

# **SECURITIES AND EXCHANGE COMMISSION**

## **17 CFR Parts 270 and 274**

**[Release No. IC-35962; File No. S7-2026-05]**

**RIN 3235-AN44**

### **Form N-PORT Reporting**

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Securities and Exchange Commission (the “Commission”) is proposing amendments to reporting requirements on Form N-PORT that apply to certain registered investment companies, including registered open-end funds, registered closed-end funds, and exchange-traded funds organized as unit investment trusts. The proposed amendments would modify provisions adopted in 2024 to provide these funds with an additional fifteen days to file monthly reports of portfolio-related information on Form N-PORT and would restore the quarterly publication frequency that had been in place for over two decades. The Commission is proposing these amendments in light of feedback from market participants and other developments. The Commission is also proposing to streamline or remove certain items and sub-items, reducing reporting burdens in ways that would not significantly affect the Commission’s uses of the data and are not expected to significantly affect the public’s ability to assess relevant information about a fund. Finally, the Commission is proposing to adjust how funds with share classes that operate as exchange-traded funds report certain information to improve information about this fund structure and to require information about funds’ ticker symbols, as well as certain class-level identifiers, as applicable, to facilitate efficient use of the reported information.

**DATES:** Comments should be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*].

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

*Electronic Comments:*

- Use the Commission's internet comment form (<https://www.sec.gov/comments/s7-2026-05/form-n-port-reporting>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number S7-2026-05 on the subject line.

*Paper Comments:*

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

All submissions should refer to File Number S7-2026-05. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all comments on the Commission's website (<https://www.sec.gov/comments/s7-2026-05/form-n-port-reporting>). Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

Studies, memoranda, or other substantive items may be added by the Commission or staff to the comment file during this rulemaking. A notification of the inclusion in the comment file of any such materials will be made available on the Commission's website. To ensure direct

electronic receipt of such notifications, sign up through the “Stay Connected” option at [www.sec.gov](http://www.sec.gov) to receive notifications by email.

A summary of the proposal of not more than 100 words is posted on the Commission’s website (<https://www.sec.gov/rules-regulations/2026/02/s7-2026-05>).

**FOR FURTHER INFORMATION CONTACT:** Susan Ali, Counsel; Angela Mokodean, Senior Special Counsel; or Brian M. Johnson, Assistant Director at (202) 551-6792, Investment Company Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-8549.

**SUPPLEMENTARY INFORMATION:** The Commission is proposing amendments to 17 CFR 270.30b1-9 (“rule 30b1-9”), 17 CFR 274.150, and Form N-PORT [referenced in 17 CFR 274.150] under the Investment Company Act of 1940 (the “Act”).

## TABLE OF CONTENTS

<b>I.</b>	<b>Introduction</b> .....	<b>4</b>
A.	Developments after Adoption of the 2024 Amendments .....	6
B.	Overview of Proposed Amendments .....	8
<b>II.</b>	<b>Discussion</b> .....	<b>11</b>
A.	Filing Timeframe .....	11
B.	Publication Frequency .....	25
C.	Other Proposed Amendments to Form N-PORT .....	36
D.	Proposed Transition Period.....	60
<b>III.</b>	<b>Economic Analysis</b> .....	<b>63</b>
A.	Introduction.....	63
B.	Baseline.....	65
1.	Regulatory Baseline .....	66
2.	Affected Entities .....	68
3.	Economic Literature on the Disclosure of Registered Fund Portfolio Holdings 72	
C.	Benefits and Costs of the Amendments .....	74
1.	Filing Timeframe .....	74

2.	Publication Frequency .....	76
3.	Other Proposed Amendments to Form N-PORT .....	79
4.	Monetized Benefits and Costs .....	84
5.	Present Values and Annualized Values of Monetized Benefits and Costs .....	86
D.	Effects on Efficiency, Competition, and Capital Formation.....	89
1.	Efficiency .....	89
2.	Competition.....	91
3.	Capital Formation .....	91
E.	Reasonable Alternatives.....	92
1.	Filing Timeframe .....	92
2.	Publication of Registered Fund Holdings .....	93
<b>IV.</b>	<b>Paperwork Reduction Act.....</b>	<b>94</b>
A.	Introduction.....	94
B.	Form N-PORT .....	95
C.	Request for Comment .....	99
<b>V.</b>	<b>Initial Regulatory Flexibility Analysis .....</b>	<b>100</b>
A.	Reasons for and Objectives of Proposed Actions .....	101
B.	Legal Basis.....	101
C.	Small Entities Subject to the Amendments.....	101
D.	Projected Reporting, Recordkeeping, and Other Compliance Requirements.....	102
E.	Duplicative, Overlapping, or Conflicting Federal Rules .....	103
F.	Significant Alternatives .....	103
G.	General Request for Comment.....	106
<b>VI.</b>	<b>Consideration of Impact on the Economy .....</b>	<b>106</b>
<b>VII.</b>	<b>Other Matters.....</b>	<b>107</b>
	<b>Statutory Authority .....</b>	<b>107</b>

## **I. Introduction**

On August 28, 2024, the Commission adopted amendments to Form N-PORT to require more frequent reporting of monthly portfolio holdings and related information to the Commission and the public, and to modify certain reporting requirements relating to entity

identifiers (the “2024 amendments”).<sup>1</sup> Many registered investment companies are required to report on Form N-PORT, including registered open-end funds, registered closed-end funds, and exchange-traded funds (“ETFs”) organized as unit investment trusts, but excluding money market funds and small business investment companies (hereinafter, registered investment companies that are required to report on Form N-PORT are referred to as “registered funds”). Reports on Form N-PORT provide monthly information about a registered fund’s complete portfolio holdings, as well as related information to help assess a fund’s risks, including investment risk (*e.g.*, interest rate risk, credit risk, and volatility risk), liquidity risk, counterparty risk, and leverage. These reports are an important source of information for the Commission and its staff in carrying out regulatory responsibilities related to registered funds and the broader asset management industry. Overall, the 2024 amendments were intended to provide the Commission and the public with timelier information about funds’ portfolio investments, enabling more comprehensive oversight of an ever-evolving registered fund industry by the Commission and providing investors with information to make more informed investment decisions.

As discussed in more detail below, several developments occurred following the adoption of the 2024 amendments. As a result, the Commission has delayed the effective and compliance dates of the 2024 amendments and reviewed those amendments and their possible effects, as set forth in this release. In connection with that review, we are proposing to provide funds with fifteen additional days to file monthly reports with the Commission. This additional time is

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<sup>1</sup> Form N-PORT and Form N-CEN Reporting; Guidance on Open-End Fund Liquidity Risk Management Programs, Investment Company Act Release No. 35308 (Aug. 28, 2024) [89 FR 73764 (Sept. 11, 2024)] (“2024 Adopting Release”), <https://www.sec.gov/files/rules/final/2024/ic-35308.pdf>. The Commission also adopted amendments to Form N-CEN and provided guidance on liquidity risk management program requirements for open-end funds. Those aspects of the 2024 Adopting Release are not affected by this proposal.

designed to reduce the risk of errors in the reported information and reduce reporting burdens while continuing to recognize that Form N-PORT information is more valuable to the Commission and staff when it reflects more current portfolio holdings and related information. Additionally, to reduce the risk associated with the 2024 amendments that external parties may use more frequent disclosures of a registered fund’s portfolio holdings to infer the fund’s proprietary investment strategy or trading intentions and use that information in ways that increase costs for the fund and its shareholders, and in light of advancements in technology, we are proposing to revert to providing the public with access to quarterly snapshots of portfolio information on Form N-PORT, consistent with requirements for the past two decades prior to the adoption of the 2024 amendments.<sup>2</sup>

The Commission is also proposing to remove or streamline certain items and sub-items of the form to refine the information that is collected without significantly affecting the utility of the reported information. In addition, we are proposing to require registered funds with share classes that operate as exchange-traded funds (“ETF share classes”) to report certain information on the form to improve the Commission’s and the public’s understanding of the size and flows of this type of fund structure. Finally, we are proposing to require registered funds to report certain additional identifying information, such as ticker symbols, to help data users use the reported information more efficiently.

#### **A. Developments after Adoption of the 2024 Amendments**

Following adoption of the 2024 amendments, several developments caused the Commission to delay the effective and compliance dates of the 2024 amendments and review

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<sup>2</sup> See Shareholder Reports and Quarterly Portfolio Disclosure of Registered Investment Companies, Investment Company Act Release No. 26372 (Feb. 27, 2004) [69 FR 11244 (Mar. 9, 2004)] (“Shareholder Reports and Quarterly Portfolio Disclosure Release”).

their potential effects.<sup>3</sup> In October 2024, petitioner Registered Funds Association filed a petition in the Fifth Circuit Court of Appeals seeking review of the 2024 amendments.<sup>4</sup> Although the petitioner challenged the Form N-PORT amendments as a whole, it emphasized concerns related to more frequent publication of registered funds' portfolio holdings. These proceedings are currently stayed while the Commission reviews the 2024 amendments and considers potential changes.<sup>5</sup>

Additionally, on January 20, 2025, President Donald J. Trump signed a Presidential Memorandum directing agencies to consider postponing the effective date for any rules that had been issued but had not yet taken effect for the purpose of reviewing any questions of fact, law, and policy that the rules may raise.<sup>6</sup> The Presidential Memorandum further states that, for those rules that raise substantial questions of fact, law, or policy, agencies should take further appropriate action. Moreover, the President subsequently issued additional Executive Orders expressing a policy goal of reducing regulatory burdens.<sup>7</sup> At the time of the signing of the Presidential Memorandum, the 2024 amendments, while issued, had not yet taken effect. As a

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<sup>3</sup> Form N-PORT and Form N-CEN Reporting; Guidance on Open-End Fund Liquidity Risk Management Programs; Delay of Effective and Compliance Dates, Investment Company Act Release No. 35538 (Apr. 16, 2025) [90 FR 16812 (Apr. 22, 2025)] (“2025 Delay Release”), <https://www.sec.gov/files/rules/final/2025/ic-35538.pdf>. Specifically, the Commission delayed the effective date for the Form N-PORT amendments from Nov. 17, 2025, to Nov. 17, 2027, and delayed the compliance date from Nov. 17, 2025, to Nov. 17, 2027, for larger entities and from May 18, 2026, to May 18, 2028, for smaller entities.

<sup>4</sup> *Registered Funds Association v. SEC*, No. 24-60550 (5th Cir. 2024).

<sup>5</sup> See ECF No. 50-2, *Registered Funds Association v. SEC*, No. 24-60550 (5th Cir. Feb. 11, 2025).

<sup>6</sup> Regulatory Freeze Pending Review (Jan. 20, 2025) [90 FR 8249 (Jan. 28, 2025)], available at <https://www.whitehouse.gov/presidential-actions/2025/01/regulatory-freeze-pending-review/> (“Presidential Memorandum”). The Presidential Memorandum directed agencies to consider postponing the effective date of any such rules for 60 days and, as appropriate and consistent with applicable law, and where necessary to continue to review the questions of fact, law, and policy, consider further delaying, or publishing for notice and comment proposed rules further delaying such rules, beyond the 60-day period.

<sup>7</sup> See, e.g., Unleashing Prosperity Through Deregulation (Jan. 31, 2025) [90 FR 9065 (Feb. 6, 2025)], available at <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-prosperity-through-deregulation/>.

result, the Commission initiated a review of the 2024 amendments to consider questions of fact, law, or policy associated with the amendments. While performing the review, we also considered other aspects of Form N-PORT and the overall effectiveness and usability of information reported on the form.

Since the adoption of the 2024 amendments, the Commission also has received additional feedback on the amendments, including through staff outreach, to inform our review of the amendments. Through letters and meetings, registered fund industry members have further highlighted and provided additional information about the potential negative impacts of the amendments as industry members began to focus on implementation. For example, industry members have indicated that the 30-day reporting timeframe requires registered funds to gather data more quickly than current operational processes contemplate and to accelerate internal review and signoff procedures, which we understand is particularly difficult for certain funds with more complex strategies, and increases the overall risk of errors and resubmissions. Additionally, a letter from a registered fund industry group suggested that the amendments would also harm registered fund shareholders and curb fund innovation and suggested that the Commission amend its approach.<sup>8</sup>

## **B. Overview of Proposed Amendments**

As part of the Commission's review of the Form N-PORT amendments, we have considered available information, including additional information and evolving dynamics following the adoption of the amendments, and accordingly have reassessed the benefits and costs of the amendments. As a result of this review, we are proposing to extend the filing

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<sup>8</sup> See Letter from Investment Company Institute (Feb. 26, 2025) ("ICI Letter"), available at <https://www.ici.org/system/files/2025-02/25-cl-form%20nport-amendments.pdf>.

deadline from 30 to 45 days after month end and are proposing to publish reports for only the third month of a registered fund’s fiscal quarter 60 days after month end. Table 1 below displays the key elements of the Form N-PORT requirements that were revised as a part of the 2024 amendments and compares the previous Form N-PORT requirements, the 2024 amendments, and the current proposal.<sup>9</sup>

*Table 1. Comparison of Form N-PORT Requirements Prior to 2024 Amendments, the 2024 Amendments, and the Proposed Amendments*

	<b>Requirements Prior to 2024 Amendments<sup>1</sup></b>	<b>2024 Amendments</b>	<b>Proposed Amendments</b>
<b>Filing Timeframe</b>	Reports for each month in a registered fund’s fiscal quarter must be filed no later than 60 days after the end of the relevant fiscal quarter	Reports for each month must be filed no later than 30 days after the end of the relevant month	Reports for each month must be filed no later than 45 days after the end of the relevant month
<b>Publication Frequency</b>	Information reported for the third month of a registered fund’s fiscal quarter will be made public upon filing ( <i>i.e.</i> , no later than 60 days after fiscal quarter end)	Information reported for each month will be made public 60 days after month end	Information reported for the third month of a registered fund’s fiscal quarter will be made public 60 days after fiscal quarter end
<b>Recordkeeping</b>	No later than 30 days after the end of each month, a registered fund must maintain in its records the information that Form N-PORT requires	N/A	N/A
<b>Entity Identifiers</b>	Certain items require reporting of a legal entity identifier	Provides separate fields for reporting	No change to 2024 amendments.

<sup>9</sup> For a table displaying the key proposed changes to the information registered funds are required to report on Form N-PORT, see *infra* section II.C, Table 2.

	(“LEI”), if any, of a counterparty or issuer. If an LEI has not been assigned, registered funds instead provide in the LEI field an RSSD ID, if any, assigned by the National Information Center of the Board of Governors of the Federal Reserve System.	LEI or RSSD ID, if any.	
Notes: 1. The requirements described in this column are currently in effect and reflect the approach that registered funds currently are required to follow, as the effective date of the 2024 amendments has been delayed until November 17, 2027.			

The proposed amendments would continue to provide the Commission with reasonably timely data while also reducing operational burdens and the risk of errors. In addition, compared to the 2024 amendments, the proposed quarterly publication schedule is designed to reduce the risk of external parties inferring a registered fund’s proprietary trading strategy or trading intentions from Form N-PORT reports and acting on that information in a way that is harmful to the fund. We are soliciting public comment on whether the proposed changes strike an appropriate balance between the benefits of portfolio-related information for the Commission and the public and the burdens to registered funds of reporting such information.

Separate from the proposed changes to the filing timeframe and publication frequency of Form N-PORT reports, we are proposing to modify certain information collected on portfolio level risk metrics and returns to narrow their scope, and proposing to eliminate certain information collected on non-derivatives instruments’ payoff profiles, convertible bonds, and the reason a single holding has multiple liquidity classifications. In addition, we are proposing to

remove the reporting requirements added to Form N-PORT when the Commission adopted amendments to rule 35d-1 under the Act (the “names rule”).<sup>10</sup> The proposed amendments to streamline or remove reporting requirements would not significantly affect the Commission’s uses of the data and are not expected to significantly affect the public’s ability to assess relevant information about a registered fund, but would reduce the reporting burden for these funds.

Finally, we are proposing to require certain additional information. We propose to require a registered fund with an ETF share class to report information on the ETF class’s net assets and shareholder flows. These amendments are designed to provide the Commission and investors with information to better understand the size and flows of this type of fund structure. We also propose to require registered funds to provide information about their ticker symbols, as well as certain class-level identifiers, as applicable. These amendments are designed to help data users more efficiently use other information that is reported on the form.

## **II. Discussion**

### **A. Filing Timeframe**

We are proposing to amend rule 30b1-9 and Form N-PORT to require registered funds to file Form N-PORT reports within 45 days after the end of the month to which they relate.<sup>11</sup> Specifically, rather than filing monthly reports with the Commission within 60 days after the end of each fiscal quarter consistent with the prior rule or within 30 days after the end of each calendar month as required under the 2024 amendments, we are proposing to require registered funds file reports on a monthly basis within 45 days after the end of the month to which they

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<sup>10</sup> See Investment Company Names, Investment Company Act Release No. 35000 (Sept. 20, 2023) [88 FR 70436 (Oct. 11, 2023)], Investment Company Names; Correction, Investment Company Act Release No. 35000A (Oct. 24, 2023) [88 FR 73755 (Oct. 27, 2023)] (“Names Rule Adopting Release”). Funds have not begun to comply with the names rule-related reporting requirements on Form N-PORT.

<sup>11</sup> See General Instruction A of proposed Form N-PORT; proposed rule 30b1-9. We are also proposing conforming amendments to 17 CFR 274.150.

relate. These proposed changes are intended to better balance the need for the Commission to receive timely data against burdens to registered funds relative to the 2024 amendments. Specifically, the proposed approach would provide registered funds with an additional 15 days to gather, verify, and file information relative to the 30-day filing requirement in the 2024 amendments.

As a general matter, the Commission and its staff use information in Form N-PORT reports to carry out regulatory responsibilities related to registered funds, and investors benefit indirectly from the Commission's use of Form N-PORT information. For instance, the Commission and staff use Form N-PORT information for purposes of examination, enforcement, and monitoring of registered funds, including assessing regulatory compliance, identifying funds for examination, and risk monitoring. Form N-PORT reports also provide the Commission information that is useful to understand trends in the registered fund industry and to inform and formulate regulatory policy. Further, the Commission uses Form N-PORT information in connection with its review of fund registration statements and disclosures (*e.g.*, by considering a fund's portfolio holdings in relation to its disclosures). Finally, in the case of market events, the Commission uses Form N-PORT information to help assess the breadth and magnitude of the potential impacts of such events (*e.g.*, to analyze registered funds' potential exposures to issuers or asset classes that are under stress due to market events).

When the Commission adopted the 2024 requirement to file monthly reports within 30 days of month end, it acknowledged tradeoffs in how frequently and quickly registered funds must file Form N-PORT information. While more frequent and timely filings enhance the Commission staff's ability to oversee and monitor registered funds' activities (as the information is more likely to reflect reasonably current portfolio information), it also increases costs, the

potential for errors in filed information and, for funds that do not voluntarily publicly disclose their portfolio holdings on a more frequent basis, increases the sensitivity of the filed information and the associated risk of misappropriation in the event of a system breach.<sup>12</sup> As part of our review, we reconsidered these tradeoffs, accounting for additional information from registered funds' preliminary implementation efforts, comments submitted in connection with the 2024 amendments, and the Commission's need for and uses of information contained in Form N-PORT reports. Information gathered and reassessed during the review informed the development of the proposed amendments.

Since the adoption of the 2024 amendments and as registered fund industry members further considered implementation, we have received additional information from industry members about the burdens of filing Form N-PORT reports within 30 days of month end through staff outreach to registered funds and fund administrators, as well as a letter from a group representing the registered fund industry.<sup>13</sup> During staff outreach, industry members raised concerns about filing complete and accurate Form N-PORT reports within 30 days. Industry members discussed certain dependencies that could impact the ability to have Form N-PORT reports complete and error-free within this timeframe. For example, registered funds may rely on third parties for certain data related to liquidity, derivatives, or risk metrics, and in turn, those third parties may have their own data dependencies. In some cases, particularly for funds with complex strategies, the third parties may not provide data until shortly before the 30-day filing deadline. These delays result in limited time for internal reviews and signoffs on the data, particularly considering that some time is also needed to complete the filing process, and

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<sup>12</sup> See 2024 Adopting Release, *supra* note 1, at section II.A.1.

<sup>13</sup> See ICI Letter.

increase the potential for errors in the report. Specifically, for fund complexes or fund administrators with a large volume of reports to file, it may take multiple days to handle the filing process.

Due to the time required to receive, review, and file Form N-PORT information, industry members suggested that a 30-day filing deadline would increase the potential for errors and resubmissions and would cause some industry members to hire additional personnel to manage the condensed timeframe and the larger volume and greater frequency of filings. Industry members suggested that there would be a larger volume of filings as a result of the 2024 amendments because they assumed that: (1) errors and resubmissions would increase; and (2) the Regulation S-X compliant presentation of holdings for the first and third fiscal quarter under Part F of Form N-PORT would be filed separately 60 days after quarter end.

Industry members also discussed challenges in filing Form N-PORT reports within 30 days of month end for closed-end funds that calculate their net asset values on a monthly basis and invest in private funds or other hard to value assets. Such closed-end funds have experienced growth in recent years and may continue to grow in number and size. Industry members suggested that, for some of these funds, there may not be an initial net asset value calculation until three weeks or later after month end. Industry members expressed concern that these funds may have to file reports that are not entirely accurate and then make an amended filing for accuracy.

In light of concerns about the effects of a 30-day filing requirement, some registered fund industry members suggested that we further amend Form N-PORT to provide additional time,

such as 45 days, for funds to file monthly reports.<sup>14</sup> In outreach, industry members suggested that a 45-day filing timeline, although still involving some costs, would reduce the risk of errors and reduce the need to hire additional personnel by providing additional time to gather, review, and file the required information. Some industry members suggested that a longer filing timeline, such as 60 days after month end or 60 days after quarter end, would further reduce burdens.

In addition to the information obtained through outreach, we considered the concerns commenters raised in conjunction with the 2024 amendments.<sup>15</sup> Commenters raised concerns that requiring monthly reporting within 30 days of month end would overburden registered funds, including fund internal systems and processes, as well as service providers. Commenters also discussed the overlap in teams that prepare, review, and file Form N-PORT reports with those that are involved with other required filings, suggesting that a 30-day filing timeline for Form N-PORT would cause strains on those teams. A few commenters further suggested that these strains would be pronounced for the months following the end of the reporting period when the annual and semiannual reports are due. Some commenters expressed concern about data security and the risk that confidential and proprietary registered fund information could be misappropriated as a result of unauthorized access. In general, these various concerns were consistent with the information we received through outreach.

We also considered the Commission's and staff's use of Form N-PORT information and the potential effects of receiving Form N-PORT information later than 30 days after month end. As discussed in the 2024 Adopting Release, the quarterly filing requirement has limited the Commission's ability to develop a timely and more complete understanding of the market. In

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<sup>14</sup> See ICI Letter (stating that the Commission should extend the filing deadline to "at least 45 days" to avoid increased errors and resubmissions).

<sup>15</sup> See 2024 Adopting Release, *supra* note 1, at section II.A.1.

addition, although the Commission has had the ability to request registered fund records of Form N-PORT information within 30 days of month end, this has not been an effective substitute for receiving more timely information through filings.<sup>16</sup> The Commission and its staff use Form N-PORT information to, among other things, monitor industry trends, identify risks, inform policy and rulemaking, and assist Commission staff in examination and enforcement efforts. Timely Form N-PORT data improves the Commission's ability to (1) conduct more targeted and timely monitoring efforts; (2) analyze risks and trends more accurately; and (3) better assess the breadth and magnitude of potential market events and stress affecting particular issuers, asset classes, counterparties, or market participants. The Commission's ability to perform these functions effectively and efficiently benefits investors and the markets, including for example during times of market stresses and events.

