SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 275 and 279

[Release No. IA–5950; File No. S7–01–22]

RIN 3235–AM75

Amendments to Form PF To Require Current Reporting and Amend Reporting Requirements for Large Private Equity Advisers and Large Liquidity Fund Advisers

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rules.

SUMMARY: The Securities and Exchange Commission (''SEC'' or ''Commission'') is proposing to amend Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds to require current reporting upon the occurrence of key events. The proposed amendments also would decrease the reporting threshold for large private equity advisers and require these advisers to provide additional information to the SEC about the private equity funds they advise. Finally, we are proposing to amend requirements concerning how large liquidity advisers report information about the liquidity funds they advise. The proposed amendments are designed to enhance the Financial Stability Oversight Council's (''FSOC'') ability to monitor systemic risk as well as bolster the SEC's regulatory oversight of private fund advisers and investor protection efforts.

DATES: Comments should be received on or before March 21, 2022.

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

Electronic Comments

- Use the Commission's internet comment forms (*https://www.sec.gov/rules/submitcomments.htm*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number S7–01–22 on the subject line.

Paper Comments

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

All submissions should refer to File Number S7–01–22. This file number should be included on the subject line if email is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's website (*https://www.sec.gov/rules/proposed.shtml*). Comments also are available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Operating conditions may limit access to the Commission's Public Reference Room. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

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.

FOR FURTHER INFORMATION CONTACT: Alexis Palascak, Lawrence Pace, Samuel K. Thomas, Senior Counsels; Michael C. Neus, Senior Special Counsel; or Melissa Gainor, Assistant Director at (202) 551–6787 or *IArules@sec.gov,* Investment Adviser Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–8549.

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

Commission reference	CFR citation
Form PF	17 CFR 279.9.
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], in which these rules are published.

[2] Form PF was adopted in 2011 as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Pub. L. 111–203, 124 Stat. 1376 (2010). *See* Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Advisers Act Release No. 3308 (Oct. 31, 2011), [76 FR 71128 (Nov. 16, 2011)] (''2011 Form PF Adopting Release'') at section I. In 2014, the Commission amended Form PF section 3 in connection with certain money market fund reforms. *See* Money Market Fund Reform; Amendments to Form PF, Advisers Act Release No. 3879 (July 23, 2014), [79 FR 47736] (Aug. 14, 2014) (''2014 Form PF Amending Release''). Form PF is a joint form between the Commission and the Commodity Futures Trading Commission (''CFTC'') only with respect to sections 1 and 2 of the Form; sections 3 and 4, which we propose to amend, were adopted only by the Commission. Current Form PF section 5, request for temporary hardship exemption, would become new section 7 and new sections 5 and 6 are proposed only by the Commission.

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I. Introduction

The Commission is proposing to amend Form PF, the form that certain investment advisers registered with the Commission use to report confidential information about the private funds that they advise.[2] The proposed amendments are designed to enhance FSOC's monitoring and assessment of systemic risk and to provide additional information for FSOC's use in determining whether and how to deploy its regulatory tools. The proposed amendments also are designed to collect additional data for the Commission's use in its regulatory programs, including examinations, investigations and investor protection efforts relating to private fund advisers.

Form PF provides the Commission and FSOC with important information about the basic operations and strategies of private funds and has helped establish a baseline picture of the private fund industry for use in assessing systemic risk.[3] We now have almost a decade of experience analyzing the information collected on Form PF. In that time, the private fund industry has grown in size and evolved in terms of business practices, complexity of fund structures, and investment strategies and exposures.[4] Based on this experience and in light of these changes, the Commission and FSOC have identified significant information gaps and situations where more granular and timely information would improve our understanding of the private fund industry and the potential systemic risk within it, and improve our ability to protect investors.[5]

First, we are proposing new current reporting by large hedge fund advisers[6] regarding their qualifying hedge funds[7] and by private equity advisers upon the occurrence of certain key events. Most private fund advisers report general information on Form PF, such as the types of private funds advised (*e.g.,* hedge funds, private equity funds, or liquidity funds), fund size, use of borrowings and derivatives, strategy, and types of investors. Certain larger private fund advisers report more detailed information on the qualifying hedge funds, the liquidity funds and the private equity funds that they advise.[8] In its current form, however, Form PF does not require current reporting of information from advisers whose funds are facing stress that could result in investor harm or potentially create systemic risk. Advisers file Form PF months after their quarter and year ends, depending on their size and the type of funds they advise. This means that during fast moving market events, Form PF data is often stale.[9]

The SEC's experiences with recent market events like the March 2020 COVID–19 turmoil and the January 2021 market volatility in certain stocks, have highlighted the importance of receiving current information from market participants during fast moving market events.[10] We believe current reporting upon the occurrence of certain key events on Form PF would facilitate a regulatory response if appropriate and potentially mitigate the impact on investors and systemic risk. Current reports also would allow the Commission and FSOC to identify patterns among similarly situated funds that could indicate broader systemic implications or investor protection concerns. Therefore, we are proposing to require large hedge fund advisers and private equity advisers to report information within one day upon the occurrence of events that indicate significant stress or otherwise serve as signals of potential systemic risk implications, as well as potential areas for inquiry designed to prevent investor harm.

[3] Advisers Act section 202(a)(29) defines the term ''private fund'' as an issuer that would be an investment company, as defined in section 3 of the Investment Company Act of 1940 (''Investment Company Act''), but for sections 3(c)(1) or 3(c)(7) of that Act. Section 3(c)(1) of the Investment Company Act provides an exclusion from the definition of ''investment company'' for any issuer whose outstanding securities (other than short-term paper) are beneficially owned by not more than one hundred persons (or, in the case of a qualifying venture capital fund, 250 persons) and which is not making and does not presently propose to make a public offering of its securities. Section 3(c)(7) of the Investment Company Act provides an exclusion from the definition of ''investment company'' for any issuer, the outstanding securities of which are owned exclusively by persons who, at the time of acquisition of such securities, are qualified purchasers, and which is not making and does not at that time propose to make a public offering of such securities. The term ''qualified purchaser'' is defined in section 2(a)(51) of the Investment Company Act. Since Form PF's adoption Commission staff have used Form PF statistics to inform our regulatory programs and establish census type information regarding the private fund industry. *See* SEC 2020 Annual Staff Report Relating to the Use of Form PF Data (Nov. 2020), *available at https://www.sec.gov/files/2020-pf-report-to-congress.pdf.* Staff reports, statistics, and other staff documents (including those cited herein) represent the views of Commission staff and are not a rule, regulation, or statement of the Commission. The Commission 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. The Commission has expressed no view regarding the analysis, findings, or conclusions contained therein.

[4] The value of private fund net assets reported on Form PF has more than doubled, growing from $5 trillion in 2013 to $11 trillion by the end of 2020, while the number of private funds reported on the form has increased by nearly 70 percent in that time period. Unless otherwise noted, the private funds statistics used in this Release are from the Private Funds Statistics Fourth Quarter 2020. Any comparisons to earlier periods are from the private funds statistics from that period, all of which are *available at https://www.sec.gov/divisions/investment/private-funds-statistics.shtml.* SEC staff began publishing the private fund statistics in 2015, including data from 2013. Therefore, many comparisons in this Release discuss the eight year span from the beginning of 2013 through the end of 2020. Some discussion in this Release compares data from a six year span, from the beginning of 2015 through the end of 2020, because the SEC staff began publishing that particular data in 2016.

[5] We are proposing these amendments, in part, pursuant to our authority under section 204(b) of the Advisers Act, which gives the Commission the authority to establish certain reporting and recordkeeping requirements for advisers to private funds and provides that the records and reports of any private fund to which an investment adviser registered with the Commission provides investment advice are deemed to be the records and reports of the investment adviser.

[6] *See infra* footnote 8.

[7] A qualifying hedge fund is defined in Form PF as ''any hedge fund that has a net asset value (individually or in combination with fund 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.''

[8] In particular, three types of ''Large Private Fund Advisers'' must complete certain additional sections of the current Form PF: (1) Any adviser having at least $1.5 billion in regulatory assets under management attributable to hedge funds as of the end of any month in the prior fiscal quarter (''large hedge fund advisers''); (2) any adviser managing a liquidity fund and having at least $1 billion in combined regulatory assets under management attributable to liquidity funds and registered money market funds as of the end of any month in the prior fiscal quarter (''large liquidity fund advisers''); and (3) any adviser having at least $2 billion in regulatory assets under management attributable to private equity funds as of the last day of the adviser's most recently completed fiscal year (''large private equity adviser''). Under the proposal, we would lower the threshold for large private equity advisers to $1.5 billion.

[9] Instruction 9 to Form PF directs large hedge fund advisers file within 60 calendar days of their first, second and third fiscal quarters. Large liquidity fund advisers file within 15 calendar days of their first, second and third fiscal quarters. All other advisers file their annual updates within 120 calendar days after their fiscal year ends.

[10] *See* SEC Staff Report on U.S. Credit Markets: Interconnectedness and the Effects of the COVID–19 Economic Shock (Oct. 4, 2020) (report of the SEC Division of Economic and Risk Analysis regarding market stress during the COVID–19 shock of March 2020), *available at https://www.sec.gov/files/US-Credit-Markets_COVID-19_Report.pdf* (noting that in March 2020 hedge funds were one of the principal sellers of U.S. Treasury futures with potential implications for the varying stresses in, the cash, futures, and repo markets). *See also* Staff Report on Equity and Options Market Structure Conditions in Early 2021 (Oct. 14, 2021), *available at https://www.sec.gov/files/staff-report-equity-options-market-struction-conditions-early-2021.pdf* (noting significant participation of institutional investors, including hedge funds, in the market for Gamestop Corp shares).

Second, we are proposing to decrease the threshold for reporting as a large private equity adviser [11] and to require additional information from these advisers. The private equity space has grown substantially since Form PF was initially adopted. There were 6,910 funds with $1.60 trillion in gross assets in first quarter of 2013 and 15,584 funds with $4.71 trillion in gross assets in the fourth quarter of 2020.[12] In addition, given the increased demand for exposure to private equity among institutional investors, private equity advisers have expanded the breadth of their investment strategies and the types of offerings, including a significant increase in private credit strategies, which raises questions regarding lending practices that could raise systemic risk concerns.[13]

Given the growth in the private equity industry over the past 11 years, coupled with an increase in the number of advisers with aggregate private equity assets under management below $2 billion, we are proposing to reduce the threshold for reporting as a large private equity adviser from $2 billion to $1.5 billion in private equity fund assets under management.[14] Lowering this threshold would enable the Commission and FSOC to receive reporting from a similar proportion of the U.S. private equity industry based on committed capital as we did when Form PF was initially adopted. We believe reducing the threshold in this manner would provide a robust data set to help identify potential investor protection issues and monitor for systemic risk, while also minimizing burdens for smaller advisers.

Additionally, we are proposing to amend section 4 of Form PF to gather more detailed information from large private equity advisers. The information regarding the activities of private equity funds, certain of their portfolio companies and the creditors involved in financing private equity transactions is important to the assessment of systemic risk. We are proposing tailored amendments to section 4 to gather more information from large private equity advisers regarding fund strategies, use of leverage and portfolio company financings, controlled portfolio companies (''CPCs'') and CPC borrowings, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations. We believe this reporting would provide useful empirical data to FSOC with which it may analyze the extent to which the activities of private equity funds or their advisers pose systemic risk and provide the Commission with targeted information for use in its regulatory program for the protection of investors.

Finally, we are proposing to require large liquidity fund advisers to report substantially the same information that money market funds would report on Form N–MFP, as we propose to amend it.[15] As discussed more fully in our release to amend Form N–MFP, we are proposing amendments to improve money market funds' resiliency and transparency. Together, Form N–MFP and Form PF are designed to provide a complete picture of the short-term financing markets in which money market funds and liquidity funds both invest.[16] The proposed amendments to Form PF are designed to enhance the Commission and FSOC's ability to assess short-term financing markets and facilitate our oversight of those markets and their participants. This, in turn, is designed to enhance investor protection efforts and systemic risk assessment.

We consulted with FSOC to gain input on this proposal, and to help ensure that Form PF continues to provide FSOC with information it can use to assess systemic risk in light of changes in the private fund industry over the past decade, while also serving to enhance the Commission's investor protection efforts going forward.

II. Discussion

A. Current Reporting for Large Hedge Fund Advisers and Advisers to Private Equity Funds

In order to receive more timely information about certain events that may signal distress at qualifying hedge funds and private equity funds or market instability we are proposing new current reporting section 5 for large hedge fund advisers and new current reporting section 6 for private equity advisers.[17] Currently, large hedge fund advisers file Form PF quarterly while private equity advisers file annually. This means that during fast moving events that could have systemic risk implications or negatively impact investors, Form PF data is often stale. The proposed current reporting requirements would provide important, current information to the Commission and FSOC to facilitate timely assessment of the causes of the reporting event, the potential impact on investors and the financial system, and any potential regulatory responses.[18] The current reports would also enhance our analysis of other information the Commission already collects across funds and other market participants allowing the Commission and FSOC to identify patterns that may present systemic risk or that could result in investor harm.[19] For example, information regarding a margin default at a large qualifying hedge fund would inform our understanding of data on market trading conditions and other information shared with other market participants, including securities exchanges.

Advisers would file current reports for reporting events within one business day of the occurrence of a reporting event.[20] We believe this emphasizes the Commission's and FSOC's need for timely information while allowing advisers one business day to evaluate and obtain the necessary data to confirm the existence of a filing event, and file the current report. For example, if an adviser determined that a reporting event occurred on Monday, they would have to file a current report by the close of business on Tuesday. Advisers should consider filing a current report as soon as possible following such an event. Advisers also would be able to file an amendment to a previously filed current report to correct information

[11] *See supra* footnote 8.

[12] Division of Investment Management, Private Fund Statistics (Aug. 21, 2021), *available at https://www.sec.gov/divisions/investment/private-funds-statistics.shtml.*

[13] *See* Jessica Hamlin, Private Equity Funds Fuel Growth in Private Credit, Institutional Investor (Nov. 10, 2020), *available at https://www.institutionalinvestor.com/article/b1vdhdbryr7dkp/Private-Equity-Funds-Fuel-Growth-in-Private-Credit.*

[14] Calculated based on the amount of private equity fund assets under management as of the last day of the adviser's most recently completed fiscal year.

[15] *See* Money Market Fund Reforms, Investment Company Act Release No. 34441 (Dec. 15, 2021) (''Money Market Fund Proposing Release'').

[16] *See* 2014 Form PF Amending Release, *supra* footnote 2.

[17] We are also proposing, in connection with the proposed addition of new section 5 and section 6 for current reporting, to make conforming changes to rule 204(b)–1 under the Advisers Act to re-designate current section 5, which includes instructions for requesting a temporary hardship exemption, as section 7.

[18] We propose to define ''reporting event'' in the Form PF Glossary to include any event that triggers the requirement to complete and file a current report pursuant to the items in sections 5 and 6.

[19] We propose to define ''current report'' in the Form PF Glossary to include a report provided pursuant to the items in sections 5 and 6.

[20] We propose to amend Instructions 1, 3, 9, and 12 of the general instructions to reflect this new obligation for large hedge fund advisers and private equity advisers. Specifically, we propose to amend Instruction 3 to identify the new sections 5 and 6 and Instruction 9 to address the timing of filing the proposed current reports.

that was not accurate at the time of filing.[21]

We request comments on the addition of current reporting to Form PF:

1. Should we amend Form PF to include current reporting in sections 5 and 6 as proposed? If not, what alternatives would provide the Commission with timely information regarding events that could signal distress or financial stability risks or potential investor harm?

2. We have proposed Sections 5 and 6 as separate reporting sections on Form PF. Should we instead require current reporting as its own form?

3. Is the proposed one business day reporting window appropriate for current reports? Should the notification be on the same day as the event? Are there challenges associated with providing these current reports within one business day? Is one business day sufficient time to eliminate or significantly reduce false positive reports? Would advisers need more than one business day to gather and confirm the required information for certain current reports? If so, should we require advisers to file a current report within two business days, three business days or some longer period? Would different time limits for different current reports, tailored to the potential seriousness of the event or the level of burden in collecting the information be more appropriate? Would different time limits for different current reports potentially cause confusion?

4. Should we require advisers to file a current report based on a number of calendar days instead of business days?

5. Should we define ''business day'' for sections 5 and 6? If so, how? For example, should we define the term to include any day other than a Saturday, Sunday, or Federal or market holiday for purposes of sections 5 and 6?

6. In addition to filing the current report, are there some events for which advisers should be required to notify the Commission via email or a phone call on a more immediate basis on the same day the event occurred?

7. Would proposed section 6 disproportionally impact or create an undue burden for smaller private equity advisers, *i.e.,* those with private equity fund assets under management of between $150 million and $1.5 billion? If so, how should we modify this reporting requirement?

[21] Current Instruction 16 explains that an adviser is not required to update information that it believes in good faith properly responded to Form PF on the date of filing even if that information is subsequently revised for purposes of the adviser's recordkeeping, risk management or investor reporting (such as estimates that are refined after completion of a subsequent audit).

1. Large Hedge Fund Adviser Current Reporting on Qualifying Hedge Funds

We propose to add a new section 5 to Form PF, which would require large hedge fund advisers to file a current report within one business day of the occurrence of one of several reporting events at a qualifying hedge fund that they advise. As discussed below, the reporting events include extraordinary investment losses, certain margin events, counterparty defaults, material changes in prime broker relationships, changes in unencumbered cash, operations events, and certain events associated with redemptions. We have designed the reporting events to indicate significant stress at a fund that could harm investors or signal risk in the broader financial system. For example, large investment losses or a margin default involving one large highly levered hedge fund may have systemic risk implications. Counterparties could react by increasing margin requirements or limiting borrowing, or investors may withdraw, and these responses could amplify the fund's stress by forcing additional asset sales. Similarly, reports of large investment losses at multiple qualifying hedge funds (even if not the largest or most levered) may indicate market stress that could have systemic effects. Current reports would be especially useful during periods of market volatility and stress, when the Commission and FSOC are actively ascertaining the affected funds, gathering information to assess systemic risk, and determining whether and how to respond in a timely manner.

The proposed reporting events incorporate objective tests to allow advisers to determine whether a report must be filed. We designed and tailored the reporting events to decrease reporting burden and to allow advisers to use frameworks that we understand many large hedge fund advisers already maintain to assess and manage risk actively. A number of the items include quantifiable threshold percentage tests calibrated to trigger reporting for events that we believe are likely indicative of severe stress at a fund or may have broader implications for systemic risk. We considered varying levels of thresholds and believe that the proposed thresholds would trigger reporting for relevant stress events for which we seek timely information while minimizing the potential for false positives and multiple unnecessary current reports. In addition, we considered a number of temporal periods over which to measure certain stress events before arriving at measurement windows that we believe are appropriate to trigger reporting for precipitous, but sustained stress events. In our experience these time frames, in some instances applied over rolling periods, are calibrated to capture serious stress events and mitigate the potential for reporting for short-lived fund stresses or events caused by relatively routine market volatility.

To supplement the objective triggers, several of the items include check boxes that would provide additional context and obviate the need for advisers to provide narrative responses during periods of stress under time pressure. We designed the checkboxes to incorporate descriptions of circumstances that we believe provide important context to events that would allow the Commission and FSOC to review and analyze the current reports and screen false positives (*i.e.,* incidents that trigger the proposed current reporting requirement but do not actually raise significant risks) during periods in which they may be actively evaluating fast-moving market events.

Proposed section 5 would contain Items A through K. Section 5, Item A would require advisers to identify themselves and the reporting fund, including providing the reporting fund's name, private fund identification number, NFA identification number (if any), and LEI (if any).[22] Section 5, Items B through J would set forth the reporting events and the applicable reporting requirements for each event. Section 5, Item K would serve as an optional repository for explanatory notes that the large hedge fund adviser could provide to improve understanding of any information reported in response to the other section 5 items. The following sections discuss each reporting event.

a. Extraordinary Investment Losses

Proposed current reporting Item B would require large hedge fund advisers, whose advised qualifying hedge funds experience extraordinary losses within a short period of time, to provide a current report describing the losses. Reporting for proposed Item B would be triggered by a loss equal to or greater than 20 percent of a fund's most recent net asset value over a rolling 10 business day period. This reporting event would capture, for example, a situation where the fund's most recent

[22] Section 5, Item A would also require identifying information on the reporting fund's adviser, including the adviser's full legal name, SEC 801-Number, NFA ID Number (if any), large trader ID (if any), and large trader ID suffix (if any), as well as the name and contact information of the authorized representative of the adviser and any related person who is signing the current report.

net asset value is $1 billion and the fund loses $20 million per business day for consecutive 10 business days. It would also capture a loss of $200 million in one business day as the rolling 10 day period is backward looking. We designed the proposed threshold to capture a significant loss at the reporting fund over a relatively short rolling period as well as a precipitous loss without capturing immaterial losses that may not be indicative of stress at the fund.

In our experience, losses of 20 percent or more of a fund's most recent net asset value during this period could indicate significant stress at the fund or the markets in which the fund participates that could raise investor protection and systemic risk concerns warranting prompt reporting. For example, these losses could signal a precipitous liquidation or broader market instability that could lead to secondary effects, including greater margin and collateral requirements, financing costs for the fund, and the potential for large investor redemptions. Notice of large losses could provide notice to the Commission and FSOC of potential fund or market issues in advance of the occurrence of more downstream consequences, such as sharp margin increases, defaults, or fund liquidation. Also, funds in serious stress may be in the process of deleveraging, exiting certain strategies, or liquidating securities in a declining market with implications for both fund investors and systemic risk. Moreover, large, sharp, and sustained losses suffered by one fund within this short period may signal concern for similarly situated funds, allowing the Commission and FSOC to analyze the scale and scope of the event and whether additional funds that may have similar investments, market positions, or financing profiles are at risk.

Under this reporting event, the fund's losses would be compared to its ''most recent net asset value,'' which we propose to define as ''as of the data reporting date at the end of the reporting fund's most recent reporting period,'' which typically would be the most recent update to the fund's routine quarterly or annual Form PF filing.[23] We understand that some funds calculate a daily mark to market value for certain assets in their portfolios and that using a current daily mark to market value for this reporting event may be feasible and provide a more current and accurate picture of a fund's losses. However, given that some funds do not calculate a daily net asset value, we believe that requiring that the losses be based on the most recent net asset value reported on Form PF would ease burdens for some advisers while still providing the Commission and FSOC with timely information about investment losses that may indicate significant stress at a fund. We acknowledge that this approach could result in a lag between the net asset value date and a calculation date for purposes of this reporting event, during which market movements could significantly affect values. This could potentially result in over-reporting in instances where the fund assets have appreciated substantially in the intervening period since the last reporting date and under-reporting when the fund assets have significantly depreciated in value since the last reporting date. However, we propose this approach because we believe the proposed limited reporting requirements discussed below, combined with the option to add explanatory notes to its current report to explain the circumstances of the loss, mitigate these concerns.

Under proposed Item B, an adviser must file the following information: (1) the dates of the 10 business day period over which the loss occurred and (2) the dollar amount of the loss. If the loss were to continue past the initial 10 day period, advisers would not file another current report until the next 10 business day loss period beginning on or after the end date stated in the adviser's initial Item B current report.[24] This proposed information would allow the Commission and FSOC to understand the scale of the loss and its potential effects both to investors in the reporting fund as well as the broader financial markets, particularly if current reports are filed by multiple advisers.

We request comment on the proposed current reporting item for extraordinary investment losses:

8. Would extraordinary losses raise investor protection or systemic risk concerns such that the Commission and FSOC should be notified within one business day? Should the notification be on the same day as the event? Should it be longer? For example, should we require advisers to file a current report within two business days, three business days or some longer period?

9. As currently formulated, is the trigger for reporting extraordinary losses likely to provide us with an early warning of hedge fund or industry stress and potential systemic risk implications? Would proposed Item B capture extraordinary losses that are not indicative of fund or market stress? Would reporting on Item B be burdensome to operationalize, particularly its use of a measure of the reporting fund's extraordinary losses over a rolling 10 business day period? Are large hedge fund advisers able to apply the extraordinary loss trigger using their existing metrics?

10. Should the scale of losses be compared to the reporting fund's most recent net asset value as proposed? Is this approach a reasonable measure of whether investment losses are ''extraordinary'' for purposes of the current reporting requirement? Would this approach ease burdens on reporting advisers or do large hedge fund advisers calculate the fund's net asset value on each business day? Do large hedge fund advisers calculate a different fund value that might be used instead of net asset value for measuring extraordinary losses? If so, what other measures would be practicable for reporting these advisers, while also achieving our goal to identify extraordinary investment losses that may have systemic risk implications or result in investor harm? For example, should we require large hedge fund advisers to measure extraordinary losses based on a daily mark to market calculation (estimated or actual) for the portion of a qualifying hedge fund's portfolio invested in marketable securities (a ''daily mark to market calculation'')? If losses are measured using a daily mark to market calculation for a portfolio of marketable securities, should we limit the application of this reporting event to qualifying hedge funds that hold at least a threshold value of their portfolios in marketable securities, *e.g.,* the lesser of $150 million or 50 percent of net asset value or another threshold? How would large hedge fund advisers calculate losses for purposes of this reporting event? Does the ability to add explanatory notes in Item K help mitigate concerns of using the most recent net asset value reported on Form PF?

11. Is a 20 percent loss measured against the fund's most recently reported net asset value an amount that could raise investor protection or systemic risk concerns such that the Commission and FSOC should be notified within one business day? Should the threshold amount be higher (*e.g.,* 50 percent threshold) or lower (*e.g.,* 10 percent threshold)? If this reporting event were to measure losses using a daily mark to market calculation for a portfolio of marketable securities,

[23] *See* proposed Form PF Glossary.

[24] If the fund experiences a 20 percent loss the adviser would not report a second time until the fund had experienced a second loss of an additional 20 percent of the fund's most recent net asset value over a second rolling 10-day period to begin on or after the end date stated in the adviser's initial Item B current report.

should extraordinary losses instead be measured against a percent of the value of the portfolio's marketable securities?

12. Would the use of rolling periods increase the likelihood that we capture the types of extraordinary losses that could cause investor harm or systemic risk? Is a ten-business day period appropriate? Should it be longer or shorter? Should we use trading days or calendar days instead of business days? If so, how should we define ''trading days'' and should our definition allow large hedge fund advisers to determine what is a trading day by reference to the exchanges and markets on which the fund's portfolio holdings are trading? Would monitoring losses over the rolling periods be overly burdensome?

13. Should we require funds to file multiple Item B current reports if they suffer 20 percent losses over multiple 10 business day periods during a quarterly update period? Is it likely that funds would report losses of this type multiple times a quarter? Would additional reports be duplicative? Alternatively, should we require advisers to file only one Item B current report per quarterly period?

14. Should we require a reporting event that measures investment losses over a period (*e.g.,* a 10-day or 20-day rolling period) against the volatility of the fund's returns? We understand that losses that are large compared to a hedge fund's historic volatility of returns may signal significant stress. Could this type of reporting event be a useful signal of extraordinary losses that may have systemic risk implications? If so, how should we require hedge funds to measure volatility of returns? Should we require funds to calculate the monthly volatility of a daily mark to market calculation for this purpose? Would doing so be burdensome to operationalize? Should we limit the application of a reporting event that measures investment losses against volatility of returns to qualifying hedge funds that hold at least a threshold value of their portfolios in marketable securities, *e.g.,* the lesser of $150 million or 50 percent of net asset value, or another threshold?

15. Are there other reporting events that would be indicative of the types of extraordinary losses that could cause investor harm or systemic risk that we should include in addition to or instead of the proposed Item B current report?

16. Should we require additional or different information in response to this item? In other current reporting items outlined below, we provide checkboxes for advisers to provide additional context to the reporting event. Should we provide checkboxes for advisers to describe the circumstances of the loss, or are the reasons for an extraordinary loss so variable as to avoid easy categorization? If we were to provide checkboxes what should they be?

b. Significant Margin and Default Events

Proposed Section 5 Items C through E would require current reporting of significant margin and default events that occur at qualifying hedge funds advised by large hedge fund advisers or at their counterparties. In our experience, significant increases in margin, inability to meet a margin call, margin default, and default of a counterparty are strong indicators of fund and potential market stress. Each of the triggers and underlying thresholds is calibrated to identify stress at a fund that may signal the potential for precipitous liquidations or broader market instability that may affect similarly situated funds, or markets in which the fund invests.

Proposed current reporting Item C would require advisers to report significant increases in the reporting fund's requirements for margin, collateral, or an equivalent (collectively referred to as ''margin'').[25] If the reporting fund has experienced a cumulative increase in margin of more than 20 percent of the reporting fund's most recent net asset value over a rolling 10 business day period, Item C would require the adviser to file certain information within one business day.[26] We believe that a 20 percent increase to a fund's margin requirements over a 10 business day period is large enough and precipitous enough to signal potential significant stress at the fund, at its counterparties, or in the broader market while limiting the potential for reporting in the case of routine margin increases. Sudden and significant margin increases can have critical effects on funds that may be operating with large amounts of leverage and could serve as precursors to defaults at fund counterparties and eventual liquidation. Large, sustained margin increases also may effectively signal that counterparties are concerned about a fund's portfolio positions and may signal the potential for future margin increases from the fund's other counterparties. A large margin increase of this type may also serve as a potential early indicator for broader market stress for similarly situated funds that may help inform the Commission or FSOC of potential implications for investor harm or systemic risk and allow them to respond quickly to developing market events.

The adviser would report (a) the dates of the 10 business day period over which the increase occurred; (b) the cumulative dollar amount of the increase; and (c) the identity of the counterparty or counterparties requiring the increase(s). If the increases in margin were to continue past the initial 10 day period, advisers would not file another current report until on or after the next 10 business day period beginning on or after the end date stated in the adviser's initial Item C current report.[27] In circumstances where multiple counterparties are involved, advisers would list the all the counterparties who increased margin requirements. In addition, the adviser would use check boxes to describe the circumstances of the margin increase.[28] These include: (1) Exchange requirements or known regulatory action affecting one or more counterparties; (2) one or more counterparties independently increasing the reporting fund's margin requirements; (3) the reporting fund establishing a new relationship or new business with one or more counterparties; (4) new investment positions, investment approach or strategy and/or portfolio turnover of the reporting fund; (5) a deteriorating position or positions in the reporting fund's portfolio or other credit trigger under applicable counterparty agreements; and/or (6) a reason ''other'' than those outlined. We believe that this proposed information would provide useful context regarding the margin increase and allow for an assessment of the scale of the potential issue and related risks. We believe this information would both better enable the Commission and FSOC to screen false positives for margin increases (*i.e.,* incidents that trigger the proposed

[25] An equivalent is any other type of payment or value understood to serve the same purposes as margin or collateral.

[26] As noted above, measures derived from ''most recent net asset value'' are backward-looking to the most recently filed routine quarterly or annual filing and could result in a lag between the net asset value date and a calculation date for purposes of this reporting event, during which market movements could significantly affect values. This could result in over-reporting and under-reporting, but we believe that this approach would simplify monitoring and reporting by advisers. In addition, the option for an adviser to add explanatory notes to its current report to explain the circumstances of the loss mitigate these concerns.

[27] If the fund experiences a 20 percent increase to a fund's margin requirements that continues past the initial 10 day period, the adviser would not report a second time until the fund had experienced a second margin increase of an additional 20 percent of the fund's most recent net asset value over a second rolling 10 day period beginning at or after the end date stated in the adviser's initial Item C current report.

[28] Proposed Form PF section 5, Item C, Question 11.

current reporting requirement but do not actually raise significant risks) and assess significant margin events.

Proposed current reporting Item D would require advisers to report a fund's margin default or inability to meet a call for margin, collateral, or an equivalent (taking into account any contractually agreed cure period).[29] We believe a current report is necessary to capture these events because funds that are in margin default or that are unable to meet a call for margin are at risk of potentially triggering the liquidation of their positions at their counterparties. This presents serious risks to the fund's investors, its counterparties, and potentially the broader financial system. The proposed amendments would require advisers to file a current report in these circumstances, including in situations where there is a dispute with regard to the margin call to avoid delays in reporting. However, advisers would not be required to file a current report in situations where there is a dispute in the amount and appropriateness of a margin call, provided the reporting fund has sufficient assets to meet the greatest of the disputed amount. We believe that according this flexibility allows funds and advisers that are capable of meeting a margin call time to respond to and resolve a margin dispute with their counterparties.

Under the proposal, the adviser would report for each separate counterparty for which this occurred: (a) The date the adviser determines or is notified that a reporting fund is in margin default or will be unable to meet a margin call with respect to a counterparty; (b) the dollar amount of the margin, collateral or equivalent involved; and (c) the legal name and LEI (if any) of the counterparty. In addition, the adviser would check any applicable check boxes that would describe the adviser's current understanding of the circumstances of the adviser's default or its determination that the fund will be unable to meet a call for increased margin.[30] These include: (1) An increase in margin requirements by the counterparty; (2) losses in the value of the reporting fund's portfolio or other credit trigger under the applicable counterparty agreement; (3) a default or settlement failure of a counterparty; or (4) a reason ''other'' than those outlined. We believe that these check boxes would enable the Commission's staff and FSOC to identify and evaluate the circumstances underlying the inability to meet a call for margin and formulate any necessary response in a timely manner. If the fund was unable to meet margin or defaulted with multiple counterparties on the same day, the adviser would file one current report on Item D broken out with details for each counterparty.

Proposed current reporting Item E, ''Counterparty Default,'' would require an adviser to report a margin default by a counterparty. Defaults by counterparties can have serious implications for the funds with which they transact, the fund's investors, and the broader market. A current report of a counterparty default would help the Commission and FSOC identify funds or market participants that may be affected by a counterparty's default and analyze whether there are broader implications for systemic risk. A current report would be triggered if a counterparty to the reporting fund (1) does not meet a call for margin or has failed 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 percent of the most recent net asset value of the reporting fund.[31] While we are not proposing a minimum threshold for reporting on a qualifying hedge fund's margin default given the potential implications of such a default, we believe it is appropriate to set a threshold for counterparty defaults that could affect a sizeable percentage of the fund's net asset value. We believe that 5 percent of the most recent net asset value of the reporting fund is an appropriate threshold in this regard because counterparty defaults of this size could have systemic waterfall effects, triggering forced-selling by the fund and raising potential risks for other hedge funds that may transact with the same counterparty.[32] Moreover, the 5 percent threshold is a figure we have used in Form PF to measure and collect information regarding sizable exposures to creditors or counterparties.[33] In addition, we believe setting the threshold for counterparty defaults at 5 percent of the most recent net asset value would limit the reports for *de minimis* or superficial defaults that may be the result of a short-lived operational error.

Item E would require the adviser to report: (a) The date of the default; (b) the dollar amount of the default; and (c) the legal name and LEI (if any) of the counterparty. In the event that multiple counterparties to the fund default on the same day, Item E would allow an adviser to file a single current report broken out with details for each counterparty default. In the event that counterparties to the fund default on different days, the adviser would file a separate Item E current report for each counterparty default that occurred. We did not provide checkboxes for Item E because we believe that advisers to the funds are unlikely to have complete information regarding their counterparty's default and the responses would likely be speculative.

We request comment on the proposed current reports for margin and default events:

17. As currently formulated, is the trigger for reporting margin increases likely to provide an indicator of hedge fund or industry stress and systemic risk? Would proposed Item C capture margin increases that are not indicative of fund or market stress? Would reporting on Item C be burdensome to operationalize, particularly its use of a measure of the reporting fund's increase in margin over a rolling 10 business day period? Should we ask advisers to report the dollar value of margin, collateral or an equivalent on the first and last day of the 10 day period in Item C? Would this information be more or less burdensome than reporting the amount of increase as currently proposed?

18. Should the margin increase be compared to the reporting fund's most recent net asset value as proposed? Or, as with extraordinary losses, are there other measurements, such as a daily mark to market value, we could use to

[29] In situations where there is a contractually agreed upon cure period an adviser would not be required to file an Item D current report until the expiration of the cure period, unless the fund would not expect to be able to meet the margin call during such cure period.

[30] Proposed Form PF section 5, Item D, Question 15.

