requires advisers to report the "net long value" and the "net short value." Under the proposed change, the question text would be corrected to ask for the "long value" and "short value," consistent with the table. The proposed change could result in reduced costs for advisers by facilitating their understanding of the requirements. However, we expect the reduced costs to be minimal as we expect most advisers already understand the correct requirement. To the extent that it would result in different data being reported by advisers, the proposed change would also improve data quality compared to the current requirements by ensuring consistent responses across filers. This would improve the SEC's and FSOC's understanding of qualifying hedge funds' currency exposure and support the identification of sources of systemic risk. To the extent that this proposed change would result in advisers reporting different data, we do not expect that the corrected data point would be more costly for advisers to compute since long and short values are required to calculate net values.

Question 47 requires large hedge fund advisers to separate the effects of certain market factors on their qualifying hedge funds' portfolios into long and short components. The proposed change would add an instruction to require filers to indicate a negative effect of the market factor change on

the long and short components with a negative sign and a positive effect of the market factor change on the long and short components with a positive sign.[453] We expect that this proposed change would result in benefits for advisers and improve the quality of information submitted. Under the current question, some advisers have questioned whether to report short values with a negative value or as an absolute value.[454] The proposed change would result in advisers not having to spend time and compliance resources determining how to answer the question, including by contacting the SEC. The proposed change would also result in improved data quality by helping ensure that all advisers report the effect of market factor changes on the long and short components of their portfolio consistently, which would help with data interpretation and aggregation. This would facilitate regulators' assessment of the sensitivity of qualifying hedge funds to certain market factors, which would help systemic risk monitoring and assessment. We do not expect that this proposed change would result in additional costs for advisers of qualifying hedge funds as the information to be computed to answer the questions would remain unchanged. Only the way to report them in the form could change, depending on how advisers currently understand the question.

Lastly, the proposed amendments would correct an error in the definition of "large private equity fund adviser" in the Glossary of Terms.[455] Specifically, the definition would be amended to refer to section 4 rather than section 4a, as there is no section 4a on Form PF. We expect that this change would have negligible economic effect, as General Instruction 3 correctly directs large private equity fund advisers to complete section 4. We therefore do not believe the current erroneous reference is causing meaningful confusion and do not expect the change would result in fewer or additional sections of Form PF being completed.

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453 *See* proposed Form PF Question 47.

454 *See supra* section II.P.

455 *Id.*

18. Quantification of Benefits

We quantify the reductions in costs that would result from the proposed amendments.[456] These analyses are structured based on the analysis in the Paperwork Reduction Act section in this release and the corresponding previously approved estimates described in the 2024 Form PF Adopting Release or the May 2023 Form PF Adopting Release, as relevant. Estimates for initial filings represent effects for new filers of Form PF, whereas estimates for ongoing filings represent effects for existing filers of the form.

We provide estimates of the cost reductions for each type of adviser, since different types of advisers complete different sections of Form PF and would therefore experience different cost reductions under the proposed amendments.[457] We also distinguish between regular filings (those including sections 1 to 4 of Form PF, as relevant for each adviser),[458] the filings for sections 5 and 6,[459] as well as transition and final filings and temporary hardship requests.[460] For regular filings, we distinguish between initial and ongoing filings since we expect that initial filings are and would continue to be more costly for advisers to complete.[461]

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456 These reductions in cost are obtained by comparing the cost of filing the current version of Form PF with the estimated cost of filing the version of Form PF under the proposed amendments. For both versions, we use the methodology described in section IV.A.3 below. *See infra* footnote 534. In all tables in this section, negative numbers are indicated in parentheses and capture reductions in costs. In addition, we quantify some costs of the proposed amendments above. Specifically, any adviser that is currently filing Form PF but would not be required to under the proposed amendments would have to make a final filing with the SEC indicating that it would no longer be subject to Form PF's reporting requirements. The cost of these final filings is estimated to be $70,479 ($41 per filing multiplied by 1,719 advisers). *See supra* footnote 255 and accompanying text. Similarly, any adviser that is currently filing Form PF as a large hedge fund adviser but would not meet the definition of large hedge fund adviser under the proposed amendments would have to make a transition filing with the SEC indicating that it would no longer be obligated to report on a quarterly basis. The cost of these transition filings is estimated to be $15,990 ($41 per filing multiplied by 390 advisers). *See supra* footnote 282 and accompanying text. These quantified costs total $86,469 ($70,479 + $15,990).

457 *See supra* section III.B.1.

458 *See infra* Tables 6 – 8.

459 *See infra* Tables 9-10.

460 *See infra* Table 11.

461 An adviser filing Form PF for the first time has to familiarize itself with the form and may need to configure its systems in order to efficiently gather the required information, which is likely to result in higher costs.

Tables 6 and 7 below provide separate estimates of the annual cost reductions that would result from (1) the proposed changes in the general filing threshold and the large hedge fund adviser reporting threshold and (2) the other proposed amendments, respectively.[462] Table 8 presents the aggregate annual cost savings for initial and ongoing filings by adviser type and is obtained by summing the aggregate effects in Tables 6 and 7.[463]

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462 Advisers that would no longer be required to file Form PF due to the proposed filing threshold increase would experience cost savings equal to their baseline cost of filing the form. Advisers that would continue to be required to file the same sections at the same frequency (notwithstanding the higher proposed thresholds) would experience cost savings due to the other proposed amendments to Form PF. Advisers that meet the current definition of large hedge fund advisers but would be smaller private fund advisers under the proposed amendments would experience cost savings due to the difference between the baseline cost of filing for large hedge fund advisers and the baseline cost for smaller private fund advisers, as well as cost savings due to the estimated reduction in the cost of filing section 1 that would result from the proposal. Table 6 reports the aggregate cost savings due to threshold effects by type of adviser and accounts for changes in type that some large hedge fund advisers would experience due to the proposed large hedge fund adviser threshold increase. Table 7 reports the aggregate cost savings that advisers would experience due to amendments to sections 1 and 2 of Form PF. *See also infra* note 8 in Table 6.

463 The total reduction in costs for a particular type of adviser and a particular type of filing that would result from the proposed amendments is the difference between 1) the cost per filing the current version of Form PF times the number of filings that would be made under the current requirements (denoted $Cost^{Baseline} \times N^{Baseline}$) and 2) the estimated cost per filing under the proposed amendments times the number of filings that would be made under the proposed amendments ($Cost^{Proposal} \times N^{Proposal}$). This difference can be expressed as the sum of (1) the reduction in costs that would result from the proposed threshold changes, $Cost^{Baseline} \times (N^{Baseline} - N^{Proposal})$, and (2) the estimated reduction in costs that would result from the other proposed amendments for filers unaffected by the proposed threshold increases, $N^{Proposal} \times (Cost^{Baseline} - Cost^{Proposal})$.

Table 6: Threshold Effect (Sections 1-4)							
Type of adviser	**Type of filing**	**Number of filers under current thresholds[1]**	**Number of filers under proposed thresholds[2]**	**Decrease in number of filers under proposed amendments[3]**	**Decrease in number of filings per year under proposed amendments[4]**	**Cost per filing under current Form[5]**	**Aggregate effect[6]**
Smaller private fund advisers	**Initial**	466	244	222	222	$41,308[7]	($9,170,265)
	Ongoing	2,429	1,272[8]	1,157	1,157	$10,600[9]	($12,264,200)
Large hedge fund advisers	**Initial**	14	5	9	9	$260,796[10]	($2,347,164)
	Ongoing	603	222	381	1,524[11]	$83,750[12]	($127,635,000)
Large liquidity fund advisers	**Initial**	1	1	-	-	$165,039[13]	$0
	Ongoing	19	19	-	-	$41,000[14]	$0
Large private equity fund advisers	**Initial**	30	30	-	-	$191,128[15]	$0
	Ongoing	511	511	-	-	$69,025[16]	$0

Notes:

1. These estimates are based on Form PF data as of the first quarter of 2025.

2. *See infra* section IV.A.3, Tables 2 and 3.

3. This column is calculated as the difference between the preceding two columns.

4. Large hedge fund advisers and large liquidity fund advisers file Form PF quarterly. Smaller private fund advisers and large private equity fund advisers file Form PF annually. *See* Form PF General Instruction 9.

5. This cost is calculated as the previously approved estimate of burden hours monetized using the new methodology. Previously approved estimates of burden hours are described in the 2024 Form PF Adopting Release, section V. *See infra* footnotes 533 and 534.

6. The aggregate effect is obtained by multiplying the cost per filing under the current Form by the decrease in number of filings per year under the proposed amendments.

7. This includes $31,158 in internal costs, $10,000 in external costs, and a $150 filing fee. For internal costs, the hour burden is 55 hours, which is divided equally between a financial manager at $731 per hour and a financial risk specialist at $402 per hour (0.5 x 55 x 731 + 0.5 x 55 x 402 = 31,158).

8. This number includes the 390 hedge fund advisers that are currently large hedge fund advisers but that would not be under the proposed amendment to the reporting threshold for large hedge fund advisers. *See supra* section III.C.3.

9. This includes $10,450 in internal costs and a $150 filing fee. For internal costs, the hour burden is 22 hours, which is divided between a financial manager (25%) at $731 per hour, a financial examiner (25%) at $365 per hour, and a financial risk specialist (50%) at $402 per hour (0.25 x 22 x 731 + 0.25 x 22 x 365 + 0.5 x 55 x 402 = 10,450).

10. This includes $190,646 in internal costs, $70,000 in external costs, and a $150 filing fee. For internal costs, the hour burden is 380 hours, which is divided between a financial manager (30%) at $731 per hour, a financial risk specialist (30%) at $402 per hour, a software developer (20%) at $462 per hour, and a computer systems analyst (20%) at $347 per hour (0.3 x 380 x 731 + 0.3 x 380 x 402 + 0.2 x 380 x 462 + 0.2 x 380 x 347 = 190,646).

11. This is calculated as the decrease in the number of filers in the preceding column times 4 to reflect the quarterly filing requirement for large hedge fund advisers.

12. This includes $83,600 in internal costs and a $150 filing fee. For internal costs, the hour burden is 176 hours, which is divided between a financial manager (25%) at $731 per hour, a financial examiner (25%) at $365 per hour, and a financial risk specialist (50%) at $402 per hour (0.25 x 176 x 731 + 0.25 x 176 x 365 + 0.5 x 176 x 402 = 83,600).

13. This includes $114,889 in internal costs, $50,000 in external costs, and a $150 filing fee. For internal costs, the hour burden is 229 hours, which is divided between a financial manager (30%) at $731 per hour, a financial risk specialist (30%) at $402 per hour, a software developer (20%) at $462 per hour, and a computer systems analyst (20%) at $347 per hour (0.3 x 229 x 731 + 0.3 x 229 x 402 + 0.2 x 229 x 462 + 0.2 x 229 x 347 = 114,889).

14. This includes $40,850 in internal costs and a $150 filing fee. For internal costs, the hour burden is 86 hours, which is divided between a financial manager (25%) at $731 per hour, a financial examiner (25%) at $365 per hour, and a financial risk specialist (50%) at $402 per hour (0.25 x 86 x 731 + 0.25 x 86 x 365 + 0.5 x 86 x 402 = 40,850).

15. This includes $140,978 in internal costs, $50,000 in external costs, and a $150 filing fee. For internal costs, the hour burden is 281 hours, which is divided between a financial manager (30%) at $731 per hour, a financial risk specialist (30%) at $402 per hour, a software developer (20%) at $462 per hour, and a computer systems analyst (20%) at $347 per hour (0.3 x 281 x 731 + 0.3 x 281 x 402 + 0.2 x 281 x 462 + 0.2 x 281 x 347 = 140,978).

16. This includes $68,875 in internal costs and a $150 filing fee. For internal costs, the hour burden is 145 hours, which is divided between a financial manager (25%) at $731 per hour, a financial examiner (25%) at $365 per hour, and a financial risk specialist (50%) at $402 per hour (0.25 x 145 x 731 + 0.25 x 145 x 365 + 0.5 x 145 x 402 = 68,875).

Table 7: Per-Filing Cost Effect (Sections 1-4)							
Type of adviser	**Type of filing**	**Number of filers under proposed thresholds[1]**	**Number of filings per year under proposed thresholds[2]**	**Cost per filing under current Form[3]**	**Cost per filing under proposed amendments[4]**	**Decrease in cost per filing under proposed amendments[5]**	**Aggregate effect[6]**
Smaller private fund advisers	**Initial**	244	244	$41,308	$31,677	$9,631	($2,349,842)
	Ongoing	1,272	1,272	$10,600	$8,700	$1,900	($2,416,800)
Large hedge fund advisers	**Initial**	5	5	$260,796	$205,609	$55,187	($275,935)
	Ongoing	222	888	$83,750	$58,575	$25,175	($22,355,400)
Large liquidity fund advisers	**Initial**	1	1	$165,039	$156,478	$8,561	($8,561)
	Ongoing	19	76	$41,000	$39,100	$1,900	($144,400)
Large private equity fund advisers	**Initial**	30	30	$191,128	$182,534	$8,594	($257,811)
	Ongoing	511	511	$69,025	$67,125	$1,900	($970,900)

Notes:

1. *See infra* section IV.A.3, Tables 2 and 3.
2. Large hedge fund advisers and large liquidity fund advisers file Form PF quarterly. Smaller private fund advisers and large private equity fund advisers file Form PF annually. *See* Form PF General Instruction 9.
3. *See* notes 7 – 16 in Table 6.
4. This is the sum of internal costs, external costs, and a $150 filing fee. *See infra* section IV.A.3 at Tables 6, 7, and 10.
5. This column is calculated as the difference between the preceding two columns.
6. The aggregate effect is obtained by multiplying the decrease in cost per filing under the proposed amendments by the number of filings per year under the proposed thresholds.

Table 8: Total Effect (Sections 1-4)		
Type of adviser	**Type of filing**	**Aggregate effect**
Smaller private fund advisers	**Initial**	($11,520,107)
	Ongoing	($14,681,000)
Large hedge fund advisers	**Initial**	($2,623,099)
	Ongoing	($149,990,400)
Large liquidity fund advisers	**Initial**	($8,561)
	Ongoing	($144,400)
Large private equity fund advisers	**Initial**	($257,811)
	Ongoing	($970,900)

Tables 9 and 10 below present estimates of annual cost reductions that would result from the proposed amendments to section 5 of Form PF and from the proposed elimination of section 6 of Form PF, respectively. The estimated cost reductions in Table 9 are due to the estimated decrease in the number of section 5 reports that would be filed by advisers under the proposed amendments.[464] The estimated cost reductions in Table 10 would result from smaller private fund advisers that advise private equity funds and large private equity fund advisers no longer submitting section 6 filings during fiscal quarters in which private equity reporting events occur.[465]

Table 9: Total Effect (Section 5)

Type of adviser	Number of reports under current Form[1]	Number of reports under proposed amendments[2]	Cost per report under current Form[3]	Cost per report under proposed amendments[4]	Aggregate effect[5]
Large hedge fund advisers	258	94	$8,873	$8,873	($1,445,213)

Notes:

1. These estimates are based on Form PF data as of the first quarter of 2025.
2. *See infra* section IV.A.3 at Table 4.
3. This cost is calculated as the previously approved estimate of burden hours monetized using the new methodology. Previously approved estimates of burden hours are described in the May 2023 Form PF Adopting Release, section V. *See infra* footnotes 533 and 534. This cost captures an internal burden of ten hours, which is divided between a legal professional (5.5 hours) at $744 per hour, a financial risk specialist (2.25 hours) at $402 per hour, and a financial manager (2.25 hours) at $731 per hour (5.5 x 744 + 2.25 x 402 + 2.25 x 731 = 6,641).
4. This is the sum of internal costs and external costs. *See infra* section IV.A.3 at Tables 8 and 11.
5. The aggregate effect is obtained by calculating the difference between (1) the number of reports under the current Form multiplied by the cost per report under the current Form and (2) the number of reports under the proposed amendments multiplied by the cost per report under the proposed amendments.

464 This would result from both the decrease in the number of filers required to file section 5 under the proposed amendments as well as proposed changes to the requirements within section 5. As discussed above, we do not expect that the proposed amendments to Item B of section 5 and to the current reporting filing deadline would result in significantly different costs for advisers. *See supra* sections III.C.3 and III.C.15.

465 *See supra* section III.C.16.

Table 10: Total Effect (Section 6)					
Type of adviser	**Number of reports under current Form[1]**	**Number of reports under proposed amendments**	**Decrease in number of reports under proposed amendments[2]**	**Cost per report under current Form[3]**	**Aggregate Effect[4]**
Smaller private fund advisers	132	0	132	$5,508	($727,089)
Large private equity fund advisers	44	0	44	$5,508	($242,363)

Notes:

1. These estimates are based on Form PF data as of the first quarter of 2025.
2. This column is calculated as the difference between the preceding two columns.
3. This cost is calculated as the previously approved estimate of burden hours monetized using the new methodology. Previously approved estimates of burden hours are described in the May 2023 Form PF Adopting Release, section V. *See infra* footnotes 533 and 534. For both types of advisers, this cost captures an internal burden of five hours, which is divided between a legal professional (2.5 hours) at $744 per hour, a financial risk specialist (1.25 hour) at $402 per hour, and a financial manager (1.25 hour) at $731 per hour (2.5 x 744 + 1.25 x 402 + 1.25 x 731 = 3,276).
4. The aggregate effect is obtained by multiplying the decrease in number of reports under the proposed amendments by the cost per report under the current Form.

Table 11 below presents estimates of annual cost reductions related to transition filings, final filings, and temporary hardship requests that would result from the proposed changes in the filing threshold and in the large hedge fund adviser reporting threshold. The estimated cost reductions are due to the estimated decrease in the number of these types of filings that would be filed by advisers under the proposed amendments.[466]

466 *See supra* footnotes 247 and 262.

Table 11: Transitional and Final Filings; Temporary Hardship Requests					
Type of filing	**Number of filings under current thresholds[1]**	**Number of filings under proposed thresholds[2]**	**Decrease in number of filings under proposed amendments[3]**	**Cost per filing[4]**	**Aggregate effect[5]**
Transition Filings (Quarterly to Annual)	43[6]	16[7]	27	$41	($1,107)
Final Filings	276[8]	157[9]	119	$41	($4,879)
Temporary Hardship Requests	4[10]	2[11]	2	$511	($1,022)

Notes:

1. These estimates are based on Form PF data as of the first quarter of 2025.
2. *See infra* section IV.A.3.b) at Table 5.
3. This column is calculated as the difference between the two preceding columns.
4. This is composed of internal costs. *See infra* section IV.A.3.c) at Table 9. Transition filings, final filings, and temporary hardship requests would not be amended under the proposed amendments, Hence, the cost per filing would remain the same.
5. The aggregate effect is obtained by multiplying the decrease in the number of filings under the proposed amendments by the cost per filing.
6. This is computed as 617 large hedge fund advisers times an estimated 7% incidence of transition filings. *See infra* note 4 of Table 5 in section IV.A.3.b).
7. This is computed as 227 large hedge fund advisers times an estimated 7% incidence of transition filings. *See supra* footnote 260; *infra* note 4 of Table 5 in section IV.A.3.b).
8. This is computed as 3,999 private fund advisers times an estimated 6.9% incidence of final filings. *See infra* note 5 of Table 5 in section IV.A.3.b).
9. This is computed as 2,280 private fund advisers times an estimated 6.9% incidence of final filings. *See supra* footnote 244; *infra* note 5 of Table 5 in section IV.A.3.b).
10. This is computed as 3,999 private fund advisers times an estimated 0.1% incidence of temporary hardship exemption requests. *See infra* note 6 of Table 5 in section IV.A.3.b).
11. This is computed as 2,280 private fund advisers times an estimated 0.1% incidence of temporary hardship exemption requests. *See supra* footnote 244; *infra* note 6 of Table 5 in section IV.A.3.b).

D. Present Values and Annualized Values of Monetized Benefits and Costs

In addition to discussing the benefits, costs, and reasonable alternatives in the Economic Analysis in Section III, consistent with the requirements of Executive Order 12866, and estimating burdens under the PRA in Section V, the Commission estimates total monetized benefits and costs for

all affected entities in two ways specified in OMB Circular A-4.[467] These additional analyses include only benefits and costs that are monetized in the Economic Analysis and thus do not encompass all of the proposed amendments' benefits and costs. The two presentations are intended to address the fact that the various benefits and costs of the proposed amendments would not accrue at the same point in time; rather, benefits and costs that accrue sooner are generally more valuable than those that occur later in time.[468]

We report below (1) the present values of expected benefits and costs that are monetized in our Economic Analysis, aggregated across all affected entities, over a 10-year time horizon, starting in 2026, as well as (2) the annualized values over the same time horizon that are derived from the present values. This time horizon represents the period over which the principal benefits and costs that are monetized in the Economic Analysis are expected to accrue.[469] The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.[470] The present values and annualized values are

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467 *See* E.O. 12866 (Sept. 30, 1993), 58 FR 51735, 51741 (Oct. 4, 1993) (requiring agencies to provide an analysis of benefits, costs, and regulatory alternatives to OIRA for significant regulatory actions); OMB, CIRCULAR A-4, at 31-34, 45 (Sept. 17, 2003) (providing guidance to agencies regarding compliance with Executive Order 12866); *see also* E.O. 14215 (Feb. 18, 2025), 90 FR 10447, 10448 (Feb. 24, 2025) (requiring independent agencies to comply with E.O. 12866). In addition, Executive Order 14192 requires agencies to provide their best approximation of the total costs or savings associated with each new regulation or repealed regulation consistent with the analyses required by Executive Order 12866. *See* E.O. 14192 (Jan. 31, 2025), 90 FR 9065, 9066 (Feb. 6, 2025).

468 *See* CIRCULAR A-4, at 32.

469 *See id*. at 31 (stating that "[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule"). For the purposes of this analysis, we assume the effective date of the amendments, as well as the start year for the analysis's time horizon, is the present year. The analysis uses calendar years and also accounts for the compliance periods included in the release (*see infra* note 2 in Table 12).

470 *See id.* at 32 ("The Rationale for Discounting") and 45 ("Treatment of Benefits and Costs over Time"); *see* also OIRA, REGULATORY IMPACT ANALYSIS: A PRIMER, at 11 (Aug. 15, 2011), *available at* https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf ("To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent annual discount rates expressed as a present value as well as annualized."); HARVEY S. ROSEN & TED GAYER, PUBLIC FINANCE 151 (McGraw Hill / Irwin 8th ed. 2008) (defining present value as "the value today of a given amount of money to be paid or received in the future").

computed for total monetized benefits and costs, combining one-time and recurring monetized benefits and costs, across all affected entities over the time horizon.

Table 12 reports the present values of monetized benefits and costs using annual real discount rates of 3 percent and 7 percent over a 10-year time horizon, starting in 2026.[471] Estimates of monetized benefits are derived from ongoing cost savings aggregated across all private fund advisers and reflect reduced costs per filing and fewer filers that would result from the proposed amendments.[472] The resulting present value of monetized benefits is approximately $1.4 billion under a 3 percent real discount rate, and approximately $1.2 billion under a 7 percent real discount rate. Estimates of monetized costs reflect one-time transitional filings and final filings that would result from the proposed increases to the reporting threshold for large hedge fund adviser and the filing threshold for all Form PF filers, respectively.[473] The present value of monetized costs is approximately $86 thousand and is invariant to the discount rate because the monetized costs are one-time in nature and assumed to be incurred immediately.

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471 This approach is consistent with OMB Circular A-4. *See* CIRCULAR A-4, at 31-34 (stating that "[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3 percent and 7 percent" discount rates and discussing why those rates are reasonable default rates). Also, we use a mid-year discount rate. *See* OMB, CIRCULAR A-94, at 21-22 (Oct. 19, 1992) (stating that, "When costs and benefits occur in a steady stream, applying mid-year discount factors is more appropriate.").

472 Real aggregate annual benefits are estimated to be $182,627,951 and would start in 2027 after the proposed 12-month transition period. This estimate of annual benefits is computed as the sum of the entries in the aggregate effects columns of Tables 8-11. There are no one-time monetized benefits.

473 *See supra* footnote 456. There are no ongoing monetized costs.

Table 12: Present Value of Monetized Benefits and Costs Over a 10-year Time Horizon (2025 Dollars)[1]		
Estimated Effects[2]	**3% Real Discount Rate**	**7% Real Discount Rate**
Benefits	$1,401,099,925	$1,150,284,480
Costs	$86,469	$86,469

Notes:

1. This Table includes only benefits and costs that are monetized. As discussed in the Economic Analysis in Section III, there are other benefits and costs that we are not able to monetize.
2. For each discount rate, the present value of monetized benefits or costs is calculated assuming that: (i) all one-time monetized implementation benefits and costs are immediately incurred (*i.e.*, these costs are not discounted); (ii) recurring annual monetized benefits and costs start to be incurred as of the year in which affected entities first comply; (iii) recurring annual monetized benefits and costs accrue mid-year, and we use a mid-year discount rate. We are proposing a 12-month transition period. Correspondingly, for the purposes of this calculation, we assume that filers would start complying with the proposed amendments in 2027.

Table 13 reports annualized monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon.[474] The lump sum present values of aggregated monetized benefits and costs reported in Table 12 are converted in Table 13 into a constant stream of annualized benefits and costs over a 10-year time horizon, starting in 2026.[475] Annualized benefits and costs may differ from an aggregation of the recurring annual benefits and costs discussed in the Economic Analysis in Section III because they incorporate the timing of benefits and costs, through discounting, and combine one-time and recurring benefits and costs.[476] Annualized monetized benefits are approximately $161 million under a 3 percent real discount rate, and approximately $158 million

474 This approach is consistent with the recommended treatment of benefits and costs over time in Circular A-4. *See* CIRCULAR A-4, at 45 ("You should present annualized benefits and costs using real discount rates of 3 and 7 percent").

475 For each discount rate, the annualized monetized benefits (costs, respectively) in Table 13 represent the constant annual stream of benefits (costs, respectively) whose present value over the time horizon equates the corresponding present value in Table 12. *See infra* note 2, Table 13 for additional calculation details.

476 The annualized benefits and costs present these values over the 10-year time horizon, starting in 2026, even if recurring annual benefits and costs would actually start to be incurred at a later date due to compliance periods.

under a 7 percent real discount rate.[477] Annualized monetized costs are approximately $10 thousand under a 3 percent discount rate and $12 thousand under a 7 percent discount rate.

Table 13: Annualized Monetized Benefits and Costs Over a 10-year Time Horizon (2025 Dollars)[1]		
Estimated Effects[2]	**3% Real Discount Rate**	**7% Real Discount Rate**
Benefits	$161,841,964	$158,326,912
Costs	$9,988	$11,902

Notes:

1. This Table includes only benefits and costs that are monetized. As discussed in the Economic Analysis in Section III, there are other benefits and costs that we are not able to monetize.
2. For each discount rate, the annualized values are calculated by dividing the corresponding present values in Table 12 by the sum of discount factors over the time horizon. The discount factor in year *t* of the time horizon is equal to $1 / (1 + \textit{discount rate})^{(t-0.5)}$.

In sum, Tables 12 and 13 report in two alternative ways the expected total benefits and costs across all affected entities, which are monetized in our Economic Analysis in Section III, using real discount rates of 3% and 7% over a 10-year time horizon.

E. Effects on Efficiency, Competition, and Capital Formation

We expect that the proposed amendments to Form PF would have a net positive effect on market efficiency. On the one hand, the anticipated burden reduction to private fund advisers that would result from the proposed Form PF amendments would allow these advisers to more efficiently use their resources to advise private funds. On the other hand, Form PF provides the SEC and FSOC with information on concentration, counterparty exposure, and other potential indicia of systemic risk or investor protection concerns stemming from or flowing through private funds. Regulatory oversight facilitated by Form PF may serve to increase the stability of both private and public markets

477 The annualized monetized benefit is smaller than the annual aggregate benefit (*see supra* footnote 472) because the annuity calculation for the former assumes a constant stream of benefits starting in 2026, while the lump sum present value of benefits accounts for the 12-month transition period by assuming benefits are equal to zero in 2026.

and, in turn, the efficiency with which they operate. A reduction in both the Form's granularity and coverage may therefore reduce the utility of the data for assessing and attempting to mitigate systemic risk and for responding to events that may have adverse market-wide effects or raise investor protection concerns. However, the proposed amendments are tailored to preserve the Form's utility for these purposes in three ways. First, certain questions and sub-questions we propose to delete are likely to have limited effect on efforts to assess systemic risk and protect investors.[478] Second, information reported in other questions that we propose to remove could be inferred from responses to other Form PF questions.[479] Finally, the proposed filing and reporting threshold changes would result in relatively modest declines in Form PF's coverage of private fund assets under management and large hedge fund assets under management, such that the SEC and FSOC would continue to obtain information on a substantial portion of the U.S. private funds and hedge fund industry.[480]

We expect that the proposed amendments to the filing and large hedge fund adviser reporting thresholds would result in increased competition between private fund advisers. The compliance costs associated with filing Form PF or with completing Form PF as a large hedge fund adviser are likely to represent fixed costs for advisers, which could result in smaller margins for advisers that are relatively smaller in size. Removing these fixed costs for the advisers that either would not have to file Form PF at all or would have to complete a smaller portion of it and at a lower frequency as a result of the proposed amendments would free up resources for these advisers. These resources could

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478 *See, e.g., supra* sections III.C.9, III.C.14, and III.C.16.

479 *See, e.g., supra* sections III.C.7, III.C.10, and III.C.12.

480 *See supra* sections III.C.2 and III.C.3.

be spent on activities that would increase returns for investors,[481] thereby making smaller advisers more competitive.

With regard to the amendments to specific questions of the form, we are unable to predict whether or in which direction they would affect competition across advisers.[482] Advisers of different sizes may advise different numbers of private funds and, as such, spread the costs associated with filing Form PF differently across funds.[483] This could affect the fees charged by advisers to investors in these funds and therefore affect competition between funds and, as a result, between advisers.[484] For example, during the process leading to the adoption of the 2024 amendments, some industry commenters noted that the Form PF amendments proposed in 2022 would have imposed compliance costs that would have disproportionately affected smaller private fund advisers, and thus put them at a competitive disadvantage.[485] However, some private fund advisers have indicated since the adoption of the 2024 amendments that the cost of completing certain questions as amended in 2024 would be higher than anticipated for larger advisers and those with more complex operations.[486] Therefore, the

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481 For example, these resources could be spent on researching investment opportunities. Alternatively, the freed resources could be passed on to investors via lower fees. *See supra* footnote 230.

482 In the 2024 Form PF Adopting Release, we stated that we did not anticipate significant benefits on competition in the private fund industry resulting from the additional information being provided by advisers as a result the 2024 amendments because the additional information to be reported would have been generally nonpublic. *See* 2024 Form PF Adopting Release at section IV.C.1. For the same reasons, we do not expect that the reduction in information received by the SEC under the proposed amendments would result in a decrease in competition.

483 *See supra* section III.C.1.

484 *See supra* footnote 230 and accompanying text.

485 *See, e.g.*, Comment Letter of Managed Funds Association, Investment Adviser Association (Dec. 7, 2022); Comment Letter of Alternative Investment Management Association Limited & Alternative Credit Council (Oct. 11, 2022). In the 2024 Form PF Adopting Release, we stated that the comments were made in the context of the proposal, and the amendments made by the adopting release reduced many of the costs of compliance relative to the proposal. *See* 2024 Form PF Adopting Release, at section IV.C.2. *See also* Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, Release No. IA-6083 (Aug. 10, 2022) [87 FR 53832 (Sept. 1, 2022)].

486 *See,* e.g., s*upra* footnote 67 and accompanying text; footnote 112 and accompanying text.

effect of the proposed amendments to specific questions of Form PF, which mostly scale back some of the 2024 amendments, on competition between advisers of different sizes is uncertain.

Lastly, the proposed amendments to Form PF could result in improvements to capital formation. Specifically, we anticipate that the cost burden to Form PF filers would be lower under the proposed amendments. To the extent that these cost savings are passed through to investors in private funds, lower fees to investors could attract additional investment capital and facilitate capital formation.[487]

F. Reasonable Alternatives

1. Filing Threshold

The proposed amendments would increase the threshold at which advisers to private funds must file Form PF from $150 million to $1 billion. As an alternative, the Commissions could increase this threshold by a smaller or a larger amount. We have considered the percentage of SEC-registered advisers to private funds, the percentage of all private funds reported by SEC-registered advisers, and the percentage of private fund gross assets reported by SEC-registered advisers that would be captured on Form PF at various filing thresholds between $250 million and $4 billion.[488] Increasing the filing threshold to a level below the proposed level of $1 billion would result in a smaller decrease in the number of SEC-registered advisers to private funds that would be required to file Form PF. Consequently, the percentage of private funds and private fund gross assets reportable by SEC-registered advisers on Form PF would decrease by a smaller amount. For instance, if the filing threshold were instead increased from $150 million to $250 million, coverage of SEC-registered advisers to private funds would decline from 70 percent to 64 percent as opposed to 40 percent under

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487 *See supra* footnote 230 and accompanying text.

488 *See supra* section II.A at Table 3.

the proposed $1 billion threshold. Under this alternative, there would be no discernable decrease in the percentage of private funds or their gross assets reported by SEC-registered advisers on Form PF.[489] On the other hand, increasing the filing threshold to $2 billion would lower the percentage of SEC-registered private fund advisers required to file Form PF to 30 percent, resulting in a decline in the percentage of private funds and private fund gross assets covered by Form PF from 83 percent and 96 percent to 60 percent and 91 percent, respectively. While this alternative would lead to larger aggregate cost-savings to private fund advisers that would otherwise have to file Form PF,[490] this additional decline in the burden would come at the cost of reducing regulatory visibility of private fund assets, which could affect systemic risk monitoring and investor protection efforts.

