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Re: Form PF; Reporting Requirements for All Filers (Release No. IA-6959; File No. S7-2026-13)

Dear Ms. Countryman and Mr. Kirkpatrick:

Andreessen Horowitz (a16z) appreciates the opportunity to submit this comment letter in response to the joint proposed amendments to Form PF published by the Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC", and together with the SEC, the "Commissions") on April 20, 2026 (the "Proposal"). a16z is a venture capital firm and registered investment adviser that invests in seed, venture, and growth-stage technology companies, focused on AI, bio and healthcare, consumer, crypto, enterprise, fintech, games, infrastructure, and companies building toward American dynamism. As of 2026, a16z has more than $100 billion of regulatory assets under management across multiple funds.

a16z commends the Commissions for undertaking a comprehensive review of Form PF and for their stated objective of reducing compliance burdens while continuing to collect information necessary for systemic risk monitoring and investor protection. As SEC Chairman Paul S. Atkins noted, prior amendments to Form PF have led to "overly burdensome disclosure requirements for advisers, distracting them from their core investment functions, often without a commensurate benefit to regulators' use of the collected data." We share that view and believe the Proposal represents a welcome and meaningful step toward rationalizing Form PF's reporting obligations.

While we are generally supportive of the Proposal's direction, we respectfully submit the following five requests for the Commissions' consideration: (1) exclude venture capital funds and other closed-end, illiquid, non-redeemable venture and growth-oriented funds from Form PF Section 1 reporting, or, at minimum, ensure that such funds are not subject to reporting designed for hedge funds or trading-oriented private funds; (2) narrow the definition of "hedge fund" in the Form PF instructions; (3) restore aggregated reporting for parallel fund structures; (4) further narrow the trading vehicle identification requirement to eliminate the residual analytical burden imposed by the "faces counterparties and creditors" prong; and (5) extend the Section 5 current reporting deadline to five business days. We believe that adopting these modifications would further advance the Proposal's stated goals of eliminating unnecessary burdens while preserving the collection of accurate and useful information for purposes of monitoring systemic risk.

As a threshold matter, our recommendations are informed by several overarching observations regarding the current Form PF framework which are embedded in the Proposal as well. First, Form PF reporting should be calibrated to actual systemic-risk characteristics. Second, fund classification should reflect economic substance rather than technical drafting flexibility or investment authority that does not materially affect systemic risk. Third, the quality of data reported on Form PF can be improved by ensuring that reporting requirements are calibrated to the information that is most meaningful and actionable for regulators. Third, administrability of the reporting framework can be enhanced through clearer definitional standards, appropriate thresholds, and streamlined reporting structures that reduce interpretive uncertainty. Finally, while we recognize that compliance costs are an inherent aspect of regulatory reporting, certain existing requirements impose administrative burdens that are disproportionate relative to the regulatory objectives they serve. These observations inform each of the specific proposals set forth below.

I. Venture Capital Funds Should Be Excluded from Section 1 Reporting

We respectfully urge the Commissions to amend the Proposal to exclude venture capital funds from the Form PF Section 1 reporting requirements. Venture capital funds differ fundamentally from hedge funds, private credit funds, and other private fund strategies in ways that are directly relevant to Form PF's systemic risk monitoring objectives. In particular, venture capital funds generally employ minimal leverage at the fund level, engage in limited trading activity, invest predominantly in illiquid privately held operating companies, and maintain comparatively limited financing and counterparty relationships.[1]

To the extent venture capital funds are not fully excluded from Section 1, the Commissions should, at a minimum, narrow the information requested in Section 1 for venture capital entities—for example, by limiting reporting to basic identifying information and aggregate fund-level data, and eliminating questions directed at counterparty exposure, borrowing arrangements, trading mechanisms, and other items that are not meaningful in the context of a long-term, illiquid venture capital strategy.