[31] As noted above, measures derived from ''most recent net asset value'' are backward-looking to the most recently filed routine quarterly, or annual filing and could result in a lag between the net asset value date and a calculation date for purposes of this reporting event, during which market movements could significantly affect values. This could result in over-reporting and under-reporting, but we believe that this approach would simplify monitoring and reporting by advisers. In addition, the option to add explanatory notes to its current report to explain the circumstances of the loss mitigate these concerns.

[32] *See* Financial Stability Oversight Council, ''Update on Review of Asset Management Products and Activities,'' p. 15–18, April 2016, *available at https://www.treasury.gov/initiatives/fsoc/news/Documents/FSOC%20Update%20on%20Review%20of%20Asset%20Management%20Products%20and%20Activities.pdf* (noting that large highly interconnected counterparties play a role in whether hedge fund activities have financial stability implications).

[33] *See* current question 47 of Form PF: Identify each creditor, if any, to which the reporting fund owed an amount in respect of borrowings equal to or greater than 5 percent of the reporting fund's net asset value as of the data reporting date. For each such creditor, provide the amount owed to that creditor.

identify the types of margin increases that could cause investor harm or systemic risk?

19. Should we tie reporting on margin increases to an amount reported on Form PF as of the end of the last reporting period (*e.g.,* total margin, collateral or other equivalent reported in Q43(a) and (b))?

20. Is a 20 percent margin increase measured against the fund's most recently reported net asset value an amount that could raise investor protection or systemic risk concerns such that the Commission and FSOC should be notified within one business day? Should the threshold amount be higher (*e.g.,* 50 percent threshold) or lower (*e.g.,* 10 percent threshold)?

21. Do the proposed check boxes provide proper context to events captured by Item C? Should we remove any of the check boxes, or add additional check boxes to improve our understanding of potential responses to Item C? For example, should we also add a check box for an operational issue (including the potential failure of a service provider) that could lead to an inability to meet a margin call?

22. Should we ask advisers to identify the amount of margin increase for each counterparty in Item C? Would reporting of this dollar amount better inform our understanding of fund stress? Would determining and reporting this figure be burdensome to advisers? Would knowing the amount of margin increase provide appreciable insight into risks to the fund's counterparties?

23. In circumstances where multiple counterparties are involved in the margin increase, should advisers list the top three (or different number of) counterparties, based on the dollar amount of the cumulative increase required by each counterparty instead of all the counterparties that increased margin as we propose? Would listing all the counterparties that may have raised margin in such an event be burdensome?

24. We understand that increases in margin may be subject to extensive negotiation and/or dispute among counterparties so it may be difficult for the adviser to determine the point at which the fund is unable to meet a margin call and required to file in accordance with Item D. Does Item D as currently written provide sufficiently objective criteria for when advisers must file a current report? Are there more objective criteria that we could provide that would be equally useful?

25. Item D would be triggered if the adviser determines that the reporting fund is in default or will be unable to meet a call for increased margin, collateral, or an equivalent, including in situations where there is a dispute with regard to the margin call. Is that appropriate or should we include a carve-out or checkbox for situations where the margin call, collateral, or equivalent is in dispute? Should Item D be triggered without taking into account any contractually agreed cure period to provide more timely information regarding potential systemic risk or would this approach create too many false positives?

26. Is notice of default an easily ascertainable event for advisers to identify or are there nuances to default provisions or certain industry practices that may make this reporting event difficult to implement in practice?

27. Do the proposed check boxes provide proper context to events captured by Item D? Should we remove any of the check boxes, or add additional check boxes to improve our understanding of potential responses to Item D?

28. Items C and D involve events that could be triggered by a fund experiencing stress with the potential to be triggered at the same time or in rapid succession. Are there concerns about the timing of filing reports for these related items? We believe Item C could serve as indicator of the potential for events outlined in Item D. Are we correct in this belief? Should we ask these related questions in a different way so as to receive notice of a potential upcoming default? Would a default event be likely to trigger both of these current reports, and if so, would it be burdensome to file current reports for each of these items in such a situation?

29. Are the triggers for reporting on Item E, including the 5 percent net asset value threshold, indicative of potential systemic risk or investor protection concerns? Should that threshold be higher or lower? Would a threshold for reporting on an adviser's default in Item D be appropriate? If so, should that threshold also be 5 percent of the reporting fund's net asset value? Or should that threshold be higher or lower?

30. We did not provide checkboxes for Item E because we believe that advisers to the funds are unlikely to have complete information regarding their counterparty's default and the responses would likely be speculative. Are we correct in this belief? If not, what checkboxes should we include to improve our understanding of potential responses to Item E?

31. For each of the current reports in Items in C, D, and E, should we request the principal place of business address and the country where we request to identify the counterparty? Or, should the legal name and LEI be sufficient to identify counterparties?

c. Material Change in Relationship With Prime Broker

Proposed section 5, Item F would require the adviser to report a material change in the relationship between the reporting fund and a prime broker. We believe that material changes in a reporting fund's prime brokerage relationships may signal that the fund or the brokers with whom the fund transacts are experiencing stress and may be subject to an increased risk of default or in the case of the reporting fund, potential liquidation. Such events would include material changes to the fund's ability to trade or an outright termination of the prime brokerage relationship for default or breach of the prime brokerage agreement. A prime broker that is no longer willing to provide services to a fund client may be apprehensive of a fund's investment positions or trading practices and may consider the fund to be an unacceptable risk as a counterparty. Therefore, material changes to such relationships may indicate potential stress at the fund that may have implications for investor harm and broader systemic risk concerns.

Proposed Item F would require the adviser to provide the date of the material change and the legal name and LEI (if any) of the prime broker involved. An adviser also would check any applicable boxes that describe the circumstances relating to the material change, including whether the change involved: (1) Material trading limits or investment restrictions on the reporting fund, including requests to reduce positions, or unwind positions completely; and (2) whether the prime brokerage relationship was terminated and by which party.[34] We request comment on the proposed current report in section 5, Item F:

32. Are material changes to a prime brokerage relationship indicative of fund stress or potential systemic risk? Are the circumstances described in the checkboxes sufficient to provide us with detail on the change in the relationship? Should we add an ''other'' check box? Should we add or delete check boxes? Should we request the principal place of business address of the prime broker? Or, should the legal name and LEI be sufficient to identify the prime broker?

33. We would require reporting of only material changes in a reporting

[34] Proposed Form PF section 5, Item F, Question 21.

fund's relationship with a prime broker. Will it be challenging to determine whether a change is material? Should we provide additional guidance? Should we require funds that add a new prime broker to report the new relationship, or is the addition of a new prime broker not useful from a risk evaluation perspective? Should we require that all changes in a reporting fund's relationship with a prime broker reported?

34. We understand that many large funds have prime brokerage agreements that include termination events that have net asset value triggers. Are we correct in this understanding? Should we tie current reporting in proposed Item F to the net asset value trigger provision in a fund's prime brokerage agreement? If so, how? Should we provide a checkbox asking whether a net asset value trigger has been breached?

35. Should we expand the proposed Item F reporting event to include broker-dealer counterparties and not just prime brokers? Would this provide us with a more complete picture of the fund's relationship with broker-dealer counterparties? Would such a current report be burdensome to track across multiple counterparties?

d. Changes in Unencumbered Cash

Proposed section 5, Item G would require the adviser to report a significant decline in holdings of unencumbered cash. A current report for changes in unencumbered cash would be triggered if the value of the reporting fund's unencumbered cash declines by more than 20 percent of the reporting fund's most recent net asset value over a rolling 10 business day period.[35] In order to report significant changes in unencumbered cash, advisers would need to calculate a daily unencumbered cash figure using the same methodology they use to calculate question 33 on the current Form PF.[36] We believe that a precipitous decline in unencumbered cash within a short time window may indicate potential stress on the fund and its ability to access cash affecting the fund's financing and its relationships with counterparties, which may raise concerns of investor harm and systemic risk. In our experience, funds and fund counterparties use unencumbered cash figures as an indicator of a fund's overall health as it has implications, among other things, for the fund's ability to allocate investments, satisfy redemptions, and meet margin calls.

If this trigger is met, the adviser would report the last day of the rolling 10 business day period during which the unencumbered cash declined and the dollar amount of the unencumbered cash on the last day of the period. If the decrease in unencumbered cash were to continue past the initial 10 day period, advisers would not file another current report until the next 10 business day period beginning on or after the end date stated in the adviser's initial Item G report.[37] Item G would also include explanatory checkboxes for the adviser to provide additional information concerning its current understanding of the facts and circumstances around the change in unencumbered cash. These checkboxes include whether (1) the change is attributable to redemption activity for the fund; (2) the change is attributable to new investment positions, strategy and/or portfolio turnover; (3) the change is a related to losses in the value of the fund's portfolio; (4) the change is related to a margin call; or (5) the change was caused by a reason ''other'' than those outlined.[38] These checkboxes would provide relevant information regarding the changes in the fund's unencumbered cash allowing Commission and FSOC to begin to evaluate the event.

We request comment on the proposed current report in section 5, Item G:

36. Is a current report for a decline in unencumbered cash likely to capture changes in unencumbered cash that are indicative of fund or market stress? Is the trigger, including the daily calculation of unencumbered cash, burdensome to operationalize? Is it common for advisers to track an unencumbered cash figure on a daily basis?

37. Should we require reporting when the value of the reporting fund's unencumbered cash declines by more than 20 percent of the fund's most recent net asset value over a rolling 10 day business period as proposed? Is 20 percent too high or too low? Is a rolling 10 business day period appropriate or should we change the length of the period? As with other reporting events that use the reporting fund's most recent net asset value, are there other metrics we should use for purposes of a reporting trigger for a decline in unencumbered cash?

38. Do the proposed check boxes provide proper context to events captured by Item G? Should we remove any of the check boxes, or add additional check boxes to improve our understanding of potential responses to Item G? Why or why not?

39. Are there other similar types of triggers that may signal stress that could be incorporated into Item G? For example, should we include a significant increase or decrease in borrowing by the reporting fund as a reporting event? For this purpose, would a 20 percent increase or decrease in borrowing measured against the most recently reported net asset value be an appropriate measure? What other approach could we use to identify a change in the amount of borrowing that might signal potential stress occurring at a fund?

e. Operations Events

Proposed section 5, Item H would require the adviser to report when the adviser or reporting fund experiences a ''significant disruption or degradation'' of the reporting fund's ''key operations,'' whether as a result of an event at the reporting fund, the adviser, or other service provider to the reporting fund. Key operations means, for this purpose, operations necessary for (1) the investment, trading, valuation, reporting, and risk management of the reporting fund; as well as (2) the operation of the reporting fund in accordance with the Federal securities laws and regulations.[39] When evaluating a reporting fund's key operations that are reasonably measurable, a ''significant disruption or degradation'' means a 20 percent disruption or degradation of normal volume or capacity. For example, Item H would require reporting of cybersecurity event that disrupted the trading volume of a reporting fund by 20 percent of its normal capacity. It also would require reporting in cases where an adviser's ability to value the fund's assets is significantly disrupted or

[35] As noted above, measures derived from ''most recent net asset value'' are backward-looking to the most recently filed routine Form PF quarterly or annual filing and could result in a lag between the net asset value date and a calculation date for purposes of this reporting event, during which market movements could significantly affect values. This could result in over-reporting or under-reporting, but we believe that this approach would simplify monitoring and reporting by advisers. In addition, the option for an adviser to add explanatory notes to its current report to explain the circumstances of the loss mitigate these concerns.

[36] *See* question 33 of current Form PF requiring the value of the reporting fund's unencumbered cash.

[37] If the fund experiences a 20 percent decline in unencumbered cash that continues past the initial 10-day period, the adviser would not report a second time until the fund had experienced a second decline in unencumbered cash of an additional 20 percent of the fund's most recent net asset value over a second rolling 10-day period beginning at or after the end date stated in the adviser's initial Item G current report.

[38] Proposed Form PF section 5, Item G, Question 23.

[39] *See* Form PF Glossary (proposed definitions of ''significant disruption and degradation'' and ''key operations'').

degraded, for example, in connection with operational issues at a service provider. As another example, events such as a severe weather event causing wide-spread power outages that significantly disrupt or degrade key operations also would require reporting. We understand that many large hedge fund advisers have sophisticated back office operations or already engage service providers that would be reasonably able to measure whether an event has impaired their key operation beyond a 20 percent threshold. We believe that an operations event involving a qualifying hedge fund could have systemic risk implications if the fund is not able to trade as a result of such an event.[40] In addition, notice of operations events from multiple advisers could provide an early indicator of market-wide operations events to both the Commission and FSOC. Such events could include a service provider outage that may affect the ability of multiple funds to trade, leading to negative implications for those funds' investors and broader systemic risks.

Item H would require the date of the operations event (or an estimate of when it occurred), and the date the operations event was discovered. Proposed Item H would also require the adviser to provide additional information concerning its current understanding of the circumstances relating to the operations event and its impact on the normal operations of the reporting fund using checkboxes.[41] These include whether: (1) The event occurred at a service provider,[42] (2) the event occurred at a reporting fund or reporting fund adviser or a related person; (3) the event is related to a natural disaster or other force majeure event, or (4) an unlisted ''other'' event occurred. In addition, proposed Item H would require an adviser to indicate whether it has initiated a business continuity plan relating to the operations of the adviser or reporting fund as we believe this may provide additional appropriate context to the operations event.

Proposed Item H also requires the adviser to check a box to describe its current understanding of the impact of the operations event on the normal operations of the reporting fund, including whether the event resulted in the disruption or degradation of: (1) Trading of portfolio assets; (2) the valuation of portfolio assets; (3) the management of the reporting fund's investment risk; (4) the ability to comply with applicable laws, rules, and regulations; or (5) any ''other'' type of operational impact than those outlined and may be further explained in Item K Explanatory Notes. We believe that these explanatory checkboxes would provide appropriate context to current reports filed for operations events allowing the Commission and FSOC to evaluate quickly the potential level of risk to funds, advisers, and their service providers.

We request comment on the proposed current report in section 5, Item H:

40. Will this proposed reporting requirement provide us with notice of operations events that may have serious implications for the fund, its investors, and financial stability?

41. Does the definition of ''operations event'' provide a clear, objective trigger for reporting? Would advisers be able to assess this during an operations event? We proposed a principles-based approach for reporting of an operations event that is a ''significant'' disruption or degradation of the adviser's operations and for operations that are reasonably measurable, we would view a 20 percent disruption of degradation of normal volume or capacity as ''significant.'' Are we correct that certain disruptions may not be quantifiable? Do commenters agree that a 20 percent disruption or degradation of normal volume or capacity indicates that an event is ''significant?'' Should the reporting event include a time frame to measure a 20 percent disruption or degradation? If so, what time frame? Should it be over one business day or over one month? Do advisers' compliance programs typically include benchmarks that could be used to measure a 20 percent disruption or degradation? Are there other potential approaches for an operational events trigger?

42. Are we correct in our understanding that many large hedge fund advisers maintain sophisticated back office operations or already engage service providers that would be reasonably able to measure whether an event has impaired their key operation beyond a 20 percent threshold? Are there any other objective measures gathered by advisers or their service providers that could be utilized as a trigger for this reporting event?

43. Will the checkboxes provided to describe the circumstances of the ''operations event'' provide us with sufficient detail regarding the operational issue and its potential severity? Should we amend, add, or remove any of the check boxes? Is the check box for force majeure events appropriate, or does it have the potential to cause numerous notifications during certain widely applicable disaster events like a pandemic or large hurricane?

44. Should we require an adviser to indicate whether the operations event is caused by a service provider and require the adviser to provide information regarding the service provider, as proposed? Should we define the term ''service provider'' for these purposes? Should we require reporting only for those service providers listed in Form ADV, Schedule D for the private fund? Are there some operations events that could be caused by a third party that is not a service provider to the reporting fund or adviser? If so, should we require an adviser to provide information regarding such a third party?

45. Should we define ''key operations'' as proposed? Are there any activities that we should add or delete from the definition? For example, should key operations also include the operation of the reporting fund in accordance with major contractual commitments to the reporting fund's investors and/or counterparties? For example, should it be considered a significant disruption or degradation of key operations if an issue at a service provider degrades the fund's ability to measure its positions or communicate certain information to counterparties pursuant to contractual notice terms?

46. As an alternative to defining ''operations event'', should we require current reporting by advisers whenever they initiate a business continuity plan? Would the initiation of a business continuity plan be a simpler trigger to apply? Would the initiation of a business continuity plan as a reporting event result in too many current reports about events that could not lead to investor harm or systemic risk? Would it miss important operations events that could lead to investor harm or systemic risk? Should we be concerned that advisers might delay initiating a business continuity plan so as to avoid reporting?

47. Should we require an adviser to indicate whether it has initiated a business continuity plan relating to the

[40] We recognize that the SEC currently does not require registered investment advisers and registered investment companies to report operational events. We are also considering recommending that the Commission propose rules to enhance fund and investment adviser disclosures and governance relating to cybersecurity risks. *See* Securities and Exchange Commission, Agency Rule List (Fall 2021), *available at* Agency Rule List—Fall 2021 (*reginfo.gov*).

[41] Proposed Form PF section 5, Item H, Questions 26 through 28.

[42] If the event occurred at a service provider, an adviser also must report the legal name of the service provider; the service provider's LEI, if any; and the types of services provided by the service provider.

operations of the adviser or reporting fund, as proposed? Does the initiation of such a plan provide the Commission with indications of potential stress at the fund or its adviser?

f. Withdrawals and Redemptions

We believe large redemption requests, suspensions of withdrawals/redemptions, material restrictions on withdrawals/redemptions, and an inability to satisfy redemptions are significant signals of potential stress at a qualifying hedge fund.[43] Qualifying hedge funds under stress or in periods of volatility may have difficulty selling certain assets in an orderly manner to meet large redemption requests. In such a situation, hedge funds could fall back on more extraordinary liquidity management measures to mitigate redemption difficulties and the potential for forced asset sales.[44] While advisers currently are required to provide certain reporting regarding redemptions for qualifying hedge funds on a quarterly basis, we are proposing current reporting Items I and J to provide more detailed and timely information to the Commission and FSOC indicating the potential for investor harm, forced selling in liquidations, or broader systemic risk.[45]

Proposed section 5, Item I would require an adviser to report if the adviser receives cumulative requests for redemption exceeding 50 percent of the most recent net asset value (after netting against subscriptions and other contributions from investors received and contractually committed).[46] We believe that the obligation to redeem sizable redemption requests of 50 percent or more of a reporting fund's most recent net asset value, despite pre-existing gates or limitations, may present significant risks to the fund and increases the risk that it may be forced to liquidate assets (potentially at lower prices), disproportionately penalizing non-redeeming investors, and potentially impacting markets more broadly. In the staff's experience, funds that receive withdrawal requests for half or more of their assets in the period between routine quarterly reports on Form PF may be subject to increased selling and liquidity pressures that could be particularly harmful to investors with potential broader market implications, especially if the fund is invested in more illiquid assets. Timely notice of such events would allow the Commission and FSOC to analyze the potential implications for the fund's investors and systemic risk.

Under proposed Item I, an adviser would report: (a) The date on which the net redemption requests exceeded 50 percent of the most recent net asset value; (b) the net value of redemptions paid from the reporting fund between the last data reporting date (the end of the most recently reported fiscal quarter on Form PF) and the date of the current report; (c) the percentage of the fund's net asset value the redemption requests represent; and (d) whether the adviser has notified the investors that the reporting fund will liquidate.

Proposed section 5, Item J would require an adviser to report if a qualifying hedge fund is unable to satisfy redemptions or suspends redemptions for more than 5 consecutive business days. We believe that this report would help the Commission and FSOC to identify stress at a reporting fund and evaluate the effects of these circumstances on fund investors and the markets more broadly. We also believe that this reporting could provide a potential early warning of the fund's liquidation and potentially allow the Commission or FSOC to analyze or respond to any perceived harm to investors or systemic risks on an expedited basis before they worsen. The 5 consecutive day period is designed to limit reporting of temporary redemption suspensions that we believe have less of an impact on investors or the broader market. Under proposed Item J, the adviser would report: (a) The date the reporting fund was unable to pay redemption requests or suspended redemptions; (b) the percentage of redemptions requested and not yet paid; and (c) whether the adviser has notified the investors that the reporting fund will liquidate.

We request comment on the proposed current report in section 5, Items I and J:

48. For proposed Item I, our goal is to be notified when the adviser receives requests for substantial redemptions because they may result in significant transaction costs and forced selling by a fund, all of which can cause harm to investors and contribute to systemic risk. Does Item I, as currently formulated, capture such events?

49. Should we ask different, additional questions, or provide checkboxes to gather additional context and timely information on large redemptions? What should such checkboxes describe?

50. Is the 50 percent of most recent net asset value threshold trigger for substantial redemptions proposed in Item I appropriately tailored to capture large scale liquidations? Should it be higher or lower or over a different time period? We understand that some investors may submit a redemption request each quarter to preserve their flexibility as a matter of course. For example, a fund of funds may submit a redemption request to its underlying funds so that it can match any redemptions it receives from its investors. The fund of funds then may rescind the redemption requests that they do not need so that their initial redemption requests appear overstated. How should the reporting event take these types of redemption requests into account? Should we allow reporting funds to exclude certain redemption requests? If so, how should we cabin such an exclusion?

51. Would proposed Item J provide the information we seek regarding a reporting fund's inability to pay redemptions or its suspension of redemptions? The 5 consecutive day period is designed to limit reporting of temporary redemption suspensions that we believe have less of an impact on investors or the broader market. Is the 5 consecutive business day period for inability to satisfy or the suspension of redemptions appropriate for capturing significant constraints on investor liquidity or stress at the fund? Should the period be longer or shorter?

52. Should we ask different, additional questions, or provide checkboxes about why an adviser was unable to pay redemptions or why redemptions were suspended? If so, what should they be?

g. Explanatory Notes

Proposed Item K would allow an adviser to provide a narrative response if it believes that additional information would be helpful in current report(s). We believe that current reports can sometimes benefit from additional context so that the Commission and FSOC can effectively evaluate them for both our investor protection mission and FSOC's monitoring of systemic risk. This approach is consistent with other

[43] We understand that many funds place quarterly restrictions on the timing and size of investor's redemptions.

[44] *See* Financial Stability Oversight Council, Update on Review of Asset Management Products and Activities (Apr. 2016), *available at https://www.treasury.gov/initiatives/fsoc/news/Documents/FSOC%20Update%20on%20Review%20of%20Asset%20Management%20Products%20and%20Activities.pdf.*

[45] *See* Form PF question 61 regarding restrictions on withdrawals and redemptions by investors in the reporting fund.

[46] As with the proposed use of ''most recent net asset value'' in other circumstances described above, this measure could result in over-reporting or under-reporting, but we believe that a simple to determine measure would ease the monitoring and reporting burden for advisers. In addition, the option for an adviser to add explanatory notes to its current report to explain the circumstances surrounding the redemptions mitigates these concerns.

current reports filed with the Commission, where registrants have requested the flexibility to provide additional narrative information relating to circumstances surrounding the current report.[47]

We request comment on the proposed current report in section 5, Item K:

53. Should we provide the option for a narrative response? Are advisers likely to use the space to provide additional context to a filed current event?

54. Should we require advisers to provide a narrative response in Item K when they check ''other'' in describing a key event?

55. Other current reporting forms require follow up reports for certain events.[48] Should we require follow up reports for any of the current reporting events in section 5? For example, should we require an adviser to file a follow up report if it learns additional material information regarding the reported event that is responsive to a proposed question? Should we require advisers to periodically file follow-up reports (*e.g.,* every 5 business days, every 30 business days) until the event has been resolved? Should we instead permit advisers to voluntarily file follow-up current reports? As another alternative, should we require advisers to report information regarding the resolution of the event as part of its next regular report on Form PF?

56. Should advisers to funds that are not qualifying hedge funds have to respond to any or all of the current reporting items? For example, should we require all advisers that file Form PF to file a current report in connection with an operations event? Should certain current reporting events only be required of the largest hedge funds? If so, what asset thresholds would be appropriate and for which items?

2. Private Fund Adviser Current Reporting on Private Equity Funds

Similar to the current reporting in proposed section 5 for large hedge fund advisers, we are also proposing to require all advisers to private equity funds to file a current report within one business day of a reporting event. The reporting events include: (1) Execution of an adviser-led secondary transaction, (2) implementation of a general partner or limited partner clawback, and (3) removal of a fund's general partner, termination of a fund's investment period, or termination of a fund. As noted above, private equity fund advisers file their annual updates within 120 calendar days after their fiscal year ends, which leads to significant delays in reporting and staleness of certain information. We believe that more current reporting of the proposed information would improve the Commission's and FSOC's ability to monitor systemic risk by providing information on certain events (including potential trends affecting multiple private equity funds) that could significantly affect both investors and markets more broadly, and also enhance our investor protection efforts. Because reporting of these events is designed to enhance our timely oversight of these advisers, we propose to require current reporting on a limited number of events by all advisers to private equity funds that file Form PF. Furthermore, we believe that growth in the private equity industry since the adoption of Form PF further supports the proposed current reporting requirements, given that both the number of investors invested in private equity funds has increased and the industry's impact on markets generally has become more pronounced.[49] We believe that both of these developments merit more timely risk-based monitoring and oversight by the Commission and FSOC given the potential consequences for an ever increasing pool of private equity investors as well as financial markets broadly.

Proposed section 6 would contain Items A through E. Item A would require advisers to identify themselves and the reporting fund, including providing the reporting fund's name, private fund identification number, NFA identification number (if any), and LEI (if any).[50] Items B through D would set forth the three reporting events and the applicable reporting requirements. Item E would serve as an optional item for advisers to provide any explanatory notes they believe would be helpful to the Commission's and FSOC's understanding of information reported in section 6. The following sections discuss each reporting event in turn.

a. Adviser-Led Secondary Transactions

Proposed section 6 Item B would require reporting upon the completion of an adviser-led secondary transaction. This proposed reporting would include the transaction completion date and a brief description of the transaction. We propose to define ''adviser-led secondary transaction'' as any transaction initiated by the adviser or any of its related persons[51] that offers private fund investors the choice to: (1) Sell all or a portion of their interests in the private fund; or (2) convert or exchange all or a portion of their interests in the private fund for interests in another vehicle advised by the adviser or any of its related persons.[52] Under the proposal, transactions would only be subject to reporting if they are initiated by a private equity fund's adviser or a related person of the adviser.[53] We understand that these transactions have become increasingly common in the private equity space and may present conflicts of interest that merit timely reporting and monitoring given that these conflicts, particularly those that arise because the adviser (or its related person) is on both sides of the transaction in an adviser-led secondary transaction with potentially different economic incentives, have the potential to negatively impact investors. To the extent that an increase in adviser-led secondary transactions also indicates an inability to sell portfolio companies (or to sell those companies at existing valuations) through more traditional exit avenues, transactions of this nature could be a leading indicator of a declining market, a situation that also merits timely monitoring to identify potential consequences for both investors as well as markets more broadly from a systemic risk perspective. This proposed requirement would provide the Commission and FSOC with data regarding the frequency and circumstances surrounding these transactions allowing the Commission and FSOC to assess market trends better and assess both potential market impacts as well as potential conflicts of interest associated with these transactions.

[47] *See* Part H of Form N–RN.

[48] 17 CFR 274.223 (Form N-Liquid or Form N–RN) and 17 CFR 274.222 (Form N–CR).

[49] Since 2013, the number of private equity funds has more than doubled from under 7,000 to nearly 16,000, private equity fund gross assets have tripled from $1.6 trillion to $4.7 trillion, and private equity fund net assets have also nearly tripled, increasing from $1.5 trillion to $4.2 trillion. *See* Private Funds Statistics, *supra* footnote 4.

[50] Section 6, Item A would also require identifying information on the reporting fund's adviser, including the adviser's full legal name, SEC 801-Number, NFA ID Number (if any), large trader ID (if any), and large trader ID suffix (if any), as well as the name and contact information of the authorized representative of the adviser and any related person who is signing the current report. *See* Section 6, Item A.

[51] *See* Form PF Glossary (definition of ''related person'').

[52] *See* Form PF Glossary (proposed definition of ''adviser-led secondary transaction'').

[53] Whether a transaction is initiated by the adviser or its related persons requires a facts and circumstances analysis. However, we would generally not view a transaction to be initiated by the adviser or one of its related persons to the extent the adviser or one of its related persons, at the unsolicited request of an investor, participates in the secondary sale of such investor's fund interest.

We request comment on the proposed current report in section 6, Item B:

57. The purpose of this proposed reporting event is to identify an adviser-led secondary transaction that merits monitoring on a timelier basis than possible with an annual report on Form PF. Does the reporting event accomplish this purpose? Why or why not? If not, how should we modify the language? Should the rule use an alternative trigger? Alternatively, do these types of transactions not merit such monitoring?

58. Is the proposed definition of ''adviser-led secondary transaction'' appropriate and clear? If not, how could the definition be clarified? Should it be modified or eliminated? Is the proposed definition too broad or too narrow? Should we provide additional guidance?

59. Should we define or provide guidance on the term ''transaction'' in the definition of ''adviser-led secondary transaction''? If so, how should ''transaction'' be defined? Should we reference the various types of adviser-led secondary transactions in the definition? Why or why not? The proposed definition of ''adviser-led secondary transaction'' includes transactions initiated by the adviser's related persons. Should we exclude transactions initiated by some or all of the adviser's related persons from the proposed definition?

b. General Partner or Limited Partner Clawback

Proposed section 6 Item C would require reporting upon the implementation of a general partner clawback. This proposed reporting would include the effective date of the clawback and the reason for the clawback.[54] We would define ''general partner clawback'' as 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.[55]

For example, if the general partner of a fund is entitled to performance-based compensation equaling 20 percent of the fund's profits over the life of the fund and the fund distributes such compensation to the general partner periodically based on the profitability of the fund at the time of distribution, the general partner may have received distributions of performance-based compensation over the life of the fund *in excess* of 20 percent of the fund's aggregate profits. In this situation, under the fund's governing documents, the fund's general partner would be required to return the excess performance-based compensation it received to the fund. Specifically, reporting would be required when the general partner is required to return to the fund performance-based compensation in excess of the amount it was ultimately entitled to receive under the fund's governing documents.

The widespread implementation of general partner clawbacks may be a sign of a deteriorating market environment, which may have systemic risk implications. For example, given that the implementation of general partner clawbacks by private equity funds is typically rare, if many funds are implementing general partner clawbacks at the same time, this could be indicative of the early stages of a distressed credit environment or cycle, and timely reporting received could help the Commission and FSOC identify particular markets, sectors or funds on which such a declining market environment could have an outsized impact, and which may merit additional monitoring given the potential consequence for both investors and financial market stability.

In addition, we propose to require reporting when an adviser implements a limited partner clawback (or clawbacks) in excess of an aggregate amount equal to 10 percent of a fund's aggregate capital commitments. We would define ''limited partner clawback,'' sometimes referred to as a limited partner ''giveback,'' as 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.[56] We believe requiring the proposed minimum threshold is appropriate because we believe a clawback of this magnitude would be associated with an event that could have a significant negative impact on a fund's investors and, if a pattern emerges among multiple private equity advisers, could indicate financial stability concerns.

Limited partner clawbacks of this magnitude also could signal that a fund is under stress or is anticipating being under stress. For example, a limited partner clawback (or clawbacks) in an aggregate amount of more than 10 percent of a private equity fund's aggregate capital commitments might suggest that the fund is planning for a material event (*e.g.,* substantial litigation or legal judgment) that could negatively impact investors and we believe that such potential impact merits prompt reporting to allow for more timely risked-based monitoring.

We request comment on the proposed current report in section 6, Item C:

60. Do the proposed reporting events based on implementation of a general partner and/or limited partner clawback capture events that could signal that a fund or the market more generally is under stress or subject to an event that merits prompt reporting? Why or why not? If not, how should we modify this reporting event or what alternative reporting event would you suggest?

61. Are the proposed definitions of ''general partner clawback,'' ''performance-based compensation,'' and ''limited partner clawback'' appropriate and clear? If not, how should the definitions be clarified? Should they be modified or eliminated? Are the proposed definitions too broad or too narrow? Should we provide additional guidance?

62. With respect to the limited partner clawback reporting event, is the proposed minimum reporting threshold, *i.e.,* a clawback (or clawbacks) in excess of an aggregate amount equal to 10 percent of a fund's aggregate capital commitments, appropriate? Why or why not? If not, should the threshold be higher or lower and why? Would the proposed limited partner clawback reporting event cause advisers to hold more investment proceeds as reserves and delay distributions to investors, rather than distributing proceeds to investors more quickly? Why or why not?

63. We recognize that certain fund agreements require the adviser to perform interim clawback calculations during the life of the fund. For example, the adviser may be required to determine whether the general partner would be subject to a clawback on the first anniversary of the termination of the investment period. Should such ''interim'' clawbacks be subject to the current reporting requirement, as proposed? Do they present the same monitoring needs as end-of-life clawbacks?

[54] As proposed section 6, Item C pertains to both general partner clawbacks and limited partner clawbacks, the item also requires filers to specify the type of clawback implemented (*i.e.,* whether it is a general partner clawback or limited partner clawback). *See* Section 6, Item C.

[55] *See* Form PF Glossary (proposed definition of ''general partner clawback''). Under the proposal we would define ''performance-based compensation'' as any allocation, payment, or distribution of capital based on the fund's (or its portfolio investments') capital gains and/or capital appreciation. This definition would include cash or non-cash compensation, including in-kind allocations, payments, or distributions of performance-based compensation. *See also* Form PF Glossary (proposed definitions of ''performance-based compensation'' and ''portfolio investments'').

[56] *See* Form PF Glossary (proposed definition of ''limited partner clawback'').

c. Removal of General Partner, Termination of the Investment Period or Termination of a Fund

Proposed section 6 Item D would require an adviser to report when a fund receives notification that fund investors have: (1) Removed the adviser or an affiliate as the general partner or similar control person of a fund, (2) elected to terminate the fund's investment period, or (3) elected to terminate the fund, in each case as contemplated by the fund documents. Proposed Item D would require reporting on the effective date of the applicable removal event and a description of such removal event.

We believe that events of this nature are rare, and accordingly, current reporting would also be rare. However, we believe these events could provide an indication of market deterioration and also raise investor protection issues, including potential conflicts of interest, and merit the Commission's and FSOC's timely monitoring. For example, each of these triggers could lead to the liquidation of the fund earlier than anticipated, which could present risks to investors and potentially certain markets in which the fund assets were invested. This proposed current reporting event would provide the Commission and FSOC with timely notification of this event (of which we might otherwise be unaware at the time it is initiated), and allow for evaluation given the potential consequences of the event.

We request comment on the proposed current report in section 6, Item D:

64. Does the proposed reporting event based on the removal of a fund's general partner, termination of a fund's investment period, or termination of a fund raise investor protection and systemic risk concerns that merit timely monitoring? Why or why not? If not, how should we modify this reporting event or what alternative reporting event would you suggest? Is the use of the term ''termination'' in the reporting event clear on its face or should it be defined? Why or why not?

65. Are there other reporting events, in addition to the ones that we have proposed in section 6, that you believe would provide the Commission and FSOC with information that would enhance our ability to protect private equity fund investors and monitor the private equity industry? If so, what are they? For example, should we have a reporting event in connection with the departure of a senior member (*e.g.,* partner, executive officer, etc.) of a fund's general partner, *e.g.,* a key person event?

66. Should we add a ''for cause'' requirement to this reporting event (*i.e.,* typically defined in a fund's governing documents as the general partner or its principals engaging in gross negligence, willful misconduct, fraud, or violations of applicable law)? Should we narrow the reporting event to only cover ''for cause'' events?

d. Explanatory Notes

Similar to proposed section 5 Item K and for the same reasons, proposed section 6 Item E would allow an adviser to provide a narrative response if it believes that additional information would be helpful in explaining the circumstances of their current report(s).

We request comment on the proposed current report in section 6, Item E:

67. Should we provide the option for a narrative response? Are advisers likely to use the space to provide additional context to a filed current event?

68. As noted above, other current reporting forms require follow up reports for certain events. Should we require follow up reports for any of the reporting events in section 6? For example, should we require an adviser to file a follow up report if it learns additional material information regarding the reported event that is responsive to a proposed question?