As a general matter, the Commission adopted the 30-day filing requirement because (1) given that registered funds were already required to maintain records of Form N-PORT information within the 30-day period in which filings would be due, the Commission did not expect the burden to be significant;<sup>17</sup> (2) the Commission historically has viewed access to Form N-PORT information within 30 days of month end as important to furthering our mission to protect investors;<sup>18</sup> and (3) delays in receipt of Form N-PORT information reduce the utility of the information for the Commission.<sup>19</sup> The additional information we have received from market participants following adoption of the 2024 amendments as funds further considered implementation suggests, however, that the burdens of filing Form N-PORT reports within 30

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<sup>16</sup> See 2024 Adopting Release, *supra* note 1, at paragraph accompanying n.57.

<sup>17</sup> See 2024 Adopting Release, *supra* note 1, at paragraph accompanying n.75.

<sup>18</sup> See *id.* at paragraph accompanying n.60.

<sup>19</sup> See *id.* at paragraph accompanying n.61.

days of month end would be greater than the Commission anticipated due to the time it takes to compile, review, and file certain data, particularly for registered funds with complex strategies or certain types of closed-end funds, and the risk of errors and resubmissions if processes must be condensed. Providing an additional 15 days to file Form N-PORT reports should mitigate these burdens, but generally would not decrease the utility of the information for the Commission significantly or the indirect benefits to investors associated with the Commission's use of Form N-PORT information. As a result, we are proposing to extend the filing timeframe to provide registered funds with 45 days after month end to file Form N-PORT reports.

Providing 45 days for registered funds to file Form N-PORT reports would reduce burdens for the funds and their service providers, as they would have additional time to gather information, verify its accuracy, and prepare and make the filings. This additional time should also mitigate the effect that a monthly filing requirement would have on the workload of personnel or service providers that prepare and file Form N-PORT reports.<sup>20</sup> Moreover, the additional time should reduce the potential for errors in Form N-PORT filings and reduce potential resubmissions. By reducing costs associated with the 2024 amendments, the proposal should also mitigate the extent to which costs associated with monthly reporting requirements are passed on to registered fund shareholders. We also recognize that the additional time to file would reduce the sensitivity of the information filed with the Commission, which should reduce the concern that some industry members have raised about data security and the risk that

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<sup>20</sup> In 2016, when the Commission first adopted a requirement to file Form N-PORT reports within 30 days of month end, the Commission suggested that lag times of more than 30 days would make monthly reporting impractical, as reports would overlap with preparation time. *See* Investment Company Reporting Modernization, Investment Company Act Release No. 32314 (Oct. 13, 2016) [81 FR 81870 (Nov. 18, 2016)] (“Reporting Modernization Adopting Release”), at nn.462-464 and accompanying text. Commenters on the 2024 rulemaking did not raise this overlap as a concern, although we understand that registered funds and their service providers would be the ones to bear this type of effect most directly. Given that the directly affected parties have not raised the overlap as a concern, we do not at this time view the overlap as a compelling reason to require reports to be filed within 30 days of month end.

confidential and proprietary registered fund information could be misappropriated as a result of unauthorized access.

While these burden reductions would largely be relative to the 2024 amendments, which have not gone into effect, the proposed approach would also reduce burdens associated with the 30-day recordkeeping requirement that registered funds historically have satisfied. Under the recordkeeping requirement, registered funds were required to gather and record Form N-PORT information within 30 days of month end. In contrast, the current proposal would not require registered funds to complete particular steps within 30 days of month end, rather a complete submission of monthly data would be due to the Commission within 45 days of month end. As a result, if adopted, the proposed approach would provide funds with more time to gather and review information than has historically been available or that would be available under the 2024 amendments. This additional time would likely reduce burdens, particularly in cases where information is collected through a manual or otherwise time-consuming process, such as the example raised in outreach about delays in valuation information for certain closed-end funds. Moreover, relative to the requirement for registered funds to gather and record Form N-PORT information within 30 days of month end, a requirement to file the information with the Commission within 45 days of month end should reduce costs because funds that continue to gather the required information within 30 days of month end would then have 15 additional days just to prepare that information for filing with the Commission.

Given the additional information we have received about the challenges and burdens of filing Form N-PORT reports within 30 days of month end, as well as the increased risk of errors, we considered the effects of additional filing time on the utility of the reported information for the Commission and staff. As the Commission recognized in 2024, less timely data reduces the

utility of the information for the Commission. At the same time, data quality issues, such as errors in the reported information, can also affect the utility of the data. Overall, we anticipate that providing registered funds with 15 additional days to file monthly reports would not have a significant negative effect on the utility of the information, and the potential increase in data accuracy and reliability could provide benefits to the Commission.

Specifically, providing an additional 15 days for filing monthly Form N-PORT reports would likely not have a significant effect on many of the Commission's uses of the data, such as for monitoring and for risk and trend analysis, and the anticipated improvement in data quality would be a net benefit for these purposes. While the less timely data would in some cases reduce the utility of Form N-PORT information when market events occur, the monthly filing cadence would result in the Commission still having access to relatively recent data from registered funds' most recently filed reports.<sup>21</sup> Under the proposal, Form N-PORT information the Commission receives would be stale by about a month and a half, while the 2024 amendments would result in information that is stale by about a month, and the prior quarterly filing requirement resulted in information that is stale by up to five months. As a result, although providing registered funds with additional time to file Form N-PORT reports would reduce the utility of the information for the Commission, the effect of the additional 15 days to file Form N-PORT on the utility of the information is generally small and justified by the reduced burden on these funds and the anticipated improvement in data quality.

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<sup>21</sup> For example, if a market event occurred at the end of Dec., a 30-day filing timeline would result in the Commission receiving information for the month of Nov. around the time of the market event, while a 45-day filing timeline would result in the Commission needing to use information for the month of Oct. In contrast, if a market event occurred in mid-Dec., the 30-day filing timeline and 45-day filing timeline would both result in the Commission needing to use information as of the month of Oct. to help assess the effects of the event.

We considered providing more time to file than we are proposing, such as 60 days after month end, or requiring monthly reports on a quarterly filing cadence (*e.g.*, with reports for each month in a fiscal quarter due 45 or 60 days after quarter end). A longer filing timeframe would reduce the utility of the information for staff oversight and analysis, and the associated benefits of such activity for investors, because the reported information is increasingly less likely to reflect reasonably current portfolio holding-related information as the filing deadline moves further away from the end of the month to which the information relates. While we recognize that there may be certain efficiencies for registered funds and vendors associated with a quarterly filing cadence, as discussed in the 2024 Adopting Release, this approach results in the Commission receiving data that is multiple months old and, in past experience, has limited the Commission's ability to develop a timely and more complete understanding of the market, thereby impeding its ability to respond to market stresses and events as they are developing. In addition, it is unclear that extending the filing timeframe beyond 45 days after month end would significantly reduce the risk of errors in reported information, as registered funds already have infrastructure for collecting the required information within 30 days after month end. Furthermore, in light of the other proposed amendments to the form, we anticipate a reduction in reporting burden for most registered funds, which could potentially reduce the need for additional time to file Form N-PORT reports.

We request comment on the proposed changes to the timing and frequency with which registered funds would be required to file reports on Form N-PORT, including:

1. As proposed, should we extend the deadline for filing reports on Form N-PORT from 30 days to 45 days after the end of the month? Should we instead retain the 30-day filing deadline? Should we instead use a different deadline, such as 35 or

60 days after the end of the reporting month? How would a different deadline affect burdens for registered funds and data quality?

2. To what extent would the additional 15 days to file Form N-PORT, relative to the 2024 amendments, reduce burdens for registered funds? Would the additional 15 days to file reduce costs associated with implementation compared to a 30-day filing deadline, and, if so, to what extent? Would the additional 15 days to file reduce the potential for errors in the reports compared to a 30-day filing deadline, and, if so, to what extent? Would the additional 15 days to file reduce strains on reporting teams that prepare, review, and file Form N-PORT reports and that are also involved with other required filings and reduce the need for registered fund advisers or administrators to hire additional personnel, and, if so, to what extent?
3. Would a 45-day filing deadline affect registered funds that use vendors to prepare or file Form N-PORT reports differently than funds that do not use vendors, and, if so, in what ways? For funds that use vendors, would a 45-day filing deadline provide sufficient time for coordination between funds and vendors?
4. Are there certain periods of a year where 45 days after month end would not provide sufficient time for filing Form N-PORT reports? For example, should we provide additional time beyond the proposed 45-day deadline to file Form N-PORT reports for months that correspond to the end of the registered fund's fiscal year or fiscal half-year, in order to provide more time during periods that funds are preparing annual and semiannual reports? If so, how much time (*e.g.*, 60 days)? How much additional burden would a 45-day deadline impose on registered funds during those times relative to other times of the year? Are there

other ways to reduce burden during those times? Should we provide more time to file Form N-PORT reports for months that relate to fiscal quarter ends more generally? Are there ways to limit the impact on the Commission's use of Form N-PORT information if we were to provide additional time to file for particular months?

5. Would a 45-day filing timeline create new or different burdens for registered funds and service providers, relative to a 30-day filing timeline, that we should consider? For example, would there be additional burdens associated with overlaps in report preparation time (*i.e.*, with a 45-day deadline, the report for Month 1 is not due until approximately 15 days after the fund begins to prepare the report for Month 2)?
6. What are the costs and benefits of a monthly filing frequency for smaller registered funds? For example, do smaller funds have a high administrative or operational cost in preparing these reports disproportionate to their other expenses? Would monthly filing of portfolio holdings significantly affect how and whether smaller funds can do business?
7. Should certain types of registered funds, such as closed-end funds or smaller funds, have a different amount of time to file Form N-PORT reports or be permitted to file on a different frequency? If so, what types of funds should be subject to different requirements and what would those requirements be (*e.g.*, filing within 30 or 60 days of month end, or filing within 30, 45, or 60 days of quarter end)? How would those certain types of funds benefit from different requirements? What types of different challenges do these funds face, and would

different requirements reduce those challenges, costs, and burdens? Are there ways to limit the impact on the Commission's use of Form N-PORT information if we were to provide a different reporting timeline or frequency for certain registered funds?

8. Is there any specific information that registered funds should have additional time to file, such as through an exhibit or attachment to the original filing or a separate filing type? If so, what information, and how much time do funds need to compile and verify that information? Is there specific information that registered funds could file with a high level of accuracy under the current timeline of 30 days after month end? Would it be challenging or burdensome for registered funds to file information at different intervals?
9. Should we, as proposed, require registered funds to file reports on Form N-PORT on a monthly basis? Should we instead revert to requiring funds to file monthly reports on a quarterly basis like the previous requirements, or require funds to file reports on a different frequency altogether? If we require funds to file monthly reports on a quarterly basis, when should reports be due (*e.g.*, 45 or 60 days after quarter end)?
10. Are there other effects of providing an additional 15 days to file Form N-PORT, relative to the 2024 amendments, on registered funds, service providers, investors, the Commission, or others that we should take into account?
11. Should we require registered funds to make records of Form N-PORT information within 30 days of month end, as was required prior to the 2024 amendments? What would be the effects of providing funds with 45 days to file Form N-PORT

reports without the historical requirement to make records of Form N-PORT information within 30 days of month end? Would this effectively result in funds having additional time to gather and verify the accuracy of information compared to the 30-day recordkeeping requirement? If so, are there certain types of information for which the additional time to gather and verify would be particularly helpful? Alternatively, would a 45-day filing deadline have limited, or no, effect on the timeline for gathering and verifying the accuracy of information because of the time needed for filing-related tasks or for other reasons? Are there benefits to a 30-day recordkeeping requirement that we should account for in our analysis? Would those benefits support adopting a 30-day recordkeeping requirement, or a requirement to maintain records within a different timeframe, as part of this rulemaking?

12. Are there feasible alternatives to the proposed requirement to file monthly reports within 45 days of month end that would minimize reporting burdens on registered funds while maintaining the utility of the information reported to the Commission? Does the proposal appropriately balance the utility of the information to the Commission in relation to the costs to registered funds and their affiliated persons of providing the information?<sup>22</sup> Does publication frequency or any other aspect of the proposal affect the analysis of these questions?

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*See* section 30(c)(2) of the Investment Company Act [15 U.S.C. 80a-29(c)(2)] (providing that, if the Commission requires information to be filed more frequently than annually under section 30 of the Investment Company Act, it shall consider and seek public comment on: (1) feasible alternatives that minimize reporting burdens, and (2) the utility of the information to the Commission in relation to associated costs).

## B. Publication Frequency

Upon further review of the publication frequency of Form N-PORT, we are proposing to require public disclosure of registered funds' portfolio holdings for the third month of each fiscal quarter with a 60-day delay instead of requiring public disclosure of report information for every month with a 60-day delay after the end of the relevant month.<sup>23</sup> This proposal mirrors the publication frequency of portfolio holdings that had been in place since 2004.<sup>24</sup> As part of this review, we considered issues raised by commenters in connection with the 2024 amendments, statements of the petitioner in a challenge of certain of the 2024 amendments in the Fifth Circuit, and information provided by market participants following the adoption.<sup>25</sup>

The review suggests that the potential effects of more frequent publication of a registered fund's portfolio holdings could be more significant for some funds than the Commission previously appreciated.<sup>26</sup> Those effects include additional costs that an increased publication frequency could impose on some registered funds, especially with the use of advancing technology, with a magnified effect on certain types of funds, such as those with actively managed strategies. While commenters raised these concerns in connection with the 2024 amendments, they have also been raised in post-adoption communications.

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<sup>23</sup> See 2024 Adopting Release, *supra* note 1, at section II.A.2.

<sup>24</sup> See, e.g., Reporting Modernization Adopting Release, *supra* note 20 (adopting new Form N-PORT to require certain registered investment companies to report information about their monthly portfolio holdings and rescinding Form N-Q); Shareholder Reports And Quarterly Portfolio Disclosure Release, *supra* note 2 (adopting Form N-Q and requiring quarterly portfolio holdings disclosure).

<sup>25</sup> See, e.g., 2024 Adopting Release, *supra* note 1, at section II.A.2; *Registered Funds Association v. SEC*, No. 24-60550 (5th Cir. 2024); ICI Letter (suggesting that the Commission should revert to quarterly publication of Form N-PORT reports and extend the reporting timeframe to at least 45 days after month end).

<sup>26</sup> The discussion in this section of the release does not relate to ETFs that are required to disclose their portfolio holdings on a daily basis under 17 CFR 270.6c-11 (rule 6c-11), as changes to Form N-PORT do not affect the frequency at which these funds' portfolio holdings are made public. See 17 CFR 270.6c-11(c)(1)(i) and (c)(2).

Specifically, external parties may use information about a registered fund’s portfolio holdings to trade in a way that harms the fund.<sup>27</sup> While this risk exists with any information about a fund’s portfolio holdings, more frequent publication of portfolio holdings may increase the risk. External parties may obtain at no cost the benefits of the investment research and analysis that went into developing the fund’s investment strategies. For example, external parties may exploit a fund’s portfolio holdings information to reverse engineer and copy the strategy, often called “free riding.” External parties may also “front run” a fund by using a fund’s portfolio holdings information to identify positions that the fund may be acquiring or disposing of and trade ahead of the fund. In combination with fund flow information, external parties may use portfolio holdings information to front run the sales of funds that experience large outflows and purchases of funds with large inflows. These activities may lead to more (or less) demand for an investment, which could drive up the price of trading, inhibit the investment adviser’s ability to achieve the fund’s investment strategies, and harm fund performance. These risks may affect registered funds differently depending on various factors, such as the quality and age of the data and characteristics of the fund (*e.g.*, its investment strategy and amount of portfolio turnover).

Registered funds and, indirectly, their shareholders pay investment advisers management fees to perform important research and analytical functions, construct funds’ investment strategies, and manage funds’ portfolios. Free riding and front running are ways that external parties may take advantage of that work without compensating investment advisers. As a result,

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<sup>27</sup> Commenters and other parties have at times referred to these activities as “predatory trading.”

investment advisers may be less willing to devote resources to research and analysis, which may reduce their effectiveness and information production, potentially reducing price efficiency.<sup>28</sup>

These risks increase for many actively managed registered funds as technology, such as artificial intelligence, evolves, becomes cheaper, and usage increases. For example, an external party may use technology tools to aggregate large amounts of data to predict not-yet-completed or future portfolio management decisions to free ride on the investment adviser's work or front run the fund.<sup>29</sup> Artificial intelligence continues to evolve rapidly and is just one example of rapidly advancing developments that may increase the risk of external parties using information about a registered fund's portfolio holdings to trade in a way that harms the fund. The proposed amendments would require four publications of portfolio holdings per year, instead of the monthly publication frequency required by the 2024 amendments that would result in 12 publications per year. Along with advances in technology, the 2024 amendments' quadrupling of the amount of available data also could increase the risk that a fund's proprietary investment strategy or trading intentions are inferred by external parties.

Registered funds vary in how often they voluntarily publish their portfolio holdings depending on their sensitivity to transparency and their investment objectives and strategies.<sup>30</sup> While some registered funds frequently release complete portfolio holdings information on their websites and to data aggregators, others make more limited portfolio holdings public, such as a list of 10 largest holdings, and still others do not provide any voluntary portfolio holdings

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<sup>28</sup> See *infra* sections III.D.1 and III.D.3.

<sup>29</sup> See ICI Letter (noting the risks of evolving technologies and artificial intelligence to allow predatory traders to accurately analyze and anticipate a registered fund's next investment transaction or mimic its investment strategy, which may affect almost every type of actively managed fund).

<sup>30</sup> See 2024 Adopting Release, *supra* note 1, at n.230 (discussing a paper estimating that, at year-end 2019, approximately 56% of U.S. equity mutual funds' portfolio disclosures were voluntary monthly disclosures).

information at all. Registered funds may choose to disclose only the required portfolio holdings information because additional data may reveal confidences about their investment strategies and increase the risk of free riding or front running. For example, certain actively managed, fixed income, less liquid, or concentrated investment strategies may require some time to build or dispose of portfolio holdings or to find buyers or sellers at the desired target price. This increases the risks of other parties trading ahead of the fund before the fund has finished building or disposing of a position.

Under the 2024 amendments, information reported for each month will be made public 60 days after month end. This delay will mitigate some of the risks of more frequent disclosure of registered funds' portfolio holdings, such as the risks of front running, because a fund will be able to build or dispose of a position before a report is made public. However, certain investment strategies (such as those that are concentrated and with significant positions) may, at times, need more than 60 days to build or dispose of a position. In addition, the 60-day delay may not effectively address the risk that publishing a registered fund's portfolio 12 times a year will contribute to free riding, particularly as technology continues to advance.

We recognize there are benefits of publishing a registered fund's portfolio holdings on Form N-PORT more frequently than the quarterly publication requirement. The Commission considered these benefits in the 2024 amendments.<sup>31</sup> For example, such transparency allows investors to review and monitor information about registered fund portfolio holdings on an ongoing basis and may help better inform their investment decisions. It also allows other market participants, such as data aggregators and investment advisers, to better advise investors and help manage their investment portfolios. More frequent publication of portfolio holdings information

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<sup>31</sup> See 2024 Adopting Release, *supra* note 1, at n.103 and accompanying text.

also helps reduce the imbalance of information between different types of investors and market participants, some of whom may have access to portfolio holdings information before a quarterly Form N-PORT publication.<sup>32</sup> While these are some ways that additional transparency could benefit investors, the Commission received limited feedback in connection with the 2024 amendments about whether investors or others would use additional Form N-PORT information in these ways.<sup>33</sup>

We have considered available information, including the costs and benefits of publication frequency of portfolio holdings, and are proposing to require public disclosure of registered funds' portfolio holdings only for the third month of each fiscal quarter with a 60-day delay.<sup>34</sup> This would maintain the quarterly publication frequency of portfolio holdings disclosure that had been in place for more than twenty years prior to the 2024 amendments and means that a registered fund would have up to five months to build or shrink its positions before its portfolio holdings are made public.<sup>35</sup> A quarterly frequency would reduce costs, including risks that an external party can infer a fund's proprietary investment strategy or trading intentions, as

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<sup>32</sup> Exhibits required under Part F of Form N-PORT present portfolio holding information in a Regulation S-X compliant format that is consistent with how registered funds have historically presented this information in annual and semi-annual reports. Under the proposal, registered funds would continue to file this information for their first and third fiscal quarters, no later than 60 days after the end of the quarter. If the proposed requirement for registered funds to file monthly reports within 45 days of month end is adopted, we anticipate providing a separate submission type on EDGAR for funds to file Part F exhibits within 60 days of the end of a fund's first and third fiscal quarters. This would result in separate submission types for the monthly reports due within 45 days of month end and the Part F exhibits due within 60 days of first and third-quarter end. Historically, registered funds have filed Part F exhibits in connection with publicly available Form N-PORT filings because, prior to the 2024 amendments, Part F exhibits were due at the same time as those Form N-PORT filings.

<sup>33</sup> See 2024 Adopting Release, *supra* note 1, at paragraph accompanying n.85 (discussing comment letters that supported publishing Form N-PORT reports more frequently than quarterly).

<sup>34</sup> Certain of the reported information, such as information about liquidity, use of derivatives, and miscellaneous securities, would remain confidential for all months of a quarter. See General Instruction F of Form N-PORT. This aspect of the form is unchanged in this proposal.

<sup>35</sup> For example, if a registered fund's fiscal quarter ends on Mar. 31, an investment made on Jan. 1 would not need to be disclosed until May 30, or 60 days after Mar. 31.

compared to monthly public reporting. Importantly, as public information of portfolio holdings has generally increased, these proposed amendments are not intended to inhibit registered funds from publishing their portfolio holdings more frequently than quarterly on their websites or through data aggregators. The proposal takes into account our review and rebalancing of the benefits of information available for investors with the potential harms caused by more frequent publication of portfolio holdings, such as free riding or front running.<sup>36</sup>

We request comment on the proposed amendments to the publication frequency of portfolio holdings on Form N-PORT, including:

13. How often should portfolio holding information be disclosed publicly? Should we, as proposed, require registered funds to publish their portfolio holdings quarterly? Should the publication frequency be shortened or lengthened, for example, to monthly or semi-annually? What are the costs and benefits of each publication frequency? Do retail investors find publication of this information helpful and/or useful? If publication of this information is used primarily by institutional investors and data aggregators, should we require this information to be continued to be made public?
14. What would be the costs and consequences of quarterly publication of portfolio holdings, based on experience with the historic quarterly frequency? Please provide concrete examples and data. For example, does the historic quarterly publication frequency lead to free riding, front running, or other actions by

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<sup>36</sup> Section 45(a) of the Act requires information in reports filed with the Commission pursuant to the Act to be made public unless we find that public disclosure is neither necessary nor appropriate in the public interest or for the protection of investors. For the reasons discussed above, we would view that keeping the data for the first and second months of a registered fund's fiscal quarter confidential, and the data for the third quarter confidential until the expiration of the 60-day period provided by the proposal, as necessary or appropriate in the public interest or for the protection of investors.

external parties that harm registered funds, and, if so, how, to what extent, and for which kinds of funds? Would these actions by external parties affect fund performance, and, if so, how? Would these actions reduce research and resources spent on research, and, if so, by how much?

15. What would be the costs and consequences of more frequent than quarterly publication of portfolio holdings? Please provide concrete examples and data. For example, would more frequent publication increase free riding, front running, or other actions by external parties that harm registered funds, and, if so, how? Would these actions by external parties affect fund performance, and, if so, how, to what extent, and for which kinds of funds? Would these actions reduce research and resources spent on research, and if so, by how much? Are there administrative, operational, or other costs of more frequent publication of portfolio holdings. And if so, what are they? Would some registered funds change their investment strategies and other business practices, and, if so, what would the changes be? How many, and what kinds of, funds would be affected, and what would the effects be? Please provide concrete examples and data.
16. What are the benefits of more frequent publication of portfolio holdings than a quarterly frequency? Please provide concrete examples and data. For example, how do investors, other market participants, such as data aggregators and financial intermediaries, and the broader market use or plan to use portfolio holdings information? How do they use portfolio holdings information to inform their investment decisions or perform other tasks? How does standardized information in a central location, as opposed to individual websites, benefit

investors and other market participants? Do registered funds voluntarily publish data about their portfolios to compete for investors? How does the publication of portfolio holdings information improve market efficiency?

