

## CLIENT MEMORANDUM

# A Detailed Look Into the SEC's Investment Company Reporting Proposals

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## AUTHORS

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On May 20, 2015, the Securities and Exchange Commission (the "SEC") unanimously approved a set of proposed rulemakings under the Investment Company Act of 1940, as amended (the "Investment Company Act") that would significantly expand the information reported by registered investment companies.<sup>1</sup> The proposals were published in tandem with new disclosure proposals for registered investment advisers,<sup>2</sup> as discussed in a previous Client Memorandum.<sup>3</sup> The Investment Company Act reforms are intended to enhance the SEC's ability to monitor portfolio composition and risk exposures among funds and, if adopted, would significantly update the SEC's current portfolio reporting regime, components of which are nearly thirty-years-old.

The SEC expects that the information collected through the new reporting system would also enable it to understand whether products or activities in the asset management industry present risks to the overall stability of the U.S. financial system. In this regard, the reforms could be read as representing an effort by the SEC to protect and enhance its status as the regulator of U.S. asset managers and their products and services in the international debate over systemic risk among capital markets participants. By data-mining the new information provided, the SEC may be able to anticipate potential risk and regulatory concerns and prevent or ameliorate the impact. On the other hand, the information could also provide a ready source of data for enforcement against funds and advisers.

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The proposals include four key rulemakings, which are discussed in detail below:

1. **Form N-PORT**, which would replace existing Form N-Q and would require most registered funds, other than money market funds and small business investment companies ("SBICs"), to identify detailed information about all of their portfolio investments, including derivatives, as of the close of each month, as well as information about securities lending activities. The form would also require certain debt-concentrated funds to disclose portfolio risk metrics and risk data;
2. **Revisions to Regulation S-X**, which would require registered funds to include in their financial statements a standardized schedule containing detailed information about derivatives investments (similar to information required by Form N-PORT) and would also elicit information about securities lending activities;
3. **Rule 30e-3**, which would permit, but not require, funds to make shareholder reports and quarterly portfolio holdings available online, unless shareholders opt for paper copies; and
4. **Form N-CEN**, which would require funds to report detailed census-type information on an annual basis and would replace existing Form N-SAR.

For a shorter overview of the Investment Company Act and Advisers Act proposals, please see our May 21, 2015 Client Memorandum, available [here](#).

Comments on the proposals are due on or before August 11, 2015.

### **BACKGROUND**

The last twenty years have witnessed exponential growth in assets under management among investment advisers and their funds. According to the SEC's proposing release (the "Proposing Release"), assets of registered investment companies nearly quadrupled between 1997 and 2014.<sup>4</sup> This increase has been accompanied by a significant expansion into new product offerings—such as exchange-traded funds ("ETFs") and target date funds with asset allocation strategies—and increased investment by funds in non-traditional instruments, such as derivatives, currencies, and commodities. According to the Proposing Release, these products and investments present opportunities for wealth accumulation and portfolio diversification, but they also have inherent risks that may not be fully understood by many fund investors. Moreover, even though the product offerings and investments have become ubiquitous, the SEC's reporting system has not kept pace with the industry's evolution, nor has its ability to assess the relative risks that investors face. In the past year, the SEC and its staff have determined to enhance the information elicited through periodic reports to improve oversight of the asset management industry.<sup>5</sup> To that end, the proposed reporting and disclosure reforms are designed to increase portfolio and strategy transparency for both the SEC and investors, incorporate technological advances in data transmission and presentation, and eliminate redundant or needless reporting burdens that asset

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managers currently face. The proposals, which focus on registered investment companies, follow the recent adoption of enhanced reporting regimes for money market funds and private funds.<sup>6</sup>

The reforms also arrive at a time when the SEC faces questions from the Financial Stability Oversight Council ("FSOC"), an arm of the Treasury Department created by the Dodd Frank Wall Street Reform and Consumer Protection Act.<sup>7</sup> In carrying out its mission to identify risks posed to the U.S. financial system by certain "non-bank financial companies,"<sup>8</sup> FSOC has focused attention on entities already under the primary jurisdiction of the SEC, including asset managers and their fund clients. FSOC's critics—which include some of the SEC's own commissioners<sup>9</sup>—contend that the disclosure and risk control mechanisms imposed by the Investment Company Act and the Investment Advisers Act of 1940, as amended (the "Advisers Act"), already provide sufficient safeguards to prevent the transfer of systemic risks by or through asset managers and/or their clients. Thus, in collecting more comprehensive portfolio data from funds, many believe that the proposed rulemakings represent an effort by the SEC to secure its own jurisdiction over asset managers and their funds and stave off encroachment from prudential regulators. At the same time, the sweeping new requirements will likely impose considerable burdens on funds and could lead to increased scrutiny and/or enforcement action by the SEC.

### **FORM N-PORT**

As noted above, proposed Form N-PORT would require all registered management investment companies, other than money market funds and SBICs, and all ETFs organized as unit investment trusts ("UITs") to provide detailed information about their portfolio investments, including derivatives, as of the last business day of the month or, at the fund's election, as of the last calendar day of the month. The form would also elicit information about securities lending activities and, for certain funds, risk metrics and risk data. The SEC believes that the information it proposes to collect on Form N-PORT would help the agency understand risks posed by individual funds, as well as risks presented by specific fund types and the fund industry as a whole. In addition, the SEC believes that the information will assist it in understanding liquidity risks, counterparty risks, and leveraged exposures, both as a result of borrowings and the use of derivatives.<sup>10</sup>

### ***Background***

Under current Investment Company Act rules, registered management investment companies (other than SBICs) must report their portfolio holdings to the SEC on Form N-Q as of the end of their first and third fiscal quarters<sup>11</sup> and on Form N-CSR as of the end of their second and fourth fiscal quarters.<sup>12</sup> The SEC's proposal would rescind Form N-Q and replace it with Form N-PORT, which would be filed monthly. The following chart summarizes general reporting requirements that would be mandated by proposed Form N-PORT:

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	Reporting Conditions
<b>Required Filers</b>	All registered management investment companies and ETFs organized as UITs, and all series thereof (each, a “fund”), other than money market funds and SBICs
<b>Timing</b>	Must be filed with the SEC within 30 days of the end of each month
<b>Public Availability</b>	Only information reported on Form N-PORT for the third month of a fund’s fiscal quarter will be made publicly available within 60 days of the end of such fiscal quarter