2. Reporting Threshold for Large Hedge Fund Advisers

Advisers that meet the definition of large hedge fund advisers file Form PF quarterly, and they are required to complete section 2 and section 5 (as applicable) of Form PF for each of the qualifying hedge funds that they advise.[491] The proposed amendments would increase Form PF's reporting threshold for large hedge fund advisers from $1.5 billion to $10 billion. As an alternative, the Commissions could increase this threshold by a smaller or a larger amount. We have considered the percentage of SEC-registered advisers to hedge funds, the percentage of all hedge funds managed by SEC-registered advisers, the percentage of hedge fund gross assets reported by SEC-registered advisers that would be captured in sections 1 and 2 of Form PF reporting by large hedge fund advisers, and the percentage of hedge fund gross assets reported by SEC-registered advisers on

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489 The decrease in these percentages is zero when the percentages are rounded to the nearest whole number. *See supra* section II.A at Table 3.

490 *See supra* section III.C.18. Under the proposed amendments, we estimate that the compliance costs of filing Form PF for smaller private fund advisers would be $31,677 per adviser for initial filings and $8,700 per adviser for ongoing filings. *See also infra* section IV.A.3.

491 Section 5 is only required upon the occurrence of certain events. *See supra* section III.B.1; Form PF section 5.

section 2 of Form PF at various filing thresholds between $2 billion and $20 billion.[492] Increasing the reporting threshold for large hedge fund advisers to a level below the proposed level of $10 billion would result in a smaller decrease in the number of SEC-registered advisers to private funds that would qualify as large hedge fund advisers. The percentage of hedge funds and hedge fund gross assets reported by SEC-registered advisers that would be covered by Form PF reporting by large hedge fund advisers would decrease by a smaller amount. For instance, if the reporting threshold for large hedge fund advisers were instead increased from $1.5 billion to $5 billion, the fraction of SEC-registered hedge fund advisers that would meet the definition of large hedge fund advisers would decline from 26 percent to 14 percent as opposed to 9 percent under the proposed $10 billion threshold. Under this alternative, the percentage of all hedge funds reported by SEC-registered advisers that would be reported in Form PF by large hedge fund advisers would decline from 49 percent to 41 percent as opposed to 34 percent under the proposed threshold of $10 billion. Similarly, hedge fund assets that would be reported by large hedge fund advisers as a percentage of all hedge fund gross assets managed by SEC-registered advisers would decline from 92 percent to 86 percent instead of 81 percent. Finally, hedge fund assets that would be reported by large hedge fund advisers on section 2 as a percentage of all hedge fund gross assets managed by SEC-registered advisers would decline from 84 percent to 79 percent instead of 74 percent. While this alternative would lead to a smaller aggregate loss in visibility, and therefore to a smaller effect on systemic risk monitoring and investor protection efforts, cost savings for SEC-registered advisers to hedge funds that would otherwise qualify as large hedge fund advisers would be lower than under the proposed threshold.[493] On the other hand, further increasing the reporting threshold for large hedge fund advisers to $15 billion would result in larger cost savings for advisers that would not need to complete Form PF as

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492 *See supra* section II.B at Table 5.

493 *See supra* section III.C.18 for estimates of cost savings associated with the proposed changes in thresholds.

large hedge fund advisers, but it would also further decrease visibility into the percentage of qualifying hedge funds advised by large hedge fund advisers (to 29 percent of all hedge funds reported by SEC-registered advisers instead of 34 percent), the aggregate quantity of gross assets they hold (77 percent of hedge fund gross assets reported by SEC-registered advisers instead of 81 percent) and the aggregate quantity of gross assets they hold that would be reported on section 2 of Form PF (70 percent of hedge fund gross assets reported by SEC-registered advisers instead of 74 percent). These decreases could further reduce the utility of the resulting data for systemic risk monitoring and investor protection efforts.

3. Disregarded Feeder Fund

The Commissions considered different thresholds for the proposed *de minimis* exception in General Instruction 6.[494] A higher threshold, such as ten percent instead of five percent, would result in a larger reduction in burden for advisers, since fewer feeder funds would have to be reported separately. This burden reduction would result in reduced visibility into feeder funds that invest in assets other than a single master fund, U.S. treasury bills, and/or cash or cash equivalents, as the information from such feeder funds would be aggregated in the master fund's filing. This reduced visibility could affect systemic risk monitoring. For instance, at a ten percent *de minimis* threshold, larger counterparty exposure at the level of the feeder fund could be obscured compared to the proposed five percent *de minimis* threshold.[495] On the other hand, a lower threshold (such as one percent) would result in more feeder funds with investments outside of a single master fund, U.S. treasury bills, and/or cash or cash equivalents being separately reportable. This would result in higher visibility for the purpose of systemic risk monitoring compared to the proposed five percent *de*

494 *See supra* section III.C.4.

495 *See* Form PF Question 26.

minimis threshold, but the burden reduction for advisers to funds with master-feeder structures would be lower.

4. Industry Concentration Reporting

The Commissions considered modifying the industry concentration reporting in Question 36 by requiring that advisers identify funds' exposure by industry based on an alternative classification, such as the BICS or GICS classifications, instead of the NAICS code classification.[496] We have heard from industry members that the BICS and GICS are classifications that are more commonly used than the NAICS code classification.[497] Amending the requirement to use one of these two alternatives could benefit advisers by reducing the cost of assigning a code to each of the fund's investment instruments, since advisers may already have performed or acquired these assignments using the BICS or the GICS from a vendor, or they may be able to more easily find a third party to perform these assignments.[498] This could lead to increased consistency across filers in how certain assets are assigned to industries. However, NAICS codes are already used in Questions 81 and 82.[499] Hence, some advisers already use this classification. Also, obtaining industry concentration that is similarly classified across fund types would increase the usefulness of the data for the monitoring of systemic risk by allowing a better understanding of the potential consequences of events affecting specific industries.[500] In addition, we expect that giving advisers more flexibility in choosing the NAICS

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496 *See supra* section II.J.

497 *Id*.

498 For example, BICS codes are assigned to individual securities for different asset classes including equities, corporates, governments, loans, and preferred debt by the company that has developed the classification. *See Classification data*, BLOOMBERG PRO. SERVS., https://data.bloomberglp.com/professional/sites/10/Classification-Data-Fact-Sheet.pdf (last visited Jan. 13, 2026). On the other hand, the NAICS classification was developed by North American government statistical agencies, with a focus on North American industries. *See North American Industry Classification System*, U.S. CENSUS BUREAU (Jan. 13, 2026), https://www.census.gov/naics/. These government agencies do not assign NAICS codes to individual companies or securities.

499 *See* Form PF Questions 81 and 82. The questions are required for Form PF filers that advise private equity funds.

500 Requiring the NAICS code classification instead of an alternative classification could also support FSOC's monitoring of systemic risk since it is also the standard used by other U.S. government agencies. *See supra* footnote 92 and accompanying text.

industry code level they report in Question 36, as we are proposing, would reduce the cost to advisers of assigning a NAICS code to their funds' assets and would reduce the possibility of inconsistency of reporting across filers.[501] Furthermore, unlike NAICS codes, the GICS and BICS classification standards are privately developed and maintained. Requiring advisers to use a particular commercial standard may increase the cost to these advisers of acquiring licensing and associated services from the providers.[502]

The Commissions also considered giving the option to advisers to report their funds' exposure by industry based on their choice among multiple classifications, such as the NAICS, GICS, and BICS classifications. This additional flexibility could reduce costs to advisers as they would be able to use a classification that they are already using or that may be available to them at the lowest cost. However, this benefit may result in information that is difficult to aggregate or compare, making it more difficult to predict and understand the potential consequences of significant events affecting specific industries.

5. Hedge Fund Adviser Counterparty Exposure Reporting

The Commissions considered eliminating only certain sections of the consolidated counterparty exposure for qualifying hedge funds in Question 41. The question requires advisers to report funds' borrowing and collateral received as well as lending and posted collateral for different types of borrowings and other transactions with creditors and other counterparties, aggregated across all counterparties as of the end of each month of the reporting period. For several types of borrowings or other transactions, advisers are required to indicate the expected increase in collateral required to

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501 *See supra* section III.C.11.

502 For example, these providers could increase their prices as a result of the competitive advantage they would gain from being required for large hedge fund advisers advising qualifying hedge funds.

be posted by the reporting fund if the required margin increases by one percent of the position size.[503] The Commissions considered conserving the table but eliminating this last requirement. This would have resulted in a smaller reduction in costs for advisers, since the proposed amendments eliminate this requirement as well as other requirements.[504] It would also have resulted in less information loss for the SEC and FSOC and therefore smaller potential effects on systemic risk monitoring and investor protection efforts. Requiring large hedge fund advisers to qualifying hedge funds to complete the consolidated counterparty exposure table in Question 26 instead of in Question 41, together with continuing to require these advisers to complete Questions 42 and 43 along with the proposed modifications to those questions, should provide sufficient information for systemic risk monitoring and investor protection efforts.

The Commissions also considered amendments with respect to netting counterparty exposures and cross-margining in response to Questions 26, 27, 28, 42, and 43. Question 26 directs hedge fund advisers to net the reporting fund's exposure to each counterparty and among affiliated entities of a counterparty and associated collateral.[505] It also specifies that netting must be used to reflect net cash borrowed from or lent to a counterparty but must not be used to offset securities borrowed and lent against one another, when reporting prime brokerage and repo/reverse repo transactions. The netting methodology prescribed in Question 26 would affect the information reported by hedge fund advisers in Question 26 by affecting the dollar amounts that advisers report as borrowing (and collateral received) and as lending (and posted collateral) in the different sub-questions. The netting methodology would also affect the counterparties reported in Questions 27 and 28 (for hedge funds

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503 *See* Form PF Question 41, subsections (b)(vii), (c)(vi), (d)(vi), (e)(vi), and (f)(viii). In some subsections, the instructions appear to mistakenly require advisers to report the expected change in collateral if the required margin increases by one percent, rather than by one percent of the position size.

504 *See supra* section III.C.13.

505 Under the proposed amendments, Question 26 would be required to be completed by all hedge fund advisers and separately for each hedge fund that they advise. *See supra* sections II.L and III.C.13.

that are not qualifying hedge funds) and in Questions 42 and 43 (for qualifying hedge funds). In these questions, advisers would be required to identify and provide information on each creditor or other counterparty (including CCPs) to which a fund had an exposure above certain thresholds.[506] The Commissions considered amending the netting methodology prescribed in Question 26, which would apply to all hedge fund advisers.[507] For example, the Commissions considered requiring advisers to net neither cash nor securities, that is, to report the gross exposure to counterparties. This would have the benefit of potentially reducing costs for advisers, as we have heard from filers that netting counterparty exposure can be particularly burdensome.[508] However, this could also result in FSOC having a less clear view of hedge funds' counterparty exposure risk, which could affect its ability to monitor systemic risk. As a second example, the Commissions considered requiring advisers to net both cash and securities borrowed or lent instead of only cash. This would have the benefit of potentially reducing costs for advisers, as this could align more closely with how counterparty balances are reported to advisers in practice. However, this alternative could also result in FSOC having a less clear view of hedge funds' counterparty exposure risk, which could affect its ability to monitor systemic risk. As a third example, the Commissions considered permitting advisers to use their own internal methodologies regarding the netting of their exposure to counterparties. This alternative would have the benefit of reducing costs for advisers as it would allow them to report values that they are likely to already report internally instead of requiring them to calculate values solely for the purpose of reporting on Form PF.[509] It would also likely result in advisers reporting

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506 *See supra* sections II.L and III.C.13. For example, under the proposed amendments, a fund's exposure to a given counterparty may reach the specified threshold. This may not be the case under a different netting methodology.

507 Under the proposed amendments, Question 41 would be eliminated, and Question 26 would be required for all filing advisers that advise hedge funds. *See supra* sections II.L and III.C.13.

508 Filers have indicated that completing the questions on counterparty exposure, including interpreting and satisfying the netting instructions, is challenging and burdensome. *See supra* section II.L.

509 *See supra* footnote 508.

counterparty exposure that is the most relevant to monitor for their specific funds. However, the type of counterparty risk that is the most relevant for hedge fund advisers when monitoring their own funds may not be the most useful for FSOC's monitoring of systemic risk. In addition, allowing advisers to use their own methodology would result in the SEC and FSOC receiving data that is difficult to compare and aggregate across funds, which could affect their systemic risk monitoring and investor protection efforts.

6. Private Equity Quarterly Event Reporting

The proposed amendments would eliminate section 6 of Form PF, which requires advisers to private equity funds to file quarterly reports with the SEC within 60 days of the end of each calendar quarter during which a private equity reporting event occurs.[510] As an alternative, the SEC could have proposed to modify section 6 to reduce its burden to private equity fund advisers without entirely eliminating the section. For instance, the SEC could have proposed that only certain events that currently trigger section 6 reporting be eliminated. As a specific example, the SEC could have proposed that current event reports be required upon the occurrence of an adviser-led secondary transaction, but not upon general partner removal, termination of the investment period, or termination of the fund. In this case, the cost savings to advisers to private equity funds would not be as large as they would be under the proposed elimination of section 6. However, the SEC and FSOC would still become aware of an adviser-led secondary transaction within 60 calendar days after the end of the quarter in which the event takes place. As a result, they would retain a signal that may be useful for systemic risk monitoring and investor protection efforts.

The SEC alternatively could have proposed that section 6 be reported annually instead of quarterly during years in which a private equity fund experiences a reporting event. This approach

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510 *See supra* section II.O.

would lower the burden of section 6 reporting on private equity fund advisers by allowing advisers more time to consolidate information to report following an adviser-led secondary transaction, general partner removal, termination of the fund's investment period, or termination of the fund. The reduction in burden under this alternative would not be as large as it would be under the proposed elimination of section 6. However, this alternative would retain for the SEC and FSOC visibility into the occurrence of reporting events at private equity funds managed by registered investment advisers. While the timeliness of section 6 filings would decrease under this alternative relative to the baseline, the total number of reporting events captured by these filings would not, preserving for the SEC and FSOC information that could be used to monitor systemic risk and for investor protection efforts.

Finally, in connection with eliminating section 6, the SEC could have proposed to include a question relating to the removal of the fund's general partner in section 4 of Form PF. Under this alternative, rather than requiring private equity fund advisers to periodically file section 6 if fund investors have removed the adviser or its affiliate as the general partner or similar control person of the reporting fund, Form PF would require all large private equity fund advisers filing Form PF to provide this information annually in section 4. Relative to the proposed elimination of section 6, this alternative would have the benefit of providing information on a salient reporting event to the SEC and FSOC, which could aid in systemic risk monitoring and investor protection efforts.[511] However, large private equity fund advisers would experience lower cost savings for the private equity funds they advise relative to the proposed elimination of section 6.[512]

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511 Compared to the baseline, however, this alternative would result in less information being available to the SEC and FSOC since it would apply only to large private equity fund advisers and not all filing advisers that advise private equity funds. It would also result in less timely information as section 4 of Form PF is submitted annually by advisers to large private equity funds. *See supra* section III.B.1

512 For private equity fund advisers that do not meet the definition of large private equity fund advisers, and therefore are not required to complete section 4, this alternative would result in the same cost savings as the proposed elimination of section 6.

7. Private Credit Reporting

Currently, the Form PF Glossary of Terms does not define "private credit fund," and advisers to private funds with private credit strategies must follow the same instructions as other advisers when determining which sections of the form must be completed for the reporting funds they advise.[513] The Commissions considered modifying the information that advisers report on Form PF about the private credit funds they advise. Specifically, the Commissions considered defining "private credit fund" in the Form PF Glossary of Terms and requiring information on private credit funds, for example by creating new questions or a new section that would be required to be completed by advisers of private credit funds.[514] This alternative would have the benefit of providing information that would allow the identification of potential risks and challenges that are specific to private credit strategies.[515] This information would support the SEC's and FSOC's understanding and monitoring of potential systemic and investor protection risks relating to activities in the private credit fund industry. However, requiring this new information would add new compliance costs to advisers that advise funds that would meet the definition of private credit funds. In addition, as this is a newer investment strategy, the Commissions may benefit from additional development to determine the nature and scope of appropriate data to collect to inform systemic risk assessment for these particular funds.

G. Request for Comment

The SEC requests comment on all aspects of our economic analysis, including the potential costs and benefits of the proposed amendments and alternatives thereto, and whether the

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513 *See supra* section II.Q.

514 Some industry members have suggested these approaches. *See supra* section II.Q.

515 *See, e.g.*, José L. Fillat et al., *Could the Growth of Private Credit Pose a Risk to Financial System Stability?*, (Fed. Rsrv. Bank of Boston Current Policy Perspectives No. 25-8, 2025), *available at* https://www.bostonfed.org/publications/current-policy-perspectives/2025/could-the-growth-of-private-credit-pose-a-risk-to-financial-system-stability.aspx.

amendments, if the SEC were to adopt them, would promote efficiency, competition, and capital formation. In addition, the SEC requests comments on our selection of data sources, empirical methodology, and the assumptions the SEC has made throughout the analysis. Commenters are requested to provide empirical data, estimation methodologies, and other factual support for their views, in particular, on costs and benefits estimates. In addition, the SEC requests comment on:

129. Whether there are any additional benefits and costs associated with the proposed amendments to Form PF that we should include in our analysis. What additional materials and data should the SEC consider for estimating these benefits and costs?
130. Whether our assumptions about the benefits and costs associated with the proposal are accurate. For example, is it accurate to assume that any sunk costs advisers have incurred to prepare for previous compliance dates of the 2024 Form PF amendments can be ignored for the purposes of assessing the cost-savings to advisers that would result from the proposed amendments? Is it accurate to assume that certain costs may be mitigated as a result of other questions in the form?
131. Whether there are any unintended consequences to systemic risk or investor protection that could result from the proposed changes in the filing thresholds and in the reporting threshold for large hedge fund advisers.
132. Whether our description of the effects on efficiency, competition, and capital formation that would result from the proposed amendments is accurate. For example, would the proposed changes to specific questions of the Form result in an increase or decrease in competition between advisers?
133. Whether there are any additional benefits or costs associated with the reasonable alternatives considered that should be included.

134. The likely cost ranges for assigning industry codes using a different standard (such as BICS or GICS), and the extent to which these cost ranges vary with adviser size or other factors.

IV. PAPERWORK REDUCTION ACT

CFTC:

The information collection titled "Form PF and Rule 204(b)-1" (OMB Control No. 3235-0679) was issued to the SEC and implements sections 404 and 406 of the Dodd-Frank Act by requiring private fund advisers that have at least $150 million in private fund assets under management to report certain information regarding the private funds they advise on Form PF. The SEC makes information on Form PF available to the CFTC, subject to the confidentiality provisions of the Dodd-Frank Act, and the CFTC may use information collected on Form PF in its regulatory programs, including examinations, investigations and investor protection efforts relating to private fund advisers.

CFTC rule 4.27[516] does not impose any additional burden upon registered CPOs and CTAs that are dually registered as investment advisers with the SEC ("dual registrants"). There is no requirement to file Form PF with the CFTC, and any filings made by dual registrants with the SEC are made pursuant to the Advisers Act. While CFTC rule 4.27(d) states that dually registered CPOs and CTAs that file Form PF with the SEC will be deemed to have filed Form PF with the CFTC for purposes of any enforcement action regarding any false or misleading statement of material fact in Form PF, the CFTC is not imposing any additional burdens herein. Therefore, any burden imposed by Form PF on entities registered with both the CFTC and the SEC has been fully accounted for within

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516 CFTC rule 4.27, 17 CFR 4.27, was adopted pursuant to the CFTC's authority set forth in section 4n of the Commodity Exchange Act, 7 U.S.C. 6n. CFTC regulations are found at Title 17 Chapter I of the Code of Federal Regulations.

the SEC's calculations regarding the impact of this collection of information under the Paperwork Reduction Act of 1995 ("PRA"), as set forth below.[517]

SEC:

The proposal would revise an existing "collection of information" within the meaning of the Paperwork Reduction Act of 1995 ("PRA").[518] The SEC is submitting the collection of information to the Office of Management and Budget ("OMB") for review and approval in accordance with the PRA.[519] The title for the collection of information we propose to amend is "Form PF and Rule 204(b)-1" (OMB Control Number 3235-0679). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Compliance with the information collection titled "Form PF and Rule 204(b)-1" is mandatory. The respondents are investment advisers that (1) are registered or required to be registered under Advisers Act section 203, (2) advise one or more private funds, and (3) managed private fund assets of at least $150 million at the end of their most recently completed fiscal year (collectively, with their related persons).[520] Form PF divides respondents into groups based on their size and types of private funds they manage, requiring some groups to file more information more frequently than others. The types of respondents are (1) smaller private fund advisers, that report annually (*i.e.*, private fund advisers that do not qualify as large private fund advisers), (2) large hedge fund advisers, that report more information quarterly (*i.e.*, advisers with at least $1.5 billion in hedge fund assets under management), (3) large liquidity fund advisers, that report more information quarterly (*i.e.*, advisers that manage liquidity funds and have at least $1 billion in combined money market and liquidity fund

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517 44 U.S.C. 3501 through 3521.

518 *Id.*

519 44 U.S.C. 3507(d); 5 CFR 1320.11.

520 *See* 17 CFR 275.204(b)-1.

assets under management), and (4) large private equity fund advisers, that report more information annually (*i.e.*, advisers with at least $2 billion in private equity fund assets under management). As discussed more fully in section II above and as summarized in sections IV.A.1 and IV.A.3 below, the proposal would eliminate certain burdens and revise how respondents report certain information on Form PF.

A. Form PF

1. Purpose and Use of the Information Collection

The rules implement provisions of Title IV of the Dodd-Frank Act, which amended the Advisers Act to require the SEC to, among other things, establish reporting requirements for advisers to private funds.[521] The information collected on Form PF is designed to facilitate FSOC's obligations under the Dodd-Frank Act to monitor systemic risk in the private fund industry and to assist FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies.[522] The SEC also may use information collected on Form PF in its regulatory programs, including examinations, investigations, and investor protection efforts relating to private fund advisers.[523]

The proposed amendments would (1) eliminate filing obligations for smaller advisers; (2) eliminate certain reporting obligations for smaller hedge fund advisers; (3) eliminate certain other requirements, including quarterly event reporting, certain current reporting, and other requirements; and (4) streamline certain requirements and make corrections as well as other revisions.[524] The

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521 *See* 15 U.S.C. 80b-4(b) and 15 U.S.C. 80b-11(e).

522 *See* Form PF.

523 *Id.*

524 The proposal would: (1) amend the form's general instructions; (2) amend section 1 of Form PF, which would apply to all Form PF filers; (3) amend section 2 of Form PF, which would apply to large hedge fund advisers that advise qualifying hedge funds; (4) amend section 5 of Form PF, which would apply to large hedge fund advisers

proposed amendments are designed to eliminate certain burdens, among other things, while ensuring Form PF continues to collect information necessary and appropriate in the public interest and for the protection of investors, or for the assessment of systemic risk in the U.S. financial system by FSOC.

2. Confidentiality

Responses to the information collection will be kept confidential to the extent permitted by law.[525] Form PF elicits non-public information about private funds and their trading strategies, the public disclosure of which could adversely affect the funds and their investors. The SEC does not intend to make public Form PF information that is identifiable to any particular adviser or private fund, although the SEC may use Form PF information in an enforcement action and FSOC may use it to assess potential systemic risk.[526] SEC staff issues certain publications designed to inform the public of the private funds industry, all of which use only aggregated or masked information to avoid potentially disclosing any proprietary information.[527] The Advisers Act precludes the SEC from being compelled to reveal Form PF information except (1) to Congress, upon an agreement of confidentiality, (2) to comply with a request for information from any other Federal department or agency or self-regulatory organization for purposes within the scope of its jurisdiction, or (3) to comply with an order of a court of the United States in an action brought by the United States or the SEC.[528] Any department, agency, or self-regulatory organization that receives Form PF information must maintain its confidentiality consistent with the level of confidentiality established for the

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to qualifying hedge funds; (5) remove section 6 of Form PF, which would eliminate quarterly event reporting for advisers to private equity funds; and (6) amend the form's Glossary of Terms.

525 *See* 5 CFR 1320.5(d)(2)(vii) and (viii).

526 *See* 15 U.S.C. 80b-10(c) and 15 U.S.C. 80b-4(b).

527 S*ee*, *e.g.,* Private Funds Statistics, issued by staff of the SEC Division of Investment Management's Analytics Office, which we have used in this PRA as a data source, *available at* https://www.sec.gov/divisions/investment/private-funds-statistics.shtml.

528 *See* 15 U.S.C. 80b-4(b)(8).

SEC.[529] The Advisers Act requires the SEC to make Form PF information available to FSOC.[530] For advisers that are also commodity pool operators or commodity trading advisers, filing Form PF through the Form PF filing system is a filing with both the SEC and CFTC.[531] Therefore, the SEC makes Form PF information available to FSOC and the CFTC, pursuant to Advisers Act section 204(b), making the information subject to the confidentiality protections applicable to information required to be filed under that section. Before sharing any Form PF information, the SEC requires that any such department, agency, or self-regulatory organization represent to the SEC that it has in place controls designed to ensure the use and handling of Form PF information in a manner consistent with the protections required by the Advisers Act. The SEC has instituted procedures to protect the confidentiality of Form PF information in a manner consistent with the protections required in the Advisers Act.[532]

3. Burden Estimates

We are revising our total burden estimates to reflect the proposed amendments, updated data, and new methodology for calculating occupational hourly rates.[533] The tables below map out the Form PF requirements as they apply to each group of respondents and detail our burden estimates.

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529 *See* 15 U.S.C. 80b-4(b)(9).

530 *See* 15 U.S.C. 80b-4(b)(7).

531 *See* 2011 Form PF Adopting Release at n.17.

532 *See* 5 CFR 1320.5(d)(2)(viii).

533 For the previously approved estimates, see ICR Reference No. 202405-3235-009 (conclusion date July 2, 2024), available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202405-3235-009.

a) Proposed Form PF Requirements by Respondent

PRA Table 1: Proposed Form PF Requirements by Respondent				
Form PF	**Smaller private fund advisers[1]**	**Large hedge fund advisers**	**Large liquidity fund advisers**	**Large private equity fund advisers**
Section 1a and section 1b (basic information about the adviser and the private funds it advises) **Proposed revisions**	Annually	Quarterly	Quarterly	Annually
Section 1c (additional information concerning hedge funds) **Proposed revisions**	Annually, if they advise hedge funds	Quarterly	Quarterly, if they advise hedge funds	Annually, if they advise hedge funds
Section 2 (additional information concerning qualifying hedge funds) **Proposed revisions**	No	Quarterly	No	No
Section 3 (additional information concerning liquidity funds) **No proposed substantive revisions**	No	No	Quarterly	No
Section 4 (additional information concerning private equity funds) **No proposed substantive revisions**	No	No	No	Annually
Section 5 (current reporting concerning qualifying hedge funds) **Proposed revisions**	No	No later than 72 hours	No	No
Section 6 (event reporting for private equity fund advisers) **Proposed deletion**	N/A	N/A	N/A	N/A
Section 7 (temporary hardship request) **No proposed revisions**	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify
Transition Filings (indicating the adviser is no longer obligated to file on a quarterly basis) **No proposed revisions**	Not applicable	If they cease to qualify as a large hedge fund adviser	If they cease to qualify as a large liquidity fund adviser	Not applicable
Final Filings (indicating the adviser is no longer subject to the rules) **No proposed revisions**	If they qualify	If they qualify	If they qualify	If they qualify

Notes:

1. Smaller private fund advisers are considered all other advisers required to file Form PF that do not meet the definition of large hedge fund adviser, large liquidity fund adviser, or large private equity fund adviser.

b) Annual Hour Burden Proposed Estimates

Below are tables with annual hour burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, (3) current reporting and private equity event reporting, and (4) transition filings, final filings, and temporary hardship requests.

PRA Table 2: Annual Hour Burden Estimates for Initial Filings						
Respondent[1]		**Number of Respondents = Aggregate Number of Responses[2]**	**Hours Per Response[3]**	**Hours Per Response Amortized Over 3 Years[4]**		**Aggregate Hours Amortized Over 3 Years[5]**
Smaller Private Fund Advisers	**Requested**	244 responses[6]	38 hours	÷ 3 =	13 hours	3,172 hours
	Previously Approved	374 responses	55 hours	÷ 3 =	18 hours	6,732 hours
	Change	(130) responses	(17) hours		(5) hours	(3,560) hours
Large Hedge Fund Advisers	**Requested**	5 responses[7]	270 hours	÷ 3 =	90 hours	450 hours
	Previously Approved	14 responses	380 hours	÷ 3 =	127 hours	1,778 hours
	Change	(9) responses	(110) hours		(37) hours	(1,328) hours
Large Liquidity Fund Advisers	**Requested**	1 responses[8]	212 hours	÷ 3 =	71 hours	71 hours
	Previously Approved	1 response	229 hours	÷ 3 =	76 hours	76 hours
	Change	No change	(17) hours		(5) hours	(5) hours
Large Private Equity Advisers	**Requested**	30 responses[9]	264 hours	÷ 3 =	88 hours	2,640 hours
	Previously Approved	18 responses	281 hours	÷ 3 =	94 hours	1,692 hours
	Change	12 responses	(17) hours		(6) hours	948 hours

Notes:

1. We expect that the hourly burden will be most significant for the initial report because the adviser will need to familiarize itself with the new reporting form and may need to configure its systems in order to efficiently gather the required information. In addition, we expect that some large private fund advisers will find it efficient to automate some portion of the reporting process, which will increase the burden of the initial filing but reduce the burden of subsequent filings.
2. This concerns the initial filing; therefore, we estimate one response per respondent. The proposed changes are due to using updated data to estimate the number of advisers.
3. Hours per response changes are due to the proposed amendments.
4. We propose to amortize the initial time burden over three years because we believe that most of the burden will be incurred in the initial filing.
5. (Number of responses) x (hours per response amortized over three years) = aggregate hours amortized over three years. Changes are due to (1) using updated data to estimate the number of advisers and responses and (2) the proposed amendments.
6. We estimate based on Form PF data that 1,516 smaller private fund advisers would have filed Form PF in the first quarter of 2025 if the proposed revised reporting thresholds were in effect. Based on filing data from the last five years, an average of 16.1 percent of them would not have filed for the previous due date. (1,516 x 0.161 = 244 advisers.)
7. We estimate based on Form PF data that 227 large hedge fund advisers would have filed Form PF in the first quarter of 2025 if the proposed revised reporting thresholds were in effect. Based on filing data from the last five years, an average of 2.3 percent of them would not have filed for the previous year. (227 x 0.023 = 5 advisers.)
8. We estimate based on Form PF data that 20 large liquidity fund advisers would have filed Form PF in the first quarter of 2025 if the proposed revised reporting thresholds were in effect. Based on filing data from the last five years, an average of 1.5 percent of them would not have filed for the previous year. (20 x 0.015 = 0.3 advisers, rounded up to 1 adviser.)
9. We estimate based on Form PF data that 541 large private equity advisers would have filed Form PF in the first quarter of 2025 if the proposed revised reporting thresholds were in effect. Based on filing data from the last five years, an average of 5.6 percent of them would not have filed for the previous due date. (541 x 0.056 = 30 advisers.)

PRA Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings								
Respondent[1]		**Number of Respondents[2]**		**Number of Responses[3]**		**Hours Per Response[4]**		**Aggregate Hours[5]**
Smaller Private Fund Advisers	**Requested**	1,272 advisers[6]	x	1 response	x	18 hours	=	22,896 hours
	Previously Approved	2,376 advisers	x	1 response	x	22 hours	=	52,272 hours
	Change	(1,104) advisers		No change		(4) hours		(29,376) hours
Large Hedge Fund Advisers	**Requested**	222 advisers[7]	x	4 responses	x	123 hours	=	109,224 hours
	Previously Approved	556 advisers	x	4 responses	x	176 hours	=	391,424 hours
	Change	(334) advisers		No change		(53) hours		(282,200) hours
Large Liquidity Fund Advisers	**Requested**	19 advisers[8]	x	4 responses	x	82 hours	=	6,232 hours
	Previously Approved	20 advisers	x	4 responses	x	86 hours	=	6,880 hours
	Change	(1) advisers		No change		(4) hours		(648) hours
Large Private Equity Advisers	**Requested**	511 advisers[9]	x	1 response	x	141 hours	=	72,051 hours
	Previously Approved	432 advisers	x	1 response	x	145 hours	=	62,640 hours
	Change	79 advisers		No change		(4) hours		9,411 hours

Notes:

1. We estimate that after an adviser files its initial report, it will incur significantly lower costs to file ongoing annual and quarterly reports, because much of the work for the initial report is non-recurring and likely created system configuration and reporting efficiencies.
2. Changes to the number of respondents are due to using updated data to estimate the number of advisers.
3. Smaller private fund advisers and large private equity advisers file annually. Large hedge fund advisers and large liquidity fund advisers file quarterly.
4. Hours per response changes are due to the proposed amendments.
5. Changes to the aggregated hours are due to (1) using updated data to estimate the number of advisers and (2) the proposed amendments.
6. We estimate based on Form PF data that 1,516smaller private fund advisers would have filed Form PF in the first quarter of 2025 if the proposed revised reporting thresholds were in effect. We estimated that 244 of them would have filed an initial filing, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings. (1,516 total smaller advisers – 244 advisers that made an initial filing = 1,272advisers that make ongoing filings.)
7. We estimate based on Form PF data that 227 large hedge fund advisers would have filed Form PF in the first quarter of 2025. We estimated that 5 of them would have filed an initial filing, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings. (227 total large hedge fund advisers – 5 advisers that made an initial filing = 222 advisers that make ongoing filings.)
8. We estimate based on Form PF data that 20 large liquidity fund advisers would have filed Form PF in the first quarter of 2025. We estimated that one of them would have filed an initial filing, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings. (20 total large liquidity fund advisers – 1 adviser that made an initial filing = 19 advisers that make ongoing filings.)
9. We estimate based on Form PF data that 541 large private equity advisers would have filed Form PF in the first quarter of 2025. We estimated that 30 of them would have filed an initial filing, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings. (541 total large private equity advisers – 30 advisers that made an initial filing = 511 advisers that make ongoing filings.)