17. Should we publish monthly portfolio holding information on Form N-PORT, but with a longer delay than provided in the 2024 amendments? For example, should monthly reports be made public 90 days after the end of the reporting period? Should monthly reports for each month in a fiscal quarter be made public at the same time, such as 60 or 90 days after the end of the fiscal quarter? Would delaying publication of monthly reports reduce the risks of free riding, front running, or similar actions relative to the 2024 amendments? Would this type of delayed dissemination of monthly information benefit investors?
18. How have market participants used technology, including artificial intelligence, in connection with portfolio holdings information? Is the information used in ways that increase free riding, front running, or similar actions and adversely affect registered funds and their shareholders? If so, who has used the information, and in what ways, and how has this use affected funds and shareholders? Please provide concrete examples of which kinds of funds have been affected and what the effects have been, and any related data. Is this usage expected to increase or change in the future, and if so, in what ways, and how much? How would more or less frequent disclosure of registered funds' portfolio holdings information affect these uses? Conversely, is the information used in ways that improve investor choice, information, and experience or otherwise benefit investors?

19. What types of registered funds are more adversely affected by more frequent publication of portfolio holdings? How are they affected? Should certain funds, for example, smaller or actively managed funds, or closed-end funds or non-diversified funds, be exempt or have different treatment in publication of portfolio holdings? What type of exemption or changes would suffice, for example, longer confidential treatment? If so, for what longer period should information remain confidential? Would investors and market participants suffer harm from or disadvantages from a longer period, and if so, how? For registered funds that are less likely to be adversely affected, should the Commission retain the monthly publication timing adopted in 2024?
20. Should publication be required on calendar quarter-end instead of fiscal quarter-end? What are the costs and benefits of moving to a calendar quarter-based publication frequency? For registered funds with fiscal year ends that do not match a calendar quarter, how could requirements for the publication of portfolio holdings be changed to minimize additional publications as the result of annual and semi-annual shareholder reports?
21. How long should the period for publication delay be? Should the delay be shortened or lengthened, for example, to 45, 75, or 90 days? What are the costs and benefits of a 60-day or other period of delay? Please provide concrete examples and data. For example, how does the current 60-day delay affect the risks of free riding, front running, or similar actions? How would a shortened or lengthened timeframe affect these risks? What other effects would a different timeframe have on fund performance?

22. Are there other amendments to Form N-PORT that would reduce compliance burdens and the risks of disclosing portfolio holdings? For example, should the percentage of assets allowed to be reported non-publicly on Form N-PORT as miscellaneous securities (Part D) be lower or higher than the current 5% limit, for example, 3%, 8%, or 10%? What would the costs and benefits be of amending this or any other reporting requirement?
23. Do investors or others use the presentation of portfolio holdings that registered funds provide under Part F of Form N-PORT for their first and third fiscal quarters? Are there ways we could make the Part F information more user-friendly or less costly for funds to prepare?<sup>37</sup> For example, are there other ways to disclose the portfolio information in Part F that would facilitate the use of artificial intelligence or other tools to analyze the portfolio holdings information, and if so, how? As another example, should we require only certain holdings but not the complete portfolio holdings, and, if so, which holdings? For instance, should we require presentation of a certain number of the largest issues (*e.g.*, 10, 25, or 50) and any other issues that exceed a particular percentage of the registered fund's net asset value (*e.g.*, 1% or 5%)? Should we require each registered fund to provide a graphical representation of holdings for reports covering the end of the first and third quarters of the fund's fiscal year, similar to the graphical representations of holdings provided in funds' annual and

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<sup>37</sup> See 2024 Adopting Release, *supra* note 1, at section II.A.3 (discussing comments on the burdens of providing a Regulation S-X compliant presentation of portfolio holdings more frequently than Form N-PORT requires).

semiannual shareholder reports?<sup>38</sup> Is there other information that would be helpful to investors in a more user-friendly presentation for these quarter ends, such as a registered fund's net assets, total number of portfolio holdings, or other fund statistics?<sup>39</sup> Are there other tools that would be helpful to investors in understanding and analyzing a fund's portfolio holdings, for example, artificial intelligence tools on registered funds' websites, that would decrease the need for Part F? If so, what kinds of tools would serve this purpose, and which information could be removed from Part F? If the information that registered funds currently provide under Part F is not typically useful to investors or others, should we remove Part F from Form N-PORT? Certain Commission rules reflect that, due to Part F requirements, registered funds prepare schedules of their complete portfolio holdings for the close of their first and third fiscal quarters in a Regulation S-X compliant format.<sup>40</sup> If we amend or remove Part F of Form N-PORT, should we likewise amend or remove associated requirements from these other rules?

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<sup>38</sup> See, e.g., Item 27A(f) of Form N-1A (requiring a graphical representation of holdings in annual and semiannual shareholder reports of funds that register on Form N-1A).

<sup>39</sup> See, e.g., Item 27A(e) of Form N-1A (requiring funds that register on Form N-1A to provide certain fund statistics in their annual and semiannual shareholder reports, and allowing these funds to provide additional statistics that the fund believes would help shareholders better understand the fund's activities and operations, such as tracking error, maturity, duration, average credit quality, or yield).

<sup>40</sup> See, e.g., 17 CFR 270.30e-1(b)(2)(ii) (requiring, among other things, that an open-end fund registered on Form N-1A (other than a money market fund) make available on its website the fund's complete portfolio holdings as of the close of the most recent first and third fiscal quarters, presented in accordance with Regulation S-X); 17 CFR 270.30e-3(b)(1)(iv) (permitting a management company registered on Forms N-2 or N-3 to send a notice of website availability of a fund's shareholder reports to satisfy shareholder report transmittal requirements if certain conditions are met, including website availability of the fund's complete portfolio holdings as of the close of the most recent first and third fiscal quarters, presented in accordance with Regulation S-X).

### C. Other Proposed Amendments to Form N-PORT

In addition to the proposed amendments to provide registered funds with fifteen additional days to file monthly reports and to revert to the quarterly publication frequency, we are proposing amendments to Form N-PORT to refine the information funds provide while maintaining the usability and reliability of Form N-PORT data. Specifically, we are proposing to modify certain information collected on portfolio level risk metrics and returns to narrow their scope, and proposing to eliminate certain information collected on registered funds' compliance with names-related regulatory requirements, payoff profiles of non-derivatives instruments, convertible bonds, and the reason a single holding has multiple liquidity classifications. We are also proposing to modify how funds with ETF share classes report net assets and shareholder flows to require separate information for ETF share classes. Additionally, we are proposing to require registered funds to provide certain additional identifying information, such as ticker symbols and certain class-level information, as applicable. The key aspects of the proposed amendments are described in Table 2 below and discussed in more detail throughout this section.

*Table 2. Comparison of Current and Proposed Requirements*

	<b>Current Requirement</b>	<b>Proposed Requirement</b>
<b>Portfolio Level Risk Metrics</b>		
Scope of registered funds that must report	The average value of the fund's debt securities positions for the previous 3 months, in the aggregate, exceeds <u>25%</u> of the fund's net asset value	The average value of the fund's debt securities positions for the previous 3 months, in the aggregate, exceeds <u>50%</u> of the fund's net asset value
Interest rate risk metrics	Report both <u>DV01</u> and <u>DV100</u>  Report DV100 <u>separately for each currency</u> for which the fund had a value of 1% or more of the fund's net value	Report <u>DV100 only</u>  Report DV100 <u>aggregated across all currencies</u> for which the fund had a value of 1% or more of the fund's net asset value

	<b>Current Requirement</b>	<b>Proposed Requirement</b>
Credit spread risk metrics	<u>Report separately</u> for investment grade and non-investment grade exposures	<u>Aggregate</u> investment grade and non-investment grade exposures
<b>Return Information</b>		
Reporting by multiple class funds	Report separately for <u>each class</u>	Report for a <u>single representative class</u>
Calculating returns	Calculate in accordance with methodologies outlined in applicable registration form	Calculate in accordance with methodologies outlined in applicable registration form, except <u>do not deduct sales loads and redemption fees</u>
Reporting net realized gain (loss) and net change in unrealized appreciation (depreciation) attributable to derivatives	Report separately by asset category and, <u>within each asset category, further report by type of derivative instrument</u>	Report separately <u>by asset category only</u>
Period of return information covered in each report (same change also made for flow information)	<u>One month</u>	Each of the preceding <u>three months</u> , in light of the proposed quarterly publication frequency
<b>Items for Elimination</b>		
Names rule information	(1) Definitions of the terms used in a registered fund's name; (2) The value of the fund's 80% basket, as a percentage of the value of the fund's assets; <sup>1</sup> and (3) Whether each investment in the fund's portfolio is in the fund's 80% basket	None
Payoff profile for non-derivatives	Indicate payoff profile among the following categories (long, short, N/A)	None
Convertible securities information	Report conversion ratio and delta (if applicable)	None
Multiple liquidity classifications	If attributing multiple liquidity classifications to a single holding, indicate which of three possible circumstances is applicable	None
<b>ETF Share Class Reporting</b>		
Separate information reported for ETF share classes	None	Report <u>net assets and flow information</u> separately for the

	<b>Current Requirement</b>	<b>Proposed Requirement</b>
		ETF share class, as well as the <u>class's ticker</u>
<b>Identifying Information</b>		
Provide ticker and certain class-level information, as applicable	Registered funds report <u>class identification numbers</u> in connection with reporting class-level returns <sup>2</sup>	Report <u>ticker symbol</u> by registrant, and for each class of a registrant or series, as applicable, as well as <u>class names and class identification numbers</u> .
<p>Notes:</p> <p>1. The names rule requires certain funds to adopt a policy to invest at least 80% of the value of their assets in accordance with the investment focus that a fund's name suggests. In 2023, the Commission adopted amendments to broaden the scope of this requirement and to define "80% basket" generally as investments that are invested in accordance with the investment focus that a fund's name suggests ("names rule amendments"). <i>See</i> rule 35d-1(g) under the Act.</p> <p>2. The proposed amendments would change this reporting and only require returns for a single representative class on Form N-PORT.</p>		

*Portfolio Level Risk Metrics*

Registered funds that invest certain amounts of their portfolios in debt instruments, or derivatives that provide exposure to debt instruments, currently are required to report specific portfolio level risk metrics on Form N-PORT.<sup>41</sup> The reported risk metrics are intended to provide the Commission staff, investors, and other potential users with measures that can help them analyze how portfolio values might change in response to changes in interest rates or credit spreads.<sup>42</sup> We are proposing to raise the threshold for determining which registered funds are required to report portfolio level risk metrics and to streamline the metrics they are required to report.<sup>43</sup> Based on our experience using Form N-PORT data, as discussed below, the proposed

<sup>41</sup> *See* Item B.3 of current Form N-PORT.

<sup>42</sup> *See* Reporting Modernization Adopting Release, *supra* note 20, at section II.A.2.c.

<sup>43</sup> *See* Item B.3 of proposed Form N-PORT.

changes would not significantly affect the utility of the reported information about portfolio level risk metrics but would reduce burdens for funds.

Registered funds are currently required to provide portfolio level risk metrics if the average value of the fund's debt securities positions for the previous three months, in the aggregate, exceeds 25% of the fund's net asset value. We are proposing to increase this reporting threshold from 25% to 50%. Registered funds that fall below the proposed threshold would no longer be required to provide information on portfolio level risk metrics. The proposed change to the threshold is designed to focus the risk metrics reporting requirement on funds with more significant exposure to debt securities to better balance the benefits and costs of the reporting. Registered funds that invest more than 50% of their net assets in debt securities, averaged over a three-month period, are more significantly exposed to changes in interest rates or credit spreads and associated changes in the funds' portfolio values, in comparison to registered funds that invest at the 25% threshold. Setting the threshold at the higher 50% level would provide Commission staff, investors, and other potential users with more focused measures to help them analyze how portfolio values might change in response to changes in interest rates or credit spreads for registered funds that invest significantly in debt instruments, or in derivatives that provide exposure to debt instruments.

We also propose to eliminate one risk metric and simplify the reporting of the other required risk metrics. Currently, registered funds are required to report two interest rate risk metrics, DV01 and DV100. DV01 reflects the change in value of a fund's portfolio resulting from a 1 basis point change in interest rates, while DV100 reflects the change in value from a 100 basis point change in interest rates. The Commission previously determined to require

registered funds to report both measures because, combined, they show how a fund's exposure changes with different changes in interest rates and thus provide information about convexity.<sup>44</sup>

Based on staff experience using Form N-PORT information, and given that our receipt of Form N-PORT information is delayed, we propose to eliminate the DV01 metric, which is typically used as a daily risk measure. Registered funds currently are required to report this metric for each currency for which the fund had a value of 1% or more of its net assets and report the metric across multiple maturities. In our experience, the DV100 metric that registered funds report has been more useful in monitoring funds' exposures to interest rate risk over time. DV100 is among the most common measures of interest rate sensitivity, allows the staff to capture larger changes to interest rates (and corresponding "shocks" to the markets), and provides useful information about non-parallel shifts in the yield curve as compared to smaller measures like DV01. In addition, DV100 on its own provides some information about convexity because it measures larger changes in interest rates, and it can be combined with other information that registered funds report (such as the prevalence of holdings in certain instrument types, like zero coupon bonds and mortgage-backed securities) to monitor convexity.

We also propose to simplify the reporting of the DV100 metric by requiring registered funds to report the aggregate change in the value of the portfolio from a 100 basis point change in interest rates across all applicable currencies (*i.e.*, those that are 1% or more of the fund's net asset value), rather than providing separate changes in value for each of those currencies. The Commission required DV100 for each applicable currency to help understand interest risk for

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<sup>44</sup> See Reporting Modernization Adopting Release, *supra* note 20, at paragraph accompanying n.155. The Commission also discussed that some filers may not calculate convexity internally, so requiring the two interest rate metrics was designed to mitigate the increase in reporting costs that would be associated with requiring registered funds to separately report a measurement of convexity.

registered funds with significant currency risk.<sup>45</sup> Based on our experience, we can use other information reported on the form, such as the currency denomination of each portfolio holding, to help assess significant currency risk in conjunction with the aggregate DV100 information that funds would report under the proposal.<sup>46</sup>

In addition, we propose to streamline the information reported on credit spread risk by no longer requiring registered funds to report credit spread risk metrics separately for investment grade and non-investment grade exposures. The Commission required separate reporting for investment grade and non-investment grade debt because credit spreads for investment grade and non-investment grade debt do not always shift in parallel or lock step, particularly in times of stress.<sup>47</sup> Based on our experience, we can use information we separately receive on Form N-PORT about debt securities' coupons as a proxy for a registered fund's relative exposures to investment grade and non-investment grade debt, as these different categories of debt generally have different coupon levels to account for their differing levels of risk. This information, combined with aggregated credit spread metrics under the proposal, would continue to provide information about credit spreads, and the risk associated with credit spreads.

We are also proposing to require information about portfolio risk metrics to be reported in U.S. dollars for consistency in reporting. Consistent reporting, in turn, makes the information more useable and facilitates comparisons across registered funds. The proposed instruction is consistent with many registered funds' current practices and aligns with how funds report changes in the value of the portfolio elsewhere in the form. Additionally, we understand that the

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<sup>45</sup> See Reporting Modernization Adopting Release, *supra* note 20, at paragraph accompanying n.148.

<sup>46</sup> See Item C.2 of current Form N-PORT (requiring registered funds to report the currency in which each investment is denominated).

<sup>47</sup> See Reporting Modernization Adopting Release, *supra* note 20, at text accompanying n.159.

proposed instruction is consistent with a common interpretation of DV100, with “DV” being an abbreviation for “dollar value.” When a registered fund reports portfolio level risk metrics in currencies other than U.S. dollars—particularly when the exchange rate between a given currency and U.S. dollars is significantly different from an exchange rate of 1.00—the fund’s risk metric values are more likely to be outside the range of typical risk metric values reported in U.S. dollars by similar funds, which has the potential to cause investor confusion and has negatively affected staff use of the reported information.

The proposed amendments to risk metric reporting would, to a certain degree, reduce information for understanding and monitoring registered funds’ exposures to changes in interest rates and credit spreads across the yield curve. In particular, there would be less information about these exposures for registered funds with marginal or temporary exposure to debt securities, and somewhat less granular risk metric information for funds with more significant exposures to debt securities. However, the proposed changes would not significantly affect how the Commission uses Form N-PORT data, and the public would continue to have access to information about registered funds’ significant interest rate and credit spread risks from the form. On balance, the proposed amendments to portfolio level risk metrics would simplify registered fund reporting and reduce burdens while maintaining useability and reliability of Form N-PORT data.

#### *Return Information*

Currently, registered funds are required to report monthly total returns and, if the fund has multiple classes, to report returns for each class.<sup>48</sup> For purposes of Form N-PORT, registered funds calculate returns using the same standardized formulas required for fund prospectuses and

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<sup>48</sup> See Item B.5 of current Form N-PORT.

sales materials. The return information reported on Form N-PORT is intended to facilitate comparisons across registered funds and to help identify performance that appears inconsistent with a fund's strategy or other benchmarks as a basis for further inquiry and monitoring.<sup>49</sup>

We are proposing to simplify reporting by multiple class funds and to provide more specific instructions for calculating returns.<sup>50</sup> We are also proposing to streamline information registered funds currently must report about gains (losses) or appreciation (depreciation) attributable to derivatives. Finally, in connection with revisiting the 2024 amendments and proposing to return to a quarterly publication frequency, we are proposing to require registered funds to report return and flow information for the three preceding months in a single report as was the requirement before the 2024 amendments to provide investors access to monthly data for a given quarter. (This requirement was removed as a part of the 2024 amendments because the amendments to the publication frequency gave investors access to monthly Form N-PORT reports.)

Currently, multiple class funds are required to report monthly total returns and related identifying information for each class of the fund. We propose to require that multiple class funds report information for a single representative class rather than return information for each class within a fund. Under the proposal, the representative class would be selected in the same manner that Form N-1A registrants use to determine which class's annual total returns to disclose in fund prospectuses. Using this approach, a registered fund can select which class to use as its representative class (*e.g.*, the oldest class, the class with the greatest net assets), except the fund must: (1) select the class with 10 or more years of annual returns if other classes have

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<sup>49</sup> See Reporting Modernization Adopting Release, *supra* note 20, at section II.A.2.e.

<sup>50</sup> See Item B.5 of proposed Form N-PORT.

fewer than 10 years of annual returns; and (2) select the class with the longest period of annual returns when the classes all have fewer than 10 years of returns.<sup>51</sup> Based on our experience with the data, having return information for a single representative class of a multiple class fund should be sufficient for purposes of comparing registered funds and identifying performance that appears inconsistent with a fund strategy or other benchmarks, as returns across classes of a multiple class fund are generally consistent except for the effects of certain class-specific fees and expenses, and as discussed below, we are specifying that certain of these differences should not be accounted for in monthly returns reported on Form N-PORT. Moreover, certain performance information for all classes would remain available in fund prospectuses for an investor making an investment decision about the appropriate class in which to invest.

We are also proposing to specify that registered funds should not deduct sales loads and redemption fees charged to shareholder accounts when calculating monthly returns.<sup>52</sup> This approach is consistent with many funds' current practices and consistent with prior staff guidance.<sup>53</sup> Currently, total returns are to be reported in accordance with the methodologies outlined in applicable registration forms. The methodologies in Forms N-1A and N-3 require that sales loads and redemption fees charged to all shareholder accounts be deducted when calculating returns. The performance disclosures that Forms N-1A and N-3 require show the effects of these loads and fees for non-cumulative periods of one, five, and ten-years, while the information Form N-PORT provides is monthly. Deducting sales loads and redemption fees for each month over an indefinite number of reports could give investors the impression that these

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<sup>51</sup> See Instruction 3(a) to Item 4(b)(2) of Form N-1A.

<sup>52</sup> See Item B.5 of proposed Form N-PORT.

<sup>53</sup> See Investment Company Reporting Modernization Frequently Asked Questions (Apr. 21, 2021) available at <https://www.sec.gov/about/divisions-offices/division-investment-management/accounting-disclosure-information/investment-company-reporting-modernization-frequently-asked-questions>.

are ongoing fees and overstate their effect on performance. As a result, we are proposing to require that registered funds not deduct sales loads and redemption fees from the returns reported on Form N-PORT to provide for consistency across registered fund reporting and to avoid overstating the effects of sales loads and redemption fees in monthly return information reported on the form.

In addition to monthly total returns, registered funds are currently required to report the net realized gain (loss) and net change in unrealized appreciation (depreciation) attributable to derivatives by asset category (*e.g.*, commodity contracts, credit contracts, equity contracts), and within those asset categories, funds are required to report the same information for different types of derivative instruments (*e.g.*, forward, future, option, swap). This derivative-related reporting is intended to help Commission staff, investors, and other potential users better understand how a registered fund is using derivatives to accomplish its investment strategy and the impact of derivatives on fund returns.<sup>54</sup> We propose to eliminate the requirement that registered funds report the information by type of derivative instrument. As a result, registered funds would not need to separately report return information for each instrument type (*e.g.*, equity options and equity swaps), and instead would report information only by asset class (*e.g.*, equity contracts). Removing the need to separately report gain (loss) and appreciation (depreciation) information for each type of derivative instrument within a given asset category would reduce reporting burdens without significantly affecting the utility of the reported information, as the Commission and the public would continue to have derivatives-related information elsewhere on the form, such as the types and amounts of derivatives instruments the registered fund holds, to understand the impact of derivatives on fund returns.

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<sup>54</sup> See Reporting Modernization Adopting Release, *supra* note 20, at section II.A.2.e.

Finally, because we are proposing to require that Form N-PORT reports be made public only for the third month in a fund’s fiscal quarter, rather than monthly, we likewise are proposing to require registered funds to report return information for each of the preceding three months in each report to avoid unintended effects on investor’s access to monthly return information, similar to how registered funds reported prior to the 2024 amendments. Prior to the 2024 amendments, registered funds were required to report return information for each of the preceding three months in each report to provide investors access to monthly data for a given quarter since investors only had access to Form N-PORT reports for the third month of each quarter. In connection with requiring publication of monthly Form N-PORT reports in the 2024 amendments, the Commission modified the form to require return information in each report only for the month that the Form N-PORT report covers because the amendments provided investors access to each monthly report. Our proposed approach would continue to provide investors with “batched” access to monthly return data for a given quarter, consistent with the Commission’s historical approach of requiring that investors have access to monthly return information on Form N-PORT regardless of the publication frequency. For the same reason, we are also proposing to require registered funds to report flow information for each of the preceding three months in a single Form N-PORT report.<sup>55</sup>

#### *Eliminating Reporting Items*

In addition to proposing to streamline the reporting of some information, we propose to remove certain required information from the form. Specifically, we are proposing to remove requirements to report information related to the registered fund’s compliance with the names rule, the payoff profiles of non-derivatives, certain information about convertible debt securities,

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<sup>55</sup> See Item B.6 of current Form N-PORT; Item B.6 of proposed Form N-PORT.

and explanations of why a single investment has multiple liquidity classifications. Removing these requirements would not have a significant effect on the Commission's uses of the data and are not expected to significantly affect the public's ability to assess relevant information about the fund.

The names rule amendments, among other things, broadened the scope of the requirement for certain funds to adopt a policy to invest at least 80% of the value of their assets in accordance with the investment focus that the fund's name suggests (an "80% investment policy") and added reporting requirements on Form N-PORT related to a registered fund's compliance with that rule.<sup>56</sup> For a registered fund that is required to adopt an 80% investment policy under the names rule, the names rule amendments require the fund to report quarterly on Form N-PORT: (1) definitions of terms used in the fund's name; (2) the value of the fund's 80% basket, as a percentage of the value of the fund's assets; and (3) whether each investment in the fund's portfolio is in the fund's 80% basket.<sup>57</sup> We are proposing to eliminate these names rule-related reporting requirements on Form N-PORT.<sup>58</sup>

The purpose of the names rule-related reporting requirements is to provide market-wide insight with respect to those registered funds that are subject to the 80% investment policy requirement for the Commission, its staff, and market participants. When these requirements were adopted, the Commission stated that, by providing context through the definitions used in the fund's name, combined with the value of the fund's investments in the 80% basket and whether each investment in the fund's portfolio is in the fund's 80% basket, investors and the

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<sup>56</sup> See rule 35d-1 under the Act; see also Names Rule Adopting Release, *supra* note 10, at section II.E (discussing Form N-PORT names rule-related reporting requirements).