### Information Required

Form N-PORT would significantly expand the type of portfolio information that funds currently provide to the SEC and would cover the following categories:

Disclosure Category	Required Disclosures
<b>General Identifying Information</b>	Name, or name of relevant series; relevant file numbers (e.g., CIK number); fiscal year-end and reporting period; Legal Entity Identifier (“LEI”) of the registrant and series <sup>13</sup>
<b>Assets and Liabilities</b>	Total assets, total liabilities and net assets; aggregate value of “miscellaneous securities” held in portfolios; <sup>14</sup> assets invested in controlled foreign corporations; <sup>15</sup> borrowings attributable to amounts payable for notes payable, bonds, and similar debt; <sup>16</sup> payables for investments purchased (i) on a delayed delivery, when-delivered, or other firm commitment basis, or (ii) on a standby commitment basis; <sup>17</sup> liquidation preference of outstanding preferred stock issued by the fund <sup>18</sup>
<b>Portfolio Level Risk Metrics</b>	If the fund’s notional value of debt investments is 20% or more of the fund’s net asset value: <sup>19</sup> <ul style="list-style-type: none"> <li>• Duration: change in value of the fund’s portfolio as a whole resulting from a 1 basis point change in interest rates (i.e., DV01)<sup>20</sup></li> <li>• Spread Duration: change in value of the fund’s portfolio as a whole resulting from a 1 basis point change in credit spreads (i.e., SDV01)<sup>21</sup></li> </ul>
<b>Securities Lending Activities</b>	Name of counterparty; LEI of counterparty (if any); aggregate value of all securities on loan to the counterparty <sup>22</sup>

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Disclosure Category	Required Disclosures
<b>Monthly Return Information</b>	<p>For each of the 3 preceding months:</p> <ul style="list-style-type: none"> <li>• Monthly total returns<sup>23</sup></li> <li>• Monthly net realized gain (or loss) and net change in unrealized appreciation (or depreciation) attributable to derivatives for commodity contracts, credit contracts, equity contracts, foreign exchange contracts, interest rate contracts, and other derivatives contracts<sup>24</sup></li> <li>• Monthly net realized gain (or loss) and net change in unrealized appreciation (or depreciation) attributable to investments other than derivatives<sup>25</sup></li> </ul>
<b>Investor Flows</b>	<p>Total net asset value of:</p> <ul style="list-style-type: none"> <li>• Shares sold (including exchanges but excluding reinvestment of dividends and distributions)<sup>26</sup></li> <li>• Shares sold in connection with reinvestments of dividends and distributions<sup>27</sup></li> <li>• Shares redeemed or repurchased (including exchanges)<sup>28</sup></li> </ul>
<b>Schedule of Portfolio Investments – All Investments</b>	<p>Identification of investments and issuers; investment amounts, including currency denomination;<sup>29</sup> payoff profile (<i>i.e.</i>, long, short, or not applicable); asset type;<sup>30</sup> issuer type;<sup>31</sup> whether the investment is a restricted security; country of investment or issuer;<sup>32</sup> whether the investment is an illiquid asset; whether the investment is categorized as a Level 1, Level 2, or Level 3 fair value measurement in the fair value hierarchy under U.S. generally accepted accounting principles (“GAAP”)</p>
<b>Schedule of Portfolio Investments – Debt Securities</b>	<p>Maturity date; coupon; whether the security is currently in default; whether there are any interest payments in arrears or whether any coupon payments have been legally deferred by the issuer; whether any portion of the interest is paid in kind</p> <p><u>For convertible securities:</u> whether the conversion is mandatory or contingent; the conversion ratio; information about the asset into which the debt is convertible; and delta (<i>i.e.</i>, the ratio of the change in the value of the security to the change in the value of the asset into which it is convertible)</p>

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Disclosure Category	Required Disclosures
<b>Schedule of Portfolio Investments – Repurchase and Reverse Repurchase Agreements</b>	Transaction category ( <i>i.e.</i> , repurchase or reverse repurchase); whether the transaction is cleared by a central counterparty, <sup>33</sup> whether the agreement is tri-party; repurchase rate; maturity date; principal amount, value, and category <sup>34</sup> of investments comprising collateral
<b>Schedule of Portfolio Investments – Derivatives</b>	<p>Category of derivative that most closely represents the investment; counterparty information (name and LEI (if any))</p> <p><u>For options and warrants</u>: put/call; written/purchased; detailed description of reference instrument;<sup>35</sup> number of shares or principal amount of underlying reference instrument per contract; exercise price or rate; expiration date; delta; unrealized appreciation or depreciation; and delta<sup>36</sup></p> <p><u>For futures and forwards (other than foreign exchange forwards)</u>: payoff profile (<i>e.g.</i>, long/short); detailed description of reference instrument (same information as for options and warrants); expiration date; aggregate notional amount or contract value on trade date; unrealized appreciation or depreciation<sup>37</sup></p> <p><u>For foreign exchange forwards and swaps</u>: amount and description of currency sold; amount and description of currency purchased; settlement date; unrealized appreciation or depreciation<sup>38</sup></p> <p><u>For swaps (other than foreign exchange swaps)</u>: description and terms of payments to be received from another party or to be paid to another party;<sup>39</sup> detailed description of reference instrument (same information as for options and warrants); termination or maturity date; upfront payments or receipts; notional amount; unrealized appreciation or depreciation<sup>40</sup></p> <p><u>For other derivatives</u>: description of the nature and terms of the investment;<sup>41</sup> detailed description of reference instrument (same information as for options and warrants); termination or maturity (if any); notional amount(s); delta (if applicable); unrealized appreciation or depreciation<sup>42</sup></p>

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Disclosure Category	Required Disclosures
<b>Schedule of Portfolio Investments – Securities Lending</b>	With respect to each investment in a fund’s portfolio: <sup>43</sup> <ul style="list-style-type: none"><li>• whether any amount of the investment represents reinvestment of cash collateral received for loaned securities</li><li>• whether any portion of the investment represents non-cash collateral received for loaned securities</li><li>• whether any portion of the investment is on loan</li></ul>

**Miscellaneous Securities.** As noted above, Form N-PORT would permit funds to identify certain investments as “miscellaneous securities.” Part D of the Form would require a fund to provide the same detail about its miscellaneous securities as it provides with respect to its non-miscellaneous securities in Part C. Information about miscellaneous securities would be non-public and provided for SEC use only.<sup>44</sup>

**Explanatory Notes.** Part E of Form N-PORT would permit, but not require, funds to provide explanatory notes about a filing. The SEC indicated that the notes section “could be used to explain assumptions” and/or “provide context for anomalous responses.”<sup>45</sup>

**Exhibits.** The SEC recognizes that the structured data provided in Part C would not be useful for most individual investors. Thus, Part F of Form N-PORT would require a fund to attach to the fund’s reports for the end of the first and third quarters of the fiscal year a schedule of portfolio holdings prepared in a non-structured data format and presented in accordance with Regulation S-X. Part F is intended to replicate the form and content of information prepared on Form N-Q, which the SEC has proposed to rescind if Form N-PORT is adopted.

