



Letter from the Investment Company Institute

April 24, 2026

Ms. Vanessa Countryman
Secretary
US Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1000

Re: Form N-PORT Reporting (File No. S7-2026-05)

Dear Ms. Countryman:

The Investment Company Institute¹ strongly supports the Securities and Exchange Commission's proposal to amend Form N-PORT.² Our members have consistently backed a reporting regime that balances the Commission's need for timely information to conduct effective industry oversight with the fundamental need to protect fund shareholders, and the importance of minimizing costs.³ We commend the Commission for listening, reassessing, and recognizing that the adopted-but-not-yet-effective 2024 amendments to the form ("2024 Amendments")⁴ would have tipped that balance, imposing outsized costs and risks on funds and their shareholders without a commensurate benefit to the Commission or investing public.

¹ The [Investment Company Institute](#) (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$45.3 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 125 million investors. Members manage an additional \$10.4 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI Associate Members include service providers to member firms and CIT trust companies. ICI has offices in Washington DC, Brussels, and London.

² See [Form N-PORT](#), Rel. No. IC-35962, 91 Fed. Reg. 8582 (Feb. 23, 2026) ("Proposing Release"). The Proposing Release also reevaluates adopted-but-not-yet effective requirements for a fund subject to the names rule (Rule 35d-1 under the Investment Company Act). See [Investment Company Names](#), Rel. No. IC-35000, 88 Fed. Reg. 70436 (Oct. 11, 2023) ("2023 Names Rule Amendments").

³ For purposes of this letter, the term "fund" includes mutual funds, closed-end funds, and ETFs that are registered as investment companies under the Investment Company Act but excludes UITs that are not ETFs, money market funds, and small business investment companies.

⁴ See [Form N-PORT and Form N-CEN Reporting; Guidance on Open-End Fund Liquidity Risk Management Programs](#), Rel. No. IC-35308, 89 Fed. Reg. 73764 (Sept. 11, 2024).

We strongly endorse the proposed modifications that address our two principal objections to the 2024 Amendments: (i) their substantially shortened timeframe for Form N-PORT filings, which would meaningfully increase staffing burdens and the risk of errors and resubmissions; and (ii) tripling the public disclosure of full portfolio holdings and other sensitive information, which could facilitate predatory trading, raising fund costs and reducing performance. As the Commission has previously acknowledged, these changes would likely harm fund shareholders and curb fund innovation.⁵

We also applaud the Commission for taking a holistic view of the form and proactively recommending additional changes to streamline reporting and eliminate unnecessary data requests that impose meaningful operational burdens with little corresponding regulatory value.

This letter:

- reiterates and supplements our strong, longstanding support for extending the filing deadline and restoring the quarterly publication of fund portfolio holdings;⁶
- strongly supports streamlining and eliminating certain fund reporting requirements, as proposed;
- recommends additional changes that would further reduce filing costs and burdens without meaningfully detracting from the quality and timeliness of information that the Commission needs and that fund investors expect, including:
 - providing all funds with a 60-day timeframe to file each Form N-PORT;
 - removing the requirement to file a Regulation S-X-compliant Schedule of Investments under Part F of the form; and
 - replacing investment-specific liquidity classification reporting with portfolio-wide aggregate reporting by liquidity category; and
- supports the proposed compliance periods (including extra compliance time provided for smaller fund complexes) and recommends technical changes to the transition requirements.

⁵ The Commission, on several occasions, has explained how increased portfolio holdings disclosures could exacerbate predatory trading and highlighted studies showing that increased portfolio holdings disclosure could decrease funds' performance and lead to other negative impacts. See, e.g., [Investment Company Reporting Modernization](#), Rel. No. IC-31610, 80 Fed. Reg. 33590, 33660-61 (June 12, 2015) (determining that increasing the disclosure frequency of fund holdings information, among other things, could: increase predatory trading; reduce profitability from developing new investment strategies, thereby reducing innovation and competition in the fund industry; and reduce the returns of investors in actively managed funds, citing related empirical studies).

⁶ See [Letter from Eric J. Pan, President and CEO, ICI, to The Honorable Mark T. Uyeda, Acting Chairman, SEC, dated February 26, 2025](#) ("February 2025 ICI Letter"); [Letter from Eric J. Pan, President and CEO, ICI, to Vanessa Countryman, Secretary, SEC, dated Feb. 14, 2023](#) ("February 2023 ICI Letter"). See also Kenneth Fang and Jason Nagler, ICI, [ICI Viewpoints: Millions of Investors Could Feel Unintended Consequences of Upcoming SEC Reporting Rules](#) (Feb. 12, 2026).