3. Filing Fees and Format for Reporting

We propose to require advisers to file current reports through the same non-public filing system they use to file the rest of Form PF, the Private Fund Reporting Depository (''PFRD'').[57] Large hedge fund advisers and all private equity advisers would file current reports on section 5 and section 6 of Form PF, respectively, and would not file any other sections of Form PF at the time a current report is filed. This requirement is designed to facilitate reporting of clear and timely information in an efficient manner. Under the proposed rule, advisers filing current reports on either section 5 or 6 would be required to pay to the operator of the Form PF filing system fees that have been approved by the SEC. The SEC in a separate action would approve filing fees that reflect the reasonable costs associated with the filings and the establishment and maintenance of the filing system.[58] Advisers also would be able to amend their current report if they discover that information they filed was not accurate at the time of filing.[59]

69. Should advisers file current reports through PFRD as proposed? Alternatively, is there another filing system (*e.g.,* IARD, EDGAR) that would be more appropriate? Should we instead allow advisers to file current reports via secure email? Would that be less burdensome for advisers experiencing an operations event?

70. Should there be filing fees associated with filing a current report on Form PF? Considering the expeditious reporting deadlines and the nature of the current reporting events, would filing fees prevent a timely filing of a current report?

71. Under the proposal, filers may request a temporary hardship exemption pursuant to rule 204(b)–1(f) for a current report. Should we instead require advisers to notify the Commission via email or phone call if they are experiencing a temporary hardship and as a result cannot file their current report? Alternatively, should we instead prohibit advisers from requesting a temporary hardship exemption pursuant to rule 204(b)–1(f) for a current report given the importance of timely reporting?

B. Large Private Equity Adviser Reporting

We also propose to amend section 4 of Form PF, which requires reporting by large private equity advisers to: (1) Lower the reporting threshold from $2 billion to $1.5 billion in private equity fund assets under management, and (2) add new questions designed to enhance our understanding of certain practices of private equity advisers and amend certain existing questions to improve data collection.[60]

1. Reduction in Large Private Equity Adviser Reporting Threshold

Currently, a private fund adviser must complete section 4 of Form PF if it had at least $2 billion in private equity fund assets under management as of the end of its most recently completed fiscal year (''large private equity adviser'').[61]

[57] *See* proposed Instruction 12. *See also* rule 17 CFR 275.204(b)–1.

[58] *See* section 204(c) of the Advisers Act.

[59] Consistent with the current instructions for other types of Form PF filings, large hedge fund advisers and private equity advisers would not be required to update information that they believe in good faith properly responded to Form PF on the date of filing even if that information is subsequently revised for purposes of recordkeeping, risk management or investor reporting (such as estimates that are refined after completion of a subsequent audit). This proposed requirement is designed to provide advisers with a way to correct current reports, just as all advisers can correct other types of Form PF filings. *See* Instruction 16.

[60] Under the proposal, Item B would also be split into three new items to be designated new Item B ''Certain information regarding the reporting fund,'' new Item C ''Reporting fund and controlled portfolio company financing,'' and new Item D ''Portfolio company investment exposures.''

[61] *See* Instruction 3 to Form PF.

Section 4 of the Form requires additional information regarding the private equity funds these advisers manage, which are tailored to focus on relevant areas of financial activity that have the potential to raise systemic concerns. When Form PF was originally adopted in 2011, the $2 billion reporting threshold captured 75 percent of the U.S. private equity industry based on committed capital.[62] Today, this threshold only captures about 67 percent of the U.S. private equity industry.[63] We therefore propose to lower this threshold to $1.5 billion in order to continue to capture about 75 percent of the U.S. private equity industry based on committed capital.[64] We believe the proposed reduction is important so that Form PF continues to capture and provide robust data on a sizable portion of the private equity industry. The proposed threshold reduction is designed so that the group of advisers filing Form PF as large private equity advisers would continue to represent a substantial portion of private equity industry assets. Having a robust data set for analysis is important for both identifying potential investor protection issues as well as for monitoring systemic risk. We think that the proposed new threshold strikes an appropriate balance between obtaining information regarding a significant portion of the private equity industry for analysis while continuing to minimize the burden imposed on smaller advisers.

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

72. Should the Commission reduce the reporting threshold for large private equity advisers as proposed? Why or why not? If not, should the reporting threshold be kept constant, increased, or decreased further? If the threshold should be changed, what do you believe is the appropriate threshold and why?

73. Would the proposed reduction in the large private equity adviser reporting threshold create an undue burden on advisers that will newly be required to complete section 4 (*i.e.,* those with between $1.5 billion and $2 billion in private equity fund assets under management)? If so, why?

74. Does the change in reporting threshold for filing as a large private equity adviser accurately capture the information needed to monitor for systemic risk? Why or why not?

2. Large Private Equity Adviser Reporting

Private Equity Fund Investment Strategies. We propose to add Question 68 to Section 4 to collect information about private equity fund investment strategies.[65] Form PF does not currently collect data on private equity fund strategies. Given the growth in the industry since adoption of Form PF and the current diversity of strategies employed by private equity funds, we believe that it is important that we begin collecting this information. Different strategies carry different types and levels of risk for the markets and financial stability. We believe that reporting on investment strategies would allow the Commission and FSOC to understand and monitor better the potential market and systemic risks presented by the different strategies to both markets and investors. For example, a shift in private equity assets towards riskier strategies could provide valuable information about emerging systemic risks. Similarly, as noted above, this information would also allow the Commission and FSOC to assess better private equity funds' increasing role in providing credit to companies.

The proposed question would be structured similar to Question 20, which collects information about hedge fund strategies, but tailored to private equity funds (*i.e.,* the strategies would represent common strategies employed by private equity funds). The proposal would require advisers to choose from a mutually exclusive list of strategies by percent of deployed capital even if the categories do not precisely match the characterization of the reporting fund's strategies. If a reporting fund engages in multiple strategies, the adviser would provide a good faith estimate of the percentage the reporting fund's deployed capital represented by each strategy.

Proposed Question 68 also would include an ''other'' category for advisers to select in cases where a reporting fund's strategy is not listed, but an adviser selecting ''other'' in response to this question must explain why. This proposed requirement is designed to improve data quality by providing context to an adviser's selection of the ''other'' category. It also is designed to help ensure that advisers are not selecting the ''other'' category when they should be reporting information in a different strategy category. Proposed Question 68 is designed to allow FSOC to filter data for targeted analysis, monitor trends in the private equity industry, analyze potential system risk, and to support the Commission's oversight of the private equity industry and investor protection efforts.

We request comment on proposed Question 68:

75. Should Form PF require large private equity advisers to report investment strategies for the private equity funds they advise as proposed?

76. Should we collect strategy information for all advisers to private equity funds and not just large private equity advisers? Why or why not? Would collecting this data be overly burdensome for smaller private equity advisers? If so, what should be the threshold cutoff for such reporting (*e.g.,* $500 million in private equity assets under management)?

77. Should Question 68, as proposed, provide that the strategy options are mutually exclusive and direct advisers to not report the same assets under multiple strategies? Why or why not? Alternatively, should Form PF allow advisers to report the same assets under multiple strategies? Would this approach better identify the reporting fund's strategies?

78. Should Form PF require more granular strategy information than proposed? Why or why not? If so, please provide examples of more granular categories or sub-categories that should be included.

79. Should Question 68 require more, fewer, or different categories? Are there other strategies that are important for tracking and assessing systemic risk or for the protection of investors? If so, please provide examples of desired changes in the strategy categories.

80. With respect to private credit strategies, should we consolidate some of the private credit categories? For example, are ''Private Credit—Junior/Subordinated Debt,'' ''Private Credit—Mezzanine Financing,'' ''Private Credit—Senior Debt,'' and Private Credit—Senior Subordinated Debt'' each considered a subset of the category ''Private Credit—Direct Lending/Mid Market Lending''? If so, should we only have a ''Private Credit—Direct Lending/Mid Market Lending'' category and

[62] *See* 2011 Form PF Adopting Release, *supra* footnote 2, at 32.

[63] Based on data reported on Form PF and Form ADV.

[64] As under the current instructions to Form PF, an adviser would determine whether it meets the threshold and qualifies as a large private equity adviser based solely on the assets under management attributable to private equity funds.

[65] For purposes of this proposed question, private equity fund investment strategies would include private credit (and associated sub-strategies such as distressed debt, senior debt, special situations, etc.), private equity (and associated sub-strategies such as early stage, buyout, growth, etc.), real estate, annuity and life insurance policies, litigation finance, digital assets, general partner stakes investing, and other. In connection with this proposed question, we also propose to add two new terms to the Form PF Glossary of Terms for ''digital assets'' and ''general partner stakes investing.'' *See* Form PF Glossary of Terms.

remove the other four sub-categories? Why or why not? Furthermore, should ''Private Credit—Direct Lending/Mid Market Lending'' be changed to ''Private Credit—Direct Lending'' to capture direct lending to large corporations? Why or why not?

81. Should Question 68 include an ''other'' category, as proposed? If advisers select the ''other'' category, should Form PF require them to explain the selection, as proposed? Should Form PF require the adviser to include more, less, or different information in the explanation? Would this proposed change improve data quality by providing context to the adviser's selection of the ''other'' category? Would this proposed change help us ensure that advisers are not misreporting information in the ''other'' category when they should be reporting information in a different category? Is there a better way to meet these objectives? Should Form PF require advisers to provide explanations for any other categories besides the ''other'' category, as proposed?

82. Should we define ''digital assets'' and ''general partner stakes investing'' as proposed or are other alternative definitions more suitable?

Restructuring/recapitalization of a portfolio company. We propose to add Question 70 to Section 4 to obtain additional information regarding restructurings or recapitalizations of the reporting fund's portfolio companies. Specifically, we propose to require an adviser to indicate whether a portfolio company was restructured or recapitalized following the reporting fund's investment period, and if so, to provide the name of the portfolio company and the effective date of the restructuring.[66] For example, a fund that holds portfolio company equity that has become worthless might restructure its equity interest into a note or loan with a different valuation. While we understand that private equity funds routinely engage in these practices during the investment period, we believe that when these activities happen post-investment period, it would tell the Commission and FSOC more about the current market environment and would allow FSOC to monitor these activities for systemic risk analysis and assist us with our risk-based exam program.

We request comment on proposed Question 70:

83. Should Form PF require advisers to report on restructuring or recapitalizations of a portfolio company as proposed? Why or why not?

84. Would the proposed reporting tell us more about the current market environment or potential systemic risk?

85. Would it be overly burdensome for advisers to report this information? Why or why not? If so, are there alternative ways for us to collect this data that would be less burdensome? Please provide examples.

86. As drafted, is this question appropriate in scope? Should we carve out certain types of recapitalizations or restructurings? Should certain types of funds not be required to report this information based on their investment strategy or underlying holdings?

Investments in different levels of a single portfolio company's capital structure by related funds. We propose to add Question 71 to require reporting on investments in different levels of a single portfolio company's capital structure by funds advised by an adviser or a related person. Specifically, the adviser would indicate whether the reporting fund held an investment in one class, series or type of securities (*e.g.,* debt, equity, etc.) of a portfolio company while another fund advised by the adviser or its related persons concurrently held an investment in a different class, series or type of securities (*e.g.,* debt, equity, etc.) of the same portfolio company, and if so, to provide the name of the portfolio company and a description of the class, series or type of securities held.[67] This can create a conflict of interest for the adviser that could be important for the Commission to monitor. For example, if a portfolio company suffers financial distress, there may be a conflict between the funds' interests given that the company may not be able to satisfy the claims all of classes of creditors. In such a circumstance, the adviser's decisions may have the effect of benefiting one fund over another fund. The purpose of this question would be to identify circumstances where multiple reported funds advised by the same adviser have exposure to the same portfolio company, which would allow us to better understand and monitor market trends regarding this practice and enhance our investor protection efforts.[68]

We request comment on proposed Question 71:

87. Should Form PF require advisers to report on investments in a different class, series or type of securities (*e.g.,* debt, equity, etc.) of a single portfolio company's capital structure? Why or why not? Do you believe that this information would be useful in monitoring exposures that present risks to investors, the markets, and financial stability? Why or why not? If not, how would you modify this question or what alternatives would you suggest to identify potential conflicts of this nature?

88. Should we expand the proposed question to capture all funds of the same adviser or related persons (including those not reported on Form PF) or separately managed accounts or other clients that hold investments in different levels of a single portfolio company's capital structure? Why or why not?

89. Current Question 79 of Form PF[69] requires an adviser to report on whether it or any of its related persons (other than the reporting fund) invest in any companies that are portfolio companies of the reporting fund. Would proposed Question 71 provide additional insight into these investments? In connection with this change, should we add a threshold for responding to current Question 79 (*e.g.,* greater than 10 percent of gross asset value) to reduce the burden on advisers in responding to this question? Alternatively, should we amend current Question 79 to require the adviser to report additional information regarding the related persons' investments?

Fund-level borrowings. The proposal would add Question 72 to require advisers to report whether a reporting private equity fund borrows or has the ability to borrow at the fund-level as an alternative or complement to the financing of portfolio companies. We understand that many funds use fund-level financing for this alternative or complementary financing purpose. If a fund engages in fund-level borrowing, the proposal would require the adviser to provide (1) information on each borrowing or other cash financing available to the fund, (2) the total dollar amount available, and (3) the average amount borrowed over the reporting period.[70] This new question is designed to collect data that the Commission believes would provide valuable insight into how private equity funds obtain leverage, thereby giving the Commission and FSOC a better understanding of a reporting fund's risk profile.

Fund-level leverage generally causes a fund to make larger, less frequent capital calls. Such practice has the

[66] Proposed Question 70.

[67] Proposed Question 71.

[68] For example, an adviser may have two advised funds invested in different classes of a portfolio company's capital structure, with one fund managing outside capital while the other manages primarily internal capital of the adviser's owners/employees.

[69] We would redesignate Question 79 as Question 87.

[70] Proposed Question 72.

potential to cause liquidity concerns for investors that may not have occurred had the adviser made smaller, more frequent capital calls. This concern is exacerbated for investors with commitments to multiple private equity funds because advisers may call capital simultaneously—particularly when liquidity is generally constrained across the market—resulting in investors receiving large, concurrent capital calls. This may increase the likelihood of potential defaults by investors. We believe that this information would enhance the Commission's and FSOC's ability to monitor systemic risk posed by such potential defaults.

We request comment on proposed Question 72:

90. Should Form PF require advisers to report on private equity fund borrowings as proposed? Why or why not? Do you believe that this question as proposed would be useful in identifying and monitoring potential systemic risk associated with private equity fund leverage? Why or why not? If not, how would you modify this question or what alternatives would you suggest?

91. Should we collect additional data beyond the type of borrowing or financing, dollar amount available, and average amount borrowed as proposed? If so, what additional data should we collect and why?

92. Are the categories for ''type of financing'' in proposed Question 72 appropriate or should there be more, fewer or different categories? If there should be more or different categories, what additional or different categories do you suggest?

Financing of portfolio companies. We propose to add Question 74 to require an adviser to report whether it or any of its related persons provide financing or otherwise extend credit to any portfolio company in which the reporting fund invests and to quantify the value of such financing or other extension of credit.[71] This proposed question would provide additional information on these financing arrangements and identify possible conflicts of interest that may arise that would help us focus our risk-based exam program, and could also alert us to industry financing trends that could affect systemic risk concerns. For example, if a reporting fund's portfolio companies are unable to obtain credit from traditional sources, advisers (and their related persons) may be more likely to lend to these companies, especially if a portfolio company is in distress. We believe these types of financing could be an early indicator of a market downturn.

We request comment on proposed Question 74:

93. Should Form PF require advisers to report on whether a reporting private equity fund or any of its related persons provide financing to a reporting fund's portfolio companies? Why or why not? Do you believe that this question as proposed would be useful for the purpose stated above? Why or why not? If not, how would you modify this question or what alternatives would you suggest? Please be specific.

Floating rate borrowings of controlled portfolio companies (CPCs). The proposal would add Question 82 to require advisers to report what percentage of the aggregate borrowings of a reporting private equity fund's CPCs is at a floating rate rather than a fixed rate.[72] This proposed requirement would provide additional information on the risk profiles of CPCs, and help the Commission and FSOC better monitor fund level and portfolio level risk profiles for systemic risk purposes, as elevated CPC leverage could signal default risk, particularly if financings are at a floating versus fixed rate. More specifically, we believe that floating rate borrowings carry different and potentially greater risks than fixed rate borrowings, given that companies that issue floating rate debt take on the added risk that rates will move higher, which would increase the amount they must pay to creditors, a situation that can put added stress on a company.

We request comment on proposed Question 82:

94. Should Form PF require advisers to report on floating rate borrowings of CPCs as proposed? Why or why not? Do you believe limiting reporting to floating rate (versus fixed rate) borrowings is appropriate given the purpose of the proposed question? Why or why not? If not, how would you modify this question (*e.g.,* should we also require reporting on fixed rate borrowings)?

CPCs owned by private equity funds. The proposal would add Question 67 to require an adviser to report how many CPCs a reporting private equity fund owns.[73] We believe collecting this information would help to provide insight into a fund's concentration risk and strategy, as it pertains to the interconnectedness of private equity funds and their portfolio companies, which is important for assessing systemic risk in the industry generally.

We request comment on proposed Question 67:

95. Would collecting the number of a fund's CPCs help to provide insight into a fund's concentration risk and strategy? Why or why not? If not, what alternatives or information would provide better insight?

Events of default, bridge financing to controlled portfolio companies, and geographic breakdown of investments. We propose to amend three existing questions in section 4. First, we propose to amend current Question 74 to require advisers to provide more granular information about the nature of reported events of default, such as whether it is a payment default of the private equity fund, a payment default of a CPC, or a default relating to a failure to uphold terms under the applicable borrowing agreement (other than a failure to make regularly scheduled payments).[74] We believe this more detailed information would help the Commission and FSOC better assess the impact of default events to both investors and markets more generally and may indicate emerging potential systemic risks.

Second, we propose to amend current Question 75, which requires reporting on the identity of the institutions providing bridge financing to the adviser's CPCs and the amount of such financing, to add additional counterparty identifying information (*i.e.,* LEI (if any) and if the counterparty is affiliated with a major financial institution, the name of the financial institution).[75] We believe that the proposed changes would not be burdensome for advisers given that this information is readily available to advisers, and would provide globally standardized identification information about counterparty entities reported in this question that would enhance the Commission's and FSOC's ability to analyze exposure data for purposes of assessing systemic risk.

Third, we propose to amend current Question 78, which requires reporting on the geographical breakdown of investments by private equity funds, by moving away from reporting based on a static group of regions and countries and towards identifying a private equity fund's greatest country exposures based a percent of net asset value.[76] The proposed changes to Question 78 would improve the usefulness of data collected, as reporting is currently limited to exposure by region with additional reporting on a limited number of countries of interest. For

[71] Proposed Question 74.

[72] Proposed Question 82.

[73] Proposed Question 67.

[74] We would redesignate Question 74 as Question 83.

[75] We would redesignate Question 75 as Question 84.

[76] We would redesignate Question 78 as Question 69.

example, information obtained from Question 78 could provide insight into whether a critical mass of private equity funds have investments concentrated in a country that is experiencing significant political instability or a natural disaster, which could be important for systemic risk assessments. We have found the current reporting approach lacks precision because the regions are not uniformly defined and although countries of interest change over time, the form is not dynamic in this regard. The proposal would require advisers to report all countries (by ISO country code [77]) to which a reporting fund has exposure of 10 percent or more of its net asset value. We believe the proposed exposure threshold represents significant county exposure, while balancing the burden that the question would create for advisers. Advisers would have to follow Instruction 15 for purposes of calculating the information in the proposal, including reporting the exposure in U.S. dollars which would improve data comparability across funds. Advisers also would categorize investments based on concentrations of risk and economic exposure. We would also remove regional level reporting because we would now be able to analyze regional exposure using the country level information.

We request comment on the proposed amendments to current Questions 74, 75 and 78:

96. Should current Questions 74, 75 and 78 be amended as proposed? Why or why not?

97. Are the more granular default questions that we are proposing to include in amended current Question 74 appropriate? Why or why not? Alternatively, should there be more, fewer or different questions? If there should be more or different questions, what additional or different questions do you suggest?

98. Do you agree that the additional information that we propose to require in amended current Question 75 would not be overly burdensome for advisers to report? Why or why not? Do you believe that requiring advisers to report a counterparty's LEI in this question would serve our purpose of better identifying counterparties for purposes of analysis? Why or why not? Are there alternative identifiers that you suggest we include? If so, what are they?

99. Do you agree with the proposed reporting threshold in amended current Question 78 (*i.e.,* country exposure of 10 percent or more of net asset value) for reporting on the geographical breakdown of investments? Should the threshold be higher or lower?

C. Large Liquidity Fund Adviser Reporting

Section 3 requires large liquidity fund advisers to disclose information about the liquidity funds they advise. The proposal would revise how large liquidity fund advisers report operational information and assets, as well as portfolio, financing, and investor information. The proposal also would add a new item concerning the disposition of portfolio securities. The proposed changes are designed to help us see a more complete picture of the short-term financing markets in which liquidity funds invest, and in turn, enhance the Commission's and FSOC's ability to assess short-term financing markets and facilitate our oversight of those markets and their participants.[78] The proposed changes also are designed to improve data quality and comparability and make certain categories in section 3 more consistent with the categories the Board of Governors of the Federal Reserve System (''Federal Reserve Board'') uses in its reports and analysis. Together, the proposed amendments are designed to enhance investor protection efforts and systemic risk assessment.

Operational information. We propose to revise how advisers report operational information about their liquidity funds.[79] Liquidity funds that seek to maintain a stable price per share may be susceptible to runs, which could cause systemic risk. Currently, Questions 52 and 53 require advisers to report whether the liquidity fund uses certain methodologies to compute its net asset value. These questions were designed to help determine how the fund might try to maintain a stable net asset value.[80] We propose to replace current Questions 52 and 53 with a requirement for advisers to report the information more directly, by requiring advisers to report whether the liquidity fund seeks to maintain a stable price per share and, if so, to provide the price it seeks to maintain.[81] This proposed approach is designed to help the Commission and FSOC identify liquidity funds that seek to maintain a stable price per share, and therefore, may be susceptible to runs, which could cause systemic risk.

We also propose to remove current Question 54, which requires advisers to report whether the liquidity fund has a policy of complying with certain provisions of rule 2a–7. We can use portfolio information we collect in section 3, Item E, to determine whether the liquidity fund is complying with rule 2a–7, regardless of whether it has a policy or not.

Assets and portfolio information. We propose to require advisers to report cash separately from other categories when reporting assets and portfolio information concerning repo collateral.[82] Section 3 already requires advisers to report all liquidity fund assets and repo collateral, including cash. However, because there is no distinct category for cash, it is unclear what category advisers should use to report it. Therefore, this proposed change is designed to improve data quality and comparability, and help ensure data is reported in the correct category.

We are proposing to revise further how advisers report liquidity fund assets. We propose to require advisers to provide the total gross subscriptions (including dividend reinvestments) and total gross redemptions for each month of the reporting period.[83] This proposed requirement is designed to help explain changes in net asset value during the reporting period, such as whether net asset value changes are due to subscriptions, redemptions, or changes in the value of the reporting fund's holdings. This level of detail is designed to help ensure accurate reporting and inform the Commission and FSOC of trends across large liquidity funds and short-term financing markets, generally. We also propose to clarify that the term ''weekly liquid assets'' includes ''daily liquid assets.'' [84] This clarification is designed to improve data quality and comparability, based on our experience with Form PF.

We are proposing to revise further how advisers would report liquidity

[77] This is similar to reporting on Form N–PORT and will improve the comparability of data between Form PF and Form N–PORT.

[78] We have proposed similar amendments to Form N–MFP. *See* Money Market Fund Proposing Release, *supra* footnote 15. The proposed amendments to Form N–MFP would provide new information about money market fund shareholders and the disposition of non-maturing portfolio investments, as well as enhance reporting accuracy and consistency, increase the frequency of certain data points, and improve identifying information.

[79] Form PF, section 3, Item A.

[80] *See* Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Release No. 3145 (Jan. 26, 2011) [76 FR 8068 (Feb. 11, 2011)], at n.133 and accompanying text (discussing proposed Questions 43 and 44, which currently are Questions 52 and 53).

[81] Proposed Question 52.

[82] *See* current Questions 55 and 63(g), which we would redesignate as Questions 53 and 63(h), respectively.

[83] Proposed Question 54. As discussed, we would remove current Question 54, concerning the liquidity fund's policy of complying with certain provisions of rule 2a–7.

[84] *See* Form PF Glossary of Terms.

fund portfolio information.[85] As a general matter, the proposed more granular requirements are designed to enhance reporting accuracy and data comparability, as well as enhance our and FSOC's data analysis, as described below. We propose to add instructions directing advisers to provide information separately for the initial acquisition of each security the liquidity fund holds and any subsequent acquisitions. This instruction is designed to facilitate the Commission and FSOC's ability to analyze other information we propose to require about each security, including acquisition information: The trade date and the yield, as of the trade date. These proposed requirements also would facilitate understanding regarding how long a liquidity fund has held a position and the maturity of the position when the liquidity fund first acquired it. Accordingly, this level of detail is designed to help us understand the liquidity fund's portfolio turnover during normal and stressed markets, which is designed to enhance systemic risk assessment. In connection with these proposed amendments, we would remove the requirement for advisers to report the coupon when reporting the title of the issue, because the yield would provide us with that information.

We also propose to require advisers to report additional identifying information about each portfolio security, including the name of the counterparty of a repo.[86] Currently, section 3 requires advisers to name the issuer. However, for repos, it is not clear whether advisers should report the name of the counterparty of the repo, the name of the clearing agency (in the case of centrally cleared repos), or both. Therefore, this proposed amendment is designed to improve data quality and comparability, based on our experience with Form PF. If an adviser reports an ''other unique identifier,'' the proposal would require the advisers to describe the identifier. These proposed changes are designed to help the Commission and FSOC identify the security and compare Form PF data with other data sets that use these identifiers. When advisers select the category of investments that most closely identifies the security, we propose to revise the categories so advisers would distinguish between U.S. Government agency debt categorized as (1) a coupon-paying note and (2) a no-coupon paying note.[87] This proposed amendment is designed to provide more granular information about U.S. Government agency debt, so the Commission and FSOC can filter data for more robust analysis.

For reporting portfolio information about repos, the proposal would no longer allow advisers to aggregate certain information if multiple securities of an issuer are subject to a repo.[88] This proposed amendment is designed to provide us with more complete information about the repo market. We also propose to require advisers to provide clearing information for repos to inform the Commission and FSOC about liquidity fund activity in various segments of the market.[89] Together, the proposed amendments are designed to improve the Commission's and FSOC's understanding of the role of liquidity funds in providing liquidity to the repo markets and enhance the Commission's and FSOC's ability to conduct analysis of stress events in the funding markets.

Financing information. We propose to revise how advisers report financing information by requiring advisers to indicate whether a creditor is based in the United States and whether it is a ''U.S. depository institution,'' rather than a ''U.S. financial institution,'' as section 3 currently provides.[90] This proposed amendment is designed to make the categories in section 3 more consistent with the categories the Federal Reserve Board uses in its reports and analysis, to enhance systemic risk assessment.[91] The proposal would not require advisers to distinguish between non-U.S. creditors that are depository institutions and those that are not. We understand that it would be difficult for filers to make this distinction, which could result in inconsistent data and less robust analysis.

Investor information. We propose to revise how advisers report investor information.[92] We propose to add a new question requiring advisers to report whether the liquidity fund is established as a cash management vehicle for other funds or accounts that the adviser or the adviser's affiliates manage that are not cash management vehicles.[93] This proposed amendment is designed to distinguish between liquidity funds that are offered as a separate investment strategy versus those that are maintained to support other investment strategies, which would help us assess whether assets are shifting from registered money market funds to unregistered products, such as liquidity funds, and better understand the risks associated with assets shifting to unregistered products.

We also propose to revise how advisers report beneficial ownership information.[94] Instead of requiring advisers to simply report how many investors beneficially own five percent or more of the liquidity fund's equity, section 3 would require advisers to provide the following information for each investor that beneficially owns five percent or more of the reporting fund's equity: (1) The type of investor and (2) the percent of the reporting fund's equity owned by the investor.[95] This information is designed to help inform the Commission and FSOC of the liquidity and redemption risks of liquidity funds, because different types of investors may pose different types of redemption risks. For example, if a market event results in a certain type of investor exercising redemption rights, liquidity funds with a homogenous investor base composed of that type of investor could face greater redemption risks, which could raise systemic risk implications, as compared to liquidity funds with a more diversified investor base.

Disposition of portfolio securities. We propose to require advisers to report information about the disposition of portfolio securities for each of the three

[85] Question 63.

[86] Question 63(a) through (f).

[87] Question 63(g).

[88] Question 63(h).

[89] Question 63(h).

[90] *See* current Question 56, which we would redesignate as Question 55. Form PF would define ''U.S. depository institution'' as any U.S. domiciled depository institution, including any of the following: (1) 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; (2) 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; (3) 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 (4) a credit union (including a natural person or corporate credit union). Form PF defines ''U.S. financial institution'' as any of the following: (1) A financial institution chartered in the United States (whether federally-chartered or state-chartered); (2) 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 (3) a branch or agency that resides outside the United States but has a parent that is a financial institution chartered in the United States.

[91] The Chairman of the Federal Reserve Board is a member of FSOC.

[92] Form PF, section 3, Item D.

[93] Proposed Question 58. We would redesignate current Question 58 to Question 57.

[94] Question 59(b).

[95] Question 59.

months in the quarter. To effectuate this, the proposal would add new Item F (Disposition of Portfolio Securities) to section 3.[96] Under the proposal, advisers would report information about the portfolio securities that the liquidity fund sold or disposed of during the reporting period (not including portfolio securities that the fund held until maturity). Advisers would report the amount as well as the category of investment.[97] This proposed amendment is designed to inform the Commission and FSOC of liquidity funds' liquidity management, as well as their secondary market activities in normal and stress periods, to enhance systemic risk assessment. It also is designed to help provide data about how liquidity funds' selling activity relates to broader trends in short-term funding markets to aid the Commission's investor protection efforts and FSOC's systemic risk analysis.

Weighted average maturity and weighted average life. Large liquidity fund advisers report information in section 3 about the liquidity fund's ''WAM,'' or weighted average maturity and ''WAL,'' or the weighted average life. Generally, WAM and WAL are calculations of the average maturities of all securities in a portfolio, weighted by each security's percentage of net assets. These calculations help determine risk in a portfolio, because a longer WAM and WAL may increase a fund's exposure to interest rate risks. Form PF's definition of ''WAM'' and ''WAL'' instruct advisers to calculate them using provisions of rule 2a–7. We propose to revise the Form PF glossary definition of ''WAM'' and ''WAL'' to include an instruction to calculate them with the dollar-weighted average based on the percentage of each security's market value in the portfolio.[98] This proposed change is designed to help ensure advisers calculate WAM and WAL, which can indicate potential risk in the market, using a consistent approach. We believe the proposed amendment would improve data quality and comparability, which in turn could enhance investor protection efforts and systemic risk assessment.

We request comment on the proposed amendments to Section 3 of Form PF:

100. Would the proposed amendments improve data quality and comparability? Is there a better way to achieve these objectives?

101. Would the proposed amendments provide a better picture of the reporting fund's operations, assets, portfolio, financing, and investor information? Is there alternative or additional information we should require? Is there a less burdensome way to obtain the information?

102. Would the proposed amendments help the Commission and FSOC see a more complete picture of the short-term financing markets in which liquidity funds invest? Would the proposed amendments enhance our and FSOC's ability to assess short-term financing markets, their systemic risk, and facilitate our oversight of those markets and their participants? Is there a better way to meet these objectives?

103. Should section 3 be more or less consistent with Form N–MFP and rule 2a–7? Why or why not?

104. Should we add, remove, or revise any categories for any questions in section 3? Why or why not? Should we add cash as a category for certain questions in section 3, as proposed? Why or why not?

105. Should section 3 require more, less, or different identifying information? Currently, Form PF provides that in the case of a financial institution, if a legal entity identifier has not been assigned, then advisers must provide the RSSD ID assigned by the National Information Center of the Federal Reserve Board, if any.[99] Should we require advisers to report the RSSD ID, if they have one, as a separate line item from LEI for securities, financial institutions, or any others that section 3 should identify? How burdensome would it be to obtain an RSSD ID?

106. Should we revise how advisers report whether the liquidity fund seeks to maintain a stable price per share, as proposed? Would the proposed requirement help the Commission and FSOC identify liquidity funds that could be more susceptible to runs? Would the proposed requirements make data for liquidity funds and money market funds more comparable, and in turn, help FSOC assess systemic risk across the types of funds? Is there a better way to meet these objectives? Should section 3 require advisers to report any additional information concerning maintaining a stable price per share? For example, should section 3 require advisers to report the degree of rounding to maintain a stable price per share, and if so, how? Should we remove current Questions 52 and 53, concerning whether the liquidity fund uses certain methodologies to compute its net asset value?

107. Should we remove current Question 54, concerning whether the liquidity fund has a policy of complying with the risk limiting conditions of rule 2a–7, as proposed? Could we determine whether the liquidity fund is complying with the risk limiting conditions of rule 2a–7 using the portfolio information in section 3?

108. Should we amend how advisers report assets, as proposed? Would the proposed amendments allow us to use comparable data for liquidity funds and registered money market funds so we can analyze data across the types of funds? Would the proposed amendments improve data quality and comparability? Is there a better way to meet these objectives?

109. Section 3 currently requires advisers to report the 7-day gross yield of the liquidity fund. Should section 3 also require advisers to report the 7-day net yield of the liquidity fund? Would this requirement enhance systemic risk assessment or investor protection?

110. Should we amend how advisers report portfolio information, as proposed? Would the proposed amendments improve data quality and comparability? Would the proposed amendments help us and FSOC identify the security and allow the Commission and FSOC to compare Form PF data with other data sets that use certain identifiers? Would the proposed amendments provide us and FSOC with more granular information to help us filter data for more robust analysis, such as filtering data concerning U.S. Government agency debt categorized as (1) a coupon-paying note and (2) a no-coupon paying note? Would the proposed amendments help the Commission and FSOC understand the liquidity fund's portfolio turnover during normal and stressed markets? Would the proposed amendments provide the Commission and FSOC with a more complete information about repos? Would the proposed amendments help inform us and FSOC of liquidity fund activity in various

[96] We would redesignate current Item F as Item G (Parallel Money Market Funds).

[97] We propose to include 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, 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; or Tender Option Bond. If Other Instrument, advisers would include a brief description, as is currently required.

[98] *See* Form PF Glossary of Terms.

[99] *See* the definition of ''LEI'' in the Form PF Glossary of Terms.

market segments? Is there a better way to meet these objectives? Should we remove the requirement for advisers to report the coupon when reporting the title of the issue? Would the yield provide that information?

111. Section 3 requires advisers to report information concerning ratings assigned by credit rating agencies, when reporting portfolio information. Currently, if a rating assigned by a credit rating agency played a substantial role in the liquidity fund's or reporting fund's evaluation of the quality, maturity, or liquidity of the security, advisers must provide the name of each credit rating agency and the rating each assigned to the security. How often does the credit rating agency play a substantial role in the reporting fund's or its adviser's evaluation of the quality, maturity, or liquidity of the security? Please provide supportive data. Should section 3 continue to require advisers to report this type of information?

112. Would advisers find it difficult to distinguish between non-U.S. creditors that are depository institutions and those that are not depository institutions? Should proposed Question 55 (currently Question 56) be more or less consistent with Form PF section 1, Question 12, which requires all advisers to provide a breakdown showing whether a creditor is based in the United States and whether it is a U.S. financial institution? [100]

113. As an alternative approach to reporting financing information, should section 3 continue to require advisers to report information concerning financial institutions? If so, should section 3 continue to require advisers to distinguish between non-U.S. creditors that are financial institutions and those that are not? Do advisers find it difficult to make that distinction? If so, how could we revise section 3 to alleviate such a burden and improve data quality?