PRA Table 4: Annual Hour Burden Estimates for Current Reporting and Private Equity Event Reporting						
Respondent[1]		**Aggregate Number of Responses**		**Hours Per Response**		**Aggregate Hours**
Smaller Private Fund Advisers	**Requested**	0 responses	x	0 hours	=	0 hours
	Previously Approved	20 responses	x	5 hours	=	100 hours
	Change	(20) responses		(5) hours		(100) hours
Large Hedge Fund Advisers	**Requested**	94 responses[2]	x	10 hours	=	940 hours
	Previously Approved	60 responses	x	10 hours	=	600 hours
	Change	34 responses		No change		340 hours[3]
Large Private Equity Advisers	**Requested**	0 responses	x	0 hours	=	0 hours
	Previously Approved	20 responses	x	5 hours	=	100 hours
	Change	(20) responses		(5) hours		(100) hours

Notes:

1. Under our proposal, section 6 (private equity event reporting) would be eliminated, removing this filing obligation for private fund advisers that advise private equity funds. Large hedge fund advisers would still file current reports in section 5.
2. We estimate based on Form PF data from the last two years that large hedge fund advisers would have filed an average of 94 current reports annually if the proposed revised reporting thresholds were in effect.
3. Changes are due to using updated data to estimate the number of advisers and number of responses.

PRA Table 5: Annual Hour Burden Estimates for Transition Filings, Final Filings, and Temporary Hardship Requests

Filing Type[1]		Aggregate Number of Responses[2]	Hours Per Response			Aggregate Hours[3]
Transition Filing from Quarterly to Annual	**Proposed Estimate**	16 responses[4]	x	0.25 hours	=	4 hours
	Previously Approved	69 responses	x	0.25 hours	=	17 hours
	Change	(53) responses		No change		(13) hours
Final Filings	**Proposed Estimate**	157 responses[5]	x	0.25 hours	=	39 hours
	Previously Approved	243 responses	x	0.25 hours	=	61 hours
	Change	(86) responses		No change		(22) hours
Temporary Hardship Requests	**Proposed Estimate**	2 responses[6]	x	1 hour	=	2 hours
	Previously Approved	4 responses	x	1 hour	=	4 hours
	Change	(2) responses		No change		(2) hours

Notes:

1. Advisers make limited Form PF filings in three situations. First, any adviser that transitions from filing quarterly to annually because it has ceased to qualify as a large hedge fund adviser or large liquidity fund adviser must file a Form PF indicating that it is no longer obligated to report on a quarterly basis. Second, any adviser that is no longer subject to Form PF's reporting requirements must file a final filing indicating this. Third, an adviser may request a temporary hardship exemption if it encounters unanticipated technical difficulties that prevent it from making a timely electronic filing. A temporary hardship exemption extends the deadline for an electronic filing for seven business days. To request a temporary hardship exemption, the adviser must file a request on Form PF.
2. Changes to the aggregate number of responses are due to using updated data.
3. Changes to the aggregate hours are due to the changes in the aggregate number of responses.
4. In the case of the proposed estimates, we estimate based on Form PF data that 227 advisers would have filed quarterly reports in the first quarter of 2025. Based on filing data from the last five years, we estimate an average of 7% would have filed a transition filing. (227 x 0.07 = 16 responses.)
5. In the case of the proposed estimates, we estimate based on Form PF data that 2,280 advisers would have filed Form PF in the first quarter of 2025. Based on filing data from the last five years, an average of 6.9% of them would have filed a final filing. (2,280 x 0.069 = approximately 157 responses.)
6. In the case of the proposed estimates, based on experience receiving temporary hardship requests, we estimate that 1 out of 1,000 advisers would have filed a temporary hardship exemption annually. We estimate based on Form PF data that 2,280 advisers would have filed Form PF in the first quarter of 2025. (2,280 / 1,000 = approximately 2 responses.)

c) Annual Monetized Time Burden Estimates

Below are tables with annual monetized time burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, (3) current reporting and private equity event reporting, and (4) transition filings, final filings, and temporary hardship requests.[534]

[534] To calculate the occupational hourly rates used in this release, the Commission uses occupation-specific mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for the securities industry (NAICS 523). *See Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/; *see also Standard Occupational Classification*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/soc/ (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), *available at* https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf (describing the industry classification system used by BLS and other agencies). To account for any changes in wages between the data reference period and when the data is released, the mean hourly wage for each occupation is multiplied by the seasonally adjusted employment cost index for private wages and salaries. *See Employment Cost Index*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/eci/. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs, such as bonuses, benefits, and overhead. The nonwage cost adjustment factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis's annual gross output data for the securities industry to total annual wages across all occupations for the securities industry's OEWS data. *See Gross Output by Industry*, U.S. BUREAU OF ECONOMIC ANALYSIS, https://www.bea.gov/data/industries/gross-output-by-industry; *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, https://www.bls.gov/oes/. The final product is the occupational hourly rate. *See generally* UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES (Dec. 19, 2025), *available at* https://www.sec.gov/files/method-occupational-hourly-rates.pdf.

PRA Table 6: Annual Monetized Time Burden of Initial Filings								
Respondent[1]		**Per Response[2]**	**Per Response Amortized Over 3 years[3]**			**Aggregate Number of Responses[4]**	**Aggregate Monetized Time Burden Amortized Over 3 Years**	
Smaller Private Fund Advisers	**Requested**	$21,527[5]	÷ 3 =	$7,176	x	244 responses	=	$1,750,944
	Previously Approved	$21,340	÷ 3 =	$7,113	x	374 responses	=	$2,660,262
	Change	$187		$63		(130) responses		($909,318)
Large Hedge Fund Advisers	**Requested**	$135,459[6]	÷ 3 =	$45,153	x	5 responses	=	$225,765
	Previously Approved	$139,080	÷ 3 =	$46,360	x	14 responses	=	$649,040
	Change	($3,621)		($1,207)		(9) responses		($423,275)
Large Liquidity Fund Advisers	**Requested**	$106,329[7]	÷ 3 =	$35,443	x	1 response	=	$35,443
	Previously Approved	$83,792	÷ 3 =	$27,931	x	1 response	=	$27,931
	Change	$22,537		$7,512		No change		$7,512
Large Private Equity Advisers	**Requested**	$132,384[8]	÷ 3 =	$44,128	x	30 responses	=	$1,323,840
	Previously Approved	$102,868	÷ 3 =	$34,289	x	18 responses	=	$617,202
	Change	$29,516		$9,839		12 responses		$706,638

Notes:

1. We expect that the monetized time burden will be most significant for the initial report, for the same reasons discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings. Accordingly, we anticipate that the initial report will require more attention from senior personnel, including financial managers and financial risk specialists, than will ongoing annual and quarterly filings. Changes are due to using (1) updated hours per response estimates, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings, (2) updated aggregate number of responses, as discussed in PRA Table 2: Annual Hour Burden Estimates for Initial Filings, and (3) updated wage estimates.
2. For the hours per response in each calculation, *see* PRA Table 2: Annual Hour Burden Estimates for Initial Filings.
3. We propose to amortize the monetized time burden for initial filings over three years, as we do with other initial burdens in this PRA, because we believe that most of the burden would be incurred in the initial filing. The previously approved burden estimates did not calculate this.
4. *See* PRA Table 2: Annual Hour Burden Estimates for Initial Filings.
5. For smaller private fund advisers, we estimate that the initial report will most likely be completed equally by a financial manager at a cost of $731 per hour and a financial risk specialist at a cost of $402 per hour. (($731 per hour x 0.5) + ($402 per hour x 0.5)) x 38 hours per response = $21,527.
6. For large hedge fund advisers, we estimate that for the initial report, of a total estimated burden of 270 hours, approximately 60 percent will most likely be performed by compliance professionals and 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 162 hours for compliance professionals and approximately 108 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a financial manager at a cost of $731 per hour and a financial risk specialist at a cost of $402 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a software developer at a cost of $462 per hour and a computer systems analyst at a cost of $347 per hour. (($731 per hour x 0.5) + ($402 per hour x 0.5)) x 162 hours = $91,773. (($462 per hour x 0.5) + ($347 per hour x 0.5)) x 108 hours = $43,686. $91,773 + $43,686 = $135,459.
7. For large liquidity fund advisers, we estimate that for the initial report, of a total estimated burden of 212 hours, approximately 60 percent will most likely be performed by compliance professionals and approximately 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 127 hours for compliance professionals and 85 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a financial manager at a cost of $731 per hour and a financial risk specialist at a cost of $402 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a software developer at a cost of $462 per hour and a computer systems analyst at a cost of $347 per hour. (($731 per hour x 0.5) + ($402 per hour x 0.5)) x 127 hours = $71,946. (($462 per hour x 0.5) + ($347 per hour x 0.5)) x 85 hours = $34,383. $71,946 + $34,383 = $106,329.
8. For large private equity advisers, we expect that for the initial report, of a total estimated burden of 264 hours, approximately 60 percent will most likely be performed by compliance professionals and approximately 40 percent will most likely be performed by programmers working on system configuration and reporting automation (that is approximately 158 hours for compliance professionals and 106 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a financial manager at a cost of $731 per hour and a financial risk specialist at a cost of $402 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a software developer at a cost of $462 per hour and a computer systems analyst at a cost of $347 per hour. (($731 per hour x 0.5) + ($402 per hour x 0.5)) x 158 hours = $89,507. (($462 per hour x 0.5) + ($347 per hour x 0.5)) x 106 hours = $42,877. $89,507 + $42,877 = $132,384.

PRA Table 7: Annual Monetized Time Burden of Ongoing Annual and Quarterly Filings						
Respondent[1]		**Per Response[2]**		**Aggregate Number of Responses**		**Aggregate Monetized Time Burden**
Smaller Private Fund Advisers	**Requested**	$8,550[3]	x	1,272 responses[4]	=	$10,875,600
	Previously Approved	$7,062	x	2,376 responses	=	$16,779,312
	Change	$1,488		(1,104) responses		($5,903,712)
Large Hedge Fund Advisers	**Requested**	$58,425[5]	x	888 responses[6]	=	$51,881,400
	Previously Approved	$56,496	x	2,224 responses	=	$125,647,104
	Change	$1,929		(1,336) responses		($73,765,704)
Large Liquidity Fund Advisers	**Requested**	$38,950[7]	x	76 responses[8]	=	$2,960,200
	Previously Approved	$27,606	x	80 responses	=	$2,208,480
	Change	$11,344		(4) responses		$751,720
Large Private Equity Advisers	**Requested**	$66,975[9]	x	511 responses[10]	=	$34,224,225
	Previously Approved	$46,545	x	432 responses	=	$20,107,440
	Change	$20,430		79 responses		$14,116,785

Notes:

1. We expect that the monetized time burden will be less costly for ongoing annual and quarterly reports than for initial reports, for the same reasons discussed in PRA Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings. Accordingly, we anticipate that senior personnel will bear less of the reporting burden than they would for the initial report. Changes are due to using (1) updated wage estimates, (2) updated hours per response estimates, as discussed in PRA Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings, and (3) updated number of respondents, as discussed in PRA Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.
2. For all types of respondents, we estimate that both annual and quarterly reports would be completed (1) 25 percent by a financial manager at a cost of $731 per hour, (2) 25 percent by a financial examiner at a cost of $365, and (3) 50 percent by a financial risk specialist at a cost of $402 per hour. ($731 x 0.25 = $182.75) + ($365 x 0.25 = $91.25) + ($402 x 0.5 = $201) = $54.50) = $475. To calculate the cost per response for each respondent, we used the hours per response from PRA Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.
3. Cost per response for smaller private fund advisers: ($475 per hour x 18 hours per response = $8,550 per response.)
4. (1,272 smaller private fund advisers x 1 response annually = 1,272 aggregate responses.)
5. Cost per response for large hedge fund advisers: ($475 per hour x 123 hours per response = $58,425per response.)
6. (222 large hedge fund advisers x 4 responses annually = 888 aggregate responses.)
7. Cost per response for large liquidity fund advisers: ($475 per hour x 82 hours per response = $38,950 per response.
8. (19 large liquidity fund advisers x 4 responses annually = 76 aggregate responses.)
9. Cost per response for large private equity advisers: ($475 per hour x 141 hours per response = $66,975 per response.)
10. (511 private equity advisers x 1 response annually = 511 aggregate responses.)

PRA Table 8: Annual Monetized Time Burden of Current Reporting and Private Equity Event Reporting						
Respondent[1]		**Per Response**		**Aggregate Number of Responses[2]**		**Aggregate Monetized Time Burden**
Smaller Private Fund Advisers	**Requested**	$0	x	0 responses	=	$0
	Previously Approved	$2,024	x	20 responses	=	$40,480
	Change	($2,024)		(20) responses		($40,480)
Large Hedge Fund Advisers	**Requested**	$6,644[3]	x	94 responses	=	$624,536
	Previously Approved	$5,160	x	60 responses	=	$309,600
	Change	$1,484		34 responses		$314,936
Large Private Equity Advisers	**Requested**	$0	x	0 responses	=	$0
	Previously Approved	$2,024	x	20 responses	=	$40,480
	Change	($2,024)		(20) responses		($40,480)

Notes:

1. Under our proposal, section 6 (private equity event reporting) would be eliminated, removing any filing obligations for advisers that advise private equity funds. Large hedge fund advisers would still file current reports under section 5.
2. *See* PRA Table 4: Annual Hour Burden Estimates for Current Reporting.
3. For the cost per response for large hedge fund advisers, we estimate that, depending on the circumstances, different legal professionals and financial professionals at the advisers would work on the section 5 current report because the reporting events may require both legal and quantitative analysis. We estimate that the time costs for a legal professional to be approximately $744. We estimate that the time costs for a financial professional to be approximately $567, which is a blended average hourly rate for a financial risk specialist ($402) and a financial manager ($731). Of the total 10 hours that a section 5 current report would take, we estimate that an adviser would spend on average 5.5 hours of lawyer time and 4.5 hours of financial professional time to prepare, review, and submit a current report pursuant to section 5. (5.5 hours x $744 per hour for a legal professional = $4,092) + (4.5 hours x $567 per hour for a financial professional = $2,552) = $6,644.

PRA Table 9: Annual Monetized Time Burden for Transition Filings, Final Filings, and Temporary Hardship Requests

Filing Type[1]		Per Response	Aggregate Number of Responses[2]		Aggregate Monetized Time Burden	
Transition Filing from Quarterly to Annual	**Proposed Estimate**	$41[3]	x	16 responses	=	$656
	Previously Approved	$21	x	69 responses	=	$1,415
	Change	$20		(53) responses		($759)
Final Filings	**Proposed Estimate**	$41[4]	x	157 responses	=	$6,437
	Previously Approved	$21	x	243 responses	=	$5,103
	Change	$20		(86) responses		$1,334
Temporary Hardship Requests	**Proposed Estimate**	$511[5]	x	2 responses	=	$1,022
	Previously Approved	$252	x	4 responses	=	$1,008
	Change	$259		(2) responses		$14

Notes:

1. Advisers make limited Form PF filings in three situations. First, any adviser that transitions from filing quarterly to annually because it has ceased to qualify as a large hedge fund adviser or large liquidity fund adviser, must file a Form PF indicating that it is no longer obligated to report on a quarterly basis. Second, any adviser that is no longer subject to Form PF's reporting requirements, must file a final filing indicating this. Third, an adviser may request a temporary hardship exemption if it encounters unanticipated technical difficulties that prevent it from making a timely electronic filing. A temporary hardship exemption extends the deadline for an electronic filing for seven business days. To request a temporary hardship exemption, the adviser must file a request on Form PF.
2. *See* PRA Table 5: Annual Hour Burden Estimates for Transition Filings, Final Filings, and Temporary Hardship Requests.
3. In the case of the proposed estimates, we estimate that each transition filing will take 0.25 hours and that a bookkeeping, accounting, and auditing clerk would perform this work at a cost of $164 an hour. (0.25 hours x $164 = $41).
4. In the case of the proposed estimates, we estimate that each final filing will take 0.25 hours and that a bookkeeping, accounting, and auditing clerk would perform this work at a cost of $164 an hour. (0.25 hours x $164 = $41).
5. In the case of the proposed estimates, we estimate that each temporary hardship request will take 1 hour. We estimate that a financial manager would perform five-eighths of the work at a cost of $731 and a general clerk would perform three-eighths of the work at a cost of $144. (1 hour x ((5/8 of an hour x $731 = $457) + (3/8 of an hour x $144 = $54)) = $511 per response.

d) Annual External Cost Burden Estimates

Below are tables with annual external cost burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, and (3) current reporting and private equity event reporting. There are no filing fees for transition filings, final filings, or temporary hardship requests and we continue to estimate there would be no external costs for those filings, as previously approved.

PRA Table 10: Annual External Cost Burden for Ongoing Annual and Quarterly Filings as well as Initial Filings															
Respondent[1]	**Number of Responses Per Respondent[2]**			**Filing Fee Per Filing[3]**		**Total Filing Fees**	**External Cost of Initial Filing[4]**	**External Cost of Initial Filing Amortized Over 3 Years[5]**			**Number of Initial Filings[6]**			**Aggregate External Cost of Initial Filing Amortized Over 3 Years[7]**	**Total Aggregate External Cost[8]**
Smaller Private Fund Advisers	**Proposed Estimate**	1	x	$150	=	$150	$10,000	÷ 3	=	$3,333	x	244	=	$813,252	$1,040,652[9]
	Previously Approved	1	x	$150	=	$150	$10,000	÷ 3	=	$3,333	x	374	=	$1,246,542	$1,659,042
	Change	N/A		N/A		N/A	N/A			N/A		(130)		($433,290)	($618,390)
Large Hedge Fund Advisers	**Proposed Estimate**	4	x	$150	=	$600	$70,000	÷ 3	=	$23,333	x	5	=	$116,665	$252,865[10]
	Previously Approved	4	x	$150	=	$600	$70,000	÷ 3	=	$23,333	x	14	=	$326,662	$668,662
	Change	N/A		N/A		N/A	N/A			N/A		(9)		($209,997)	($415,797)
Large Liquidity Fund Advisers	**Proposed Estimate**	4	x	$150	=	$600	$50,000	÷ 3	=	$16,667	x	1	=	$16,667	$28,667[11]
	Previously Approved	4	x	$150	=	$600	$50,000	÷ 3	=	$16,667	x	1	=	$16,667	$29,267
	Change	N/A		N/A		N/A	N/A			N/A		N/A		N/A	($600)
Large Private Equity Fund Advisers	**Proposed Estimate**	1	x	$150	=	$150	$50,000	÷ 3	=	$16,667	x	30	=	$500,010	$581,160[12]
	Previously Approved	1	x	$150	=	$150	$50,000	÷ 3	=	$16,667	x	18	=	$300,006	$367,656
	Change	N/A		N/A		N/A	N/A			N/A		12		$200,004	$213,504

Notes:

1. We estimate that advisers would incur the cost of filing fees for each filing. For initial filings, advisers may incur costs to modify existing systems or deploy new systems to support Form PF reporting, acquire or use hardware to perform computations, or otherwise process data that Form PF requires.
2. Smaller private fund advisers and large private equity fund advisers file annually. Large hedge fund advisers and large liquidity fund advisers file quarterly.
3. The SEC established Form PF filing fees in a separate order. Since 2011, filing fees have been and continue to be $150 per annual filing and $150 per quarterly filing. *See* Order Approving Filing Fees for Exempt Reporting Advisers and Private Fund Advisers, Advisers Act Release No. 3305 (Oct. 24, 2011) [76 FR 67004 (Oct. 28, 2011)].
4. In the previous PRA submission for the rules, staff estimated that the external cost burden for initial filings would range from $0 to $50,000 per adviser. This range reflected the fact that the cost to any adviser may depend on how many funds or the types of funds it manages, the state of its existing systems, the complexity of its business, the frequency of Form PF filings, the deadlines for completion, and the amount of information the adviser must disclose on Form PF. Staff also estimated that smaller private fund advisers would be unlikely to bear such costs because the information they must provide is limited and will, in many cases, already be maintained in the ordinary course of business. Given the proposed amendments, we estimate that the external cost burden for smaller private fund advisers would range from $0 to $10,000, per smaller private fund adviser. This range reflects the amendments and is designed to reflect that the cost to any smaller private fund adviser may depend on how many funds or the type of funds it manages, the state of its existing systems, and the complexity of its business. We use the upper range to calculate the estimate for smaller private fund advisers: $10,000. Also, given the amendments, in our proposed estimates, we estimate that the external cost burden for initial filings for large liquidity fund advisers, and large private equity fund advisers would continue to range from $0 to $50,000 for the same reasons as the current estimates for those types of advisers. We used the upper range to calculate the estimates: $50,000. Additionally, given the amendments, in our proposed estimates, we estimate that the external cost burden for initial filings for large hedge fund advisers would continue to range from $0 to $70,000 for the same reasons as the current estimates for those types of advisers. We used the upper range to calculate the estimates: $70,000.
5. We amortize the external cost burden of initial filings over three years, as we do with other initial burdens in this PRA, because we believe that most of the burden will be incurred in the initial filing.
6. *See* PRA Table 2: Annual Hour Burden Estimates for Initial Filings.
7. Changes to the aggregate external cost of initial filings, amortized over three years are due to (1) the proposed amendments and (2) using updated data.
8. Changes to the total aggregate external cost are due to (1) the proposed amendments and (2) using updated data.
9. We estimate based on Form PF data that 1,516 smaller private fund advisers would have filed Form PF in the first quarter of 2025. (1,516 smaller private fund advisers x $150 total filing fees) + $813,252 aggregate external cost of initial filing amortized over three years = $1,040,652 total aggregate external cost.
10. We estimate based on Form PF data that 227 large hedge fund advisers would have filed Form PF in the first quarter of 2025. (227 large hedge fund advisers x $600 total filing fees) + $116,665 aggregate external cost of initial filing amortized over three years = $252,865 total aggregate external cost.
11. We estimate based on Form PF data that 20 large liquidity fund advisers would have filed Form PF in the first quarter of 2025. (20 large liquidity fund advisers x $600 total filing fees) + $16,667 aggregate external cost of initial filing amortized over three years = $28,667 total aggregate external cost.
12. We estimate based on Form PF data that 541 large private equity advisers would have filed Form PF in the first quarter of 2025. (541 large private equity fund advisers x $150 total filing fees) + $500,010 aggregate external cost of initial filing amortized over three years = $581,160 total aggregate external cost.

PRA Table 11: Annual External Cost Burden for Current Reporting and Private Equity Event Reporting[1]						
Respondent		**Aggregate Number of Responses**	**Cost of Outside Counsel Per Current Report**			**Total Aggregate External Cost[2]**
Smaller Private Fund Advisers	**Proposed Estimate**	0	x	0	=	0
	Previously Approved	20	x	$1,695	=	$33,900
	Change	(20)		($1,695)		($33,900)
Large Hedge Fund Advisers	**Proposed Estimate**	94	x	$2,232[3]	=	$209,808
	Previously Approved	60	x	$1,695	=	$101,700
	Change	34		$537		$108,108
Large Private Equity Fund Advisers	**Proposed Estimate**	0	x	0	=	0
	Previously Approved	20	x	$1,695	=	$33,900
	Change	(20)		($1,695)		($33,900)
Advisers pay filing fees, the amount of which will be determined in a separate action.						

Notes:

1. Under our proposal, section 6 (private equity event reporting) would be eliminated, removing this filing obligation for advisers that advise private equity funds. Large hedge fund advisers would still file current reports in section 5.
2. (Aggregate number of responses) + (aggregate cost of outside counsel) = total aggregate external cost.
3. We estimate the cost for a lawyer is $744. We estimate that approximately 3 hours of the total legal professional time that would otherwise be spent on current reporting would be shifted from in-house legal professionals to outside lawyers. The hour estimate reflects our decreased hour burden for current reporting. (3 hours x $744 for outside legal services = $2,232.)

e) Summary of Estimates and Change in Burden

PRA Table 12: Aggregate Annual Estimates			
Description[1]	**Requested**	**Previously Approved**	**Change**
Respondents	2,280 respondents[2]	3,791 respondents	(1,511) respondents
Responses	3,296 responses[3]	5,935 responses	(2,639) responses
Time Burden	217,721 hours[4]	524,376 hours	(306,655) hours
Monetized Time Burden (Dollars)	$103,911,068[5]	$169,094,737	($65,183,669)
External Cost Burden (Dollars)	$2,113,152[6]	$2,938,977	($825,825)

Notes:

1. Changes are due to (1) the proposed amendments, (2) using updated data, and (3) using different methodologies to calculate certain estimates, as described in this PRA.
2. We estimate based on Form PF data that the following advisers would have filed Form PF in the first quarter of 2025: 1,516 smaller private fund advisers + 227 large hedge fund advisers + 20 large liquidity fund advisers + 541 large private equity advisers - 34 advisers in overlapping categories = 2,280 advisers.
3. Under our proposal, for initial filings (PRA Table 2): (244 smaller private fund adviser responses + 5 large hedge fund adviser responses + 1 large liquidity fund adviser response + 30 large private equity adviser responses = 280 responses.) For ongoing annual and quarterly filings (PRA Table 3): (1,272 smaller private fund adviser responses + 888 large hedge fund adviser responses + 76 large liquidity fund adviser responses + 511 large private equity adviser responses = 2,747 responses.) For current reporting (PRA Table 4): (94 large hedge fund adviser responses). (280 responses for initial filings + 2,747 responses for ongoing annual and quarterly filings + 94 responses for current reports + 16 responses for transition filings + 157 responses for final filings + 2 responses for temporary hardship requests = 3,296 responses.)
4. Under our proposal, for initial filings: (3,172 hours for smaller private fund advisers + 450 hours for large hedge fund advisers + 71 hours for large liquidity fund advisers + 2,640 hours for large private equity advisers = 6,333 hours). For ongoing annual and quarterly filings: (22,896 hours for smaller private fund advisers + 109,224 hours for large hedge fund advisers + 6,232 for hours large liquidity fund advisers + 72,051 hours for large private equity advisers = 210,403). For current reporting: (940 hours for large hedge fund advisers). (6,333 hours for initial filings + 210,403 for ongoing annual and quarterly filings + 940 hours for current reporting + 4 hours for transition filings + 39 hours for final filings + 2 hours for temporary hardship requests = 217,721 hours.
5. Under our proposal, for initial filings: ($1,750,944 for smaller private fund advisers + $225,765 for large hedge fund advisers + $35,443 for large liquidity fund advisers + $1,323,840 for large private equity advisers = $3,335,992). For ongoing annual and quarterly filings: ($10,875,600 for smaller private fund advisers + $51,881,400 for large hedge fund advisers + $2,960,200 for large liquidity fund advisers + $34,224,225 for large private equity advisers = $99,941,425). For current reports: ($624,536for large hedge fund advisers). ($3,335,992 for initial filings + $99,941,425 for ongoing annual and quarterly filings + $624,536 for current reports + $1,656 for transition filings + $6,437 for final filings + $1,022 for temporary hardship requests = $103,911,068.
6. Under our proposal, for the external cost burden for annual, quarterly, and initial filings: ($1,040,652 for smaller private fund advisers + $252,865 for large hedge fund advisers + $28,667 for large liquidity fund advisers + $581,160 for large private equity advisers = $1,903,344). For current reporting: ($209,808 for large hedge fund advisers). $1,903,344 + $209,808 = $2,113,152.

B. Request for Comments

We request comment on whether our estimates for burden hours and external costs as described above are reasonable. Pursuant to 44 U.S.C. 3506(c)(2)(B), the SEC solicits comments in order to (1) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the SEC, including whether the information will have practical utility; (2) evaluate the accuracy of the SEC's estimate of the burden of the proposed collection of information; (3) determine whether there are ways to enhance the quality, utility, and clarity of the information to be collected; and (4) determine whether there are ways to minimize the burden of the collection of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology.

Persons wishing to submit comments on the collection of information requirements of the proposed amendments should direct them to the OMB Desk Officer for the Securities and Exchange Commission, MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov, and should send a copy to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090, with reference to File No. S7-2026-13. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this release; therefore a comment to OMB is best assured of having its full effect if OMB receives it within 30 days after publication of this release. Requests for materials submitted to OMB by the Commission with regard to these collections of information should be in writing, refer to File No. S7-2026-13, and be submitted to the Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

V. REGULATORY FLEXIBILITY ACT CERTIFICATION

CFTC:

The Regulatory Flexibility Act ("RFA") requires that when Federal agencies publish a proposed rulemaking pursuant to section 553 of the Administrative Procedure Act, they consider

whether the proposed rule will have a significant economic impact on a substantial number of "small entities."[535]

Registered CPOs and CTAs that are dually registered as investment advisers with the SEC are only required to file Form PF with the SEC pursuant to the Advisers Act. While CFTC rule 4.27(d) provides that dually registered CPOs and CTAs that file Form PF with the SEC will be deemed to have filed Form PF with the CFTC, for purposes of any enforcement action regarding any false or misleading statement of material fact in Form PF, the CFTC is not imposing any additional obligation herein beyond what is already required of these entities when filing Form PF with the SEC.

Entities impacted by the Form PF are the SEC's regulated entities and no small entity on its own would meet the Form PF's minimum reporting threshold of $150 million in regulatory assets under management attributable to private funds. Also, any economic impact imposed by Form PF on small entities registered with both the CFTC and the SEC has been accounted for within the SEC's regulatory flexibility analysis regarding the impact of this collection of information under the RFA. Accordingly, the Chairman, on behalf of the CFTC, hereby certifies pursuant to 5 U.S.C. 605(b) that the proposed rules will not have a significant economic impact on a substantial number of small entities.

SEC:

The Regulatory Flexibility Act of 1980 ("Regulatory Flexibility Act")[536] requires the SEC to prepare and make available for public comment an initial regulatory flexibility analysis that describes the impact of the proposed rules on small entities, unless the SEC certifies that the rules, if adopted,

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535 5 U.S.C. 601, *et. seq.*

536 5 U.S.C. 601, *et. seq.*

would not have a significant economic impact on a substantial number of small entities.[537] For the purposes of the Advisers Act and the Regulatory Flexibility Act, an investment adviser generally is a small entity if it (1) has assets under management having a total value of less than $25 million, (2) did not have total assets of $5 million or more on the last day of the most recent fiscal year, and (3) does not control, is not controlled by, and is not under common control with another investment adviser that has assets under management of $25 million or more, or any person (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year.[538] Pursuant to section 605(b) of the Regulatory Flexibility Act, the SEC hereby certifies that the proposed amendments to Advisers Act rule 204(b)-1 and Form PF would not, if adopted, have a significant economic impact on a substantial number of small entities. By definition, no small entity on its own would meet the current minimum filing threshold of $150 million in private fund assets under management, nor the proposed minimum filing threshold of $1 billion in private fund assets under management. Based on Form PF and Form ADV data as of the first quarter of 2025, the SEC estimates that no small entity advisers are required to file current Form PF, and no small entity advisers would be required to file Form PF under the proposed amendments. The SEC does not have evidence to suggest that any small entities are required to file Form PF but are not filing Form PF.

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537 *See* 5 U.S.C. 603(a) and 5 U.S.C. 605(b).

538 17 CFR 275.0-7. In separate rulemaking, the SEC is proposing to increase the thresholds for an investment adviser to qualify as a small entity (the "Small Entity Proposal"). Under the Small Entity Proposal, an investment adviser would generally be a small entity for purposes of the Advisers Act and the Regulatory Flexibility Act if the adviser (1) has assets under management of less than $1 billion, (2) did not have total assets of $5 million or more on the last day of the most recent fiscal year, and (3) does not control, is not controlled by, and is not under common control with another investment adviser that has assets under management of $1 billion or more, or any person (other than a natural person) that had total assets of $5 million or more on the last day of the most recent fiscal year, all thresholds of which would have a mechanism for future inflation adjustments. Therefore, no small entity, as defined by the Small Entity Proposal, would meet the proposed minimum filing threshold of $1 billion in private fund assets under management if the Small Entity Proposal is adopted, as proposed, prior to this rulemaking. *See* Amendments to the "Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Release No. IA-6935 (Jan. 7, 2026) and proposed 17 CFR 275.0-7.

Therefore, there would be no significant economic impact on a substantial number of small entities.

The SEC encourages written comments on the certification. Commentators are asked to describe the nature of any impact on small entities and provide empirical data to support the extent of the impact.

VI. CONGRESSIONAL REVIEW ACT

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),[539] the SEC must seek OMB's determination as to whether a final regulation constitutes a "major" rule. Under the Congressional Review Act, a rule is considered "major" where, if adopted, it results in or is likely to result in the following:

- An annual effect on the economy of $100 million or more;
- A major increase in costs or prices for consumers or individual industries; or
- Significant adverse effects on competition, investment, or innovation.[540]

To help inform OMB's determination whether any final rule that results from the proposal would be a "major rule," we solicit comment and data on the following:

- The potential effect on the U.S. economy on an annual basis;
- Any potential increase in costs or prices for consumers or individual industries; and
- Any potential effect on competition, investment, or innovation.

Commenters are requested to provide empirical data and other factual support for their views to the extent possible.

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539 *See* 5 U.S.C. chapter 8.

540 5 U.S.C. 804(2) defining "major rule."

VII. OTHER MATTERS

This action is an economically significant regulatory action under section 3(f)(1) of Executive Order 12866, as amended, and has been reviewed by the Office of Management and Budget. This action, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

VIII. STATUTORY AUTHORITY

CFTC:

The CFTC authority for this rulemaking is provided by 15 U.S.C. 80b-11.

SEC:

The SEC is proposing to amend 17 CFR 275.204(b)-1 pursuant to its authority set forth in sections 204(b) and 211(e) of the Advisers Act [15 U.S.C. 80b-4 and 15 U.S.C. 80b-11], respectively.