We provide these views in four main sections below: (i) Extending the Filing Deadline; (ii) Restoring the Quarterly Public Disclosure Framework; (iii) Streamlining and Eliminating Certain Information on the Form; and (iv) Tailoring Compliance Dates.

Extending the Filing Deadline Enhances Data Integrity

The proposal would require a fund to file with the Commission Form N-PORT on a monthly basis 45 days after the end of each month (compared to the 2024 Amendments' 30-day requirement). It also would require a fund to separately file a Regulation S-X-compliant Schedule of Investments for the first and third fiscal quarters under Part F of the form within 60 days of the end of those fiscal periods (as would the 2024 Amendments).⁷

We greatly appreciate the Commission's proposed 15-day extension of the filing deadline and believe that it would give funds and advisers needed time to gather the required information, conduct more thorough reviews, reconcile and validate the information, and prepare more accurate filings. We confirm each of the burdens the Commission identifies for funds filing Form N-PORT, including the dependencies on third parties that provide that information, the third parties' own data dependencies, and the fact that many funds may not receive the necessary information until shortly before a 30-day filing deadline.⁸ We also agree with the concerns the Commission highlights regarding the strains on internal processes and teams that prepare, review, and file Form N-PORT reports.⁹ These strains particularly impact small complexes, with their limited resources, and manager-of-managers structures, which more heavily depend on third parties (e.g., subadvisers) for information. Providing funds an additional 15 days to make their filings is sensible, particularly when, as the Commission notes, the additional time "generally would not decrease the utility of the information for the Commission significantly or the indirect benefits to investors . . ."¹⁰

We recognize the Commission's need to get timely Form N-PORT information but ask it to consider extending the filing deadline to 60 days after the end of each month for several reasons.¹¹

- **Reduction of Cybersecurity Exposure.** A 60-day period would eliminate any time that the Commission would hold Form N-PORT information before making it public (*i.e.*, it

⁷ See also Rule 30e-1(b)(2)(ii) under the Investment Company Act. Currently, a fund files Form N-PORT quarterly for each month of a fiscal quarter 60 days after the fiscal quarter-end and includes, at that time, a Regulation S-X-compliant Schedule of Investments for the end of the first and third fiscal quarters.

⁸ See Proposing Release at 8585.

⁹ *Id.*

¹⁰ *Id.* at 8586.

¹¹ ICI has consistently recommended that the Commission consider a filing deadline of "at least 45 days" after the end of a reporting month and would welcome a longer period to benefit funds and their shareholders.

would eliminate the time between the filing date and the date on which the Commission makes the information public). The Commission previously determined that minimizing the collection and retention of non-public portfolio holdings data is an important risk-mitigation measure when it adopted the current disclosure framework following a cybersecurity breach, delaying the Form N-PORT filing deadline and making its information public immediately upon filing.¹² Centralized aggregation of non-public portfolio holdings data—particularly when held prior to public release—creates a concentration risk that, if compromised, could have market-wide implications beyond a single fund complex. Although the Commission has taken steps to improve its cybersecurity defenses,¹³ the value of certain funds' portfolio holdings information continues to make Form N-PORT filings an attractive target for bad actors. Delaying the filing deadline now and making the filing public immediately upon filing—60 days after the end of a fiscal period—would ease this concern.

- **Accommodation of Closed-End Fund Valuation Practices.** A 60-day period would provide certain closed-end funds that do not compute their net asset values each day with sufficient time to obtain the information necessary to make Form N-PORT filings and review their accuracy. As the Commission recognizes, these funds may invest in private funds and other less liquid assets that may not provide final underlying values to the fund until weeks after a month end or even later.¹⁴ These closed-end funds may compute their NAVs later in the cycle (e.g., 25 days after the end of a month) and/or estimate and file information that later may need to be amended for accuracy.¹⁵ This timing creates a significant operational burden for those funds to obtain, validate, and file all required Form N-PORT information by the proposed 45-day deadline. A longer

¹² Following a cybersecurity incident that resulted in unauthorized access to certain non-public information on the Commission's EDGAR system, the Commission re-evaluated and modified the filing frequency for reports on Form N-PORT. It moved from a 30-day timeframe following a month-end to the current requirement to file Form N-PORT for each month in the fund's fiscal quarter no later than 60 days after the end of each fiscal quarter. See [Amendments to the Timing Requirements for Filing Reports on Form N-PORT](#), Rel. No. IC-33384, 84 Fed. Reg. 7980, 7982 (Mar. 6, 2019) ("2019 Amendments") (determining that the changes "meaningfully [reduce] the potential cybersecurity risks arising from the collection and maintenance of sensitive non-public data on EDGAR.").