114. We are not proposing to amend current Question 57, which requires advisers to report information about committed liquidity facilities.[101] Should we amend it? For example, should we require advisers to provide the maturity dates of any committed liquidity facilities that the liquidity fund has in place, as applicable? Why or why not?

115. Should we amend how advisers report investor information, as proposed? Would the proposed amendments help distinguish between liquidity funds that are offered as a separate investment strategy and those that are maintained to support other investment strategies? Would this information, in turn, inform the Commission and FSOC if money market fund requirements result in assets shifting from registered money market funds to unregistered products such as liquidity funds? Would the proposed changes help inform the Commission and FSOC about the liquidity and redemption risks of liquidity funds, and any potential systemic risk implications? Is there a better way to meet these objectives? Should section 3 require advisers to report identifying information for each investor that beneficially owns five percent or more of the liquidity fund's equity, such as its name and address, as we are proposing for Form N–MFP? [102] Should we, as proposed, remove current Question 59(b), which requires advisers to report how many investors beneficially own five percent or more of the liquidity fund's equity, because advisers would disclose this information through the proposed new requirements for Question 59?

116. Should we amend how advisers report investor liquidity? For example, should Question 62 require advisers to report investor liquidity in dollar amounts, instead of, or in addition to a percentage of net asset value, as Question 62 currently requires? Would advisers find it more or less burdensome to report investor liquidity in dollar amounts instead of as a percentage of net asset value?

117. Should section 3 require advisers to report information concerning the disposition of portfolio securities, as proposed? Would the proposed amendments help inform the Commission and FSOC of a liquidity fund's liquidity management, as well as their secondary market activities in normal and stress periods, to enhance systemic risk assessment? Would the proposed amendments help provide data about how liquidity funds' selling activity relates to broader trends in short-term funding markets? Is there a better way to meet these objectives? Are the proposed categories of investment appropriate? Should we add, remove, or revise any categories of investment?

118. Should Form PF define ''U.S. depository institution'' and revise the terms ''weekly liquid assets,'' ''WAM,'' and ''WAL,'' as proposed? Would the proposed definitions improve data quality? Should we provide additional guidance on these or any other terms used in section 3?

III. Economic Analysis

A. Introduction

The Commission 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 Commission 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 Commission shall also consider whether the action will promote efficiency, competition, and capital formation, in addition to the protection of investors.[103] 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 Commission also discusses the potential economic effects of certain alternatives to the approaches taken in this proposal.

Many of the benefits and costs discussed below are difficult to quantify. For example, the Commission cannot quantify how regulators may adjust their policies and oversight of the private fund industry in response to the additional data collected under the proposed rule. Also, in some cases, data needed to quantify these economic effects are not currently available and the Commission does not have information or data that would allow such quantification. For example, costs associated with the proposal may depend on existing systems and levels of technological expertise within the private fund advisers, which could differ across reporting persons. While the Commission has attempted to quantify economic effects where possible, much of the discussion of economic effects is qualitative in nature. The Commission 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.

B. Economic Baseline and Affected Parties

1. Economic Baseline

The Commission adopted Form PF in 2011, with additional amendments made to section 3 along with certain money market reforms in 2014.[104] Form PF complements the basic information about private fund advisers and funds

[100] As discussed, we would redesignate Question 56 to Question 55. Form PF section 1 is part of the joint form between the SEC and CFTC. *See supra* footnote 2.

[101] We would redesignate current Question 57 to Question 56.

[102] *See* Money Market Fund Proposing Release, *supra* footnote 15.

[103] 15 U.S.C. 80b–2(c).

[104] *See supra* footnote 2.

reported on Form ADV.[105] Unlike Form ADV, Form PF is not an investor-facing disclosure form. Information that private fund advisers report on Form PF is provided to regulators on a confidential basis and is nonpublic.[106] The purpose of Form PF is to provide the Commission and FSOC with data that regulators can deploy in their regulatory and oversight programs directed at assessing and managing systemic risk and protecting investors both in the private fund industry and in the U.S. financial markets more broadly.[107]

Private funds and their advisers play an important role in both private and public capital markets. These funds, including hedge funds, private equity funds, and liquidity funds, currently have more than $17.0 trillion in gross private fund assets.[108] Private funds invest in large and small businesses and use strategies that range from long-term investments in equity securities to frequent trading and investments in complex instruments. Their investors include individuals, institutions, governmental and private pension funds, and non-profit organizations.

Before Form PF was adopted, the Commission and other regulators had limited visibility into the economic activity of private funds and relied largely on private vendor databases about private funds that covered only voluntarily provided private fund data and are not representative of the total population.[109] Form PF represented an improvement in available data about private funds, both in terms of its reliability and completeness.[110] Generally, investment advisers registered (or required to be registered) with the Commission with at least $150 million in private fund assets under management must file Form PF.[111] Smaller private fund advisers and all private equity fund advisers file annually to report general information such as the types of private funds advised (*e.g.,* hedge funds, private equity funds, or liquidity funds), fund size, use of borrowings and derivatives, strategy, and types of investors.[112] Large private equity advisers also provide data about each private equity fund they manage. Large hedge fund and liquidity fund advisers also provide data about each reporting fund they manage, and are required to file quarterly.[113]

The Commission and FSOC now have almost a decade of experience with analyzing the data collected on Form PF. The collected data has helped FSOC establish a baseline picture of the private fund industry for the use in assessing systemic risk[114] and improved the Commission's oversight of private fund advisers.[115] Form PF data also has enhanced the Commission and FSOC's ability to frame regulatory policies regarding the private fund industry, its advisers, and the markets in which they participate, as well as more effectively evaluate the outcomes of regulatory policies and programs directed at this sector, including the management of systemic risk and the protection of investors.[116] Additionally, based on the data collected through Form PF filings, regulators have been able to regularly inform the public about ongoing private fund industry statistics and trends by generating quarterly Private Fund Statistics reports[117] and by making publicly available certain results of staff research regarding the characteristics, activities, and risks of private funds.[118]

However, this decade of experience with analyzing Form PF data has also highlighted certain limitations of information collected on Form PF, including information gaps and situations where more granular and timely information would improve the Commission and FSOC's understanding of the private fund industry and the potential systemic risk relating to its activities, and improve regulators' ability to protect investors.[119] The need for more granular and timely information collected on Form PF is further heightened by the increasing significance of the private fund industry to financial markets and to the broader economy, and resulting regulatory concerns regarding potential risks to U.S. financial stability from this sector.[120]

[105] Investment advisers to private funds report on Form ADV general information about private funds that they advise. This includes basic organizational, operational information, and information about the fund's key service providers. 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/.* Some private fund advisers that are required to report on Form ADV are not required to file Form PF (for example, exempt reporting advisers and advisers with less than $150 million in private fund assets under management). Other advisers are required to file Form PF and are not required to file Form ADV (for example, commodity pools that are not private funds). Based on the staff review of Form ADV filings and the Private Fund Statistics, less than 10 percent of funds reported on Form ADV but not on Form PF in 2020. *See infra* footnote 141.

[106] Commission staff publish quarterly reports of aggregated and anonymized data regarding private funds on the Commission's website. *See* Private Fund Statistics, Securities and Exchange Commission: Division of Investment Management, *available at https://www.sec.gov/divisions/investment/private-funds-statistics.shtml. See also supra* footnote 4.

[107] *See supra* section I.

[108] These estimates are based on staff review of data from the Private Fund Statistics report for the last quarter of 2020, issued in August 2021. Private fund advisers who file Form PF currently have $17.0 trillion in gross assets. *See* Division of Investment Management, Private Fund Statistics, (Aug. 21, 2021), *available at https://www.sec.gov/divisions/investment/private-funds-statistics.shtml.* As discussed above, not all private fund advisers are required to file Form PF. *See supra* footnote 105.

[109] *See, e.g.,* SEC 2020 Annual Staff Report Relating to the Use of Form PF Data (Nov. 2020), *available at https://www.sec.gov/files/2020-pf-report-to-congress.pdf.*

[110] *Id.*

[111] Registered investment advisers with less than $150 million in private funds assets under management, exempt reporting advisers, and state-registered advisers report general private fund data on Form ADV, but do not file Form PF. *See supra* footnote 105.

[112] *Id.*

[113] *See supra* footnotes 8, 9, and 111.

[114] *See, e.g.,* OFR 2021 Annual Report to Congress (Nov. 2021), *available at https://home.treasury.gov/system/files/261/FSOC2020AnnualReport.pdf*; and FSOC 2020 Annual Report, *available at https://www.financialresearch.gov/annual-reports/files/OFR-Annual-Report-2021.pdf.*

[115] *See supra* footnote 109.

[116] *See supra* footnotes 114, 115.

[117] *See supra* footnotes 4, 106.

[118] *See e.g.,* D. Johnson and F. Martinez, Form PF Insights on Private Equity Funds and Their Portfolio Companies, 18–01 *Office of Financial Research* (Working Paper) (June 2018), *available at https://www.financialresearch.gov/briefs/2018/06/14/form-pf-insights-on-private-equity-funds/;* D. Hiltgen, Private liquidity Funds: Characteristics and Risk Indicators, *DERA White Paper* (Jan. 2017) (''Hiltgen Paper''), *available at https://www.sec.gov/files/2017-03/Liquidity%20Fund%20Study.pdf*; G. Aragon, T. Ergun, M. Getmansky, and G. Girardi, Hedge Funds: Portfolio, Investor, and Financing Liquidity, *DERA White Paper* (May 2017), *available at https://www.sec.gov/files/dera_hf-liquidity.pdf*; George Aragon, Tolga Ergun, and Giulio Girardi, Hedge Fund Liquidity Management: Insights for Fund Performance and Systemic Risk Oversight, *DERA White Paper* (Apr. 2021), *available at https://www.sec.gov/files/dera_hf-liquidity-management.pdf*; M. Kruttli, P. Monin, and S. Watugala, The Life of the Counterparty: Shock Propagation in Hedge Fund-Prime Broker Credit Networks, 19–03 *Office of Financial Research* (Working Paper) (*Working Paper*) (Oct. 2019), *available at https://www.financialresearch.gov/working-papers/files/OFRwp-19-03_the-life-of-the-counterparty.pdf*; M. Kruttli, P. Monin, S. Petrasek, and S. Watugala, Hedge Fund Treasury Trading and Funding Fragility: Evidence from the COVID–19 Crisis, *Federal Reserve Board, Finance and Economics Discussion Series* (Apr. 2021), *available at https://www.federalreserve.gov/econres/feds/hedge-fund-treasury-trading-and-funding-fragility-evidence-from-the-covid-19-crisis.htm*; M. Kruttli, P. Monin, and S. Watugala, Investor Concentration, Flows, and Cash Holdings: Evidence from Hedge Funds, *Federal Reserve Board, Finance and Economics Discussion Series* (Dec. 2017), *available at https://doi.org/10.17016/FEDS.2017.121.*

[119] *See supra* section I.

[120] The private fund industry has experienced significant growth in size and changes in terms of business practices, complexity of fund structures, and investment strategies and exposures in the past decade. *Supra* footnote 4. *See also* Financial Stability Oversight Council Update on Review of Asset Management Product and Activities (2014),

Continued

2. Affected Parties

The proposal amends and introduces new reporting requirements for the advisers to hedge funds,[121] private equity funds,[122] and liquidity funds.[123]

Hedge funds are one of the largest categories of private funds,[124] and as such play an important role in the U.S. financial system due to their ability to mobilize large pools of capital, take economically important positions in a market, and their extensive use of leverage, derivatives, complex structured products, and short selling.[125] While these features may enable hedge funds to generate higher returns as compared to other investment alternatives, the same features may also create spillover effects in the event of losses (whether caused by their investment and derivatives positions or use of leverage or both) that could lead to significant stress or failure not just at the affected fund but also across financial markets.[126]

In the last quarter of 2020, hedge fund advisers that are required to file Form PF had investment discretion over nearly $8.7 trillion in gross assets under management, which represented approximately half of the reported assets in the private fund industry.[127] Currently, hedge fund advisers with between $150 million and $2 billion in regulatory assets (that do not qualify as large hedge fund advisers) file Form PF annually, in which they provide general information about funds they advise such as the types of private funds advised, fund size, their use of borrowings and derivatives, strategy, and types of investors. Large hedge fund advisers with at least $1.5 billion in regulatory assets under management attributable to hedge funds file Form PF quarterly, in which they provide data about each hedge fund they managed during the reporting period (irrespective of the size of the fund). Large hedge fund advisers must report more information on Form PF about qualifying hedge funds [128] than other hedge funds they manage during the reporting period. In the last quarter of 2020, there were 1,793 qualifying hedge funds reported on Form PF with $7.1 trillion in gross assets under management, which represented approximately 81 percent of the reported hedge fund assets.[129]

Private equity funds are another large category of funds in the private fund industry. In the last quarter of 2020, advisers to private equity funds had investment discretion over approximately one third of the reported gross assets in the private fund industry.[130] Many private equity funds focus on long-term returns by investing in a private, non-publicly traded company or business—the portfolio company—and engage actively in the management and direction of that company or business in order to increase its value.[131] Other private equity funds may specialize in making minority investments in fast-growing companies or startups.[132]

While all fund advisers are subject to fiduciary duties to their clients, private equity funds' long-term investment horizons and various relationships with affiliates and portfolio companies mean that there exist opportunities for fund advisers to pursue transactions or investments despite conflicts of interest and also to extract private benefits at the expense of the funds they manage and, by extension, the limited partners invested in the funds.[133] The Commission has brought several enforcement actions against private equity advisers that allegedly received undisclosed fees and expenses, impermissibly shifted and misallocated expenses, or failed to disclose conflicts of interests adequately, including conflicts arising from fee and expense issues.[134] In addition, private equity funds' increasingly extensive use of leverage for financing portfolio companies and a significant increase in the use of private credit strategies both raise systemic risk concerns.[135]

Currently, all private equity advisers registered with the Commission who are required to file Form PF must do so annually. Private equity advisers with between $150 million and $2 billion in regulatory assets under management attributable to private equity funds must provide general information while large private equity advisers with at least $2 billion in regulatory assets under management must report more detailed data about the private equity funds they

available at https://www.treasury.gov/initiatives/fsoc/news/Documents/FSOC%20Update%20on%20Review%20of%20Asset%20Management%20Products%20and%20Activities.pdf.

[121] Form PF defines ''hedge fund'' broadly to include any private fund (other than a securitized asset fund) that has any of the following three characteristics: (1) A performance fee or allocation that takes into account unrealized gains, or (2) a high leverage (*i.e.,* the ability to borrow more than half of its net asset value (including committed capital) or have gross notational exposure in excess of twice its net asset value (including committed capital)) or (3) the ability to short sell securities or enter into similar transactions (other than for the purpose of hedging currency exposure or managing duration). Any non-exempt commodity pools about which an investment adviser is reporting or required to report are automatically categorized as hedge funds. Excluded from the ''hedge fund'' definition in Form PF are vehicles established for the purpose of issuing asset backed securities (''securitized asset funds''). *See* Form PF Glossary.

[122] Form PF defines ''private equity fund'' broadly to include 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 funds that have the ability to borrow or short securities have to file as a hedge fund. *See* Form PF Glossary.

[123] Form PF defines ''liquidity fund'' broadly to include 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 or minimize principal volatility for investors. *See* Form PF Glossary.

[124] *See supra* footnote 108.

[125] *See, e.g.,* Lloyd Dixon, Noreen Clancy, and Krishna B. Kumar, Hedge Fund and Systemic Risk, *RAND Corporation* (2012); John Kambhu, Til Schuermann, and Kevin Stiroh, Hedge Funds, Financial Intermediation, and Systemic Risk, *Federal Reserve Bank of New York's Economic Policy Review* (2007).

[126] *See supra* footnotes 114, 120. *See also infra* section III.C.1.a.

[127] *See supra* footnote 108. In the last quarter of 2020, hedge fund assets accounted for 52 percent of the gross asset value (''GAV'') ($$8.8/$17.0 trillion) and 40 percent of the net asset value (''NAV'') ($4.6/$11.5 trillion) of all private funds reported on Form PF.

[128] *See supra* footnote 7.

[129] *See supra* footnote 108. In the last quarter of 2020, qualifying hedge fund assets accounted for 81 percent of the GAV ($7.1/$8.8 trillion) and 77 percent of the NAV ($3.6/$4.7 trillion) of all hedge funds reported on Form PF.

[130] *See supra* footnote 108. In the last quarter of 2020, private equity assets accounted for 28 percent of the GAV ($4.7/$17.0 trillion) and 36 percent of the NAV ($4.1/$11.5 trillion) of all private funds reported on Form PF.

[131] After purchasing controlling interests in portfolio companies, private equity advisers frequently get involved in managing those companies by serving on the company's board; selecting and monitoring the management team; acting as sounding boards for CEOs; and sometimes stepping into management roles themselves. *See, e.g.,* Private Equity Funds, Securities and Exchange Commission, *available at https://www.investor.gov/introduction-investing/investing-basics/investment-products/private-investment-funds/private-equity.*

[132] *See supra* footnote 131.

[133] Private equity advisers may be managing multiple private equity funds and portfolio companies. The funds typically pay the private equity adviser for advisory services. Additionally, the portfolio companies may also pay the private equity adviser for services such as managing and monitoring the portfolio company. Affiliates of the private equity adviser may also play a role as service providers to the funds or the portfolio companies. *See, e.g.,* Observations from Examinations of Investment Advisers Managing Private Funds, SEC Risk Alert (June 23, 2020), *available at https://www.sec.gov/files/Private%20Fund%20Risk%20Alert_0.pdf;* Staff Statement of Andrew Ceresney, Securities Enforcement Forum West 2016 Keynote Address: Private Equity Enforcement Securities and Exchange Commission (May 12, 2016) (''Ceresney Keynote''), *available at https://www.sec.gov/news/speech/private-equity-enforcement.html.*

[134] *See* Ceresney Keynote, *supra* footnote 133.

[135] *See* Moody's Warns of 'Systemic Risks' in Private Credit Industry, *Financial Times* (Oct. 26, 2021), *available at https://www.ft.com/content/862d0efb-09e5-4d92-b8aa-7856a59adb20;* Rod Dubitsky, CLOs, Private Equity, Pensions, and Systemic Risk, 26 (1) *Journal of Structured Finance* 26–1 (2020), *available at https://jsf.pm-research.com/content/26/1/8.*

manage (section 4 of Form PF).[136] In the last quarter of 2020, there were 15,623 private equity funds reported on Form PF with $4.7 trillion in gross assets under management.[137] Of those, 5,266 funds were private equity funds managed by large private equity advisers with discretion over nearly $3.6 trillion in gross assets, representing 78 percent of the reported private equity assets.[138] However, because not all private equity advisers file Form PF, section 4 private equity fund advisers represent less than 78 percent of total private equity fund regulatory assets. When Form PF was adopted in 2011, the $2 billion reporting threshold for large private equity advisers captured 75 percent of the U.S. private equity industry's assets under management.[139] As a result of substantial growth in the number of private equity funds and advisers since 2011, the market share attributable to investors with less than $2 billion in assets under management has grown.[140] As such, currently, the $2 billion reporting threshold only captures 67 percent of the entire private equity industry.[141]

Liquidity funds are a relatively small [142] but important category of private funds due to the role they play along with money market funds as sources, and users, of liquidity in markets for short-term financing.[143] Liquidity funds follow similar investment strategies as money market funds, but are unregistered.[144] Similar to money market funds, liquidity funds are managed with the goal of maintaining a stable net asset value or minimizing principal volatility for investors.[145] These funds typically achieve these goals by investing in high-quality, short-term debt securities, such as Treasury bills, repurchase agreements, or commercial paper, that fluctuate very little in value under normal market conditions.[146] Also, similar to money market funds, liquidity funds are sensitive to market conditions and may be exposed to losses from certain of their holdings when the markets in which the funds invest are under stress.[147] Compared to money market funds, liquidity funds may take on greater risks and, as a result, may be more sensitive to market stress, as they are not required to comply with the risk-limiting conditions of rule 2a–7, which place restrictions on the maturity, diversification, credit quality, and liquidity of money market fund investments.[148]

Currently, liquidity fund advisers with between $150 million and $1 billion in assets file Form PF annually, which contains general information about funds they manage. Large liquidity fund advisers with at least $1 billion in combined regulatory assets under management attributable to unregistered liquidity funds and registered money market funds are required to file Form PF quarterly and provide more detailed data on the liquidity funds they manage (section 3 of Form PF).[149] In the last quarter of 2020, there were 71 liquidity funds reported on Form PF with $318 billion in gross assets under management.[150] Of those, 52 funds were large liquidity funds with $315 billion in gross assets, which represented 99 percent of the reported liquidity fund assets.[151]

Private funds are typically limited to accredited investors and qualified clients such as pension funds, insurance companies, foundations and endowments, and high income and net worth individuals.[152] Retail U.S. investors with exposure to private funds are typically invested in private funds indirectly through public and private pension plans and other institutional investors.[153] In the last quarter of 2020, public pension plans had $1,533 billion invested in reporting private funds while private pension plans had $1,248 billion invested in reporting private funds, making up 13.3 percent and 10.9 percent of the overall beneficial ownership in the private equity industry, respectively.[154] Investors may also gain direct exposure to private funds through the inclusion of private investments in their defined contribution plans, such as 401(k)s.

C. Benefits and Costs

1. Benefits

The proposal is designed to facilitate two primary goals the Commission sought to achieve with reporting on Form PF as articulated in the original adopting release, namely: (1) Facilitating FSOC's understanding and monitoring of potential systemic risk relating to activities in the private fund industry and assisting FSOC in determining whether and how to deploy its regulatory tools with respect to nonbank financial companies; and (2) enhancing the Commission's ability to evaluate and develop regulatory policies and improving the efficiency and effectiveness of the Commission's efforts to protect investors and maintain fair, orderly and efficient markets.[155]

Specifically, the proposal includes amendments to sections 3 and 4 of Form PF, which would enhance and provide more specificity regarding the information collected on large advisers of liquidity funds and private equity funds. The proposal also introduces new sections 5 and 6 of Form PF, which would require advisers to qualifying hedge funds and private equity funds to provide current reporting to the Commission when their funds are facing certain events that may signal stress or potential future stress in financial markets or implicate investor protection concerns. In addition, the proposed

[136] *See supra* footnote 8.

[137] *See supra* footnote 108.

[138] *Id.*

[139] *See supra* footnote 2.

[140] *See supra* section I.

[141] Based on staff review of Form ADV filings, in 2020, the aggregate regulatory assets under management under the discretion of private equity advisers were $4.2 trillion. According to the Private Fund Statistics Report, this aggregate estimate includes approximately $3.8 trillion (90 percent) in gross assets under management by private equity advisers that file Form PF, $2.8 trillion of which were under the discretion of large private equity advisers. This represents 67 percent of the industry. *See supra* footnote 108.

[142] *Id.* In the last quarter of 2020, liquidity fund assets accounted for 2 percent of the GAV ($0.3/$17.0 trillion) and 2.6 percent of the NAV ($0.3/$11.5 trillion) of all liquidity funds reported on Form PF.

[143] *See supra* footnote 118 (Hiltgen Paper).

[144] *Id.*

[145] *See supra* footnote 123.

[146] *See supra* footnote 118 (Hiltgen Paper).

[147] For example, in the second week of March 2020, conditions significantly deteriorated in markets for private short-term debt instruments, such as commercial paper and certificates of deposit. Widening spreads in short-term funding markets put downward pressure on the prices of assets in money market and liquidity funds' portfolios. *See, e.g.,* U.S. Credit Markets Interconnectedness and the Effects of COVID–19 Economic Shock, SEC Staff Report (Oct. 2020), *available at https://www.sec.gov/files/US-Credit-Markets_COVID-19_Report.pdf;* Financial Stability Report, Federal Reserve Board (Nov. 2020), *available at https://www.federalreserve.gov/publications/files/financial-stability-report-20201109.pdf.*

[148] *See supra* footnote 143.

[149] Item A of section 3 of Form PF collects certain information for each liquidity fund the adviser manages, such as information regarding the fund's portfolio valuation methodology. This item also requires information regarding whether the fund, as a matter of policy, is managed in compliance with certain provisions of rule 2a–7 under the Investment Company Act. Item B requires the adviser to report information regarding the fund's assets, while Item C requires the adviser to report information regarding the fund's borrowings. Finally, Item D asks for certain information regarding the fund's investors, including the concentration of the fund's investor base and the liquidity of its ownership interests. *See* Form PF.

[150] *See supra* footnote 108.

[151] *Id.*

[152] *See supra* footnote 131. *See also* Hedge Funds, Securities and Exchange Commission (Investor.gov: Private Equity Funds), *available at https://www.investor.gov/introduction-investing/investing-basics/investment-products/private-investment-funds/hedge-funds.*

[153] *See supra* footnotes 108, 152.

[154] *Id.*

[155] *See supra* footnote 2.

amendments include improvements to guidelines, definitions, and existing questions aimed to reduce their ambiguity and improve data quality. Below we discuss benefits associated with the specific elements of the proposed amendments.

a. Current Reporting Requirements for Large Hedge Fund Advisers to Qualifying Hedge Funds (Section 5 of Form PF)

The proposal introduces new section 5 of Form PF requiring large hedge fund advisers to qualifying hedge funds (*i.e.,* hedge funds with a net asset value of at least $500 million) to file a current report with the Commission when their funds experience certain stress events: (1) Extraordinary investment losses, (2) certain margin events and counterparty defaults, (3) material changes in prime broker relationships, (4) changes in unencumbered cash, (5) operations events, and (6) certain events associated with withdrawals and redemptions at the reporting hedge fund.[156] These events may serve as signals to the Commission and FSOC about significant stress at the reporting fund and potential risks to financial stability. Advisers would be required to file current reports within one business day of the occurrence of such an event.[157]

The reporting of these stress events is designed to assist the Commission and FSOC in assessing potential risks to financial stability that hedge funds' activities could pose due to the complexity of their strategies, their interconnectedness in the financial system, and the limited regulations governing them.[158] There are two main channels through which stress events at an individual hedge fund may pose risks to broader financial stability: Forced liquidation of assets, which could depress asset prices, and spillover of stress to the fund's counterparties, which could negatively impact other activities of the counterparties.

First, when a large hedge fund experiences significant losses, a margin default, or faces large redemptions, it may be forced to deleverage and liquidate its positions at substantially depressed prices. Forced liquidation of assets by the hedge fund at depressed prices may affect other investors and financial institutions holding the same or similar assets.[159] Consequently, more investors and financial institutions may then face increased stress from margin calls and creditor concerns. This could lead to more sales at depressed prices, potentially causing stress across the entire financial system. Second, large hedge funds that use leverage through loans, derivatives, or repurchase agreements with other financial institutions as counterparties may cause significant problems at those financial institutions in times of stress.[160] This in turn may force those institutions to scale back their lending efforts and other investment and financing activities with other counterparties, thereby potentially creating stress for other market participants.[161]

As a result, a stress event at one large hedge fund may potentially spill over to the fund's lenders, counterparties, and across the entire financial system, carrying with it significant economic costs and the loss of confidence of investors. We believe that a timely notice about stress events could provide an early warning of the fund's assets liquidation and risk to counterparties. Such a timely notice could allow the Commission and FSOC to assess the need for regulatory policy, and could allow the Commission to pursue potential outreach, examinations, or investigations, in response to any harm to investors or potential risks to financial stability on an expedited basis before they worsen.

In addition, current reporting of stress events at multiple qualifying hedge funds may indicate broader market instability with potential risks for similarly situated funds, or markets in which these funds invest. Current reports would allow the Commission and FSOC to assess the prevalence of the reported stress events based on the number of funds filing in a short time frame, and identify patterns among similarly situated funds and common factors that contributed to the reported stress events. In that regard, current reports would be especially useful during periods of market volatility and stress, when the Commission and FSOC are actively and quickly ascertaining the affected funds, gathering information to assess systemic risk, and determining whether and how to pursue regulatory responses, and when the Commission is actively determining whether and how to pursue outreach, examinations, or investigations.

We anticipate that the proposed current reporting requirement would improve the transparency to the Commission and FSOC of hedge fund activities and risk exposures, which would enhance systemic risk assessment and investor protection efforts. We believe that those efforts would be beneficial for hedge fund advisers, hedge funds, and hedge fund investors, as well as for other market participants, as the new and timely information about stress events at hedge funds would help the Commission and FSOC to address emerging risk events proactively with regulatory responses, and would help the Commission further evaluate the need for outreach, examinations, or investigations, in order to minimize market disruptions doing so, the Commission and FSOC may further advance investor protection efforts. In turn, this could help develop robust resolution mechanisms for dealing with the stress at systemically important hedge funds, which could lead to more resilient financial markets and instill stronger investor confidence in the U.S. hedge fund industry and financial markets more broadly.[162]

[156] *See supra* section II.A.1.

[157] As discussed above, advisers should consider filing a current report as soon as possible following such an event. *See supra* section II.A.

[158] *See supra* section II.A.1.

[159] For example, because financial institutions base asset valuations in part on recent transaction prices for comparable assets, when assets are sold at depressed prices, forced liquidations at depressed prices could lead to lower valuations for entire classes of similar assets. *See, e.g.,* Andrei Shleifer and Robert Vishny, Fire Sales in Finance and Macroeconomics, 25 (1) *Journal of Economic Perspectives* 29–48 (2011), *available at https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.25.1.29. See also* Fernando Duarte and Thomas Eisenbach, Fire-Sale Spillovers and Systemic Risk, 76 (3) *The Journal of Finance* 1251–1294, 1251–1256 (Feb. 2021), *available at https://onlinelibrary.wiley.com/doi/full/10.1111/jofi.13010;* Wulf A. Kaal and Timothy A. Krause, Handbook on Hedge Funds: Hedge Funds and Systemic Risk, *Oxford University Press* 12–19 (2016), *available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2748096* (retrieved from SSRN Elsevier database).

[160] For example, a lender to a hedge fund may view its loans as increasingly high risk as the hedge fund's balance sheet deteriorates. *See, e.g.,* Mark Gertler and Nobuhiro Kiyotaki, Chapter 11—Financial Intermediation and Credit Policy in Business Cycle Analysis, 3 *Handbook of Monetary Economics* 547–599 (2010), *available at https://eml.berkeley.edu/~webfac/obstfeld/kiyotaki.pdf.*

[161] For example, if a bank has a large exposure to a hedge fund that defaults or operates in markets where prices are falling rapidly, the bank's greater exposure to risk may reduce its ability or willingness to extend credit to worthy borrowers. To the extent that these bank-dependent borrowers cannot access alternative sources of funding, their investment and economic activity could be curtailed. *See, e.g.,* Reint Gropp, How Important Are Hedge Funds in a Crisis?, *FRBSF Economic Letter* (Apr. 14, 2014), *available at https://www.frbsf.org/economic-research/files/el2014-11.pdf.* Even banks and financial institutions that are not directly harmed by the forced liquidation of assets by hedge funds may contribute to a system-wide lending contraction in response to hedge fund crises, to the extent they withdraw capital from lending to exploit distressed prices. *See, e.g.,* Jeremy Stein, The Fire-Sales Problem and Securities Financing Transactions, Workshop on 'Fire Sales' as a Driver of Systemic Risk in Tri-Party Repo and Other Secured Funding Markets, *Federal Reserve Bank of New York* (Oct. 4, 2013), *available at https://www.bis.org/review/r131007d.pdf.*

[162] *See, e.g.,* Jón Daníelsson, Ashley Taylor, and Jean-Pierre Zigrand, Highwaymen or Heroes: Should Hedge Funds Be Regulated? A Survey, 1 (4) *Journal of Financial Stability,* 522–543 (2005),

We also anticipate that the proposed current reporting requirements might incentivize some hedge fund managers to enhance internal risk controls and reporting, which could support more effective risk management for these funds.[163] To the extent these enhanced internal risk controls and reporting improve managers' ability to monitor and respond to potential stress events, we believe this could provide market-wide benefits to funds, their investors, and financial markets more broadly.

Furthermore, requiring hedge fund advisers to report stress events on Form PF would support regulatory efficiency because all eligible hedge fund advisers would be required to file information about certain stress events on a standardized form. This would provide a more complete record of significant stress events in the hedge fund industry that can be used by the Commission and FSOC for background research to identify regulatory tools and mechanisms that could potentially be used to make future systemic crises episodes both less likely to occur as well as less costly and damaging when they do occur.[164] The observations from this research could help inform and frame regulatory responses to future market events and policymaking.

b. Current Reporting Requirements for Advisers to Private Equity Funds (Section 6 of Form PF)

The proposal introduces new section 6 of Form PF requiring all advisers of private equity funds (irrespective of a fund's size) to file a current report with the Commission within one business day of the occurrence of a certain significant event at one or more funds that they manage: (1) Execution of an adviser-led secondary transaction, (2) implementation of a general partner or limited partner clawback, and (3) removal of a fund's general partner, termination of a fund's investment period, or termination of a fund.[165] These events may signal to the Commission and FSOC the presence of significant developments at the reporting funds and potential risks to broader financial markets, as well as indicate potential areas for the Commission to pursue outreach, examinations, and investigations designed to prevent investor harm and protect investors' interests.

Although private equity funds have become an essential part of the U.S. financial system,[166] there is only partial and insufficient information about their governance, strategies, and performance available to regulators. Currently, all private equity advisers (that have at least $150 million of private fund assets under management) file Form PF annually, within 120 calendar days of the end of their fiscal year, which can lead to meaningful delays in reporting significant events to the Commission and staleness of certain information about their activities. Furthermore, because private equity investments are mostly in private companies and businesses, there is limited information available on the interim performance of these investments and, therefore, on the interim performance and volatility of private equity funds.[167] As a result, significant events at private equity funds that could have negative consequences for the fund's investors and other financial market participants—such as significant losses, removal of the fund's general partner, and fund reorganizations and recapitalizations—may not be known to the Commission or FSOC, preventing any possible regulatory response, outreach, examinations, or investigations that could further investor protection for considerable periods of time.

The proposed current reporting for private equity advisers would provide an alert to the Commission and FSOC on significant developments at the reporting funds that could potentially cause investor harm and loss of investor confidence. Such alerts would enable the Commission and FSOC to assess the severity of the reported events at the reporting private equity fund and, to the extent the reported event may cause significant investor harm and loss of investor confidence, these alerts would allow the Commission and FSOC to frame potential regulatory responses. For example, an implementation of a limited partner clawback[168] may signal that the fund is planning for a material event such as substantial litigation or a legal judgment that could negatively impact the fund's investors and potentially other market participants.

The Commission could also use the information provided in section 6 to target its examination program more efficiently and effectively and better identify areas in need of regulatory oversight and assessment, which should increase both the efficiency and effectiveness of its programs and, thus, increase investor protection. For example, the removal of a fund's general partner, termination of a fund's investment period, or termination of a fund[169] could lead to the liquidation of the fund earlier than anticipated, which could present risks to investors and potentially certain markets in which the fund assets were invested. A report about an adviser-led secondary transaction[170] is another example of an event that may signal to the Commission a potential area for inquiry to prevent investor harm and protect investors' interests, as such transactions may present fund-level conflicts of interest, such as those that arise because the adviser (or its related person) is on both sides of the transaction in adviser-led secondary transactions with potentially different economic incentives. Current reporting about such events could alert the Commission to specific investor protection issues at the fund and the fund's adviser, including potential conflicts of interest, and therefore merit timely and targeted oversight and assessment.

In addition, current reporting of significant events at multiple private equity funds may indicate broader market instability that negatively affects similarly situated funds, or markets in which these funds invest in. For example, widespread implementation of general partner clawbacks[171] among private equity funds may be a sign of an emerging market-wide stress episode or

available at https://www.sciencedirect.com/science/article/pii/S1572308905000306.

[163] For example, fund advisers may not internalize all of the benefits that enhanced risk reporting provides other fund advisers and investors to other fund advisers. Current reporting requirements may result in reporting practices that are more consistent with fund advisers considering the impact of their internal risk reporting on the broader market.

[164] For instance, a more complete record would allow the staff to more accurately assess the prevalence of the reported stress events, identify patterns among affected funds, and detect factors that contributed to the reported stress events. The observations from this research could be used to identify causes for and implications of possible future similar stress events, or causes of and implications for investor harm, thus enabling the Commission and FSOC to respond quickly to such future events.