The SEC is proposing to amend 17 CFR 279.9 pursuant to its authority set forth in sections 204(b) and 211(e) of the Advisers Act [15 U.S.C. 80b-4 and 15 U.S.C. 80b-11], respectively.

List of Subjects in 17 CFR Parts 275 and 279

Investment advisers, Reporting and recordkeeping requirements, Securities.

For the reasons set forth in the preamble, title 17, chapter II of the Code of Federal Regulations is proposed to be amended as follows.

PART 275–RULES AND REGULATIONS, INVESTMENT ADVISERS ACT OF 1940

1. The general authority citation for part 275 continues to read as follows.

Authority: 15 U.S.C. 80b-2(a)(11)(G), 80b-2(a)(11)(H), 80b-2(a)(17), 80b-3, 80b-4, 80b-4a, 80b-6(4), 80b-6a, and 80b-11, 1681w(a)(1), 6801-6809, and 6825, unless otherwise noted.

* * * * *

2. Amend § 275.204(b)-1, paragraph (a), by removing the phrase "$150 million" and adding in its place "$1 billion".

3. Amend § 275.204(b)-1 by redesignating paragraph (g) as paragraph (h).

4. Amend § 275.204(b)-1 by adding a new paragraph (g) as follows:

(g) Approximately five years after [insert date that is the compliance date for the proposed amendments to Form PF], and approximately every five years thereafter, Commission staff shall report to the Commission on the filing threshold and each reporting threshold in Form PF, assessing whether any should be adjusted. The Commission intends to consider this report in reviewing the continued appropriateness of the filing threshold and reporting thresholds and it may be informative as to potential proposals to adjust them in Form PF. In producing this report, the staff shall consider data collected by the Commission pursuant to Form PF, as well as any other applicable information as the staff may determine to be appropriate for its analysis.

PART 279–FORMS PRESCRIBED UNDER THE INVESTMENT ADVISERS ACT OF 1940

3. The authority citation for part 279 continues to read as follows:

Authority: The Investment Advisers Act of 1940, 15 U.S.C. 80b-1, *et seq*., Pub. L. 111- 203, 124 Stat. 1376.

§ 279.9 Form PF, reporting by investment advisers to private funds.

4. Revise Form PF (referenced in § 279.9).

Note: Form PF is attached as Appendix A to this document. Form PF will not appear in the Code of Federal Regulations.

By the Commissions.

Dated: April 20, 2026

Christopher Kirkpatrick,

Secretary, Commodity Futures Trading Commission.

Vanessa A. Countryman,

Secretary, Securities and Exchange Commission.

Billing code: 6351-01-P; 8011-01-P

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix A—Form PF

FORM PF (Paper Version)

Reporting Form for Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors

OMB APPROVAL	
OMB Number:	3235-0679
Expires:	[Date]]
Estimated Average Burden Hours Per Response:	[XX.XX]

Form PF: General Instructions

Read these instructions carefully before completing Form PF. Failure to follow these instructions, properly complete Form PF, or pay all required fees may result in your Form PF being delayed or rejected.

In these instructions and in Form PF, "you" means the *private fund adviser* completing or amending this Form PF. If you are a "separately identifiable department or division" (SID) of a bank, "you" means the SID rather than the bank (except as provided in Question 1(a)). Terms that appear in *italics* are defined in the Glossary of Terms to Form PF.

1. Who must complete and file a Form PF?

You must complete and file a Form PF, if:

A. You are registered or required to register with the *SEC* as an investment adviser;

OR

You are registered or required to register with the *CFTC* as a *CPO* or *CTA* and you are also registered or required to register with the *SEC* as an investment adviser;

AND

B. You manage one or more *private funds*.

AND

C. You and your *related persons*, collectively, had at least $1 billion in *private fund assets under management* as of the last day of your most recently completed fiscal year.

Many *private fund advisers* meeting these criteria will be required to complete only Section 1 of Form PF and will need to file only on an annual basis. *Large private fund advisers*, however, will be required to provide additional data, and *large hedge fund advisers* and *large liquidity fund advisers* will need to file every quarter. *Large hedge fund advisers* will need to file a current report in Section 5 upon certain *current reporting events*. See Instructions 3, 9, and 12 below.

For purposes of determining whether you meet the reporting threshold, you are not required to include the *regulatory assets under management* of any *related person* that is *separately operated*. See Instruction 5 below for more detail.

If your *principal office and place of business* is outside the United States, for purposes of this Form PF you may disregard any *private fund* that, during your last fiscal year, was not a *United States person*, was not offered in the United States, and was not beneficially owned by any *United States person*.

2. I have a *related person* who is required to file Form PF. May I and my *related person* file a single Form PF?

Related persons may (but are not required to) report on a single Form PF information with respect to all such *related persons* and the *private funds* they advise. You must identify in your response to Question 1 the *related persons* as to which you are reporting and, where information is requested about you or the *private funds* you advise, respond as though you and such *related persons* were one *firm*.

3. How is Form PF organized?

Section 1 – All Form PF filers

Section 1a All *private fund advisers* required to file Form PF must complete Section 1a. Section 1a asks general identifying information about you and the types of *private funds* you advise.

Section 1b All *private fund advisers* required to file Form PF must complete Section 1b. Section 1b asks for certain information regarding the *private funds* that you advise.

Section 1c All *private fund advisers* that are required to file Form PF and advise one or more *hedge funds* must complete Section 1c. Section 1c asks for certain information regarding the *hedge funds* that you advise.

Section 2 – *Large hedge fund advisers*

Section 2 If you and your *related persons*, collectively, had at least $10 billion in *hedge fund assets under management* as of the last day of any month in the fiscal quarter immediately preceding your most recently completed fiscal quarter, you must complete a separate Section 2 with respect to each *qualifying hedge fund* that you advise. You are not required to include the *regulatory assets under management* of any *related person* that is *separately operated*.

In addition, you must complete a separate Section 2 for each *parallel fund* that is part of a *parallel fund structure* that, in the aggregate, comprises a *qualifying hedge fund* (even if that *parallel fund* is not itself a *qualifying hedge fund*); and you must complete a separate Section 2 for the *master fund* of any *master-feeder arrangement* that, in the aggregate, comprises a *qualifying hedge fund* (even if that *master fund* is not itself a *qualifying hedge fund*) in accordance with Instruction 6.

Section 3 – *Large liquidity fund advisers*

Section 3 You are required to complete Section 3 if (i) you advise one or more *liquidity funds* and (ii) as of the last day of any month in the fiscal quarter immediately preceding your most recently completed fiscal quarter, you and your *related persons*, collectively, had at least $1 billion in *combined money market and liquidity fund assets under management*. You are not required to include the *regulatory assets under management* of any *related person* that is *separately operated*.

You must complete a separate Section 3 with respect to each *liquidity fund* that you

advise.

Section 4 – *Large private equity fund advisers*

Section 4 You are required to complete Section 4 if you and your *related persons*, collectively, had at least $2 billion in *private equity fund assets under management* as of the last day of your most recently completed fiscal year. You are not required to include the *regulatory assets under management* of any *related person* that is *separately operated*.

You must complete a separate Section 4 with respect to each *private equity fund* that you advise.

Section 5 – *Current report* for *large hedge fund advisers* to *qualifying hedge funds*

Section 5 Section 5 is the current reporting form for *large hedge fund advisers* to *qualifying hedge funds*. You must complete and file Section 5 for any *current reporting event* with respect to a *qualifying hedge fund* you advise.

Section 6 – Advisers requesting a temporary hardship exemption

Section 6 See Instruction 14 for details.

4. I am a subadviser or engage a subadviser for a private fund. Who is responsible for reporting information about that private fund?

Only one *private fund adviser* should complete and file Form PF for each *private fund*. If the adviser that filed *Form ADV Section 7.B.1* with respect to any *private fund* is required to file Form PF, the same adviser must also complete and file Form PF for that *private fund*. If the adviser that filed *Form ADV Section 7.B.1* with respect to any *private fund* is not required to file Form PF (e.g., because it is an *exempt reporting adviser*) and one or more other advisers to the fund is required to file Form PF, another adviser must complete and file Form PF for that *private fund*.

Where a question requests aggregate information regarding the *private funds* that you advise, you should only include information regarding the *private funds* for which you are filing Section 1b of Form PF.

5. For purposes of determining whether I meet any reporting threshold, when am I required to aggregate information regarding parallel funds, parallel managed accounts, master-feeder arrangements, and funds managed by related persons?

- You must aggregate any *private funds* that are part of the same *master-feeder arrangement* (even if you did not, or were not permitted to, aggregate these *private funds* for purposes of *Form ADV Section 7.B.1*).
- You must aggregate any *private funds* that are part of the same *parallel fund structure.*
- Any *dependent parallel managed account* must be aggregated with the largest *private fund* to which that *dependent parallel managed account* relates.
- You must treat any *private fund* or *parallel managed account* advised by any of your *related persons* as though it were advised by you (including *related persons* that you have not identified in Question 1(b) as *related persons* for which you are filing Form PF, though you may exclude *related persons* that are *separately operated).* Where you are aggregating *dependent parallel managed accounts* to determine whether you meet a reporting threshold, assets held in the accounts should be treated as assets of the *private funds* with which they are aggregated.

6. How do I report information regarding parallel funds, parallel managed accounts, master-feeder arrangements, and funds reported by related persons?

You must separately report each component fund of *master-feeder arrangements* and *parallel fund structures.* However:

- Do not report a feeder fund that invests all of its assets in (i) a single master fund, (ii) U.S. treasury bills, and/or (iii) cash and cash equivalents (i.e., a disregarded *feeder fund*). You may also treat a *feeder fund* that does not invest more than 5 percent of its *gross asset value* in other investments that are not in a single *master fund*, U.S. treasury bills, and/or *cash and cash equivalents*, as a disregarded *feeder fund*. In reporting a *master fund,* you must identify whether each *feeder* fund is a disregarded *feeder fund* in Question 7 and "look through" to any disregarded *feeder funds'* investors in responding to Questions 21 – 22, 51 – 53, and 59 – 64.
- Do not report information regarding *parallel managed accounts* (except in Question 16).
- Do not report information for any *private fund* advised by any of your *related persons* unless you have identified that *related person* in Question 1(b) as a *related person* for which you are filing Form PF.

Example 1.

You advise a *master-feeder arrangement* with two *feeder funds*. *Feeder fund X* has invested $540 in the *master fund* and holds a *foreign exchange derivative* with a mark-to-market value of $60 which represents 10% of the total *gross asset value* of $600 for *feeder fund* X. *Feeder fund* Y invests $200 in the *master fund* and has no other assets or liabilities, except cash. The *master fund* has used the $740 received from the *feeder funds* to invest in *corporate bonds*. None of these funds has any other assets or liabilities.

For purposes of determining whether any of the funds comprises a *qualifying hedge fund*, this *master-feeder arrangement* should be treated as a single *private fund* whose only investments are $740 in *corporate bonds* and a *foreign exchange derivative* with a mark-to-market value of $60.

For reporting purposes, if the aggregated *master-feeder arrangement* comprises a *qualifying hedge fund,* the *master fund* is reported as a *qualifying hedge fund* (complete Section 2 (even if is not a *qualifying hedge* fund by itself) and report *feeder fund X* and *feeder fund Y* as *internal private fund* investors in Question 7).

A separate report for *feeder fund* X is required because the fund holds assets greater than 5 percent of its *gross asset value* in addition to its investment in the *master fund* and *cash and cash equivalents* (complete Section 1b and 1c). Further, if *feeder fund* X meets the threshold to be a *qualifying hedge fund,* it also must be reported as a *qualifying hedge fund* (complete Section 2 and Section 5, as applicable). In determining the *feeder fund*'s reporting threshold, you should include all assets and liabilities of the *feeder fund*, except for any assets invested in the *master fund*.

A separate report is not required for *feeder fund* Y because it invests in a single *master fund* and has no other assets or liabilities except cash.

Example 2. You advise a *parallel fund structure* consisting of two *hedge funds*, named *parallel fund* A and *parallel fund* B. You also advise a related *dependent parallel managed account*. The account and each fund have invested in *corporate bonds* of Company X and have no other assets or liabilities. The value of *parallel fund* A's investment is $400, the value of *parallel fund* B's investment is $300 and the value of the *dependent parallel managed account*'s investment is $200. For purposes of determining whether either of the *parallel funds* is a *qualifying hedge fund*, the entire *parallel fund structure* and the related *dependent parallel managed account* should be treated as a single *private fund* whose only asset is $900 of *corporate bonds* issued by Company X.

For reporting purposes, both *parallel fund* A and *parallel fund* B must be reported separately (for each of *parallel fund* A and B, complete Sections 1b and 1c, Section 2, and Section 5, as applicable, if the *parallel fund structure* is a *qualifying hedge fund).* You would disregard the value of the investment by the *dependent parallel managed account* when reporting for *parallel fund* A and B, and instead, report the value of that investment ($200) in Question 16 for the largest *parallel fund, parallel fund A*.

7. I advise a *private fund* that invests in other *private funds* (e.g., a "fund of funds") or trading vehicles. How should I treat these investments for purposes of Form PF?

Reporting thresholds. You must include the value of *private fund* investments in other *private funds* in determining whether you are required to file Form PF and whether you meet thresholds for filing as a *large hedge fund adviser*, *large liquidity fund adviser,* or *large private equity fund adviser* and whether a *reporting fund* is a *qualifying hedge fund.*

Funds that invest 80% or more of their assets in other *private funds*. If you advise a *private fund* that (i) invests 80% or more of its assets in the equity of *private funds* (including *internal private funds and external private funds*) and (ii) aside from such *private fund* investments, holds only *cash and cash equivalents* and instruments acquired for the purpose of hedging currency exposure, then you are only required to complete Section 1b for that fund.

Trading vehicles. If the *reporting fund* holds assets, incurs leverage, or conducts trading or other activities through a *trading vehicle,* you must report answers on an aggregated basis for the *reporting fund* and such *trading vehicle*. You must include (look through to) the *trading vehicle*'s holdings, adjusted for the *reporting fund's* percentage ownership of the *trading vehicle*, for all questions answered by the *reporting fund*. In responding to Question 9, you must identify each *trading vehicle* that is either (i) listed or required to be listed on Section 7.B of Schedule D of your or another adviser's Form ADV or (ii) included or required to be included in a response to Questions 27, 28, 42, 43 or 44.

Responding to questions. Except as otherwise provided in the instructions for a particular question in Form PF, include the *value* of a *reporting fund's* investments in other *private funds* (both *internal and external)* in responding to questions under this Form PF. For example, (i) include the *value* of the *reporting fund's* investments in other *private funds* in reporting *gross asset value* and *net asset value* in Question 11 and 12, but (ii) exclude the *value* of a *reporting fund's* investment in other private funds in Question 3, the instructions to which explain that you must not include the *value* of a *reporting fund's* investments in other *internal private funds* in responding to the question.

Do not "look through" the *reporting fund's* investments in *internal private funds* or *external private funds* (other than a *trading vehicle* as explained above) in responding to questions on the Form. For

example, do not look through to the creditors of or counterparties to other *private funds* in responding to questions that ask about a *reporting fund's borrowing* and counterparty exposure (*e.g.,* Questions 18, 26, 27, and 28). Where selected questions in Section 2 of the Form require you to report indirect exposure resulting from positions held through other entities including *private funds* (See Question 32, Question 33, Question 35, Question 36, and Question 47), you may report based on reasonable estimates that are consistent with your internal methodologies and conventions of service providers, as provided for in the instructions under those questions.

Solely for purposes of this Instruction 7, you may treat as a *private fund* any issuer formed under the laws of a jurisdiction other than the United States that has not offered or sold its securities in the United States or to *United States persons* but that would be a *private fund* if it had engaged in such an offering or sale.

8. I advise a *private fund* that invests in funds or other entities that are not *private funds* or *trading vehicles*. How should I treat these investments for purposes of Form PF?

Include the *value* of investments in any fund or other entity for all purposes under this Form PF. For example, you must include the value of these investments in determining reporting thresholds and responding to questions. For example, include the value of these investments in determining *gross asset value* in Question 11 and net asset value in Question 12.

Except for *trading vehicles*, do not "look through" a *reporting fund's* investments in any fund or other entity. For example, do not "look through" to the creditors of or counterparties to any fund or other entity in responding to questions that ask about a *reporting fund's borrowing* and counterparty exposure (*e.g.,* Questions 18, 26, 27, and 28). Where selected questions in Section 2 of the Form require you to report indirect exposure resulting from positions held through entities, such as a fund or other entity (See Question 32, Question 33, Question 35, Question 36, and Question 47), you may report based on reasonable estimates that are consistent with your internal methodologies and conventions of service providers, as provided for in the instructions under those questions. You should "look through" *trading vehicles* for all questions as provided in Instruction 7.

9. When am I required to update Form PF?

You are required to update Form PF at the following times:

Periodic filings (large hedge fund advisers)	Within 60 calendar days after the end of each calendar quarter, you must file a *quarterly update* that updates the answers to <u>all Items in this Form PF relating to the *hedge funds* that you advise</u>. If your fiscal year does not end at the end of a calendar quarter, you must file a *quarterly update* that updates the answers to <u>all Items in this Form PF</u> within 60 days after the end of the next calendar quarter after your fiscal year end. You may, however, submit an initial filing for the next calendar quarter after your fiscal year end that updates information relating only to the *hedge funds* that you advise so long as you amend your Form PF within 120 calendar days after the end of your fiscal year to update information relating to any other *private funds* that you advise. When you file such an amendment, you are not required to update information previously filed for such quarter.

Periodic filings (large liquidity fund advisers)	Within 15 calendar days after the end of each calendar quarter, you must file a *quarterly update* that updates the answers to all Items in this Form PF relating to the *liquidity funds* that you advise. If your fiscal year does not end at the end of a calendar quarter, you must file a *quarterly update* that updates the answers to all Items in this Form PF within 15 days after the end of the next calendar quarter after your fiscal year end. You may, however, submit an initial filing for the next calendar quarter after your fiscal year end that updates information relating only to the *liquidity funds* that you advise so long as you amend your Form PF within 120 calendar days after the end of your fiscal year to update information relating to any other *private funds* that you advise (subject to the next paragraph). When you file such an amendment, you are not required to update information previously filed for such quarter. If you are both a *large liquidity fund adviser* and a *large hedge fund adviser*, you must file your *quarterly updates* with respect to the *liquidity funds* that you advise within 15 calendar days and with respect to the *hedge funds* you advise within 60 calendar days.
Periodic filings (all other advisers)	Within 120 calendar days after the end of your fiscal year, you must file an *annual update* that updates the answers to all Items in this Form PF. *Large hedge fund advisers* and *large liquidity fund advisers* are not required to file *annual updates* but instead file *quarterly updates* for the next calendar quarter after their fiscal year end.
Transition filing	If you are transitioning from quarterly to annual filing because you are no longer a *large hedge fund adviser* or *large liquidity fund adviser*, then you must complete and file Item A of Section 1a and check the box in Section 1a indicating that you are making your final quarterly filing. You must file your transition filing no later than the last day on which your next *quarterly update* would be timely.
Current reports (large hedge fund advisers)	*Large hedge fund advisers* must file a *current report* in Section 5 upon certain *current reporting events* with respect to *qualifying hedge funds* they advise. See Section 5 for filing deadlines.
Final filing	If you are no longer required to file Form PF, then you must complete and file Item A of Section 1a and check the box in Section 1a indicating that you are making your final filing. You must file your final filing no later than the last day on which your next Form PF update would be timely. This applies to all Form PF filers.

Failure to update your Form PF as required by these instructions is a violation of *SEC* and, where applicable, *CFTC* rules and could lead to revocation of your registration.

10. How do I obtain *private fund* identification numbers for my *reporting funds*?

Each *private fund* must have an identification number for purposes of reporting on *Form ADV* and Form PF. *Private fund* identification numbers can only be obtained by filing *Form ADV*.

If you need to obtain a *private fund* identification number and you are required to file a *quarterly update* of Form PF prior to your next annual update of *Form ADV*, then you must acquire the identification number by filing an other-than-annual amendment to your *Form ADV* and following the instructions on Form ADV for generating a new number. When filing an other- than-annual amendment for this purpose, you must complete and file all of *Form ADV Section 7.B.1* for the new *private fund*.

See Instruction 6 to Part 1A of *Form ADV* for additional information regarding the acquisition and use of *private fund* identification numbers.

11. Who must sign my Form PF or update?

The individual who signs the Form PF depends upon your form of organization: For a sole proprietorship, the sole proprietor.

- For a partnership, a general partner.
- For a corporation, an authorized principal officer.
- For a limited liability company, a managing member or authorized person.
- For a SID, a principal officer of your bank who is directly engaged in the management, direction, or supervision of your investment advisory activities.
- For all others, an authorized individual who participates in managing or directing your affairs.

The signature does not have to be notarized and should be a typed name.

If you and one or more of your *related persons* are filing a single Form PF, then Form PF may be signed by one or more individuals; however, the individual, or the individuals collectively, must have authority, as provided above, to sign both on your behalf and on behalf of all such *related persons*.

12. How do I file my Form PF?

You must file Form PF electronically through the Form PF filing system on the Investment Adviser Registration Depository website (www.iard.com), which contains detailed filing instructions. Questions regarding filing through the Form PF filing system should be addressed to the Financial Industry Regulatory Authority (FINRA) at 240-386-4848.

If you are a *large hedge fund adviser* filing a current report in Section 5, only file Section 5. Do not file any other sections of the Form. For all other types of filings, file the applicable sections as provided in Instruction 3.

13. Are there filing fees?

Yes, you must pay a filing fee for your Form PF filings. The Form PF filing fee schedule is published at http://www.sec.gov/iard and http://www.iard.com.

14. What if I am not able to file electronically?

A temporary hardship exemption is available if you encounter unanticipated technical difficulties that prevent you from making a timely filing with the Form PF filing system, such as a computer malfunction or electrical outage. This exemption does not permit you to file on paper; instead, it extends the deadline for an electronic filing for seven "business days" (as such term is used in *SEC* rule 204(b)-1(f)).

To request a temporary hardship exemption, you must complete and file on paper Item A of Section 1a and Section 6 of Form PF, checking the box in Section 1a indicating that you are requesting a temporary hardship exemption. Do not complete or file any other sections of Form PF. Mail one manually signed original and one copy of your exemption filing to: U.S. Securities and Exchange Commission, Investment Adviser Regulation Office, Mail Stop 0-25, 100 F Street NE, Washington, DC 20549 or submit electronically your signed exemption filing in PDF format by email to FormPF@sec.gov. You must preserve in your records a copy of any temporary hardship exemption filing. Any request for a temporary hardship exemption must be filed no later than one business day after the electronic Form PF filing was due. For more information, see *SEC* rule 204(b)-1(f).

15. May I rely on my own methodologies in responding to Form PF? How should I enter requested information?

You may respond to this Form using your own internal methodologies and the conventions of your service providers, provided the information is consistent with information that you report internally and to current and prospective investors. However, your methodologies must be consistently applied, and your responses must be consistent with any instructions or other guidance relating to this Form. You may explain any of your methodologies, including related assumptions, in Question 4.

In responding to Questions on this Form, the following guidelines apply unless otherwise specifically indicated:

- provide the requested information as of the close of business on the *data reporting date*;
- if information is requested for any month or quarter, provide the requested information as of the close of business on the last calendar day of the month or quarter, respectively;
- if a question requests information expressed as a percentage, enter the response as a percentage (not a decimal) rounded to the nearest one hundredth of one percent;
- if a question requests a monetary value, provide the information in U.S. dollars as of the *data reporting date* (or other requested date), rounded to the nearest thousand, using a foreign exchange rate for the applicable date;
- if a question requests a monetary value for transactional data that covers a reporting period, provide the information in U.S. dollars, rounded to the nearest thousand, using foreign exchange rates as of the dates of any transactions to convert local currency values to U.S. dollars (see questions 14, 29, and 30(a));
- if a question requests a numerical value other than a percentage or a dollar value, provide information rounded to the nearest whole number;
- if a question requests information regarding a "position" or "positions," treat two or more legs of a transaction even if offsetting or partially offsetting, or even if entered into with the same counterparty under the same master agreement as two separate positions, even if reported internally

as part of a larger transaction. However, exclude closed-out positions that are closed out with the same counterparty provided that there is no credit or market exposure to the *reporting fund*;

- if a question requires you to distinguish long positions from short positions, classify positions as follows: a long position experiences a gain when the price of the market factor to which it relates increases (and/or the yield of that factor decreases), and a short position experiences a loss when the price of the market factor to which it relates increases (and/or the yield of that factor decreases);

- do not net long and short positions;

- for derivatives (other than *interest rate derivatives* and options), "value" means *gross notional value*; for *interest rate derivatives,* "value" means the *10-year bond equivalent*; for options, "value" means delta adjusted notional value (expressed as a *10-year bond equivalent* for options that are *interest rate derivatives*); in determining the "value" of derivatives positions, do not net long and short positions or offsetting or partially offsetting trades; but exclude closed-out positions that are closed out with the same counterparty provided that there is no credit or market exposure to the *reporting fund*;

- for all other investments and for all *borrowings* where the *reporting fund* is the creditor, "*value"* means market value or, where there is not a readily available market value, fair value; for *borrowings* where the *reporting fund* is the debtor, "*value*" means the value you report internally and to current and prospective investors; and

16. How do I amend Form PF, for example, to make a correction?

If you discover that information you filed on Form PF was not accurate at the time of filing, you may correct the information by re-filing and checking the box in Section 1a, or Section 5, as applicable, indicating that you are amending a previously submitted filing. You are not required to update information that you believe in good faith properly responded to Form PF on the date of filing even if that information is subsequently revised for purposes of your recordkeeping, risk management or investor reporting (such as estimates that are refined after completion of a subsequent audit).

Large hedge fund advisers and *large liquidity fund advisers* that comply with their fourth quarter filing obligations by submitting an initial filing followed by an amendment in accordance with Instruction 9 will not be viewed as affirming responses regarding one fund solely by providing updated information regarding another fund at a later date.

17. How may I preserve on Form PF the anonymity of a *private fund* that I advise?

If you seek to preserve the anonymity of a *private fund* that you advise by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the *private fund* on Form PF using the same code or designation in place of the fund's name.

18. How should I treat a *commodity pool* for purposes of Form PF?

Commodity pools should be treated as *hedge funds* for purposes of Form PF. If you are reporting on Form PF regarding a *commodity pool* that is not a *private fund*, then you may treat it as a *private fund* for purposes of Form PF. However, such a *commodity pool* is not required to be included when determining whether you exceed one or more reporting thresholds. If such a *commodity pool* is a *qualifying hedge fund* and you are otherwise required to report information in section 2 of Form PF, then you must report regarding the *commodity pool* in section 2 of Form PF.

Federal Information Law and Requirements for a Collection of Information

Section 204(b) of the *Advisers Act* [15 U.S.C.80b-4(b)] authorizes the *SEC* to collect the information that Form PF requires. The information collected on Form PF is designed to facilitate the Financial Stability Oversight Council's ("FSOC") monitoring of systemic risk in the private fund industry and to assist FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies. The *SEC* and *CFTC* may also use information collected on Form PF in their regulatory programs, including examinations, investigations and investor protection efforts relating to private fund advisers. Filing Form PF is mandatory for advisers that satisfy the criteria described in Instruction 1 to the Form. *See also* 17 CFR 275.204(b)-1. The *SEC* does not intend to make public information reported on Form PF that is identifiable to any particular adviser or *private fund*, although the *SEC* may use Form PF information in an enforcement action. *See* Section 204(b) of the *Advisers Act*.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. The Office of Management and Budget has reviewed this collection of information under 44 U.S.C. 3507. Any member of the public may direct any comments concerning the accuracy of the burden estimate and any suggestion for reducing this burden to: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

Form PF Section 1a	Information about you and your *related persons* (to be completed by all Form PF filers)

Section 1a: Information about you and your *related persons*

Check the box that indicates what you would like to do:

a. If you are not a *large hedge fund adviser* or *large liquidity fund adviser*:

- ☐ Submit your first filing on Form PF for the period ended:
- ☐ Submit an *annual update* for the period ended:
- ☐ Amend a previously submitted filing for the period ended:
- ☐ Submit a final filing
- ☐ Request a temporary hardship exemption

b. If you are a *large hedge fund adviser* or *large liquidity fund adviser*:

- ☐ Submit your first filing on Form PF for the [1st, 2nd, 3rd, 4th] quarter, which ended: _ Submit a
- ☐ *quarterly update* (including fourth quarter updates) for the [1st, 2nd, 3rd, 4th] quarter, which ended:
- ☐ Amend a previously submitted filing for the [1st, 2nd, 3rd, 4th] quarter, which ended:
- ☐ Transition to annual reporting
- ☐ Submit a final filing
- ☐ Request a temporary hardship exemption

Item A. Information about you

1. (a) Provide your name and the other identifying information requested below.

(This should be your full legal name. If you are a sole proprietor, this will be your last, first, and middle names. If you are a SID*, enter the full legal name of your bank.*

Please use the same name that you use in your Form ADV.*)*

Legal name	SEC 801-Number	*NFA* ID Number, if any	Large trader ID, if any	Large trader ID suffix, if any	*LEI*, if

(b) Provide the following information for each of the *related persons*, if any, with respect to which you are reporting information on this Form PF:

Legal name	SEC 801-Number	*NFA* ID Number, if any	Large trader ID, if any	Large trader ID suffix, if any	*LEI*, if

(c) Provide the following information for yourself and each of the *related persons*, if any, with respect to which you are reporting information on this Form PF that is registered or required to be registered as a *CPO* and/or *CTA:*

Legal Name	**CPO, CTA, or Both**
	[Drop-down list]
	[Drop-down list]

2. Signatures of sole proprietor or authorized representative *(see Instruction 11 to Form PF)*.

Signature on behalf of the *firm* and its *related persons:*

I, the undersigned, sign this Form PF on behalf of, and with the authority of, the *firm*. In addition, I sign this Form PF on behalf of, and with the authority of, each of the *related persons* identified in Question 1(b) (other than any *related person* for which another individual has signed this Form PF below).

To the extent that Section 1 or 2 of this Form PF is filed in accordance with a regulatory obligation imposed by *CEA* rule 4.27, the *firm*, each *related person* for which I am signing this Form PF, and I shall accept that any false or misleading statement of a material fact therein or material omission therefrom shall constitute a violation of section 6(c)(2) of the *CEA*.

Name of individual:	
Signature:	
Title:	
Email address:	
Telephone contact number (include area code and, if outside the United States, country code):	
Date:	

Signature on behalf of *related persons:*

I, the undersigned, sign this Form PF on behalf of, and with the authority of, the *related person(s)* identified below.

To the extent that Section 1 or 2 of this Form PF is filed in accordance with a regulatory obligation imposed by *CEA* rule 4.27, each *related person* identified below and I shall accept that any false or misleading statement of a material fact therein or material omission therefrom shall constitute a violation of section 6(c)(2) of the *CEA*.

Name of each *related person* on behalf of which this individual is signing:	
Name of individual:	
Signature:	
Title:	
Email address:	
Telephone contact number (include area code and, if outside the United States, country code):	
Date:	

Item B. Information about assets of *private funds* that you advise

3. Provide a breakdown of your *regulatory assets under management* and your *net assets under management* as follows:

(If you are filing a quarterly update *for your first, second or third fiscal quarter, you are only required to update row (a), in the case of a* large hedge fund adviser*, or row (b), in the case of a* large liquidity fund adviser*. To avoid double counting, do not include the* value *of your* private funds*' investments in other* internal private funds*.)*

	Regulatory assets under management	***Net assets under management***
(a) *Hedge funds*		
(b) *Liquidity funds*		
(c) *Private equity funds*		
(d) *Real estate funds*		
(e) *Securitized asset funds*		
(f) *Venture capital funds*		
(g) *Other private funds*		
(h) Funds and accounts other than *private funds* (i.e., the remainder of your assets under management)		

Item C. Miscellaneous

4. You may use the space below to explain any assumptions that you made in responding to any question in this Form PF. Assumptions must be in addition to, or reasonably follow from, any instructions or other guidance relating to Form PF. If you are aware of any instructions or other guidance that may require a different assumption, provide a citation and explain why that assumption is not appropriate for this purpose. To the extent responses relate to a particular question, provide the Question number(s), as applicable.

Question number	**Description**
[drop-down list for question number or "all" options.]	

Form PF Section 1b	**Information about the *private funds* you advise** (to be completed by all Form PF filers)

Section 1b: Information about the *private funds* you advise

You must complete a separate Section 1b for each *private fund* that you advise, except as provided by Instruction 6.

Item A. *Reporting fund* identifying information

5. (a) Name of the *reporting fund*
   (b) *Private fund* identification number of the *reporting fund*
   (c) *NFA* identification number of the *reporting fund*, if applicable
   (d) *LEI* of the *reporting fund*, if any

6. (a) For purposes of reporting on this Form PF, what type of fund is the *reporting fund*? [Select one]
   [drop-down list for *hedge fund that is not a qualifying hedge fund, qualifying hedge fund*, *liquidity fund*, *private equity fund*, *real estate fund*, *securitized asset fund*, *venture capital fund,* or "other."]

   If you identify the reporting fund as "other," describe the reporting fund in Question 4, including why it would not qualify for any of the other selections. If you identify the reporting fund as a different type of fund on Form ADV*, explain why in Question 4.*

   (b) Is the *reporting fund* a *commodity pool*?
   ☐ Yes ☐ No

   (c) Does the *reporting fund* operate as a *UCITS*?
   ☐ Yes ☐ No

   (d) If you checked yes in (c), in what countries does the *reporting fund* operate as a *UCITS*?
   [Drop-down list]

   (e) Does the *reporting fund* operate as an *AIF*?
   ☐ Yes ☐ No

   (f) If you checked yes in (e), in what countries does the *reporting fund* operate as an *AIF*?
   [Drop-down list]

   (g) Does the *reporting fund* offer itself as a money market fund outside the United States?
   ☐ Yes ☐ No

   (h) If you checked yes in (g), in what countries does the *reporting fund* offer itself as a money market fund? [Drop-down list]

   (*For the purposes of responding to Question 6(g) and 6(h) only, a money market fund includes a*

similar fund that operates outside of the United States in accordance with applicable non-U.S. laws and are not limited to "money market funds" as defined in the Glossary of Terms.)