<sup>57</sup> See Items B.11 and C.2.e of current Form N-PORT.

<sup>58</sup> In addition, we propose to make conforming changes to General Instruction A of Form N-PORT to remove references to these Items.

Commission could use this information to better understand how funds have invested in compliance with their 80% investment policies.<sup>59</sup> Beyond the Form N-PORT requirements, there are other sources of information to help investors, the Commission, and its staff understand how a registered fund invests in accordance with the names rule, including fund prospectuses and portfolio information. For example, the names rule amendments also require a fund to define the terms used in its name, including the criteria the fund uses to select the investments that the term describes, in its prospectus. In addition, the amendments require a fund to retain records that are available to the Commission and its staff, documenting whether an investment is included in its 80% basket and, if so, the basis for including that investment in the 80% basket.<sup>60</sup>

The Commission considered the costs of reporting requirements in the Names Rule Adopting Release. Since then, some funds have begun to work toward implementation of these requirements and, in conversations with staff, have raised concerns that the reporting requirements are more burdensome than anticipated and may have unintended effects. There are operational burdens associated with this reporting, such as building connections between different internal and external data systems (including, for example, vendor systems or systems of subadvisers) and translating that data from various systems for filing, as well as preparing, reviewing, tagging, and filing the information on Form N-PORT. Further, while the names rule amendments preserved flexibility for the specific criteria a fund uses to select the investments that the term in its name describes, and did not require funds to disclose in their prospectuses proprietary criteria used to select investments, reporting on Form N-PORT whether an investment is in a registered fund's 80% basket may provide insight into otherwise proprietary

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<sup>59</sup> See Names Rule Adopting Release, *supra* note 10, at sections II.E.1 and II.E.2.

<sup>60</sup> See *id.* at section II.F.

investment criteria because it will provide specific information about what is included in the 80% basket.<sup>61</sup> This more specific information may allow other market participants to free ride or front run the registered fund's strategy and may harm fund performance.

These considerations lead us to propose to eliminate the names rule-related reporting on Form N-PORT to avoid potential unintended effects and reduce costs while still providing ways for the Commission and the public to understand how a fund invests in accordance with the names rule. Although the names-related reporting on Form N-PORT would facilitate the Commission's analysis of a registered fund's compliance with the names rule, the Commission can continue to assess compliance with the names rule through analysis of a fund's disclosures about the terms used in its name, including the criteria the fund uses to select the investments that the term describes, combined with portfolio holdings. The Commission also can assess compliance with the rule through examinations when appropriate, including by analyzing required records documenting whether an investment is included in a fund's 80% basket and, if so, the basis for including that investment in the 80% basket. Although the names rule-related reporting on Form N-PORT would provide more specific insight to the public into how funds have invested in compliance with their 80% investment policies, the public would continue to have access to enhanced disclosures in a fund's prospectus regarding its 80% investment policy, which would provide the public with additional context on the fund's investments and risks in plain English. Finally, the public would continue to have access to information about a fund's

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<sup>61</sup> See Names Rule Adopting Release, *supra* note 10, at n.92 and accompanying text (stating that the amended rule provides fund managers with flexibility to ascribe reasonable definitions for the terms used in a fund's name and to determine the specific criteria the fund uses to select the investments that the term describes, which means a fund would not be required to include proprietary information in its 80% investment policy in its prospectus).

portfolio holdings in annual and semi-annual reports, in public Form N-PORT reports, and on fund websites.

With respect to payoff profiles for non-derivatives, the form currently requires registered funds to report whether each position is long or short.<sup>62</sup> The purpose of the payoff profile reporting is to identify short positions held by registered funds, consistent with the current requirement in Regulation S-X to disclose investments sold short.<sup>63</sup> Under the proposed amendment, registered funds would not need to classify non-derivative positions as long or short for the purposes of reporting on Form N-PORT. We are proposing to remove this reporting because the Commission and the public can use the sign of the value of the holding (positive/negative) as a proxy for whether holdings are long or short.<sup>64</sup> As a result, removing the payoff profile item for non-derivatives would have a limited effect on the utility of Form N-PORT reports.

For convertible debt securities, registered funds are required to provide information on the conversion ratio as well as the delta (if applicable), among other information.<sup>65</sup> The purpose of this reporting is to help understand the risk and reward profiles of convertible debt securities. We propose to simplify reporting of convertible debt securities by no longer requiring registered funds to provide the conversion ratio or delta. We have not found this information as helpful as

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<sup>62</sup> See Item C.3 of current Form N-PORT. Form N-PORT also allows registered funds to report N/A in this field, generally for derivatives because the payoff profiles for derivatives are reported in a separate portion of the form.

<sup>63</sup> See Reporting Modernization Adopting Release, *supra* note 20, at paragraph accompanying n.267; 17 CFR 210.12-12A.

<sup>64</sup> Registered funds report the value of each investment under Item C.2 of Form N-PORT. Funds generally report positive values for long positions and negative values for short positions. For example, for Dec. 2024 filings, only 0.0040% of non-derivative long positions were reported with a negative value and 0.0012% of short positions were reported with a positive value.

<sup>65</sup> See Item C.9 of current Form N-PORT.

originally contemplated, and we are able to use information about the underlying reference instrument for most of our monitoring and analytical purposes. Moreover, funds may use different methodologies for calculating delta for convertible bonds, which adds to variability in the reported information and reduces its utility.<sup>66</sup>

When reporting liquidity classifications for each portfolio holding, an open-end fund is permitted to attribute multiple classifications to a single holding under specified circumstances.<sup>67</sup> Currently, if an open-end fund reports multiple liquidity classifications for a single holding, it is required to indicate in its Form N-PORT report which of the three listed circumstances led to the use of multiple classifications. We propose to eliminate the requirement that funds indicate a reason for reporting multiple liquidity classifications for a single holding. The purpose of this requirement was to facilitate more effective Commission monitoring of the liquidity of a fund's portfolio and the ability to determine the circumstances leading to the classification.<sup>68</sup> Based on our experience with this reporting, it is quite rare for open-end funds to report multiple liquidity classifications for a single holding. When funds have reported multiple liquidity classifications for a single holding, we have not found the reported reasons to be significantly helpful because the circumstances in which open-end funds are permitted to use multiple liquidity classifications

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<sup>66</sup> Delta information reported on Form N-PORT is nonpublic. As a result, removing the delta for convertible debt securities would not affect the public's use of Form N-PORT information. While the conversion ratio is made public, we are not aware of public uses of Form N-PORT information that would be significantly affected by the removal of the conversion ratio.

<sup>67</sup> *See* Instruction to Item C.7 of current Form N-PORT. Specifically, an open-end fund may choose to report multiple liquidity classifications for a single holding only in the following circumstances: (1) if portions of the position have differing liquidity features that justify treating the portions separately; (2) if a fund has multiple sub-advisers with differing liquidity views; or (3) if the fund chooses to classify the position through evaluation of how long it would take to liquidate the entire position (rather than basing it on sizes it would reasonably anticipate trading).

<sup>68</sup> *See* Investment Company Liquidity Disclosure, Investment Company Act Release No. 33142 (June 28, 2018) [83 FR 31859 (July 10, 2018)], at section II.B.1.

for a single holding are limited and specifically outlined in the form.<sup>69</sup> As a result, we are proposing to remove this requirement. Under the proposal, open-end funds would, however, continue to be permitted to report multiple liquidity classifications (if any) under the circumstances identified in the form.

*Information on ETF Share Classes and Additional Identifier Information for all Registered Funds*

For multiple-class funds that offer an ETF share class, we are proposing to require disclosures about the ETF share class's net assets and flows on Form N-PORT.<sup>70</sup> Starting in the early 2000s, the Commission granted one fund sponsor exemptive relief to offer an ETF share class as one class of an open-end, multi-class fund, subject to various terms and conditions.<sup>71</sup> In the past few years, the Commission has received many exemptive applications from fund sponsors seeking a similar ability to offer ETF share classes. The Commission has begun granting exemptive relief in response to these applications.<sup>72</sup> As a result, it is likely that ETF share classes will grow in number and net assets, and information about ETF share classes' expanding size and flows will become more important. The proposed disclosures would facilitate

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<sup>69</sup> Liquidity classification information reported on Form N-PORT is nonpublic. As a result, removing this item would not affect the public's use of Form N-PORT information.

<sup>70</sup> Form N-PORT currently requires information on net assets and flows for the registered fund as a whole and not on a class-by-class basis. *See* Items B.1 and B.6 of current Form N-PORT.

<sup>71</sup> *See* Vanguard Index Funds, et al., File No. 812-12094, Investment Company Act Rel. Nos. 24680 (Oct. 6, 2000) (notice) and 24789 (Dec. 12, 2000) (order); Vanguard Index Funds, et al., File No. 812-12912, Investment Company Act Rel. Nos. 26282 (Dec. 2, 2003) (notice) and 26317 (Dec. 29, 2003) (order); Vanguard International Equity Index Funds, et al., File No. 812-12860, Investment Company Act Rel. Nos. 26246 (Nov. 3, 2003) (notice) and 26281 (Dec. 1, 2003) (order); and Vanguard Bond Index Funds, et. al., File No. 812-13336, Investment Company Act Release Nos. 27750 (Mar. 9, 2007) (notice) and 27773 (Apr. 2, 2007) (order).

<sup>72</sup> *See* DFA Investment Dimensions Group Inc., Dimensional Investment Group Inc., Dimensional ETF Trust and Dimensional Fund Advisors LP, File No. 812-15484, Investment Company Act Release Nos. 35770 (Sept. 29, 2025) (notice) and 35786 (Nov. 17, 2025) (order).

the Commission's and the public's understanding of the growth of the industry and inform any future Commission action.

We are proposing amendments to Form N-PORT to require registered funds with an ETF share class to report the following:

- *Size.* The amendments would require separate reporting of net asset information for the ETF share class.<sup>73</sup>
- *Flows.* The amendments would require separate reporting of information about the total net asset value of shares sold and total net asset value of shares redeemed or repurchased for the ETF share class.<sup>74</sup>

These disclosure requirements are designed to provide investors and the Commission information about the ETF share class structure by measuring their net assets and flows, separately from the fund as a whole. This information is important because an ETF share class is structured and may behave differently than the other share classes in a multiple-class fund. Separate information for an ETF share class also would facilitate staff analysis of industry trends and risks given these structural differences. As an example, ETFs may present different liquidity risks than mutual funds, as shares of an ETF can be traded on an exchange throughout the day and, when authorized participants transact with the fund, an ETF is more likely to redeem in kind (that is, by delivering certain assets from the ETF's portfolio, rather than in cash), thereby avoiding the need for the ETF to sell assets to meet redemptions.

#### *Additional Identifying Information*

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<sup>73</sup> See Item B.1.d of proposed Form N-PORT. To identify the ETF share class, funds would be required to report the ticker symbol of the ETF share class.

<sup>74</sup> See Item B.6.d of proposed Form N-PORT.

While registered funds are currently required to report certain identifying information on Form N-PORT, we are proposing to require funds to provide ticker symbols by registrant, and for each class of a registrant or series, as applicable, as well as certain other class-level information, if any, to help staff and data users use data more efficiently.<sup>75</sup> We recognize that when the Commission adopted Form N-PORT, the Commission determined that requiring a registered fund to report ticker symbols on Form N-PORT would not be necessary because other reported information (*e.g.*, for the registrant, information such as the name, CIK, and LEI; and for the series, information such as the name, EDGAR identifier, and LEI) was sufficient for Commission staff, as the primary user of Form N-PORT, to identify funds filing reports on Form N-PORT, and could also be useful for investors and other potential users.<sup>76</sup> However, since then, with experience, the staff has found that ticker symbols would enhance the efficiency of data analysis.

For example, staff has observed that matching a registered fund, series, and/or class using only its name in multiple data sources (*e.g.*, Form N-PORT reports, other reports such as Form N-CEN, and third-party vendor information) can be difficult because of very slight differences in the reported name of the fund, series, and/or class. Further, staff has observed that ticker symbols are more widely used than LEIs across multiple data sources, and that while LEIs are not assigned on the basis of share classes, there are distinct ticker symbols identifying each fund share class. Requiring a registered fund to report a ticker symbol associated with the registrant, or for each class of the registrant or series, as relevant, would facilitate the ability of the data user to conduct comprehensive data analyses across multiple data sources more efficiently, and would

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<sup>75</sup> See Item A.3 of proposed Form N-PORT.

<sup>76</sup> See Reporting Modernization Adopting Release, *supra* note 20, at paragraph accompanying n.69.

complement other identifying information that registered funds currently report across other reporting forms.<sup>77</sup>

We request comment on the proposed amendments to Form N-PORT, including the following:

24. Should we, as proposed, relating to portfolio level risk metrics, increase the threshold for determining which registered funds must report risk metrics from 25% or more of the fund's net asset value to 50% or more of the fund's net asset value? Should the threshold be lower (*e.g.*, 30% or 40%) or higher (*e.g.*, 60% or 70%)? In addition to, or separate from, the numerical threshold, should we change the period over which the threshold is measured? For instance, instead of measuring the average value of the fund's debt positions for the previous 3 months, should the period be shorter or longer, such as 1-, 6-, or 12-months? Are there other threshold alternatives that would be more effective or appropriate?
25. Should we, as proposed, remove the requirement to report the DV01 interest rate risk metric? Do investors or other members of the public use this information? If so, how? Do the benefits of this information to investors or other members of the public justify the costs of reporting it?
26. Should we, as proposed, simplify the reporting of the DV100 interest rate risk metric by requiring registered funds to report an aggregate figure across all currencies for which the fund had a value of 1% or more of its net asset value,

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<sup>77</sup> Registered funds currently are required to provide their ticker symbols in other filings with the Commission. *See, e.g.*, Item 1 of Form N-1A and Item C.2 of Form N-CEN. By requiring current ticker symbol information on Form N-PORT, the proposed amendments would address situations where a registered fund, for example, may have changed its ticker symbol information between the fund's annual filings on Form N-CEN and, thus, the ticker information in the fund's most recent Form N-CEN filing is inaccurate.

rather than separately by currency? What effect, if any, would this change have on the use of Form N-PORT information by investors or other members of the public? In addition to, or separate from these proposed changes, should we eliminate the need to report DV100 separately for different maturity buckets (3 months, 1 year, 5 years, 10 years, and 30 years) and instead require a single aggregated DV100 measure?

27. Should we, as proposed, simplify the reporting of the credit spread risk metrics by no longer requiring registered funds to provide separate measures for investment grade and non-investment grade exposures? What effect, if any, would this change have on the use of Form N-PORT information by investors or other members of the public? In addition to, or separate from these proposed changes, should we eliminate the requirement to report credit spread risk metrics separately for different maturity buckets (3 months, 1 year, 5 years, 10 years, and 30 years) and instead require a single aggregated credit spread risk measure?

28. What is the burden associated with the proposed changes to portfolio level risk metrics? How would the reporting burden compare between the current and proposed requirements?

29. Should we, as proposed, require multiple class funds to report returns only for a single representative class? Is the proposed method of selecting a representative class effective? Should we instead define a representative class as the class with the greatest net assets as of the end of the reporting period or give a registered fund full discretion to choose a representative class based on considerations such as age or size of the class (*e.g.*, by selecting the oldest class or the class with the

greatest net assets), without considering which class has the longest period of returns as Form N-1A requires under certain circumstances? How often would the representative class change under our proposed approach or potential alternatives? Are there other criteria a fund should be permitted or required to use to select its representative class? Would the proposed approach of requiring reporting of only a single representative class affect how investors or other users of Form N-PORT use the reported information? If so, could investors or other users instead use return information in fund prospectuses or shareholder reports for individual classes?

30. Should we, as proposed, continue to require registered funds to report monthly net realized gain (loss) and net change in unrealized appreciation (or depreciation) attributable to derivatives for the listed asset categories (commodity contracts, credit contracts, equity contracts, foreign exchange contracts, interest rate contracts, and other contracts)? Should we make any changes to the listed asset categories? Should we require the aggregate net realized gain (loss) and net change in unrealized appreciation (depreciation) for all derivatives positions, instead of requiring separate figures for each asset category?
31. As proposed, should we remove the requirement to report monthly net realized gain (loss) and net change in unrealized appreciation (or depreciation) by derivative type (forward, future, option, swaption, swap, warrant, and other) within each asset category of derivatives? Would removal of this information reduce reporting burdens for registered funds? Would removal of this information affect investors or other users of Form N-PORT information and, if so, how?

32. Currently, Form N-PORT requires funds to report the notional value for most types of derivatives but, for options, requires funds to report the exercise price.<sup>78</sup> In addition, funds must calculate the notional value of derivatives positions for purposes of meeting other regulatory requirements.<sup>79</sup> When reporting options positions on Form N-PORT, should we require registered funds to provide the notional value, rather than the exercise price? Would this change streamline reporting and reduce reporting burdens (and, if so, by how much)? What effect, if any, would such a change have on the public's use of Form N-PORT information?
33. Should we, as proposed, eliminate the names rule-related reporting? Do enhanced disclosures in fund prospectuses about a fund's 80% investment policy, along with available information about fund portfolio holdings, provide the public with sufficient information to understand a fund's investments and risks? To what extent would removing the names rule-related reporting reduce reporting burdens for registered funds? Instead of eliminating the names rule-related reporting, are there modifications to these requirements we should make? For example, should we require a fund to report the value of the fund's 80% basket, as a percentage of the value of the fund's assets, but remove other names rule-related reporting requirements?
34. Should we, as proposed, eliminate reporting of the payoff profiles of non-derivatives? Should we, as proposed, eliminate reporting of the conversion ratio

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<sup>78</sup> See Item C.11.c.v of current Form N-PORT.

<sup>79</sup> 17 CFR 270.18f-4 (defining derivatives exposure as the sum of the gross notional amount of the fund's derivatives transactions); Item B.3 of Form N-PORT (requiring funds to use the notional value of certain derivatives for which the underlying reference asset or assets are debt securities or an interest rate when determining if the fund is required to report portfolio level risk metrics due to the value of its exposure to debt instruments).

and delta of convertible debt securities? Would removal of the conversion ratio of convertible debt securities affect investors or other uses of Form N-PORT information and, if so, how? Should we, as proposed, eliminate reporting of the reason an open-end fund has reported multiple liquidity classifications for a single investment? What are the burdens of reporting each of the items that we propose to eliminate, and how much burden would be eliminated by the proposed changes? Are there items that we are proposing to eliminate that we should retain and/or modify? If so, what are they, why should we retain or modify them, and what should any modifications be?

35. What is the impact to the public if there is less Form N-PORT data available because of these proposed amendments to the form? Please provide examples.
36. Should we, as proposed, require registered funds with ETF share classes to disclose net assets and flows for these share classes separately from information for the full fund? Should we amend Form N-PORT to require more or less information about ETF share classes? If there is other information that would be helpful to the public, provide specific examples of how that information would be useful.
37. Should we, as proposed, require registered funds to provide ticker information by registrant or for each class of a registrant or series, as applicable? Should we, as proposed, require registered funds to report for any classes of the registrant or series the class name and EDGAR class identification number as identifying information in Part A? How would the reporting burden compare between the current and proposed requirements?

38. Should the Commission eliminate reporting on Form N-PORT related to the liquidity of a fund's investments and, if so, why?<sup>80</sup>

39. Are there other Form N-PORT items that we should modify or eliminate? Why are the benefits of the reported information to the Commission and the public not justified by the costs of reporting the information?

#### **D. Proposed Transition Period**

We propose to provide a tiered transition period for registered funds to comply with the proposed amendments, if adopted, based on fund size. We propose to provide a 12-month transition period for larger entities and an 18-month transition period for smaller entities. For these purposes, larger entities would be registered funds that, together with other investment companies in the same "family of investment companies" (as such term is defined in Item B.5 of Form N-CEN), have net assets of \$10 billion or more as of the end of the most recent fiscal year. Smaller entities would be registered funds that, together with other investment companies in the same family of investment companies, have net assets of less than \$10 billion as of the end of the most recent fiscal year.<sup>81</sup> The tiered transition period would provide time for registered funds to

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<sup>80</sup> See Items B.7 (requiring information related to a fund's highly liquid investment minimum, if applicable), B.8 (requiring information about the percentage of a fund's highly liquid investments that it has pledged as margin or collateral in connection with derivatives transactions classified in non-highly liquid categories), and C.7 (requiring the liquidity classification of each portfolio investment) of Form N-PORT.

<sup>81</sup> For the last several years, the Commission generally has used a threshold of \$1 billion in net assets for differentiating between larger and smaller registered investment companies when providing smaller entities with additional time to comply with new requirements. We instead are proposing to use a \$10 billion threshold for the transition period, based on an analysis of the distribution of assets across funds at different net asset thresholds. This \$10 billion threshold is designed to be a reasonable means of distinguishing larger and smaller entities for purposes of tiered compliance dates for Form N-PORT reporting requirements. We estimate that, as of Dec. 2024, 22.9% of registered investment companies would be considered to be smaller entities. These smaller entities hold approximately 2.13% of aggregate assets of registered investment companies. These estimates are based on data reported on Form N-CEN through Jan. 21, 2025. The Commission also recently proposed similar amendments to how it defines "small entity" under the Regulatory Flexibility Act for investment companies. See Amendments to the "Small Business" and "Small Organization" Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Investment Company Act Release No. 35864 (Jan. 7, 2026) [91 FR 1107 (Jan. 12, 2026)] ("Small Entity Proposing Release").

adjust their internal processes and arrangements with service providers to begin to file Form N-PORT reports on a monthly basis within 45 days of month end and to modify the information that is reported. Registered funds would not need to make adjustments related to publication frequency because the proposed amendments align with historic requirements, and the 2024 amendments have not yet gone into effect.

At the end of the relevant transition period, registered funds would be required to shift from a quarterly filing approach to a monthly filing approach and file reports that conform to the amended information requirements.<sup>82</sup> We propose to require registered funds to make their first monthly filing for the first month of the fiscal quarter that begins after the compliance date. Because fiscal quarter ends differ among funds, this approach would result in funds being required to file their first monthly reports at different times within a three-month range, depending on the date of a fund’s fiscal quarter end. Basing the approach on fiscal quarter end is meant to ease the transition from quarterly to monthly filing, as this approach would avoid requiring some registered funds to begin to file monthly Form N-PORT reports in the middle of a fiscal quarter. As an illustrative example, if the compliance date were in May of a given year, the transition period would operate as shown in Table 3.

*Table 3. Illustrative Example of Proposed Transition from Quarterly to Monthly Filings with a Hypothetical Compliance Period End in May*

<b>Fund’s Fiscal Quarter End</b>	<b>Last Quarterly Filing</b>	<b>First Monthly Filing</b>
May	Filing covering the months of March, April, and May would be	Filing for June would be due within 45 days of the end of June

<sup>82</sup> Once a registered fund shifts from quarterly filing to monthly filing, the fund would also no longer be required to maintain records of Form N-PORT information no later than 30 days after the end of each month under rule 30b1-9. If the proposal is adopted, we anticipate that registered funds would be required to maintain records under that rule until they begin to file reports on a monthly basis, consistent with the approach taken in the 2024 amendments. See 2024 Adopting Release, *supra* note 1, at n.170 and accompanying text.

	due within 60 days of the end of May	
June	Filing covering the months of April, May, and June would be due within 60 days of the end of June	Filing for July would be due 45 days after the end of July
July	Filing covering the months of May, June, and July would be due within 60 days of the end of July	Filing for August would be due within 45 days of the end of August

In addition, we propose to amend the effective and compliance dates of the Form N-PORT amendments in the 2024 Adopting Release that would not be superseded by this rulemaking to align with the effective and compliance dates for the proposed amendments in this release, if adopted. This would include the amendments to entity identifiers to separate the concepts of LEI and RSSD ID, as well as technical amendment to the definition of ETF in Form N-PORT to include a direct reference to 17 CFR 270.6c-11, the Commission’s exemptive rule for ETFs.