### **Requests for Comment**

The SEC has requested comment on all components of proposed Form N-PORT, including, among other things, (i) whether the proposed 20% notional debt exposure is an appropriate threshold for seeking information about portfolio risk metrics; (ii) whether a fund should be required to provide information about all of its securities lending activities, or whether information concerning top counterparties would be more useful and less burdensome; (iii) whether investor flow information could be obtained from omnibus account intermediaries that net redemptions and purchases before executing transactions with a fund’s transfer agent; (iv) whether, with respect to swaps whose reference assets are indexes, disclosure of the underlying index components would be prohibited by contractual constraints or other considerations; and (v) whether the proposed 60-day lag period for making Forms N-PORT publicly available is sufficient to address concerns about front-running or free-riding.

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### ***Compliance Date***

The compliance dates for Form N-PORT are proposed to be 30 months after effectiveness for fund complexes with less than \$1 billion in net assets and 18 months after effectiveness for fund complexes with net assets of \$1 billion or more. The Proposing Release does not address whether the compliance dates will be tolled for new funds that are first offered during the proposed compliance periods.

### **AMENDMENTS TO REGULATION S-X**

Regulation S-X prescribes the form and content of financial statements required in a fund's registration statements and shareholder reports. The SEC's proposed revisions to Regulation S-X would conform certain disclosures required in a fund's financial statements with those required by proposed Form N-PORT and are largely focused on enhancing the transparency of a fund's derivatives portfolio while increasing the usefulness of the disclosures to investors.

### ***Enhanced Derivative Disclosures***

Although current Regulation S-X contains general requirements for portfolio holdings disclosures, it does not require standardized disclosures about derivatives, other than options. To address this information gap, the proposed revisions would, among other things, require uniform disclosures about open futures contracts, open forward foreign currency contracts, and open swap contracts. The revisions would also modify current disclosure requirements for purchased and written options and would update the form and content of certain other financial statement components.

Open Futures Contracts. Under current Rule 12-13, a fund is only required to provide a description of open futures contracts (including expiration date), the number of contracts held, and any unrealized appreciation and depreciation. Proposed Rule 12-13A would require a fund to report, with respect to each open futures contract: (1) description; (2) number of contracts; (3) expiration date; (4) notional amount; (5) value; and (6) unrealized appreciation and depreciation.<sup>46</sup> A fund would also be required to reconcile total unrealized appreciation depreciation attributable to its futures contracts with the total variation margin receivable or payable on the fund's balance sheet.<sup>47</sup>

Open Forward Foreign Currency Contracts. Under current Rule 12-13, a fund is required to report a description of its open currency forwards (including a description of what is to be purchased and sold and settlement date), the amount to be purchased and sold on settlement date, and any unrealized appreciation or depreciation. Proposed Rule 12-13B would require a fund to report, with respect to each open currency forward: (1) amount and description of currency to be purchased; (2) amount and description of currency to be sold; (3) counterparty; (4) settlement date; and (5) unrealized appreciation/depreciation.<sup>48</sup>

Open Swap Contracts. With respect to swaps, current Rule 12-13 requires a fund to report a description of the contract (including a description of what is to be paid and received by the fund and the contract's maturity date), notional amount, and any unrealized appreciation or depreciation. Proposed Rule 12-13C would require a fund to report, with respect to



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each open swap: (1) description and terms of payments to be received from another party; (2) description and terms of payments to be paid to another party; (3) counterparty; (4) maturity date; (5) notional amount; (6) value; (7) upfront payments/receipts; and (8) unrealized appreciation/depreciation.<sup>49</sup> For swaps whose reference asset is an index, proposed Rule 12-13C would require disclosures about the index similar to those mandated under proposed Form N-PORT.<sup>50</sup>

Open Options Contracts Written and Purchased. Under current Rule 12-12B funds are required to report, for open option contracts, the name of the issuer, number of contracts, exercise price, expiration date, and value. The SEC has proposed Rule 12-13 and certain revisions to the instructions for current Rule 12-12 that would require a fund to provide the following information for each written and purchased option: (1) description; (2) counterparty; (3) number of contracts; (4) notional amount; (5) exercise price; (6) expiration date; and (7) value.<sup>51</sup>

Other Investments. Current rule 12-13 would be renumbered as proposed Rule 12-13D but would continue to be the schedule by which funds report investments not otherwise required to be reported elsewhere under Regulation S-X's portfolio disclosure rules. The SEC expects that a fund "would report, among other holdings, investments in physical holdings, such as real estate or commodities, pursuant to proposed Rule 12-13D."<sup>52</sup> A fund would disclose, with respect to each investment identified under proposed Rule 12-13D, whether the investment was restricted and whether its fair value was determined using unobservable inputs.

### ***Amendments to Rule 12-12***

The SEC proposed a number of changes to the instructions to Rule 12-12 that would require a fund, among other things to categorize its portfolio schedule by type of investment, the related industry, *and* the related country, or geographic region.<sup>53</sup> Under current rules, global and international funds are only required to categorize their schedule by industry, country, *or* geographic region. Requiring a fund to disclose the industry and country or geographic region will also conform the disclosure requirements for registered funds with the requirements for nonregistered investment partnerships under U.S. GAAP.

The proposed instructions to Rule 12-12 would also require a fund to indicate the interest rate or preferential dividend rate and maturity rate for certain enumerated debt instruments and, with respect to variable rate securities, referenced rate and spread.<sup>54</sup> Additionally, a fund would be required to disclose investments whose fair value was determined using significant unobservable inputs.<sup>55</sup>

### ***Investments in and Advances to Affiliates***

Currently, Rule 12-14 only requires that a fund disclose the "amount of equity in net profit and loss for the period" for each controlled company.<sup>56</sup> Proposed amendments to Rule 12-14 would require a fund to disclose realized gains or losses and changes in unrealized appreciation or depreciation for each investment in and advance to an affiliate or a company in which the fund owns 5% or more of the outstanding voting securities.<sup>57</sup>

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### ***Form and Content of Financial Statements***

The SEC also proposed revisions to Article 6 of Regulation S-X, which prescribes the form and content of financial statements filed for funds. The proposed amendments are intended to improve usability and the consistency of disclosures across financial statements and schedules.