7. (a) Is the *reporting fund* the *master fund* of a *master-feeder arrangement*? If so, check "yes" below, and complete (i), (ii), and (iii) for each *feeder fund*. Otherwise, check "no." *See Instructions 5, 6, and 7 for information on treatment of* master-feeder arrangements.

☐ Yes ☐ No

(i) Name of *feeder fund* .....

(ii) *Private fund* identification number of the *feeder fund* .....

(iii) Is the *feeder fund* a separate *reporting fund*? If so, check "yes," below. If the *feeder fund* is a "disregarded" *feeder fund* in accordance with Instruction 6, check "no."

☐ Yes ☐ No

(b) Do any *internal private funds* (other than the *feeder funds* identified in (a) above) invest in the *reporting fund*? If so, check "yes" and complete (i), (ii), and (iii) for each such *internal private fund*. Otherwise, check "no."

☐ Yes ☐ No

(i) Name of *internal private fund* .....

(ii) *Internal private fund's LEI*, if it has one .....

(iii) *Private fund* identification number of the *internal private fund* .....

8. (a) Is the *reporting fund* a component of a *parallel fund structure*? If so, check "yes" below. Otherwise, check "no." (See Instructions 5 and 6 for information regarding the treatment of *parallel funds.)*

☐ Yes ☐ No

If you responded "yes" to Question 8(a), complete (b) through (e) below for each component in the *parallel fund structure*.

(b) Name of the *parallel fund*	
(c) *Private fund* identification number of the *parallel fund*	
(d) *NFA* identification number of the *parallel fund*, if applicable	
(e) *LEI* of the *parallel fund*, if any	

9. If the *reporting fund* holds assets, incurs leverage, or conducts trading or other activities through a *trading vehicle*, provide the following information about each *trading vehicle* that is either (i) listed or required to be listed on Section 7.B of Schedule D of your or another adviser's Form ADV or (ii) included or required to be included in a response to Questions 27, 28, 42, 43 or 44.

(a) Legal name .....
(b) *LEI, if any*.....
(c) Other identifying information (indicate type used, if applicable. *E.g.*, *RSSD ID*) .....
(d) Does the *reporting fund* hold assets through the *trading vehicle*?

☐ Yes ☐ No

(e) Does the *reporting fund* incur leverage through the *trading vehicle*?

☐ Yes ☐ No

(f) Does the *reporting fund* conduct trading or other activities through the *trading vehicle*?

☐ Yes ☐ No

10. (a) Is the *reporting fund* an *open-end private fund*?

☐ Yes ☐ No

(b) Is the *reporting fund* a *closed-end private fund*?

☐ Yes ☐ No

(If you responded "no" to both question 10(a) and question 10(b), please provide a detailed explanation in question 4.)

(c) If you responded "*yes*" to 10(a), indicate whether withdrawals/redemptions are permitted most commonly (*i.e.* with respect to most investors) (regardless of whether there are notice requirements, "gates," lock-ups, or other restrictions on withdrawals/redemptions). (check one):

☐ on any business day

☐ at intervals of least two business days and up to a month

☐ at intervals longer than monthly up to quarterly

☐ at intervals longer than quarterly up to annually

☐ at intervals of more than one year

(d) If you responded "*yes*" to 10(a), indicate, as of the *data reporting date*, what percentage of the *reporting fund's net asset value*, if any:

(i) May be subjected to a suspension of investor withdrawals/redemptions by an adviser or fund governing body *(this question relates to an adviser's or governing body's right to suspend and not just whether a suspension is currently effective)*.....	
(ii) May be subjected to material restrictions on investor withdrawals/ redemptions (e.g., "gates") by an adviser or fund governing body *(this question relates to an adviser's or governing body's right to impose a restriction and not just whether a restriction has been imposed)*	
(iii) Is subject to a suspension of investor withdrawals/redemptions *(this question relates to whether a suspension is currently effective and not just an adviser's or governing body's right to suspend)*	
(iv) Is subject to a material restriction on investor withdrawals/redemptions (e.g., a "gate") *(this question relates to whether a restriction has been imposed and not just an adviser's or governing body's right to impose a restriction)*	

(For Question 10(d), please note that the standards for imposing suspensions and restrictions on withdrawals/redemptions may vary among funds. Make a good faith determination of the provisions that would likely be triggered during conditions that you view as significant market stress.)

Item B. Assets, financing, and investor concentration

11.

		Date	*Gross Asset Value or Gross Reporting fund Aggregate Calculated Value*
(a)	*Gross asset value* of the *reporting fund* as of the end of the *reporting period*.....	[Drop-down list of month, day, year]	
(b)	If you are filing a *quarterly update*, provide the *reporting fund's gross asset value* if available, or *gross reporting fund aggregate calculated value* if the *gross asset value* is not available, as of the end of the first month of the *reporting period*.....	[Drop-down list of month, day, year]	
(c)	If you are filing a *quarterly update*, provide the *reporting fund's gross asset value* if available, or *gross reporting fund aggregate calculated value* if the *gross asset* value is not available, as of the end of the second month of the *reporting period*...	[Drop-down list of month, day, year]	

(The amount of the gross asset value *of the reporting fund as of the end of the reporting period may differ from the amount you reported in response to question 11 of Form ADV Section 7.B.1. For instance, the amounts may not be the same if you are filing Form PF on a quarterly basis or because you may not aggregate a master-feeder arrangement for purposes of this Form PF.)*

(For a feeder fund, the gross asset value and gross reporting fund aggregate calculated value calculations should be inclusive of its equity holdings in the master fund, along with its other holdings).

(d) Is the value reported in Question 11(b) above a *gross reporting fund aggregate calculated value*?

☐ Yes ☐ No

(e) Is the value reported in Question 11(c) above a *gross reporting fund aggregate calculated value*?

☐ Yes ☐ No

12.

	Date	*Net Asset Value or Reporting fund Aggregate Calculated Value*
(a) *Net asset value* of the *reporting fund* as of the end of the *reporting period*.....	[Drop-down list of month, day, year]	
(b) If you are filing a *quarterly update*, provide the *reporting fund's net asset value* if available or, *reporting fund aggregate calculated value* if the *net asset value* is not available, as of the end of the first month of the *reporting period*.....	[Drop-down list of month, day, year]	
(c) If you are filing a *quarterly update*, provide the *reporting fund's net asset value* if available or, *reporting fund aggregate calculated value* if the *net asset value* is not available, as of the end of the second month of the *reporting period*.....	[Drop-down list of month, day, year]	

(For a feeder fund, the net asset value and net reporting fund aggregate calculated value calculations should be inclusive of its equity holdings in the master fund, along with its other holdings).

(d) Is the value reported in Question 12(b) above a *reporting fund aggregate calculated value*?

☐ Yes ☐ No

(e) Is the value reported in Question 12(c) above a *reporting fund aggregate calculated value*?

☐ Yes ☐ No

13. *Value* of *unfunded commitments* included in *gross asset value* or *gross reporting fund aggregate calculated value* and *net asset value* or *reporting fund aggregate calculated value* reported in Questions 11 and 12 (if the *reporting fund* does not contract for *unfunded commitments*, enter "NA") .....

14. Provide the following information concerning the *reporting fund's* activity during the *reporting period.*

(For the purpose of this question, contributions include all new contributions from investors, but exclude contributions of committed capital that you have already included in gross asset value *calculated in accordance with Form ADV, Part 1A, Instruction 6.e.(3). Withdrawals and redemptions from the reporting fund include all withdrawals, redemptions and other distributions of any kind to investors.)*

(If you are filing a quarterly update, *provide this information for* each month *of the reporting period.)*

(a) Contributions to the *reporting fund* during the *reporting period* .....

(b) Withdrawals and redemptions from the *reporting fund* during the *reporting period* .....

15. (a) Value of *reporting fund's* investments in equity of *external private funds:* .....

(b) Check "yes" if the *reporting fund* is a *feeder fund* in a *master-feeder arrangement* and complete the information below for the *master fund* in which this fund invests. Otherwise, check "no."

☐ Yes ☐ No

(i) Name of *master fund* .....

(ii) *Private fund* identification number of the *master fund:* .....

(iii) The *master fund's LEI*, if any.....

(iv) *Value* of the *private fund's* investments in equity of the *master fund:* .....

(c) Check "yes" if the *reporting fund* invests in any *internal private funds* and complete the information below for each such *internal private fund*. Otherwise, check "no." Do not complete (c)(i) through (c)(iv) for a *master fund* identified in (b), above.

☐ Yes ☐ No

(i) Name of *internal private fund* .....

(ii) Private fund identification number of the *internal private fund* .....

(iii) The *internal private fund's LEI*, if any .....

(iv) *Value* of the *private fund's* investments in equity of the *internal private fund* .....

16. Value of all *parallel managed accounts* related to the *reporting fund:* .....

(If any of your parallel managed accounts *relates to more than one of the* private funds *you advise, only report the value of the account once, in connection with the largest* private fund *to which it relates)*

17. What is the *reporting fund's* base currency?
[drop-down list of currencies]
Other _____

18. Provide the following information regarding the *value* of the *reporting fund's borrowings* and the types of creditors.

(You are not required to respond to this question for any reporting fund with respect to which you are answering Question 71 in Section 4. Do not net out amounts that the reporting fund loans to creditors or the value of collateral pledged to creditors.)

(The percentages borrowed from the specified types of creditors should add up to approximately 100%.)

(a) Dollar amount of total *borrowings*	
(b) Percentage borrowed from *U.S. depository institutions*	
(c) Percentage borrowed from U.S. creditors that are not *U.S. depository institutions*	
(d) Percentage borrowed from non-U.S. creditors	

19. (a) Does the *reporting fund* have any outstanding derivatives positions?

☐ Yes ☐ No

(b) If you responded "yes" to Question 19(a), provide the aggregate *value* of all derivatives positions of the *reporting fund* .....

20. Provide a summary of the *reporting fund's* assets and liabilities categorized using the hierarchy below and indicate the date as of which this categorization was performed. For assets and liabilities that you report internally and to current and prospective investors as representing fair value, or for which you are

required to determine fair value in order to report the *reporting fund's* regulatory assets under management on *Form ADV*, categorize them into the following categories based on the valuation assumptions utilized:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs, such as your assumptions or the fund's assumptions used to determine the fair value of the asset or liability.

For any assets and liabilities that you report internally and to current and prospective investors as representing a measurement attribute other than fair value, and for which you are not required to determine fair value in order to report the *reporting fund's* regulatory assets under management on *Form ADV*, separately report these assets and liabilities in the "cost-based" measurement column.

Do not report *cash and cash equivalents* in any other column except for the *cash and cash equivalents column*.

(If the fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") or another accounting standard that requires the categorization of assets and liabilities using a fair value hierarchy similar to that established under U.S. GAAP, then respond to this question using the fair value hierarchy established under the applicable accounting standard. Report the absolute value of all liabilities. If you report assets as a negative value, you must provide an explanation in Question 4.)

(You should use the estimated values for the fiscal year for which you are reporting if the audit of the financial statement is not yet completed when the Form PF is required to be filed and explain that the information is an estimate in Question 4. You may, but are not required to, amend when the audited financial statements are complete.)

(This question requires the use of fair values and cost-based measurements, which may be different from the values contemplated by Instruction 15. You are only required to respond to this question if you are filing an annual update *or a* quarterly update *for your fourth fiscal quarter.)*

As of date [drop-down box for month, day, year]

	Level 1	Level 2	Fair Value Level 3	Cost-based	*Cash and Cash Equivalents*
Assets					
Liabilities					

21. Specify the approximate percentage of the *reporting fund's* equity that is beneficially owned by the five beneficial owners having the largest equity interests in the *reporting fund*. .....

(For purposes of this question, if you know that two or more beneficial owners of the reporting fund are affiliated *with each other, you should treat them as a single beneficial owner. If the reporting fund is the* master fund *in* a *master-feeder arrangement, include the beneficial owners of a disregarded feeder fund described by Instruction 6 as beneficial owners of the reporting fund.)*

22. Specify the approximate percentage of the *reporting fund's* equity that is beneficially owned by the following groups of investors. If you select "other," describe in Question 4 the type of investor, why it would not qualify for any of the other groups, and any other information to explain your selection.

(Include each investor in only one group. The total should add up to approximately 100%. With respect to beneficial interests outstanding prior to March 31, 2012, that have not been transferred on or after that date, you may respond to this question using good faith estimates based on data currently available to you. If the reporting fund is the master fund in a master-

feeder arrangement, include the beneficial owners of a disregarded feeder fund described by Instruction 6 as beneficial owners of the reporting fund.)

(a) Individuals that are *United States persons* (including their trusts).....

(b) Individuals that are not *United States persons* (including their trusts).....

(c) Broker-dealers that are *United States persons*.....

(d) Broker-dealers that are not *United States persons*….....

(e) Insurance companies that are *United States persons*….....

(f) Insurance companies that are not *United States persons*….....

(g) Investment companies registered with the *SEC*….....

(h) *External private funds*.....

(i) *Internal private funds*….....

(j) Non-profits that are *United States persons*….....

(k) Non-profits that are not *United States persons*….....

(l) U.S. pension plans (excluding governmental pension plans)….....

(m) Non-U.S. pension funds (plans and funds that are not U.S. private or governmental pension plans).....

(n) Banking or thrift institutions that are *United States persons*.....

(o) Banking or thrift institutions that are not *United States persons*….....

(p) U.S. state or municipal *government entities* (excluding governmental pension plans).....

(q) U.S. state or municipal governmental pension plans .....

(r) Sovereign wealth funds and foreign official institutions (excluding pension funds).....

(s) Investors that are not *United States persons* and about which the foregoing beneficial ownership information is not known and cannot reasonably be obtained because the beneficial interest is held through a chain involving one or more third-party intermediaries ….....

(t) Other.....

Item C. *Reporting fund* performance

23. Complete (a) unless the *reporting fund's* performance is reported to current and prospective investors, counterparties, or otherwise, as an *internal rate of return* since inception, in which case, complete (b). The *reporting fund* may report performance as either a time-weighted return or a money-weighted return, such as an *internal rate of return*; however, the methodology used for reporting performance should be consistent over time.

(a) Provide the *reporting fund's* gross and net performance, as reported to current and prospective investors, counterparties, or otherwise. Report the data using the *reporting fund*'s base currency. Do not calculate the *reporting fund's* performance using *reporting fund aggregate calculated value*.

If the fund reports different performance results to different groups, provide the most

representative results and explain your selection in Question 4. You are required to provide monthly and quarterly performance results only if such results are calculated for the *reporting fund* (whether for purposes of reporting to current or prospective investors, counterparties, or otherwise).

If you are submitting an initial filing or an *annual update*, complete (i) through (xvi) (concerning monthly and quarterly data), only if you calculate such results, and complete (xvii) (concerning yearly data). (For example, if you are submitting an initial filing or an *annual update* and you do not calculate monthly or quarterly performance results, complete (xvii) only.)

If you are submitting a *quarterly update*, complete the following:

- Complete (i) through (iii) (concerning monthly data), if you calculate such results; and

- Complete (xiii) through (xvi) for the applicable quarter. (For example, if you are filing a *quarterly update* for the first quarter of *reporting funds'* fiscal year, complete (xiii) (concerning the first quarter), but do not complete (xiv) (concerning the second quarter), (xv) (concerning the third quarter), or (xvi) (concerning the fourth quarter); and

- Complete (xvii) (data concerning the *reporting fund's* most recently completed fiscal year) only if the *quarterly update* is for the fourth quarter of *reporting fund's* fiscal year. If the *quarterly update* is not the fourth quarter of the *reporting fund's* fiscal year, do not complete (xvii).

(If your fiscal year is different from the reporting fund's fiscal year, then for any portion of the reporting fund's fiscal year that has not been completed as of the data reporting date, provide the relevant information from that portion of the reporting fund's preceding fiscal year.)

(Performance results for monthly and quarterly periods should not be annualized. If any period precedes the date of the fund's formation, enter "NA". You are not required to include performance results for any period with respect to which you previously provided performance results for the reporting fund on Form PF.)

	End date [drop-down list of month, day, year]	**Gross performance**	**Net of management fees, incentive fees, and allocations**
Monthly Data			
(i) 1st month of *reporting period*			
(ii) 2nd month of *reporting period*			
(iii) 3rd month of *reporting period*			
(iv) 4th month of *reporting period*			
(v) 5th month of *reporting period*			
(vi) 6th month of *reporting period*			
(vii) 7th month of *reporting period*			
(viii) 8th month of *reporting period*			
(ix) 9th month of *reporting period*			
(x) 10th month of *reporting period*			
(xi) 11th month of *reporting period*			
(xii) 12th month of *reporting period*			
Quarterly Data			
(xiii) First quarter of *reporting fund's* fiscal year			
(xiv) Second quarter of *reporting fund's* fiscal year			
(xv) Third quarter of *reporting fund's* fiscal year			
(xvi) Fourth quarter of *reporting fund's* fiscal year			
Yearly Data			
(xvii) *Reporting fund's* most recently completed fiscal year			

(b) If the *reporting fund's* performance is reported to current and prospective investors, counterparties, or otherwise, as an *internal rate of return* since inception, provide the *reporting fund*'s performance below. If such information is reported to current and prospective investors, counterparties, or otherwise, in a currency other than U.S. dollars, report the data using that currency, and identify the currency in Question 4. Do not calculate the *reporting fund's* performance using a *reporting fund aggregate calculated value*.

If the fund reports different performance results to different groups, provide the most representative results and explain your selection in Question 4. You are required to provide quarterly performance results since inception only if such results are calculated for the *reporting fund* (whether for purposes of reporting to current and prospective investors, counterparties, or otherwise). Internal rates of return for periods longer than one year must be annualized, while internal rates of return for periods one year or less must not be annualized.

(i) Inception date used for *internal rate of return* calculation .....
(ii) Inception through the first quarter of *reporting fund's* fiscal year .....
(iii) Inception through the second quarter of *reporting fund's* fiscal year .....
(iv) Inception through the third quarter of *reporting fund's* fiscal year .....
(v) Inception through the end of the *reporting fund's* most recently completed fiscal year .....
(vi) Does the reported *internal rate of return* include the effect of any *borrowings* secured by *unfunded commitments* (i.e. subscription lines of credit)?

☐ Yes ☐ No

Form PF Section 1c	**Information about the *hedge funds* you advise** (to be completed by all Form PF filers that advise *hedge funds*)

Section 1c: Information about the *hedge funds* you advise

You must complete a separate Section 1c for each *hedge fund* that you advise, except as provided by Instruction 6 and Instruction 7.

Item A. *Reporting fund* identifying information

24. (a) Name of the *reporting fund* .....

    (b) *Private fund* identification number of the *reporting fund* .....

Item B. Certain information regarding the *reporting fund*

25. Indicate which of the investment strategies in the drop-down menu below best describe the *reporting fund's* strategies on the last day of the *reporting period*. For each strategy that you have selected, provide a good faith estimate of the percentage of the *reporting fund's net asset value* represented by that strategy. If, in your view, the *reporting fund's* allocation among strategies is appropriately represented by the percentage of deployed capital, you may also provide that information.

(Select the investment strategies that best describe the reporting fund's strategies, even if the descriptions below do not precisely match your characterization of those strategies; select "other" only if a strategy that the reporting fund uses is significantly different from any of the strategies identified below.)

(The strategies in the drop-down menu below are mutually exclusive (i.e., do not report the same assets under multiple strategies). The reporting strategies methodology used should be consistent over time. The numerator you use to determine the percentage of net asset value *should be measured on the same basis as* gross asset value*. Your response to this question may total more than 100%. If providing percentages of capital, the total should add up to approximately 100%, and may total more than 100%.) (If you select "other" as an investment strategy for the reporting fund, describe in Question 4 the investment strategy, why it would not qualify for any of the other categories, and any other information to explain the selection "other." If a particular strategy could be classified as both a digital asset strategy and another strategy, report the strategy as the non-digital asset strategy.)*

Strategy	**% of NAV (required)**	**% of capital (optional)**
[drop-down menu]		

26. Consolidated Counterparty Exposure Table

Report in the *consolidated counterparty exposure table* below the *reporting fund's borrowing and collateral received (B/CR)* and *lending and posted collateral (L/PC)* aggregated across all creditors and counterparties (including all *CCPs*) in U.S. dollars as of the end of the *reporting period*. *(You are required to complete this question monthly if the reporting fund is a* qualifying hedge fund that is required to complete *Section 2).*

You must net the *reporting fund's* exposure with each counterparty and among affiliated entities of a counterparty to the extent such exposures may be contractually or legally set-off or netted across those entities or one *affiliate* guarantees or may otherwise be obligated to satisfy the obligations of another under the agreements governing the transactions. Netting must be used to reflect net cash borrowed from or lent to a counterparty but must not be used to offset securities borrowed and lent against one another, when reporting prime brokerage and repo/reverse repo transactions.

Report the counterparty exposures of *trading vehicles* owned by the *reporting fund* based on the *reporting fund*'s percentage ownership of each *trading vehicle*, without netting the *trading vehicle*'s exposures with the *reporting fund*'s exposures if they are not guaranteed by the *reporting fund* or contractual obligations of the *reporting fund*. If the *reporting fund* guarantees or is contractually obligated to fulfill obligations of such *trading vehicles* or affiliated *private funds*, such exposures must be reported net with those of the *reporting fund*. If an adviser to an affiliated *private fund* separately files Form PF, such adviser to the affiliated *private fund* must exclude such exposures if they have been reported in the *reporting fund's* filing.

In completing the table, classify *borrowing and collateral received* and *lending and posted collateral* according to type (*e.g., unsecured borrowing, secured borrowing*, derivatives cleared by a *CCP*, and uncleared derivatives) and the governing legal agreement (*e.g.*, a prime brokerage or other brokerage agreement for cash margin and securities lending and borrowing, a global master repurchase agreement for *repo/reverse repo*, or an *ISDA* master agreement for *synthetic long positions, synthetic short positions*, and derivatives). Report transactions under a master securities loan agreement as other *secured borrowing*.

□ Check this box if one or more prime brokerage agreements provide for cross-margining of derivatives and secured financing transactions. If you have checked this box, and collateral does not clearly pertain to secured financing vs. derivatives transactions, report exposures and collateral as follows:

- For secured financing, exposures and collateral should be reported in sections (b), (c) and (d), as applicable
- For derivatives,
    - Report the *gross notional value* and the mark-to-market exposure of the derivatives transactions with *other derivatives* transactions (lines (e)(i) or lines (f)(i) and (ii))
    - Report associated collateral as collateral received *(B/CR)* or posted collateral *(L/PC)* under the prime brokerage agreement (lines (b)(ii) and (iii)).
- For derivatives cleared by a *CCP*, for cases where the prime broker gathers additional collateral in excess of that required by exchanges, report collateral posted by the *reporting fund* to meet exchange requirements in the cleared derivatives section on lines (e)(ii) and (iii), and any additional collateral gathered by the prime broker under a cross margining agreement should appear on lines (b) (ii) and (iii).

Consolidated Counterparty Exposure Table	***B/CR***	***L/PC***
(a) *Unsecured borrowing – cash and cash equivalents*		Not Applicable

(b) *Secured borrowing* and lending (prime brokerage or other brokerage agreement)

(i) *cash and cash equivalents* received in cash margin borrowing, or received or paid by the *reporting fund* in securities lending and short sale transactions		
(ii) *cash and cash equivalents* received or posted by the *reporting fund* as collateral for derivatives under any cross-margining agreement		
(iii) *government securities* and other securities received and posted by the *reporting fund*		

(c) *Secured borrowing* and lending via *repo* and *reverse repo* (include tri-party repo)

(i*) cash and cash equivalents*		
(ii) *government securities* and other securities (other than *cash and cash equivalents)* received and posted by the *reporting fund*		

(d) Other *secured borrowing* and lending (describe in Question 4)

(i) *cash and cash equivalents*		
(ii) *government securities* and other securities (other than *cash and cash equivalents)* received and posted by the *reporting fund*		

(e) Derivative positions cleared by a *CCP*

(i) mark-to-market exposure of derivatives transactions before collateral		
(ii) *cash and cash equivalents* received and posted by the *reporting fund* as collateral		
(iii) *government securities* and other securities received and posted by the *reporting fund* as collateral		

(f) Derivative positions that are not cleared by a *CCP* (uncleared)

(i) *gross notional value* of *synthetic long positions* and *synthetic short positions*		
(ii) mark-to-market exposure of derivatives transactions before collateral		
(iii) *cash and cash equivalents* received and posted by the *reporting fund* as collateral		
(iv) *government securities* and other securities received and posted by the *reporting fund* as collateral		

27. Identify each creditor or other counterparty (including *CCPs*) to which the *reporting fund* owed an amount in respect of *cash borrowing entries* (before posted collateral) which is equal to or greater than either (1) 5% of *net asset value* as of the *data reporting date,* or (2) $1 billion. If there are more than five such counterparties, report the five counterparties to which the *reporting fund* owed the largest dollar amount in *cash borrowing entries* before taking into account collateral posted by the *reporting fund*. *(You are not required to complete this question if the reporting fund is a* qualifying hedge fund *and you complete Question 42 in Section 2).*

In the table below, report the legal entity name and *LEI* of each creditor or other counterparty, if it has one, in columns (i) and (ii). Indicate whether the creditor or counterparty is affiliated with a major financial institution in column (iii). If you select "other," name and describe the financial institution in Question 4. Do not treat affiliated counterparty entities as a single group, except that, if the applicable contractual and legal documentation requires cross margining, report the legal entity name and *LEI* of the contractual counterparty, typically the prime broker.

Report the *reporting fund's cash borrowing entries* for each reported creditor or counterparty in column (iv) as a negative number. Report in column (v) the *collateral posted entries* posted by the *reporting fund* for each reported creditor or other counterparty as a positive number. Report the legal name in column (vi) and its *LEI*, if any, in column (vii), of the entity that has the counterparty exposure.

(i) Legal name of the counterparty	**(ii) Counterparty *LEI, if any***	**(iii) Indicate below if the counterparty is affiliated with a major financial institution**	***(iv) Borrowing* by *reporting fund (in U.S. dollars*)**	**(v) Collateral posted by *reporting fund* (in U.S. dollars)**	**(vi) Legal name of entity**	**(vii) Entity *LEI*, if any**
(a)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(b)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(c)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(d)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(e)		[drop-down list of counterparty names] Other: _____ [Not applicable]				

28. Provide the following information for counterparties to which the *reporting fund* had net mark to market counterparty credit exposure*,* **after** taking into account collateral received or posted by the *reporting fund,* which is equal to or greater than either (1) 5% of the *reporting fund's net asset value* as of the *data reporting date*, or (2) $1 billion*.* Include *CCPs* or other third parties holding collateral posted by the *reporting fund* in respect of cleared exposures (including tri-party repo). If there are more than five such counterparties, report the five to which the *reporting fund* had the greatest mark to market exposure after taking into account collateral. *(You are not required to complete this question if the reporting fund is a* qualifying hedge fund *and you complete Question 43 in Section 2).*

For counterparties to which the *reporting fund* had net *borrowing* exposure, the *reporting fund's* net mark to market counterparty credit exposure **before** collateral equals the *reporting fund's cash borrowing entries*. The *reporting fund's* net mark to market counterparty credit exposure **after** collateral is the amount (if any) by which the *reporting fund's collateral posted entries* exceed such *cash borrowing entries.*

For counterparties to which the *reporting fund* had net lending exposure, the *reporting fund's* net mark to market counterparty exposure **before** collateral means the *cash lending entries.*
The *reporting fund's* net mark to market counterparty credit exposure **after** collateral equals the amount (if any) by which the *reporting fund's cash lending entries* exceeds the *collateral received entries.*

For all counterparties (whether the *reporting fund* had *borrowing* or lending exposure), these computations will produce a positive value for the counterparties to which the *reporting fund* had net mark to market counterparty credit exposure **after** collateral. This may occur where the *reporting fund's* posted collateral exceeded *borrowings* by the *reporting fund* from a counterparty. It also may occur where collateral received by the *reporting fund* fell short of the *reporting fund's* net mark to market counterparty credit exposure through *cash and cash equivalents* received by a counterparty in margin borrowing, securities lending, *repo* and *reverse repo* transactions, and mark to market exposure in derivatives transactions.

Report the legal entity name and *LEI* of each creditor or other counterparty, if it has one, in column (i) and (ii) below. Indicate if the counterparty is affiliated with a major financial institution in column (iii). If you select "other," name and describe the financial institution in Question 4. In columns (iv) and (v), provide the *reporting fund's* net mark to market counterparty credit exposure, **before** taking into account collateral (which will be a negative number where the *reporting fund* is a net borrower, and a positive number where the *reporting fund* is a net lender)*,* and net mark to market counterparty credit exposure, **after** taking into account collateral (which will always be a positive number for counterparties included in this table). Report the legal name in column (vi) and its *LEI*, if any, in column (vii), of the entity that has the counterparty exposure.

Do not treat affiliated counterparty entities as a single group, except that, if the applicable contractual and legal documentation requires cross margining, report the legal entity name and *LEI* of the contractual counterparty, typically the prime broker.

(i) Legal name of the counterparty	(ii) Counter-party *LEI, if any*	(iii) Indicate if the counterparty is affiliated with a major financial institution	(iv) Net mark to market exposure before collateral (in U.S. dollars)	(v) Net mark to market exposure after collateral (in U.S. dollars)	(vi) Legal name of entity	(vii) Entity *LEI*, if any
(a)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(b)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(c)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(d)		[drop-down list of counterparty names] Other: _____ [Not applicable]				
(e)		[drop-down list of counterparty names] Other: _____ [Not applicable]				

29. Provide the following information regarding your use of trading and clearing mechanisms during the *reporting period*.

(Provide good faith estimates of the mode in which each category was traded and cleared by the reporting fund, and not the market as a whole. For purposes of this question, a "trade" includes any transaction, whether entered into on a bilateral basis or through an exchange, trading facility or other system and whether long or short. With respect to clearing, transactions for which margin is held in a customer omnibus account at a CCP *should be considered cleared by a* CCP. *Tri-party* repo *applies where* repo/*reverse repo collateral is executed using collateral management and settlement services of a third party that does not act as a* CCP. *Sponsored* repo/reverse repo, including sponsored tri-party repo *applies to transactions in which the reporting fund has been sponsored by a sponsoring member of the Fixed Income Clearing Corporation (FICC).)*

(Enter "NA" in each part of this question for which the reporting fund engaged in no relevant trades.)

	***Value* traded (in U.S. dollars)**
(a) securities (other than derivatives) that were traded by the *reporting fund.*	
On a regulated exchange	
OTC	
(b) *interest rate derivatives* that were traded by the *reporting fund*	
On a regulated exchange or swap execution facility	
OTC (and cleared by a CCP)	
*OTC/*bilaterally transacted (and not cleared by a *CCP*)	
(c) *derivatives* (other than *interest rate derivatives)* that were traded by the *reporting fund* and:	
On a regulated exchange or swap execution facility	
*OTC (*and *c*leared by a *CCP)*	
*OTC/*bilaterally transacted (and not cleared by a *CCP*)	
(d) *repo/reverse repo* trades that were entered into by the *reporting fund* and:	
Cleared by a *CCP* (other than sponsored *repo/reverse repo)*	
Cleared by a *CCP* (sponsored *repo/reverse repo).*	
Bilaterally transacted (and not cleared by a *CCP and not settled on tri-party platform*)	
Tri-party *repo/reverse repo (and not cleared by a CCP)*	

30. For transactions of the *reporting fund* that are not described in any of the categories listed in items (a) through (d) of Question 29, provide the *value* traded (in U.S. dollars) during the *reporting period*, calculated according to the method prescribed in Question 29.....

Section 2: Information about *qualifying hedge fund*s that you advise.

You must complete a separate Section 2 for each *qualifying hedge fund* that you advise, except as provided by Instruction 6.

Item A. *Reporting fund* identifying information

31. (a) Name of the *reporting fund* .....

(b) *Private fund* identification number of the *reporting fund* .....

Item B. *Reporting fund* exposures and trading

32. *Reporting fund* exposures.

For each month of the *reporting period,* report the information required by (a) to (c) below for the *reporting fund's* long and short positions, by *sub-asset class* (and *instrument type,* if applicable). Report the absolute value of short positions. You are not required to report for *sub-asset classes* for which there are no relevant positions.