¹³ *But see* [SEC Office of the Inspector General, "Fiscal Year 2025 Independent Evaluation of the U.S. Securities and Exchange Commission's Implementation of the Federal Information Security Modernization Act of 2014](#) (Feb. 25, 2026) (continuing to rate the SEC's cybersecurity defenses as "not effective").

¹⁴ See Proposing Release at 8585.

¹⁵ The Commission staff has recognized that these closed-end funds have difficulty providing the necessary fields required for a Form N-PORT filing within the current filing timeframe, allowing them to report information on Form N-PORT "by using internal methodologies consistent with how they report internally and to current and prospective investors, as allowed by General Instruction G to Form N-PORT." See [Staff of the Division of Investment Management, Investment Company Reporting Modernization Frequently Asked Questions](#) (April 21, 2021) ("SEC Staff Reporting Modernization FAQs") at Form N-PORT Question 5.

filing period would better align the reporting deadline with these funds' valuation cycles and substantially reduce the risk of errors and resubmissions.¹⁶

- **Consolidation of Separate Part F Filings.** A 60-day period would remove the need and added costs for a fund to separately file the information required in Part F of the form by the 60th day of the end of the first and third fiscal quarters. Instead, a fund could file both Form N-PORT and Part F at the same time for those two fiscal quarter end dates.¹⁷
- **Alignment with Accounting Cadence.** A 60-day period would provide a month-end reporting cadence rather than a mid-month one, aligning with standard accounting and reporting periods. This would simplify compliance and reduce internal financial and regulatory reporting process confusion between Form N-PORT and other financial and regulatory reporting deadlines that are typically completed within 60 days.

Importantly, a 60-day deadline still would accomplish the Commission's goal of acquiring more timely fund holdings information for months one and two of a fiscal quarter (as compared to the current 90- or 120-day delay for these months).¹⁸ Taken together, these considerations demonstrate that a 60-day deadline would reduce the risk of a cybersecurity breach, reduce burdens, simplify compliance, and improve data quality—while still materially accelerating the Commission's access to information relative to the current quarterly framework.

If the Commission determines not to adopt a uniform 60-day filing deadline, however, we respectfully request, at a minimum, that closed-end funds that do not compute NAV daily be afforded at least 60 days after the end of a month to file their Form N-PORTs.

Restoring the Quarterly Public Disclosure Framework Protects Fund Investors

The proposal would restore the current quarterly public disclosure cadence of Form N-PORT information, making the Form N-PORT for the last month of a fiscal quarter public 60 days

¹⁶ It also could eliminate the potential to have different Form N-PORT reporting timeframes for different types of funds. See below (recommending that, if the Commission proceeds with a 45-day filing period, that it provide closed-end funds with a 60-day filing period).

¹⁷ *But see infra* notes 35-39 and surrounding text, recommending that the Commission remove the Part F requirement altogether.

¹⁸ Of course, a longer filing deadline also would further reduce operational pressure and enhance the accuracy of each filing, providing time for an even more thorough internal review and a higher level of scrutiny. High-quality, validated data reported accurately is more valuable for regulatory oversight than faster, less reliable information. Compressed reporting timelines risk prioritizing speed over accuracy, undermining the reliability of the information on which the Commission and market participants rely.

after the end of the fiscal quarter.¹⁹ The 2024 Amendments would have made the Form N-PORT for each month of a fiscal quarter public 60 days after the end of each month.