[165] *See supra* section II.A.2. As discussed above, advisers should consider filing a current report as soon as possible following such an event. *See supra* section II.A.

[166] *See supra* section II.B.

[167] Even when the updated valuations of private equity portfolio companies are available, these valuations may appear relatively uninformative as they tend to respond slowly to market information and could be artificially smoothed. *See* Tim Jenkinson, Miguel Sousa, and Rüdiger Stucke, How Fair are the Valuations of Private Equity Funds? *SSRN Electronic Journal* (Feb. 2013), *available at https://www.psers.pa.gov/About/Investment/Documents/PPMAIRC%202018/27%20How%20Fair%20are%20the%20Valuations%20of%20Private%20Equity%20Funds.pdf;* Robert Harris, Tim Jenkinson, and Steven Kaplan, Private Equity Performance: What Do We Know?, 69 (5) *The Journal of Finance* 1851–1882 (Mar. 27, 2014).

[168] *See supra* section II.A.2.

[169] *Id.*

[170] *Id.*

[171] *Id.*

worsening of economic conditions contributing to the underperformance of the funds' portfolio companies. Also, multiple reports about adviser-led secondary transactions [172] such as a fund reorganization may serve as an early warning to the Commission and FSOC about deteriorating market conditions that may prevent private equity managers from utilizing more traditional ways to exit their portfolio companies and realize gains.[173] Current reports would allow the Commission and FSOC to assess the prevalence of the reported events in the private equity space and identify patterns among similarly situated funds and common factors that contributed to the reported events.

We anticipate that the improved transparency of private equity fund activities as a result of the proposed current reporting requirements to the Commission and FSOC would enhance regulatory systemic risk assessment and investor protection efforts. We expect that those efforts would be beneficial for private equity advisers, private equity funds, and private equity fund investors, as well as for other market participants, as the new and timely information about significant events at private equity funds would help the Commission and FSOC to address proactively emerging risk events with appropriate regulatory policy, thereby minimizing market disruptions and limiting potential damages and costs associated with them. Further, collected data on significant events at private equity funds would enable the Commission and FSOC to perform background research to identify private equity trends and areas prone to potential systemic risk and investor protection concerns. The observations from this research could potentially inform and frame regulatory responses to future market events and policymaking.

Finally, similar to the effect of the proposed current reporting on qualifying hedge funds, we anticipate that the proposed current reporting requirements for private equity advisers might incentivize some managers to enhance internal risk controls and reporting.[174] To the extent these enhanced internal risk controls and reporting improve managers' ability to monitor and respond to potential stress events, we believe this could provide market-wide benefits to funds, their investors, and financial markets more broadly.

c. Amendments To Require Additional Reporting by Large Private Equity Advisers (Section 4 of Form PF)

The proposed amendments to section 4 of Form PF include requirements for additional and more granular information that large private equity advisers must provide regarding their activities, risk exposures, and counterparties on an annual basis.[175] The proposal would also lower the reporting threshold for the advisers required to complete section 4 of Form PF.[176]

i. Lowering the Reporting Threshold for Large Private Equity Advisers

The proposed amendments would expand the universe of large private equity advisers required to complete section 4 of Form PF to include advisers with at least $1.5 billion in private equity assets under management.[177] The new size threshold is designed to ensure continuity of the originally envisioned reporting coverage of the private equity funds industry.

As discussed above, when Form PF was adopted in 2011, the $2 billion reporting threshold for large private equity advisers captured 75 percent of the U.S. private equity industry's assets under management.[178] The threshold was established to balance regulators' need for a broad, representative set of data regarding the private fund industry with the desire to limit the potential burdens of private funds' reporting.[179] However, the $2 billion reporting threshold currently only captures 67 percent of the private equity industry.[180] Such reduced coverage could potentially impede regulators' ability to obtain a representative picture of the private fund industry and lead to misleading conclusions regarding emerging industry trends and characteristics. For instance, the activities of private fund advisers may differ significantly depending on their size because some strategies such as the use of leverage may be practical only at certain scales. As a result, reduced reporting coverage—caused by an increase in the number of smaller advisers—may hinder regulators from detecting certain new trends and group behaviors among smaller private fund advisers with potential systemic consequences. By adjusting the threshold to maintain comparable coverage of the industry over time, analysis of emerging industry trends and characteristics yields more accurate pictures of the private fund industry.

The proposed reduction in the reporting threshold for large private equity advisers maintains the originally intended coverage of 75 percent of private equity assets in today's market.[181] Having a robust data set for analysis is important for both identifying potential investor protection issues as well as for assessing systemic risk. By maintaining a constant reporting coverage of private equity funds, this proposed amendment may ultimately lead to an improved understanding of the trends in the private equity industry by the Commission and FSOC and better informed regulatory policymaking and examinations functions.

The proposed $1.5 billion reporting threshold for private equity advisers would also match the reporting threshold for large hedge fund advisers,[182] thereby eliminating a loophole that advisers with between $1.5 billion and $2 billion in hedge fund assets under management may avoid providing detailed data on their hedge funds on a quarterly basis by classifying those funds as private equity funds instead. As the distinctions between hedge funds and private equity become less evident,[183] it would be prudent to harmonize the reporting thresholds for large hedge fund and private equity fund advisers. This would make data collected on Form PF for the two categories of funds more comparable and may improve regulatory assessment of the trends and systemic risks in the private fund industry.

[172] *Id.*

[173] For example, private equity exits have been adversely affected by the global Covid–19 pandemic as the three traditional ways for private equity advisers to exit portfolio companies—trade sales, secondary buy-outs and initial public offerings (''IPOs'')—became unattainable or unattractive for some advisers. *See, e.g.,* Alastair Green, Ari Oxman, and Laurens Seghers, Preparing for Private-Equity Exits in the COVID–19 Era, *Private Equity & Principal Investors Insights, McKinsey &Company* (June 11, 2020), *available at https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/preparing-for-private-equity-exits-in-the-covid-19-era.* Conversely, during the same period, there was an increase in the adviser-led secondary transactions. *See, e.g.,* Nicola Chapman, Martin Forbes, Colin Harley, and Sherri Snelson, Private Equity Turns to Fund Restructurings in COVID–19 Slowdown, *Debt Explorer, White & Case* (Feb. 8, 2021), *available at https://debtexplorer.whitecase.com/leveraged-finance-commentary/private-equity-turns-to-fund-restructurings-in-covid-19-slowdown*#!.

[174] *See supra* section III.C.1.a.

[175] *See supra* section II.B.2.

[176] *Id.*

[177] *Id.*

[178] *See supra* section I.A.1.

[179] *See supra* footnote 139.

[180] *See supra* section I.A.1.

[181] *See supra* section I.A.1.

[182] *See supra* footnote 8.

[183] *See, e.g.,* Joshua Franklin and Laurence Fletcher, Hedge Funds Muscle in to Silicon Valley With Private Deals, *Financial Times* (Sept. 9, 2021), *available at https://www.ft.com/content/4935b205-8344-465a-8edf-dc23ec990302.*

ii. Requirements for Additional and More Granular Information for Large Private Equity Advisers

The proposed amendments to section 4 of Form PF would revise how large private equity advisers report on fund investment strategies, restructuring/recapitalization of portfolio companies, investments in different levels of a single portfolio company's capital structure by related funds, fund-level borrowings, financing of portfolio companies, and risk profiles of controlled portfolio companies and fund exposures to these risks.[184]

The proposed amendments would further improve the transparency of private equity fund activities and risks to the Commission and FSOC and help in developing a more complete picture of the markets where private equity funds operate. In turn, this would enhance the Commission's and FSOC's ability to assess potential systemic risks presented by private equity funds, as well as the potential for loss of investor confidence should conflicts of interest in private equity funds materialize. Specifically, new and more granular information about private equity funds would assist regulators in understanding the diversity of and trends in investment and financing strategies employed by private equity funds,[185] their uses and sources of leverage,[186] the risk profiles of portfolio companies controlled by private equity fund advisers and funds' exposures to these risks,[187] funds' exposure to changes in interest rates,[188] as well as to risks from outside the U.S.[189]

We also expect that some new and more granular information would be beneficial for the Commission's investor protection efforts. For instance, the proposed amendments include a series of new questions designed to identify potential conflicts of interest. These include questions asking advisers to provide a breakdown of each fund's investments in different levels of a single portfolio company's capital structure (*e.g.,* equity versus debt),[190] which would reveal whether related funds of a single adviser invest in different levels of a portfolio company's capital structure, and therefore, may have conflicting interests.[191] Also, the proposal would ask advisers to report whether they or their funds have restructured or recapitalized a portfolio company, which may also involve conflicts of interest.[192] This information would enable the Commission to target its examination program more efficiently and effectively and better identify areas in need of regulatory oversight and market assessment to increase investor protection.

Overall, the proposed amendments to section 4 of Form PF would ultimately assist the Commission and FSOC in better identifying and addressing risks to U.S. financial stability and pursuing appropriate regulatory policy in response, and would further assist the Commission in determining the potential need for outreach, examinations, and investigations, thereby enhancing efforts to protect investors and other market participants. We expect that the proposed new information about large private equity advisers and funds they manage would enable the Commission and FSOC to better anticipate and deal with potential risks to financial markets and investor harm associated with activities by large private equity funds. This could lead to more resilient financial markets and instill stronger investor confidence in the U.S. private equity industry and financial markets more broadly, which could facilitate additional capital formation.

d. Amendments To Require Additional Reporting by Large Liquidity Fund Advisers (Section 3 of Form PF)

The proposed amendments to section 3 of Form PF include requirements for additional and more granular information that large private liquidity funds would have to provide regarding their operational information and assets, as well as portfolio holdings, financing, and investor information.[193] The proposal also would add a new item concerning the disposition of portfolio securities.

The proposed amendments would improve the transparency of liquidity fund activities and risks and help the Commission and FSOC in developing a more complete picture of the short-term financing markets where liquidity funds operate. In turn, this would enhance the Commission's and FSOC's ability to assess the potential market and systemic risks presented by liquidity funds' activities. Specifically, the proposed additional and more granular information would enable the Commission and FSOC to better assess liquidity funds' asset turnover,[194] liquidity management and secondary market activities,[195] subscriptions and

[184] *See supra* section II.B.2.

[185] The proposal introduces a new Question 68 that asks advisers to provide information about their private fund strategies by choosing from a mutually exclusive list of strategies, allocating the percent of capital deployed to each strategy, even if the categories do not precisely match the characterization of the reporting fund's strategies. If a reporting fund engages in multiple strategies, the adviser would provide a good faith estimate of the percentage the reporting fund's deployed capital represented by each strategy. *Id.*

[186] The proposal introduces several new questions, including: New Question 72 asking advisers to report whether a reporting private equity fund borrows, or if it has the ability to borrow at the fund-level as an alternative or complement to the financing of portfolio companies; new Question 74 asking an adviser to report whether it, or any of its related persons, provides financing or otherwise extends credit to any portfolio company in which the reporting fund invests, so as to quantify the value of such financing or other extension of credit; and amendments to existing Question 75, which requires reporting on the identity of the institutions providing bridge financing to the adviser's CPCs (and the amount of such financing), to add additional counterparty identifying information (*i.e.,* LEI (if any) and if the counterparty is affiliated with a major financial institution, the name of the financial institution). *Id.*

[187] The proposal introduces new Question 67, which asks an adviser to report how many CPCs a reporting private equity fund owns. *Id.*

[188] The proposal introduces new Question 82, which asks advisers to report what percentage of the aggregate borrowings of a reporting private equity fund's controlled portfolio companies is at a floating rate rather than a fixed rate. *Id.*

[189] The proposal amends existing Question 78, which asks advisers to report the geographical breakdown of investments by private equity funds. The new requirement asks for a private equity fund's greatest country exposures based a percent of net asset value. *Id.*

[190] The proposal introduces new Question 71, which asks an adviser to indicate whether the reporting fund held an investment in one class, series, or type of securities (*e.g.,* debt, equity, etc.) of a portfolio company while another fund advised by the adviser or its related persons concurrently held an investment in a different class, series or type of securities (*e.g.,* debt, equity, etc.) of the same portfolio company. If the answer is yes, Question 71 asks an adviser to provide the name of the portfolio company and a description of class, series or type of securities held. *Id.*

[191] For example, an adviser may have two advised funds invested in different levels of a portfolio company's capital structure, with one fund managing outside capital, while the other manages solely internal capital of the adviser's owners/employees. *See supra* footnote 68.

[192] The proposal introduces new Question 70, which asks an adviser to indicate whether a portfolio company was restructured or recapitalized following the reporting fund's investment period. If the company was restructured or recapitalized, Question 70 asks the adviser, to provide the name of the portfolio company and the effective date of the restructuring. *See supra* section II.B.2.

[193] *See supra* section II.C.

[194] The proposal includes amendments to existing Question 63, which asks advisers to provide information separately for the initial acquisition of each security the liquidity fund holds and any subsequent acquisitions. Question 63 also asks advisers to provide additional identifying information about each portfolio security, including the name of the counterparty of a repo. *See supra* section II.C; see also infra footnote 204.

[195] The proposal introduces new Item F (Disposition of Portfolio Securities), which asks advisers to report information about the portfolio securities that the liquidity fund sold or disposed of during the reporting period (not including portfolio securities that the fund held until maturity). Advisers would report the amount as well as the category of investment. *See supra* section II.C.

redemptions,[196] and ownership type and concentration.[197] This information can be used to analyze funds' liquidity and susceptibility of funds with specific characteristics to the risks of runs, which have a potential to cause systemic risk concerns.[198] In addition, the information can be used for identifying trends in the liquidity funds industry during normal market conditions and for assessing deviations from those trends that could potentially serve as signals for changes in the short-term funding markets. Also, some proposed amendments [199] to section 3 of Form PF would improve comparability of data across liquidity funds and money market funds so that regulators can use data on both types of funds for oversight and assessment of short term-financing markets and their participants.

These additional tools and data would enable the Commission and FSOC to better anticipate and deal with potential systemic and investor harm risks associated with activities in the liquidity funds industry and overall markets for short-term financing. This could lead to more resilient financial markets and instill stronger investor confidence in the U.S. markets for short-term financing, which could facilitate additional capital formation.

e. Amendments to Guidelines, Definitions, and Existing Questions

In addition to the amendments requiring additional and more granular information about specific types of private funds and advisers, the proposal also includes clarifications and improvements to guidelines, definitions, and existing questions aimed to reduce their ambiguity and improve data quality.[200] We believe that these amendments would reduce uncertainty among filers and reduce filing errors, thereby improving efficiencies for both regulators and advisers.

Specifically, the proposed amendments would address certain concerns that private fund advisers indicated regarding the ambiguities and inefficiencies that currently exist in the reporting requirements, including understanding the definitions and instructions in Form PF and the ease of interpreting Form PF questions, which contributed to an increased amount of time and effort required to prepare and submit Form PF.[201] We believe that, as a result of the proposed changes aimed at reducing these ambiguities and inefficiencies, advisers would face lower costs associated with the preparation and submission of Form PF.

We also expect that the proposed amendments would address the Commission's and FSOC's concerns regarding the quality and reliability of Form PF data and reduce time and effort required to process and analyze the data. Staff experience with data collected from Form PF over the past decade has revealed inconsistencies and errors in the advisers' answers to certain questions, which undermines the quality, accuracy, and comparability of the collected data. The proposed amendments to existing questions, definitions, and form instructions in Form PF would result in less erroneous and more reliable data collected through Form PF and would lower the costs to regulators associated with processing and understanding this data. The more reliable data collected through Form PF would assist regulators in better identifying and addressing risks to U.S. financial stability, potentially furthering efforts to protect investors and other market participants.

2. Costs

The proposed amendments to Form PF would lead to certain additional costs for private fund advisers. Any portion of these costs that is not borne by advisers would ultimately be passed on to private funds' investors. These costs would vary depending on the scope of the required information and the frequency of the reporting, which is determined based on the size and types of funds managed by the adviser. For the proposed current reporting requirements, the costs would also vary depending on whether funds experience a reporting event and the frequency of those events. Generally, the costs would be lower for private fund advisers that manage fewer private fund assets or that do not manage types of private funds that may be more prone to financial stress events. These costs are quantified, to the extent possible, by examination of the analysis in section IV.C.[202]

We anticipate that the costs to advisers would be comprised of both direct compliance costs and indirect costs. Direct costs for advisers would consist of internal costs (for compliance attorneys and other non-legal staff of an adviser, such as computer programmers, to prepare and review the required disclosure) and external costs (including filing fees as well as any costs associated with outsourcing all or a portion of the Form PF reporting responsibilities to a filing agent, software consultant, or other third-party service provider).[203]

We believe that the direct costs associated with the proposed amendments would be most significant for the first updated Form PF report that

[196] The proposal includes new Question 54, which asks advisers to provide the total gross subscriptions (including dividend reinvestments) and the total gross redemptions for each month of the reporting period. As discussed above, this would include removing current Question 54, which concerns the liquidity fund's policy of complying with certain provisions of rule 2a–7. *Id.*

[197] The proposal introduces new Question 58, which asks advisers to report whether the liquidity fund is established as a cash management vehicle for other funds or accounts that the adviser or the adviser's affiliates manage (that are not themselves cash management vehicles). The proposal also amends existing Question 59 by asking advisers to provide, for each investor that beneficially owns five percent or more of the reporting fund's equity, (1) the type of investor and (2) the percent of the reporting fund's equity owned by the investor. *Id.*

[198] Runs on liquidity in markets for short-term financing have the potential to increase systemic risk and instability, as funds may be forced to sell assets at depressed prices in order to continue providing liquidity. *See, e.g., supra* footnote 147.

[199] The proposal clarifies that the term ''weekly liquid assets'' includes ''daily liquid assets'' in existing Question 53. The proposal amends categories in existing Question 56 that now asks advisers to indicate whether a creditor is based in the United States and whether it is a ''U.S. depository institution,'' rather than asking if the creditor is a ''U.S. financial institution.'' These amendments will make these categories more consistent with the categories the Federal Reserve Board uses in its reports and analysis. The proposal also revises the Form PF glossary definition of ''WAM'' and ''WAL'' to include an instruction to calculate them with the dollar-weighted average based on the percentage of each security's market value in the portfolio. This revision will help ensure advisers calculate WAM and WAL, which can indicate potential risk in the market using a consistent approach. *Id.*

[200] For example, as discussed above, the proposal clarifies the terms ''weekly liquid asset'' and ''U.S. financial institution,'' while providing instructions for calculating ''WAM'' and ''WAL.'' *See supra* footnote 199. The proposal also removes Questions 52 and 53, which require reporting whether the liquidity fund uses certain methodologies to compute its net asset value, and instead requires advisers to report whether the liquidity fund seeks to maintain a stable price per share. If it does, advisers are required to provide the price it seeks to maintain. Large liquidity fund advisers are also required to both report cash separately from other categories when reporting assets and portfolio information concerning repo collateral, and to name the counterparty of each repo. *Id.*

[201] For example, one survey identified the following advisers' concerns regarding Form PF: (1) The ambiguity of some questions on Form PF; (2) the unclear definition of funds in Form PF; (3) the limitations of private fund advisers' existing reporting systems; and (4) the challenges in aggregating form PF data. *See* Wulf Kaal, Private Fund Disclosures Under the Dodd-Frank Act, 9(2) *Brooklyn Journal of Corporate, Financial, and Commercial Law* (2015).

[202] A 2015 survey of SEC-registered investment advisers to private funds affirmed the Commission's cost estimates for smaller private fund advisers' Form PF compliance costs, and found that the Commission overestimated Form PF compliance costs for larger private fund advisers. *See* Wulf Kaal, Private Fund Disclosures Under the Dodd-Frank Act, 9(2) *Brooklyn Journal of Corporate, Financial, and Commercial Law* (2015).

[203] *See* section IV.C (for an analysis of the direct costs associated with the new Form PF requirements for quarterly and annual filings).

a private fund adviser would be required to file because the adviser would need to familiarize itself with the new reporting form and may need to configure its systems to efficiently gather the required information. In addition, we believe 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. In subsequent reporting periods, we anticipate that filers would incur significantly lower costs because much of the work involved in the initial report is non-recurring and because of efficiencies realized from system configuration and reporting automation efforts accounted for in the initial reporting period. This is consistent with the results of a survey of private fund advisers, finding that the majority of respondents identified the cost of subsequent annual Form PF filings at about half of the initial filing cost.[204]

We anticipate that the proposed amendments aimed at improving data quality and comparability would impose limited direct costs on advisers given that advisers already accommodate similar requirements in their current Form PF and Form ADV reporting and can utilize their existing capabilities for preparing and submitting an updated Form PF. We expect that most of the costs would arise from the proposed requirements to report additional and more granular information on Form PF and new current reporting requirements for advisers to qualifying hedge funds and private equity funds. For existing section 3 and 4 filers, the direct costs associated with the proposed amendments to sections 3 and 4 would mainly include an initial cost to set up a system for collecting, verifying additional more granular information, and limited ongoing costs associated with periodic reporting of this additional information.[205] The initial costs will be higher for the private equity advisers with assets under management between $1.5 billion and $2 billion that will be required to complete section 4 under the new proposed reporting threshold.[206]

As discussed in the benefits section, we believe that part of the costs to advisers arising from the proposed amendments would be mitigated by the cost savings resulting from reduced ambiguities and inefficiencies that currently exist in the reporting requirements, as this may reduce the amount of time and effort required for some advisers to prepare and submit Form PF information.

The direct costs associated with the proposed new current reporting requirements for the advisers of qualifying hedge funds and private equity funds would include initial costs required to set up a system for monitoring significant events that are subject to the current reporting requirement as well as filing fees (the amount of which would be determined by the Commission in a separate action).[207] We anticipate these initial costs to be limited because the current report triggers were tailored and designed not to be overly burdensome and to allow advisers to use existing risk management frameworks that they already maintain to actively assess and manage risk. In particular, advisers would use the same PFRD non-public filing system as used to file the rest of Form PF.[208] The subsequent compliance costs would depend on the occurrence of the reporting events and frequency with which those events occur.[209] To the extent that the reporting events occur infrequently, we anticipate the costs associated with the proposed current reporting requirement to be limited as advisers would not be required to file current reports in the absence of the events. For example, during periods of normal market activity we would expect relatively few filings for this part of Form PF. The costs associated with the proposed amendment, however, would increase with the frequency of stress events at the adviser's funds.

Indirect costs for advisers would include the costs associated with additional actions that advisers may decide to undertake in light of the additional reporting requirements. Specifically, to the extent that the proposed amendments provide an incentive for advisers to improve internal controls and devote additional time and resources to managing their risk exposures and enhancing investor protection, this may result in additional expenses for advisers, some of which may be passed on to the funds and their investors.[210]

Form PF collects confidential information about private funds and their trading strategies, and the inadvertent public disclosure of such competitively sensitive and proprietary information could adversely affect the funds and their investors. However, we anticipate that these adverse effects would be mitigated by certain aspects of the Form PF reporting requirements and controls and systems designed by the Commission for handling the data. For example, with the exception of select questions, such as those relating to restructurings/recapitalizations of portfolio companies and investments in different levels of the same portfolio company by funds advised by the adviser and its related person,[211] Form PF data generally could not, on its own, be used to identify individual investment positions. The Commission has controls and systems for the use and handling of the proposed modified and new Form PF data in a manner that reflects the sensitivity of the data and is consistent with the maintenance of its confidentiality. The Commission has substantial experience with the storage and use of nonpublic information reported on Form PF as well as other

[204] *See* Wulf Kaal, Private Fund Disclosures Under the Dodd-Frank Act, 9(2) *Brooklyn Journal of Corporate, Financial, and Commercial Law* (2015).

[205] Based on the analysis in section IV.C, direct internal compliance costs for existing section 3 filers associated with the preparation and reporting of additional and more granular information is estimated at $544.5 per quarterly filing or $2,178 annually per large liquidity fund adviser. This is calculated as the cost of filing under the proposal of $20,022 minus the cost of filing prior to the proposal of $19,477.5, where $19,477.5 = $29,216/105*70 to incorporate the adjustment explained in footnote 9 to Table 7. *See* Table 7. Direct internal compliance costs for existing section 4 filers associated with the preparation and reporting of additional and more granular information is estimated at $7,425 per annual filing per large private equity adviser. This is calculated as the cost of filing under the proposal of $35,250 minus the cost of filing prior to the proposal of $27,825. *See* Table 7. It is estimated that there will be no additional direct external costs and no changes to filing fees associated with the proposed amendments to sections 3 and 4. *See* Table 10.

[206] Based on the analysis in section IV.C, initial costs for new section 4 filers is estimated at $80,325 per annual filing per large private equity adviser, which is $16,865 higher than the cost of initial filing prior to the proposal, which was estimated at $63,460. *See* Table 6. In addition, new section 4 filers will be subject to a filing fee of $150 per annual filing and an external cost burden ranging from $0 to $50,000 per adviser, which remains at the same level as before the proposal. *See* Table 10.

[207] *See supra* section II.A.3.

[208] *Id.*

[209] Based on the analysis in section IV.C, direct internal costs associated with the preparation and filing of current reports is estimated at $3,538 per report for large hedge fund advisers and $4,182 per report for private fund advisers. *See* Table 8. In addition, large hedge fund advisers will be subject to an external cost burden of $992 per report associated with outside legal services and additional one-time cost ranging from $0 to $12,500, per adviser associated with system changes. *See* Table 11. Private equity advisers will be subject to an external cost burden of $992 per report associated with outside legal service. Additionally, there will be a filing fee per current report for both hedge fund and private equity fund advisers that is yet to be determined, as explained in footnote 1 to Table 11. *See* Table 11.

[210] As discussed above, the length of the reporting period is intended to mitigate costs associated with advisers needing to both respond to the reporting event and file the required current report. *See supra* section II.A.

[211] *See supra* section II.B.2.

nonpublic information that the Commission handles in its course of business.

D. Effects on Efficiency, Competition, and Capital Formation

We anticipate that the increased ability for the Commission's and FSOC's oversight, resulting from the proposed amendments, would promote better functioning and more stable financial markets, which would lead to efficiency improvements. The additional, more granular, and timely data collected on the amended Form PF about private funds and advisers would help reduce uncertainty about risks in the U.S. financial system and inform and frame regulatory responses to future market events and policymaking. It would also help develop regulatory tools and mechanisms that could potentially be used to make future systemic crises episodes less likely to occur and less costly and damaging when they do occur.

Also, we believe that the proposed amendments would improve the efficiency and effectiveness of the Commission's and FSOC's oversight of private fund advisers by enabling them to manage and analyze information related to the risks posed by private funds more quickly, more efficiently, and more consistently than is currently possible. Private fund advisers' responses to new proposed questions would help the Commission and FSOC better understand the investment activities of private funds and the scope of their potential effect on investors and the U.S. financial markets.

We do not anticipate significant effects of the proposed amendments on competition in the private fund industry because the reported information generally would be nonpublic and similar types of advisers would have comparable burdens under the amended Form.

As discussed in the benefits sections, we expect the proposed amendments would enhance the Commission's and FSOC's systemic risk assessment and investor protection efforts, which could ultimately lead to more resilient financial markets and instill stronger investor confidence in the U.S. private fund industry and financial markets more broadly. We anticipate that these developments would make U.S. financial markets more attractive for investments and improve private fund advisers' ability to raise capital, thereby, facilitating capital formation.

E. Reasonable Alternatives

1. Changing the Frequency of Current Reporting

As an alternative to current reporting for hedge fund and private equity fund advisers, we considered requiring advisers to report relevant information as part of the existing Form PF filing or on a scheduled basis, such as semi-annually, quarterly, or monthly.

In general, these alternatives would provide the Commission and FSOC with the same information but at potentially greater cost to advisers and on a less timely basis. Specifically, we believe that neither of these alternative approaches would significantly reduce the cost burden to advisers compared to the proposed current reporting requirement, because advisers would still need to incur initial costs to set up a system for monitoring significant events that are subject to the proposed current reporting requirement. In the case of advisers who experience only a few reporting events per year, the alternative filing frequency for current reports could also increase subsequent reporting costs, as advisers would be required to file two, four, or twelve reports per year rather than one report upon the occurrence of each reporting event.

At the same time, delayed reporting about stress events at hedge funds and significant events at private equity funds would significantly reduce the Commission's and FSOC's ability to assess and frame timely responses to the emerging risks and limit potential market disruptions, damages, and costs associated with them.

2. Giving Current Report Filers More Time To Reply (Versus One Business Day)

We also considered an alternative to require hedge fund and private equity advisers to file current reports within a time period longer than one business day.

Although this alternative would provide more time to advisers to prepare and file the form, we do not anticipate that this would reduce the cost burden to advisers as compared to the proposed one-day reporting requirement. We believe that the proposed structures of sections 5 and 6 of Form PF are relatively simple and require advisers to flag the reporting event from a menu of available options and add straightforward explanatory notes about the events, which generally should not require considerable time to complete. Extending the reporting time period may increase internal costs to advisers to prepare and review the required disclosure, to the extent a longer reporting time period indirectly signals to advisers a need for greater detail, thoroughness, or diligence.

On the other hand, due to the time sensitive nature of the reported events, additional reporting time would significantly reduce the Commission's and FSOC's ability to assess and frame timely responses to the emerging risks and limit potential market disruptions, damages and costs associated with them.

3. Alternative Reporting Thresholds for Current Reporting by Hedge Fund Advisers (Versus Just Large Hedge Fund Advisers to Qualifying Hedge Funds)

We considered an alternative to require all hedge fund advisers to file section 5 of Form PF upon occurrence of stress events at one of their hedge funds (irrespective of the fund size) instead of requiring this reporting from only large advisers to qualifying hedge funds. Although this information would be beneficial for the Commission and FSOC, as this would provide a more complete picture of the stress events in the hedge fund industry and allow better assessment of systemic risk and investor protection issues in the smaller hedge funds space, we believe that this benefit would be marginal as compared to the benefit of the information about qualifying hedge funds for two reasons. First, the hedge fund industry is dominated by qualifying hedge funds that currently account for approximately 81 percent of the industry's gross assets under management among filers of Form PF.[212] Therefore, the proposed current reporting requirement would cover stress events that affect a broad, representative set of assets in the hedge fund industry. Second, the proposed current reporting is designed to serve as a signal to the Commission and FSOC about systemically important stress events at hedge funds. Stress events at larger hedge funds are more likely to be systemically important due to their quantitatively important positions in a market and more extensive use of leverage. Overall, we believe at this time that requiring advisers to smaller hedge funds to file current reports would impose a significant burden on these smaller advisers and not significantly expand or improve the Commission's and FSOC's oversight and assessment of systemic risk efforts.

[212] *See supra* footnote 129.

We also considered an alternative to increase the reporting threshold for hedge funds that would require a subgroup of the largest qualifying hedge funds to file current reports. Although this alternative would reduce the reporting burden at smaller qualifying hedge advisers, we believe that this would also reduce the benefit associated with the proposed current reporting. Specifically, we believe that this alternative would likely impede the Commission's and FSOC's ability to assess and respond to emerging industry risks, as this would reduce the scope of reported stress events to the events that affect the largest qualifying hedge funds. To the extent that largest qualifying hedge funds have a greater propensity to withstand deteriorating market conditions, the Commission and FSOC would have less visibility into the stress events that simultaneously affect smaller qualifying hedge funds that may indicate or have implications for systemic risk and investor protection concerns.

4. Requiring Fewer Private Equity Advisers To File Current Reports (by Introducing a Reporting Threshold)

We considered an alternative current reporting requirement for private equity advisers where only advisers to larger private equity funds would be required to file section 6 of form PF, *i.e.,* imposing a fund size threshold for current reporting.

Although this alternative would reduce the reporting burden at smaller private equity advisers, we believe that this would also reduce the benefit associated with the proposed current reporting. Specifically, one of the goals of the proposed current reporting for private equity funds is to provide the Commission with indicators of potential conflicts of interests and investor harm at the funds. This would enable the Commission to target its examination program more efficiently and effectively and better identify areas in need of regulatory oversight and market assessment to increase investor protection. The Commission's oversight of private equity advisers is not limited to the advisers of a certain size. Conflicts of interest and resulting investor harm may occur at private equity advisers of all sizes, and the Commission has brought a number of enforcement actions against smaller advisers in the past.[213] In that regard, current reports by smaller private equity advisers would be beneficial for the Commission's improved ability to protect investors in smaller funds.

We recognize that the costs associated with the proposed current reporting requirement may appear higher to smaller advisers as compared to larger advisers. However, as discussed in the costs section, we expect the reporting events to be relatively infrequent and, therefore, the costs associated with current reporting to be relatively low.

5. Changing the Reporting Events for Current Reporting by Hedge Fund Advisers

We also considered alternatives to which stress events should trigger current reporting for hedge fund advisers. Alternative reporting events include both different thresholds for how severe of a stress event triggers a current report, as well as different categories of stress events altogether, separate from those considered in the proposal. For example, a hedge fund reporting for proposed Item B would be triggered by a loss equal to or greater than 20 percent of a fund's most recent net asset value over a rolling 10 business day period,[214] and this threshold could be revised to be triggered by a 10% loss, or a 30% loss, or any other threshold. As another alternative, and as discussed above, the threshold could instead compare losses against the volatility of the fund's returns.[215] Lastly, current reporting could alternatively be triggered by stress events besides those considered in this proposal. For example, hedge fund current reporting could be triggered by a large increase in the volatility of the fund's returns, even if that volatility does not result in investment losses.

In general, alternative triggers to current reporting requirements would either provide the Commission and FSOC with more information at a greater cost to advisers, less information at a lower cost to advisers, or an alternative metric for measuring the same stress event as the proposed reporting event. We believe that the thresholds as proposed would trigger reporting for relevant stress events for which we seek timely information while minimizing the potential for false positives and multiple unnecessary current reports, but as discussed above we request suggestions and comments on each proposed reporting event.

6. Alternative Size Threshold for Section 4 Reporting by Large Private Equity Advisers

The proposed amendments to section 4 of form PF include a proposal to reduce the filing threshold for large private equity advisers from $2 billion to $1.5 billion. We also considered alternatives to reduce the reporting size threshold below $1.5 billion or increase it above $2 billion.

We believe that increasing the threshold for large private equity advisers above $2 billion would likely impede the Commission's and FSOC's ability to a representative picture of the private fund industry and lead to misleading conclusions regarding emerging industry trends and characteristics, as this would reduce the coverage of private equity assets in today's market below 67 percent, which is already below the originally envisioned 75 percent coverage.[216]

On the other hand, reducing the current report size threshold below $1.5 billion would be marginally beneficial for the Commission's and FSOC's risk oversight and assessment efforts as this would increase the representativeness of the sample of reporting advisers. Given that smaller private equity advisers and funds now account for a larger fraction of the industry than they did when the Form PF was originally adopted,[217] collecting more detailed information about these funds would help the Commission and FSOC to detect certain new trends and group behaviors with potential systemic consequences among these advisers and funds. However, this would also increase the number of advisers that would be categorized as large private equity advisers subject to the more detailed reporting and impose additional reporting burden on those advisers.

We think that the proposed new threshold of $1.5 billion strikes an appropriate balance between obtaining information regarding a significant portion of the private equity industry for analysis while continuing to minimize the burden imposed on smaller advisers.

7. Alternatives to the New Section 3 and 4 Reporting Requirements for Large Private Equity and Liquidity Fund Advisers

The proposed amendments also include new questions and revisions to

[213] For example, in 2019 the Commission investigated Corinthian Capital Group, LLC for misuse of its assets under management. As of December 31, 2017, Corinthian managed $270 million in assets. *See, e.g.,* Administrative Proceeding, File No. 3–19159 (May 6, 2019), *available at https://www.sec.gov/litigation/admin/2019/ia-5229.pdf.* Another example, in 2015 the Commission investigated Fenway Partners, LLC for potential conflicts of interest. As of April 29, 2015, Fenway Partners had $445 million in assets under management. *See, e.g.,* Administrative Proceeding, File No. 3–16938 (November 3, 2015), *available at https://www.sec.gov/litigation/admin/2015/ia-4253.pdf.*

[214] *See supra* section II.A.1.a.

[215] *Id.*

[216] *See supra* footnotes 62–63.