For this question, *sub-asset classes* are*: listed equity* issued by financial institutions; American Depositary Receipts; other single name *listed equity;* indices on *listed equity*; other *listed equity*; *unlisted equity* issued by financial institutions*;* other *unlisted equity; investment grade* c*orporate bonds* issued by financial institutions (other than *convertible bonds*); *investment grade* c*orporate bonds* not issued by financial institutions (other than *convertible bonds*); *non-investment grade* c*orporate bonds* issued by financial institutions (other than *convertible bonds*); *non-investment grade* c*orporate bonds* not issued by financial institutions (other than *convertible bonds*); *investment grade convertible bonds* issued by financial institutions*; investment grade convertible bonds* not issued by financial institutions*; non-investment grade convertible bonds* issued by financial institutions; non-*investment grade convertible bonds* not issued by financial institutions*;* U.S. treasury bills; U.S. treasury notes and bonds*; agency securities; GSE bonds; sovereign bonds* issued by *G10* countries other than the U.S, other *sovereign bonds* (including supranational bonds); U.S. state and local bonds; *leveraged loans;* loans (excluding *leveraged loans* and *repo);* overnight *repo,* term *repo* (other than overnight); open *repo; MBS; ABCP; CDO* (senior or higher); *CDO (*mezzanine); *CDO* (junior equity); *CLO* (senior or higher); *CLO* (mezzanine); *CLO* (junior equity); *Other ABS,* other *structured products;* U.S. dollar *interest rate derivatives;* non-U.S. currency *interest rate derivatives;* sovereign *single name CDS;* financial institution *single name CDS;* other s*ingle name CDS*; *index CDS; exotic CDS; foreign exchange derivatives; correlation derivatives; inflation derivatives; volatility derivatives; variance derivatives; other derivatives,* agricultural *commodities;* crude oil c*ommodities;* natural gas c*ommodities*; power and other energy *commodities;* gold *commodities*; other (non-gold) precious metal *commodities;* base metal commodities; *other commodities*; real estate; digital assets; U.S. currency holdings; non-U.S. currency holdings; certificates of deposit; other deposits; *money market funds*; other *cash and cash equivalents* (excluding bank deposits, certificates of deposit, *money market funds,* and U.S. treasury bills*, notes and bonds*); *investments in other sub-asset classes.* If a particular asset could be classified as both a digital asset and another asset, report the asset as the non-digital asset.

Choose the *sub-asset class* (and *instrument type,* if applicable) that describes the *sub-asset class* exposure and *instrument type* of the *reporting fund's* positions with the highest degree of precision. Include positions held in side-pockets as positions of the *reporting fund*. Include any closed out and *OTC* forward positions that have not yet expired/matured. Provide the absolute value of short positions. Report cash borrowed via *reverse repo* as the short value of *repos*. See definitions of *repo* and *reverse repo* in the Glossary.

(a) (1) Except for the *sub-asset classes* identified by (a)(2) below, report the dollar *value* of long positions and the dollar *value* of short positions in each *sub-asset class* by *instrument type:* For this purpose, *instrument types* are*:* cash/physical instruments, futures, forwards, swaps, listed options, unlisted options, *other derivative* products, *ETFs,* other *exchange traded products,* U.S. registered investment companies (excluding *ETFs* and *money market funds), investments in non-U.S. registered investment companies, internal private funds, external private funds, commodity pools,* and any other company, fund or entity. For *foreign exchange derivatives,* report foreign exchange swaps and currency swaps separately. In determining dollar *value*, do not net long and short positions within *sub-asset classes* or *instrument types* (with the exception of spot foreign exchange longs and shorts).

In determining the *reporting fund's* exposure to *sub-asset classes* that are held indirectly through entities, *e.g.*, *ETFs,* other *exchange traded products,* U.S. registered investment companies (excluding *ETFs* and *money market funds*), *investments in non-U.S. registered investment companies, external private funds, internal private funds, commodity pools*, or other companies, funds or entities, you may allocate the entity's exposure among *sub—asset classes* and *instrument types* using reasonable estimates consistent with your internal methodologies and conventions of service providers.

(i) Long:
(ii) Short:

(2) Report the dollar *value* of long positions and the dollar value of short positions for the *sub-asset class* (not by *instrument type*) for these *sub-asset classes*: *leveraged loans,* loans (excluding *leveraged loans* and *repo);* overnight *repo,* term *repo* (other than overnight), open *repos;* sovereign *single name CDS;* financial institution *single name CDS;* other s*ingle name CDS*, *index CDS; exotic CDS;* U.S. currency holdings, non-U.S. currency holdings, certificates of deposit*,* other deposits, *money market funds,* other *cash and cash equivalents* (excluding bank deposits, certificates of deposit, *money market funds,* and U.S. treasury bills, notes and bonds).

(i) Long:
(ii) Short:

Describe the nature of the *reporting fund's* investment positions in Question 4, if you report long or short dollar *value* equal to or exceeding either (1) 5% of the *reporting fund's net asset value* or (2) $1 billion in any of these *sub-asset classes:* loans (excluding *leveraged loans* and *repo*), other *structured products, other derivatives*, *other commodities,* digital assets, *investments in other sub-asset classes*.)

(b) <u>*Adjusted exposure*</u> For each *sub-asset class* in which the *reporting fund* held relevant positions, calculate the *adjusted exposure* of long and short positions by netting positions in the same underlying *reference asset* across *instrument type*, and for fixed income assets, within the same term, using the following *maturity* buckets: 0-1 year, 1-2 year, 2-5 year, 5-10 year, 10-15 year, 15-20 year, and 20+ year. You may net consistent with the information you report internally and to current and prospective investors.

(i) Long:
(ii) Short:

(c) Interest rate risk (*10-year bond equivalent)*. For *sub-asset classes* with interest rate risk, report the *10-year bond equivalent* of the *sub-asset class* long position dollar *value* and short position dollar *value* (by *instrument* type, if applicable) and *adjusted exposure*. Report *10-year bond equivalent* as a long value for positions that have a gain when rates decline, and as a short value for positions that have a loss when rates decline,

(NOTE: *10-year bond equivalent* is required for these *sub-asset classes: investment grade corporate bonds* issued by financial institutions (other than *convertible bonds*); *investment grade corporate bonds* not issued by *financial institutions* (other than *convertible bonds*); *non-investment grade corporate bonds* issued by financial institutions (other than *convertible bonds*); *non-investment grade corporate bonds* not issued by *financial institutions* (other than *convertible bonds*); *investment grade convertible bonds* issued by *financial institutions; investment grade convertible bonds* not issued by financial institutions*; non-investment grade convertible bonds* issued by *financial institutions;* non-*investment grade convertible bonds* not issued by financial institutions*;* U.S. treasury bills, U.S. treasury notes and bonds; *U.S. agency securities; GSE bonds; sovereign bonds* issued by *G10* countries other than the U.S, other *sovereign bonds* (including supranational bonds); U.S. state and local bonds; *leveraged loans,* loans (excluding *leveraged loans* and *repo*)*;* overnight *repo,* term *repo* (other than overnight), open *repo, MBS, ABCP,* Senior or higher *CDO,* Mezzanine *CDO,* Junior equity *CDO,* Senior or higher *CLO,* Mezzanine *CLO,* Junior equity *CLO, Other ABS, other structured products;* U.S. dollar *interest rate derivatives*, non-U.S. currency *interest rate derivatives;* certificates of deposit).

33. (a) For each month of the *reporting period,* report the long value and short value of the *reporting fund's* currency exposure arising from *foreign exchange derivatives* and all other assets and liabilities of the *reporting fund* that are denominated in a currency other than the *reporting fund's* base currency.

Currency	1st Month		2nd Month		3rd Month	
	Long value	**Short value**	**Long value**	**Short value**	**Long value**	**Short value**
[drop-down of currencies]						
[drop-down of currencies]						

(b) For each month of the *reporting period,* identify each currency to which the *reporting fund* has long dollar *value* or short dollar *value* exposure equal to or exceeding either (1) 5% of the *reporting fund's net asset value* or (2) $1 billion and report the long dollar *value* and short dollar *value* of this exposure in U.S. dollars.

In responding to this question, include the spot currency exposure arising from all holdings, including assets denominated in foreign currencies, and derivative products with currency exposure. Include currency exposure obtained indirectly (e.g., through ETFs, exchange traded products, U.S. registered investment companies, non-U.S. registered investment companies, internal private funds, external private funds, commodity pools, or other companies, funds or entities). You may report reasonable estimates, if consistent with your internal methodologies and conventions of service providers. For indirectly held exposures, report currency exposures using reasonable estimates that are consistent with your internal methodologies and conventions of service providers.

Currency	1st Month		2nd Month		3rd Month	
	Long value	**Short value**	**Long value**	**Short value**	**Long value**	**Short value**
[drop-down of currencies]						
[drop-down of currencies]						

34. Reserved

35. For each month of the *reporting period,* identify by ISO country code, each country to which the *reporting fund* has long dollar *value* or short dollar *value* exposure equal or exceeding either (1) 5% of the *reporting fund's net asset value* or (2) $1 billion*.,* and report the long dollar *value* and short dollar *value* of this exposure in U.S. dollars.

Categorize investments based on concentrations of risk and economic exposures, and include country exposure obtained indirectly (e.g., through ETFs, exchange traded products, U.S. registered investment companies, non-U.S. registered investment companies, internal private funds, external private funds, commodity pools, or other companies, funds or entities). You may report reasonable estimates, if consistent with your internal methodologies and conventions of service providers. For indirectly held exposures, report country exposures using reasonable estimates that are consistent with your internal methodologies and conventions of service providers.

ISO Code	**1st Month**		**2nd Month**		**3rd Month**	
	Long value	**Short value**	**Long value**	**Short value**	**Long value**	**Short value**
[drop-down of ISO Code]						
[drop-down of ISO Code]						

36. For each month of the *reporting period,* identify the *reporting fund's* exposure by industry, based on the *NAICS codes* of the underlying exposures, equal or exceeding either: (1) 5% of the *reporting fund's net asset value* or (2) $1 billion*,* and report the long dollar *value* and short dollar *value* of this exposure in U.S. dollars.

Include industry exposure obtained indirectly (*e.g.*, through *ETFs, exchange traded products,* U.S. registered investment companies*, non-U.S. registered investment companies, internal private funds, external private funds, commodity pools,* or other companies, funds or entities). *You may respond to this Question using reasonable estimates based on your internal methodologies consistent with information you report internally and to investors. For indirectly held exposures, report industry exposures using reasonable estimates that are consistent with your internal methodologies and conventions of service providers. You may choose from the two, three, four, five, or six digit NAICS code in the drop-down for the underlying exposures.*

NAICS Code	**1st Month**		**2nd Month**		**3rd Month**	
	Long value	**Short value**	**Long value**	**Short value**	**Long value**	**Short value**
[drop-down of *NAICS Code*]						
[drop-down of *NAICS Code*]						

37. Provide the following information regarding the liquidity of the *reporting fund's* portfolio.

Specify the percentage by value of the *reporting fund*'s positions that may be liquidated within each of the periods specified below. Each investment can be assigned to more than one period, but assignments should be based on the shortest period during which you believe that such position could reasonably be liquidated at or near its carrying value. If an investment is assigned to more than one period, reflect the percentage of *net asset value* that might be liquidated within each period (as opposed to the percentage of *net asset value* that the entire investment represents). Use good faith estimates for liquidity based on market conditions over the reporting period and assuming no fire-sale discounting. Estimates must be based on a methodology that takes into account changes in portfolio composition, position size and market conditions over time. For example, estimates would change if the portfolio invests in more or less liquid assets, if/when the portfolio investments grow to a size relatively to the liquidity of the markets in which it invests that requires more time to

liquidate, and if liquidity characteristics change measurably and meaningfully for the assets in which the portfolio invests. In the event that individual positions are important contingent parts of the same trade, group all those positions under the liquidity period of the least liquid part (so, for example, in a *convertible bond* arbitrage trade, the liquidity of the short should be the same as the *convertible bond*). Include *cash and cash equivalents*.

(The total should add up to approximately 100%.)

	% of NAV
1 day or less	
2 days – 7 days.....	
8 days – 30 days.....	
31 days – 90 days.....	
91 days – 180 days.....	
181 days – 365 days.....	
Longer than 365 days.....	

	1st Month	**2nd Month**	**3rd Month**
38. *Value* of *reporting fund's unencumbered cash*			

39. Reserved

40. Reserved

41. Reserved

42. Identify each creditor or other counterparty (including *CCPs*) to which the *reporting fund* owed an amount in respect of *borrowing entries* (before posted collateral) which is equal to or greater than either (1) 5% of *net asset value* as of the *data reporting date,* or (2) $1 billion. In subsection (a), complete an *individual counterparty exposure table* for the five creditors and counterparties to which the *reporting fund* owed the greatest dollar amount in *borrowing entries* (before posted collateral). Follow the instructions for the *consolidated counterparty exposure table* in completing each *individual counterparty exposure table*.

Identify in subsection (b) all other creditors and counterparties (including *CCPs*) that were not the top five listed in the *individual counterparty exposure tables,* but to which the *reporting fund* owed an amount in respect of *borrowing entries* (before posted collateral) which is equal to or greater than either (1) 5% of the *reporting fund's net asset value* as of the *data reporting date*, or (2) $1 billion.

For the entities identified in subsection (b), report the legal entity name and *LEI* of each creditor or other counterparty, if it has one, as indicated in subsections (a)(i) or in subsection (b) at columns *(a)* and *(b)*. Indicate whether the creditor or counterparty is affiliated with a major financial institution in subsection (a)(i)*(c)* or in subsection (b) at column *(c)*. If you select "other," name and describe the financial institution in Question 4. You may not treat affiliated counterparty entities as a single group, except that, if the applicable contractual and legal documentation requires cross margining, report the legal entity name and *LEI* of the contractual counterparty, typically the prime broker.

For subsection (b), for each entity identified, report the *borrowing entries* as determined above in column *(d)* as a negative number and report total *collateral posted entries* by the *reporting fund* in column *(e)* as a positive number. Report the dollar amount of each type of borrowing in rows *(d)(1)* through *(d)(6).*

(a) *Individual Counterparty Exposure Table* - Top 5 Creditor Counterparties [1, 2, 3, 4, 5]: *(Because* borrowing *and cash lending should be netted for each counterparty, only one entry is required in each row of this table.)*

(i) *(a)* Legal name of counterparty,
(b) Counterparty *LEI*, if any,
(c) Indicate if affiliated with a major financial institution [drop-down menu],
(d) Borrowing by the *reporting fund*,
(e) Collateral posted by the *reporting fund*,
(f) Legal name of entity that has the exposure, and
(g) Entity *LEI*, if any

	B/CR	***L/PC***
(ii) *Unsecured borrowing – cash and cash equivalents*		NA

(iii) *Secured borrowing* and lending (prime brokerage or other brokerage agreement

□ Check this box if one or more prime brokerage agreements provide for cross-margining of derivatives and secured financing transactions. If you have checked this box, and collateral does not clearly pertain to secured financing vs. derivatives transactions, report exposures and collateral as follows:

- For secured financing, exposures and collateral should be reported in sections (iii), (iv) and (v), as applicable
- For derivatives,
    - Report the *gross notional value* and the mark-to-market of the derivatives transactions with *other derivatives* transactions (lines (vi)(A) and (vii)(A) and (B))
    - Report associated collateral as collateral received (*B/CR*) or posted collateral (*L/PC*) under the prime brokerage agreement (lines (iii)(B) and (C)).
- For derivatives cleared by a *CCP*, for cases where the prime broker gathers additional collateral in excess of that required by exchanges, report collateral posted by the *reporting fund* to meet exchange requirements in the cleared derivatives section on line (vi)(B) and (C), and enter any additional collateral gathered by the prime broker under a cross margining agreement on lines (iii)(B) and (C).

(A) *cash and cash equivalents* received in cash margin borrowing, or received or paid by the *reporting fund* in securities lending and short sale transactions		
(B) *cash and cash equivalents* received and posted by the *reporting fund* as collateral for derivatives under any cross-margining agreement		
(C) *government securities* and other securities received and posted by the *reporting fund*		

(iv) *Secured borrowing* and lending via *repo* and *reverse repo* (include tri-party repo

(A*) cash and cash equivalents*		
(B) *government securities* and other securities (other than *cash and cash equivalents)* received and posted by the *reporting fund*		

(v) Other *secured borrowing* and lending (describe in Question 4)

(A) *cash and cash equivalents*		
(B) *government securities* and other securities (other than *cash and cash equivalents*) received and posted by the *reporting fund*		

(vi) Derivative positions cleared by a *CCP*

(A) mark-to-market exposure of derivatives transactions before collateral		
(B) *cash and cash equivalents* received and posted by the *reporting fund* as collateral		
(C) *government securities* and other securities received and posted by the *reporting fund* as collateral		

(vii) Derivative positions that are not cleared by a *CCP* (uncleared)

(A) *gross notional value* of *synthetic long positions* and *synthetic short positions*		
(B) mark-to-market exposure of derivatives transactions before collateral		
(C) *cash and cash equivalents* received and posted by the *reporting fund* as collateral		
(D) *government securities* and other securities received and posted by the *reporting fund* as collateral		

(b) Other Creditors and Counterparties

(a) Legal name of creditor or other counterparty	*(b)* Counter party *LEI*, if any	*(c)* Indicate if creditor or other counterparty is affiliated with a major financial institution	*(d)* Borrowing by the *reporting fund* (in U.S. dollars)	*(e)* Collateral posted by the *reporting fund* (in U.S. dollars)	*(f)* Entity Legal Name	*(g)* Entity *LEI*, if any
(i)		[drop-down list of counterparty names] Other: [Not applicable]	(Total) $ (d)(1) unsecured borrowing: $_____ (d)(2) secured borrowing (prime brokerage or other brokerage agreement): $_____			

			(d)(3) secured borrowing via *repo* and *reverse repo* (include tri-party repo): $_____ (d)(4) other secured borrowing (describe in Question 4): $_____ (d)(5) derivative positions cleared by a *CCP*: $_____ (d)(6) derivative positions not cleared by a *CCP* (uncleared): $_____			
(ii)						
(iii)						

43. Provide the information required by this question for counterparties to which the *reporting fund* had net mark to market counterparty credit exposure, **after** taking into account collateral received or posted by the *reporting fund,* which is equal to or greater than either (1) 5% of the *reporting fund's net asset value* as of the *data reporting date,* or (2) $1 billion. Include *CCPs* or other third parties holding posted collateral of the *reporting fund* in respect of cleared exposures (including tri-party *repo*).

For counterparties to which the *reporting fund* had net borrowing exposure, the *reporting fund's* net mark to market counterparty credit exposure **before** collateral equals the *reporting fund's borrowing entries.* The *reporting fund's* net mark to market counterparty credit exposure **after** collateral is the amount (if any) by which the *collateral posted entries* exceed such *borrowing entries.*

For counterparties to which the *reporting fund* had net lending exposure, the *reporting fund's* net mark to market counterparty credit exposure **before** collateral means the *lending entries.* The *reporting fund's* net mark to market counterparty credit exposure **after** collateral equals the amount (if any) by which the *reporting fund's lending entries* exceed the *collateral received entries*.

For all counterparties (whether the *reporting fund* had borrowing or lending exposure), these computations will produce a positive value for the counterparties to which the *reporting fund* had net mark to market counterparty credit exposure **after** collateral. This may occur where the *reporting fund's* posted collateral exceeded *borrowings* by the *reporting fund* from a counterparty. It also may occur where collateral received by the *reporting fund* fell short of the *reporting fund's* net mark to market counterparty credit exposure through *cash and cash equivalents* received by a counterparty in margin borrowing, securities lending, *repo* and *reverse repo* transactions, and mark to market exposure in derivatives transactions.

Provide the information required by the *individual counterparty exposure table at* subsection (a) for the five counterparties to which the *reporting fund* had the greatest dollar net mark to market counterparty credit exposure **after** collateral. Do not report any counterparties that are reported in above in Question 42(a) and do not include counterparties to which the *reporting fund's* net market to market counterparty exposure (after collateral) was not greater than either (1) 5% of the *reporting fund's net asset value* on the *data reporting date*, or (2) $1 billion.

If there are more than five counterparties to which the *reporting fund* had net mark to market counterparty credit exposure **after** collateral which was equal to or greater than either (1) 5% of the *reporting fund's*

net asset value as of the *data reporting date*, or (2) $1 billion (and which are not reported in Question 42(a)), identify these additional counterparties in subsection (b). Report, for each such counterparty, the *reporting fund's* net mark to market counterparty credit exposure, **before** taking into account collateral (column *(d)*) which will be a negative number where the *reporting fund* is a net borrower, and a positive number where the *reporting fund* is a net lender*,* and net mark to market counterparty credit exposure, **after** taking into account collateral (column *(e)*), which will always be a positive number for any counterparties included in this table.

In the *individual counterparty exposure table*, report the legal entity name and *LEI* of each creditor or other counterparty, if it has one, as indicated in subsection (a)(i)*(a)* and (a) (i)*(b)* or in subsection (b), columns *(a)* and *(b)*. Indicate in subsection (a)(i)*(c)* or subsection (b), column *(c),* if the counterparty is affiliated with a major financial institution. If you select "other," name and describe the financial institution in Question 4. Report the legal entity name and *LEI*, if any, of each entity that has the counterparty exposure in columns (f) and (g). You may not treat affiliated counterparty entities as a single group, except that, if the applicable contractual and legal documentation requires cross margining, report the legal entity name and *LEI* of the contractual counterparty, typically the prime broker.

(a) *Individual Counterparty Exposure Table —*Top "Debtor" Counterparties: (*Complete the Individual Counterparty Exposure Table (see Q42(a))* for each of the top "debtor" counterparties.)

(b) Other Counterparties

(a) Legal name of counterparty	*(b)* Counterparty *LEI,* if any	*(c)* Indicate if counterparty is affiliated with a major financial institution	*(d)* Net mark to market exposure before collateral (in U.S. dollars)	*(e)* Net mark to market exposure after collateral (in U.S. dollars)	(f) Legal name of entity	(g) Entity *LEI*, if any
(i)		[drop-down list of counterparty names] Other: [Not applicable]				
(ii)		[drop-down list of counterparty names] Other: [Not applicable]				
(iii)		[drop-down list of counterparty names] Other: [Not applicable]				

44. Identify each *CCP* or other third party holding collateral posted by the *reporting fund* in respect of cleared exposures (including tri-party repo) equal to or exceeding either (1) 5% of the *reporting fund's net asset value* as of the *data reporting date* or (2) $1 billion*. (Exclude counterparties reported in Questions 42 and 43)*. If a different legal entity than the *reporting fund* owns the collateral, report the entity's legal name and its *LEI*, if any.

***CCP* or Third party legal name**	***LEI*, if any**	***CCP*/third party affiliation with a major financial institution (if any)**	**Posted Margin (in U.S. dollars)**	**Net Exposure (in U.S. dollars)**	**Legal name of entity**	**Entity *LEI*, if any**
(a)		[drop-down list of counterparty names] Other: [Not applicable]				
(b)		[drop-down list of counterparty names] Other: [Not applicable]				
(c)		[drop-down list of counterparty names] Other: [Not applicable]				

45. Reserved

Item C. *Reporting fund* risk metrics and performance

46. (a) During the *reporting period*, did you regularly calculate the *VaR* of the *reporting fund*?
(Please respond without regard to whether you reported the result of this calculation internally or to investors.)

☐ Yes ☐ No

(b) If you responded "yes" to Question 46(a), provide the following information.
(If you regularly calculate the VaR of the reporting fund using multiple combinations of confidence interval, horizon and historical observation period, complete a separate response to this Question 46(b) for each such combination.)

(i) Confidence interval used (e.g., 100%-alpha%) *(as a percentage)* .....

(ii) Time horizon used *(in number of days)* .....

(iii) What weighting method was used to calculate *VaR*?

☐None ☐ Exponential ☐ Other:

(iv) If you responded "exponential" to Question 46(b)(iii), provide the weighting factor used *(as a decimal to two places)* .....

(v) What method was used to calculate *VaR*?

☐ Historical simulation ☐ Monte Carlo simulation

☐ Parametric ☐ Other:

(vi) Historical lookback period used *(in number of years; enter "NA" if none used)* .....

(vii) *VaR* at the end of the 1st month of the *reporting period* *(as a % of NAV)* .....

(viii) *VaR* at the end of the 2nd month of the *reporting period* *(as a % of NAV)* .....

(ix) *VaR* at the end of the 3rd month of the *reporting period* *(as a % of NAV)* .....

47. For each of the market factors identified below, determine the effect of the specified changes on the *reporting fund's* portfolio and provide the results. Indicate a negative effect of the market factor change on the long and short components with a negative sign and a positive effect of the market factor change on the long and short components with a positive sign. For market factors that have no direct effect on the *reporting fund*'s portfolio, enter zero.

In determining the *reporting fund's* exposure to changes in market factors held indirectly through entities, *e.g.*, *ETFs,* other *exchange traded products,* U.S. registered investment companies (excluding *ETFs* and *money market funds*), *investments in non-U.S. registered investment companies, external private funds, internal private funds, commodity pools*, or other companies, funds or entities, you may use reasonable estimates consistent with your internal methodologies and conventions of service providers.

(For market factors involving interest rates and credit spreads, separate the effect on your portfolio into long and short components where (i) the long component represents the aggregate result of all positions whose valuation changes in the opposite direction from the market factor under a given stress scenario, and (ii) the short component represents the aggregate result of all positions whose valuation changes in the same direction as the market factor under a given stress scenario.) (For market factors other than interest rates and credit spreads, separate the effect on your portfolio into long and short components where (i) the long component represents the aggregate result of all positions whose valuation changes in the same direction as the market factor under a given stress scenario and (ii) the short component represents the aggregate result of all positions whose valuation changes in the opposite direction from the market factor under a given stress scenario.)

(Assume that changes in a market factor occur instantaneously and that all other factors are held constant. If the specified change in any market factor would make that factor less than zero, use zero instead.)

(Please note the following regarding the market factors identified below:

(i) A change in "equity prices" means that the prices of all equities move up or down by the specified amount, without regard to whether the equities are listed on any exchange or included in any index;

(ii) "Risk free interest rates" means rates of interest accruing on sovereign bonds *issued by governments having the highest credit quality, such as U.S. treasury securities; and interest rate swap rates in which a fixed rate is exchanged for a risk-free floating rate such as the secured overnight financing rate (SOFR) or the sterling overnight index average (SONIA);*

(iii) "Non-parallel risk free interest rate movements" means only risk free interest rates in the indicated segment of the yield curve move, and no other rates, factors or prices move, and that all rates within the indicated segment of the yield curve move by the same amount. The sum of all reported non-parallel risk free interest rate sensitivities for a given rate movement should total to the portfolio's sensitivity to a parallel risk free interest rate movement of that magnitude;

(iv) A change in "credit spreads" means that all spreads against risk free interest rates change by the specified amount;

(v) A change in "currency rates" means that the values of all currencies move up or down by the specified amount relative to the reporting fund's base currency*;*

(vi) A change in "commodity prices" means that the prices of all physical commodities move up or down by the specified amount;

(vii) A change in "option implied volatilities" means that the implied volatilities of all the options that the reporting fund holds increase or decrease by the specified number of percentage points (additive, not multiplicative); and

(viii) A change in "default rates" means that the rate at which debtors default on all instruments of the specified type increases or decreases by the specified number of percentage points.)

Market factor – changes in market factor	Effect on long components of portfolio (as % of *NAV*)	Effect on short components of portfolio (as % of *NAV*)
Equity prices:		
Equity prices increase 10%		
Equity prices decrease 10%		
Non-parallel risk free interest rate movements:		
0-3 year rates only increase 50 *bp*		
0-3 year rates only decrease 50 *bp*		
>3-10 year rates only increase 50 *bp*		
>3-10 year rates only decrease 50 *bp*		
Only all >10 year rates increase 50 *bp*		
Only all >10 year rates decrease 50 *bp*		
Credit spreads:		
Credit spreads increase 100 *bp*		
Credit spreads decrease 100 *bp*		
Currency rates:		
Currency rates increase 10%		
Currency rates decrease 10%		
Commodity prices:		
Commodity prices increase 10%		
Commodity prices decrease 10%		
Option implied volatilities:		
Implied volatilities increase 10 percentage points		
Implied volatilities decrease 10 percentage points		
Default rates (*ABS*):		
Default rates increase 10 percentage points		
Default rates decrease 10 percentage points		
Default rates (*corporate bonds* and *CDS*):		
Default rates increase 10 percentage points		
Default rates decrease 10 percentage points		

48. Reserved

49. If you indicated more than one investment strategy for the *reporting fund* in Question 25 and you report performance results to current and prospective investors, counterparties, or otherwise, for one or more of the investment strategies reported in Question 25, report the gross performance results attributable to each such strategy during the *reporting period* in base currency terms.

You are required to provide monthly performance results only if such results are reported for the *reporting fund* (whether for purposes of reporting to current and prospective investors, counterparties, or otherwise). *You are not required to respond to this question if you report performance for the reporting fund as an internal rate of return.*

Investment Strategy	1st Month	2nd Month	3rd Month	Quarterly

Item D. Financing information

50. Financing liquidity:

(a) Provide the aggregate dollar amount of *borrowing* by and cash financing available to the *reporting fund* (including all drawn and undrawn, committed and uncommitted lines of credit as well as any term financing) .....

(b) Provide the dollar amount of financing that is available to the *reporting fund* but not used by type:

(i) *unsecured borrowing* .....

(ii) *secured borrowing* via prime brokerage .....

(iii) *secured borrowing* via *reverse repo* .....

(iv) other *secured borrowings* .....

(c) Divide the amount reported in response to part (a) among the periods specified below depending on the longest period for which the creditor is contractually committed to provide such financing.

(If a creditor (or syndicate or administrative/collateral agent) is permitted to vary unilaterally the economic terms of the financing or to revalue posted collateral in its own discretion and demand additional collateral, then the financing should be deemed uncommitted for purposes of this question. Uncommitted financing should be included under "1 day or less.")

(The total should add up to 100%.)

	% of total financing
1 day or less	
2 days – 7 days.....	
8 days – 30 days	
31 days – 90 days	
91 days – 180 days	
181 days – 365 days.....	
Longer than 365 days.....	

Item E. Investor information

51. (a) As of the *data reporting date*, what percentage of the *reporting fund's net asset value*, if any, is subject to a "side-pocket" arrangement? | |

(This question relates to whether assets are currently in a side-pocket and not the potential for assets to be moved to a side-pocket.)

(b) Have additional assets been placed in a side-pocket since the end of the prior *reporting period*?

(Check "NA" if you reported no assets under Question 51(a) in the current period and/or the prior period.)

☐ Yes ☐ No ☐ NA

52. Reserved

53. Investor liquidity (as a % of *net asset value*):

(Divide the reporting fund's net asset value *among the periods specified below depending on the shortest period within which investors are entitled, under the fund documents, to withdraw invested funds or receive redemption payments, as applicable. Assume that you would impose gates where applicable but that you would not completely suspend withdrawals/redemptions and that there are no redemption fees. Please base on the notice period before the valuation date rather than the date proceeds would be paid to investors.)*

(The total should add up to approximately 100%.)

(For Question 53, please note that the standards for imposing suspensions and restrictions on withdrawals/redemptions may vary among funds. Make a good faith determination of the provisions that would likely be triggered during conditions that you view as significant market stress.)

	% of *NAV* locked for
1 day or less	
2 days – 7 days.....	
8 days – 30 days	
31 days – 90 days	
91 days – 180 days	
181 days – 365 days.....	
longer than 365 days.....	

Form PF Section 3	**Information about *liquidity funds* that you advise** (to be completed by *large liquidity fund advisers*)

Section 3: Information about the *liquidity funds* that you advise

You must complete a separate Section 3 for each *liquidity fund* that you advise.

Item A. *Reporting fund* identifying and operational information

54. (a) Name of the *reporting fund* .....

(b) *Private fund* identification number of the *reporting fund* .....

55. (a) Does the *reporting fund* seek to maintain a stable price per share?

☐ Yes ☐ No

(b) If yes, state the price the *reporting fund* seeks to maintain .....

Item B. *Reporting fund* assets

56. Provide the following information for each month of the *reporting period*.

	1st Month	2nd Month	3rd Month
(a) Net asset value of *reporting fund* as reported to current and prospective investors			
(b) Net asset value per share of *reporting fund* as reported to current and prospective investors *(to the nearest hundredth of a cent)*			
(c) Net asset value per share of *reporting fund (to the nearest hundredth of a cent; exclude the value of any capital support agreement or similar) arrangement)*.....			
(d) *WAM* of *reporting fund (in days)*			
(e) *WAL* of *reporting fund (in days)*			
(f) *7-day gross yield* of *reporting fund (to the nearest hundredth of one percent)*			
(g) Dollar amount of the *reporting fund's* assets that are *daily liquid assets*			
(h) Dollar amount of the *reporting fund's* assets that are *weekly liquid assets*			
(i) Dollar amount of the *reporting fund's* assets that have a *maturity* greater than 397 days			
(j) Amount of cash held by the *reporting fund*			
(k) Total gross subscriptions (including divided reinvestments)			
(l) Total gross redemptions			

Item C. Financing information

57.

(a) Is the amount of total *borrowing* reported in response to Question 18 equal to or greater than 5% of the *reporting fund's net asset value*?

☐ Yes ☐ No

(b) If you responded "yes" to Question 57(a) above, divide the dollar amount of total *borrowing* reported in response to Question 18 among the periods specified below depending on the type of *borrowing*, the type of creditor and the latest date on which the *reporting fund* may repay the principal amount of the *borrowing* without defaulting or incurring penalties or additional fees.

(If a creditor (or syndicate or administrative/collateral agent) is permitted to vary unilaterally the economic terms of the financing or to revalue posted collateral in its own discretion and demand additional collateral, then the borrowing *should be deemed to have a maturity of 1 day or less for purposes of this question. For amortizing loans, each amortization payment should be treated separately and grouped with other borrowings based on its payment date.)*

(The total amount of borrowings reported below should equal approximately the total amount of borrowing *reported in response to Question 18.)*

	1 day or less	**2 days to 7 days**	**8 days to 30 days**	**31 days to 397 days**	**Greater than 397 days**
(i) *Unsecured borrowing*					
(A) *U.S. depository institutions*					
(B) U.S. creditors that are not *U.S. depository institutions*					
(C) Non-U.S. creditors					
(ii) *Secured borrowing*					
(A) *U.S. depository institutions*					
(B) U.S. creditors that are not *U.S. depository institutions*					
(C) Non-U.S. creditors					

58.

(a) Does the *reporting fund* have in place one or more committed liquidity facilities?

☐ Yes ☐ No

(b) If you responded "yes" to Question 58(a), provide the aggregate dollar amount of commitments under the liquidity facilities

Item D. Investor information

59. Specify the number of outstanding shares or units of the *reporting fund's* stock or similar securities

60. Is the *reporting fund* established as a cash management vehicle for other funds or accounts that you or your *affiliates* manage that are not cash management vehicles?