We strongly agree with the Commission's proposed approach, which would maintain the status quo and protect *all* funds and their shareholders from an increased risk of predatory trading. More frequent disclosure creates a roadmap for professional traders that could lead to reverse engineering and "front running" concerns, adversely impacting the prices at which funds execute trades, raising costs, and reducing performance.²⁰ Advances in data analytics—including the growing use of machine-learning tools and artificial intelligence—amplify these concerns, particularly given the marked increase in the number of detailed fund data points (from four times a year to twelve) that would be attributable to the 2024 Amendments.²¹ While some funds already disclose portfolio holdings on a more frequent than quarterly basis and in different formats (*e.g.*, ETFs that disclose portfolio information more frequently pursuant to regulatory and market-structure considerations), the Commission has acknowledged that the 2024 Amendments would have required other funds to disclose their portfolio holdings and other detailed information on a more frequent basis, increasing their vulnerability to predatory trading.²² This is particularly concerning for actively managed funds that invest in certain asset classes (*e.g.*, high yield, fixed-income credit) or that employ certain strategies (*e.g.*, large "buy-and-hold" funds) that take months to deploy their strategy. To avoid these results, funds may need to alter their investment strategy, perhaps drastically (*e.g.*, for buy-and-hold managers that take months to acquire positions), or refrain from creating registered fund products that would be impacted by these requirements.

The proposed approach, as consistent with current requirements, provides all funds flexibility to make more frequent portfolio holdings disclosure (or not)—subject to at least quarterly disclosure—based on whether such disclosures are in the best interests of their shareholders. It provides a balanced approach without further harming funds, forcing them to change their investment strategies, or inhibiting the development of new strategies in a registered fund

¹⁹ Currently, information reported for the third month of a fund's fiscal quarter will be made public upon filing (no later than 60 days after the end of the fiscal quarter).

²⁰ See, *e.g.*, *supra* note 5. For example, one fund complex has seen indications of front running following the disclosure of its new holdings, observing "measurable increases in the price of new holdings in [a fund that it manages, which] on average increased approximately twice as much as the average increase in S&P 500 constituents on the day of such disclosures." See [Letter from Roberta R.W. Kameda, General Counsel, Dodge & Cox, to Vanessa A. Countryman, Secretary, SEC, dated July 12, 2023](#) at 2.

²¹ See, *e.g.*, Matt Levine, Bloomberg, [AI Can Manage Your Mutual Fund](#) (citing to an academic study showing that a machine learning neural network currently can predict about 71 percent of mutual fund trading decisions—whether a manager would buy, sell, or hold a given stock during a quarter). We anticipate that machine learning and artificial intelligence will only continue to improve on this accuracy.

²² The 2024 Amendments recognized that there was "an increase in risk for a small universe of funds," then implied that those funds simply could change their investment strategies "to [manage] their position building around required disclosure dates." See 2024 Amendments at 73788-89.

wrapper for fear of predatory trading. Investors then can determine whether to invest in funds based in part on their voluntary holdings disclosure practices.²³

The proposed approach also is consistent with historic Commission views. Until the 2024 Amendments, the Commission had consistently determined that disclosing full fund portfolio holdings on Form N-PORT for the first and second month of a fiscal quarter is “neither necessary nor appropriate in the public interest” and that the quarterly disclosure approach appropriately balances the interest in public transparency of fund holdings information against the need to protect sensitive fund portfolio management positions and strategies.²⁴

Streamlining and Eliminating Certain Information on the Form Appropriately Balances the Utility of the Information with the Burdens on Funds

We agree with each of the Commission’s proposed changes to Form N-PORT that would: (i) narrow the scope of information collected on portfolio-level risk metrics²⁵ and returns; and (ii)

²³ The Commission asks whether publication should be required at calendar quarter ends rather than fiscal quarter ends for comparability across the industry. See Proposing Release at 8590. We recommend maintaining the current fiscal quarter publication requirement. Part F of the form requires a fund to provide its complete Regulation S-X-compliant Schedule of Investments for the end of the first and third fiscal quarters. Form N-CSR also requires a fund to provide its complete Regulation S-X-compliant Schedule of Investments for the end of the second and fourth fiscal quarters. A calendar quarter publication requirement would thus risk making funds that do not have fiscal quarters that align with calendar quarters to make their holdings public for two of three months every quarter. *But see infra* notes 35-39 and surrounding text, recommending that the Commission remove the Part F requirement.