[217] *See supra* footnote 141.

existing questions in sections 3 and 4 for large private equity advisers and large liquidity fund advisers. The additional large private equity adviser revisions are designed to enhance the Commission's and FSOC's understanding of certain practices in the private equity industry and amend certain existing questions to improve data collection.[218] The additional large liquidity fund adviser revisions are designed to help us see a more complete picture of the short-term financing markets in which liquidity funds invest, and in turn, enhance the Commission and FSOC's ability to monitor and assess short-term financing markets and facilitate better regulatory oversight of those markets and their participants.[219] We also considered alternatives to each of these sets of proposed amendments in the form of different choices of framing, level of detail requested, and precise information targeted. For example, for Question 68 of section 4, on reporting of private equity private credit strategies, we considered consolidating ''Private Credit—Junior/Subordinated Debt,'' ''Private Credit—Mezzanine Financing,'' ''Private Credit—Senior Debt,'' and Private Credit—Senior Subordinated Debt'' into the ''Private Credit—Direct Lending/Mid Market Lending'' category.[220] For the questions in section 3 on liquidity fund strategies to maintain a stable price per share, we considered maintaining the existing questions and adding the new proposed Question 52, which requires advisers to state directly whether the reporting fund seeks a stable price per share, instead of replacing existing questions with the new Question 52.[221] We believe that the amendments as proposed maximize data quality and enhance the usefulness of reported data, but as discussed above we request suggestions and comments on each proposed change.[222]

F. Request for Comment

We request comment on all aspects of our economic analysis, including the potential costs and benefits of the proposed amendments and alternatives thereto, and whether the amendments, if we were to adopt them, would promote efficiency, competition, and capital formation. In addition, we request comments on our selection of data sources, empirical methodology, and the assumptions we have 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, we request comment on:

119. Whether there are any additional costs and benefits associated with the proposed amendments to Form PF that should be considered? What additional materials and data should we consider for estimating these costs and benefits?

120. Whether our assumptions about costs associated with the proposal are accurate? For example, is it accurate to assume that the proposed reporting requirements would be less burdensome to advisers who are already accustomed to the PFRD filing system they use to file the rest of Form PF?

IV. Paperwork Reduction Act

The proposal would revise an existing ''collection of information'' within the meaning of the Paperwork Reduction Act of 1995 (''PRA'').[223] The SEC is submitting the collection of information to the Office of Management and Budget (''OMB'') for review in accordance with the PRA.[224] The title for the collection of information is ''Form PF and Rule 204(b)–1'' (OMB Control Number 3235–0679), and includes both Form PF and rule 204(b)–1 (''the rules''). 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 is mandatory.

The respondents are investment advisers who are (1) 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).[225] 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 (*i.e.,* private fund advisers who do not qualify as a large private fund adviser), (2) large hedge fund advisers, (3) large liquidity fund advisers, and (4) large private equity advisers.[226] As discussed more fully in section II above and as summarized in sections IV.A and IV.C below, the proposal would require current reporting for some groups, and would revise what some groups would file.

A. Purpose and Use of the Information Collection

The rules implement provisions of Title IV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (''Dodd-Frank Act''), which amended the Advisers Act to require the SEC to, among other things, establish reporting requirements for advisers to private funds.[227] The rules are intended to assist the FSOC in its monitoring obligations under the Dodd-Frank Act, but 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.[228]

The proposed amendments are designed to enhance FSOC's ability to monitor systemic risk as well as bolster the SEC's regulatory oversight of private fund advisers and investor protection efforts. The proposed amendments would do the following:

- Require large hedge fund advisers to file current reports upon certain reporting events, as discussed more fully in section II.A above;
- Require advisers to private equity funds to file current reports upon certain reporting events, as discussed more fully in section II.A above;
- Reduce the threshold to qualify as a large private equity adviser, as discussed more fully in section II.B above.
- Amend how large private equity advisers report information about the private equity funds they advise, as discussed more fully in section II.B above; and
- Amend how large liquidity fund advisers report information about the liquidity funds they advise, as discussed more fully in section II.C above.

[218] *See supra* section II.B.

[219] *See supra* section II.C.

[220] *See supra* section II.B.

[221] *See supra* section II.C.

[222] *See supra* sections II.B to C.

[223] 44 U.S.C. 3501 through 3521.

[224] 44 U.S.C. 3507(d); 5 CFR 1320.11.

[225] *See* 17 CFR 275.204(b)–1.

[226] *See supra* footnote 8 (discussing the definitions of large hedge fund advisers, large liquidity fund advisers, and large private equity advisers).

[227] *See* 15 U.S.C. 80b–4(b) and 15 U.S.C. 80b–11(e).

[228] *See* 2011 Form PF Adopting Release, *supra* footnote 2.

The proposed current reporting requires advisers to report information upon reporting events, which could occur more or less than quarterly.[229] As discussed more fully in sections I and II, above, we are proposing the current reporting requirements so we and FSOC can receive more timely data to identify and respond to private funds that are facing stress that could result in investor harm or systemic risk.

B. Confidentiality

Responses to the information collection will be kept confidential to the extent permitted by law.[230] 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 to assess potential systemic risk.[231] 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.[232] 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.[233] 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 SEC.[234] The Advisers Act requires the SEC to make Form PF information available to FSOC.[235] For advisers that are also commodity pool operators or commodity trading advisers, filing Form PF through the Form PF filing system is filing with both the SEC and CFTC.[236] 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.[237]

C. Burden Estimates

We are revising our total burden estimates to reflect the proposed amendments, updated data, and new methodology for certain estimates.[238] The tables below map out the Form PF requirements as they apply to each group of respondents and detail our burden estimates.

1. Proposed Form PF Requirements by Respondent

TABLE 1—PROPOSED FORM PF REQUIREMENTS BY RESPONDENT

Form PF	Smaller private fund advisers	Large hedge fund advisers	Large liquidity fund advisers	Large private equity advisers
Section 1a and section 1b (basic information about the adviser and the private funds it advises); No proposed revisions.	Annually	Quarterly	Quarterly	Annually.
Section 1c (additional information concerning hedge funds); No 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); No proposed revisions.	No	Quarterly	No	No.
Section 3 (additional information concerning liquidity funds); Proposed revisions.	No	No	Quarterly	No.
Section 4 (additional information concerning private equity funds); Proposed revisions.	No	No	No	Annually.
Section 5 (current reporting concerning qualifying hedge funds); The proposal would add section 5.	No	Upon a reporting event	No	No.
Section 6 (current reporting for private equity advisers); The proposal would add section 6.	Upon a reporting event, if they advise private equity funds.	No	No	Upon a reporting event.
Section 7 (temporary hardship request); The proposal would make this available for current reporting.	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify	Optional, if they qualify.

2. Annual Hour Burden Estimates

Below are tables with annual hour burden estimates for (1) initial filings, (2) ongoing annual and quarterly filings, (3) current reporting, and (4) transition filings, final filings, and temporary hardship requests.

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[229] *See* 5 CFR 1320.5(d)(2)(i).

[230] *See* 5 CFR 1320.5(d)(2)(vii) and (viii).

[231] *See* 15 U.S.C. 80b–10(c).

[232] *See 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.*

[233] *See* 15 U.S.C. 80b–4(b)(8).

[234] *See* 15 U.S.C. 80b–4(b)(9).

[235] *See* 15 U.S.C. 80b–4(b)(7).

[236] *See* 2011 Form PF Adopting Release, *supra* footnote 2, at n.17.

[237] *See* 5 CFR 1320.5(d)(2)(viii).

[238] For the previously approved estimates, *see* ICR Reference No. 202011–3235–019 (conclusion date Apr. 1, 2021), *available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202011-3235-019.*

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	313 responses[6]	40 hours	÷ 3 =	13 hours	4,069 hours
	Previously Approved	272 responses	40 hours		23 hours	6,256 hours
	Change	41 responses	0 hours		(10) hour	(2,187) hours
Large Hedge Fund Advisers	Requested	14 responses[7]	325 hours	÷ 3 =	108 hours	1,512 hours
	Previously Approved	17 responses	325 hours		658 hours	11,186 hours
	Change	(3) responses	0 hours		(550) hours	(9,674) hours
Large Liquidity Fund Advisers	Requested	1 responses[8]	202 hours	÷ 3 =	67 hours	67 hours
	Previously Approved	2 responses	200 hours		588 hours	1,176 hours
	Change	(1) responses	2 hours		(521) hours	(1,109) hours
Large Private Equity Advisers	Requested	42 responses[9]	250 hours	÷ 3 =	83 hours	3,486 hours
	Previously Approved	9 responses	200 hours		133 hours	1,197 hours
	Change	33 responses	50 hours		(50) hours	2,289 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. The proposed changes concerning large private equity advisers also are due to the proposed amendment to reduce the filing threshold.
3. Hours per response changes for large liquidity fund advisers and large private equity advisers are due to proposed amendments to sections 3 and 4, respectively.
4. We propose to amortize the initial time burden over three years because we believe that most of the burden would be incurred in the initial filing. We propose to use a different methodology to calculate the estimate than the methodology staff used for the previously approved burdens. We believe the previously approved burdens for initial filings inflated the estimates by using a methodology that included subsequent filings for the next two years, which, for annual filers, included 2 subsequent filings, and for quarterly filers, included 11 subsequent filings. For the requested burden, we propose to calculate the initial filing, as amortized over the next three years, by including only the hours related to the initial filing, not any subsequent filings. This approach is designed to more accurately estimate the initial burden, as amortized over three years. (For example, to estimate the previously approved burden for a large hedge fund adviser making its initial filing, staff estimated that the adviser would have an amortized average annual burden of 658 hours (1 initial filing x 325 hours + 11 subsequent filings (because it files quarterly) x 150 hours = 1,975 hours. 1,975 hours / 3 years = approximately 658 previously approved hours per response, amortized over three years).) Changes are due to using the revised methodology, and changes for the large liquidity fund advisers and large hedge fund advisers also are due to proposed amendments to section 3 and 4, respectively.
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 (2) the new methodology to estimate the hours per response, amortized over three years. For large liquidity fund advisers, changes also are due to proposed amendments to section 3. For large private equity advisers, changes also are due to the proposed amendments to lower the threshold and amend section 4.
6. Private Funds Statistics show 2,427 smaller private fund advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 12.9 percent of them did not file for the previous due date. (2,427 x 0.129 = 313 advisers.)
7. Private Funds Statistics show 545 large hedge fund advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 2.6 percent of them did not file for the previous due date. (545 x 0.026 = 14.17 advisers, rounded to 14 advisers.)
8. Private Funds Statistics show 23 large liquidity fund advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 1.5 percent of them did not file for the previous due date. (23 x 0.015 = 0.345 advisers, rounded up to 1 adviser.)
9. Private Funds Statistics show 364 large private equity advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 3.5 percent of them did not file for the previous due date. (364 x 0.035 = 12.74 advisers, rounded to 13 advisers.) As discussed in section II.B, we estimate that reducing the filing threshold for large private equity advisers would capture eight percent more of the U.S. private equity industry based on committed capital (from 67 percent to 75 percent of the U.S. private equity industry). Therefore, we propose to estimate the number of large private equity advisers would increase by eight percent, as a result of the proposed threshold. ((364 large private equity advisers x 0.08 = 29.12, rounded to 29 additional large private equity advisers filing for the first time as a result of the proposed threshold) + (13 advisers) = 42 advisers.).)

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	2,114 advisers[6]	x	1 response	x	15 hours	=	31,710 hours
	Previously Approved	2,055 advisers	x	1 response	x	15 hours	=	30,825 hours
	Change	59 advisers		0		0 hours		885 hours
Large Hedge Fund Advisers	Requested	531 advisers[7]	x	4 responses	x	150 hours	=	318,600 hours
	Previously Approved	537 advisers	x	4 responses	x	150 hours	=	322,200 hours
	Change	(6) advisers		0		0 hours		(3,600) hours
Large Liquidity Fund Advisers	Requested	22 advisers[8]	x	4 responses	x	71 hours	=	6,248 hours
	Previously Approved	20 advisers	x	4 responses	x	70 hours	=	5,600 hours
	Change	2 advisers		0		1 hour		648 hours
Large Private Equity Advisers	Requested	351 advisers[9]	x	1 response	x	125 hours	=	43,875 hours
	Previously Approved	313 advisers	x	1 response	x	100 hours	=	31,300 hours
	Change	38 advisers		0		25 hours		12,575 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. For large private equity advisers, changes also are due to the proposed amendment to lower the threshold.
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 for the large liquidity fund advisers and large private equity advisers are due to the proposed amendments to sections 3 and 4, respectively.
5. Changes to the aggregate hours are due to using updated data to estimate the number of advisers. For large liquidity fund advisers and large private equity advisers, changes also are due to the proposed amendments to sections 3 and 4, respectively.
6. Private Funds Statistics show 2,427 smaller private fund advisers filed Form PF in the fourth quarter of 2020. We estimated that 313 of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (2,427 total smaller advisers – 313 advisers who made an initial filing = 2,114 advisers who make ongoing filings.)
7. Private Funds Statistics show 545 large hedge fund advisers filed Form PF in the fourth quarter of 2020. We estimated that 14 of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (545 total large hedge fund advisers – 14 advisers who made an initial filing = 531 advisers who make ongoing filings.)
8. Private Funds Statistics show 23 large liquidity fund advisers filed Form PF in the fourth quarter of 2020. We estimated that one of them filed an initial filing, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. (23 total large liquidity fund advisers – 1 adviser who made an initial filing = 22 advisers who make ongoing filings.)
9. Private Funds Statistics show 364 large private equity advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 3.5 percent of them did not file for the previous due date. (364 x 0.035 = 12.74 advisers, rounded to 13 advisers.) (364 total large private equity advisers – 13 advisers who made an initial filing = 351 advisers who make ongoing filings.) Lowering the filing threshold for large private equity advisers would result in additional advisers filing for the first time, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings.

Table 4: Annual Hour Burden Estimates for Current Reporting

Respondent[1]		Aggregate Number of Responses		Hours Per Response[2]		Aggregate Hours
Smaller Private Fund Advisers	Requested	6 responses	x	8.5 hours	=	51 hours
	Previously Approved			Not Applicable		
	Change			Not Applicable		
Large Hedge Fund Advisers	Requested	6 responses	x	8.5 hours	=	51 hours
	Previously Approved			Not Applicable		
	Change			Not Applicable		
Large Private Equity Advisers	Requested	6 response	x	8.5 hours	=	51 hours
	Previously Approved			Not Applicable		
	Change			Not Applicable		

Notes:

1. Smaller private fund advisers that advise private equity funds and large private equity advisers would file current reports under section 6. Large hedge fund advisers would file current reports under section 5. There are no previously approved estimates for these proposed amendments because they would be new requirements.
2. We expect that the time to prepare and file a current report would range from 4 hours to 8.5 hours, depending on the reporting event. Therefore, we propose to use the upper range (8.5 hours) to calculate estimates.

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	Requested	63 responses[4]	x	0.25 hours	=	15.75 hours
	Previously Approved	45 responses	x	0.25 hours	=	11.25 hours
	Change	18 responses		0 hours		4.5 hours
Final Filings	Requested	232 responses[5]	x	0.25 hours	=	58 hours
	Previously Approved	54 responses	x	0.25 hours	=	13.5 hours
	Change[6]	178 responses		0 hours		44.5 hours
Temporary Hardship Requests	Requested	3 responses[7]	x	1 hour	=	3 hours
	Previously Approved	4 responses	x	1 hour	=	4 hours
	Change	(1) responses		0 hours		(1) hour

Notes:

1. Advisers must file limited information on Form PF 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 report 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. Under the proposal, temporary hardship exemptions would be available for current reporting, as discussed in section II. This proposed amendment would not result in any changes to the hours per response.
2. Changes to the aggregate number of responses are due to using updated data. Changes for final filings also are due to using a different methodology, as discussed below.
3. Changes to the aggregate hours are due to the changes in the aggregated number of responses.
4. Private Funds Statistics show 568 advisers filed quarterly reports in the fourth quarter of 2020. Based on filing data from the last five years, an average of 11.1 percent of them filed a transition filing. (568 x 0.111 = 63 responses.)
5. Private Funds Statistics show 3,359 advisers filed Form PF in the fourth quarter of 2020. Based on filing data from the last five years, an average of 6.9 percent of them filed a final filing. (3,359 x 0.069 = approximately 232 responses.)
6. Changes for final filings are due to using a different methodology. The previously approved estimates used a percentage of quarterly filers to estimate how many advisers filed a final report. We propose to use a percentage of all filers to estimate how many advisers filed a final report, because all filers may file a final report, not just quarterly filers. Therefore, this proposed methodology is designed to more accurately estimate the number of responses for final filings.
7. Based on experience receiving temporary hardship requests, we estimate that 1 out of 1,000 advisers will file a temporary hardship exemption annually. Private Funds Statistics show there were 3,359 private fund advisers who filed Form PF. (3,359 / 1,000 = approximately 3 responses.)

3. 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 (4) transition filings, final filings, and temporary hardship requests.[239]

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	$13,620[5]	÷ 3 =	$4,540	x	313 responses	=	$1,421,020
	Previously Approved	$13,460			x	272 responses	=	$3,661,120
	Change	$160				41 responses		($2,240,100)
Large Hedge Fund Advisers	Requested	$104,423[6]	÷ 3 =	$34,808	x	14 responses	=	$487,312
	Previously Approved	$103,123			x	17 responses	=	$1,753,091
	Change	$1,300				(3) responses		($1,265,779)
Large Liquidity Fund Advisers	Requested	$64,893[7]	÷ 3 =	$21,631	x	1 responses	=	$21,631
	Previously Approved	$63,460			x	2 responses	=	$126,920
	Change	$1,433				(1) responses		($105,289)
Large Private Equity Advisers	Requested	$80,325[8]	÷ 3 =	$26,775	x	42 responses	=	$1,124,550
	Previously Approved	$63,460			x	9 responses	=	$571,140
	Change	$16,865				33 responses		$553,410

[239] The hourly wage rates are based on (1) SIFMA's *Management & Professional Earnings in the Securities Industry 2013,* modified by SEC staff to account for an 1,800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead; and (2) SIFMA's *Office Salaries in the Securities Industry 2013,* modified by SEC staff to account for an 1,800-hour work-year and inflation, and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

Notes:

1. We expect that the monetized time burden will be most significant for the initial report, for the same reasons discussed in Table 2: Annual Hour Burden Estimates for Initial Filings. Accordingly, we anticipate that the initial report will require more attention from senior personnel, including compliance managers and senior risk management specialists, than will ongoing annual and quarterly filings. Changes are due to using (1) updated hours per response estimates, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, (2) updated aggregate number of responses, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, and (3) updated wage estimates. Changes to the aggregate monetized time burden, amortized over three years, also are due to amortizing the monetized time burden, which the previously approved estimates did not calculate, as discussed below.
2. For the hours per response in each calculation, *see* 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* 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 compliance manager at a cost of $316 per hour and a senior risk management specialist at a cost of $365 per hour. Smaller private fund advisers generally would not realize significant benefits from or incur significant costs for system configuration or automation because of the limited scope of information required from smaller private fund advisers. (($316 per hour x 0.5) + ($365 per hour x 0.5)) x 40 hours per response = $13,620.
6. For large hedge fund advisers, we estimate that for the initial report, of a total estimated burden of 325 hours, approximately 195 hours will most likely be performed by compliance professionals and 130 hours will most likely be performed by programmers working on system configuration and reporting automation. Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $316 per hour and a senior risk management specialist at a cost of $365 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $339 per hour and a programmer analyst at a cost of $246 per hour. (($316 per hour x 0.5) + ($365 per hour x 0.5)) x 195 hours = $66,397.50. (($339 per hour x 0.5) + ($246 per hour x 0.5)) x 130 hours = $38,025. $66,397.50 + $38,025 = $104,422.50, rounded to $104,423.
7. For large liquidity fund advisers, we estimate that for the initial report, of a total estimated burden of 202 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 121 hours for compliance professionals and 81 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $316 per hour and a senior risk management specialist at a cost of $365 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $339 per hour and a programmer analyst at a cost of $246 per hour. (($316 per hour x 0.5) + ($365 per hour x 0.5)) x 121 hours = $41,200.50. (($339 per hour x 0.5) + ($246 per hour x 0.5)) x 81 hours = $23,692.50. $41,200.50 + $23,692.50 = $64,893.
8. For large private equity advisers, we expect that for the initial report, of a total estimated burden of 250 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 150 hours for compliance professionals and 100 hours for programmers). Of the work performed by compliance professionals, we anticipate that it will be performed equally by a compliance manager at a cost of $316 per hour and a senior risk management specialist at a cost of $365 per hour. Of the work performed by programmers, we anticipate that it will be performed equally by a senior programmer at a cost of $339 per hour and a programmer analyst at a cost of $246 per hour. (($316 per hour x 0.5) + ($365 per hour x 0.5)) x 150 hours = $51,075. (($339 per hour x 0.5) + ($246 per hour x 0.5)) x 100 hours = $29,250. $51,075 + $29,250 = $80,325.

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	$4,230[3]	x	2,114 responses[4]	=	$8,942,220
	Previously Approved	$4,173.75	x	2,055 responses	=	$8,577,056
	Change	$56.25		59 responses		$365,164
Large Hedge Fund Advisers	Requested	$42,300[5]	x	2,124 responses[6]	=	$89,845,200
	Previously Approved	$41,737.50	x	2,148 responses	=	$89,652,150
	Change	$562.50		(24 responses)		$193,050
Large Liquidity Fund Advisers	Requested	$20,022[7]	x	88 responses[8]	=	$1,761,936
	Previously Approved	$29,216.25	x	80 responses	=	$2,337,300
	Change[9]	($9,194.25)		8 responses		($575,364)
Large Private Equity Advisers	Requested	$35,250[10]	x	351 responses[11]	=	$12,372,750
	Previously Approved	$27,825	x	313 responses	=	$8,709,225
	Change	$7,425		38 responses		$3,663,525

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 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 Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings, and (3) updated aggregate number of responses. Changes to estimates concerning large liquidity fund advisers primarily appear to be due to correcting a calculation error, as discussed below.
2. For all types of respondents, we estimate that both annual and quarterly reports would be completed equally by (1) a compliance manager at a cost of $316 per hour, (2) a senior compliance examiner at a cost of $243, (3) a senior risk management specialist at a cost of $365 per hour, and (4) a risk management specialist at a cost of $203 an hour. ($316 x 0.25 = $79) + ($243 x 0.25 = $60.75) + ($365 x 0.25 = $91.25) + ($203 x 0.25 = $50.75) = $281.75, rounded to $282 per hour. To calculate the cost per response for each respondent, we used the hours per response from Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.
3. Cost per response for smaller private fund advisers: ($282 per hour x 15 hours per response = $4,230 per response.)
4. (2,114 smaller private fund advisers x 1 response annually = 2,114 aggregate responses.)
5. Cost per response for large hedge fund advisers: ($282 per hour x 150 hours per response = $42,300 per response.)
6. (531 large hedge fund advisers x 4 responses annually = 2,124 aggregate responses.)
7. Cost per response for large liquidity fund advisers: ($282 per hour x 71 hours per response = $20,022 per response.
8. (22 large liquidity fund advisers x 4 responses annually = 88 aggregate responses.)
9. The previously approved estimates appear to have mistakenly used a different amount of hours per response (105 hours), rather than the actual estimate for large liquidity fund advisers (which was 70 hours per response), causing the monetized time burden to be inflated in error. Therefore, the extent of these changes are primarily due to using the correct hours per response, which we now estimate as 71 hours, as discussed in Table 3: Annual Hour Burden Estimates for Ongoing Annual and Quarterly Filings.
10. Cost per response for large private equity advisers: ($282 per hour x 125 hours per response = $35,250 per response.)

11. (351 private equity advisers x 1 response annually = 351 aggregate responses.)

Table 8: Annual Monetized Time Burden of Current Reporting

Respondent[1]		Per Response[2]		Aggregate Number of Responses[3]		Aggregate Monetized Time Burden
Smaller Private Fund Advisers	Requested	$4,182	x	6 responses	=	$25,092
	Previously Approved			Not Applicable		
	Change			Not Applicable		
Large Hedge Fund Advisers	Requested	$3,538[4]	x	6 responses	=	$21,228
	Previously Approved			Not Applicable		
	Change			Not Applicable		
Large Private Equity Advisers	Requested	$4,182	x	6 responses	=	$25,092
	Previously Approved			Not Applicable		
	Change			Not Applicable		

Notes:

1. Smaller private fund advisers that advise private equity funds and large private equity advisers would file current reports under section 6. Large hedge fund advisers would file current reports under section 5. There are no previously approved estimates for these proposed amendments because they would be new requirements.
2. For the cost per response for smaller private fund advisers and large private equity advisers, we estimate that, depending on the circumstances, different legal professionals at the adviser would work on the section 6 current report. We estimate that the time costs for a legal professional to be approximately $492, which is a blended average of hourly rate for a deputy general counsel ($610) and compliance attorney ($373). (8.5 hours to file a section 6 current report x $492 per hour for a legal professional = $4,182).
3. *See* Table 4: Annual Hour Burden Estimates for Current Reporting.
4. 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 $492, which is a blended average of hourly rate for a deputy general counsel ($610) and compliance attorney ($373). We estimate that the time costs for a financial professional to be approximately $331, which is a blended average hourly rate for a senior risk management specialist ($365) and a financial reporting manager ($297). Of the total 8.5 hours that a section 5 current report would take, we estimate that an adviser would spend on average 4.5 hours of legal professional time and 4 hours of financial professional time to prepare, review, and submit a current report pursuant to section 5. (4.5 hours x $492 per hour for a legal professional = $2,214) + (4 hours x $331 per hour for a financial professional = $1,324) = $3,538.

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	Requested	$18[3]	x	63 responses	=	$1,134
	Previously Approved	$17.75	x	45 responses	=	$798.75
	Change	$0.75		18 responses		$335.25
Final Filings	Requested	$18[4]	x	232 responses	=	$4,176
	Previously Approved	$17.75	x	54 responses	=	$958.50
	Change	$0.75		178 responses		$3,217.50
Temporary Hardship Requests	Requested	$222[5]	x	3 responses	=	$666
	Previously Approved	$221.63	x	4 responses	=	$886.52
	Change	$0.37		(1) responses		($220.52)

Notes:

1. All changes are due to using updated data concerning wage rates and the number of responses.
2. *See* Table 5: Annual Hour Burden Estimates for Transition Filings, Final Filings, and Temporary Hardship Requests.
3. We estimate that each transition filing will take 0.25 hours and that a compliance clerk would perform this work at a cost of $72 an hour. (0.25 hours x $72 = $18.)
4. We estimate that each final filing will take 0.25 hours and that a compliance clerk would perform this work at a cost of $72 an hour. (0.25 hours x $72 = $18.)
5. We estimate that each temporary hardship request will take 1 hour. We estimate that a compliance manager would perform five-eighths of the work at a cost of $316 and a general clerk would perform three-eighths of the work at a cost of $64. (1 hour x ((5/8 of an hour x $316 = $197.5) + (3/8 of an hour x $64 = $24)) = $221.5 per response.

4. Annual External Cost Burden Estimates

Below are tables with annual external cost burden estimates for (1) initial filings as well as ongoing annual and quarterly filings and (2) current 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.

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	Requested	1	x	$150	=	$150	Not Applicable							$364,050[9]
	Previously Approved	1	x	$150	=	$150	Not Applicable							$349,050
	Change	0		$0		$0	No Change							$15,000
Large Hedge Fund Advisers	Requested	4	x	$150	=	$600	$50,000	÷ 3 =	$16,667	x	14	=	$233,338	$560,338[10]
	Previously Approved	4	x	$150	=	$600	$50,000			x	17	=	$850,000	$1,182,400
	Change	0		$0		$0	$0				(3)		($616,662)	($622,062)
Large Liquidity Fund Advisers	Requested	4	x	$150	=	$600	$50,000	÷ 3 =	$16,667	x	1	=	$16,667	$30,467[11]
	Previously Approved	4	x	$150	=	$600	$50,000			x	2	=	$100,000	$113,200
	Change	0		$0		$0	$0				(1)		($83,333)	($82,733)
Large Private Equity Advisers	Requested	1	x	$150	=	$150	$50,000	÷ 3 =	$16,667	x	42	=	$700,014	$754,614[12]
	Previously Approved	1	x	$150	=	$150	$50,000			x	9	=	$450,000	$498,300
	Change	0		$0		$0	$0				33		$250,014	$256,314

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 required on Form PF.
2. Smaller private fund advisers and large private equity 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. 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. We continue to estimate that the same cost range would apply.
5. We propose to 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 would be incurred in the initial filing. The previously approved burden estimates did not calculate this.
6. *See* 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) using updated data and (2) amortizing the external cost of initial filings over three years, which the previously approved PRA did not calculate. Changes concerning large private equity advisers also are due to the proposed amendment to reduce the filing threshold.
8. Changes to the total aggregate external cost are due to (1) using updated data and (2) amortizing the external cost of initial filings over three years, which the previously approved PRA did not calculate. Changes concerning large private equity advisers also are due to the proposed amendment to reduce the filing threshold.
9. Private Funds Statistics show 2,427 smaller private fund advisers filed Form PF in the fourth quarter of 2020. (2,427 smaller private fund advisers x $150 total filing fees) = $364,050 aggregate cost.
10. Private Funds Statistics show 545 large hedge fund advisers filed Form PF in the fourth quarter of 2020. (545 large hedge fund advisers x $600 total filing fees) + $233,338 total external costs of initial filings, amortized over three years = $560,338 aggregate cost.
11. Private Funds Statistics show 23 large liquidity fund advisers filed Form PF in the fourth quarter of 2020. (23 large liquidity fund advisers x $600 total filing fees) + $16,667 total external costs of initial filings, amortized over three years = $30,467 aggregate cost.
12. Private Funds Statistics show 364 large private equity advisers filed Form PF in the fourth quarter of 2020. (364 large private equity advisers x $150 total filing fees) + $700,014 total external costs of initial filings, amortized over three years = $754,614 aggregate cost.

Table 11: Annual External Cost Burden for Current Reporting

Respondent[1]		Aggregate Number of Responses[2]		Cost of Outside Counsel Per Current Report[3]		Aggregate Cost of Outside Counsel	One-time Cost of System Changes	Total Aggregate External Cost[4]
Smaller Private Fund Advisers	Requested	6	x	$992	=	$5,952	Not Applicable	$5,952
	Previously Approved	Not Applicable						
	Change	Not Applicable						
Large Hedge Fund Advisers	Requested	6	x	$992	=	$5,952	$12,500[5]	$18,452
	Previously Approved	Not Applicable						
	Change	Not Applicable						
Large Private Equity Advisers	Requested	6	x	$992	=	$5,952	Not Applicable	$5,952
	Previously Approved	Not Applicable						
	Change	Not Applicable						
Advisers would pay filing fees, the amount of which would be determined in a separate action.								

Notes:

1. In a separate action, the SEC would approve filing fees that reflect the reasonable costs associated with current report filings and the establishment and maintenance of the filing system. (*See* 15 U.S.C. 80b-4(c).) We estimate that advisers would incur costs of outside counsel for each current report. We also estimate that large hedge fund advisers may incur a one-time cost to modify existing systems or deploy new systems to support section 5 current reporting, acquire or use hardware to perform computations, or otherwise process data to identify reporting events set forth in section 5, because such reporting events are quantitative. We estimate that such costs would not apply to advisers subject to current reporting requirements in proposed section 6, because the reporting events are more qualitative. There are no previously approved estimates for these proposed amendments because they would be new requirements.
2. *See* Table 4: Annual Hour Burden Estimates for Current Reporting.
3. We estimate the cost for outside legal counsel is $496. This is based on an estimated $400 per hour cost for outside legal services, as used by the Commission for these services in the "Exemptions for Advisers to Venture Capital Funds, Private Fund Advisers With Less Than $150 Million Under Management, and Foreign Private Advisers" final rule, Advisers Act Release No. 3222 (June 22, 2011) [76 FR 39646 (July 6, 2011)], as inflated using the Consumer Price Index. We estimate that approximately two hours of the total legal professional time that would otherwise be spent on current reporting for sections 5 and 6, would be shifted from in-house legal professionals to outside legal counsel. (2 hours x $496 for outside legal services = $992.)
4. (Aggregate cost of outside counsel) + (one-time cost of system changes, as applicable) = total aggregate cost.
5. We estimate that the one-time external cost burden would range from $0 to $12,500, per adviser. This range of costs reflects the fact that the cost to any adviser might depend on how many funds or the types of funds it manages, the state of its existing systems, and the complexity of its business.

5. Summary of Estimates and Change in Burden

Table 12: Aggregate Annual Estimates

Description[1]	Requested	Previously Approved	Change
Respondents	3,388 respondents[2]	3,225 respondents	163 respondents[3]
Responses	5,363 responses[4]	5,056 responses	307 responses[5]
Time Burden	409,797 hours[6]	409,768 hours	29 hours[7]
Monetized Time Burden (Dollars)	$116,054,007[8]	$122,152,100.25	($6,098,093)[9]
External Cost Burden (Dollars)	$1,739,825[10]	$3,628,850	($1,889,025)[11]

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. Private Funds Statistics show the following advisers filed Form PF in the fourth quarter of 2020: 2,427 smaller private fund advisers + 545 large hedge fund advisers + 23 large liquidity fund advisers + 364 large private equity advisers = 3,359 advisers. 3,359 advisers + 29 additional large private equity advisers filing for the first time as a result of the proposed threshold = 3,388 respondents.
3. Changes are due to (1) the proposed amendment to reduce the filing threshold for large private equity advisers and (2) using updated data.
4. For initial filings (Table 2): (313 smaller private fund adviser responses + 14 large hedge fund adviser responses + 1 large liquidity fund adviser response + 42 large private equity adviser responses = 370 responses.) For ongoing annual and quarterly filings (Table 7): 2,114 smaller private fund adviser responses + 2,124 large hedge fund adviser responses + 88 large liquidity fund adviser responses + 351 large private equity adviser responses = 4,677 responses.) For current reporting (Table 4): (6 smaller private fund adviser responses + 6 large hedge fund adviser responses + 6 large private equity adviser responses = 18 responses.) (370 responses for initial filings + 4,677 responses for ongoing annual and quarterly filings + 18 responses for current reporting + 63 responses for transition filings + 232 responses for final filings + 3 responses for temporary hardship requests = 5,363 responses.)
5. Changes are due to (1) the proposal to add current reporting requirements, (2) the proposal to reduce the filing threshold for large private equity advisers, and (3) updated data concerning the number of filers.
6. For initial filings: (4,069 hours for smaller private fund advisers + 1,512 hours for large hedge fund advisers + 67 hours for large liquidity fund advisers + 3,486 hours for large private equity advisers = 9,134 hours). For ongoing annual and quarterly filings: (31,710 hours for smaller private fund advisers + 318,600 hours for large hedge fund advisers + 6,248 for hours large liquidity fund advisers + 43,875 hours for large private equity advisers = 400,433 hours). For current reporting: (51 hours for smaller private fund advisers + 51 hours for large hedge fund advisers + 51 hours for large private equity advisers = 153 hours.) (9,134 hours for initial filings + 400,433 for ongoing annual and quarterly filings + 153 hours for current reporting + 15.75 hours for transition filings + 58 hours for final filings + 3 hours for temporary hardship requests = 409,796.75 hours, rounded to 409,797 hours.
7. Although we would expect the time burden to increase more, given the proposed amendments, we estimate a smaller increase primarily because we propose to use a different methodology to calculate initial burden hours, as discussed in Table 2: Annual Hour Burden Estimates for Initial Filings, because the previously approved burdens for initial filings appear to have inflated the estimates.
8. For initial filings: ($1,421,020 for smaller private fund advisers + $487,312 for large hedge fund advisers + $21,631 for large liquidity fund advisers + $1,124,550 for large private equity advisers = $3,054,513). For ongoing annual and quarterly filings: ($8,942,220 for smaller private fund advisers + $89,845,200 for large hedge fund advisers + $1,761,936 for large liquidity fund advisers + $12,372,750 for large private equity advisers = $112,922,106). For current reporting: ($25,092 for smaller private equity fund advisers + $21,228 for large hedge fund advisers + $25,092 for large private equity advisers = $71,412). ($3,054,513 for initial filings + $112,922,106 for ongoing annual and quarterly filings + $71,412 for current reporting + $1,134 for transition filings + $4,176 for final filings + $666 for temporary hardship requests = $116,054,007.)
9. Although we would expect the monetized time burden to increase, given the proposed amendments, we estimate it would decrease primarily because we propose to use a different methodology to calculate it.