Importantly, venture capital plays a unique and significant role in promoting innovation, entrepreneurship, and job creation throughout the U.S. economy. Venture capital-backed companies have historically been a major source of technological advancement, business formation, and high-growth employment opportunities across sectors ranging from software and

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[1] *See* Exemptions for Advisers to Venture Capital Funds, Private Fund Advisers With Less Than $150 Million in Assets Under Management, and Foreign Private Advisers, Investment Advisers Act Release No. IA-3222 (June 22, 2011), 76 Fed. Reg. 39,646 (July 6, 2011), [76 FR 39646 (July 6, 2011)] (exempting an investment adviser that solely advises venture capital funds from registration under the Advisers Act).

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biotechnology to clean energy and advanced manufacturing. Regulatory requirements that impose disproportionate costs on venture capital activity risk diverting resources away from productive investment in emerging companies and may ultimately reduce the flow of capital to businesses that drive economic growth and employment.

A. Excluding Venture Capital Funds Would Not Impair Systemic Risk Monitoring

Form PF Section 1 is intended to provide regulators with information relevant to monitoring systemic risk and identifying potential channels for market stress transmission. Venture capital funds, however, generally do not exhibit the characteristics associated with the types of funds that are the focus of Form PF. Importantly, the Commissions should avoid treating venture capital entities as systemic-risk-relevant trading vehicles. Congress recognized in Title IV of the Dodd-Frank Act that venture capital fund advisers present fundamentally different risk profiles from other private fund advisers, and accordingly exempted advisers solely to venture capital funds from registration under the Investment Advisers Act ("Advisers Act"). In the 2011 adopting release implementing these provisions, the Commission explained that venture capital funds are distinguished from other private funds in part because they generally do not employ significant leverage, invest in companies that are not leveraged in connection with the fund's investment, and are less interconnected with public markets—characteristics that reduce their potential to contribute to systemic risk. The Commission classified venture capital fund advisers as Exempt Reporting Advisers under the Advisers Act, subject only to limited reporting on Form ADV rather than full registration and compliance obligations—a regulatory treatment that reflects the judgment that these advisers do not present the same investor protection or systemic risk concerns as advisers to hedge funds and other trading-oriented private funds. These same characteristics that justified exempting venture capital fund advisers from Advisers Act registration apply with equal force to the question of whether venture capital funds should be subject to Form PF's systemic risk reporting framework.[2]

Unlike hedge funds and other trading-oriented private funds, venture capital funds typically pursue long-term investment strategies focused on privately held companies and rarely rely on significant leverage, derivatives exposure, or complex counterparty arrangements. Their portfolios are generally illiquid and not subject to rapid redemption dynamics or forced asset sales that could amplify market dislocations. Consequently, the information captured through Section 1 reporting for venture capital funds is unlikely to materially enhance the Commissions' ability to detect, assess, or respond to near-term market stress events. By contrast, Form PF reporting is most useful when directed toward fund strategies with meaningful interconnectedness to broader financial markets through leverage, financing arrangements,

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[2] Section 407 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, § 407, 124 Stat. 1376, 1574 (2010), which added Section 203(l) to the Investment Advisers Act of 1940 (codified at 15 U.S.C. § 80b-3(l))

liquidity transformation, and extensive counterparty exposure. Venture capital funds generally do not present these characteristics.

B. The Exclusion Should Apply Based on Economic Substance, Not an Overly Narrow Technical Definition

In adopting any exclusion from Section 1 reporting for venture capital funds, the Commissions should ensure that the exclusion is not limited by an unduly narrow technical definition that fails to capture funds with the same economic substance and systemic-risk profile as traditional venture capital funds. Many closed-end, illiquid, non-redeemable funds pursue venture capital, growth equity, or late-stage private-company investment strategies but may not fit neatly within the existing venture capital fund definition because they retain flexibility to engage in secondary transactions, continuation transactions, follow-on investments, investments in later-stage private operating companies, or other investments that may fall outside the strict technical limits of the current definition.

Those features do not make such funds materially more relevant to systemic-risk monitoring. Like traditional venture capital funds, these vehicles are generally closed-end, do not provide investors with ordinary-course redemption rights, hold long-term illiquid positions, do not engage in active trading strategies, and do not depend on the leverage, derivatives exposure, counterparty relationships, or liquidity transformation that Form PF is designed to help regulators monitor. For Form PF purposes, the relevant inquiry should therefore focus on the fund's actual risk profile and economic substance, not solely on whether each investment satisfies the technical requirements of the existing venture capital fund definition.