We request comment on the proposed transition period:

- 40. Would the proposed transition period provide registered funds enough time to comply with the proposed amendments? Should the period be shorter or longer?
- 41. Should the transition period differ by fund size, as proposed, or should the transition period be the same for all registered funds? Is there a different approach we should use for determining fund size for purposes of the transition period?
- 42. As proposed, should we change the compliance date for the amendments from the 2024 Adopting Release that are not being superseded (*e.g.*, the amendments to separate the concepts of LEI and RSSD ID) to align with the compliance date for the proposed amendments? If the transition period for the 2024 amendments that are not being superseded should differ, in what way should it differ?

43. Is the proposed approach for transitioning from quarterly filing to monthly filing workable? Would a different approach be more effective? For example, should we instead require registered funds to make their first monthly filing for the first month preceding the end of the compliance period, meaning registered funds would begin to file monthly reports at the same time, regardless of their fiscal year ends? Under this approach, if that month is not the beginning of a fund's fiscal quarter, should we require the fund to file information for prior months in that fiscal quarter at the same time the first monthly report is due?

### **III. Economic Analysis**

#### **A. Introduction**

Reports on Form N-PORT are an important source of information for the Commission and its staff. This information helps the Commission monitor industry trends, identify risks, inform policy and rulemaking, and assists the staff in examination and enforcement efforts, which ultimately benefits investors. In addition, investors and other market participants also benefit from the publicly available information that registered funds report on Form N-PORT because it aids them in making more informed investment decisions. Currently, the Commission receives reports on Form N-PORT on a quarterly basis, no later than 60 days after the end of a registered fund's fiscal quarter, with each quarterly report containing month-end information for each month in the quarter, while investors have access to Form N-PORT portfolio data for only the third month of a fund's fiscal quarter.<sup>83</sup>

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<sup>83</sup> Monthly portfolio holdings of certain open-end and closed-end funds may also be available on funds' websites, as well as for a fee through third-party data aggregators. Voluntary disclosures of monthly portfolio holdings that are currently publicly available may be inconsistent across registered funds and over time and may vary in format, presentation, or ease of access.

In 2024, the Commission adopted amendments to Form N-PORT that were intended to give the Commission timelier information to conduct comprehensive oversight of the registered fund industry, as well as to give investors information to make more informed investment decisions.<sup>84</sup> Specifically, the 2024 amendments require registered funds to file monthly reports within 30 days of month end, replacing the prior approach requiring these funds to file reports for each month in a fund’s fiscal quarter no later than 60 days after the end of each fiscal quarter. In addition, the 2024 amendments make monthly report information publicly available 60 days after month end, which replaces the prior approach of making information for only the third month of the fiscal quarter public. The 2024 amendments have yet to be implemented.

Following adoption of the Form N-PORT amendments, several developments caused the Commission to delay the effective and compliance dates of the 2024 amendments and review their potential effects.<sup>85</sup> As a result of this review, we are proposing to extend the filing deadline to 45 days after month end to reduce the costs to registered funds of filing Form N-PORT while continuing to provide the Commission with timely data. We are also proposing to publish reports for only the third month of a registered fund’s fiscal quarter 60 days after month end to reduce the risks to funds and their investors of publishing significantly more information on funds’ holdings. In addition, we are proposing to remove or streamline certain items and sub-items of the form and to modernize the form to better account for fund structures with ETF share classes.

The Commission has considered the economic effects of the proposed amendments.<sup>86</sup> Where possible, we have attempted to quantify the economic effects. In some cases, however, we

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<sup>84</sup> See *supra* note 1.

<sup>85</sup> See *supra* section I.A.

<sup>86</sup> Section 2(c) of the Act and section 3(f) of the Exchange Act direct the Commission, when engaging in rulemaking where it is required to consider or determine whether an action is necessary or appropriate in,

are unable to quantify the economic effects because we lack the information necessary to provide a reasonable and reliable numerical estimate. For example, relative to the 2024 amendments, the proposed amendments would reduce the amount of information investors have to compare registered funds by reverting the frequency of Form N-PORT publication to prior standards. For the same reasons we were unable to quantify some of the economic effects associated with the increase in publication frequency associated with the 2024 amendments, we are unable to quantify these effects as we revert to prior standards in this proposal.<sup>87</sup> As described more fully below, the Commission is providing both a qualitative assessment and quantified estimate of the economic effects, where feasible.

We request comment on all aspects of the economic analysis of the proposed amendments. To the extent possible, we request that commenters provide supporting data and analysis on the benefits, costs, and effects on competition, efficiency, and capital formation of the proposed amendments or any reasonable alternatives.

## **B. Baseline**

The baseline against which the costs, benefits, and the effects on efficiency, competition, and capital formation of the proposed rules are measured consists of the current state of the

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or consistent with, the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. In addition, section 23(a)(2) of the Exchange Act requires the Commission, when making rules under the Exchange Act, to consider among other matters the impact that the rules would have on competition and prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. The analysis below addresses the likely economic effects of the amendments, including the anticipated 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 release.

<sup>87</sup> See 2024 Adopting Release, *supra* note 1, at paragraph accompanying n.180.

securities markets and the current regulatory framework with respect to registered management investment companies and ETFs organized as unit investment trusts (“registered funds”).<sup>88</sup>

## 1. Regulatory Baseline

Registered funds are required to file periodic reports on Form N-PORT about their portfolios and each of their portfolio holdings as of month end. In addition to providing a registered fund’s portfolio holdings, Form N-PORT reports also provide information to help assess a fund’s risk and return characteristics, such as portfolio level risk metrics, liquidity related information, and monthly fund returns for each fund share class.<sup>89</sup> Additional amendments to Form N-PORT were also adopted in 2023 that would require certain registered funds to report information related to their compliance with the names rule after that rule’s compliance date.<sup>90</sup>

Until the 2024 amendments go into effect, registered funds will continue to file these reports on a quarterly basis, with each report due 60 days after the end of a fund’s fiscal quarter. While each report includes month-end portfolio information for each month in the relevant fiscal quarter, only information about portfolio holdings for the third month of each fiscal quarter is made available to the public upon filing; information for the first and second month of each

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<sup>88</sup> See, e.g., *Nasdaq v. SEC*, 34 F.4th 1105, 1111–15 (D.C. Cir. 2022). This approach also follows SEC staff guidance on economic analysis for rulemaking. See SEC Staff, Current Guidance on Economic Analysis in SEC Rulemaking (Mar. 16, 2012), available at [https://www.sec.gov/divisions/riskfin/rsfi\\_guidance\\_econ\\_analy\\_secrulemaking.pdf](https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf) (“The economic consequences of proposed rules (potential costs and benefits including effects on efficiency, competition, and capital formation) should be measured against a baseline, which is the best assessment of how the world would look in the absence of the proposed action.”); *id.* at 7 (“The baseline includes both the economic attributes of the relevant market and the existing regulatory structure.”).

<sup>89</sup> While the proposed amendments to Form N-PORT would require sales loads and redemption fees to be deducted from monthly fund return calculations, some registered funds currently exclude these fees from their monthly fund returns on Form N-PORT. This approach is consistent with many funds’ current practices and consistent with prior staff guidance. See *supra* section II.C.

<sup>90</sup> See Names Rule Adopting Release, *supra* note 10.

fiscal quarter remains confidential. Registered funds are also currently required to maintain the data Form N-PORT requires within 30 days of a month end for recordkeeping purposes until the 2024 amendments go into effect.<sup>91</sup>

The 2024 amendments require registered funds to file monthly reports within 30 days of month end and the Commission would publish those reports 60 days after month end. The subsequent delay of the effective and compliance dates for the 2024 amendments means that larger entities must comply with these new requirements as of November 17, 2027, and that smaller entities must comply by May 18, 2028.

Currently, a registered fund may report certain portfolio holdings as miscellaneous securities, meaning that information about these holdings can remain nonpublic for up to a year, provided that the combined value of the positions reported as miscellaneous securities does not exceed 5% of the total value of a fund's investments and that these positions have not been previously disclosed to the public.

Part F of Form N-PORT also currently requires a registered fund to attach a complete schedule of portfolio holdings for the end of the first and third quarters of the fund's fiscal year, presented in accordance with Regulation S-X, within 60 days after the end of the reporting period. Further, ETFs, including actively managed ETFs, generally are required to provide full portfolio holdings on their websites every business day.<sup>92</sup> A small number of "non-transparent" ETFs have received exemptive orders from the Commission permitting them not to disclose their portfolio holdings on a daily basis. Monthly portfolio holdings of certain registered funds may also be available on their websites, as well as through third-party data aggregators (typically for a

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<sup>91</sup> See rule 30b1-9.

<sup>92</sup> See rule 6c-11(c)(1)(i).

fee), generally on a lagged basis (*e.g.*, 15, 30, 45, or more days after a month end). However, this more frequent publication and/or aggregation by third parties of portfolio data is voluntary.

Currently, most ETFs are structured as individual funds. However, since the early 2000s, there have been some mutual funds with ETF share classes. In recent years, the Commission has received requests to provide exemptive relief to allow additional mutual funds with ETF share classes and the Commission recently began granting exemptive relief.<sup>93</sup>

## 2. Affected Entities

The proposed amendments to the filing and public disclosure frequency of Form N-PORT reports would affect all registered funds that are currently required to file reports on Form N-PORT. Table 4 below lists registered fund counts along with their net assets by type.<sup>94</sup>

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<sup>93</sup> *See supra* note 72.

<sup>94</sup> Form N-CEN provides census-type information about registered funds, while Form N-PORT provides detailed information about fund activities. Because Form N-PORT does not include information about fund types, we use information reported on Form N-CEN to estimate the number of affected funds for each type of fund. We use information reported to the Commission for each fund as of Dec. 31, 2024, incorporating filings and amendments to filings received through May 15, 2025. Net assets are monthly average net assets during the reporting period identified on Item C.19.a of Form N-CEN and validated with Bloomberg (for ETFs). Current values are based on the most recent filings and amendments, which are based on fiscal years and are therefore not synchronous. Submissions of Form N-CEN reports are required on a yearly basis. Therefore, these estimates do not include newly established funds that have not completed their first fiscal year and, therefore, have not filed on Form N-CEN yet. These estimates also do not account for the funds that have been terminated since the last Form N-CEN report was filed. Therefore, the estimates for the number of registered funds and their net assets may be over- or under-estimated.

Table 4. Registered Funds Required to File Form N-PORT by Type, as of December 31,

2024

Registered Fund Type	TOTAL	
	Number	Net assets, \$ trillion
1. Open-end funds registered on Form N-1A:		
-- a. Mutual funds required to file Form N-PORT <sup>1</sup>	8,497	\$ 23.10
-- b. ETFs: <sup>2</sup>	3,481	\$ 7.34
----- i. non-transparent ETFs <sup>3</sup>	42	\$ 0.01
----- ii. daily website disclosure required <sup>4</sup>	3,439	\$ 7.33
2. Closed-end funds registered on Form N-2 <sup>5</sup>	671	\$ 0.37
3. ETFs that are UITs registered on Form N-8B-2 <sup>6</sup>	4	\$ 1.00
4. Variable annuity separate accounts registered on Form N-3 <sup>7</sup>	15	\$ 0.27
<b>Total</b>	<b>12,668</b>	<b>\$ 32.08</b>
Notes:		
<p>1. Mutual funds are identified as those funds reported in Item B.6.a of Form N-CEN that are not identified as ETFs in Item C.3.a.i of Form N-CEN. Money market funds are excluded from the number of mutual funds, as they are not required to file Form N-PORT. We use information reported in Item C.3.g of Form N-CEN to identify money market funds and exclude 307 money market funds that hold approximately \$6.86 trillion in net assets from the total number of mutual funds in order to estimate the number of mutual funds required to file Form N-PORT.</p> <p>2. ETFs registered as open-ended funds are identified in Item C.3.a.i of Form N-CEN. UIT ETFs and exchange-traded managed funds are excluded from these ETF totals and presented in a separate line item.</p> <p>3. Non-transparent ETFs are not subject to daily website disclosure of their portfolio holdings. The estimate for the number of non-transparent ETFs is based on the staff analysis of funds that have been granted exemptive relief to operate actively managed ETFs that do not provide daily portfolio transparency (non-transparent ETFs).</p> <p>4. ETFs identified in Item C.3.a.i of Form N-CEN excluding 42 non-transparent ETFs.</p> <p>5. Closed-end funds are identified in Form N-CEN, Item B.6.b.</p> <p>6. UIT ETFs are identified in Form N-CEN Item B.6.g, and are also reported in Item E of Form N-CEN.</p> <p>7. Variable annuity separate accounts are identified in Form N-CEN, Item B.6.c.</p>		

We estimate that there are 12,668 registered funds currently required to file reports on Form N-PORT that hold approximately \$32.08 trillion in assets (approximately 82% of total registered investment companies' assets). Different types of registered funds may be affected differently by the amendments to Form N-PORT. Among the affected funds, there are 8,497

mutual funds that represent approximately 72% of registered funds' assets, 3,481 ETFs registered as open-end funds that represent approximately 23% of registered funds' assets, 671 closed-end funds that represent approximately 1.2% of registered funds' assets, 4 ETFs registered as unit investment trusts that represent approximately 3.1% of assets of all registered funds, and 15 variable annuity separate accounts that represent approximately 0.8% of assets of all registered funds. Among the ETFs registered as open-end funds, 42 are non-transparent ETFs with assets of \$0.01 trillion and 3,439 are ETFs for which daily website portfolio disclosure is required, with assets of \$7.33 trillion.

Of the 12,668 funds required to file reports on Form N-PORT, some registered funds will be affected more than others by the proposed amendments to Form N-PORT intended to refine the information funds provide.<sup>95</sup> 30.6% of registered funds representing 25.4% of aggregate net assets of N-PORT filers currently report portfolio level risk metrics on Item B.3, while 28.1% of registered funds representing 22.5% of aggregate net assets of N-PORT filers have an average value of debt securities for the three months prior to December 31, 2024 that exceeds 50% of each fund's net asset value. 47.5% of registered funds representing 62.9% of aggregate net assets of N-PORT filers report monthly fund returns for more than one share class on Item B.5.a. 44.1% of registered funds representing 63.7% of aggregate net assets of N-PORT filers report unrealized appreciation (or depreciation) attributable to derivatives in Item B.5.c. All 12,668 registered funds are required to report payoff profile information for non-derivative positions in Item C.3. 0.3% of registered funds representing 1.1% of aggregate net assets of N-PORT filers attribute multiple liquidity classification categories to a holding in Item C.7. 5.5% of registered

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<sup>95</sup> To obtain the percentage of registered funds affected by each Form N-PORT item that follows, we use information reported to the Commission on Form N-PORT for each registered fund as of Dec. 31, 2024, incorporating filings and amendments to filings received through May 15, 2025.

funds representing 7.8% of aggregate net assets of N-PORT filers report information on convertible debt securities in Item C.9.f. Approximately 9,628 registered funds representing 76% of registered funds' assets would be subject to reporting requirements related to their compliance with the names rule in Item B.11 and Item C.2.e, once that rule's compliance period ends.<sup>96</sup> Finally, 69 mutual funds offer an ETF share class, representing 18.9% of aggregate net assets of open-end Form N-PORT filers.<sup>97</sup>

Table 5 below lists registered fund counts along with their aggregate net assets by fiscal year end.<sup>98</sup> Among registered funds, there is variation in the fiscal year end. The most common fiscal year end used by registered funds is December (26.9% of registered funds), the second most common fiscal year end is October (19.0% of registered funds), and August is the third most common fiscal year end (8.8% of registered funds).

*Table 5. Registered Funds by Fiscal Year End, as of Dec. 31, 2024*

Fiscal Year End	Number of Registered Funds		Net Assets	
	#	% of total	\$, trillion	% of total
31-Jan	197	1.5%	\$ 0.61	1.7%
28-Feb	398	3.1%	\$ 2.22	6.1%
31-Mar	1,116	8.7%	\$ 3.37	9.3%
30-Apr	529	4.1%	\$ 0.99	2.7%

<sup>96</sup> See Names Rule Adopting Release, *supra* note 10, at n.495 and accompanying text. The Commission estimated that the names rule would increase the percentage of funds subject to the names rule from 60% to 76%. We therefore estimate that  $9,628 = 76\% * 12,668$  funds would be affected by the proposed removal of Items B.11 and C.2.e on Form N-PORT.

<sup>97</sup> This figure does not reflect recent exemptions, issued by the Commission, permitting additional mutual funds to add ETF share classes. See, e.g., DFA Investment Dimensions Group Inc., Investment Company Act Release Nos. 35770 (Sept. 29, 2025) (notice) and 35786 (Nov. 17, 2025) (order).

<sup>98</sup> We use information reported on Form N-PORT to the Commission for each registered fund as of Dec. 31, 2024, incorporating filings and amendments to filings received through May 15, 2025. Fiscal year is reported in Item A.3.a of Form N-PORT. Net assets are reported in Item B.1.c of Form N-PORT. We note that the total number of the registered funds in this table (12,898 funds) differs from the number based on the Form N-CEN data in Table 4 (12,668 funds) because Form N-PORT is submitted on a less delayed basis compared to Form N-CEN; thus, it may include newly established funds that have not completed their first fiscal year and, therefore, have not filed Form N-CEN yet, as well as funds that have been terminated since the last Form N-CEN was filed.

31-May	626	4.9%	\$	1.26	3.5%
30-Jun	816	6.3%	\$	1.46	4.0%
31-Jul	672	5.2%	\$	1.28	3.5%
31-Aug	1,131	8.8%	\$	2.78	7.7%
30-Sep	1,112	8.6%	\$	4.03	11.1%
31-Oct	2,448	19.0%	\$	5.89	16.2%
30-Nov	389	3.0%	\$	0.88	2.4%
31-Dec	3,464	26.9%	\$	11.46	31.6%
TOTAL	12,898	100.0%	\$	36.23	100.0%

### 3. Economic Literature on the Disclosure of Registered Fund Portfolio Holdings

This section summarizes the academic literature pertaining to the economic effects relevant to the changes we are proposing. The Commission has also considered the potential economic effects of publicly disclosing registered fund portfolio information in several past releases.<sup>99</sup>

One strand of the academic literature suggests that the disclosure of holdings can have negative economic consequences for a registered fund and its investors. One early study provides a theoretical framework showing that, under certain assumptions, “predatory trading” can increase trading costs for a large institution (e.g., a fund) when it needs to liquidate a position that is known by other market participants.<sup>100</sup> Subsequent studies claim that strategies that anticipate the sales of mutual funds based on their holdings and predicted outflows, trading ahead of them (“front running”), earn excess returns, suggesting that funds incur additional costs as a result of these disclosures.<sup>101</sup> Several studies also suggest that market participants can “free-

<sup>99</sup> See *supra* notes 1, 2, and 20. Those releases also include reviews of the associated academic literature.

<sup>100</sup> See Markus K. Brunnermeier & Lasse Heje Pedersen, *Predatory Trading*, 60 J. OF FIN. 1825, no.4, (2005).

<sup>101</sup> See, e.g., Joshua Coval & Erik Stafford, *Asset Fire Sales (and Purchases) in Equity Markets*, 86 J. OF FIN. ECON.479 (2007); Teodar Dyakov & Marno Verbeek, *Front Running of Mutual Fund Fire-Sales* (Sept. 6, 2012) (revised May 1, 2014), 37 J. OF BANKING AND FIN., no.12, 2013 at 4931-4942, available at <https://ssrn.com/abstract=2170660> retrieved from SSRN Elsevier database. See, also, Sophie Shive & Hayong Yun, *Are Mutual Funds Sitting Ducks?*, 107 J. OF FIN. ECON. 220 (2013).

ride” on registered funds by “copycatting” their strategies, earning excess returns without incurring the information production costs of the target fund.<sup>102</sup> Another study more generally finds that while portfolio holdings disclosure by registered funds has beneficial effects, such as increased market liquidity, it reduces the returns of otherwise informed funds, noting that such costs reduce a fund’s incentive to perform costly research on the securities they invest in.<sup>103</sup>

Other studies examine the effect of disclosure on registered fund manager behavior and potential agency problems between a fund manager and fund investors. One study suggests that more standardized portfolio disclosures can decrease agency problems between funds and investors.<sup>104</sup> In contrast, another study suggests that more frequent disclosure actually increases window-dressing by low-skill fund managers, who try to obfuscate poor performance by manipulating their holdings around reporting dates, though more frequent disclosure allows investors to sort out skilled from unskilled managers more rapidly.<sup>105</sup>

Some studies analyze the effects of portfolio disclosures on issues related to market efficiency and capital formation. As noted above, one study suggests that while disclosure is

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<sup>102</sup> See Mary Margaret Frank, et al., *Copycat Funds: Information Disclosure Regulation and the Returns to Active Management in the Mutual Fund Industry*, 47 J. OF LAW AND ECON., no. 2, 2004 at 515-541; Marno Verbeek & Yu Wang, *Better Than the Original? The Relative Success of Copycat Funds*, 37 J. OF BANKING AND FIN. 3454 (2013).

<sup>103</sup> See Vikas Agarwal, et al., *Mandatory Portfolio Disclosure, Stock Liquidity, and Mutual Fund Performance*, 76 J. OF FIN. 2773-2776, (2015) (“Agarwal et al.”).

<sup>104</sup> See Ki-Soon Choi, *The Role of Portfolio Disclosures in Mutual Funds* (working paper revised Aug. 2 2023), available at SSRN: <https://ssrn.com/abstract=4283140> (retrieved from SSRN Elsevier database). The paper analyzes the 2016 adoption of Form N-PORT reporting requirements and suggests that standardized portfolio disclosures decreased information asymmetry between fund investors and managers, showing that, as a result of the 2016 reporting requirements, fixed-income fund managers (who generally have incentives to display lower volatility) became less likely to engage in return smoothing, and equity managers became less likely to engage in risk shifting (increasing the risk of a fund portfolio in hopes of achieving higher portfolio returns).

<sup>105</sup> See Xiangang Xin, et al., *Wrong Kind of Transparency? Mutual Funds’ Higher Reporting Frequency, Window Dressing, and Performance*, 62 J. ACCT. RSCH. 737 (2024); See also Vikas Agarwal, et al., *Window Dressing in Mutual Funds*, 27 REV. OF FIN. STUD. 3133 (2024) for a theoretical model of why managers engage in window dressing.

costly for individual funds, it can increase the liquidity of the underlying market for a fund's securities, implying lower trading costs for investors and a lower cost-of-capital for issuing firms.<sup>106</sup> Another study suggests that quarterly holdings disclosure requirements cause funds to alter their trading strategies to conceal their intentions leading up to reporting dates, reducing price efficiency around these dates.<sup>107</sup> Finally, another study suggests that increased portfolio holding disclosure requirements can disincentivize a fund from performing costly research activities, reducing price informativeness for firms that the fund invests in and decreasing the ability of those firms' managers to learn from market prices when making real investment decisions.<sup>108</sup>

### **C. Benefits and Costs of the Amendments**

#### **1. Filing Timeframe**

We are proposing to amend rule 30b1-9 and Form N-PORT to require registered funds to file Form N-PORT reports within 45 days after the end of the month to which they relate.<sup>109</sup> Specifically, rather than filing monthly reports with the Commission within 30 days after the end of each calendar month as finalized in the 2024 Adopting Release, we are proposing to require registered funds to file reports on a monthly basis due within 45 days after the end of the month to which they relate. As a result, the proposed approach would provide registered funds with more time to gather and verify the information required to be filed on Form N-PORT and to submit the filing.

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<sup>106</sup> See Agarwal et al., *supra* note 103.