In recognition of the fact that investments reported under proposed rules 12-13A through 12-13D could be presented under both assets and liabilities on the balance sheet, the SEC has proposed to eliminate current rule 6-04.4, which requires disclosure of "Total investments" on a fund's balance sheet under "Assets." For example, a fund may hold a forward foreign currency contract with unrealized appreciation and a different forward foreign currency contract with unrealized depreciation. If the fund were to present an asset balance for the contract with unrealized appreciation and a liability balance for the contract with unrealized depreciation, totaling the investments reported under "Assets" could be misleading.

The SEC also proposed new Rule 6-03(m), which would require a fund to disclose the following with respect to its securities lending activities:

- (i) the gross and net income from its securities lending activities;
- (ii) the dollar amount of all fees and/or compensation paid by the fund for securities lending activities, including borrower rebates and cash collateral management services;
- (iii) the terms governing the compensation of the fund's securities lending agent;
- (iv) the details of any other fees paid for cash collateral management and any management fee deducted from a pooled investment vehicle in which cash collateral is invested; and
- (v) the monthly average of the value of portfolio securities on loan.<sup>58</sup>

Rule 6-07.7(a) would be revised to conform the statement of operations disclosures of the net realized gains or losses from investments to include the additional derivatives disclosures in proposed rules 12-13A through 12-13C.<sup>59</sup> Similarly, Rule 6-07.7(d) would be amended to conform the disclosure of the net increase or decrease in unrealized appreciation or depreciation of investments to include the additional derivatives change in unrealized appreciation/depreciation disclosures required by the new derivatives schedules.<sup>60</sup>

### ***Requests for Comment***

The SEC has requested comment on all components of the Regulation S-X proposals, including, among other things:

- (i) whether certain of the proposed disclosures are overly burdensome and/or would yield information beneficial to investors; (ii) whether the requirement for a fund to identify counterparties to certain instruments is appropriate and/or

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practical; and (iii) whether the disclosures regarding compensation and other fee and expense information relating to securities lending agents would be useful to fund boards in evaluating lending arrangements.

### **RULE 30e-3**

As noted above, proposed Rule 30e-3 would permit, but not require, registered investment companies to transmit periodic reports to shareholders by making them available online.<sup>61</sup> The SEC believes that that funds and shareholders would benefit from printing and mailing cost reductions, and investors would benefit from having portfolio holdings information in a central online location.<sup>62</sup> The SEC's proposal comes nearly 15 years after its most recent guidance on electronic document delivery.<sup>63</sup>

#### ***Background***

Under Section 30 of the Investment Company Act, and Rules 30e-1 and 30e-2 thereunder, funds are generally required to deliver reports to shareholders semiannually.<sup>64</sup> Historically, funds have satisfied their delivery obligations with respect to shareholder reports by printing and mailing copies directly to shareholders. Proposed Rule 30e-3 would, among other things, permit, but not require, a fund to satisfy its delivery requirements by making reports and certain other materials available on the fund's website, provided certain conditions were met.

#### ***Conditions***

To rely on Rule 30e-3, a fund would need to satisfy certain conditions relating to the availability/accessibility of shareholder reports and other materials, shareholder consent, shareholder notice, and ability of shareholders to obtain paper copies. These conditions are discussed below.

Availability and accessibility of reports and materials. A fund relying on Rule 30e-3 would be required to make its periodic shareholder reports publicly accessible, free of charge, on a specified website. A fund would also be required to post (i) certain previous shareholder reports and (ii) with respect to funds other than money market funds or SBICs, the fund's complete portfolio holdings as of the close of its most recent first and third fiscal quarters. Rule 30e-3 would also require materials to be presented in a format convenient for reading online, printing, and downloading. In addition, the proposed rule would provide a safe harbor to allow a fund to continue relying on it during temporary periods of non-compliance.<sup>65</sup>

Shareholder Consent. Rule 30e-3 would permit electronic delivery of a report to a particular shareholder only if that shareholder had consented to such delivery, either expressly or implicitly. To obtain implied consent as to a particular shareholder, the fund would be required to mail the shareholder a written statement at least 60 days before relying on the rule notifying it of the fund's intent to make future reports available on the fund's website until the shareholder revokes consent.<sup>66</sup>

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Shareholder Notice. Rule 30e-3 would also require a fund to send consenting shareholders, within 60 days of the close of the period to which a report relates, a notice indicating, among other things, that the report is available online and in print by request.<sup>67</sup> The notice could be sent in a manner consistent with the SEC's householding rules. The fund would also be required to file a form of the notice with the SEC by no later than 10 days after being sent.<sup>68</sup>

Paper Delivery upon Request. Rule 30e-3 would also require a fund to send paper copies of shareholder reports or portfolio holdings reports within three business days after receiving a request for such documents.<sup>69</sup> A fund would be required to send the materials at no cost to the requestor.<sup>70</sup>

### ***Use of Summary Schedule of Investments***

Current rules permit a fund to provide a summary schedule of portfolio investments as part of the financial statements included in the fund's shareholder reports, instead of providing a complete schedule of investments. A fund that chooses to rely on proposed Rule 30e-3, however, would not be permitted to include a summary schedule in its reports.<sup>71</sup>

### ***Additional Amendments***

The SEC proposed several other amendments related to Rule 30e-3, the most notable of which is a proposed amendment to Rule 498 under the Securities Act of 1933, as amended, which would require a fund relying on Rule 30e-3 to include a legend on the cover of the summary prospectus that includes the website address for shareholder reports.<sup>72</sup>

### ***Requests for Comment***

The SEC requests comment on a number of issues raised by proposed Rule 30e-3, including how the rule could affect (i) access to shareholder reports, (ii) usefulness of information transmitted online versus on paper, (iii) investor awareness of information, (iv) the potential benefits to shareholders that would result from reduced printing and mailing costs, and (v) whether the agency should require investor anonymity safeguards similar to those required under the rules relating to availability of proxy materials.<sup>73</sup> The SEC also requests comment on market practice with respect to electronic transmission and the effect of the proposed rule on funds, including the extent to which funds currently rely on the SEC's existing guidance on the use of electronic media, and whether and to what extent investors have elected to receive materials electronically. In addition, the SEC requests comment on the extent to which funds would choose to rely on the rule and/or on the previously existing guidance with respect to certain shareholders.<sup>74</sup>