☐ Yes ☐ No

61. Provide the following information regarding investor concentration.

(For purposes of this question, if you know that two or more beneficial owners of the reporting fund are affiliated *with each other, you should treat them as a single beneficial owner.)*

(a) Specify the percentage of the *reporting fund's* equity that is beneficially owned by the beneficial owner having the largest equity interest in the *reporting fund* .....

(b) For each investor that beneficially owns 5% or more of the *reporting fund*'s equity, provide the following information. If you select "other" as an investor category, describe the investor in Question 4.

(i) Investor Category	**(ii) Investor's percent of equity of the *reporting fund* on the *data reporting date***
Drop-down menu of investor categories in Question 61]	
Drop-down menu of investor categories in Question 61]	
Et cetera.	

62. Provide a good faith estimate, as of the *data reporting date*, of the percentage of the *reporting fund's* outstanding equity that was purchased using *securities lending collateral*.

63. Provide the following information regarding the restrictions on withdrawals and redemptions by investors in the *reporting fund*.

(For Questions 63 and 64, please note that the standards for imposing suspensions and restrictions on withdrawals/redemptions may vary among funds. Make a good faith determination of the provisions that would likely be triggered during conditions that you view as significant market stress.)

As of the *data reporting date*, what percentage of the *reporting fund's net asset value*, if any:

(a) May be subjected to a suspension of investor withdrawals/redemptions by an adviser or fund governing body *(this question relates to an adviser's or governing body's right to suspend and not just whether a suspension is currently effective)*	
(b) May be subjected to material restrictions on investor withdrawals/redemptions (e.g., "gates") by an adviser or fund governing body *(this question relates to an adviser's or governing body's right to impose a restriction and not just whether a restriction been imposed)*	
(c) Is subject to a suspension of investor withdrawals/redemptions *(this question relates to whether a suspension is currently effective and not just an adviser's or governing body's right to suspend)*	
(d) Is subject to a material restriction on investor withdrawals/redemptions (e.g., a "gate") *(this question relates to whether a restriction has been imposed and not just an adviser's or governing body's right to impose a restriction)*	

64. Investor liquidity (as a % of *net asset value*):

(Divide the reporting fund's net asset value *among the periods specified below depending on the shortest period within which investors are entitled, under the fund documents, to withdraw invested funds or receive redemption payments, as applicable. Assume that you would impose gates where applicable but that you would not completely suspend withdrawals/redemptions and that there are no redemption fees. Please base on the notice period before the valuation date rather than the date proceeds would be paid to investors.*
The total should add up to 100%.)

	% of *NAV* locked for
1 day or less	
2 days – 7 days	
8 days – 30 days	
31 days – 90 days	
91 days – 180 days	
181 days – 365 days	
Longer than 365 days	

Item E. Portfolio Information

65. For each security held by the *reporting fund*, provide the following information for each month of the *reporting period*.
   (a) Name of the issuer or the name of counterparty in a *repo* .....
   (b) Title of the issue (including coupon, if applicable) .....
   (c) CUSIP .....
   (d) *LEI*, if any .....

(e) In addition to CUSIP and *LEI*, provide at least one of the following other identifiers, if any:

- ISIN .....
- CIK .....
- Other unique identifier (indicate identifier and type of identifier) .....

(f) The category of investment that most closely identifies the instrument:

(*Select from among the following categories of investment: U.S. Treasury Debt; U.S. Government Agency Debt (if categorized as coupon-paying notes); U.S. Government Agency Debt (if categorized as no-coupon-discount notes); Non-U.S. Sovereign, Sub-Sovereign and Supra-National debt; Certificate of Deposit; Non-Negotiable Time Deposit; Variable Rate Demand Note; Other Municipal Security; Asset Backed Commercial Paper; Other Asset Backed Securities; U.S. Treasury Repo Agreement, if collateralized only by U.S. Treasuries (including Strips) and cash; U.S. Government Agency Repo Agreement, collateralized only by U.S. Government Agency securities, U.S. Treasuries, and cash; Other Repo Agreement, if any collateral falls outside Treasury, Government Agency and cash; Insurance Company Funding Agreement; Investment Company; Financial Company Commercial Paper; Non-Financial Company Commercial Paper; Tender Option Bond; or Other Instrument. If Other Instrument, include a brief description*.)

(g) For repos, specify whether the repo is "open" (*i.e.*, the repo has no specified end date and, by its terms, will be extended or "rolled" each business day (or at another specified period) unless the investor chooses to terminate it), and provide the following information about the securities subject to the repo (*i.e.*, the collateral):

(If multiple securities of an issuer are subject to the repo, the securities may be aggregated, in which case provide: (i) the total principal amount and value and (ii) the range of maturity dates and interest rates.)

(i) Is the *repo* "open"? □ Yes □ No

(ii) Is the *repo* centrally cleared? □ Yes □ No

(iii) If the *repo* is centrally cleared, identify the *CCP* .....

(iv) Is the *repo* settled on a tri-party platform? □ Yes □ No

(v) Name of the collateral issuer ….....

(vi) CUSIP .....

(vii) *LEI*, if any .....

(viii) *Maturity* date .....

(ix) Coupon or yield .....

(x) The principal amount, to the nearest cent .....

(xi) Value of the collateral, to the nearest cent .....

(xii) The category of investment that most closely represents the collateral .....

(Select from among the following categories for the collateral: Asset-Backed Securities; Agency Collateralized Mortgage Obligations; Agency Debentures and Agency Strips; Agency Mortgage-Backed Securities; Private Label Collateralized Mortgage Obligations; Corporate Debt Securities; Equities; Money Market; U.S. Treasuries (including strips); Cash; Other Instrument. If Other Instrument, include a brief description, including, if applicable, whether it is a collateralized debt obligation, municipal debt, whole loan, or international debt).

(h) If the rating assigned by a *credit rating agency* played a substantial role in the *reporting fund's* (or its adviser's) evaluation of the quality, *maturity*, or liquidity of the security, provide the name of each *credit rating agency* and the rating each assigned to the security. .....

(i) The *maturity* date used to calculate *WAM* .....

(j) The *maturity* date used to calculate *WAL* …….....

(k) The ultimate legal *maturity* date (*i.e.*, the date on which, in accordance with the terms of the security without regard to any interest rate readjustment or *demand feature*, the principal amount must unconditionally be paid) .....

(l) If the security has a *demand feature* on which the *reporting fund* (or its adviser) is relying when evaluating the quality, *maturity*, or liquidity of the security, provide the following information:

(If the security does not have such a demand feature, enter "NA.")

(i) Identity of the *demand feature* issuer(s) .....

(ii) If the rating assigned by a *credit rating agency* played a substantial role in the *reporting fund's* (or its adviser's) evaluation of the quality, *maturity* or liquidity of the *demand feature*, its issuer, or the security to which it relates, provide the name of each *credit rating agency* and the rating assigned by each *credit rating agency* .....

(iii) The period remaining until the principal amount of the security may be recovered through the *demand feature* .....

(iv) The amount (*i.e.*, percentage) of fractional support provided by each *demand feature* issuer .....

(v) Whether the *demand feature* is a *conditional demand feature* .....

(m) If the security has a *guarantee* (other than an unconditional letter of credit reported in response to Question 65(l) above) on which the *reporting fund* (or its adviser) is relying when evaluating the quality, *maturity*, or liquidity of the security, provide the following information:

(If the security does not have such a guarantee*, enter "NA.")*

(i) Identity of the *guarantor(s)* .....

(ii) If the rating assigned by a *credit rating agency* played a substantial role in the *reporting fund's* (or its adviser's) evaluation of the quality, *maturity* or liquidity of the *guarantee*, the *guarantor*, or the security to which the *guarantee* relates, provide the name of each *credit rating agency* and the rating assigned by each *credit rating agency* .....

(iii) The amount (*i.e.*, percentage) of fractional support provided by each *guarantor*.....

(n) If the security has any enhancements, other than those identified in response to Questions 65(l) and (m) above, on which the *reporting fund* (or its adviser) is relying when evaluating the quality, *maturity*, or liquidity of the security, provide the following information:

(If the security does not have such an enhancement, enter "NA.")

(i) Identity of the enhancement provider(s) .....

(ii) The type of enhancement(s) .....

(iii) If the rating assigned by a *credit rating agency* played a substantial role in the *reporting fund's* (or its adviser's) evaluation of the quality, *maturity* or liquidity of the enhancement, its provider, or the security to which it relates, provide the name of each *credit rating agency* used and the rating assigned by the *credit rating agency* .....

(iv) The amount (*i.e.*, percentage) of fractional support provided by each enhancement

provider ….....

(o) The yield of the security as of the reporting date: .....

(p) The total *value* of the *reporting fund's* position in the security, and separately, if the *reporting fund* uses the amortized cost method of valuation, the amortized cost value, in both cases to the nearest cent:

(i) Including the value of any sponsor support .....

(ii) Excluding the value of any sponsor support .....

(q) The percentage of the *reporting fund's* net assets invested in the security, to the nearest hundredth of a percent .....

(r) Is the security categorized as a level 3 asset or liability in Question 20? .....

(s) Is the security a *daily liquid asset*? .....

(t) Is the security a *weekly liquid asset*? .....

(u) Is the security an *illiquid security*? .....

(v) Explanatory notes. Disclose any other information that may be material to other disclosures related to the portfolio security.

(If none, leave blank.)

Item F. Disposition of Portfolio Securities

66. Disclose the gross market value (to the nearest cent) of portfolio securities the *reporting fund* sold or disposed of during each month of the *reporting period* by category of investment. Do not include portfolio securities that the fund held until *maturity*.

Category of Investment	**First Month**	**Second Month**	**Third Month**
[Drop down menu of the category of investment]			
[Drop down menu of the category of investment]			
[Drop down menu of the category of investment]			

Category of Investment: *U.S. Treasury Debt; U.S. Government Agency Debt (if categorized as coupon-paying notes); U.S. Government Agency Debt (if categorized as no-coupon-discount notes); Non-U.S. Sovereign, Sub-Sovereign and Supra-National debt; Certificate of Deposit; Non-Negotiable Time Deposit; Variable Rate Demand Note; Other Municipal Security; Asset Backed Commercial Paper; Other Asset Backed Securities; U.S. Treasury Repo, if collateralized only by U.S. Treasuries (including Strips) and cash; U.S. Government Agency Repo, collateralized only by U.S. Government Agency securities, U.S. Treasuries, and cash; Other Repo, if any collateral falls outside Treasury, Government Agency and cash; Insurance Company Funding Agreement; Investment Company; Financial Company Commercial Paper; Non-Financial Company Commercial Paper; Tender Option Bond; or Other Instrument. If Other Instrument, include a brief description.*

Item G. Parallel Money Market Funds

67. If the *reporting fund* pursues substantially the same investment objective and strategy and invests side by side in substantially the same positions as a *money market fund* advised by you or any of your *related persons*, provide the *money market fund's* EDGAR series identifier .....

(If neither you nor any of your related persons *advise such a* money market fund*, enter "NA.")*

Form PF Section 4	**Information about *private equity funds* that you advise** (to be completed by *large private equity fund advisers*)

Section 4: – Information about *private equity funds* that you advise.

You must complete a separate Section 4 for each *private equity fund* that you advise.

Item A. *Reporting fund* identifying information

68.	(a)	Name of the *reporting fund*	
	(b)	*Private fund* identification number of the *reporting fund*	

Item B. Certain information regarding the *reporting fund*

69. Indicate the investment strategy in the drop-down menu that best describe the *reporting fund's* investment strategy by percent of deployed capital, during the *reporting period*. If the *reporting fund* engages in more than one strategy, provide a good faith estimate of the percentage of the *reporting fund's* deployed capital represented by each strategy.

(Select the investment strategy or strategies that best describe the reporting fund's strategies, even if the categories below do not precisely match your characterization of the reporting fund's strategy. If you report all or part of the reporting fund's strategy as "Other", explain in Question 4. The strategies listed are mutually exclusive (i.e., do not report the same portion of deployed capital in multiple strategies). The total should add to 100%.)

Strategy	**% of capital**
[drop-down menu]	

70. Identify, by ISO country code, each country to which the *reporting fund's* investments in portfolio companies represent exposure of 10% or more of the *reporting fund's net asset value.*

(See Instruction 15 for information on calculating the numerator for purposes of this question. You should categorize investments based on concentrations of risk and economic exposures.

Country	**ISO code**	**% of NAV**

Item C. *Reporting fund* and portfolio company financing;

71. Provide the following information regarding the *value* of the *reporting fund's borrowings* and the types of creditors.

(Do not net out amounts that the reporting fund loans to creditors or the value of collateral pledged to creditors. The percentages borrowed from the specified types of creditors should add up to approximately 100%.)

(a)	Dollar amount of total *borrowings*	
(b)	Percentage borrowed from *U.S. financial institutions*	
(c)	Percentage borrowed from *non-U.S. financial institutions*	
(d)	Percentage borrowed from U.S. creditors that are not financial institutions	
(e)	Percentage borrowed from non-U.S. creditors that are not financial institutions	

(f) Does the *reporting fund* borrow or have the ability to borrow at the fund-level as an alternative or complement to financing of portfolio companies? If so, check "yes' and complete subsection (g) of this question. Otherwise, check "no'

☐ Yes ☐ No

(g) For each type of *borrowing* or other cash financing available to the *reporting fund,* provide the total dollar amount available and the average amount borrowed over the reporting period.

	Type of Financing	Total amount available (in dollars)	Average borrowed over the reporting period (in dollars)
□	Credit secured by the investments of the *reporting fund*		
□	Credit secured by *unfunded commitments*		
□	Credit secured by a combination of *unfunded commitments* and investments of the *reporting fund*.		
□	Other (explain in Question 4)		

72. (a) Do you or any of your *related persons* guarantee, or are you or any of your *related persons* otherwise obligated to satisfy, the obligations of any portfolio company in which the *reporting fund* invests?

(You are not required to respond "yes" simply because a portfolio company is a primary obligor and is also your related person*.)*

☐ Yes ☐ No

(b) If you responded "yes" to Question 72(a) above, report the total dollar *value* of all such *guarantees* and other obligations .....

73. (a) What is the weighted average debt-to-equity ratio of the *controlled portfolio companies* in which the *reporting fund* invests *(expressed as a decimal to the tenths place)*? .....

(Weighting should be based on gross assets of each *controlled portfolio company* as

a percentage of the aggregate gross assets of the *reporting fund's controlled portfolio companies.)*

(b) What is the highest debt-to-equity ratio of any *controlled portfolio company* in which the *reporting fund* invests *(expressed as a decimal to the tenths place)*? .....

74. What is the lowest debt-to-equity ratio of any *controlled portfolio company* in which the *reporting fund* invests *(expressed as a decimal to the tenths place)*? .....

75. What is the aggregate *gross asset value* of the *reporting fund's controlled portfolio companies*?.....

76. What is the aggregate principal amount of *borrowings* categorized as current liabilities on the most recent balance sheets of the *reporting fund's controlled portfolio companies*?.....

77. What is the aggregate principal amount of *borrowings* categorized as long-term liabilities on the most recent balance sheets of the *reporting fund's controlled portfolio companies*?.....

78. What percentage of the aggregate *borrowings* of the *reporting fund's controlled portfolio companies* is payment-in-kind (PIK) or zero-coupon debt? .....

79. During the *reporting period*, did the *reporting fund* or any of its *controlled portfolio companies* experience an event of default under any of its indentures, loan agreements or other instruments evidencing obligations for borrowed money? If so, check "yes" and complete subsections (a) of this question. Otherwise, check "no".

(Do not include a potential event of default (i.e., an event that would constitute an event of default with the giving of notice, the passage of time or otherwise) unless it has become an event of default.)

☐ Yes ☐ No

(a) Identify the nature of the default event (check all that apply):

□ Payment default of the *reporting fund*

□ Payment default of a *controlled portfolio company*

□ A default relating to a failure to uphold terms under the applicable borrowing agreement, other than a failure to make regularly scheduled payments.

80. (a) Does any *controlled portfolio company* of the *reporting fund* have in place one or more bridge loans or commitments (subject to customary conditions) for a bridge loan?

☐ Yes ☐ No

(b) If you responded "yes" to Question 80(a), identify each *person* that has provided all or part of any bridge loan or commitment to the relevant *controlled portfolio company*. For each such *person*, provide the applicable outstanding amount or commitment amount.

Legal Name of Counterparty	*LEI, if any*	Indicate below if the counterparty is affiliated with a major financial institution	Outstanding amount of financing, if drawn	Amount of commitment, if undrawn
[repeat drop-down list of creditor/counterparty names] Other:				
[repeat drop-down list of creditor/counterparty names] Other:				
[repeat drop-down list of creditor/counterparty names] Other:				

Item D. Portfolio company investment exposures

81. (a) Is any of the *reporting fund's controlled portfolio companies* a *financial industry portfolio company*?

☐ Yes ☐ No

(b) If you responded "yes" to Question 81(a), then for each of the *reporting fund's controlled portfolio companies* that constitutes a *financial industry portfolio company*, provide the following information.

Legal Name	Address of principal office (include city, state and country)	*NAICS code*	*LEI*, if any	Debt-to-equity ratio of portfolio company	Gross asset value of portfolio company	% of *reporting fund's* gross assets invested in this portfolio company	% of portfolio company beneficially owned by the *reporting fund*

82. Provide a breakdown of the *reporting fund's* investments in portfolio companies by industry, based on the *NAICS codes* of the companies.
(The total should add up to 100%.)

NAICS code	*% of reporting fund's total portfolio company investment*

83. If you or any of your *related persons* (other than the *reporting fund*) invest in any companies that are portfolio companies of the *reporting fund*, provide the aggregate dollar amount of these investments.

84. If the *reporting fund* effectuates (i) any *general partner clawback* or (ii) a *limited partner clawback or clawbacks* in excess of an aggregate amount equal to 10 percent of a fund's aggregate capital commitments, provide the following:

(a) Effective date:	
(b) Type of clawback (General Partner/Limited Partner):	
(c) Reason for clawback:	

85. You may provide any information you believe would be helpful in understanding the information reported in response to any question in this Section 4 of this form. Identify the related question for each comment *(use a drop-down menu so that notes are received in a structured format).*

Section 5: Current report for large hedge fund advisers to qualifying hedge funds.

Upon the occurrence of any one or more of the events specified in Items B to I of this Section 5, you must file a current report responding to questions required by the applicable Item(s) (a "*current report")* no later than 72 hours after such occurrence. The 72 hour period begins upon the occurrence of the event or when you reasonably believe the event occurred and you must respond to the best of your knowledge on the date of your *current report.* You may provide an additional explanation of the facts and circumstances relating to the event, including the causes and or proposed resolution in explanatory notes under Item J of this section 5.

In this Section 5, references to *most recent net asset value* mean the *net asset value* reported as of the *data reporting date*.

☐ Check here if you are filing an amendment to a previously filed *current report*. Provide the filing date of the *current report* you are amending [Drop-down list of Month, Day, Year, Time].

Item A: Information about you and the reporting fund

5-1 Provide your name and the other identifying information requested below.

(This should be your full legal name.)

Legal name	CRD Number	SEC 801-Number	*NFA* ID Number, if any	Large trader ID, if any	Large trader ID suffix, if any

5-2(a) Name of the *reporting fund*	
5-2(b) Private fund identification number of the *reporting fund*	
5-2(c) *NFA* identification number of the *reporting fund*, if applicable	
5-2(d) *LEI* of the *reporting fund*, if any	

5-3 Signatures of authorized representative (*see Instruction 11 to Form PF*)

I, the undersigned, sign this Section 5 on behalf of, and with the authority of, the *firm*. In addition, I sign this Section 5 on behalf of, and with the authority of, each of the *related persons* identified in Question 1(b) (other than any *related person* for which another individual has signed this Section 5 below).

Name of individual:	
Signature:	
Title	
Email address	
Telephone contact number (include area code and, if outside the United States, country code):	
Date	

Signature on behalf of *related persons:*
I, the undersigned, sign this Section 5 on behalf of, and with the authority of, the *related person(s)* identified below.
Name of each *related person* on behalf of which this individual is signing:

Name of individual:	
Signature:	
Title	
Email address	
Telephone contact number (include area code and, if outside the United States, country code):	
Date	

Item B. Extraordinary Investment Losses

If on any business day the 10-business-day *holding period return* of the *reporting fund* is less than or equal to -20%, provide the information required by Questions 5-4 to 5-7, below. *(Current reports should not be filed for overlapping 10-business-day periods.)*

5-4(a) Beginning date of the 10-business-day loss period:	
5-4(b) End date of the 10-business-day loss period:	
5-5 *Holding period return*:	
5-6 *Dollar amount of loss over the 10-business-day loss period*:	

5-7 Describe the largest exposure contributing to the reported loss. Include the following:
• Dollar amount
• Sub-asset class
• Instrument type
• Title or description of the asset
• Issuer name
  ○ LEI (if any),
  ○ CUSIP (if any)
  ○ If no CUSIP, at least one of the following other identifiers:
  ▪ ISIN
  ▪ Ticker (if ISIN is not available)
  ▪ Other unique identifier (please describe)	

Item C. Margin, Collateral or Equivalent Increase

If the total dollar value of margin, collateral, or an equivalent posted by the *reporting fund* at the end of a rolling 10-business-day period less the total dollar value of margin, collateral, or an equivalent posted by the *reporting fund* at the beginning of the rolling 10-business-day period is greater than or equal to 20% of the *average daily reporting fund aggregate calculated value* during the period, provide the following information (if the total value of margin, collateral or an equivalent posted by the *reporting fund* continues to increase, do not file another *current report* until on or after the next 10-business-day period beginning after the end date stated at 5-9 below.):

5-8 Beginning date of the 10-business-day period during which the increase was measured:	
5-9 End date of the 10-business-day period during which the increase was measured:	
5-10 Provide the total dollar value amount of margin, collateral or an equivalent posted by the *reporting fund* at the beginning of the 10-business-day period during which the increase was measured:	
5-11 Provide the total dollar value amount of margin, collateral or an equivalent posted by the *reporting fund* at the end of the 10-business-day period during which the increase was measured:	
5-12 Provide the *average daily reporting fund aggregate calculated value* of the *reporting fund* during the 10-business-day period during which the increase was measured:	

5-13 Counterparty or counterparties requiring increased margin, collateral or equivalent. *(If multiple counterparties are involved list them in order of the dollar amount of cumulative increase required by each counterparty.)*

Legal name of the counterparty	Counterparty *LEI*, if any
(a)	
(b)	
(c)	

5-14 Check one or more of the following to describe your current understanding of circumstances relating to the margin increase(s) (check all that apply):

- The increase is a result of exchange or *CCP* requirements or known regulatory action affecting the counterparty.
- A counterparty or counterparties independently increased the *reporting fund's* margin, collateral or equivalent requirements.
- The *reporting fund* established a new relationship or new business with one or more counterparties.
- The increase is attributable to new investment positions, investment approach or strategy and/or portfolio turnover of the *reporting fund*.
- The increase is related to a deteriorating position or positions in the *reporting fund's* portfolio or other credit trigger under applicable counterparty agreements.
- Other (provide explanation in Item J).

Item D. Reserved

Item E. Counterparty Default

If a counterparty to the *reporting fund* (1) does not meet a call for margin, collateral or equivalent or fails to make any other payment, in the time and form contractually required (taking into account any contractually agreed cure period), and (2) the amount involved is greater than 5% of the *reporting fund aggregate calculated value,* provide the following information.

(If you make this determination for more than one counterparty on the same day, provide the information required by 5-19 to 5-21 for each counterparty affected.)

5-19 Date of default:	
5-20 Dollar amount of default:	

5-21 Counterparty:

Legal name of the counterparty	Counterparty *LEI*, if any

Item F. Prime Broker Relationship Terminated or Materially Restricted

If (1) a prime broker terminates or materially restricts its relationship with the *reporting fund*, in whole or in part, in markets where that prime broker continues to be active; or (2) the relationship between the prime broker and the *reporting fund* was terminated by either the *reporting fund* or the prime broker in the last 72 hours or less in accordance with the section 5 current reporting period, and a termination event was activated in the prime brokerage agreement or related agreements, within the last 12 months provide the following information below. (Termination events, as specified in the prime broker agreement or related agreements, that are isolated to the financial state, activities or other *conditions* solely of the prime broker should not be considered for the purposes of this question.)

5-22 Date of the termination or material restriction:	
5-23 Date of the termination event(s) if different from date in 5-22:	

5-24 Prime Broker:

Legal name of the prime broker	Prime broker *LEI*, if any

Note: If a prime broker changes the terms of its relationship with the *reporting fund* in a way that significantly limits the fund's ability to operate under the terms of the original agreement, or significantly impairs the fund's ability to trade, the adviser should consider it a "material restriction" that would require filing of this Item F.

Item G. Operations Event

In this Item G, an "*operations event*" means that the *reporting fund* or *private fund adviser* experiences a significant disruption or degradation of the *reporting fund's* operations necessary for the investment, trading, valuation, reporting, and risk management of the *reporting fund*, whether as a result of an event at a service provider to the *reporting fund*, the *reporting fund*, or the adviser.

If there is an *operations event*, provide the following:

5-25 Date of the *operations event*, or date on which you estimate the event first occurred:	
5-26 Date *operations event* was discovered (discovery date may be same or different than the date of the event reported in 5-25):	

5-27 Check one or more of the following to describe your current understanding of circumstances relating to the *operations event* (check all that apply and provide supplementary information in Item J if desired):

- An *operations event* at a service provider to the *reporting fund* or the *private fund adviser* caused the *operations event* (in whole or in part) *(if applicable, provide the following information)*.

(a) Legal Name of Service Provider:	
(b) *LEI*, if any:	
(c) Identify services provided by the third party (e.g., fund accounting, administration, subadviser, accounting, custodial, other):	[drop-down menu]

- *An operations event* that occurred internally at the *reporting fund* or *reporting fund* adviser or a *related person*.
- *An operations event* that occurred related to a natural disaster or other *force majeure* event not within the control of the *private fund adviser.*
- Other (provide explanation in Item J).

5-28 Has the adviser initiated a disaster recovery or business continuity plan relating to the *operations event* and the continued operation of the adviser or the *reporting fund*?

☐ Yes ☐ No

5-29 Check one or more of the following to describe your current understanding of the impact of the *operations event* on the normal operations of *reporting fund (check all that apply)*:

- Disruption or degradation of trading of the *reporting fund's* portfolio assets
- Disruption or degradation of the valuation of the *reporting fund's* portfolio assets
- Disruption or degradation of your management of the *reporting fund's* investment risk
- Other (provide explanation in Item J).

If technical or other difficulties resulting from the *operations event* prevent you from timely filing a *current report,* you may file as soon as practicable provided that you explain the technical or other difficulty that prevented timely filing in Item J of the *current report.*

Item H. Withdrawals and Redemptions

If the *reporting fund* receives cumulative requests for withdrawals or redemptions from the *reporting fund* equal to or more than 50% of the *most recent net asset value* (after netting against subscriptions and other contributions from investors received and contractually committed), provide the following information:

5-30 Date on which the net withdrawals or redemption requests exceeded 50% of the *most recent net asset value*:	
5-31 Net value of withdrawals or redemptions paid from the *reporting fund* between the last *data reporting date* and the date of this *current report*:	
5-32 Percentage of fund's *most recent net asset value* for which withdrawals or redemptions have been requested:	

5-33 Have you notified investors that the *reporting fund* will liquidate?

☐ Yes ☐ No

Item I. Suspension of Redemptions

If the *reporting fund* has suspended redemptions and the suspension lasts for more than 5 consecutive business days; provide the following information:

5-34 Date on which the *reporting fund* suspended redemptions:	
5-35 Percentage of fund's *most recent net asset value* for which redemptions have been requested on the date of this *current report*:	

5-36 Have you notified investors that the *reporting fund* will liquidate?

☐ Yes ☐ No

Item J. Explanatory Notes

You may provide any information you believe would be helpful in understanding the information reported in response to any Item in this Section 5 of this form. Identify the related question for each comment *(use a drop-down menu so that notes are received in a structured format)*.

Form PF Section 6	**Request for temporary hardship exemption** (to be completed by *private fund advisers* requesting exemption)

Section 6: Request for temporary hardship exemption

You must complete Section 6 if you are requesting a temporary hardship exemption pursuant to *SEC* rule 204(b)-1(f).

A. For which type of Form PF filing are you requesting a temporary hardship exemption?

1. If you are not a *large hedge fund adviser* or *large liquidity fund adviser*:
   - ☐ Initial filing
   - ☐ *Annual update*
   - ☐ Final filing
2. If you are a *large hedge fund adviser* or *large liquidity fund adviser*:
   - ☐ Initial filing
   - ☐ *Quarterly update*
   - ☐ Filing to transition to annual reporting
   - ☐ Final filing

B. Provide the following information regarding your request for a temporary hardship exemption (attach a separate page if additional space is needed).

1. Describe the nature and extent of the temporary technical difficulties when you attempt to submit the filing to the Form PF filing system on the IARD:

2. Describe the extent to which you previously have submitted documents in electronic format with the same hardware and software that you are unable to use to submit this filing:

3. Describe the burden and expense of employing alternative means (e.g., a service provider) to submit the filing in electronic format in a timely manner:

4. Provide any other reasons that a temporary hardship exemption is warranted:

GLOSSARY OF TERMS

7-day gross yield	Based on the 7 days ended on the *data reporting date*, calculate the *liquidity fund*'s yield by determining the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical pre-existing account having a balance of one share at the beginning of the period and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return, and then multiplying the base period return by (365/7) with the resulting yield figure carried to the nearest hundredth of one percent. The *7-day gross yield* should not reflect a deduction of shareholders fees and fund operating expenses.
10-year bond equivalent	For interest rate sensitive positions, the equivalent position in a 10-year zero coupon bond, expressed in U.S. dollars.
ABCP	Asset backed commercial paper, including (but not limited to) structured investment vehicles, single-seller conduits and multi-seller conduit programs. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
ABS	Securities derived from the pooling and repackaging of cash flow producing financial assets.
Adjusted exposure	The *value* of positions after netting as specified by instructions to Question 32.
Advisers Act	U.S. Investment Advisers Act of 1940, as amended.
Affiliate	With respect to any *person*, any other *person* that directly or indirectly *controls*, is *controlled* by or is under common *control* with such person. The term *affiliated* means that two or more *persons* are *affiliates*.
Agency securities	Any security issued by a *person* controlled or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United

	States and guaranteed as to principal or interest by the United States. Include bond derivatives and positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.
AIF	An alternative investment fund that is not regulated under the UCITS Directive, as defined in the Directive of the European Parliament and of the Council on alternative investment fund managers (No. 2011/61/EU), as amended, or an alternative investment fund that is captured by the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019, as amended.
Annual update	An update of this Form PF with respect to any fiscal year.
Average daily reporting fund aggregate calculated value	The average of the daily *reporting fund aggregate calculated value* for the end of the business day on business days one through ten of the reporting period.
Borrowing and collateral received (“*B/CR”)*	The mark-to-market value, as of the *data reporting date,* of the following: (i) *cash and cash equivalents* received as *borrowing,* (ii) securities *borrowed* or received by the *reporting fund* (include securities borrowed in connection with short sales, securities lending and *repo*), (iii) collateral posted by a counterparty to the *reporting fund’s* account, (iv) negative market-to-market value of derivatives (from the *reporting fund’s* point of view), and (v) the *gross notional value* of *synthetic long positions.*
Borrowing entries	For Question 26, the sum of all amounts attributable to an individual counterparty in column B/CR of the *reporting fund’s consolidated counterparty exposure table*.
Borrowings	*Secured borrowings* and *unsecured borrowings*, collectively. *Borrowings* by a *reporting fund* include, but are not limited to (i) *cash and cash equivalents* received with an obligation to repay;

(ii) securities lending transactions (count *cash and cash equivalents* and securities received by the *reporting fund* in the transaction, including securities borrowed by the *reporting fund* for short sales); (iii) *repo* or *reverse repo* (count *cash and cash equivalents* and securities received by the *reporting fund);* (iv) negative mark-to-market of derivative transactions from the *reporting fund*'s point of view; and (v) the *gross notional value* of *synthetic long positions.*

bp

Basis points.

Cash and cash equivalents

Cash (including U.S. and non-U.S. currencies) and cash equivalents. For purposes of this definition, cash equivalents are:
(i) bank deposits, certificates of deposit, bankers acceptances and similar bank instruments held for investment purposes;
(ii) the net cash surrender value of an insurance policy; or
(iii) investments in *money market funds*.

Do not include any digital asset in *cash and cash equivalents.*

Cash borrowing entries

For Questions 26, the sum of amounts attributable to an individual counterparty included in the entries on the following lines of the *reporting fund's consolidated counterparty exposure table*:
(a) *unsecured borrowing – cash and cash equivalents,*
(b)(i) *cash and cash equivalents* received by the *reporting fund* in margin loans and securities lending transactions,
(c)(i) *cash and cash equivalents* received by the *reporting fund* related to *repo* and *reverse repo* (include tri-party repo),
(d)(i) *cash and cash equivalents* received by the *reporting fund* related to other *secured borrowing,*
(e)(i) — negative mark to market exposure of derivative positions cleared by a *CCP* and
(f)(i) and (ii) *gross notional value* of *synthetic long positions* and negative mark to market exposure of uncleared derivative positions (not cleared by a *CCP*).