Accordingly, the Commissions should ensure that any exclusion from Section 1 reporting applies to closed-end, illiquid, non-redeemable venture and growth-oriented funds whose strategies and risk profiles do not present the systemic-risk characteristics associated with hedge funds or other trading-oriented private funds. If the Commissions decline to modify the venture capital fund definition for this purpose, they should, at a minimum, clarify that such funds should not be treated as hedge funds or trading-oriented funds merely because they fall outside the technical venture capital fund definition.

To the extent the Commissions determine that these funds require a separate Form PF classification, they should be treated as private-equity-type funds only for the limited purpose of avoiding inappropriate hedge fund or trading-oriented reporting, and not in a manner that imposes additional private-equity-specific reporting obligations unrelated to their actual systemic-risk profile. Any such classification should preserve the core tailoring principle: closed-end, illiquid, non-redeemable funds that do not provide ordinary-course redemption rights and do not engage in material leverage, derivatives, or market-facing trading activity should not be subject to reporting designed for funds that do.

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C. Excluding Venture Capital Funds Would Focus Regulatory Resources on More Relevant Data

Venture capital and venture-like growth funds incur fixed compliance costs to map entity structures, compile fund and investor-level data, coordinate finance, legal, and compliance review, and maintain reporting processes for Form PF Section 1. Those costs are not matched by a commensurate systemic-risk benefit where the relevant funds are closed-end, illiquid, non-redeemable, and do not engage in trading-oriented strategies or maintain significant market counterparty exposure. Excluding such funds from Section 1 reporting would therefore reduce unnecessary regulatory costs while allowing the Commissions and Financial Stability Oversight Council's ("FSOC") to focus on data from strategies that more directly implicate market stress transmission, leverage, liquidity transformation, and counterparty interconnectedness.

<u>II. The Definition of "Hedge Fund" Should Be Updated to Exclude Closed-End, Illiquid, Non-Redeemable Venture Capital Entities</u>

Under the current Form PF instructions, a "hedge fund" is defined to include any private fund (other than a securitized asset fund) that, among other criteria: (i) may borrow an amount in excess of one-half of its net asset value (including any committed capital) or may have gross notional exposure in excess of twice its net asset value (including any committed capital); or (ii) may sell securities or other assets short or enter into similar transactions (other than for the purpose of hedging currency exposure or managing duration). We respectfully submit that the Commissions should update this classification to ensure that closed-end, illiquid, non-redeemable venture capital entities are not classified as "hedge funds" solely because their organizational documents permit ordinary-course borrowing, hedging, or short-sale flexibility. The following considerations support this request.[3]

A. Venture Capital Entities Are Misclassified Under the Current Definition

The leverage and short-selling prongs of the hedge fund definition sweep in venture capital funds that are not hedge funds in any economic, operational, or strategic sense. Venture capital entities are closed-end, long-term investment vehicles that invest predominantly in illiquid equity securities of privately held operating companies. They do not offer investors ordinary-course redemption or liquidity rights. They do not engage in active trading, leverage-driven strategies, or the kinds of interconnected financing arrangements that characterize hedge fund activity. Yet

[3] Form PF Glossary of Terms (defining a "hedge fund" as "any private fund (other than a securitized asset fund): (a) with respect to which one or more investment advisers (or related persons of investment advisers) may be paid a performance fee or allocation calculated by taking into account unrealized gains (other than a fee or allocation the calculation of which may take into account unrealized gains solely for the purpose of reducing such fee or allocation to reflect net unrealized losses); (b) that may borrow an amount in excess of one-half of its net asset value (including any committed capital) or may have gross notional exposure in excess of twice its net asset value (including any committed capital); or (c) that may sell securities or other assets short or enter into similar transactions (other than for the purpose of hedging currency exposure or managing duration").

many venture capital funds retain standard provisions in their organizational documents permitting ordinary-course borrowing (such as subscription credit facilities or bridge loans), hedging of portfolio-level currency or interest rate exposures, or limited short-sale flexibility for risk management purposes. These provisions are commercially standard, serve protective rather than speculative functions, and do not transform a venture capital fund into a hedge fund in substance.