### ***Compliance Date***

Because reliance on Rule 30e-3 would be optional, the SEC proposes that funds would be able to rely on the rule immediately after its effective date.<sup>75</sup>

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### FORM N-CEN

Currently, most registered funds are required to report census-type information to the SEC on Form N-SAR about their organization, service providers, fees, and expenses, portfolio strategies and investments, portfolio transactions, and share transactions. The SEC believes that the information required under Form N-SAR has become increasingly less useful, particularly since the form has not been revised in two decades. The SEC proposes to replace Form N-SAR with Form N-CEN to streamline and update the quality and utility of the census information funds provide. Form N-CEN would be completed in a structured XML data format, which will assist the SEC in aggregating, extracting, and analyzing fund-specific and overall industry trends.<sup>76</sup>

The following chart summarizes the key reporting requirements for proposed Form N-CEN compared with the current reporting requirements under Form N-SAR<sup>77</sup>:

	<b>N-SAR</b>	<b>N-CEN</b>
<b>Required Filers</b>	All registered investment companies, except face amount certificate companies	All registered investment companies, except face amount certificate companies
<b>Reporting Period</b>	Generally, semi-annual report <sup>78</sup>	Annual report
<b>Deadline</b>	60 days after the end of the applicable fiscal period	60 days after the end of the applicable fiscal year

### **Information Required**

The chart below summarizes certain information proposed to be required by Form N-CEN that is not currently required to be reported on Form N-SAR. This information is categorized by the applicable section of Form N-CEN.

All funds would be required to complete Parts A and B, along with any attachments on Part G. Part C would be completed by all management investment companies, other than SBICs. Part D would be completed by closed-end funds and SBICs. Part E would be completed by all ETFs, including UITs. Part F would be completed by all UITs.

<b>N-CEN Section</b>	<b>New Information Required by Form N-CEN</b>
<b>Part A: General Information</b>	<ul style="list-style-type: none"> <li>• Reporting period covered<sup>79</sup></li> <li>• Whether the report covers a period of less than 12 months<sup>80</sup></li> </ul>

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N-CEN Section	New Information Required by Form N-CEN
<b>Part B: Information About the Registrant</b>	<ul style="list-style-type: none"> <li>• CIK number and LEI<sup>81</sup></li> <li>• Public website (if any)<sup>82</sup></li> <li>• Location of the fund’s books and records<sup>83</sup></li> <li>• Whether the registrant issues a class of securities registered under the Securities Act of 1933<sup>84</sup></li> <li>• Whether each director is an “interested person” of the fund and the Investment Company Act number for any other registered investment company for which the director also serves as a director<sup>85</sup></li> <li>• Identifying information about the chief compliance officer (“CCO”) and any person other than the registrant, or an affiliated person of the registrant, if any, who compensates or employs the CCO for providing CCO services<sup>86</sup></li> <li>• The nature and extent to which a fund receives financial support from its sponsor and/or affiliates<sup>87</sup></li> <li>• Whether during the reporting period the fund relied on exemptive orders under the Investment Company Act, the Securities Act of 1933, or the Securities Exchange Act of 1934<sup>88</sup></li> <li>• Whether an independent public auditor issued an unqualified opinion during the reporting period<sup>89</sup></li> <li>• Information regarding dividends or distributions to shareholders<sup>90</sup></li> </ul>
<b>Part C: Additional Questions for Management Investment Companies<sup>91</sup></b>	<ul style="list-style-type: none"> <li>• Information on the classes of open-end management companies<sup>92</sup></li> <li>• Type of fund<sup>93</sup></li> <li>• For index funds: the fund’s “tracking difference” and “tracking error”<sup>94</sup></li> <li>• Whether the fund seeks to operate as a non-diversified company<sup>95</sup></li> <li>• Investments in controlled foreign corporations<sup>96</sup></li> <li>• Detailed information about securities lending activity<sup>97</sup></li> <li>• Identifying information about third party pricing services<sup>98</sup></li> </ul>

## A Detailed Look Into the SEC’s Investment Company Reporting Proposals

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N-CEN Section	New Information Required by Form N-CEN
<b>Part D: Additional Questions for Closed-End Management Investment Companies and Small Business Investment Companies</b>	<ul style="list-style-type: none"> <li>• Information about rights offerings<sup>99</sup></li> <li>• Information about secondary offerings<sup>100</sup></li> <li>• Whether securities were repurchased during the reporting period<sup>101</sup></li> </ul>
<b>Part E: Additional Questions for Exchange-Traded Funds and Exchange-Traded Managed Funds</b>	<ul style="list-style-type: none"> <li>• Exchange where listed<sup>102</sup></li> <li>• Information about authorized participants<sup>103</sup></li> <li>• Information about creation units<sup>104</sup></li> <li>• For exchange-traded funds that are unit investment trusts: tracking difference and tracking error<sup>105</sup></li> </ul>
<b>Part F: Additional Questions for Unit Investment Trusts</b>	<ul style="list-style-type: none"> <li>• For a unit investment trust that is a separate account of an insurance company:               <ul style="list-style-type: none"> <li>○ Series identification number<sup>106</sup></li> <li>○ For each security with a contract identification number, the number of individual contracts that are in force at the end of the reporting period<sup>107</sup></li> <li>○ Identifying information for each security issued through the separate account<sup>108</sup></li> <li>○ Information relating to section 1035 exchanges<sup>109</sup></li> <li>○ Reliance on rule 6c-7<sup>110</sup></li> <li>○ Reliance on rule 11a-2<sup>111</sup></li> </ul> </li> </ul>

### **Requests for Comment**

The SEC requests comment on each aspect of Form N-CEN, particularly with respect to items that have changed from what is required for Form N-SAR. In particular, the SEC requests comment on whether requiring the reports at the end of the fiscal year would be burdensome given funds’ other fiscal year-end filing requirements, and whether another time period might be more appropriate, such as calendar year-end. Comments are also sought on the questions directed at tracking error and tracking difference for index funds, including whether the proposed methodologies could be improved. With respect to securities lending, the SEC requests comment on whether the proposed reporting requirements would yield beneficial information and whether or not the questions would be unduly burdensome for funds.<sup>112</sup> In addition, the

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SEC requests input on the proposed new specialized reporting requirements for ETFs, including whether the requirements would yield beneficial information, how costly they might be for funds, and whether providing the information could conflict with confidentiality obligations, such as those between ETFs and their authorized persons.