<sup>107</sup> See Todd A. Gormley, et al., *More Informative Disclosures, Less Informative Prices? Portfolio and Price Formation Around Quarter-Ends*, 146 J. OF FIN. ECON. 665 (2022).

<sup>108</sup> See Jalal Sani, et al., *Spillover Effects of Mandatory Portfolio Disclosures on Corporate Investment*, 76 J. OF ACCT. & ECON. 101641 (2023).

<sup>109</sup> See *supra* note 11.

The primary benefit of the revised 45-day filing deadline would be to reduce the costs that funds might otherwise incur in gathering, verifying, and ultimately filing Form N-PORT on a monthly basis under the 2024 amendments. The associated cost savings may be passed on to fund investors. While funds will still incur costs associated with gathering and reviewing Form N-PORT information, the additional 15 days they have to do so might reduce, for example, the number of personnel some funds require. Similarly, while funds will still incur costs associated with data validation and data tagging, third-party service provider fees, personnel costs, and internal costs associated with developing and maintaining systems, processes, and procedures to file form N-PORT on a monthly basis,<sup>110</sup> the additional 15 days may reduce the number of personnel required to file Form N-PORT each month for some funds. The 45-day filing deadline would also reduce any potential costs associated with increased errors and resubmissions under a 30-day filing deadline.<sup>111</sup> The 2024 Adopting Release also stated that some registered funds, such as those belonging to smaller fund groups that may not experience economies of scale, may experience higher costs associated with a 30-day filing deadline. Consistent with this analysis, we would expect that cost reductions associated with the proposed 45-day filing deadline to particularly benefit such funds. Finally, during staff outreach following the 2024 Adopting Release, industry participants have indicated that registered funds with more complex strategies and certain types of closed-end funds, such as those that only strike net asset values once per month, may not receive certain data until shortly before the 30-day deadline, increasing the potential for errors and resubmissions and potentially causing some registered fund industry

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<sup>110</sup> See 2024 Adopting Release, *supra* note 1, at nn. 204-206 and accompanying text for a more detailed discussion of these effects.

<sup>111</sup> See *id.* at nn. 221-223 and accompanying text. See also ICI Letter at note 23.

participants to hire additional personnel to manage the condensed timeframe.<sup>112</sup> The 45-day filing deadline would mitigate these costs for such funds.

The proposed 45-day filing deadline would delay the Commission's receipt of monthly Form N-PORT filings by 15 days. As discussed in the 2024 Adopting Release, the timely receipt of Form N-PORT information allows the Commission to conduct targeted and timely monitoring efforts, to accurately analyze risks and trends, and to assess the breadth and magnitude of potential impacts of market events and stress affecting particular issuers, asset classes, counterparties, or market participants.<sup>113</sup> Therefore, the benefits associated with timely Commission oversight, such as reduced investor harm or market disruptions, may decrease as a result of the 15-day delay. However, the Commission would still have more timely access to registered fund information than it does under the quarterly filing requirements that are currently in effect.

## 2. Publication Frequency

We are proposing to require public disclosure of registered funds' portfolio holdings for the third month of each fiscal quarter with a 60-day delay. While the proposal would reduce the amount of information available to investors about registered fund holdings relative to the monthly portfolio disclosure required by the 2024 amendments, it would also reduce the risk that a fund's proprietary investment strategy or trading intentions are inferred by external parties.

The primary benefits of the proposed decrease in publication frequency would be to reduce certain costs that an increased publication frequency could impose on registered funds.<sup>114</sup> The monthly publication frequency required by the 2024 amendments would provide market

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<sup>112</sup> See *supra* section II.A and paragraph accompanying n.13.

<sup>113</sup> See 2024 Adopting Release, *supra* note 1, at n. 198 and accompanying text.

<sup>114</sup> See *id.* at n. 237 and accompanying text.

participants with four times more data annually regarding a registered fund's holdings, increasing the risk that a fund's proprietary investment strategy could be copied by funds that do not incur the information production costs of the target fund, and may reduce the returns of the target fund.<sup>115</sup> In addition, because the 2024 amendments reduce the maximum potential time that a registered fund can use to, for example, build a position in a new fund holding from approximately five months to approximately three months, funds that tend to establish or dispose of positions over periods of time longer than three months risk having their trading intentions inferred sooner than is the case under the rules currently in effect.<sup>116</sup> While a registered fund's trading intentions or the information on which it is basing its proprietary investment strategy may be reflected in the market through other channels, such as the trades a fund initiates in the interim, the revelation of a fund's holdings via Form N-PORT before it has fully established or disposed of a position could increase the associated trading costs and reduce returns for its investors.<sup>117</sup> The proposed changes to the publication frequency would therefore reduce any trading costs associated with the publication of registered fund holdings on Form N-PORT.

While the 2024 Adopting Release acknowledged that increasing the publication frequency of Form N-PORT could affect a registered fund's business practices by, for example, altering the fund's trading strategy around disclosure dates,<sup>118</sup> market participants have since reiterated the potential costs that the more frequent publication of holdings could impose on

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<sup>115</sup> See *supra* notes 102-103 and accompanying text.

<sup>116</sup> Under the requirements prior to the 2024 amendments, if a registered fund, for example, begins to establish a new position immediately after quarter-end, the position will not be publicly disclosed for 3 months and 60 days (*i.e.*, about 5 months in total). Under the 2024 amendments, if a registered fund begins to establish a new position immediately after quarter-end, the position will not be publicly disclosed for 1 month and 60 days (*i.e.*, about 3 months in total).

<sup>117</sup> See 2024 Adopting Release, *supra* note 1, at n. 240 and accompanying text.

<sup>118</sup> See *id.* at n. 248.

actively managed funds and their shareholders, and the subsequent need funds may have to alter their investment strategies to mitigate these costs.<sup>119</sup> These costs could also lead a registered fund to decrease its research expenditures or, in the extreme, conclude that a given investment strategy is not viable and stop offering it, which could decrease price efficiency as well as investor choice.<sup>120</sup>

The costs of the proposed amendments include the loss of several benefits to investors and other users of Form N-PORT associated with a monthly publication frequency 60 days after the end of each reporting period, such as an enhanced ability of investors to review and monitor information on registered funds' portfolios (directly or through analyses performed by third-party data aggregators). These forgone benefits would include a reduced need to rely on registered funds' voluntary holdings disclosures, which are not consistently provided by all registered funds and, even where they are, may have formats that are inconsistent across time or across funds, or may be difficult to access.<sup>121</sup> In addition, voluntary disclosures do not necessarily contain other potentially useful information that is contained on Form N-PORT, such as a registered fund's net assets, liabilities, flows, interest rate risk, credit risk, or counterparty risk. Moreover, even where market participants use quarterly Form N-PORT data, registered funds report these data in accordance with their own fiscal years, which may differ and preclude the comparison of different funds at a given point in time.<sup>122</sup> Finally, to the extent more frequent Form N-PORT disclosures would have ameliorated agency problems that may exist between a registered fund's manager and the fund's investors, any benefits investors would have accrued

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<sup>119</sup> See ICI Letter.

<sup>120</sup> See *supra* section III.B.3.

<sup>121</sup> See 2024 Adopting Release, *supra* note 1, at n. 231.

<sup>122</sup> See *id.* at 73784 (Table 2).

due to a reduction in these agency problems under the 2024 Amendments would no longer apply.<sup>123</sup>

### 3. Other Proposed Amendments to Form N-PORT

We are also proposing amendments to Form N-PORT to refine the information registered funds provide. Specifically, we are proposing to modify certain information collected on portfolio level risk metrics and returns to narrow their scope, and proposing to eliminate certain information collected on non-derivatives instruments' payoff profiles, convertible bonds, names rule compliance, and the reason a single holding has multiple liquidity classifications. We are also proposing to modify how funds with ETF share classes report net assets and shareholder flows to require separate information for ETF share classes. Finally, we are proposing to require registered funds to provide ticker symbols by registrant, and for each class of a registrant or series, as applicable, as well as certain other class-level information, if any, to help staff and data users use data more efficiently. Throughout this discussion, when we refer to the potential use of Form N-PORT by investors, we note that investors may use the information directly or by relying on third parties that aggregate the information available on Form N-PORT and provide it to investors and other market participants. We also generally refer to the costs (or cost savings) associated with the proposed changes as being incurred by, or accrued to, a fund, but note that all of the costs or cost savings discussed below may be passed onto fund investors.

The proposed modifications to the information collected on portfolio level risk metrics include an increase in the threshold percentage of registered fund assets held in debt or debt derivatives that triggers risk metric reporting requirements, the removal of risk metrics

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<sup>123</sup> *See id.* at nn. 234-236 and accompanying text for a discussion of potential agency problems that may be mitigated by more frequent portfolio disclosure.

associated with small changes in interest rates (DV01), the aggregation of risk metrics associated with larger changes in interest rates (DV100) (rather than separate DV100 reporting for each currency that a registered fund has holdings of that amount to 1% or more of the fund's net asset value), the aggregation of credit risk metrics for investment-grade and non-investment grade into a single credit risk metric, and a clarification that risk metrics are reported in US dollars. These changes would reduce the costs associated with reporting risk metrics on Form N-PORT by reducing the number of registered funds that are required to report the metrics, removing certain metrics (DV01), and streamlining the reporting of the remaining metrics. To the extent investors currently rely on the risk metrics that will be removed or streamlined, the amendments would reduce the amount of information on which investors can base their investment decisions. We do not expect these changes to significantly affect the utility of the reported information about portfolio risk metrics to the Commission.<sup>124</sup>

The proposed modifications to the information collected on registered fund returns would require that funds with multiple share classes only report return information for a single representative class, rather than reporting returns for each share class. This change should reduce the costs associated with filing such return information while still providing investors and the Commission with fundamental information on a registered fund's monthly returns. In addition, the proposed changes would exclude sales loads and redemption fees from monthly return calculations, which would remove the ambiguous effect that these fees have on such monthly returns for investors who hold a fund for different lengths of time. Investors would still have access to return information reflecting sales loads and redemption fees over several hypothetical holding periods for relevant registered funds on Forms N-1A and N-3, and these fees are

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<sup>124</sup> See *supra* note 43 and subsequent text.

explicitly disclosed in a fund's prospectus. In addition, some registered funds already exclude sales loads and redemption fees from their monthly fund returns on Form N-PORT, so we do not expect the removal of these fees from monthly return calculations to impose significant costs on investors.<sup>125</sup>

While registered funds would continue to report the net realized gain and net change in unrealized appreciation attributable to derivatives for multiple asset categories, funds would no longer be required to separately report this information for each type of derivative within each asset category, reducing reporting costs for funds. To the extent investors currently rely on the more granular reporting by derivative type within each asset category, the amendments would reduce the amount of information on which investors can base their investment decisions.

In addition, the proposed changes would remove several items from Form N-PORT altogether, which would reduce reporting costs for registered funds. For positions that are not derivatives, registered funds would no longer have to classify the payoff profile (long, short, or N/A) of the position. While the explicit item capturing the payoff profile of such positions would no longer be available to investors, investors would still be able to determine a position's payoff profile from the sign of the corresponding holding reported on Form N-PORT. We are also proposing to remove both the conversion ratio and the delta for convertible debt securities from Form N-PORT. To the extent investors rely on the conversion ratio information, they will have less information on which to base their investment decisions. In addition, the proposed changes would no longer require an open-end fund that is attributing multiple liquidity classifications to a holding to indicate the reason the holding requires multiple classifications. Because liquidity classifications are not publicly reported, this change would not impose costs on investors.

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<sup>125</sup> See *supra* note 89.

The proposed changes discussed above either reduce the content of, or eliminate, certain items from Form N-PORT, which will reduce the amount of information available to the Commission for oversight purposes. However, based on our experience, not having this data would not adversely affect our oversight capabilities, so we do not expect them to reduce investor protections.

In addition to the Form N-PORT items that we are proposing to remove or streamline based on Commission experience using the information provided by registered funds on Form N-PORT, we are also proposing to remove three items from Form N-PORT that were adopted as part of amendments to the names rule, which funds have not yet begun to report.<sup>126</sup> These disclosures apply to registered funds required to adopt an 80% investment policy and include: (1) definitions of terms used in the fund's name; (2) the value of the fund's 80% basket, as a percentage of the value of the fund's assets; and (3) whether each investment in the fund's portfolio is in the fund's 80% basket.<sup>127</sup> Removing these items would eliminate the costs registered funds would incur associated with modifications to internal compliance systems, the potential use of third-party service providers in filing these items, and the need to add new data tags for these items for purposes of filing the names rule relevant items on Form N-PORT.<sup>128</sup> While the Commission would still be able to perform oversight of a fund's compliance with the names rule due to the rule's recordkeeping and other disclosure requirements, the removal from Form N-PORT of individual holding classifications under the names rule as well as the aggregate value of a fund's 80% basket could reduce the efficacy of the Commission's oversight, such as its ability to conduct targeted exams. In addition, to the extent that investors would have relied

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<sup>126</sup> See Names Rule Adopting Release, *supra* note 10.

<sup>127</sup> See Items B.11 and C.2.e of current Form N-PORT.

<sup>128</sup> See Names Rule Adopting Release, *supra* note 10, at paragraphs accompanying nn.571-574.

on the information on Form N-PORT regarding names rule compliance, either directly or through third parties, to better determine whether or not a registered fund's investment strategy is consistent with their goals and preferences, the removal of these items would reduce their ability to do so. For a fund with an 80% investment policy, investors would still have access to the definition of terms used in the fund's name and any selection criteria associated with these terms in the fund's prospectus, as well as information about the fund's portfolio holdings, which may mitigate this effect.

The proposed changes to Form N-PORT also include a new item tailored to registered funds with ETF share classes. Funds with ETF share classes would be required to provide identifying information for the share class, information on the net assets associated with the share class, and information on flows into and out of the share class. Investors and market participants would benefit from these changes by gaining a more detailed understanding of the differences in size and flows of a fund's ETF and non-ETF share classes, particularly if the number of funds offering ETF share classes increases. Finally, these changes would allow the Commission to monitor and respond to any issues that arise if the number of registered funds and the amount of assets managed using ETF share classes increase in the future. Funds that have an ETF share class would incur costs associated with identifying, validating, and filing these new items on Form N-PORT.

Finally, we are proposing to require registered funds to provide ticker symbols by registrant, and for each class of a registrant or series, as applicable, as well as certain other class-level information, if any, to help staff and data users use data more efficiently.<sup>129</sup> As discussed above, using the identifying information that registered funds currently report to match a fund,

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<sup>129</sup> *See supra* note 75.

series, and/or class across multiple data sources (e.g., Form N-PORT reports, other reports such as Form N-CEN, and third-party vendor information) can be difficult because of slight differences in the reported name of the fund, series, and/or class as well as the lack of LEIs or EDGAR series identifiers in some data sources.<sup>130</sup> The additional identifying information required for registrants and each class of a registrant or series would improve the Commission's ability to monitor and analyze registered fund activity across data sources, enhancing investor protections. The additional identifying information would also improve the ability of investors to compare funds and individual share classes and series across different data sources, allowing them to make more informed investment decisions. Registered funds would incur costs associated with validating and filing these new items on Form N-PORT.

#### 4. Monetized Benefits and Costs

This section estimates the monetized benefits and costs of the proposed amendments by disaggregating the net reduction in PRA burden discussed in section IV.<sup>131</sup> These estimates are then used in the following section to calculate present and annualized values of the benefits and costs of the proposed amendments under different discount rate assumptions. These estimates are expected to be lower bounds on the benefits and costs registered funds and their investors would experience because we are not able to quantify all of the economic effects of the proposed changes.<sup>132</sup>

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<sup>130</sup> See *supra* note 77 and preceding discussion.

<sup>131</sup> The monetization in this section reflects the reduction in PRA burden discussed in section IV. As noted there, this reduction includes consideration of the additional costs that would be imposed by adding information about ETF share classes and by adding additional identifying information. See *infra* note 162. Also note that while we estimate that 9,628 funds would be affected by names-rule related changes to Form N-PORT in section III.B.2, the cost saving estimates reflect the number of funds (9,926) used to calculate the associated PRA burden (see section IV, Table 8, note 7).

<sup>132</sup> See *supra* note 87 and preceding discussion.

We estimate that registered funds would experience net one-time cost savings of \$94,013,000 associated with the change in filing timeframe from 30 days to 45 days and the various amendments to Form N-PORT.<sup>133</sup> These one-time cost savings are net of the aggregate one-time costs of \$2,923,142 that we estimate are associated with the information about ETF share classes and the additional identifying information that would be required by the proposed amendments.<sup>134</sup> Therefore, we estimate that registered funds would benefit from gross one-time costs savings of \$96,936,142 as a result of the proposed amendments.<sup>135</sup>

Similarly, we estimate that registered funds would experience net ongoing cost savings of \$95,955,431 associated with the change in filing timeframe from 30 days to 45 days and the various amendments to Form N-PORT.<sup>136</sup> These ongoing cost savings are net of the aggregate

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<sup>133</sup> See section IV, Table 8. Registered funds that license a software solution to file Form N-PORT are expected to experience aggregate one-time cost savings of \$6,105,618 (4,434 funds \* 3 hours \* \$459 per hour), while those that outsource filing Form N-PORT to a third-party are expected to experience aggregate one-time cost savings of \$11,338,218 (8,234 funds \* 3 hours \* \$459 per hour). In addition, registered funds affected by the names rule are expected to experience one-time aggregate cost savings of \$76,569,164 (9,926 funds \* 19 hours \* \$406 per hour). Total aggregate one-time cost savings based on the information in Table 8 are therefore expected to be \$94,013,000 (\$6,105,618 + \$11,338,218 + \$76,569,164). Note that, while we estimate that 9,628 funds will be affected by names-rule related changes to Form N-PORT in section III.B.2, these cost estimates reflect the number of funds used to calculate the associated PRA burden (see section IV, Table 8, note 7).

<sup>134</sup> As noted in section III.B.2, we estimate that 69 registered funds would be required to file information about ETF share classes. We estimate that these registered funds would incur an initial burden of 0.5 hours associated with filing ETF information at a blended wage rate of \$459 per hour, implying initial aggregate costs of \$15,836 (69 funds \* 0.5 hours \* \$459 per hour). All 12,668 registered funds currently required to file reports on Form N-PORT would be required to file the additional identifying information, and we estimate that these funds would incur an initial burden of 0.5 hours at a blended wage rate of \$459 per hour, implying initial aggregate costs of \$2,907,306 (12,668 funds \* 0.5 hours \* \$459 per hour). Total aggregate one-time costs associated with the additional information we are requiring on Form N-PORT are therefore expected to be \$2,923,142 (\$15,836 + \$2,907,306).

<sup>135</sup>  $\$96,936,142 = \$94,013,000 + \$2,923,142$ .

<sup>136</sup> See section IV, Table 8. Note that internal annual burden hours reported in the table include initial burden estimates annualized over a 3-year period. To isolate ongoing economic burden hours, we thus reduce the internal annual burden hours by one third of the initial internal burden hours, both as reported in Table 8. Registered funds that license a software solution to file Form N-PORT are expected to save \$6,105,618 (4,434 funds \* 3 hours \* \$459 per hours) in aggregate annually due to a reduction in internal hours spent filing Form N-PORT and to save \$4,434,000 (4,434 funds \* \$1,000 per fund) from reduced costs associated with external services. Similarly, registered funds that outsource filing Form N-PORT to a third-party are expected to save \$7,558,812 (8,234 funds \* 2 hours \* \$459 per hour) in aggregate annually due to a

ongoing costs of \$1,461,571 that we estimate are associated with the information about ETF share classes and the additional identifying information that would be required by the proposed amendments.<sup>137</sup> Therefore, we estimate that registered funds would benefit from gross ongoing costs savings of \$97,417,002 as a result of the proposed amendments.<sup>138</sup>

## 5. Present Values and Annualized Values of Monetized Benefits and Costs

In this section, we report the total monetized benefits and costs of the proposed amendments, as calculated in the previous section, in two additional ways. These presentations are intended to address the fact that the various benefits and costs of the proposed amendments would not accrue at the same point in time; rather, benefits and costs that accrue sooner are generally more valuable than those that occur later in time. Specifically, we report below: (1) the present values of expected benefits and costs that are monetized in our economic analysis over a 10-year time horizon, starting in 2026, as well as (2) the annualized values over the same time horizon that are derived from the present values. This 10-year time horizon represents the period over which the principal benefits and costs that are monetized in the economic analysis are

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reduction in internal hours spent filing Form N-PORT and to save \$16,468,000 (8,234 funds \* \$2,000) from reduced costs associated with external services. In addition, registered funds affected by the names rule are expected to experience annual cost savings of \$38,956,241 (9,926 funds \* 9.67 hours \* \$406 per hour) due to a reduction in internal hours spent filing names-related information on Form N-PORT and to save \$22,432,760 (9,926 funds \* \$2,260) from reduced costs associated with external services. Total aggregate cost savings are therefore expected to be \$95,955,431 (\$6,105,618 + \$4,434,000 + \$7,558,812 + \$16,468,000 + \$38,956,241 + \$22,432,760).

<sup>137</sup> As noted in section III.B.2, we estimate that 69 funds would be required to file information about ETF share classes. We estimate that these registered funds would spend an additional 0.25 hours annually associated with filing ETF information at a blended wage rate of \$459 per hour, implying ongoing aggregate annual costs of \$7,918 (69 funds \* 0.25 hours \* \$459 per hour). All 12,668 registered funds currently required to file reports on Form N-PORT would be required to file the additional identifying information, and we estimate that these funds would spend an additional 0.25 hours annually at a blended wage rate of \$459 per hour, implying ongoing aggregate annual costs of \$1,453,653 (12,668 funds \* 0.25 hours \* \$459 per hour). Total aggregate annual costs associated with these changes are therefore expected to be \$1,461,571 (\$7,918 + \$1,453,653).

<sup>138</sup> \$97,417,002 = \$95,955,431 + \$1,461,571.

expected to accrue.<sup>139</sup> The present values and annualized values account for the timing of benefits and costs through discounting, which is a procedure that accounts for the time value of money.<sup>140</sup> The present values and annualized values are computed for total monetized benefits and costs, combining one-time and recurring monetized benefits and costs, across all affected entities over the time horizon.

Table 6 reports the present values of monetized benefits and costs using annual real discount rates of 3 percent and 7 percent over a 10-year time horizon, starting in 2026.<sup>141</sup>

*Table 6. Present Value of Monetized Benefits and Costs*

*Over a 10-year Time Horizon (in 2025 \$)<sup>1</sup>*

<b>Estimated Effects<sup>2</sup></b>	<b>3% real discount rate</b>	<b>7% real discount rate</b>
Benefits	\$844,307,797	\$710,518,371
Costs	\$14,136,138	\$12,128,864

<sup>1</sup> This Table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

<sup>2</sup> For each discount rate, the present value of monetized benefits or costs is calculated assuming that: (i) all one-time monetized implementation benefits and costs are immediately incurred (*i.e.*, these costs are not discounted); (ii) recurring annual monetized benefits and costs start to be incurred as of the year in which affected entities first comply. In (iii), we assume that monetized benefits and costs accrue mid-year, and we use a mid-year discount rate. We are proposing a 12-month transition period for larger entities and an 18-month period for smaller entities. Correspondingly, both groups of entities would start complying with the proposed rule in the same calendar year (2027 for the purposes of this calculation), and we therefore discount the cash flows for both entities at mid-year of the same calendar year in our present value calculations.

<sup>139</sup> See OMB, CIRCULAR A-4, at 31-34 (Sept. 17, 2003) at 31 (stating that “[t]he ending point should be far enough in the future to encompass all the significant benefits and costs likely to result from the rule”). For the purposes of this analysis, we assume the effective date of the rule, as well as the start year for the analysis’s 10-year time horizon, is the present year. The analysis uses calendar years and also accounts for the compliance periods included in the release (*see* note 2 in Table 6).