The Commissions considered and rejected arguments in 2011 that the leverage and short-selling prongs were too broad as applied to funds that do not in fact engage in either activity, concluding that the definition "properly focus[es] on a fund's ability to engage in these practices."[4] The Commissions did provide a narrow saving provision: a fund is not a hedge fund solely because its organizational documents fail to prohibit leverage or short selling, provided the fund does not in fact engage in those practices and a reasonable investor would understand from the offering materials that it will not.[5] In practice, however, this saving provision has proven insufficient to address the classification of venture capital entities. Venture capital funds routinely employ ordinary-course borrowing (e.g., subscription credit facilities, bridge financing) and may retain organizational-document flexibility to hedge or sell short in limited circumstances for risk management purposes. These activities are fundamentally different from the leveraged trading strategies the hedge fund definition was designed to capture, but they are sufficient to trigger classification under the current definition's broad, document-driven approach.

The SEC's own guidance has acknowledged this problem. The Form PF FAQs confirm that the definition of "hedge fund" is "not limited to private funds that have either an actual or contemplated incurrence of leverage or short selling," and that a fund cannot avoid classification merely because it does not in fact engage in those activities.[6] This rigid, document-driven approach means that private funds are classified as hedge funds based solely on the permissive language in their governing documents, regardless of their actual investment strategy, activities, risk profile, or economic character.

B. Document-Based Classification Produces Misleading Data

When funds that are not economically or practically hedge funds are classified as such, the data reported on Form PF becomes much less useful for its stated purposes. Form PF is designed to facilitate FSOC monitoring of systemic risk in the private fund industry. If the "hedge fund" category includes a substantial number of venture capital funds, private equity funds, private

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[4] Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Release No. IA-3308; File No. S7-05-11 (October 31, 2011) ("2011 Release") at section II.A.1.

[5] Id.

[6] *See* Division of Investment Management, U.S. Securities and Exchange Commission, Form PF Frequently Asked Questions, *available at* https://www.sec.gov/rules-regulations/staff-guidance/division-investment-management-frequently-asked-questions/form-pf-faq (last updated Apr. 4, 2025).

credit funds, real estate funds, and other vehicles that happen to maintain permissive leverage or short-selling authority in their organizational documents, the resulting data paints a distorted picture of hedge fund activity and associated systemic risk. Regulators relying on Form PF data to assess trends in the hedge fund industry may draw inaccurate conclusions when the underlying data pool includes funds whose strategies, risk profiles, and investor bases bear little resemblance to traditional hedge funds.

C. Adding a Prong for Liquidity Rights Adequately Captures True Hedge Funds

The Commissions could consider adding investor liquidity rights as an additional prong within the definition of "hedge fund" in Form PF. The ability of investors to request the withdrawal or redemption of their capital on a prescribed periodic basis and to have a contractual right to receive the majority of the proceeds of such withdrawal and redemption during a defined time period (rather than basing the timing of the payout solely on when sufficient proceeds from the sale of investments are available to satisfy the withdrawal or redemption request, thus setting "hedge funds" apart from their open-ended fund brethren that invest predominantly in illiquid assets (e.g., open-ended credit funds or real estate funds)) is a defining operational characteristic of traditional hedge funds and a meaningful indicator of the liquidity risk dynamics that Form PF's hedge-fund-specific reporting is designed to capture. Funds that do not offer investors the right to request and receive a withdrawal or redemption of their capital in the ordinary course typically present a fundamentally different portfolio risk profile from hedge funds, regardless of whether their organizational documents permit leverage or short selling. The Commissions' 2011 adopting release recognized that limitations on investor redemption rights tend to mitigate systemic risk potential, but did not carry that insight through to the hedge fund definition itself.[7] The Commissions should consider doing so now.