We believe the previously approved burden inflated the estimates by using a methodology that inflated an element of the total: the monetized time burden for initial filings. To calculate the monetized time burden for initial filings, the previously approved estimates included subsequent filings. For the requested total burden, we propose to calculate the initial filing element by including only the hours related to the initial filing, not any subsequent filings. We also propose to amortize the monetized time burden for an initial filing over three years, by dividing the initial filing burden by three years, as discussed in Table 6: Annual Monetized Time Burden of Initial Filings. The proposed methodology is designed to more accurately reflect the estimates.

10. For annual, quarterly, and initial filing costs: ($364,050 for smaller private fund advisers + $560,338 for large hedge funds + $30,467 for large liquidity fund advisers + $754,614 for large private equity advisers = $1,709,469). For current reporting: ($5,952 for smaller private fund advisers + $18,452 for large hedge funds + $5,952 for large private equity advisers = $30,356). ($1,709,469 annual, quarterly, and initial cost external cost burden + $30,356 current reporting external cost burden = $1,739,825 total annual external cost burden.)
11. Although we would expect the external cost burden to increase, given the proposed amendments, we estimate it would decrease primarily because we propose to use a different methodology to calculate it. We believe the previously approved burden inflated the estimates by (1) multiplying the filing fees by three years and (2) not amortizing the external costs for initial filings: ($742,950 aggregate annual filing fees x 3 years = $2,228,850 in filing fees) + $1,400,000 external costs of initial filings = $3,628,850). We propose to not multiply the aggregate annual filing fees by three years because we are estimating the external cost burden for one year, not three. We propose to amortize the external cost for initial filings over three years, by dividing the external cost of an initial filing by three years, as discussed in Table 10: Annual External Cost Burden for Ongoing Annual and Quarterly Filings as well as Initial Filings. The proposed methodology is designed to more accurately reflect the estimates.

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D. 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 Commission 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. S7–01–22. 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. S7–01–22, 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

The Regulatory Flexibility Act of 1980 (''Regulatory Flexibility Act'') [240] requires the SEC to prepare and make available for public comment an initial regulatory flexibly analysis of the impact of the proposed rule amendments on small entities, unless the SEC certifies that the rules, if adopted would not have a significant economic impact on a substantial number of small entities.[241] 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.

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.[242]

By definition, no small entity on its own, would meet rule 204(b)–1 and Form PF's minimum reporting threshold of $150 million in regulatory assets under management attributable to private funds. Based on Form PF and Form ADV data as of September 2021, the SEC estimates that no small entity advisers are required to file Form PF. The SEC does not have evidence to suggest that any small entities are required to file Form PF but are not filing Form PF. 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.

[240] 5 U.S.C. 601, *et. seq.*

[241] *See* 5 U.S.C. 603(a) and 5 U.S.C. 605(b).

[242] 17 CFR 275.0–7.

VI. Consideration of Impact on the Economy

For purposes of the Small Business Regulatory Enforcement Fairness Act of 1996 (''SBREFA''),[243] the SEC must advise OMB whether a proposed regulation constitutes a ''major'' rule. Under SBREFA, 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.

The SEC requests comment on whether the proposal would be a ''major rule'' for purposes of SBREFA. The SEC solicits comment and empirical 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.

VII. Statutory Authority

The Commission is proposing amendments to Form PF pursuant to authority set forth in Sections 204(b) and 211(e) of the Advisers Act [15 U.S.C. 80b–4(b) and 80b–11(e)].

[243] Public Law 104–121, Title II, 110 Stat. 857 (1996) (codified in various sections of 5 U.S.C., 15 U.S.C., and as a note to 5 U.S.C. 601).

List of Subjects 17 CFR Part 275 and 279

Reporting and recordkeeping requirements, Securities.

By the Commission.

Dated: January 26, 2022.

Vanessa A. Countryman,

Secretary.

Text of Proposed Rules

For the reasons set forth in the preamble, title 17, chapter II of the Code of Federal Regulations is 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, unless otherwise noted.

* * * * *

■ 2. Amend § 275.204(b)–1 by revising paragraphs (f)(2)(i) and (f)(3) to read as follows:

§ 275.204(b)–1 Reporting by investment advisers to private funds.

* * * * *

(f) * * *

(2) * * *

(i) Complete and file in paper format, in accordance with the instructions to Form PF, Item A of Section 1a and Section 7 of Form PF, checking the box in Section 1a indicating that you are requesting a temporary hardship exemption, no later than one business day after the electronic Form PF filing was due;

* * * * *

(3) The temporary hardship exemption will be granted when you file Item A of Section 1a and Section 7 of Form PF, checking the box in Section 1a indicating that you are requesting a temporary hardship exemption.

* * * * *

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.

Note: The text of Form PF does not, and the amendments will not, appear in the Code of Federal Regulations.

■ 4. Revise PF (referenced in § 279.9) to read as follows.

BILLING CODE 8011–01–P

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:	[ ]
Estimated average burden	

Form PF: General Instructions **Page 1**

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 $150 million 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 and advisers to *private equity funds* will need to file a current report in Section 6, upon certain *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 2a You are required to complete Section 2a if you and your *related persons*, collectively, 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 your most recently completed fiscal quarter. You are not required to include the *regulatory assets under management* of any *related person* that is *separately operated*.

Subject to Instruction 4, Section 2a requires information to be reported on an aggregate basis for all *hedge funds* that you advise.

Section 2b If you are required to complete Section 2a, you must complete a separate Section 2b with respect to each *qualifying hedge fund* that you advise.

However:

if you are reporting separately on the funds of a *parallel fund structure* that, in the aggregate, comprises a *qualifying hedge fund*, you must complete a separate Section 2b for each *parallel fund* that is part of that *parallel fund structure* (even if that *parallel fund* is not itself a *qualifying hedge fund*); and

if you report answers on an aggregated basis for any *master-feeder arrangement* or *parallel fund structure* in accordance with Instruction 5, you should only complete a separate Section 2b with respect to the *reporting fund* for such *master- feeder arrangement* or *parallel fund structure*.

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.

However, if you report answers on an aggregated basis for any *master-feeder arrangement* or *parallel fund structure* in accordance with Instruction 5, you should only complete a separate Section 3 with respect to the *reporting fund* for such *master-feeder arrangement* or *parallel fund structure*.

Section 4 – *Large private equity advisers*

Section 4 You are required to complete Section 4 if you and your *related persons*, collectively, had at least $1.5 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.

However, if you report answers on an aggregated basis for any *master-feeder arrangement* or *parallel fund structure* in accordance with Instruction 5, you should only complete a separate Section 4 with respect to the *reporting fund* for such *master-feeder arrangement* or *parallel fund structure*.

Section 5 – *Current report* for *large hedge fund advisers*

Section 5 Section 5 is the current reporting form about *qualifying hedge funds*. You must complete and file Section 5 for any *reporting event* with respect to a *qualifying hedge fund* you advise.

Section 6 – *Current report* for advisers to *private equity funds*

Section 6 Section 6 is the current reporting form about *private equity funds*. You must complete and file Section 6 for any *reporting event* with respect to a *private equity fund* you advise.

Section 7 – Advisers requesting a temporary hardship exemption

Section 7 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. When am I required to aggregate information regarding *parallel funds, parallel managed accounts, master-feeder arrangements* and funds managed by *related persons*?

You are required to aggregate related funds and accounts differently depending on the purpose of the aggregation.

Reporting thresholds. For purposes of determining whether you meet any reporting threshold, you must aggregate *parallel funds, dependent parallel managed accounts* and master-feeder funds. In addition, you must treat any *private fund* or *parallel managed account* advised by any of your *related persons* as though it were advised by you. You are not required, however, to aggregate *private funds* or *parallel managed accounts* of any *related person* that is *separately operated.*

Responding to questions. When reporting on individual funds, you may provide information regarding *master-feeder arrangements* or *parallel fund structures* either in the aggregate or separately, provided that you do so consistently throughout the Form. (For example, you may complete either a single Section 1b for all of the funds in a *master-feeder arrangement* or a separate Section 1b for each fund in the arrangement, but you must then take the same approach when completing other applicable sections of the Form.) 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. You are not required to report information regarding *parallel managed accounts* (except in Question 11). You should 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.

See the table below for additional details.

For purposes of determining whether a *private fund* is a *qualifying hedge fund*	**For purposes of reporting information in Sections 1b, 1c, 2b, 3 and 4**
• 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 may, but are not required to, report answers on an aggregated basis for 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*	• You may, but are not required to, report answers on an aggregated basis for 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*)	• You are not required to report information regarding *parallel managed accounts* (except in Question 11) You should 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

6. I am required to aggregate funds or accounts to determine whether I meet a reporting threshold, or I am electing to aggregate funds for reporting purposes. How do I "aggregate" funds or accounts for these purposes?

Where two or more *parallel funds* or master-feeder funds are aggregated in accordance with Instruction 5, you must treat the aggregated funds as if they were all one *private fund*. Investments that a *feeder fund* makes in a *master fund* should be disregarded but other investments of the *feeder fund* should be treated as though they were investments of the aggregated fund.

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.

Example 1. You advise a *master-feeder arrangement* with one *feeder fund*. The *feeder fund* has invested $500 in the *master fund* and holds a *foreign exchange derivative* with a notional value of $100. The *master fund* has used the $500 received from the *feeder fund* to invest in *corporate bonds*. Neither fund has any other assets or liabilities.

For purposes of determining whether the funds comprise a *qualifying hedge fund*, this *master-feeder arrangement* should be treated as a single *private fund* whose only investments are $500 in *corporate bonds* and a *foreign exchange derivative* with a notional value of $100. If you elect to aggregate the *master-feeder arrangement* for reporting purposes, the treatment would be the same.

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 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.

If you elect to aggregate the *parallel fund structure* for reporting purposes, you would disregard the *dependent parallel managed account*, so the result would be a single *private fund* whose only asset is $700 of *corporate bonds* issued by Company X.

7. I advise a *private fund* that invests in other *private funds* (e.g., a "fund of funds"). How should I treat these investments for purposes of Form PF?

Investments in other *private funds* generally. For purposes of this Form PF, you may disregard any *private fund's* equity investments in other *private funds*. However, if you disregard these investments, you must do so consistently (e.g., do not include disregarded investments in the *net asset value* used for determining whether the fund is a "hedge fund"). For Question 17, even if you disregard these assets, you may report the performance of the entire fund and are not required to recalculate performance in order to exclude these investments. Do not disregard any liabilities, even if incurred in connection with these investments.

Funds that invest substantially all of their assets in other *private funds*. If you advise a *private fund* that (i) invests substantially all of its assets in the equity of *private funds* for which you are not an

adviser 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. For all other purposes, you should disregard such fund. For example, where questions request aggregate information regarding the *private funds* you advise, do not include the assets or liabilities of any such fund.

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.

Notwithstanding the foregoing, you must include disregarded assets in responding to Question 10.

8. I advise a *private fund* that invests in companies that are not *private funds*. How should I treat these investments for purposes of Form PF?

Except as provided in Instruction 7, investments in funds should be included for all purposes under this Form PF. You are not, however, required to "look through" a fund's investments in any other entity unless the Form specifically requests information regarding that entity or the other entity's primary purpose is to hold assets or incur leverage as part of the *reporting fund's* investment activities.

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 your first, second and third fiscal quarters, you must file a *quarterly update* that updates the answers to all Items in this Form PF relating to the *hedge funds* that you advise. Within 60 calendar days after the end of your fourth fiscal quarter, you must file a *quarterly update* that updates the answers to all Items in this Form PF. You may, however, submit an initial filing for the fourth quarter 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 the quarter 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 your first, second and third fiscal quarters, 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. Within 15 calendar days after the end of your fourth fiscal quarter, you must file a *quarterly update* that updates the answers to all Items in this Form PF. You may, however, submit an initial filing for the fourth quarter 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 the quarter 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 fourth quarter.
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 and advisers to private equity funds)	*Large hedge fund advisers* must file a *current report* in Section 5 and advisers to *private equity funds* must file a *current report* in Section 6, upon certain *reporting events*. See Section 5 and Section 6, respectively, 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. If you are an adviser to *private equity funds* filing a current report in Section 6 only file Section 6. 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 7 of Form PF, checking the box in Section 1a indicating that you are requesting a temporary hardship exemption. Mail one manually signed original and one copy of your exemption filing to: U.S. Securities and Exchange Commission, Branch of Regulations and Examinations, Mail Stop 0-25, 100 F Street NE, Washington, DC 20549. 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) and round to the nearest one percent;
- if a question requests a monetary value, provide the information in U.S. dollars as of the *data reporting date*, rounded to the nearest thousand;
- 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," you should determine whether a set of legal and contractual rights constitutes a "position" in a manner consistent with your internal recordkeeping and risk management procedures (e.g., some advisers may record as a single position two or more partially offsetting legs of a transaction entered into with the same counterparty under the same master agreement, while others may record these as separate positions);
- if a question requires you to distinguish long positions from short positions, classify positions in a manner consistent with your internal recordkeeping and risk management procedures (provided that, for *CDS*, *exotic CDS*, *index CDS*, and *single name CDS*, the protection seller should be viewed as long and the protection buyer should be viewed as short);
- do not net long and short positions;
- for derivatives (other than options), "value" means *gross notional value*; for options, "value" means delta adjusted notional value; 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
- for questions 20, 21, 25, 28, and 35, the numerator you use to determine the percentage of *net asset value* should be measured on the same basis as *gross asset value* and may result in responses that total more than 100%.

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, Section 5, or Section 6, 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. May I report on Form PF regarding a *commodity pool* that is not a *private fund*? How should I treat the *commodity pool* for purposes of Form PF?

If you are otherwise required to report on Form PF, you may report information regarding any *commodity pool* you advise on Form PF, even if it is not a *private fund*. Properly reporting on Form PF regarding the *commodity pool* will constitute substitute compliance with CFTC reporting requirements to the extent provided in *CEA* rule 4.27.

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 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 2a of Form PF, then you must report regarding the *commodity pool* in section 2b 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 C.F.R. § 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)	Page 1 of 55

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

(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

Form PF Section 1a	**Information about you and your *related persons*** (to be completed by all Form PF filers)	Page 2 of 55

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:	

Form PF Section 1a	Information about you and your *related persons* (to be completed by all Form PF filers)	Page 3 of 55

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.*)*

	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.

Question number	Description

Section 1b: Information about the *private funds* you advise

Subject to Instruction 5, you must complete a separate Section 1b for each *private fund* that you advise.

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 applicable .....

6. Check "yes" below if the *reporting fund* is the *master fund* of a *master-feeder arrangement* and you are reporting for all of the funds in the *master-feeder arrangement* on an aggregated basis. Otherwise, check "no."

   (See Instruction 5 for information regarding aggregation of master-feeder arrangements. *If you respond "yes," do not complete a separate Section 1b, 1c, 2b, 3 or 4 with respect to any of the* feeder funds.*)*

   ☐ Yes ☐ No

7. (a) Check "yes" below if the *reporting fund* is the largest fund in a *parallel fund structure* and you are reporting for all of the funds in the structure on an aggregated basis. Otherwise, check "no."

   (See Instruction 5 for information regarding aggregation of parallel funds. *If you respond "yes," do not complete a separate Section 1b, 1c, 2b, 3 or 4 with respect to any of the other* parallel funds *in the structure.)*

   ☐ Yes ☐ No

   If you responded "yes" to Question 7(a), complete (b) through (e) below for each other *parallel fund* 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 applicable .....

Item B. Assets, financing and investor concentration

8. *Gross asset value* of *reporting fund* .....

   (This amount 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, if you are aggregating a* master-feeder arrangement *for purposes of this Form PF and you did not aggregate that* master-feeder arrangement *for purposes of* Form ADV Section 7.B.1. *or if you are aggregating* parallel funds *for purposes of this Form PF.)*

9. *Net asset value* of *reporting fund* .....

Form PF Section 1b	Information about the *private funds* you advise (to be completed by all Form PF filers)	Page 5 of 55

10. *Value* of *reporting fund's* investments in equity of other *private funds* ..... [ ]

11. *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.)*

12. 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 43 in Section 2b. 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 ..... [ ]

13. (a) Does the *reporting fund* have any outstanding derivatives positions?

☐ Yes ☐ No

(b) If you responded "yes" to Question 13(a), provide the aggregate *value* of all derivatives positions of the *reporting fund*..... [ ]

(You are not required to respond to Question 13 for any reporting fund *with respect to which you are answering Question 44 in Section 2b.)*

14. Provide a summary of the *reporting fund's* assets and liabilities categorized using the hierarchy below. 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.

(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.)

(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.)*

	Fair value Level 1	Level 2	Level 3	Cost-based
Assets	$_____	$_____	$_____	$_____
Liabilities	$_____	$_____	$_____	$_____

15. 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.)*

16. Specify the approximate percentage of the *reporting fund's* equity that is beneficially owned by the following groups of investors.

(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.)

(a) Individuals that are *United States persons* (including their trusts) ..... [ ]

(b) Individuals that are not *United States persons* (including their trusts) ..... [ ]

(c) Broker-dealers ..... [ ]

(d) Insurance companies ..... [ ]

(e) Investment companies registered with the *SEC* ..... [ ]

(f) *Private funds* ..... [ ]

(g) Non-profits ..... [ ]

(h) Pension plans (excluding governmental pension plans) ..... [ ]

(i) Banking or thrift institutions (proprietary) ..... [ ]

(j) State or municipal *government entities* (excluding governmental pension plans) ..... [ ]

(k) State or municipal governmental pension plans ..... [ ]

(l) Sovereign wealth funds and foreign official institutions ..... [ ]

(m) 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 ..... [ ]

(n) Other ..... [ ]

Form PF Section 1b	Information about the *private funds* you advise (to be completed by all Form PF filers)	Page 7 of 55

Item C. *Reporting fund* performance

17. Provide the *reporting fund's* gross and net performance, as reported to current and prospective investors (or, if calculated for other purposes but not reported to investors, as so calculated). If the fund reports different performance results to different groups of investors, provide the most representative results. 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 or otherwise).

(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.)*

(Enter your responses as percentages rounded to the nearest one-hundredth of one percent. 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.)*

	Last day of fiscal period	Gross performance	Net of management fees and incentive fees and allocations
(a) 1st month of *reporting fund's* fiscal year			
(b) 2nd month of *reporting fund's* fiscal year			
(c) 3rd month of *reporting fund's* fiscal year			
(d) First quarter			
(e) 4th month of *reporting fund's* fiscal year			
(f) 5th month of *reporting fund's* fiscal year			
(g) 6th month of *reporting fund's* fiscal year			
(h) Second quarter			
(i) 7th month of *reporting fund's* fiscal year			
(j) 8th month of *reporting fund's* fiscal year			
(k) 9th month of *reporting fund's* fiscal year			
(l) Third quarter			
(m) 10th month of *reporting fund's* fiscal year			
(n) 11th month of *reporting fund's* fiscal year			
(o) 12th month of *reporting fund's* fiscal year			
(p) Fourth quarter			
(q) *Reporting fund's* most recently completed fiscal year			

Section 1c: Information about the *hedge funds* you advise

Subject to Instruction 5, you must complete a separate Section 1c for each *hedge fund* that you advise.

Item A. *Reporting fund* identifying information

18. (a) Name of the *reporting fund* .....
    (b) *Private fund* identification number of the *reporting fund* .....

Item B. Certain information regarding the *reporting fund*

19. Does the *reporting fund* have a single primary investment strategy or multiple strategies?

    ☐ Single primary strategy ☐ Multi-strategy

20. Indicate which of the investment strategies below best describe the *reporting fund's* strategies. 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. You may refer to the* reporting fund's *use of these strategies as of the* data reporting date *or throughout the* reporting period, *but you must report using the same basis in future filings.)*

    (The strategies listed below are mutually exclusive (i.e., do not report the same assets under multiple strategies). If providing percentages of capital, the total should add up to approximately 100%.)

Strategy	% of *NAV* (required)	% of capital (optional)
☐ Equity, Market Neutral		
☐ Equity, Long/Short		
☐ Equity, Short Bias		
☐ Equity, Long Bias		
☐ Macro, Active Trading		
☐ Macro, Commodity		
☐ Macro, Currency		
☐ Macro, Global Macro		

Form PF Section 1c	**Information about the *hedge funds* you advise** (to be completed by all Form PF filers that advise *hedge funds*)	Page 9 of 55

☐ Relative Value, Fixed Income Asset Backed		
☐ Relative Value, Fixed Income Convertible Arbitrage		
☐ Relative Value, Fixed Income Corporate		
☐ Relative Value, Fixed Income Sovereign		
☐ Relative Value, Volatility Arbitrage		
☐ Event Driven, Distressed/Restructuring		
☐ Event Driven, Risk Arbitrage/Merger Arbitrage		
☐ Event Driven, Equity Special Situations		
☐ Credit, Long/Short		
☐ Credit, Asset Based Lending		
☐ Managed Futures/*CTA*, Fundamental		
☐ Managed Futures/*CTA*, Quantitative		
☐ Investment in other funds		
☐ Other: _____		

21. During the *reporting period*, approximately what percentage of the *reporting fund's net asset value* was managed using high-frequency trading strategies?

(In your response, please do not include strategies using algorithms solely for trade execution. This question concerns strategies that are substantially computer-driven, where decisions to place bids or offers, and to buy or sell, are primarily based on algorithmic responses to intraday price action in equities, futures and options, and where the total number of shares or contracts traded throughout the day is generally significantly larger than the net change in position from one day to the next.)

☐ 0% ☐ less than 10% ☐ 10-25% ☐ 26-50%

☐ 51-75% ☐ 76-99% ☐ 100% or more

22. Identify the five counterparties to which the *reporting fund* has the greatest mark-to- market net counterparty credit exposure, measured as a percentage of the *reporting fund's net asset value.*

(For purposes of this question, you should treat affiliated *entities as a single group to the extent exposures may be contractually or legally set-off or netted across those entities and/or one affiliate guarantees or may otherwise be obligated to satisfy the obligations of another.* CCPs *should not be regarded as counterparties for purposes of this question.)*

(In your response, you should take into account: (i) mark-to-market gains and losses on derivatives; and (ii) any loans or loan commitments.)

(However, you should not take into account: (i) margin posted by the counterparty; or (ii) holdings of debt or equity securities issued by the counterparty.)

Form PF Section 1c	Information about the ***hedge funds*** you advise (to be completed by all Form PF filers that advise *hedge funds*)	Page 10 of 55

	Legal name of the counterparty (or, if multiple affiliated entities, counterparties)	Indicate below if the counterparty is affiliated with a major financial institution	Exposure (% of *reporting fund's net asset value*)
(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]	

23. Identify the five counterparties that have the greatest mark-to-market net counterparty credit exposure to the *reporting fund*, measured in U.S. dollars.

(For purposes of this question, you should treat affiliated *entities as a single group to the extent exposures may be contractually or legally set-off or netted across those entities and/or one affiliate guarantees or may otherwise be obligated to satisfy the obligations of another.* CCPs *should not be regarded as counterparties for purposes of this question.)*

(In your response, you should take into account: (i) mark-to-market gains and losses on derivatives; and (ii) any loans or loan commitments.)

(However, you should not take into account: (i) margin posted to the counterparty; or (ii) holdings of debt or equity securities issued by the counterparty.)

	Legal name of the counterparty (or, if multiple affiliated entities, counterparties)	Indicate below if the counterparty is affiliated with a major financial institution	Exposure (% of *reporting fund's net asset value*)
(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]	

Form PF Section 1c	Information about the *hedge funds* you advise (to be completed by all Form PF filers that advise *hedge funds*)	Page 11 of 55

(e)		[drop-down list of counterparty names] Other:_____ [Not applicable]	

24. 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 instruments were 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 *collateral is held at a custodian (not including a* CCP*) that acts as a third party agent to both the* repo *buyer and the* repo *seller.)*

(The total in each part of this question should add up to 100%. Enter "NA" in each part of this question for which the reporting fund *engaged in no relevant trades.)*

	%
(a) Estimated % (in terms of *value*) of securities (other than derivatives) that were traded by the *reporting fund*:	
On a regulated exchange	
OTC	
(b) Estimated % (in terms of trade volumes) of derivatives that were traded by the *reporting fund*:	
On a regulated exchange or swap execution facility	
OTC	
(c) Estimated % (in terms of trade volumes) of *derivatives* that were traded by the *reporting fund* and:	
Cleared by a *CCP*	
Bilaterally transacted (i.e., not cleared by a *CCP*)	
(d) Estimated % (in terms of *value*) of *repo* trades that were entered into by the *reporting fund* and:	
Cleared by a *CCP*	
Bilaterally transacted (i.e., not cleared by a *CCP*)	
Constitute a tri-party *repo*	

25. What percentage of the *reporting fund's net asset value* relates to transactions that are not described in any of the categories listed in items (a) through (d) of Question 24?

Form PF Section 2a	Aggregated information about ***hedge funds*** that you advise (to be completed by *large private fund advisers* only)	Page 12 of 55

Section 2a: Aggregated information about *hedge funds* that you advise

Item A. Exposure of *hedge fund* assets

26. Aggregate *hedge fund* exposures.

(Give a dollar value *for long and short positions as of the last day in each month of the* reporting period, *by* sub-asset class, *including all exposure whether held physically, synthetically or through derivatives. Enter "NA" in each space for which there are no relevant positions.)*

(Include any closed out and OTC *forward positions that have not yet expired/matured. Do not net positions within* sub-asset classes. *Positions held in side-pockets should be included as positions of the* hedge funds. *Provide the absolute value of short positions. Each position should only be included in a single* sub-asset class.*)*

(Where "duration/WAT/10-year eq." is required, provide at least one of the following with respect to the position and indicate which measure is being used: bond duration, weighted average tenor or 10-year bond equivalent. Duration and weighted average tenor should be entered in terms of years to two decimal places.)

	1st Month		2nd Month		3rd Month	
	LV	*SV*	*LV*	*SV*	*LV*	*SV*
Listed equity						
Issued by financial institutions						
Other *listed equity*.....						
Unlisted equity						
Issued by financial institutions						
Other *unlisted equity*.....						
Listed equity derivatives						
Related to financial institutions						
Other *listed equity derivatives*						
Derivative exposures to unlisted equities						
Related to financial institutions						
Other *derivative exposures to unlisted equities*.....						
Corporate bonds issued by financial institutions (other than *convertible bonds*)						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						

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Corporate bonds not issued by financial institutions (other than *convertible bonds*)						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Convertible bonds issued by financial institutions						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Convertible bonds not issued by financial institutions						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq.						
Sovereign bonds and municipal bonds						
U.S. treasury securities						
☐ Duration ☐ WAT ☐ 10-year eq.						
Agency securities						
☐ Duration ☐ WAT ☐ 10-year eq.						
GSE bonds						
☐ Duration ☐ WAT ☐ 10-year eq.						
Sovereign bonds issued by *G10* countries other than the U.S.						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other *sovereign bonds* (including supranational bonds)						
☐ Duration ☐ WAT ☐ 10-year eq.						
U.S. state and local bonds						
☐ Duration ☐ WAT ☐ 10-year eq.						
Loans						
Leveraged loans						

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☐ Duration ☐ WAT ☐ 10-year eq..						
Other loans (not including *repos*).....						
☐ Duration ☐ WAT ☐ 10-year eq..						
Repos.....						
☐ Duration ☐ WAT ☐ 10-year eq.						
ABS/structured products						
MBS						
☐ Duration ☐ WAT ☐ 10-year eq..						
ABCP						
☐ Duration ☐ WAT ☐ 10-year eq..						
CDO/CLO.....						
☐ Duration ☐ WAT ☐ 10-year eq..						
Other ABS.....						
☐ Duration ☐ WAT ☐ 10-year eq..						
Other structured products						
Credit derivatives						
Single name CDS						
Index CDS						
Exotic CDS.....						
Foreign exchange derivatives (investment)						
Foreign exchange derivatives (hedging).....						
Non-U.S. currency holdings.....						
Interest rate derivatives.....						
Commodities (derivatives)						
Crude oil.....						
Natural gas						
Gold.....						
Power.....						
Other commodities.....						
Commodities (physical)						
Crude oil.....						
Natural gas						

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Gold						
Power						
Other commodities						
Other derivatives						
Physical real estate						
Investments in internal private funds						
Investments in external private funds						
Investments in registered investment companies						
Cash and cash equivalents						
Certificates of deposit						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other deposits						
Money market funds						
Other *cash and cash equivalents* (excluding government securities)						
Investments in funds for cash management purposes (other than *money market funds*)						
Investments in other sub-asset classes						

27. For each month of the *reporting period*, provide the *value* of turnover during the month in each of the asset classes listed below for the *hedge funds* that you advise.

(The value *of turnover should be the sum of the absolute* values *of transactions in the relevant asset class during the period.)*

	1st Month	2nd Month	3rd Month
Listed equity			
Corporate bonds (other than *convertible bonds*)			
Convertible bonds			
Sovereign bonds and municipal bonds			
U.S. treasury securities			
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			
Futures			

28. (a) Provide a geographical breakdown of the investments held by the *hedge funds* that you advise (by percentage of the total *net asset value* of these *hedge funds*).

(See Instruction 15 for information on calculating the numerator for purposes of this Question.)

	Region	**% of *NAV***
(i)	Africa	
(ii)	Asia and Pacific (other than the Middle East)	
(iii)	Europe (*EEA*)	
(iv)	Europe (other than *EEA*)	
(v)	Middle East	
(vi)	North America	
(vii)	South America	
(viii)	Supranational	

(b) Provide the value of investments in the following countries held by the *hedge funds* that you advise (by percentage of the total *net asset value* of these *hedge funds*).

(See Instruction 15 for information on calculating the numerator for purposes of this Question.)

	Country	**% of *NAV***
(i)	Brazil	
(ii)	China (including Hong Kong)	
(iii)	India	
(iv)	Japan	
(v)	Russia	
(vi)	United States	

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Section 2b: Information about *qualifying hedge funds* that you advise.

You must complete a separate Section 2b for each *qualifying hedge fund* that you advise. However, with respect to *master-feeder arrangements* and *parallel fund structures* that collectively comprise *qualifying hedge funds*, you may report collectively or separately about the component funds as provided in the General Instructions.

Item A. *Reporting fund* identifying information

29. (a) Name of the *reporting fund* ..... [ ]

(b) *Private fund* identification number of the *reporting fund* ..... [ ]

Item B. *Reporting fund* exposures and trading

Check this box if you advise only one *hedge fund*. If you check this box, you may skip Question 30. ☐

30. *Reporting fund* exposures.

(Give a dollar value *for long and short positions as of the last day in each month of the* reporting period, *by* sub-asset class, *including all exposure whether held physically, synthetically or through derivatives. Enter "NA" in each space for which there are no relevant positions.)*

(Include any closed out and OTC *forward positions that have not yet expired/matured. Do not net positions within* sub-asset classes. *Positions held in side-pockets should be included as positions of the* hedge funds. *Provide the absolute value of short positions. Each position should only be included in a single* sub-asset class.*)*

(Where "duration/WAT/10-year eq." is required, provide at least one of the following with respect to the position and indicate which measure is being used: bond duration, weighted average tenor or 10-year bond equivalent. Duration and weighted average tenor should be entered in terms of years to two decimal places.)

	1st Month		2nd Month		3rd Month	
	LV	*SV*	*LV*	*SV*	*LV*	*SV*
Listed equity						
Issued by financial institutions						
Other *listed equity*.....						
Unlisted equity						
Issued by financial institutions						
Other *unlisted equity*.....						

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Listed equity derivatives						
Related to financial institutions						
Other *listed equity derivatives*						
Derivative exposures to unlisted equities						
Related to financial institutions						
Other *derivative exposures to unlisted equities*.....						
Corporate bonds issued by financial institutions (other than *convertible bonds*)						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Corporate bonds not issued by financial institutions (other than *convertible bonds*)						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Convertible bonds issued by financial institutions						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Convertible bonds not issued by financial institutions						
Investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Non-investment grade						
☐ Duration ☐ WAT ☐ 10-year eq..						
Sovereign bonds and municipal bonds						
U.S. treasury securities.....						
☐ Duration ☐ WAT ☐ 10-year eq..						

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Agency securities						
☐ Duration ☐ WAT ☐ 10-year eq.						
GSE bonds						
☐ Duration ☐ WAT ☐ 10-year eq.						
Sovereign bonds issued by *G10* countries other than the U.S.						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other *sovereign bonds* (including supranational bonds)						
☐ Duration ☐ WAT ☐ 10-year eq.						
U.S. state and local bonds						
☐ Duration ☐ WAT ☐ 10-year eq.						
Loans						
Leveraged loans						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other loans (not including *repos*)						
☐ Duration ☐ WAT ☐ 10-year eq.						
Repos						
☐ Duration ☐ WAT ☐ 10-year eq.						
ABS/structured products						
MBS						
☐ Duration ☐ WAT ☐ 10-year eq.						
ABCP						
☐ Duration ☐ WAT ☐ 10-year eq.						
CDO/CLO						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other ABS						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other structured products						
Credit derivatives						
Single name CDS						
Index CDS						
Exotic CDS						
Foreign exchange derivatives (investment)						
Foreign exchange derivatives (hedging)						
Non-U.S. currency holdings						

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Interest rate derivatives						
Commodities (derivatives)						
Crude oil						
Natural gas						
Gold						
Power						
Other commodities						
Commodities (physical)						
Crude oil						
Natural gas						
Gold						
Power						
Other commodities						
Other derivatives						
Physical real estate						
Investments in internal private funds						
Investments in external private funds						
Investments in registered investment companies						
Cash and cash equivalents						
Certificates of deposit						
☐ Duration ☐ WAT ☐ 10-year eq.						
Other deposits						
Money market funds						
Other *cash and cash equivalents* (excluding government securities)						
Investments in funds for cash management purposes (other than *money market funds*)						
Investments in other sub-asset classes						

31. What is the *reporting fund's* base currency?
[drop-down of currencies]
Other: _____

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32. 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 should be assigned to only one period and such assignment should be based on the shortest period during which you believe that such position could reasonably be liquidated at or near its carrying value. Use good faith estimates for liquidity based on market conditions over the* reporting period *and assuming no fire-sale discounting. 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*). Exclude* cash and cash equivalents.*)*

(The total should add up to approximately 100%.)

	% of portfolio capable of being liquidated within
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
33. *Value* of *reporting fund's unencumbered cash*			
34. Total number of open positions (approximate), determined on the basis of each position and not the issuer or counterparty			

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35. For each open position of the *reporting fund* that represents 5% or more of the *reporting fund's net asset value*, provide the information requested below.

		% of *net asset value*	*Sub-asset class*
(a) First month of the *reporting period*			
	(i) Position		[drop-down of asset classes]
	(ii) Position		[drop-down of asset classes]
(b) Second month of the *reporting period*			
	(i) Position		[drop-down of asset classes]
	(ii) Position		[drop-down of asset classes]
(c) Third month of the *reporting period*			
	(i) Position		[drop-down of asset classes]
	(ii) Position		[drop-down of asset classes]

36. For each of the top five counterparties listed in your response to Question 22 with respect to the *reporting fund*, provide the following information regarding the collateral and other credit support that the counterparty has posted to the *reporting fund*.

(For purposes of Questions 36, 37 and 38, include as collateral assets purchased in connection with repos *and collateral posted under an arrangement pursuant to which the secured party has loaned securities to the pledgor.* Repos *and* reverse-repos *with the same counterparty may be netted to the extent secured by the same type of collateral.)*

(a) Counterparty [1, 2, 3, 4, 5]:

(i) *value* of collateral posted in the form of *cash and cash equivalents*	
(ii) *value* of collateral posted in the form of securities (other than *cash and cash equivalent* instruments).....	
(iii) *value* of other collateral and credit support posted (including face amount of letters of credit and similar third party credit support).....	

37. For each of the top five counterparties listed in your response to Question 23 with respect to the *reporting fund*, provide the following information regarding the collateral and other credit support that the *reporting fund* has posted to the counterparty.