### **Compliance Date**

The SEC proposes a compliance date of 18 months after effectiveness, and does not expect to provide a tiered compliance date based on asset size, as proposed for Form N-PORT.<sup>113</sup>

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If you have any questions concerning the foregoing or would like additional information, please contact James Burns (202-303-1241; jburns@willkie.com), Rose F. DiMartino (212-728-8215; rdimartino@willkie.com), Margery K. Neale (212-728-8297; mneale@willkie.com), Justin L. Browder (202-303-1264; jbrowder@willkie.com), Dianne E. O'Donnell (212-728-8558; do'donnell@willkie.com) or the Willkie attorney with whom you regularly work.

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<sup>1</sup> See Investment Company Reporting Modernization, Inv. Co. Act Rel. No. 31610 (May 20, 2015), available [here](#).

<sup>2</sup> Amendments to Form ADV and Investment Advisers Act Rules, Inv. Adv. Act Rel. No. 4091 (May 20, 2015), available [here](#).

<sup>3</sup> Willkie Farr & Gallagher LLP, "SEC Proposes Public Disclosure Regarding Separately Managed Accounts, Changes to Adviser Registration and Enhanced Recordkeeping Around Adviser Performance", Client Memo (June 5, 2015), available [here](#).

<sup>4</sup> Proposing Release, at 9-10.

<sup>5</sup> See, e.g., Chair Mary Jo White, *Enhancing Risk Monitoring and Regulatory Safeguards for the Asset Management Industry*, Remarks at The New York Times DealBook Opportunities for Tomorrow Conference Held at the One World Trade Center, New York, N.Y. (Dec. 11, 2014), available [here](#); Chair Mary Jo White, *Chairman's Address at SEC Speaks 2015*, Washington, D.C. (Feb. 20, 2015), available [here](#); David Grim, Acting Director, Division of Investment Management, *Remarks to PLI Investment Management Institute 2015*, New York, N.Y. (Mar. 5, 2015), available [here](#).



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<sup>6</sup> See Money Market Fund Reform, Inv. Co. Act Rel. No. 29132 (Feb. 23, 2010); Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Inv. Adv. Act Rel. No. 3308 (Oct. 31, 2011); Money Market Fund Reform; Amendments to Form PF, Inv. Co. Act Rel. No. 31166 (July 23, 2014).

<sup>7</sup> Pub. L. 111-203, 124 Stat. 1376.

<sup>8</sup> See *Id.*, at Section 113.

<sup>9</sup> See, e.g., Commissioner Michael S. Piwowar, *Remarks at the 2015 Mutual Funds and Investment Management Conference* (Mar. 16, 2015), available [here](#); Commissioner Daniel M. Gallagher, *Bank Regulators at the Gates: The Misguided Quest for Prudential Regulation of Asset Managers: Remarks at the 2015 Virginia Law and Business Review Symposium*, University of Virginia School of Law, Charlottesville, VA (April 10, 2015), available [here](#).

<sup>10</sup> Proposing Release, at 22.

<sup>11</sup> Rule 30b1-5 under the Investment Company Act.

<sup>12</sup> Rule 30b2-1 under the Investment Company Act.

<sup>13</sup> The LEI initiative is sponsored by the Global Financial Markets Association (the "GFMA") and is intended to allow for consistent identification of parties to financial transactions throughout the world. Global Financial Markets Association, Legal Entity Identifier, available [here](#). The LEI system operates under the LEI Regulatory Oversight Committee of which the SEC is a member.

<sup>14</sup> See Proposed Form N-PORT, Item B.2.a. Proposed Form N-PORT is reprinted in its entirety in the Proposing Release starting at page 491. Under Rule 12-12 of Regulation S-X, funds are permitted to report an aggregate amount not exceeding five percent of the total value of the portfolio investments in one amount as "miscellaneous securities," provided that such securities are not restricted, have been held for not more than one year prior to the date of the related balance sheet, and have not previously been reported by name to the shareholders, or set forth in any registration statement, application, or annual report or otherwise made available to the public.

<sup>15</sup> See Proposed Form N-PORT, Item B.2.b.

<sup>16</sup> See Proposed Form N-PORT, Item B.2.c.

<sup>17</sup> See Proposed Form N-PORT, Item B.2.d.

<sup>18</sup> See Proposed Form N-PORT, Item B.2.e.

<sup>19</sup> As proposed, notional value of debt investments would equal: the sum of the absolute values of: (i) the value of each debt security, (ii) the notional amount 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; and (iii) the delta-adjusted notional amount of any option for which the underlying reference asset is an asset described in clause (i) or (ii). See Proposed Form N-PORT, Item B.3.

<sup>20</sup> See Proposed Form N-PORT, Item B.3.a. Interest rate risk information must be provided for each currency to which the fund is exposed and for maturities of 1 month, 3 months, 6 months, 1 year, 2 years, 3 years, 5 years, 7 years, 10 years, 20 years, and 30 years.

<sup>21</sup> See Proposed Form N-PORT, Item B.3.b. Credit rate risk information must be provided for "Investment Grade" and "Non-Investment Grade"

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exposures and for maturities of 1 month, 3 months, 6 months, 1 year, 2 years, 3 years, 5 years, 7 years, 10 years, 20 years, and 30 years.

"Investment Grade" would refer "to an investment that is sufficiently liquid that it can be sold at or near its carrying value within a reasonably short period of time and is subject to no greater than moderate credit risk." "Non-Investment Grade" would refer "to an investment that is not Investment Grade." These definitions are consistent with those currently employed in Form PF. See Proposed Form N-PORT, General Instruction E.

<sup>22</sup> Proposed Form N-PORT, Item B.4. In addition, Proposed Form N-CEN (discussed below) will require a fund to disclose, on an annual basis, the name and other identifying information of the fund's securities lending agent, and revisions to Regulation S-X (also discussed below) will require a fund to disclose in its financial statements certain information about the income from and fees paid in connection with securities lending activities as well as the monthly average of the value of portfolio securities on loan.