<sup>140</sup> See *id.* at 32 (“The Rationale for Discounting”) and 45 (“Treatment of Benefits and Costs over Time”). See also OIRA, REGULATORY IMPACT ANALYSIS: A PRIMER, at 11 (Aug. 15, 2011), available at [https://www.reginfo.gov/public/jsp/Utilities/circular-a-4\\_regulatory-impact-analysis-a-primer.pdf](https://www.reginfo.gov/public/jsp/Utilities/circular-a-4_regulatory-impact-analysis-a-primer.pdf) (“To provide an accurate assessment of benefits and costs that occur at different points in time or over different time horizons, an agency should use discounting. Agencies should provide benefit and cost estimates using both 3 percent and 7 percent annual discount rates expressed as a present value as well as annualized.”). See also, *e.g.*, HARVEY S. ROSEN & TED GAYER, PUBLIC FINANCE 151 (8th ed. 2008) (defining present value as “the value today of a given amount of money to be paid or received in the future”).

<sup>141</sup> This approach is consistent with OMB Circular A-4. See *id.* at 31-34 (stating that, “[f]or regulatory analysis, [agencies] should provide estimates of net benefits using both 3 percent and 7 percent” discount rates and discussing why those rates are reasonable default rates).

Table 7 reports annualized monetized benefits and costs using real discount rates of 3 percent and 7 percent over a 10-year horizon, starting in 2026.<sup>142</sup> The lump sum present values of monetized benefits and costs reported in Table 6 are converted in Table 7 into a constant stream of annualized benefits and costs over a 10-year time horizon.<sup>143</sup> Annualized benefits and costs may differ from any recurring annual benefits and costs discussed earlier in this economic analysis because they incorporate the timing of benefits and costs, through discounting, and combine one-time and recurring benefits and costs.<sup>144</sup>

*Table 7. Annualized Monetized Benefits and Costs over a 10-year Time Horizon (in 2025 \$) <sup>1</sup>*

<b>Estimated Effects<sup>2</sup></b>	<b>3% real discount rate</b>	<b>7% real discount rate</b>
Benefits	\$97,526,543	\$97,796,834
Costs	\$1,632,875	\$1,669,435

<sup>1</sup> This Table includes only benefits and costs that are monetized. As discussed in this economic analysis, there are other benefits and costs that we are not able to monetize.

<sup>2</sup> For each discount rate, the annualized value of monetized benefits (costs, respectively) is calculated by dividing the corresponding present value of monetized benefits (costs, respectively) in Table 6 by the sum of discount factors over the 10-year time horizon. The discount factor in year  $t$  of the 10-year time horizon ( $t = 1, \dots, 10$ ) is equal to  $1 / (1 + \text{discount rate})^{(t-0.5)}$ , where the discount rate is either 3% or 7%. The sum of discount factors over the 10-year time horizon is then the sum of the discount factors across years  $t = 1$  through 10.

In sum, Tables 6 and 7 report in two alternative ways expected total benefits and costs, across all affected entities, which are monetized in our economic analysis, using real discount rates of 3 percent and 7 percent over a 10-year time horizon.

<sup>142</sup> This approach is consistent with the recommended treatment of benefits and costs over time in Circular A-4. *See id.* at 45 (“You should present annualized benefits and costs using real discount rates of 3 and 7 percent”).

<sup>143</sup> For each discount rate, the annualized monetized benefits (costs, respectively) in Table 7 represent the constant annual stream of benefits (costs, respectively) whose present value over the 10-year horizon equates the corresponding present value in Table 6. *See* note 2, Table 7 for additional calculation details.

<sup>144</sup> The annualized benefits and costs present these values over the 10-year time horizon, starting in the present year, even if recurring annual benefits and costs would actually start to be incurred at a later date due to compliance periods.

## D. Effects on Efficiency, Competition, and Capital Formation

### 1. Efficiency

By reducing the frequency at which a registered fund's portfolio holdings are disclosed on Form N-PORT relative to the 2024 amendments, the proposed amendments reduce the risk that external parties infer the fund's proprietary investment strategy or trading intentions and use that information in ways that increase costs for the fund and its shareholders.<sup>145</sup> Under the 2024 amendments, concerns about such costs could cause registered funds to alter their business practices in ways that reduce information production,<sup>146</sup> potentially reducing the price efficiency of the securities funds hold.<sup>147</sup> Specifically, a registered fund might decide to reduce its investment in researching securities if the fund expects the returns to performing such research will be reduced by increased disclosure of the fund's holdings on Form N-PORT, or to forgo an investment strategy altogether. To the extent that the potential costs associated with more frequent portfolio disclosure under the baseline would cause registered funds to reduce their information production, the proposed amendments would eliminate this disincentive, increasing price efficiency.

The proposed changes would reduce the frequency and consistency of registered fund holding disclosures, which could reduce the ability of investors to monitor funds' portfolios and make investment decisions that are more aligned with their objectives and risk tolerance, decreasing allocative efficiency.<sup>148</sup> In addition, price efficiency might decrease if investors would have used the more frequent disclosure of registered fund holding valuations contained on

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<sup>145</sup> See *supra* notes 115 to 117.

<sup>146</sup> See *supra* notes 118 to 119.

<sup>147</sup> See 2024 Adopting Release, *supra* note 1, at section IV.D.1.

<sup>148</sup> See *id.* at n. 260.

Form N-PORT (which may be useful for holdings that are not traded on an exchange) and the knowledge that certain registered funds are holding a particular security to inform their investment decisions under the baseline.<sup>149</sup> Finally, price efficiency in the secondary market for shares of closed-end funds could be reduced to the extent that investors would have used the more frequent disclosure of closed-end fund holdings to better value these shares prior to transacting in the secondary market.<sup>150</sup>

The other proposed amendments to Form N-PORT are not expected to have significant effects on efficiency, competition, or capital formation. If anything, they may have a marginal effect on allocative efficiency to the extent they change the information available to investors in selecting investments that match their objectives or risk preferences. For example, additional information on the net assets and shareholder flows for ETF share classes as well as more robust identifying information for fund registrants, share classes, and series may allow investors to make marginally more efficient investment decisions. In contrast, the elimination of certain information as well as the narrowing of scope for other information may marginally reduce the efficiency of investors' investment decisions. In the latter case, any marginal negative effects on investment efficiency may be mitigated by the continuing availability of relevant information elsewhere on Form N-PORT or in other filings. For example, investors or third parties may be able to compute certain items that are being streamlined or removed from Form N-PORT directly from registered funds' published quarterly holdings. In such cases, the effect of the proposed changes would be limited to a decrease in such information during the two months between quarters during which holdings are reported.

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<sup>149</sup> *See id.* at nn. 262-263 and accompanying text.

<sup>150</sup> *See id.* at discussion in last paragraph of section IV.D.1.

## 2. Competition

By increasing the time registered funds have to file Form N-PORT from 30 days to 45 days, the proposed amendments would mitigate compliance costs that, as a percentage of assets under management, likely would have been higher for smaller funds and fund complexes.<sup>151</sup> In doing so, the proposed amendments could increase, relative to the 2024 amendments, these smaller funds' ability to compete with larger funds and fund complexes. Similarly, to the extent that registered funds would have passed on compliance costs associated with the 2024 amendments to their investors, the proposed changes would mitigate any reduction in the competitiveness of registered funds relative to other investment vehicles such as collective investment trusts or separately managed accounts.<sup>152</sup>

To the extent that the increased frequency and consistency of the information investors would have had about registered fund holdings under the 2024 amendments would have allowed them to better understand and compare the drivers of fund performance, the proposed changes could reduce competition between registered funds.<sup>153</sup>

## 3. Capital Formation

To the extent that the potential costs associated with more frequent holdings disclosure under the 2024 amendments would disincentivize registered funds from investing in costly information production activities, such as performing fundamental research on securities, or cause them to forgo certain investment strategies and their associated information production activities altogether, the proposed changes would reduce this disincentive, increasing the price

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<sup>151</sup> *See id.* at section IV.D.2.

<sup>152</sup> *See id.* at n. 265.

<sup>153</sup> *See id.* at text following n. 266.

efficiency of registered fund holdings.<sup>154</sup> In turn, more informative prices could lead the issuers of the securities held by registered funds to make more efficient capital allocation decisions.<sup>155</sup> In contrast, to the extent that more frequent and consistent information on registered fund holdings under the 2024 amendments would have increased price efficiency by improving investors' ability to value securities, ultimately leading to better decisions by issuers on how capital is allocated, the proposed revision of Form N-PORT's publication frequency from monthly to quarterly could eliminate any such positive effect on capital formation.<sup>156</sup>

## **E. Reasonable Alternatives**

### **1. Filing Timeframe**

The Commission is proposing to extend the time registered funds have to file monthly Form N-PORT reports with the Commission from 30 days to 45 days. As an alternative, as with the 2024 amendments, we considered an even longer filing deadline (*e.g.*, 60 days after each month end). A longer filing deadline would provide registered funds with even more time to gather, verify, and file information required on Form N-PORT, which could reduce the direct costs associated with these activities. In addition, a longer filing deadline could reduce the indirect costs associated with filing errors and any subsequent amendments to a registered fund's Form N-PORT reports. At the same time, a longer time to file could reduce the utility of information reported on Form N-PORT in exercising the Commission's oversight responsibilities, especially during periods of market stress in which the analysis of potential issues and development of any regulatory responses are particularly time sensitive endeavors.

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<sup>154</sup> See *supra* notes 118 to 119.

<sup>155</sup> See *supra* note 108.

<sup>156</sup> See 2024 Adopting Release, *supra* note 1, at section IV.D.3.

## 2. Publication of Registered Fund Holdings

We are proposing to require public disclosure of registered funds' portfolio holdings for the third month of each fiscal quarter with a 60-day delay. As an alternative, we considered synchronizing those disclosures across registered funds to occur in the same month of each quarter rather than according to each fund's specific fiscal year schedule, while maintaining the 60-day delay. While a synchronized quarterly publication requirement would allow investors to compare registered fund holdings at the same point in time, funds whose fiscal year-ends are not aligned with the synchronized schedule would end up disclosing their holdings more than four times per year due to the separate requirement that funds disclose a full schedule of investments with their financial statements. This would be more costly for such funds and may expose them to a greater risk that external parties may use the more frequent disclosures of the registered funds' portfolio holdings to infer the fund's proprietary investment strategy or trading intentions and use that information in ways that increase costs for the funds and their shareholders, making them less competitive than registered funds with fiscal year-ends that are aligned with the synchronized schedule. Under this alternative, registered funds could mitigate any risks associated with these additional disclosures by adjusting their fiscal year to align with the synchronized publication schedule, though they would incur additional costs in doing so.

As another alternative to the proposed quarterly publication of registered funds' portfolio holdings, we considered retaining the monthly publication frequency from the 2024 amendments, but with a longer period before publication (*e.g.*, 90 days after month end, or 60 days after the end of the quarter to which the monthly reports relate). This alternative would result in additional time for registered funds to build or dispose of positions before Form N-PORT reports would provide public information about changes in their portfolio holdings. As a

result, the alternative would reduce the risk that external parties could infer information about a registered fund’s trading intentions before the fund has fully established its position in a security and may reduce the cost of establishing the position relative to the 2024 amendments. However, this alternative would be less effective than the proposed approach in reducing the risk that a registered fund’s overall trading strategy is inferred by external parties, as funds’ portfolio holdings would continue to be published for every month.

#### **IV. Paperwork Reduction Act**

##### **A. Introduction**

Certain provisions of the proposed amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995 (the “PRA”).<sup>157</sup> We will submit the proposed collections of information to the Office of Management and Budget (“OMB”) for review in accordance with the PRA.<sup>158</sup> The proposed amendments would change the current collection of information burdens of Form N-PORT under the Investment Company Act.

The title for the existing collection of information is “Rule 30b1-9 and Form N-PORT” (OMB control number 3235-0730). 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. Each requirement to disclose information constitutes a collection of information requirement under the PRA. These collections of information would provide information to the Commission and investors. The Commission staff would also use the collection of information in

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<sup>157</sup> 44 U.S.C. 3501–3521.

<sup>158</sup> 44 U.S.C. 3507(d); 5 CFR 1320.11.

its examination and oversight programs in identifying patterns and trends across registrants. We discuss below the collection of information burdens associated with the proposed amendments.

## **B. Form N-PORT**

Form N-PORT requires registered management investment companies (except for money market funds and small business investment companies) and ETFs that are organized as unit investment trusts to report portfolio holdings information in a structured, XML data language. The form is filed electronically using the Commission's electronic filing system, EDGAR. We propose the following amendments to Form N-PORT:

- *Filing timeframe.* The proposed amendments to rule 30b1-9 and Form N-PORT would require registered funds to file Form N-PORT reports within 45 days after the end of the month to which they relate rather than filing monthly reports 30 days after the end of each calendar month under the 2024 amendments.
- *Publication frequency.* The proposed amendments to Form N-PORT would require publication of Form N-PORT reports for the third month of each fiscal quarter with a 60-day delay, instead of publication of monthly reports with a 60-day delay under the 2024 amendments.
- *Other proposed amendments.* The proposed amendments to Form N-PORT would modify certain information collected on portfolio level risk metrics and returns to narrow their scope; eliminate certain information collected on registered funds' compliance with names rule-related regulatory requirements, non-derivatives instruments' payoff profiles, convertible bonds, and the reason a single holding has multiple liquidity classifications; require funds with ETF share classes to report net

assets and shareholder flows separately for ETF share classes; and require registered funds to report additional identifying information, such as tickers.

The respondents to these collections of information would be management investment companies (other than money market funds and small business investment companies) and ETFs that are organized as unit investment trusts. We estimate that there are 12,668 such funds required to file on Form N-PORT.<sup>159</sup> The proposed collections of information are mandatory for the identified types of funds. Certain information reported on the form is currently kept confidential, and we propose that this would continue to be the case.<sup>160</sup>

In the most recent PRA submission for Form N-PORT, the Commission estimated the annual aggregate compliance burden to comply with the current collection of information requirements in Form N-PORT is 2,000,834 burden hours and an external cost burden estimate of \$177,742,893.<sup>161</sup> While the amendments in the 2024 Adopting Release have not gone into effect, the approved PRA estimates reflect those amendments. As a result, the current burden estimates reflect the burden hours and external costs associated with a requirement for registered funds to file monthly reports with the Commission within 30 days of month end. In connection with the 2024 amendments, the Commission did not estimate additional burdens associated with changing the publication frequency of Form N-PORT reports.

We estimate that registered funds prepare and file their reports on Form N-PORT either by: (1) licensing a software solution and preparing and filing the reports in house, or (2) retaining a service provider to provide data aggregation, validation, and/or filing services as part of the

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<sup>159</sup> This estimate of the number of registered funds required to file on Form N-PORT is as of Dec. 31, 2024, and based on data from filings with the Commission.

<sup>160</sup> See General Instruction F of Form N-PORT; General Instruction F of amended Form N-PORT.

<sup>161</sup> The most recent Form N-PORT PRA submission was approved in 2024 (OMB Control No. 3235-0730).

preparation and filing of reports on behalf of the fund. We estimate that 35% of funds subject to the Form N-PORT filing requirements license a software solution and file reports on Form N-PORT in house, and the remaining 65% retain a service provider to file reports on behalf of the fund.

We are adjusting downward the collection of information burden in connection with the proposed requirement to file Form N-PORT reports within 45 days of month end, rather than within 30 days of month end. This reduction reflects that burdens of collecting and filing Form N-PORT information should be lower because registered funds will have more time to conduct these activities and avoid corrective re-submissions of filings. We are not proposing any adjustment to the burden estimates in connection with the proposed changes to the publication frequency of Form N-PORT reports, as the Commission similarly did not adjust burden estimates in 2024, and there is no separate information collection involved with the Commission publishing reports that have been filed with us. We are also adjusting downward the collection of information burden in connection with the modifications to and elimination of certain items in Form N-PORT. This reduction reflects that burdens of collecting and filing Form N-PORT information should be lower because registered funds would be required to collect and report less overall information.<sup>162</sup>

Table 8 below summarizes our initial and ongoing annual burden estimates associated with the proposed amendments to Form N-PORT. The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act.

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<sup>162</sup> This adjustment downward includes consideration of the additional collection of information burden that would be imposed by adding information about ETF share classes and by adding additional identifying information.

Table 8. Form N-PORT PRA Estimates

	Initial internal burden hours	Internal annual burden hours <sup>1</sup>	Wage rate	Internal time costs	Annual external cost burden
<b>PROPOSED AMENDMENTS TO FORM N-PORT</b>					
Proposed Amendments to Filing Timeframe and Other Proposed Amendments (Excluding Removal of Names Rule-Related Reporting)					
Funds that license a software solution to prepare Form N-PORT	-3 hours	-4 hours <sup>3</sup>	x \$459 <sup>2</sup>	-\$1,836	-\$1,000 <sup>4</sup>
Number of funds <sup>5</sup>		x 4,434 funds		x 4,434 funds	x 4,434 funds
Funds that retain the services of a third-party vendor to prepare Form N-PORT	-3 hours	-3 hours <sup>6</sup>	x \$459 <sup>2</sup>	-\$1,377	-\$2,000 <sup>7</sup>
Number of funds <sup>5</sup>		x 8,234 funds		x 8,234 funds	x 8,234 funds
Total new annual burden of amendments (excluding names rule-related)		-42,438 hours		-\$ 19,479,042	-\$20,902,000
Proposed Amendments to Remove Names Rule-Related Reporting <sup>7</sup>					
Removal of names rule-related reporting	-19 hours <sup>8</sup>	-16 hours <sup>8</sup>	\$406	-\$6,496	-\$2,260
Number of funds		x 9,926 funds		x 9,926 funds	x 9,926
Total new annual burden of names rule-related amendments		-158,816 hours <sup>8</sup>		-\$64,479,296	-\$22,432,760
<b>Total Estimated Burdens, Including Proposed Amendments</b>					
<b>Current burden estimates</b>		2,070,316 hours <sup>9</sup>			\$177,742,893
<b>Revised burden estimates</b>		<b>1,869,062 hours</b>			<b>\$134,408,133</b>

Certain products and sums do not tie due to rounding.

Notes:

1. Includes initial burden estimates annualized over a 3-year period.

2. The \$459 wage rate reflects current estimates of the blended hourly rate for an accountant and auditor (\$348), paralegal and legal assistant (\$285), and attorney (\$744) in the securities industry. To calculate the occupational hourly rates used in this release, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for "Securities, Commodity Contracts, and Other Financial Investments and Related Activities" (NAICS 523). See *Occupational Employment and Wage Statistics*, U.S. Bureau of Labor Statistics, <https://www.bls.gov/oes/>; see also *Standard Occupational Classification*, U.S. Bureau of Labor Statistics, <https://bls.gov/soc/> (describing occupational classification system used by BLS); Exec. Off. of the President, Off. of Mgmt. & Budget, North American Industry Classification System (2022), available at [https://www.census.gov/naics/reference\\_files\\_tools/2022\\_NAICS\\_Manual.pdf](https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf) (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. See *Employment Cost Index*, U.S. Bureau of Labor Statistics, <https://www.bls.gov/eci/>. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis's annual gross output data for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. See *Gross Output by Industry*, U.S. Bureau of Economic Analysis, <https://www.bea.gov/data/industries/gross-output-by-industry>; *Occupational Employment and Wage Statistics*, U.S. Bureau of Labor Statistics, <https://www.bls.gov/oes/>. The final product is the occupational hourly rate. See generally Updated Methodology

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for Calculating Occupational Hourly Rates (Dec. 19, 2025), available at <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

3. In the most recent Form N-PORT PRA submission that was approved in 2024 (OMB Control No. 3235-0730), the added initial burden was 6 hours and the added ongoing burden was 5 hours. Relative to that PRA submission, our proposed estimates reflect a reduction of initial burden of 3 hours, annualized over a 3-year period, and a reduction of ongoing annual burden of 3 hours. As a result, we are retaining an estimated ongoing annual burden of 3 hours per year for filing reports within 45 days of month end, while also accounting for the reductions in information that funds would be required to report. This burden estimate is a reduction from the 7 annual burden hours estimated in the 2024 Adopting Release.

4. In the most recent Form N-PORT PRA submission that was approved in 2024 (OMB Control No. 3235-0730), the added external cost burden was \$41,452,000. Our proposed estimates reflect a reduction of external cost of \$1,000 for funds that license a software solution to prepare Form N-PORT reports and a reduction of external cost of \$2,000 for funds that retain the services of a third-party vendor to prepare Form N-PORT reports. This burden estimate is a reduction from the \$2,000 and \$4,000 external cost burden per fund, respectively, estimated in the 2024 Adopting Release.

5. Based on Commission filings, we estimate that there are 12,668 funds that file reports on Form N-PORT. We estimate that 35% of these funds (or 4,434) would license a software solution to prepare Form N-PORT while 65% (or 8,234) would rely on a third-party vendor.

6. In the most recent Form N-PORT PRA submission that was approved in 2024 (OMB Control No. 3235-0730), the added initial burden was 6 hours and the added ongoing annual burden was 3 hours. Relative to that PRA submission, our proposed estimates reflect a reduction of initial burden of 3 hours, annualized over a 3-year period, and a reduction of ongoing annual burden of 2 hours. As a result, we are retaining an estimated ongoing annual burden of 2 hours per year for filing reports within 45 days of month end, while also accounting for the reductions in information that funds would be required to report. This burden estimate is a reduction from the 5 annual burden hours estimated in the 2024 Adopting Release.

7. In the names rule-related PRA submission that was approved in 2023 (OMB Control No. 3235-0730), the added initial burden was 12 hours and the added ongoing annual burden was 9 hours for 9,926 funds at an internal cost of \$406 and external costs of \$2,260 per fund to report the names rule-related information. We are using the same number of funds, burden hours, wage rates, and external costs for these purposes because the Commission has not reassessed the burdens of this reporting since the 2023 names rule adoption, and funds have not been required to comply with the names rule-related reporting requirements. If we were to update our analysis and use larger or smaller numbers than those used in 2023, this would have unintended effects on the overall PRA estimates for Form N-PORT. As an example, larger estimates than those used in 2023 would suggest that removal of these items would not only remove the burdens associated with reporting these items, but also have a greater effect on reducing the burdens of Form N-PORT reporting.

8. Due to an error in the names rule-related PRA submission that was approved in 2023 (OMB Control No. 3235-0730), there is a discrepancy between the PRA submission and the Commission's Names Rule Adopting Release with respect to the estimated burden hours for names rule-related reporting on Form N-PORT. The burden hour figures in this table are consistent with those the Commission estimated in the Names Rule Adopting Release and thus correct the typographical error in the PRA submission.

9. Because of the correction of the error in the names rule-related PRA submission that was approved in 2023 (OMB Control No. 3235-0730), the current burden estimate in this table does not align with the current burden estimate in the most recent Form N-PORT PRA submission approved in 2024 (OMB Control No. 3235-0730), which reflected an annual internal burden hour estimate of 2,000,834. If we instead used the annual internal burden hour estimate approved in 2024, this would have the unintended effect of suggesting that removal of the names rule-related reporting would not only remove the burdens associated with reporting these items, but also have a greater effect on reducing the burdens of Form N-PORT reporting.

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### **C. Request for Comment**

We request comment on whether these estimates 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 Commission, including whether the information will have practical utility; (2) evaluate the accuracy of the Commission's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (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 appropriate automated, electronic, mechanical, or other technological 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](mailto:MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov), and should send a copy to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090, with reference to File No. S7-2026-05. OMB is required to make a decision concerning the collections of information between 30 and 60 days after publication of this release; therefore a comment to OMB is best assured of having its full effect if OMB receives it within 30 days after publication of this release. Requests for materials submitted to OMB by the Commission with regard to these collections of information should be in writing, refer to File No. S7-2026-05, and be submitted to the Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

## **V. Initial Regulatory Flexibility Analysis**

The Commission has prepared the following Initial Regulatory Flexibility Analysis (“IRFA”) in accordance with section 3(a) of the Regulatory Flexibility Act (“RFA”).<sup>163</sup> It relates to the proposed amendments to Form N-PORT.