(a) Counterparty [1, 2, 3, 4, 5]:

(i) *value* of collateral posted in the form of *cash and cash equivalents*	
(ii) *value* of collateral posted in the form of securities (other than *cash and cash equivalent* instruments).....	
(iii) *value* of other collateral and credit support posted (including face amount of letters of credit and similar third party credit support).....	

38. (a) Of the total amount of collateral and other credit support that counterparties have posted to the *reporting fund*, what percentage:

(i) may be rehypothecated?	
(ii) has the *reporting fund* rehypothecated?	
(b) Of the total amount of collateral and other credit support that the *reporting fund* has posted to counterparties, what percentage may be rehypothecated?	

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39. During the *reporting period*, did the *reporting fund* clear any transactions directly through a *CCP*?

☐ Yes ☐ No

Item C. *Reporting fund* risk metrics

40. (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 40(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 40(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 40(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)*..... [ ]

41. Are there any risk metrics other than (or in addition to) *VaR* that you consider to be important to the *reporting fund's* risk management?

(Select all that you consider relevant. Please respond without regard to whether you reported the metric internally or to investors. If none, "None.")

[drop-down of risk metrics]

Other: _____

42. 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.

(You may omit a response to any market factor that you do not regularly consider in formal testing in connection with the reporting fund's *risk management. If you omit any market factor, check either the box in the first column indicating that you believe that this market factor is not relevant to the* reporting fund's *portfolio or the box in the second column indicating that this market factor is relevant but not formally tested. For this purpose, "formal testing" means that the adviser has models or other systems capable of simulating the effect of a market factor on the fund's portfolio, not that the specific assumptions outlined in the question were used in testing.)*

(For each market factor, 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*;*

(iii) A change in "credit spreads" means that all spreads against risk free interest rates change by the specified amount;

(iv) 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;*

(v) A change in "commodity prices" means that the prices of all physical commodities move up or down by the specified amount;

(vi) 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; and*

(vii) 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.)

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Not relevant	Relevant/not formally tested	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 5%		
		Equity prices decrease 5%		
		Equity prices increase 20%		
		Equity prices decrease 20%		
☐	☐	Risk free interest rates (changes represent a parallel shift in the yield curve):		
		Risk free interest rates increase 25*bp*		
		Risk free interest rates decrease 25*bp*		
		Risk free interest rates increase 75*bp*		
		Risk free interest rates decrease 75*bp*		
☐	☐	Credit spreads:		
		Credit spreads increase 50*bp*		
		Credit spreads decrease 50*bp*		
		Credit spreads increase 250*bp*		
		Credit spreads decrease 250*bp*		
☐	☐	Currency rates:		
		Currency rates increase 5%		
		Currency rates decrease 5%		
		Currency rates increase 20%		
		Currency rates decrease 20%		
☐	☐	Commodity prices:		
		Commodity prices increase 10%		
		Commodity prices decrease 10%		
		Commodity prices increase 40%		
		Commodity prices decrease 40%		

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☐	☐	Option implied volatilities:		
		Implied volatilities increase 4 percentage points		
		Implied volatilities decrease 4 percentage points.....		
		Implied volatilities increase 10 percentage points		
		Implied volatilities decrease 10 percentage points....		
☐	☐	Default rates (*ABS*):		
		Default rates increase 1 percentage point.....		
		Default rates decrease 1 percentage point.....		
		Default rates increase 5 percentage points		
		Default rates decrease 5 percentage points		
☐	☐	Default rates (*corporate bonds* and *CDS*):		
		Default rates increase 1 percentage point.....		
		Default rates decrease 1 percentage point.....		
		Default rates increase 5 percentage points		
		Default rates decrease 5 percentage points		

Item D. Financing information

43. For each month of the *reporting period*, provide the following information regarding the *value* of the *reporting fund's borrowings*, the types of creditors and the collateral posted to secure its *borrowings*.

(For each type of borrowing, *information is requested regarding the percentage borrowed from specified types of creditors. In each case, the total percentages allocated among these types of creditors should add up to 100%.)*

(Do not net out amounts that the reporting fund *loans to creditors or the value of collateral pledged to creditors.)*

	1st Month	2nd Month	3rd Month
(a) Dollar amount of *unsecured borrowing*			
(i) Percentage borrowed from *U.S. financial institutions*.....			
(ii) Percentage borrowed from *non-U.S. financial institutions*			
(iii) Percentage borrowed from U.S. creditors that are not financial institutions			
(iv) Percentage borrowed from non-U.S. creditors that are not financial institutions			

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(b) *Secured borrowing.*

(Classify secured borrowing *according to the legal agreement governing the borrowing (e.g., Global Master Repurchase Agreement for* reverse repo *and Prime Brokerage Agreement for prime brokerage). Please note that for* reverse repo borrowings, *the amount should be the net amount of cash borrowed (after taking into account any initial margin/independent amount, 'haircut' and repayments). Positions under a Global Master Repurchase Agreement should not be netted.)*

(i) Dollar amount via prime brokerage			
(A) *value* of collateral posted in the form of *cash and cash equivalents*			
(B) *value* of collateral posted in the form of securities (other than *cash and cash equivalent* instruments)			
(C) *value* of other collateral and credit support posted (including face amount of letters of credit and similar third party credit support)			
(D) percentage borrowed from *U.S. financial institutions*			
(E) percentage borrowed from *non-U.S. financial institutions*			
(F) percentage borrowed from U.S. creditors that are not financial institutions			
(G) percentage borrowed from non-U.S. creditors that are not financial institutions			
(ii) Dollar amount via *reverse repo (for purposes of items (A) through (D) below, include as collateral any assets sold in connection with the* reverse repo *as well as any variation margin)*			
(A) *value* of collateral posted in the form of *cash and cash equivalents*			
(B) *value* of collateral posted in the form of securities (other than *cash and cash equivalent* instruments)			
(C) *value* of other collateral and credit support posted (including face amount of letters of credit and similar third party credit support)			
(D) percentage borrowed from *U.S. financial institutions*			
(E) percentage borrowed from *non-U.S. financial institutions*			
(F) percentage borrowed from U.S. creditors that are not financial institutions			
(G) percentage borrowed from non-U.S. creditors that are not financial institutions			

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(iii) Dollar amount of other *secured borrowings*			
(A) *value* of collateral posted in the form of *cash and cash equivalents*			
(B) *value* of collateral posted in the form of securities (other than *cash and cash equivalent* instruments)			
(C) *value* of other collateral and credit support posted (including face amount of letters of credit and similar third party credit support)			
(D) percentage borrowed from *U.S. financial institutions*			
(E) percentage borrowed from *non-U.S. financial institutions*			
(F) percentage borrowed from U.S. creditors that are not financial institutions			
(G) percentage borrowed from non-U.S. creditors that are not financial institutions			

	1st Month	2nd Month	3rd Month
44. For each month of the *reporting period*, provide the aggregate *value* of all derivatives positions of the *reporting fund (enter "NA" if no outstanding derivatives positions at the end of the relevant period)*			

45. For each month of the *reporting period*, provide the following information regarding the *reporting fund's* derivative positions that were not cleared by a *CCP* and the collateral posted to secure those positions.

(If the reporting fund *is a net receiver of collateral, provide the collateral value as a negative number.)*

	1st Month	2nd Month	3rd Month
(a) Aggregate net mark-to-market value of all derivatives positions of the *reporting fund* that were not cleared by a *CCP (enter "NA" if no relevant derivatives positions outstanding at the end of the relevant period)*			
(b) Net *value* of collateral posted by or to the *reporting fund* in respect of these positions in the form of *cash and cash equivalents*			
(c) Net *value* of collateral posted by or to the *reporting fund* in respect of these positions in the form of securities (other than *cash and cash equivalent* instruments)			
(d) Net *value* of other collateral and credit support posted by or to the *reporting fund* in respect of these positions (including face amount of letters of credit and similar third party credit support			

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46. 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) Divide the amount reported in response to Question 46(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.....	

47. Identify each creditor, if any, to which the *reporting fund* owed an amount in respect of *borrowings* equal to or greater than 5% of the *reporting fund's net asset value* as of the *data reporting date*. For each such creditor, provide the amount owed to that creditor.

(This question does not require the precise legal name of the creditor; if the creditor belongs to an affiliated *group that is included in the list below, select that group and do not enter the creditor's name in the space for "other.")*

Name of creditor	Dollar amount owed to each creditor
[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: _____	

Form PF Section 2b	Information about ***qualifying hedge funds*** that you advise (to be completed by *large private fund advisers* only)	Page 30 of 55

Item E. Investor information

48. (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 48(a) in the current period and/or the prior period.)

☐ Yes ☐ No ☐ NA

49. Provide the following information regarding the *reporting fund's* restrictions on investor withdrawals and redemptions.

(For Questions 49 and 50, 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.)

(a) Does the *reporting fund* provide investors with withdrawal/redemption rights in the ordinary course?

☐ Yes ☐ No

(If you responded "yes" to Question 49(a), then you must respond to Questions 49(b)-(e).)

As of the *data reporting date*, what percentage of the *reporting fund's net asset value*, if any:

(b)	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)*.....	
(c)	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)*	
(d)	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)*.....	
(e)	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)*.....	

Form PF Section 2b	Information about ***qualifying hedge funds*** that you advise (to be completed by *large private fund advisers* only)	Page 31 of 55

50. 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%.)

	% 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 private fund advisers* only)	Page 32 of 55

Section 3: Information about *liquidity funds* that you advise.

You must complete a separate Section 3 for each *liquidity fund* that you advise. However, with respect to *master-feeder arrangements* and *parallel fund structures*, you may report collectively or separately about the component funds as provided in the General Instructions.

Item A. *Reporting fund* identifying and operational information

51. (a) Name of the *reporting fund* .....
    (b) *Private fund* identification number of the *reporting fund* .....
52. (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

53. 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) cash			

Form PF Section 3	Information about *liquidity funds* that you advise (to be completed by *large private fund advisers* only)	Page 33 of 55

54. Provide the total gross subscriptions (including dividend reinvestments) and total gross redemptions for each month of the *reporting period.*

1st Month	2nd Month	3rd Month

Item C. Financing information

55. (a) Is the amount of total *borrowing* reported in response to Question 12 equal to or greater than 5% of the *reporting fund's net asset value*?

☐ Yes ☐ No

(b) If you responded "yes" to Question 55(a) above, divide the dollar amount of total *borrowing* reported in response to Question 12 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 12.)*

	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					

56. (a) Does the *reporting fund* have in place one or more committed liquidity facilities?

☐ Yes ☐ No

(b) If you responded "yes" to Question 56(a), provide the aggregate dollar amount of commitments under the liquidity facilities ☐

Form PF Section 3	Information about *liquidity funds* that you advise (to be completed by *large private fund advisers* only)	Page 34 of 55

Item D. Investor information

57. Specify the number of outstanding shares or units of the *reporting fund's* stock or similar securities. [ ]

58. 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

59. 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:

(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 16]	
[Drop-down menu of investor categories in Question 16]	
Et cetera.	

60. 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.* [ ]

61. Provide the following information regarding the restrictions on withdrawals and redemptions by investors in the *reporting fund.*

(For Questions 61 and 62, 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).* [ ]

Form PF Section 3	**Information about *liquidity funds* that you advise** (to be completed by *large private fund advisers* only)	Page 35 of 55

(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).*	

62. 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	

Form PF Section 3	**Information about *liquidity funds* that you advise** (to be completed by *large private fund advisers* only)	Page 36 of 55

Item E. Portfolio Information

63. For each security held by the *reporting fund*, provide the following information for each month of the *reporting period*. Provide information separately for the initial acquisition of a security and any subsequent acquisitions of the security.

(a) Name of the issuer or the name of counterparty in a *repo*.....

(b) Title of the issue.....

(c) CUSIP.....

(d) *LEI*, if any.....

(e) In addition to CUSIP and *LEI*, provide at least one of the following other identifiers, if any:

(i) ISIN.....

(ii) CIK.....

(iii) Other unique identifier (indicate identifier and type of identifier)...

(f) Security acquisition:

(i) Provide the trade date on which the *reporting fund* acquired the security.....

(ii) Provide the yield of security as of the trade date(s).....

(g) 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; or Tender Option Bond. If Other Instrument, include a brief description.)

(h) 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):

(i) Is the *repo* "open?" [] yes or [] no

(ii) Is the *repo* centrally cleared? [] yes or [] no

(iii) If the *repo* is centrally cleared, identify the CCP.....

(iv) Is the *repo* settled on a tri-party platform? [] yes or [] 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).

(i) 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.

(j) The maturity date used to calculate *WAM*.....

(k) The maturity date used to calculate *WAL*.....

(l) 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).....

(m) 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*.....

(n) If the security has a *guarantee* (other than an unconditional letter of credit reported in response to Question 63(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*.....

(o) If the security has any enhancements, other than those identified in response to Questions 63(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 .....

(p) The yield of the security as of the reporting date:.....

(q) 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.....

(r) The percentage of the *reporting fund's* net assets invested in the security, to the nearest hundredth of a percent.....

(s) Is the security categorized as a level 3 asset or liability in Question 14?.....

(t) Is the security a *daily liquid asset*?.....

(u) Is the security a *weekly liquid asset*?.....

(v) Is the security an *illiquid security*?.....

(w) 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

64. Disclose the amount (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.

Month	Category of Investment	Amount
First Month	[Drop-down menu of the category of investment]	
Second Month	[Drop-down menu of the category of investment]	
Third Month	[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; or Tender Option Bond. If Other Instrument, include a brief description..*

Item G. Parallel Money Market Funds

65. 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.")*

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. However, with respect to *master-feeder arrangements* and *parallel fund structures*, you may report collectively or separately about the component funds as provided in the General Instructions.

Item A. *Reporting fund* identifying information

66. (a) Name of the *reporting fund* ..... [ ]

(b) *Private fund* identification number of the *reporting fund* ..... [ ]

Item B. Certain information regarding the *reporting fund*

67. How many *controlled portfolio companies* are owned by the *reporting fund*?

68. Indicate the investment strategy below that best describes 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
□ Private Credit – Direct Lending/Mid Market Lending	
□ Private Credit – Distressed Debt	
□ Private Credit – Junior/Subordinate Debt	
□ Private Credit – Mezzanine Financing	
□ Private Credit - Senior Debt	
□ Private Credit – Senior Subordinated Debt	
□ Private Credit – Special Situations	
□ Private Credit – Venture Debt	
□ Private Credit – Other	

☐ Private Equity – Early Stage	
☐ Private Equity – Expansion/Late Stage	
☐ Private Equity – Buyout	
☐ Private Equity – Distressed	
☐ Private Equity – Growth	
☐ Private Equity –Private Investment in Public Equity	
☐ Private Equity –Secondaries	
☐ Private Equity – Turnaround	
☐ Real Estate	
☐ Annuity and Life Insurance Policies	
☐ Litigation Finance	
☐ *Digital Assets*	
☐ *General Partner Stakes Investing*	
☐ Other	

69. 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

70. *(Information on Restructuring/Recapitalization of a Portfolio Company)*

(a) During the *reporting period*, did the *reporting fund* restructure or recapitalize a portfolio company following the *reporting fund's* investment period.

☐ Yes ☐ No

(b) If you responded "yes" to Question 70(a), please provide the following:

Legal name of portfolio company:	
Effective date of restructuring or recapitalization:	

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71. *(Investments in Different Levels of a Single Portfolio Company's Capital Structure by Related Funds)*

(a) During the *reporting period*, did the *reporting fund* have an investment in one class, series or type of securities (*e.g.*, debt, equity, etc.) of a portfolio company while another fund advised by you or any of your related persons concurrently held investments in different classes, series or type of securities (*e.g.*, debt, equity, etc.) of the same portfolio company?

☐ Yes ☐ No

(b) If you responded "yes" to Question 71(a), please provide the following:

Legal name of portfolio company:	
Description of class, series or type of securities held (*e.g.*, class A common stock):	

Item C. Reporting fund and controlled portfolio company financing;

72. (a) 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 (b) of this question. Otherwise, check "no'

☐ Yes ☐ No

(b) 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)		

73. (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 73(a) above, report the total dollar *value* of all such guarantees and other obligations..... ☐

74. (a) Do you or any of your *related persons* provide financing or otherwise extend credit to any portfolio

company in which the *reporting fund* invests? *(In responding to this question, do not report any guarantee arrangement reported in Question 73).*

☐ Yes ☐ No

(b) If you responded "yes" to Question 74(a) above, report the total dollar *value* of all such financing or other extension of credit ..... _____

75. 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.*)*

76. 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)*? [ ]

77. 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)*? [ ]

78. What is the aggregate gross asset value of the *reporting fund's controlled portfolio companies*? [ ]

79. 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*? [ ]

80. 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*? [ ]

81. What percentage of the aggregate *borrowings* of the *reporting fund's controlled portfolio companies* is payment-in-kind (PIK) or zero-coupon debt? [ ]

82. What percentage of the aggregate *borrowings* of the *reporting fund's controlled portfolio companies* is at a floating rather than fixed rate? _____

83. 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.

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84. (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 84(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

85. (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 85(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*

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86. 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 investments**

87. 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. [ ]

Section 5: Current report for large hedge fund advisers.

Upon the occurrence of any one or more of the events specified in Items B to J of this section 5, you must file a current report responding to questions required by the applicable Item(s) (a "*current report*") in the required number of business days as set forth below for each Item. 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 K 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].

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	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 the *reporting fund* experiences a cumulative loss equal to or greater than 20% of *most recent net asset value* over a rolling 10 business day period, provide the following information (*if the loss continues, do not file another current report until the next 10 business day loss period beginning on or after the end date stated at 5-5 below).*

5-4 Beginning date of the 10 business day loss period:	
5-5 End date of the 10 business day loss period:	
5-6 Dollar amount of loss over the 10 business day loss period:	

A *current report* responding to this Item must be filed within one business day after occurrence of a *reporting event* contemplated in this Item B.

Item C. Margin, Collateral or Equivalent Increase

If there is a cumulative increase in the total dollar value of margin, collateral, or an equivalent posted by the *reporting fund* of more than 20% of the *reporting fund's most recent net asset value* over a rolling 10 *business day* 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 5-8 below*)*:

5-7 Beginning date of the 10 business day period during which the increase was measured:	
5-8 End date of the 10 business day period during which the increase was measured:	
5-9 Provide the cumulative dollar value amount of the increase in margin, collateral or an equivalent posted by the *reporting fund* during the 10 business day period during which the increase was measured:	

5-10 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)	

5-11 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 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

A *current report* responding to this Item C must be filed within one business day after occurrence of a *reporting event* contemplated in this Item C.

Item D. Notice of Margin Default or Determination of Inability to Meet a Call for Margin, Collateral or Equivalents

Provide the following information if you either (1) receive notification that the *reporting fund* is in default on a call for margin, collateral or an equivalent, resulting in a deficit that the *reporting fund* will not be able to cover or address by adding additional funds (in situations where there is a contractually agreed upon cure period an adviser would not be required to file an Item D current report until the expiration of the cure period unless the fund would not expect to be able to meet call during such cure period), provide the following information; or (2) if you determine that the *reporting fund* is unable to meet a call for increased margin, collateral or an equivalent, including in situations where there is a dispute regarding the amount or appropriateness of the margin call.

(*You are not required to file a current report in situations where you dispute the amount and appropriateness of a call for increased margin, collateral or an equivalent, provided the reporting fund has sufficient assets to meet the greatest of the disputed amount.*)

(If you make this determination for more than one counterparty on the same day, provide the information required by 5-12 to 5-15 for each counterparty affected).

5-12 Date of the notification or determination:	
5-13 Dollar amount of margin, collateral or equivalent involved:	

5-14 Counterparty:

Legal name of the counterparty	Counterparty *LEI, if any*

5-15 Check one or more of the following to describe your current understanding of the circumstances relating to the default or your determination that the *reporting fund* is unable to meet a call for increased margin, collateral or an equivalent:

- ☐ A counterparty increased margin, collateral or equivalent requirements for the *reporting fund* contributed to the default or inability to meet a call for increased margin, collateral or an equivalent.
- ☐ Losses in the value of the *reporting fund's* portfolio or other credit trigger under applicable counterparty agreements contributed to the default or inability to meet a call for increased margin, collateral or an equivalent.

☐ A default or settlement failure of a counterparty contributed to the default or inability to meet a call for increased margin, collateral or an equivalent.

☐ Other

A *current report* responding to this Item D must be filed within one business day after you make a determination described by Item D.

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 *most recent net asset value* of the *reporting fund,* provide the following information.

(If you make this determination for more than one counterparty on the same day, provide the information required by 5-16 to 5-18 for each counterparty affected).

5-16 Date of default: ☐

5-17 Dollar amount of default: ☐

5-18 Counterparty:

Legal name of the counterparty	Counterparty LEI, if any

A *current report* responding to this Item E must be filed within one business day after occurrence of a default contemplated in this Item E.

Item F. Material Change in Relationship with Prime Broker

If the relationship between the *reporting fund* and any of its prime brokers undergoes a material change, provide the following information.

5-19 Date of the material change: ☐

5-20 Prime Broker:

Legal name of the prime broker	Prime broker LEI, if any

5-21 Check one or more of the following to describe your current understanding of the change to the prime broker relationship:

☐ The changes concern material trading limits or investment restrictions on the *reporting fund* including requests to reduce positions, or unwind positions completely (material changes in margin, collateral or an equivalent requirements other than those already reported in Item C and D).

☐ The prime broker relationship was terminated.

If you checked the above box that the prime broker relationship was terminated, please check the below if applicable:

☐ The prime broker terminated the relationship for default or breach of the agreement.
☐ The *reporting fund* terminated the relationship for default or breach of the agreement.

A *current report* responding to this Item F must be filed within one business day after occurrence of a material change contemplated in this Item F.

Item G. Changes in Unencumbered Cash

If the *value* of the *reporting fund's unencumbered cash* (calculated daily using the same methodology you use to calculate unencumbered cash value in Question 33) declines by more than 20% of the *reporting fund's most recent net asset value* over a rolling 10 *trading day* period, provide the following information in Item 5 22-24 below (*If the decrease continues, do not file another* current report *until there is a new 10 consecutive business day period for a decrease that meets the applicable threshold beginning on or after the end date stated at 5-22 below):*

5-22 Last day of the rolling 10 business day period:	
5-23 Dollar amount of *unencumbered cash* on the 10th business day:	

5-24 Check one or more of the following to describe your current understanding of the circumstances relating to any change(s) in unencumbered cash:

☐ The change is attributable to redemption activity for the *reporting fund.*
☐ The change is attributable to new investment positions, strategy and/or portfolio turnover.
☐ The change is related to losses in the value of the fund's portfolio.
☐ The change is related to a call for margin, collateral, or an equivalent.
☐ Other

A *current report* responding to this Item G must be filed within one business day after last day of the rolling 10 business day *period* for an event described by this Item G.

Item H. Operations Event

In this Item H, an "*operations event*" means that the *reporting fund* or *private fund adviser* experiences a *significant disruption or degradation* of the *reporting fund's key operations*, whether as a result of an event at a service provider to the *reporting fund*, the *reporting fund*, or the adviser. For this purpose, "*key operations*" means operations necessary for (i) the investment, trading, valuation, reporting, and risk management of the *reporting fund*; and (ii) the operation of the *reporting fund* in accordance with the federal securities laws and regulations.
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 K 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, sub-adviser, 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

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
☐ Disruption or degradation of your ability to comply with applicable laws, rules, and regulations
☐ Other

A *current report* responding to this Item H must be filed within one business day after you discover an *operations event* contemplated in this Item H. 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 K of the *current report.*

Item I. Withdrawals and Redemptions

If you receive cumulative requests for redemption 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 redemption requests exceeded 50% of the *most recent net asset value*:	
5-31 Net value of 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 redemptions have been requested:	

5-33 Have you notified investors that the *reporting fund* will liquidate?

☐ Yes ☐ No

A *current report* responding to Item I must be filed within one business day after occurrence of a *reporting event* contemplated in this Item I.

Form PF Section 5	Current report for large hedge fund advisers (to be completed by large hedge fund advisers with current reports)	Page 52 of 55

Item J. Unable to Satisfy Redemptions or Suspension of Redemptions

If (1) the *reporting fund* is unable to pay redemption requests, or (2) suspended redemptions; and the suspension is in place for more than 5 consecutive business days, provide the following information:

5-34 Date on which the *reporting fund* was unable to pay or suspended redemptions:	
5-35 Percentage of fund's *most recent net asset value* for which redemptions have been requested and not yet paid on the date of this *current report*:	

5-36 Have you notified investors that the *reporting fund* will liquidate?

☐ Yes ☐ No

A *current report* responding to this Item J must be filed within one business day after the halt has been declared for 5 consecutive business days as described by this Item J.

Item K. 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	**Current report for advisers to private equity funds** (to be completed by *all advisers to private equity funds* with current reports)	Page 53 of 55

Section 6: Current report for advisers to *private equity funds*.

Upon the occurrence of any one or more of the events specified in Items B to D of this section 6, you must file a current report responding to questions required by the applicable Item(s) (a "*current report*") in the required number of business days as set forth below for each Item. 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 E of this section 6.

In this section 6, 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].

Item A: Information about you and the reporting fund

6-1 Provide the identifying information requested below.

Full legal name	SEC 801-Number	NFA ID Number, if any	Large trader ID, if any	Large trader ID suffix, if any

6-2(a) Name of the *reporting fund*	
6-2(b) Private fund identification number of the *reporting fund*	
6-2(c) NFA identification number of the *reporting fund*, if any	
6-2(d) *LEI* of the *reporting fund*, if any	

6-3 Signatures of authorized representative (*see Instruction 11 to Form PF*)

I, the undersigned, sign this Section 6 on behalf of, and with the authority of, the *firm*. In addition, I sign this Section 6 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 6 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 6 on behalf of, and with the authority of, the *related person(s)* identified below.

Name of individual:	
Signature:	
Title	
Email address	
Telephone contact number (include area code and, if outside the United States,	

country code):	
Date	

Item B. Adviser-Led Secondary Transactions.

If the *reporting fund* completes an *adviser-led secondary transaction*, provide the following:

6-4 Completion date of transaction:	
6-5 Description of transaction:	

A *current report* responding to this Item B must be filed within one business day of completion of the transaction described by this Item B.

Item C. General Partner or Limited Partner Clawback.

If the *reporting fund* effectuates (i) a *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:

6-6 Effective date:	
6-7 Type of clawback (General Partner/Limited Partner):	
6-8 Reason for clawback:	

A *current report* responding to this Item C must be filed within one business day of effectuation of the clawback described by this Item C.

Item D. General Partner Removal, Termination of the Investment Period or Termination of Fund.

Upon receipt by the *reporting fund* or its adviser or affiliate of notification that fund investors have removed the adviser or its affiliate as the general partner or similar control person of the *reporting fund*, elected to terminate the *reporting fund's* investment period, or elected to terminate the *reporting fund*, in each case, as contemplated by the *reporting fund's* governing documents (each, a "*removal event*") provide the following:

6-9 Effective date of *removal event*:	
6-10 Description of *removal event*:	

A *current report* responding to this Item D must be filed within one business day of the effective date of the *removal event* as contemplated by this Item D.

Item E. 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 6 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 7	**Request for temporary hardship exemption** (to be completed by *private fund advisers* requesting exemption)	Page 55 of 55

Section 7: Request for temporary hardship exemption.

You must complete Section 7 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?

i. If you are not a *large hedge fund adviser* or *large liquidity fund adviser*: Initial filing

☐ *Annual update*

☐ Final filing

ii. 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).

i. 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:

ii. 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:

iii. 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:

iv. Provide any other reasons that a temporary hardship exemption is warranted:

GLOSSARY OF TERMS

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.
Adviser-led secondary transaction	Any transaction initiated by the adviser or any of its related persons that offers private fund investors the choice to: (i) sell all or a portion of their interests in the private fund; or (ii) convert or exchange all or a portion of their interests in the private fund for interests in another vehicle advised by the adviser or any of its related persons.
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.
Annual update	An update of this Form PF with respect to any fiscal year.
Borrowings	*Secured borrowings* and *unsecured borrowings*, collectively.
bp	Basis points.
Cash and cash equivalents	Cash (including U.S. and non-U.S. currencies), cash equivalents and government securities. 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; and (iii) investments in *money market funds*; and • government securities are: (i) *U.S. treasury securities*; (ii) *agency securities*; and (iii) any certificate of deposit for any of the foregoing.

CCP	Central clearing counterparties (or central clearing houses) (for example, CME Clearing, The Depository Trust & Clearing Corporation, Fedwire and LCH Clearnet Limited).
CDO/CLO	Collateralized debt obligations and collateralized loan obligations (including, in each case, cash flow and synthetic) other than *MBS*. 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.
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*. Include *ETFs* that hold commodities. For questions regarding *commodity* derivatives, provide the *value* of all exposure to *commodities* that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
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*.
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).
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).
CPO	A "commodity pool operator," as defined in section 1a(11) of the *CEA*.
Credit derivatives	*Single name CDS*, *index CDS* and *exotic CDS*.
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
Crude oil	For questions regarding crude oil derivatives, provide the *value* of all exposure to crude oil that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
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 Sections 5 and 6 of Form PF.
Daily liquid assets	Has the meaning provided in *rule 2a-7*.
Data reporting date	In the case of an initial filing, the *data reporting date* is the last calendar day of your most recently completed fiscal year (or, if you are a *large hedge fund adviser* or *large liquidity fund adviser*, your most recently completed fiscal quarter). In the case of an *annual update*, the *data reporting date* is the last calendar day of your most recently completed fiscal year. In the case of a *quarterly update*, the *data reporting date* is the last calendar day of your most recently completed fiscal quarter.
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).
Derivative exposures to unlisted equities	All synthetic or derivative exposures to equities, including preferred equities, that are not listed on a regulated exchange. Include single stock futures, equity index futures, dividend swaps, total return swaps (contracts for difference), warrants and rights.

EEA	The European Economic Area. As of the effective date of this Form PF, the *EEA* is comprised of: (i) the European Union member states, which are Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom; and (ii) Iceland, Liechtenstein and Norway.
Digital asset	An asset that is issued and/or transferred using distributed ledger or blockchain technology ("distributed ledger technology"), including, but not limited to, so-called "virtual currencies," "coins," and "tokens."
ETF	Exchange-traded fund.
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.
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 U.S. dollars or is an exchange rate. Cross-currency interest rate swaps should be included in *foreign exchange derivatives* and excluded from *interest rate derivatives*. Only one currency side of every transaction 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. As of the effective date of this Form PF, the *G10* is comprised of: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States.
Gold	For questions regarding gold derivatives, provide the *value* of all exposure to gold that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
Government entity	Has the meaning provided in *Form ADV*.
Gross asset value	Value of gross assets, calculated in accordance with Part 1A, Instruction 6.e(3) of *Form ADV*.
Gross notional value	The gross 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*.
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 bond derivatives, but do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Guarantee	For purposes of Question 63, has the meaning provided in paragraph (a)(16)(i) of *rule 2a-7*.
Guarantor	For purposes of Question 63, 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.
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.
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.
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 10-year bond-equivalents.
Investments in external private funds	Investments in *private funds* that neither you nor your *related persons* advise (other than cash management funds).
Investments in internal private funds	Investments in *private funds* that you or any of your *related persons* advise (other than cash management funds).
Investments in other sub-asset classes	Any investment not included in another *sub-asset class*.
Investments in registered investment companies	Investments in registered investment companies (other than cash management funds, such as money market funds, and *ETFs*). *ETFs* should be categorized based on the assets that the fund holds and should not be included in this category.
Key operations	For purposes of responding to Sections 5, means the operations necessary for (i) the investment, trading, valuation, reporting, and risk management of the *reporting fund*; and (ii) the operation of the *reporting fund* in accordance with the federal securities laws and regulations.

Large hedge fund adviser	Any *private fund adviser* that is required to file Section 2a of Form PF. 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.
Large private equity 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 adviser*.
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. In the case of a financial institution, if a "legal entity identifier" has not been assigned, then provide the RSSD ID assigned by the National Information Center of the Board of Governors of the Federal Reserve System, if any.
LCDS	Loan credit default swaps.
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).
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*).
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.
Listed equity	Direct beneficial ownership of equities, including preferred equities, listed on a regulated exchange. Do not include synthetic or derivative exposures to equities. *ETFs* should be categorized based on the assets that the fund holds and should only be included in *listed equities* if the fund holds *listed equities* (e.g., a commodities *ETF* should be categorized based on the commodities it holds).

Listed equity derivatives	All synthetic or derivative exposures to equities, including preferred equities, listed on a regulated exchange. Include single stock futures, equity index futures, dividend swaps, total return swaps (contracts for difference), warrants and rights.
LV	*Value* of long positions, measured as specified in Instruction 15.
Master fund	See *master-feeder arrangement.*
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.*
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, 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.
Natural gas	For questions regarding natural gas derivatives, provide the *value* of all exposure to natural gas that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
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 8 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.
Operations event	Means for purposes of sections 5 that the *reporting fund* or *adviser* experiences a *significant disruption or degradation* of the *reporting fund's key operations*, whether as a result of an event at a service provider to the *reporting fund*, the *reporting fund*, or the adviser.
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*. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Other commodities	*Commodities* other than *crude oil*, *natural gas*, *gold* and *power*. All types of oil and energy products (aside from *crude oil* and *natural gas*), including (but not limited to) ethanol, heating oil propane and gasoline, should be included in this category. For questions regarding *other commodity* derivatives, provide the *value* of all exposure to *other commodities* that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
Other derivatives	Any derivative not included in another *sub-asset class*.
Other loans	All loans other than *leveraged loans*. *Other loans* includes (but is not limited to) bilateral or syndicated loans to corporate entities. Do not include any positions held via *LCDS* (these should be recorded in the *CDS* category) or certificates of deposit.
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 *portfolio investment's*) capital gains and/or capital appreciation.
Person	Has the meaning provided in *Form ADV*.
Portfolio investments	Any entity or issuer in which the *reporting fund* has directly or indirectly invested.
Power	For questions regarding power derivatives, provide the *value* of all exposure to power that you do not hold physically, whether held synthetically or through derivatives (whether cash or physically settled).
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 fiscal quarter.
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.
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. Do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Reporting event	Any event that triggers the requirement to complete and file a *current report* pursuant to the items in Sections 5 and 6 of Form PF.
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*.
Reporting fund	A *private fund* as to which you must report information on Form PF. Typically, each *private fund* is a *reporting fund*. However, if you are reporting aggregate information for any *master-feeder arrangement* or *parallel fund structure*, only the *master fund* or the largest *parallel fund* in the structure (as applicable) should be identified as a *reporting fund*. See Instructions 3 and 5.
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.
Risk limiting conditions	The conditions specified in paragraphs (d) of *rule 2a-7*.
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*.
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.
Significant disruption or degradation	For purposes of Section 5, in instances where the *reporting fund's key operations* are reasonably measurable, this means a 20% disruption or degradation of normal volume or capacity.
Single name CDS	*CDSs* referencing a single entity.
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 do not include any positions held via *CDS* (these should be recorded in the *CDS* category).
Structured products	Pre-packaged investment products, typically based on derivatives and including structured notes.
Sub-asset class	Each sub-asset class identified in Questions 26 and 30.
SV	*Value* of short positions, measured as specified in Instruction 15.
Unlisted equity	Direct beneficial ownership of equities, including preferred equities, that are not listed on a regulated exchange. Do not include synthetic or derivative exposures to equities.

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. 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. treasury securities	Direct obligations of the U.S. Government. Include *U.S. treasury security* derivatives.
Unencumbered cash	The fund's *cash and cash equivalents* plus 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* transferred to a collateral taker pursuant to a title transfer arrangement; and (ii) *cash and cash equivalents* subject to a security interest, lien or other encumbrance (this could include *cash and cash equivalents* in an account subject to a control agreement).
Unfunded commitments	*Committed capital* that has not yet been contributed to the *private equity 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.
Unsecured borrowing	Obligations for borrowed money in respect of which the borrower has not posted collateral or other credit support.
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.
Venture capital fund	Any *private fund* meeting the definition of venture capital fund in rule 203(l)-1 of the *Advisers Act*.
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*.

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