Currently, funds generally disclose: whether they are permitted to engage in securities lending activities and whether they did so during the reporting period (Item 70.N of Form N-SAR); investment strategies (Item 16(b) of Form N-1A) and risks (Items 9(c) and 16(b) of Form N-1A); and particular securities that are on loan in their schedules of portfolio investments (Regulation S-X).

<sup>23</sup> Proposed Form N-PORT, Item B.5.a. Funds with multiple classes would report returns for each class. Funds would calculate returns using the same standardized formulas required for calculation of returns in the performance table contained in the risk-return summary of the fund's prospectus and in fund sales materials. See Form N-1A, Item 26(b)(1); Form N-2, Item 4, Instruction 13; Form N-3, Item 26(b)(i).

<sup>24</sup> Proposed Form N-PORT, Item B.5.c.

<sup>25</sup> Proposed Form N-PORT, Item B.5.d.

<sup>26</sup> Proposed Form N-PORT, Item B.6.a.

<sup>27</sup> Proposed Form N-PORT, Item B.6.b.

<sup>28</sup> Proposed Form N-PORT, Item B.6.c.

<sup>29</sup> Proposed Form N-PORT, Item C.2. For each investment, in addition to the currency in which the investment is denominated, a fund would be required to disclose the balance of the investment (e.g., number of shares or principal amount), the investment value denominated in U.S. dollars, and the percentage of the fund's net asset value comprised of the investment.

<sup>30</sup> For asset type, the categories would include "short-term investment vehicle (e.g., money market fund, liquidity pool, or other cash management vehicle), repurchase agreement, equity-common, equity-preferred, debt, derivative-commodity, derivative-credit, derivative-equity, derivative-foreign exchange, derivative-interest rate, structured note, loan, ABS-mortgage backed security, ABS-asset backed commercial paper, ABS-collateralized bond/debt obligation, ABS-other, commodity, real estate, [and] other." See Proposed Form N-PORT, Item C.4.a.

<sup>31</sup> For issuer type, the categories would include: "corporate, U.S. Treasury, U.S. government agency, U.S. government sponsored entity, municipal, non-U.S. sovereign, private fund, registered fund, [and] other." See Proposed Form N-PORT, Item C.4.b.

<sup>32</sup> Proposed Form N-PORT, Item C.5.

<sup>33</sup> If the agreement is cleared by a central counterparty, the fund must provide the name of the central counterparty. If the agreement is entered into over the counter, the fund must provide the LEI (if any) of the counterparty. See Proposed Form N-PORT, Item C.10.b.

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<sup>34</sup> Investment categories include asset-backed securities, agency collateralized mortgage obligations, agency debentures and agency strips, agency mortgage-backed securities, private label collateralized mortgage obligations, corporate debt securities, equities, money market, U.S. Treasuries (including strips), and other instruments. See Proposed Form N-PORT, Item C.10.f.iii.

<sup>35</sup> Proposed Form N-PORT, Item C.11.c.i-iii. The following information is required based on the characteristics of the reference instrument:

- i. If the reference instrument is an index for which the components are publicly available on a website and are updated on that website no less frequently than quarterly, the fund would identify the index and provide the index identifier, if any.
- ii. If the index's components are not publicly available and the notional amount of the derivative represents 1% or less of the NAV of the fund, the fund would provide a narrative description of the index.
- iii. If the index's components are not publicly available, and the notional amount of the derivative represents more than 1% of the NAV of the fund, the fund would provide the name, identifier, number of shares or notional amount or contract value as of the trade date, value, and unrealized appreciation or depreciation of every component in the index.
- iv. If the reference instrument is a derivative, funds would indicate the category of derivative (e.g., swap) and would provide all information required to be reported on Form N-PORT for that type of derivative.

<sup>36</sup> Proposed Form N-PORT, Item C.11.c.

<sup>37</sup> Proposed Form N-PORT, Item C.11.d.

<sup>38</sup> Proposed Form N-PORT, Item C.11.e.

<sup>39</sup> Proposed Form N-PORT, Item C.11.f.i. Description provisions include a description of the reference instrument, obligation or index; financing rate; floating rates; fixed rates; and payment frequency.

<sup>40</sup> Proposed Form N-PORT, Item C.11.f.ii-v.

<sup>41</sup> Proposed Form N-PORT, Item C.11.g.i. Descriptive terms include currency, payment terms, payment rates, call or put feature, exercise price, and description of reference instrument.

<sup>42</sup> Proposed Form N-PORT, Item C.11.g.ii-v.

<sup>43</sup> Proposed Form N-PORT, Item C.12.

<sup>44</sup> Proposed Form N-PORT, Part D.

<sup>45</sup> Proposing Release, at 86.

<sup>46</sup> Proposing Release, at 116-117; Proposed Rule 12-13A of Regulation S-X.

<sup>47</sup> Proposing Release, at 117, n. 212; Proposed Rule 12-13A of Regulation S-X, at n.7.

<sup>48</sup> Proposing Release, at 118.

<sup>49</sup> Proposing Release, at 119-20.

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- <sup>50</sup> See Proposed Form N-PORT, Item C.11.f.i, discussed *supra* at n. 35.
- <sup>51</sup> Proposing Release, at 112-16.
- <sup>52</sup> Proposing Release, at 122.
- <sup>53</sup> Proposing Release, at 130; Proposed Rule 12-12 of Regulation S-X, at n.2.
- <sup>54</sup> Proposing Release, at 131; Proposed Rule 12-12, n.4 of Regulation S-X.
- <sup>55</sup> Proposing Release, at 132; Proposed Rule 12-12, n.9 of Regulation S-X.
- <sup>56</sup> Proposing Release, at 136; Rule 12-14 of Regulation S-X.
- <sup>57</sup> See Proposing Release, at 136-37; Proposed Rule 12-14, columns C and D of Regulation S-X.
- <sup>58</sup> See Proposing Release, at 143; Proposed Rule 6-03(m) of Regulation S-X.
- <sup>59</sup> See *supra* n.46-50 and accompanying text.
- <sup>60</sup> See Proposing Release, at 144; Proposed Rule 6-07.7(c) of Regulation S-X.
- <sup>61</sup> Proposing Release, at 149.
- <sup>62</sup> *Id.*, at 153–54.
- <sup>63</sup> See *SEC Interpretation: Use of Electronic Media*, Inv. Co. Act. Release No. 24426 (Apr. 28, 2000), available [here](#).
- <sup>64</sup> Management investment companies file their shareholder reports with the SEC on Form N-CSR.
- <sup>65</sup> Proposing Release, at 159.
- <sup>66</sup> Proposing Release, at 161; Proposed Rule 30e-3(c).
- <sup>67</sup> Proposing Release, at 163; Proposed Rule 30e-3(d).
- <sup>68</sup> Proposing Release, at 166; Proposed Rule 30e-3(d)(6).
- <sup>69</sup> Proposing Release, at 166.
- <sup>70</sup> Proposing Release, at 166; Proposed Rule 30e-3(f).
- <sup>71</sup> See Proposing Release, at 168.
- <sup>72</sup> *Id.*, at 168-69 (referencing 17 C.F.R. 230.498(b)(1)(v)(A)).
- <sup>73</sup> See *id.*, at 154–79.
- <sup>74</sup> See *id.*, at 169–71.
- <sup>75</sup> Proposing Release, at 263.