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<sup>163</sup> 5 U.S.C. 603(a)

## **A. Reasons for and Objectives of Proposed Actions**

The Commission is proposing amendments to reporting requirements on Form N-PORT that would provide registered funds with fifteen additional days to file reports, restore the quarterly publication frequency, and make modifications to the report form. The objectives of the proposed amendments to the filing timeframe and publication frequency are to reduce burden and the risk of external parties inferring and using information about a registered fund's proprietary investment strategy or trading intentions in ways that increase costs for fund shareholders while maintaining timely Commission access to registered funds' monthly portfolio-related information and providing for appropriate public access to portfolio information. The Commission is also proposing amendments to Form N-PORT to streamline or remove certain items, to modify how registered funds with share classes that operate as ETFs report certain information, and to require additional identifying information. The objectives of the proposed amendments to items within Form N-PORT are to refine the information registered funds provide while maintaining the usability and reliability of Form N-PORT data. Each of these objectives is discussed in detail in section II above.

## **B. Legal Basis**

The Commission is proposing the rule and form amendments contained in this document under the authority set forth in the Investment Company Act, particularly sections 8, 24, 30, and 38 thereof [15 U.S.C. 80a-1 *et seq.*].

## **C. Small Entities Subject to the Amendments**

An investment company is a small entity if, together with other investment companies in the same group of related investment companies, it has net assets of \$50 million or less as of the

end of its most recent fiscal year.<sup>164</sup> Commission staff estimates that, as of December 2024, there were 30 open-end management investment companies subject to Form N-PORT reporting requirements that would be considered small entities; this number includes 4 open-end ETFs.<sup>165</sup> Commission staff also estimates that, as of December 2024, there were 38 closed-end investment management companies that would be considered small entities. All of these small entities would be subject to the proposed amendments to the filing timeframe and publication frequency. The number of small entities that would be affected by the proposed amendments to the reporting items within Form N-PORT would generally depend on the portfolio of each small entity.

#### **D. Projected Reporting, Recordkeeping, and Other Compliance Requirements**

As finalized in the 2024 amendments, Form N-PORT requires open-end and closed-end funds, as well as ETFs organized as UITs, to report monthly portfolio holdings information on a monthly basis in a structured, XML format within 30 days after month end. Under the 2024 amendments, each month's data will be published 60 days after month end. We propose amendments to require these funds to file Form N-PORT reports on a monthly basis within 45 days after month end and to publish reports for only the third month of a fund's fiscal quarter 60 days after month end. We also propose additional amendments to certain items and sub-items on Form N-PORT.

We estimate that 68 open-end and closed-end funds are small entities that would be required to comply with our proposed amendments to Form N-PORT. The proposed amendments are intended to reduce the risk of errors in the reported information and reduce

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<sup>164</sup> The Commission has a pending proposal addressing the definition under the Investment Company Act of small organization and small business for purposes of the Regulatory Flexibility Act. The Commission encourages commenters to review the proposal to determine whether it might affect their comments on this IRFA. *See* Small Entity Proposing Release, *supra* note 81.

<sup>165</sup> While exchange-traded funds organized as unit investment trusts file Form N-PORT, there are no such funds that would be considered small entities.

reporting burdens, while continuing to recognize that Form N-PORT information is most valuable to the Commission and staff when it reflects reasonably current portfolio holdings and related information. The proposed amendments would also reduce the overall burden on small entities by providing fifteen additional days to file Form N-PORT compared to the 2024 amendments and by streamlining or eliminating certain reporting requirements. We discuss the specifics of those burden reductions in the Economic Analysis and Paperwork Reduction Act sections above.

#### **E. Duplicative, Overlapping, or Conflicting Federal Rules**

We do not believe that the proposed amendments would duplicate, overlap, or conflict with other existing Federal rules.

#### **F. Significant Alternatives**

The RFA directs the Commission to consider significant alternatives that would accomplish our stated objectives, while minimizing any significant economic impact on small entities. We considered the following alternatives for small entities in relation to the proposed amendments to Form N-PORT to enhance the benefits of the proposal for small entities: (1) establishing different requirements that take into account the resources available to small entities; (2) exempting small entities from all or part of the requirements; (3) clarifying, consolidating, or simplifying requirements under the rules for small entities; and (4) using performance rather than design standards.

The proposed amendments relating to the filing timeframe are designed to reduce the risk of errors in the reported information and reduce reporting burdens, while continuing to recognize that Form N-PORT information is most valuable to the Commission and staff when it reflects reasonably current portfolio holdings and related information. We anticipate registered funds,

including smaller funds, would benefit from these proposed amendments. We considered providing registered funds that are small entities with additional time to file their reports on Form N-PORT, such as 60 days after month end. This alternative would further reduce reporting costs for registered funds that are small entities. However, delays in the receipt of information can affect the Commission's and the staff's ability to use Form N-PORT information to carry out the Commission's regulatory function for the asset management industry, and the associated benefits of these activities for investors, especially during periods of stress in which analysis of potential issues and development of any regulatory responses are particularly time sensitive endeavors. For instance, further delaying the receipt of information for registered funds that are small entities could hinder the Commission staff's ability to identify efficiently small funds affected in a market stress event. Moreover, delaying the receipt of information for registered funds that are small entities would reduce the benefits of receiving more timely information from other registered funds, as the information available to the staff would necessarily be incomplete until small entities filed at a later date.

We also considered allowing registered funds that are small entities to make less frequent, or more delayed, public disclosure of their portfolio holdings on Form N-PORT. However, the costs of an increased publication frequency of portfolio holdings generally relate more to a fund's strategy than its size, so such a change may not significantly benefit registered funds that are small entities. Moreover, registered funds that are small entities may be at a lower risk for certain types of front running. For example, registered funds that are small entities are more likely than other funds to have relatively small position sizes, meaning that it may take smaller registered funds less time to build or dispose of positions, which reduces the risk of front running. Additionally, all registered fund investors, including investors in funds that are small

entities, benefit from reporting requirements that permit them to make investment choices that better match their risk tolerances. Thus, the interest of investors would not be served by establishing different Form N-PORT publication requirements for registered funds that are small entities.

The amendments to Form N-PORT's reporting items would overall reduce reporting costs, including for registered funds that are small entities. A few of the amendments would amend the reporting threshold of a particular item. Registered funds, including small funds, with activity below the reporting threshold would not be required to provide the information. We considered higher thresholds for funds that are small entities. While this would further reduce costs for these funds, it would result in non-standardized information that is less beneficial to the Commission and the public. For example, higher thresholds for small entities would make it more difficult to understand interest and credit risks of these funds, as they would have higher reporting thresholds for portfolio level risk metrics.

The proposal would add a few reporting requirements for registered funds with ETF share classes. This new reporting would introduce minimal burdens for affected funds. Currently, no small entities offer ETF share classes. This could change in the future, and thus we considered exempting registered funds that are small entities from these new requirements. Such a change would create a minimal burden reduction for small entities if they begin to offer ETF share classes. However, an exemption from these requirements would reduce the Commission's and investors' ability to better understand this growing type of fund structure and to monitor the size and flows of different registered funds.

With respect to using performance rather than design standards, the proposed amendments primarily use design rather than performance standards to promote more consistent and uniform standards for all registered funds.

### **G. General Request for Comment**

The Commission requests comments regarding this IRFA. We request comments on the number of small entities that may be affected by our proposed amendments and whether the proposed amendments would have any effects not considered in this analysis. We request that commenters describe the nature of any effects on small entities subject to the rules and forms, and provide empirical data to support the nature and extent of such effects. We also request comment on the proposed compliance burdens and the effect these burdens would have on smaller entities.

## **VI. Consideration of Impact on the Economy**

For purposes of Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (also known as the Congressional Review Act),<sup>166</sup> the Commission must seek OMB's determination whether a final regulation constitutes a "major" rule. Under the Act, a rule is considered "major" where, if adopted, it results in or is likely to result in:

- 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.<sup>167</sup>

To help inform OMB's determination whether any final rule that results from the proposal would be a "major rule," we solicit comment and data on:

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<sup>166</sup> See 5 U.S.C. chapter 8.

<sup>167</sup> See 5 U.S.C. 804(2) (defining "major rule").

- 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. Other Matters**

This action is an economically significant regulatory action under section 3(f)(1) of Executive Order 12866, as amended, and has been reviewed by the Office of Management and Budget. This action, if finalized as proposed, is expected to be an Executive Order 14192 deregulatory action.

### **Statutory Authority**

The Commission is proposing the rule and form amendments contained in this document under the authority set forth in the Investment Company Act, particularly sections 8, 24, 30, and 38 thereof [15 U.S.C. 80a-1 *et seq.*].

### **List of Subjects in 17 CFR Parts 270 and 274**

Investment companies, Reporting and recordkeeping requirements, Securities.

### **Text of Rule Amendments**

For the reasons stated in the preamble, the Commission proposes to amend 17 CFR parts 270 and 274 as follows:

#### **PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940**

1. The authority citation for part 270 continues to read, in part, as follows:

**Authority:** 15 U.S.C. 80a-1 *et seq.*, 80a-34(d), 80a-37, 80a-39, 1681w(a)(1), 6801-6809, 6825, and Pub. L. 111-203, sec. 939A, 124 Stat. 1376 (2010), unless otherwise noted.

\* \* \* \* \*

2. Amend § 270.30b1-9 by revising it to read as follows:

**§ 270.30b1-9 Monthly report.**

Each registered management investment company or exchange-traded fund organized as a unit investment trust, or series thereof, other than a registered open-end management investment company that is regulated as a money market fund under § 270.2a-7 or a small business investment company registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), must file a monthly report of portfolio holdings on Form N-PORT (§ 274.150 of this chapter), current as of the last business day, or last calendar day, of the month. A registered investment company that has filed a registration statement with the Commission registering an offering of its securities for the first time under the Securities Act of 1933 is relieved of this reporting obligation with respect to any reporting period or portion thereof prior to the date on which that registration statement becomes effective or is withdrawn. Reports on Form N-PORT must be filed with the Commission no later than 45 days after the end of each month. If a registered investment company does not file monthly reports within 45 days after the end of each month in accordance with the transition period described in Investment Company Act Release No. 35962 (Feb. 18, 2026), it must maintain in its records the information that is required to be included on Form N-PORT no later than 30 days after the end of each month. Such information shall be treated as a record under section 31(a)(1) of the Act [15 U.S.C. 80a30(a)(1)] and § 270.31a-1(b) subject to the requirements of § 270.31a-2(a)(2).

**§ 270.30b1-9 [Amended]**

3. Effective 18 months after publication of final rules in the *Federal Register*, further amend § 270.30b1-9 by removing the last two sentences.

**PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940**

4. The general authority citation for part 274 continues to read, in part, as follows:

**Authority:** 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78n-1, 78o(d), 80a-8, 80a-24, 80a-26, 80a-29, and sec. 939A, Pub. L. 111-203, 124 Stat. 1376, unless otherwise noted.

\* \* \* \* \*

5. Amend § 274.150 by revising paragraph (a) to read as follows:

**§ 274.150 Form N–PORT, Monthly portfolio holdings report.**

(a) Except as provided in paragraph (b) of this section, this form shall be used by registered management investment companies or exchange-traded funds organized as unit investment trusts, or series thereof, to file reports pursuant to § 270.30b1–9 of this chapter no later than 45 days after the end of each month.

\* \* \* \* \*

6. Amend Form N-PORT (referenced in § 274.150) by:

- a. Revising General Instructions A, E, and F;
- b. Redesignating current Item A.3 as Item A.4 and Item A.4 as Item A.5;
- c. Adding new Item A.3;
- d. Revising Items B.1, B.3, B.5, and B.6;
- e. Removing Item B.11;
- f. Revising Item C.2;

g. Removing and reserving Item C.3; and

h. Revising Item C.7, Item C.9, and Part D.

**Note: Form N-PORT is attached as Appendix A to this document. Form N-PORT will not appear in the Code of Federal Regulations.**

By the Commission.

Dated: February 18, 2026.

**Sherry R. Haywood,**

*Assistant Secretary.*

Note: The following appendix will not appear in the Code of Federal Regulations.

## **Appendix A–Form N-PORT**

### **FORM N-PORT**

\* \* \* \* \*

#### **GENERAL INSTRUCTIONS**

##### **A. Rule as to Use of Form N-PORT**

Form N-PORT is the reporting form that is to be used for monthly reports of Funds other than money market funds and SBICs under section 30(b) of the Act, as required by rule 30b1-9 under the Act (17 CFR 270.30b1-9). Funds must report information about their portfolios and each of their portfolio holdings as of the last business day, or last calendar day, of each month. A registered investment company that has filed a registration statement with the Commission registering an offering of its securities for the first time under the Securities Act of 1933 is relieved of this reporting obligation with respect to any reporting period or portion thereof prior to the date on which that registration statement becomes effective or is withdrawn.

Reports on Form N-PORT must disclose portfolio information as calculated by the fund for the reporting period's ending net asset value (commonly, and as permitted by rule 2a-4, the first business day following the trade date). Reports on Form N-PORT for each month must be filed with the Commission no later than 45 days after the end of such month. If the due date falls on a weekend or holiday, the filing deadline will be the next business day.

A Fund may file an amendment to a previously filed report at any time, including an amendment to correct a mistake or error in a previously filed report. A Fund that files an amendment to a previously filed report must provide information in response to all items of Form N-PORT, regardless of why the amendment is filed.

\* \* \* \* \*

## **E. Definitions**

References to sections and rules in this Form N-PORT are to the Act, unless otherwise indicated. Terms used in this Form N-PORT have the same meanings as in the Act or related rules (including rule 18f-4 solely for Items B.9 and 10 of the Form), unless otherwise indicated.

As used in this Form N-PORT, the terms set out below have the following meanings:

“Absolute VaR Test” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“Class” means a class of shares issued by a Fund that has more than one class that represents interests in the same portfolio of securities under rule 18f-3 [17 CFR 270.18f-3] or under an order exempting the Fund from provisions of section 18 of the Act [15 U.S.C. 80a-18].

“Controlled Foreign Corporation” has the meaning provided in section 957 of the Internal Revenue Code [26 U.S.C. 957].

“Derivatives Exposure” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“Designated Index” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“Designated Reference Portfolio” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)]

“Exchange-Traded Fund” means an open-end management investment company (or Series or Class thereof) or unit investment trust (or series thereof), the shares of which are listed and traded on a national securities exchange at market prices, and that has formed and operates under an exemptive order under the Act granted by the Commission or in reliance on rule 6c-11 [17 CFR 270.6c-11].

“ETF Class” means a Class that is an Exchange-Traded Fund in a Multiple Class Fund.

“Fund” means the Registrant or a separate Series of the Registrant. When an item of Form N-PORT specifically applies to a Registrant or a Series, those terms will be used.

“Highly Liquid Investment Minimum” has the meaning defined in rule 22e-4(a)(7) [17 CFR 270.22e-4(a)(7)].

“Illiquid Investment” has the meaning defined in rule 22e-4(a)(8) [17 CFR 270.22e-4(a)(8)].

“ISIN” means, with respect to any security, the “international securities identification number” assigned by a national numbering agency, partner, or substitute agency that is coordinated by the Association of National Numbering Agencies.

“LEI” means, with respect to any company, the “legal entity identifier” as assigned by a utility endorsed by the Global LEI Regulatory Oversight Committee or accredited by the Global LEI Foundation.

“Multiple Class Fund” means a Fund that has more than one Class.

“Registrant” means a management investment company, or an Exchange-Traded Fund organized as a unit investment trust, registered under the Act.

“Relative VaR Test” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“Restricted Security” has the meaning defined in rule 144(a)(3) under the Securities Act of 1933 [17 CFR 230.144(a)(3)].

“RSSD ID” means the identifier assigned by the National Information Center of the Board of Governors of the Federal Reserve System, if any.

“Securities Portfolio” has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“Series” means shares offered by a Registrant that represent undivided interests in a portfolio of investments and that are preferred over all other series of shares for assets specifically allocated to that series in accordance with rule 18f-2(a) [17 CFR 270.18f-2(a)].

“Swap” means either a “security-based swap” or a “swap” as defined in sections 3(a)(68) and (69) of the Securities Exchange Act of 1934 [15 U.S.C. 78c(a)(68) and (69)] and any rules, regulations, or interpretations of the Commission with respect to such instruments.

“Value-at-Risk” or VaR has the meaning defined in rule 18f-4(a) [17 CFR 270.18f-4(a)].

“VaR Ratio” means the value of the Fund’s portfolio VaR divided by the VaR of the Designated Reference Portfolio.

#### **F. Public Availability**

Information reported on Form N-PORT for the third month of each Fund’s fiscal quarter will be made publicly available 60 days after the end of the Fund’s fiscal quarter.

The SEC does not intend to make public the information reported on Form N-PORT for the first and second months of each Fund’s fiscal quarter that is identifiable to any particular fund or adviser, or any information reported with respect to a Fund’s Highly Liquid Investment Minimum (Item B.7), derivatives transactions (Item B.8), Derivatives Exposure for limited derivatives users (Item B.9), median daily VaR (Item B.10.a), median VaR Ratio (Item B.10.b.iii), VaR backtesting results (Item B.10.c), country of risk and economic exposure (Item C.5.b), delta (Items C.11.c.vii or C.11.g.iv), liquidity classification for portfolio investments (Item C.7), or miscellaneous securities (Part D), or explanatory notes related to any of those topics (Part E) that is identifiable to any particular fund or adviser. However, the SEC may use information reported on this Form in its regulatory programs, including examinations, investigations, and enforcement actions.

\* \* \* \* \*

#### **Item A.3. Ticker Information**

- a. Ticker symbol of Registrant, if any.

b. For each Class of Registrant or Series, as applicable, the:

i. EDGAR Class identification number;

ii. Class name; and

iii. Ticker symbol.

\* \* \* \* \*

**Item B.1.** Assets and liabilities. Report amounts in U.S. dollars.

\* \* \* \* \*

d. If the Fund is a Multiple Class Fund with an ETF Class, also provide the ETF Class's ticker symbol and the information required by Item B.1.c separately for the ETF Class.

\* \* \* \* \*

**Item B.3.** Portfolio level risk metrics. If the average value of the Fund's debt securities positions for the previous three months, in the aggregate, exceeds 50% of the Fund's net asset value, provide:

a. Interest Rate Risk (DV100). Provide the change in value of the portfolio resulting from a 100 basis point change in interest rates, aggregated across all currencies for which the Fund had a value of 1% or more of the Fund's net asset value, for each of the following maturities: 3 month, 1 year, 5 years, 10 years, and 30 years.

b. Credit Spread Risk (SDV01, CR01 or CS01). Provide the change in value of the portfolio resulting from a 1 basis point change in credit spreads where the shift is applied to the option adjusted spread for each of the following maturities: 3 month, 1 year, 5 years, 10 years, and 30 years.

For purposes of Item B.3., calculate value as the sum of the absolute values of: (i) the value of each debt security, (ii) the notional value of each swap, including, but not limited to, total

return swaps, interest rate swaps, and credit default swaps, for which the underlying reference asset or assets are debt securities or an interest rate; (iii) the notional value of each futures contract for which the underlying reference asset or assets are debt securities or an interest rate; and (iv) the delta-adjusted notional value of any option for which the underlying reference asset is an asset described in clause (i),(ii), or (iii). Report zero for maturities to which the Fund has no exposure. For exposures that fall between any of the listed maturities in (a) and (b), use linear interpolation to approximate exposure to each maturity listed above. For exposures outside of the range of maturities listed above, include those exposures in the nearest maturity. Report in U.S. dollars.

\* \* \* \* \*

**Item B.5.** Return information.

- a. Monthly total returns of the Fund for each of the preceding three months. If the Fund is a Multiple Class Fund, report returns for a single representative Class. Such returns shall be calculated in accordance with the methodologies outlined in Item 26(b)(1) of Form N-1A, Instruction 13 to sub-Item 1 of Item 4 of Form N-2, or Item 26(b)(i) of Form N-3, as applicable, except the return calculation should not deduct sales loads and redemption fees charged to shareholder accounts.
- b. Class identification number (if any) of the representative Class for which returns are reported.
- c. For each of the preceding three months, monthly net realized gain (loss) and net change in unrealized appreciation (or depreciation) attributable to derivatives for each of the following asset categories: commodity contracts, credit contracts, equity contracts,

foreign exchange contracts, interest rate contracts, and other contracts. Report in U.S. dollars. Losses and depreciation shall be reported as negative numbers.

- d. For each of the preceding three months, monthly net realized gain (loss) and net change in unrealized appreciation (or depreciation) attributable to investments other than derivatives. Report in U.S. dollars. Losses and depreciation shall be reported as negative numbers.

**Instruction to Item B.5.** For a Multiple Class Fund, select the representative Class in the same manner as described in Instruction 3(a) to Item 4(b)(2) of Form N-1A.

**Item B.6.** Flow information. Provide the aggregate dollar amounts for sales and redemptions/repurchases of Fund shares during each of the preceding three months. If shares of the Fund are held in omnibus accounts, for purposes of calculating the Fund's sales, redemptions, and repurchases, use net sales or redemptions/repurchases from such omnibus accounts. The amounts to be reported under this Item should be after any front-end sales load has been deducted and before any deferred or contingent deferred sales load or charge has been deducted. Shares sold shall include shares sold by the Fund to a registered unit investment trust. For mergers and other acquisitions, include in the value of shares sold any transaction in which the Fund acquired the assets of another investment company or of a personal holding company in exchange for its own shares. For liquidations, include in the value of shares redeemed any transaction in which the Fund liquidated all or part of its assets. Exchanges are defined as the redemption or repurchase of shares of one Fund or series and the investment of all or part of the proceeds in shares of another Fund or series in the same family of investment companies.

\* \* \* \* \*

d. If the Fund is a Multiple Class Fund with an ETF Class, also provide the information required by Item B.6.a through B.6.c separately for the ETF Class.

\* \* \* \* \*

**Item C.2.** Amount of each investment.

- a. Balance. Indicate whether amount is expressed in number of shares, principal amount, or other units. For derivatives contracts, as applicable, provide the number of contracts.
- b. Currency. Indicate the currency in which the investment is denominated.
- c. Value. Report values in U.S. dollars. If currency of investment is not denominated in U.S. dollars, provide the exchange rate used to calculate value.
- d. Percentage value compared to net assets of the Fund.

**Item C.3.** [Reserved]

\* \* \* \* \*

**Item C.7.** Liquidity classification information. For portfolio investments of open-end management investment companies, provide the liquidity classification(s) for each portfolio investment among the following categories as specified in rule 22e-4 [17 CFR 270.22e-4]. For portfolio investments with multiple liquidity classifications, indicate the percentage amount attributable to each classification.

- a. Highly Liquid Investments
- b. Moderately Liquid Investments
- c. Less Liquid Investments
- d. Illiquid Investments

**Instructions to Item C. 7** Funds may choose to indicate the percentage amount of a holding attributable to multiple classification categories only in the following circumstances: (1) if portions of the position have differing liquidity features that justify treating the portions separately; (2) if a fund has multiple sub-advisers with differing liquidity views; or (3) if the fund chooses to classify the position through evaluation of how long it would take to liquidate the entire position (rather than basing it on the sizes it would reasonably anticipate trading). In (1) and (2), a fund would classify using the reasonably anticipated trade size for each portion of the position.

\* \* \* \* \*

**Item C.9.** For debt securities, also provide:

\* \* \* \* \*

f. For convertible securities, also provide:

- i. Mandatory convertible? [Y/N]
- ii. Contingent convertible? [Y/N]
- iii. Description of the reference instrument, including the name of issuer, title of issue, and currency in which denominated, as well as CUSIP of reference instrument, ISIN (if CUSIP is not available), ticker (if CUSIP and ISIN are not available), or other identifier (if CUSIP, ISIN, and ticker are not available). If other identifier provided, indicate the type of identifier used.

\* \* \* \* \*

**Part D: Miscellaneous Securities**

For reports filed for the last month of each fiscal quarter, report miscellaneous securities, if any, using the same Item numbers and reporting the same information that would be reported for each investment in Part C if it were not a miscellaneous security. Information reported in this Item will be nonpublic.

\* \* \* \* \*