III. The Commissions Should Restore Aggregated Reporting for Parallel Fund Structures

Prior to the 2024 Amendments, advisers were permitted to report master-feeder and parallel fund structures on an aggregated basis. The 2024 Amendments required disaggregated reporting (i.e., separate reporting for each component fund) with a narrow exception for "disregarded feeder funds" that invest all of their assets in a single master fund, U.S. treasury bills, and/or cash and cash equivalents. The Proposal helpfully expands this exception by permitting advisers to disregard feeder funds that invest no more than 5% of their gross asset value outside of a single master fund, U.S. treasury bills, and/or cash and cash equivalents. However, the Proposal does not extend comparable relief to parallel fund structures, which must continue to be reported on a disaggregated basis. We respectfully submit that the Commissions should restore aggregated reporting for parallel fund structures for the following reasons.[8]

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[7] *See* 2011 Release at II.C.4.

[8] 2026 Form PF Proposal at section II.C.

A. Disaggregated Parallel Fund Reporting Imposes Substantial Compliance Costs Without Commensurate Benefit

Parallel fund structures are common in the private fund industry. Advisers routinely establish parallel funds to accommodate different investor types (e.g., taxable and tax-exempt investors, U.S. and non-U.S. investors), regulatory requirements, and operational considerations. A single investment program may be implemented through a dozen or more parallel vehicles, each of which invests substantially pro rata alongside the others and pursues the same investment strategy. Under the disaggregated reporting requirement, an adviser must prepare a separate set of responses for each parallel fund, even though the funds hold substantially similar portfolios, pursue the same strategy, and are managed by the same team using the same risk management processes.

This disaggregated reporting produces largely duplicative data. Where parallel funds invest pro rata in the same portfolio, the exposures, counterparty relationships, and risk characteristics of each fund are substantially identical. Requiring separate reporting for each vehicle fails to provide regulators with meaningfully differentiated data. The pre-2024 aggregated approach, by contrast, provided the Commissions with a complete picture of the investment program's aggregate risk profile, which is the information most relevant to systemic risk monitoring.[9]

B. The Prior Aggregated Approach Was Working Effectively

The aggregated reporting approach that was in place from Form PF's adoption in 2011 through the 2024 Amendments functioned effectively for over a decade. During that period, the Commissions successfully used Form PF data to monitor private fund activity and assess systemic risk in the financial markets. We are not aware of any instance in which the aggregation of parallel fund data materially impeded the Commissions' ability to identify or respond to a systemic risk concern. The decision to require disaggregated reporting in the 2024 Amendments was part of a broader effort to increase reporting granularity, but the Proposal itself acknowledges—through its significant threshold increases, elimination of multiple reporting requirements, and expanded de minimis exceptions—that much of the 2024 Amendments' added granularity imposed costs that exceeded its regulatory benefits. We submit that the disaggregation of parallel fund reporting falls squarely within this category.

We note, however, that some advisers have already invested significant time and resources in developing systems and processes to report parallel and feeder fund structures on a disaggregated basis in preparation for the 2024 Amendments. For those advisers, the ability to report on a disaggregated basis may represent sunk compliance investment that they prefer to continue utilizing. We therefore request that the Commissions, in restoring the aggregated reporting option for parallel fund structures, also preserve the option for administrable segregated

[9] Reporting by Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors on Form PF, Release No. IA-3308 (Oct. 31, 2011), [76 FR 71128 (Nov. 16, 2011)].

reporting as an alternative for advisers that elect to continue reporting on a disaggregated basis. Providing both options—aggregated reporting as the default, with disaggregated reporting available at the adviser's election—would respect the compliance investments already made while ensuring that advisers who have not yet built disaggregation systems are not compelled to do so without corresponding regulatory benefit.

C. Extending the De Minimis Logic to Parallel Funds Would Be Consistent with the Proposal's Approach

The Proposal's expansion of the disregarded feeder fund exception reflects a sound principle: where a component fund's assets are substantially co-invested with those of the broader structure, separate reporting imposes costs without generating meaningful additional data. This same principle applies with equal or greater force to parallel funds, which by design invest pro rata in the same portfolio. If a feeder fund investing no more than 5% of its gross asset value outside a single master fund may be disregarded for reporting purposes, there is a strong argument that parallel funds pursuing the same strategy and holding substantially identical portfolios should likewise be reportable on an aggregated basis. We urge the Commissions to extend the aggregation logic to parallel fund structures, either by restoring the pre-2024 aggregated reporting approach or by adopting a new provision that permits aggregated reporting where parallel funds invest substantially all of their assets in the same portfolio.