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<sup>76</sup> *Id.*, at 180–81.

<sup>77</sup> Proposed Form N-CEN is reprinted in its entirety in the Proposing Release starting at page 445.

<sup>78</sup> Unit investment trusts file N-SAR annually. See 17 C.F.R. § 270.30a-1. A fund must file a transition report on Form N-SAR when a fund's fiscal year changes. See 17 C.F.R. § 270.30b1-1.

<sup>79</sup> Proposed Form N-CEN, Item 1.a.

<sup>80</sup> Proposed Form N-CEN, Items 1.b.

<sup>81</sup> Proposed Form N-CEN, Items 2.c-d.

<sup>82</sup> Proposed Form N-CEN, Item 3.g.

<sup>83</sup> Proposed Form N-CEN, Item 4.

<sup>84</sup> Proposed Form N-CEN, Item 8.

<sup>85</sup> Proposed Form N-CEN, Item 9.

<sup>86</sup> Proposed Form N-CEN, Item 10.

<sup>87</sup> Proposed Form N-CEN, Item 15. The term “financial support” means 1) capital contribution, (2) purchase of a security from a money market Fund in reliance on rule 17a-9 under the Investment Company Act, (3) purchase of any defaulted or devalued security at fair value, (4) execution of letter of credit or letter of indemnity, (5) capital support agreement (whether or not the fund ultimately received support), (6) performance guarantee, or (7) other similar action reasonably intended to increase or stabilize the value or liquidity of the fund's portfolio.

<sup>88</sup> Proposed Form N-CEN, Item 16.

<sup>89</sup> Proposed Form N-CEN, Item 20.

<sup>90</sup> Proposed Form N-CEN, Items 23-24.

<sup>91</sup> All management companies (other than small business companies) must complete Part C.

<sup>92</sup> Proposed Form N-CEN would require open-end management companies to report the number of classes authorized, added, and terminated during the reporting period. Proposed Form N-CEN, Item 26.a-c. Open-end management companies would also report identifying information for each class with shares outstanding, including the name of the class, any class identification number, and any ticker symbol. Proposed Form N-CEN, Item 26.d.

<sup>93</sup> Fund types include: exchange-traded fund or exchange-traded managed fund; index fund; fund seeking to achieve performance results that are a multiple of a benchmark, the inverse of a benchmark, or a multiple of the inverse of a benchmark; interval fund; fund of funds; master-feeder fund; money market fund; target date fund; and underlying fund to a variable annuity or variable life insurance contract. Proposed Form N-CEN, Item 27.

<sup>94</sup> Proposed Form N-CEN, Item 27.b. “Tracking difference” is “the return difference between the fund and the index it is following, annualized.” “Tracking error” is “the standard deviation of the daily difference in return between the fund and the index it is following, annualized.” See Proposing Release, at 204, nn. 455-56, and accompanying text.

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- <sup>95</sup> Proposed Form N-CEN, Item 28. By contrast, Form N-SAR asks whether the fund was a diversified investment company at any time during the reporting period. Form N-SAR, Item 60.
- <sup>96</sup> Proposed Form N-CEN, Item 29.
- <sup>97</sup> Proposed Form N-CEN, Item 30. This information includes identification of securities lending agents or cash collateral managers used, fees paid, and affiliation of lending agents and collateral managers to the fund's adviser, and information about borrower defaults.
- <sup>98</sup> Proposed Form N-CEN, Items 35-36.
- <sup>99</sup> Proposed Form N-CEN, Item 45.
- <sup>100</sup> Proposed Form N-CEN, Item 46.
- <sup>101</sup> Form N-CEN would only require a fund to indicate if it repurchased any outstanding securities and the types of securities repurchased. Proposed Form N-CEN, Item 47. Form N-PORT, on the other hand, would require a fund to provide the aggregate dollar amounts for sales and redemptions/repurchases of fund shares during each of the preceding three months. Proposed Form N-PORT, Item B.6.
- <sup>102</sup> Proposed Form N-CEN, Item 58.
- <sup>103</sup> Authorized participant information includes: the name of each of its authorized participants and certain other identifying information, and the dollar value of shares that each authorized participant purchased and redeemed from the exchange-traded fund during the reporting period. Proposed Form N-CEN, Item 59.
- <sup>104</sup> Creation unit information includes: the total value of creation units that were purchased or redeemed on an in-kind or cash basis and the number of exchange-traded fund shares required to form a creation unit as of the last business day of the reporting period. Proposed Form N-CEN, Item 60.
- <sup>105</sup> Proposed Form N-CEN, Item 61.
- <sup>106</sup> Proposed Form N-CEN, Item 73.
- <sup>107</sup> Proposed Form N-CEN, Item 74.
- <sup>108</sup> Information about a security issued through a separate account would include the name of the security, contract identification number, total assets attributable to the security, number of contracts sold, gross premiums received, and amount of contract value redeemed. Proposed Form N-CEN, Item 75.a-e, .h.
- <sup>109</sup> Information about 1035 exchanges would include gross premiums received pursuant to section 1035 exchanges, number of contracts affected in connection with premiums paid, amount of contract value redeemed pursuant to section 1035 exchanges, and number of contracts affected by redemptions. Proposed Form N-CEN, Item 75.f-g, .i-j.
- <sup>110</sup> Proposed Form N-CEN, Item 76.
- <sup>111</sup> Proposed Form N-CEN, Item 77.
- <sup>112</sup> Proposing Release, at 213.
- <sup>113</sup> Proposing Release, at 263.