Cash lending entries

For Questions 26, the sum of amounts attributable to an individual counterparty included in the entries on the following lines of the *reporting*

	fund's consolidated counterparty exposure table: (b)(i) – *cash and cash equivalents* posted by *reporting fund* to the counterparty in margin borrowing and securities lending transactions, (c)(i) – *cash and cash equivalents* posted by the *reporting fund* relating to *repo* and *reverse repo* (include tri-party repo), (d)(i) – *cash and cash equivalents* posted by the *reporting fund* relating to other *secured borrowing,* (e)(i) – positive mark to market exposure in derivative positions cleared by a *CCP,* and (f)(i) and (ii) – *gross notional value* of *synthetic short positions* and positive mark to market exposure in uncleared derivative positions (not cleared by a *CCP*).
CCP	Central clearing counterparties (or central clearing houses) (for example, CME Clearing, The Depository Trust & Clearing Corporation, Fedwire and LCH Clearnet Limited).
CDO	Collateralized debt obligations (including cash flow and synthetic). Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
CDS	Credit default swaps, including any *LCDS*.
CEA	U.S. Commodity Exchange Act, as amended.
CFTC	U.S. Commodity Futures Trading Commission.
CLO	Collateralized loan obligations (including cash flow and synthetic) other than *MBS*. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Closed-end private fund	Any *private fund* that only issues securities, the terms of which do not provide a holder with any right, except in extraordinary circumstances, to withdraw, redeem, or require the repurchase of such securities, but which may entitle holders to receive distributions made to all holders *pro rata*.

Collateral posted entries	For Questions 27, 28, 42 and 43, the sum of amounts attributable to an individual counterparty included in the entries on the following lines of the *reporting fund's consolidated counterparty exposure table*: (b)(ii) - *cash and cash equivalents* posted by the *reporting fund* as collateral for derivatives under a cross-margining agreement; (b)(iii) - *government securities* and other securities posted by the *reporting fund* to the counterparty in margin borrowing, securities lending transactions, and as margin for derivatives under any cross-margining agreement; (c)(ii) - *government securities* and other securities (other than *cash and cash equivalents*) posted by the *reporting fund* relating to *repo* and *reverse repo* (include tri-party repo), (d)(ii) - *government securities* and other securities (other than *cash and cash equivalents*) posted by the *reporting fund* relating to other *secured borrowing*, (e)(ii) and (iii) - *cash and cash equivalents, government securities* and other securities posted by the *reporting fund* as collateral relating to derivative positions cleared by a *CCP* and (f)(iii) and (iv) - *cash and cash equivalents, government* securities and other securities posted by the *reporting fund* as collateral relating to uncleared derivative positions (not cleared by a *CCP)*.
Collateral received entries	For Question 28 and 43, the sum of amounts attributable to an individual counterparty included in the entries on the following lines of the *reporting fund's consolidated counterparty exposure table*: (b)(ii) — *cash and cash equivalents* received by the *reporting fund* as collateral for derivatives under any cross-margining agreement, (b)(iii) — *government securities* and other securities received by the *reporting fund* in cash margin borrowing and securities lending transactions, (c)(ii) — *government securities* and other securities (other than *cash and cash equivalents*) received by the *reporting fund* related to *repo* and *reverse repo* (include tri-party repo), (d)(ii) — *government securities* and other securities (other than *cash and cash equivalents*) received related to other *secured borrowing*, (e)(ii) and (iii) – *cash and cash equivalents,*

	government securities and other securities received as collateral in derivative positions cleared by a *CCP* and (f)(iii) and (iv) — *cash and cash equivalents, government securities* and other securities received as collateral in uncleared derivative positions (not cleared by a *CCP*).
Combined money market and liquidity fund assets under management	With respect to any adviser, the sum of: (i) such adviser's *liquidity fund assets under management*; and (ii) such adviser's *regulatory assets under management* that are attributable to *money market funds* that it advises.
Committed capital	Any commitment pursuant to which a *person* is obligated to acquire an interest in, or make capital contributions to, the *private fund*.
Commodities	Has the meaning provided in the *CEA*. For questions regarding *commodities*, provide the *value* of all exposure to *commodities* that you hold physically, synthetically or through derivatives (whether cash or physically settled), or indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.
Commodity pool	A "commodity pool," as defined in section 1a(10) of the *CEA*.
Conditional demand feature	Has the meaning provided in *rule 2a-7*.
Consolidated counterparty exposure table	For hedge funds, including *qualifying hedge funds*, the Section 1c table (at Question 26) that collects the *reporting fund's borrowing and collateral received* and *lending and posted collateral* aggregated across all creditors and counterparties as of the end of the *reporting period.*
Control	Has the meaning provided in *Form ADV*. The term *controlled* has a corresponding meaning.
Controlled portfolio company	With respect to any *private equity fund*, a portfolio company that is *controlled* by the *private equity fund*, either alone or together with the *private equity fund's affiliates* or other *persons* that are, as

	of the *data reporting date*, part of a club or consortium including the *private equity fund*.
Convertible bonds	Convertible *corporate bonds* (not yet converted into shares or cash). Include bond derivatives, but do not include any positions held via *CDS* (these should be recorded in the *CDS* category). Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.
Corporate bonds	Bonds, debentures, and notes, including commercial paper, issued by corporations and other non-governmental entities. Do not include preferred equities. Include bond derivatives, but do not include any positions held via *CDS* (these should be recorded in the *CDS* category). Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.
Correlation derivative	A derivative transaction for which the underlying asset is the correlation between the price or rate movements of two instruments.
CPO	A "commodity pool operator," as defined in section 1a(11) of the *CEA*.
Credit rating agency	Any nationally recognized statistical rating organizations, as that term is defined in section 3 (a)(62) of the Securities Exchange Act of 1934.
CTA	A "commodity trading advisor," as defined in section 1a(12) of the *CEA*.
Current report	A *current report* provided pursuant to the items listed in Section 5 of Form PF.
Current reporting event	Any event that triggers the requirement to complete

	and file a *current report* pursuant to the items in Section 5 of Form PF.
Daily liquid assets	Has the meaning provided in *rule 2a-7*.
Daily rate-of-return	Is the percentage change in the *reporting fund aggregate calculated value* from one day to the next and adjusted for subscriptions and redemptions, if necessary.
Data reporting date	If you are a *large hedge fund adviser* or a *large liquidity fund adviser* responding to Items on this Form PF relating to any *hedge fund* or *liquidity fund*, the *data reporting date* is the last calendar day of the most recently completed calendar quarter for all Items on Form PF relating to such *hedge funds* and *liquidity funds*. If you are filing an initial filing or *annual update* for any other *private fund*, the *data reporting date* is the last calendar day of your most recently completed fiscal year.
Demand feature	Has the meaning provided in *rule 2a-7.*
Dependent parallel managed account	With respect to any *private fund*, any related *parallel managed account* other than a *parallel managed account* that individually (or together with other *parallel managed accounts* that pursue substantially the same investment objective and strategy and invest side by side in substantially the same positions) has a *gross asset value* greater than the *gross asset value* of such *private fund* (or, if such *private fund* is a *parallel fund*, the *gross asset value* of the *parallel fund structure* of which it is a part).
Dollar amount of loss over the 10-business-day period	Is equal to the *reporting fund aggregate calculated value* at the end of the 10-business-day loss period less the *reporting fund aggregate calculated value* at the beginning of the 10-business day loss period less the net of any subscriptions or redemptions during the 10-business-day period.
ETF	Exchange-traded fund.
Exchange traded products	An investment traded on a stock exchange that invests in underlying securities or assets, such as an *ETF* or exchange traded note.
Exempt reporting adviser	Has the meaning provided in *Form ADV*.

Exotic CDS	*CDS*s referencing bespoke baskets or tranches of *CDOs*, *CLOs*, and other structured investment vehicles, including credit default tranches.
External private funds	*Private funds* that neither you nor your *related persons* advise.
Feeder fund	See *master-feeder arrangement*.
Financial industry portfolio company	Any of the following: (i) a nonbank financial company, as defined in the Financial Stability Act of 2010; or (ii) any bank, savings association, bank holding company, financial holding company, savings and loan holding company, credit union or other similar company regulated by a Federal, state, or foreign banking regulator, including the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the National Credit Union Administration or the Farm Credit Administration.
Firm	The *private fund adviser* completing or amending this Form PF.
Foreign exchange derivative	Any derivative whose underlying asset is a currency other than the base currency of the *reporting fund* or is an exchange rate. Cross-currency interest rate swaps and currency forwards should be included in *foreign exchange derivatives* and excluded from *interest rate derivatives*. If one leg of the *foreign exchange derivative* is the base currency of the *private fund*, only the foreign currency side of the transaction should be counted. If neither leg of the *foreign exchange derivative* is in the base currency, both legs should be counted.
Form ADV	Form ADV, as promulgated and amended by the *SEC*.
Form ADV Section 7.B.1	Section 7.B.1 of Schedule D to *Form ADV*.
General partner clawback	Any obligation of the general partner, its related persons, or their respective owners or interest holders to restore or otherwise return *performance-based compensation* to the fund pursuant to the fund's governing agreements.

General partner stakes investing	An investment strategy that acquires non-controlling interests in alternative investment managers and other entities that provide advisory services to, or receive compensation from, private funds.
G10	The Group of Ten. If the composition of the *G10* has changed after the effective date of this Form PF, use the current composition of the *G10*.
Government entity	Has the meaning provided in *Form ADV*.
Government securities	Are: (i) *U.S. treasury securities*; (ii) *agency securities*; and (iii) any certificate of deposit for any of the foregoing.
Gross asset value	Value of gross assets, calculated in accordance with Part 1A, Instruction 6.e(3) of *Form ADV*.
Gross exposure	The sum of the absolute value of all of the *reporting fund's* long and short positions with legal and contractual rights to a *reference asset*.
Gross notional value	The nominal or notional value of all transactions that have been entered into but not yet settled as of the *data reporting date*. For contracts with variable nominal or notional principal amounts, the basis for reporting is the nominal or notional principal amounts as of the *data reporting date* computed as the number of shares or units of the underlying *reference asset* times current price on the *data reporting date.*
Gross reporting fund aggregate calculated value	The sum of the absolute value of every position in the *reporting fund's* portfolio, including *cash and cash equivalents*, short positions, and any fund-level borrowing, with the most recent price or value applied to the position for purposes of managing the investment portfolio. Where one or more portfolio positions are valued less frequently than daily, the last price used should be carried forward, though a current foreign exchange rate may be applied if the position is not valued in U.S. dollars. It is not necessary to adjust the *gross reporting fund aggregate calculated value* for accrued fees or expenses. *Gross reporting fund aggregate calculated values* do not need to be subjected to fair valuation procedures. The inclusion of income accruals is recommended but not required; however, the approach should be consistent over time. The *gross reporting fund*

aggregate calculated value may be calculated using the adviser's own internal methodologies and conventions of the adviser's service providers, provided that these are consistent with information reported internally. *But see reporting fund aggregate calculated value.*

GSE bonds

Notes, bonds, and debentures issued by private entities sponsored by the U.S. federal government but not guaranteed as to principal and interest by the U.S. federal government. Include GSE *MBS*.

Include bond derivatives, but do not include any positions held via *CDS* (these should be recorded in the *CDS* category). Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund, or entity), subject to Instructions 7 and 8.

Guarantee

For purposes of Question 65, has the meaning provided in paragraph (a)(16)(i) of *rule 2a-7*.

Guarantor

For purposes of Question 65, the provider of any *guarantee.*

Hedge fund

Any *private fund* (other than a *securitized asset fund*):

(a) with respect to which one or more investment advisers (or related persons of investment advisers) may be paid a performance fee or allocation calculated by taking into account unrealized gains (other than a fee or allocation the calculation of which may take into account unrealized gains solely for the purpose of reducing such fee or allocation to reflect net unrealized losses);

(b) that may borrow an amount in excess of one-half of its *net asset value* (including any *committed capital*) or may have gross notional exposure in excess of twice its *net asset value* (including any *committed capital*); or

(c) that may sell securities or other assets short or enter into similar transactions (other than for the purpose of hedging currency exposure or managing duration).

	Solely for purposes of this Form PF, any commodity pool about which you are reporting or required to report on Form PF is categorized as a hedge fund. For purposes of this definition, do not net long and short positions. Include any *borrowings* or notional exposure of another person that are guaranteed by the private fund or that the private fund may otherwise be obligated to satisfy.
Hedge fund assets under management	With respect to any adviser, *hedge fund assets under management* are the portion of such adviser's *regulatory assets under management* that are attributable to *hedge funds* that it advises.
Holding period return	Means the cumulative *daily rate-of-return* over the holding period calculated by geometrically linking the *daily rates-of-return*. Holding period return (%) = $(((1 + R_1) \times (1 + R_2) \ldots (1 + R_{10})) - 1) \times 100$ where R_1, R_2 … $R1_0$ are the *daily rates-of-return* during the holding period expressed as decimals.
Illiquid security	Has the meaning provided in *rule 2a-7.*
Index CDS	*CDSs* referencing a standardized basket of credit entities, including *CDS* indices and indices referencing *leveraged loans*.
Individual counterparty exposure table	The tables at Questions 42 and 43 that collect the *reporting fund's borrowing and collateral received* and *lending and posted collateral* for each identified creditors and other counterparties as of the end of the *reporting period.*
Inflation derivative	A derivative transaction for which the underlying asset is the rate of inflation in a given country, or the price or yield of inflation-linked debt securities.
Instrument type	The instrument types specified by Question 32.
Interest rate derivative	Any derivative whose underlying asset is the obligation to pay or the right to receive a given amount of money accruing interest at a given rate. Cross-currency interest rate swaps should be included in *foreign exchange derivatives* and excluded from *interest rate derivatives*. This information must be presented in terms of the *10-year bond equivalents.*

Internal private funds	*Private funds* that you or any of your *related persons* advise.
Internal rate of return	The discount rate that causes the net present value of all cash flows throughout the life of the fund to be equal to zero. *But see, rate of return*.
Investment grade	A security is *investment grade* if it is sufficiently liquid that it can be sold at or near its carrying value within a reasonably short period of time and is subject to no greater than moderate credit risk.
Investments in non-U.S. registered investment companies	Investments in investment companies (other than *private funds, money market funds*, and *ETFs*) organized outside the U.S. and not registered as investment companies under the Investment Company Act of 1940.
Investments in other sub-asset classes	Any investment not included in another *sub-asset class*.
ISDA	International Swaps and Derivatives Association
Large hedge fund adviser	Any *private fund adviser* that is required to file Section 2 of Form PF for a *qualifying hedge fund*. See Instruction 3 to determine whether you are required to file this section.
Large liquidity fund adviser	Any *private fund adviser* that is required to file Section 3 of Form PF. See Instruction 3 to determine whether you are required to file this section.
Large private equity fund adviser	Any *private fund adviser* that is required to file Section 4 of Form PF. See Instruction 3 to determine whether you are required to file this section.
Large private fund adviser	Any *large hedge fund adviser*, *large liquidity fund adviser*, or *large private equity fund adviser*.
LCDS	Loan credit default swaps.
LEI	With respect to any company, the "legal entity identifier" assigned by or on behalf of an internationally recognized standards setting body and required for reporting purposes by the U.S. Department of the Treasury's Office of Financial Research or a financial regulator. Do not substitute any other identifier that does not meet this definition.

Lending and posted collateral (*L/PC)*

The mark-to-market value, as of the *data reporting date*, of the following: (i) *cash and cash equivalents* received by a counterparty from the *reporting fund* with the obligation to repay (exclude portfolio investments), (ii) securities borrowed or received by a counterparty in a *reverse repo* or securities lending transaction, (iii) collateral posted by the *reporting fund* to a counterparty, (iv) positive mark-to-market value of derivatives (from the *reporting fund*'s point of view), and (v) *gross notional value* of *synthetic short positions*.

Do not include in lending and posted collateral any portfolio holdings or transactions for investment purposes, such as debt or equity securities issued by a counterparty, or the credit exposure of the *reporting fund* obtained by making secured or unsecured loans or similar transactions as part of the *reporting fund's* investment strategy. For example, in the case of an option on a debt security, report counterparty credit exposure in respect of the positive or negative mark-to-market value of the option and associated posted collateral; do not report the credit risk of the underlying debt security.

Lending entries

For Question 26, the sum of all amounts attributable to an individual counterparty in column L/PC of the *reporting fund's consolidated counterparty exposure table*.

Leveraged loans

Loans that are made to entities whose senior unsecured long term indebtedness is *non-investment grade*. This may include loans made in connection with the financing structure of a leveraged buyout.

Do not include any positions held via *LCDS* (these should be recorded in the *CDS* category). Include positions held indirectly through another entity (e.g., through an *ETF*, *exchange traded product*, U.S. registered investment companies, *non-U.S. registered investment companies*, *internal private fund* or *external private fund*, commodity pool, or other company, fund or entity), subject to Instructions 7 and 8.

Limited partner clawback

An obligation of a fund's investors to return all or any portion of a distribution made by the fund to

	satisfy a liability, obligation, or expense of the fund pursuant to the fund's governing agreements.
Liquidity fund	Any private fund that seeks to generate income by investing in a portfolio of short term obligations in order to maintain a stable *net asset value* per unit or minimize principal volatility for investors.
Liquidity fund assets under management	With respect to any adviser, *liquidity fund assets under management* are the portion of such adviser's *regulatory assets under management* that are attributable to *liquidity funds* it advises (including *liquidity funds* that are also *hedge funds*).
Listed equity	Equities, including preferred equities, listed on a regulated exchange. Include synthetic or derivative exposures to equities. Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund, or entity), subject to Instructions 7 and 8.
Listed equity derivatives	All synthetic or derivative exposures to equities, including preferred equities, listed on a regulated exchange. Include *e.g*., single stock futures, equity index futures, derivatives relating to ADRs, and *other derivatives* relating to indices on *listed equities*, dividend swaps, total return swaps (contracts for difference), warrants, and rights.
Master-feeder arrangement	An arrangement in which one or more funds ("*feeder funds"*) invest all or substantially all of their assets in a single *private fund* ("*master fund"*). A fund would also be a *feeder fund* investing in a *master fund* for purposes of this definition if it issued multiple classes (or series) of shares or interests and each class (or series) invests substantially all of its assets in a single *master fund*.
Master fund	See *master-feeder arrangement*.
Maturity	The maturity of the relevant asset, determined without reference to the maturity shortening

	provisions contained in paragraph (i) of *rule 2a-7* regarding interest rate readjustments.
MBS	Mortgage backed securities, including residential, commercial and agency. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Money market fund	Has the meaning provided in *rule 2a-7*.
Most recent net asset value	The *net asset value* reported as of the *data reporting date* at the end of the *reporting fund's* most recent *reporting period.*
NAICS code	With respect to any company, unless otherwise specifically indicated, the six-digit North American Industry Classification System code that best describes the company's primary business activity and principal source of revenue. If the company reports a business activity code to the U.S. Internal Revenue Service, you may rely on that code for this purpose.
Net assets under management	*Net assets under management* are your *regulatory assets under management* minus any outstanding indebtedness or other accrued but unpaid liabilities.
Net asset value or *NAV*	With respect to any *reporting fund*, the gross assets reported in response to Question 11 minus any outstanding indebtedness or other accrued but unpaid liabilities.
NFA	The National Futures Association.
Non-investment grade	A security is *non-investment grade* if it is not an *investment grade* security.
Non-U.S. financial institution	Any of the following: (i) a financial institution chartered outside the United States; (ii) a financial institution that is separately incorporated or otherwise organized outside the United States but has a parent that is a financial institution chartered in the United States; or (iii) a branch or agency that resides in the United States but has a parent that is a financial institution chartered outside the United States.
Open-end private fund	Any *private fund* that offers redemption rights to its investors in the ordinary course, which may be

	paid in cash or in kind, irrespective of redemption frequency or notice periods and without regard to any suspensions, gates, lock-ups, or side pockets that may be employed by the fund.
Operations event	Has the meaning provided in Section 5.
OTC	With respect to any instrument, the trading of that instrument over the counter.
Other ABS	*ABS* products that are not covered by another *sub-asset class*.
Other commodities	*Commodities* other than agriculture, base metals, crude oil, natural gas, gold, other (non-gold) precious metals, and power and other energy commodities. For questions regarding *other commodities*, provide the *value* of all exposure to *other commodities* that you hold physically, synthetically or through derivatives (whether cash or physically settled), and positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund, or entity), subject to Instructions 7 and 8.
Other derivatives	Any derivative not included as another *instrument type or sub-asset class*.
Other private fund	Any *private fund* that is not a *hedge fund, liquidity fund, private equity fund, real estate fund*, *securitized asset fund* or *venture capital fund*.
Other structured products	Any *structured products* not included in another *sub-asset class*. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Parallel fund	See *parallel fund structure*.
Parallel fund structure	A structure in which one or more *private funds* (each, a "*parallel fund*") pursues substantially the same investment objective and strategy and invests side by side in substantially the same positions as another *private fund*.

Parallel managed account	With respect to any *private fund*, a *parallel managed account* is any managed account or other pool of assets that you advise and that pursues substantially the same investment objective and strategy and invests side by side in substantially the same positions as the identified *private fund*.
Performance-based compensation	Allocations, payments, or distributions of capital based on the *reporting fund*'s (or any of its investments') capital gains, capital appreciation and/or other profit.
Person	Has the meaning provided in *Form ADV*.
Position calculated value	The value of a portfolio position using the most recent price or value available for purposes of managing the investment portfolio. Where a given position is valued less frequently than daily, the last price used should be carried forward, though a current foreign exchange rate may be applied if the position is not valued in the *reporting fund's* base currency. *Position calculated values* do not need to be subjected to fair valuation procedures. The *position calculated value* may be calculated using the adviser's own internal methodologies and conventions of the adviser's service providers, provided that these are consistent with information reported internally.
Principal office and place of business	Has the meaning provided in *Form ADV*.
Private equity fund	Any *private fund* that is not a *hedge fund, liquidity fund, real estate fund*, *securitized asset fund* or *venture capital fund* and does not provide investors with redemption rights in the ordinary course.
Private equity fund assets under management	With respect to any adviser, *private equity fund assets under management* are the portion of such adviser's *regulatory assets under management* that are attributable to *private equity funds* it advises.
Private fund	Any issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that Act. If any *private fund* has issued two or more series (or classes) of equity interests whose values are determined with respect to separate portfolios of securities and other assets, then each such series (or class) should be regarded as a separate *private*

	fund. This only applies with respect to series (or classes) that you manage as if they were separate funds and not a fund's side pockets or similar arrangements.
Private fund adviser	Any investment adviser that (i) is registered or required to register with the *SEC* (including any investment adviser that is also registered or required to register with the *CFTC* as a *CPO* or *CTA*) and (ii) advises one or more *private funds*.
Private fund assets under management	With respect to any adviser, *private fund assets under management* are the portion of such adviser's *regulatory assets under management* that are attributable to *private funds* it advises.
Qualifying hedge fund	Any *hedge fund* that has a *net asset value* (individually or in combination with any *feeder funds, parallel funds* and/or *dependent parallel managed accounts*) of at least $500 million as of the last day of any month in the fiscal quarter immediately preceding your most recently completed fiscal quarter.
Quarterly update	An update of this Form PF with respect to any calendar quarter.
Rate of return	For a *reporting fund*, the *rate of return* is the percentage change in the *net asset value* (or, when a *net asset value* is not available, in the *reporting fund aggregate calculated value*) in the *reporting fund*'s base currency from one date to another and adjusted for subscriptions and redemptions. For a portfolio position, the *rate of return* is the percentage change in the *position calculated value*, adjusted for income earned and for changes in the quantity held resulting from activity, such as purchases, sales, or splits. *But see, internal rate of return*.
Real estate fund	Any *private fund* that is not a *hedge fund*, that does not provide investors with redemption rights in the ordinary course and that invests primarily in real estate and real estate related assets.
Reference asset	A security or other investment asset to which the *reporting fund* is exposed (e.g., through direct ownership (*i.e.*, a physical or cash position), synthetically (*i.e.*, the subject of a derivative or similar instrument held by the *reporting fund*), or indirect ownership (*e.g.,* through *ETFs,* other

	exchange traded products, U.S. registered investment companies, *non-U.S. registered investment companies, internal private funds, external private funds, commodity pools,* or other companies, fund or entities)). In the case of futures contracts permitting multiple deliverable assets, the *reference asset* should be the then-current cheapest to deliver instrument. You may identify the *reporting fund's reference assets* according to your internal methodologies and the conventions of service providers, provided that these methodologies and conventions are consistently applied and reported information is consistent with information you report internally and to investors and counterparties.
Regulatory assets under management	Regulatory assets under management, calculated in accordance with Part 1A, Instruction 5.b of *Form ADV*.
Related person	Has the meaning provided in *Form ADV*.
Repo	Any purchase of securities coupled with an agreement to sell the same (or similar) securities at a later date at an agreed upon price (*i.e.*, a "securities in" transaction). Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Reporting fund	A *private fund* as to which you must report information on Form PF. Typically, each *private fund* is a *reporting fund*.

Reporting fund aggregate calculated value	Every position in the *reporting fund's* portfolio, including *cash and cash equivalents*, short positions, and any fund-level borrowing, with the most recent price or value applied to the position for purposes of managing the investment portfolio. *The reporting fund aggregate calculated value* is a signed value where all position values are summed. Where one or more portfolio positions are valued less frequently than daily, the last price used should be carried forward, though a current foreign exchange rate may be applied if the position is not valued in U.S. dollars. It is not necessary to adjust the *reporting fund aggregate calculated value* for accrued fees or expenses. *Reporting fund aggregate calculated value* does not need to be subjected to fair valuation procedures. The inclusion of income accruals is recommended but not required; however, the approach should be consistent over time. The *reporting fund aggregate calculated value* may be calculated using the adviser's own internal methodologies and conventions of the adviser's service providers, provided that these are consistent with information reported internally. *But see gross reporting fund aggregate calculated value.*
Reporting period	With respect to an *annual update*, the twelve month period ending on the *data reporting date*. With respect to a *quarterly update*, the three month period ending on the *data reporting date*.
Reverse repo	Any sale of securities coupled with an agreement to repurchase the same (or similar) securities at a later date at an agreed upon price (*i.e.*, a "securities out" transaction).
RSSD ID	The identifier assigned by the National Information Center of the Board of Governors of the Federal Reserve System, if any.
Rule 2a-7	Rule 2a-7 promulgated by the *SEC* under the Investment Company Act of 1940.
SEC	U.S. Securities and Exchange Commission.
Secured borrowing	Obligations for borrowed money in respect of which the borrower has posted collateral or other credit support. For purposes of this definition, *reverse repos* are *secured borrowings*.

Securities lending collateral	Cash pledged to the *reporting fund's* beneficial owners as collateral in respect of securities lending arrangements.
Securitized asset fund	Any *private fund* whose primary purpose is to issue asset backed securities and whose investors are primarily debt holders.
Separately operated	For purposes of this Form, a *related person* is *separately operated* if you are not required to complete Section 7.A. of Schedule D to *Form ADV* with respect to that *related person*.
Single name CDS	*CDSs* referencing a single entity. Includes sovereign *single name CDS,* financial institution *single name CDS,* and other *single name CDS.*
Sovereign bonds	Any notes, bonds and debentures issued by a national government (including central governments, other governments and central banks but excluding U.S. state and local governments), whether denominated in a local or foreign currency. Include bond derivatives, but <u>do not</u> include any positions held via *CDS* (these should be recorded in the *CDS* category). Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.
Structured products	Pre-packaged investment products, typically based on derivatives and including structured notes.
Sub-asset class	Each sub-asset class identified in Question 32.
Synthetic long position	A total return derivative or similar contract under which (i) the *reporting fund* receives returns of a risky *reference asset* in exchange for paying the returns of a different, riskless *reference asset*, or (ii) the *reporting fund* sells deep-in-the-money (e.g., those with deltas of 98% or higher) puts on a risky *reference asset* in exchange for an option premium. Total return derivatives may include, for example, a derivative that receives the total return or credit spread of equity or debt securities issued by individual issuers, or baskets or indices of such

securities, including swaps, forwards, deep-in-the-money options (e.g., those with deltas of 98% or higher) and credit default swaps which receive the credit spread (also sometimes described as "short credit protection"). Exclude total return derivatives that have been cleared through a *CCP*; include uncleared *OTC* derivative positions only.

Include derivatives providing the return of equity securities, real estate, digital assets, commodities, *sovereign bonds*, *corporate bonds*, municipal bonds, and other assets.

Do not include *interest rate derivatives, volatility derivatives, variance derivatives* or *foreign exchange derivatives*. Do not include deep-in-the-money call options (e.g., those with deltas of 98% or higher) purchased by the *reporting fund* if the *reporting fund* has already paid the option premium in full, but include them if the premium is being paid over time.

Synthetic short position

A total return derivative or similar contract under which (i) the *reporting fund* pays returns of a risky *reference asset* in exchange for receiving the returns of a different, riskless *reference asset*, or (ii) the *reporting fund* sells deep-in-the-money calls (e.g., those with deltas of 98% or higher) on a risky *reference asset* in exchange for an option premium. Total return derivatives may include, for example, a derivative where the fund pays the total return or credit spread of equity or debt securities issued by individual issuers, or baskets or indices of such securities, including swaps, forwards, deep-in-the-money options (e.g., those with deltas of 98% or higher), and credit default swaps which pay the credit spread (also sometimes described as "long credit protection"). Exclude total return derivatives that have been cleared through a *CCP*; include uncleared *OTC* derivative positions only. Include derivatives where the fund pays the return of equity securities, real estate, digital assets, commodities, *sovereign bonds*, *corporate bonds*, municipal bonds and other assets.
Do not include *interest rate derivatives, volatility derivatives, variance derivatives* or *foreign exchange derivatives*. Do not include deep-in-the-money put options (e.g., those with deltas of 98% or higher) purchased by the *reporting fund* if the *reporting fund* has already paid the option

	premium in full; do include them if the premium is being paid over time.
Trading vehicle	A separate legal entity, wholly or partially owned by one or more *reporting funds,* that holds assets, incurs leverage, or conducts trading or other activities as part of a *reporting fund's* investment activities but does not operate a business.
UCITS	Undertakings for Collective Investment in Transferable Securities, as defined in the UCITS Directive of the European Parliament and of the Council (No. 2009/65/EC), as amended, or as captured by the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as amended.
Unencumbered cash	The sum of the *private fund's* (i) *cash and cash equivalents, (ii) government securities, and (iii)* the *value* of overnight *repos* used for liquidity management where the assets purchased are *U.S. treasury securities* or *agency securities* minus the sum of the following (without duplication): (i) *cash and cash equivalents* and *government securities* transferred to a collateral taker pursuant to a title transfer arrangement; and (ii) *cash and cash equivalents* and *government securities* subject to a security interest, lien or other encumbrance (this could include *cash and cash equivalents* and *government securities* in an account subject to a control agreement).
Unfunded commitments	*Committed capital* that has not yet been contributed to the *reporting fund* by investors.
United States person	Has the meaning provided in rule 203(m)-1 under the *Advisers Act*, which includes any natural person that is resident in the United States.
Unlisted equity	Equities, including preferred equities that are not listed on a regulated exchange. Include synthetic or derivative exposures to equities and positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund, or entity), subject to Instructions 7 and 8.

Unsecured borrowing	Obligations for borrowed money in respect of which the borrower has not posted collateral or other credit support.
U.S. depository institution	Any U.S. domiciled depository institution, including any of the following: (i) a depository institution chartered in the United States, including any federally-chartered or state-chartered bank, savings bank, cooperative bank, savings and loan association, or an international banking facility established by a depositary institution chartered in the United States; (ii) banking offices established in the United States by a financial institution that is not organized or chartered in the United States, including a branch or agency located in the United States and engaged in banking not incorporated separately from its financial institution parent, United States subsidiaries established to engage in international business, and international banking facilities; (iii) any bank chartered in any of the following United States affiliated areas: U.S. territories of American Samoa, Guam, and the U.S. Virgin Islands; the Commonwealth of the Northern Mariana Islands; the Commonwealth of Puerto Rico; the Republic of the Marshall Islands; the Federated States of Micronesia; and the Trust Territory of the Pacific Islands (Palau); or (iv) a credit union (including a natural person or corporate credit union).
U.S. financial institution	Any of the following: (i) a financial institution chartered in the United States (whether federally-chartered or state-chartered); (ii) a financial institution that is separately incorporated or otherwise organized in the United States but has a parent that is a financial institution chartered outside the United States; or (iii) a branch or agency that resides outside the United States but has a parent that is a financial institution chartered in the United States.
U.S. treasury securities	Direct obligations of the U.S. Government. Include *U.S. treasury security* derivatives. Include positions held indirectly through another entity (e.g., through an *ETF, exchange traded product,* U.S. registered investment companies, *non-U.S. registered investment companies, internal private fund or external private fund, commodity pool*, or other company, fund or entity), subject to Instructions 7 and 8.

Value	See Instruction 15.
VaR	For a given portfolio, the loss over a target horizon that will not be exceeded at some specified confidence level.
Variance derivative	A derivative transaction for which the underlying asset is the price or yield variance of one or more assets or indices.
Venture capital fund	Any *private fund* meeting the definition of venture capital fund in rule 203(l)-1 of the *Advisers Act*.
Volatility derivative	A derivative transaction for which the underlying asset is the price or yield volatility of one or more assets or indices.
WAL	Weighted average portfolio life of a *liquidity fund* calculated taking into account the maturity shortening provisions contained in paragraph (i) of *rule 2a-7*, but determined without reference to the exceptions in paragraph (i) of *rule 2a-7* regarding interest rate readjustments with the dollar-weighted average based on the percentage of each security's market value in the portfolio.
WAM	Weighted average portfolio maturity of a *liquidity fund* calculated taking into account the maturity shortening provisions contained in paragraph (i) of *rule 2a-7* with the dollar-weighted average based on the percentage of each security's market value in the portfolio.
Weekly liquid assets	Has the meaning provided in *rule 2a-7*. Include *daily liquid assets*. As a result, the value of *weekly liquid assets* should equal or exceed the value of *daily liquid assets*.

NOTE: The following Commodity Futures Trading Commission (CFTC) appendix will not appear in the Code of Federal Regulations.

CFTC Appendix to Form PF; Reporting Requirements for All Filers – CFTC Voting Summary

On this matter, Chairman Selig voted in the affirmative. No Commissioner voted in the negative.