IV. The Trading Vehicle Identification Requirement Should Be Limited to Vehicles Reported on Form ADV

The 2024 Amendments required advisers to identify all "trading vehicles"—separate legal entities wholly or partially owned by private funds that hold assets, incur leverage, or conduct trading or other activities as part of a fund's investment activities.[10] This broad definition captures passive entities commonly used by private funds, such as tax blockers, aggregator vehicles, and holding companies, that do not present counterparty or systemic risk. The Proposal commendably narrows this requirement by limiting it to trading vehicles that either (i) are listed on Form ADV as a private fund or (ii) are vehicles that face counterparties and creditors. While we appreciate the Proposal's exclusion of passive structuring entities, we respectfully submit that the second prong regarding vehicles that face counterparties and creditors continues to impose a significant and unnecessary analytical burden on advisers for the following reasons.

The Analytical Burden of the "Faces Counterparties and Creditors" Prong Remains Substantial

Many private fund structures employ numerous intermediate entities—including special purpose vehicles, blocker entities, joint venture vehicles, and subsidiary holding companies—each of which may have some form of borrowing arrangement, hedging relationship, or other

[10] Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers, Release No. IA-6546 (Feb. 8, 2024), [89 FR 17984 (Mar. 12, 2024)].

counterparty-facing activity. Determining which of these entities "face counterparties and creditors" within the meaning of the Proposal requires a detailed, entity-by-entity analysis of the organizational structure and contractual relationships of each fund. For large, multi-strategy advisers with dozens or even hundreds of intermediate vehicles across their fund complex, this analysis is both time-consuming and costly to perform—and must be updated each reporting period as fund structures evolve, new vehicles are formed, and existing vehicles enter into or terminate counterparty relationships.

Moreover, the line between a vehicle that "faces counterparties and creditors" and one that does not is often unclear. For example, tax blocker entity established solely to accommodate tax-exempt or non-U.S. investors that has entered into a de minimis intercompany loan from the main fund, or a special purpose vehicle formed to hold a single portfolio company investment that has a routine subscription credit facility draw, may technically face a counterparty or creditor but presents no meaningful systemic risk. The absence of clear bright-line tests or de minimis thresholds for determination of whether a vehicle faces counterparties or creditors creates interpretive uncertainty that increases compliance costs and may result in inconsistent reporting across filers.

B. Limiting the Requirement to Form ADV Vehicles Would Be More Administrable and Equally Effective

We respectfully suggest that the Commissions limit the trading vehicle identification requirement solely to vehicles that are listed or required to be listed on an adviser's Form ADV as a private fund. This approach would be immediately administrable because advisers already know which of their vehicles are reported on Form ADV, and it would also eliminate the need for the burdensome entity-by-entity analysis described above. Vehicles listed on Form ADV are, by definition, the entities that regulators have already identified as warranting oversight. Requiring their identification on Form PF creates a natural bridge between the two reporting regimes without imposing incremental analytical costs.

To the extent the Commissions are concerned that this approach would exclude vehicles with significant counterparty exposure, we note that the Proposal already requires detailed counterparty exposure reporting through Questions 26, 27, 28, 42, 43, and 44. The information the Commissions seek regarding which entities face counterparties and creditors is therefore already captured through those questions. Requiring advisers to separately identify the vehicles providing such exposure through the trading vehicle question adds a duplicative layer of reporting without providing meaningful additional data for systemic risk monitoring purposes.[11]

Alternatively, if the Commissions determine that trading vehicles facing counterparties and creditors should continue to be identified, we urge the Commissions to adopt clear bright-line exclusions—such as a de minimis threshold based on the dollar amount of counterparty-facing

[11] *See* Form PF section 1(c), Item B, Questions 26, 27, 28 and Form PF section 2, Item B, Questions 42, 43 and 44.

obligations—and to provide detailed guidance on the scope of the "faces counterparties and creditors" standard to reduce interpretive uncertainty and promote consistency across filers.

V. The 72-Hour Current Reporting Deadline for Section 5 Should Be Extended to Five Business Days

The Proposal would amend the current reporting standard for large hedge fund advisers filing Section 5 of Form PF by replacing the existing "as soon as practicable, but no later than 72 hours" standard with a simpler "no later than 72 hours" deadline.[12] While we appreciate the removal of the ambiguous "as soon as practicable" language, we respectfully submit that the 72-hour deadline itself remains inadequate and should be extended to five business days. The following considerations support this request.

A. Trigger Events Demand Immediate Operational Attention

The events triggering a current report under Section 5 are, by their nature, among the most significant and stressful occurrences an adviser may face. These include extraordinary investment losses over a short period, counterparty defaults, terminations or material restrictions of prime broker relationships, and significant disruptions to critical operations.[13] Each of these events requires the immediate and undivided attention of an adviser's senior investment professionals, risk management teams, and operational leadership. In the critical hours following such an event, the primary obligation of an adviser—and the primary interest of its investors—is to stabilize the situation, protect portfolio value, and manage risk.

Requiring a detailed regulatory filing within 72 hours forces advisers to divert resources from these urgent matters precisely when those resources are most needed. This diversion is counterproductive: it risks undermining the adviser's ability to preserve shareholder value, manage counterparty relationships, and contain potential contagion effects that could be disruptive to the broader market.

B. A Compressed Deadline Undermines Data Quality

The Commissions and FSOC are best served by receiving accurate, complete, and thoughtful filings rather than hurried submissions prepared under stress. A 72-hour window—particularly when the adviser is simultaneously managing a burgeoning crisis—is more likely to produce filings that are unintentionally incomplete, inaccurate, or lacking the context necessary for regulators to properly interpret reported events. That the Proposal itself adds, in connection with the extraordinary investment loss trigger, a requirement to identify and describe the largest exposure contributing to the loss only underscores how much precision regulators expect.

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[12] Form PF; Reporting Requirements for All Filers, Release No. IA-6959; File No. S7-2026-13 (Apr. 20, 2026) ("2026 Form PF Proposal").

[13] 2026 Form PF Proposal at section II.B; Form PF section 5.

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Providing that level of detail within 72 hours of an extraordinary event presents significant practical challenges.

C. A Five-Business-Day Standard Would Better Serve Regulatory Objectives

A five-business-day reporting window would still provide the Commissions and FSOC with timely notification of significant events, while affording advisers sufficient time to (i) stabilize the situation and take steps to protect investors, (ii) gather accurate information regarding the event and its causes, (iii) prepare a complete and accurate filing, and (iv) include fulsome explanatory narrative context that the Commissions have recognized is valuable to understanding the circumstances surrounding a current report. The Commissions' decision to eliminate and narrow the Section 5 trigger events is consistent with the view that current reporting under Section 5 serves primarily an information-gathering and monitoring function, rather than reflecting an exigent need for immediate regulatory intervention. A five-business-day window would continue to serve this function while producing higher-quality data.

D. Comparable Reporting Deadlines in the Regulatory Framework Support a Longer Period

We note that the Commissions have recognized the appropriateness of longer reporting periods in analogous contexts. For example, private equity fund advisers currently report specified events within 60 days after the end of the fiscal quarter in which the event occurs, and the Proposal would eliminate this requirement entirely. In a related context, the SEC's Form 8-K requires reporting of material events by public companies within four business days. The events that trigger Form 8-K reporting—such as material definitive agreements, creation of direct financial obligations, or changes in control—are generally less operationally disruptive than the crisis-level events that trigger a Section 5 filing. It is difficult to justify imposing a shorter deadline on fund advisers managing an active crisis than the deadline afforded to public companies making routine material event disclosures for the reasons stated above. A five-business-day standard for Section 5 would be more consistent with the regulatory framework as a whole and would better reflect the operational realities facing advisers during trigger events.

We appreciate the Commissions' consideration of these comments and welcome the opportunity to discuss them further.

Jai Ramaswamy, Chief Legal Officer

Scott Walker, Chief Compliance Officer