²⁴ See, e.g., 2019 Amendments (adopting a new filing timeline for Form N-PORT filings to protect confidential portfolio holdings information for the first and second months of a fiscal quarter and to avoid shareholder harm from predatory trading); [Investment Company Reporting Modernization](#), Rel. No. IC-32936, 82 Fed. Reg. 58731 (Dec. 14, 2017) (recognizing the potential harm that disclosing Form N-PORT confidential portfolio holdings information for the first and second months of a fiscal quarter could cause and delaying the compliance date of Form N-PORT filings to protect such information from cybersecurity incidents); [Investment Company Reporting Modernization](#), Rel. No. IC-32314, 81 Fed. Reg. 81870, 81908-10, 81977-78 (Nov. 18, 2016) (“Reporting Modernization Adopting Release”) (finding that disclosing portfolio holdings for the first and second months of a fiscal quarter are neither necessary nor appropriate in the public interest under Section 45(a) of the Investment Company Act and that increased portfolio holdings disclosure could lead to predatory trading and shareholder harm); [Shareholder Reports and Quarterly Portfolio Disclosure of Registered Management Investment Companies](#), Rel. No. IC-26372, 69 Fed. Reg. 11244, 11252-53 (Mar. 9, 2004) (adopting Form N-Q providing for quarterly portfolio holdings disclosure and noting that “We are not requiring more frequent portfolio disclosure, or a shorter delay, because we take seriously concerns that more frequent portfolio holdings disclosure and/or a shorter delay for release of this information may expand the opportunities for predatory trading practices that harm fund shareholders.”).

²⁵ Portfolio-level risk metrics are measures that help users analyze how a fund’s portfolio values might change in response to changes in interest rates or credit spreads. Funds provide two interest rate risk metrics: DV01 and DV100, reflecting the change in value of a fund’s portfolio resulting from a change in interest rates of one and one hundred basis points, respectively.

eliminate certain information collected. The Commission states that these changes “would not significantly affect the Commission’s uses of data and are not expected to significantly affect the public’s ability to assess relevant information about a registered fund” and would reduce fund reporting burdens. We agree. These proposed changes are sound and appropriately balance the utility of the information with the burdens on funds.²⁶ As further explained below, we recommend that the Commission also eliminate the current requirement that funds provide a Regulation S-X-compliant Schedule of Investments for each of the first and third fiscal quarters and replace the current security-by-security liquidity classification requirement with the aggregate percentage of portfolio investments in each liquidity category. Consistent with the Commission’s stated objective of reducing reporting burdens without materially affecting the utility of the information, these proposed changes appropriately refine the balance between regulatory insight and operational feasibility.

Narrowing the Scope of Portfolio-Level Risk Metrics and Return Information

The proposal would require a fund to report portfolio-level risk metrics only when the debt instruments it holds constitute greater than 50 percent of the fund’s NAV (compared to the current 25 percent threshold). It also would eliminate the DV01 metric often used as a daily risk measure. For return information, the proposal would require a multi-class fund to report monthly total returns for only a single representative class (rather than all classes), issue guidance that a fund should not deduct sales loads and redemption fees when calculating returns, and remove the need for a fund to report gain (loss) and appreciation (depreciation) from derivatives for each type of derivative.

We support these changes. We agree that the requirement to report detailed portfolio risk metrics should be reserved for funds that invest more significantly in debt instruments. We also agree with eliminating the DV01 metric, a near-real-time risk measure whose utility diminishes when reported well after month-end.²⁷

For return information, we agree with the Commission that a single representative class of multi-class funds would enable users to compare such funds and identify performance that is inconsistent with a fund strategy or benchmark. We also agree with issuing guidance that funds should not deduct sales loads and redemption fees when calculating returns. Such

²⁶ See Proposing Release at 8584.

²⁷ For portfolio-level risk metrics, the proposal also would (i) modify the DV100 metric to require funds to report the aggregate change in the value of the portfolio from a 100 basis point change in interest rates across all applicable currencies, rather than each currency for which the fund had a value of one percent or more; (ii) no longer require funds to report credit spread risk metrics separately for investment grade and non-investment grade exposures; and (iii) require information about portfolio risk metrics in US dollars. We agree with the Commission’s proposed changes, as Commission staff and others can use other information in the form to assess the items (e.g., currency denomination of each portfolio holding to assess currency risk or coupon levels to assess credit risk) or to promote consistency with other reporting on the form (e.g., reporting information in US dollars) to facilitate comparisons across funds.

guidance would eliminate variables that impact performance, causing “apples-to-oranges” comparisons, and facilitate standard comparisons across funds.²⁸ Finally, we support eliminating the reporting of gain (loss) and appreciation (depreciation) from derivatives classified by type of derivative. This would reduce reporting burdens without significantly affecting the utility of the reported information, as users may look elsewhere on the form to find the information (e.g., the types and amounts of derivatives a fund holds).²⁹

Eliminating the Names Rule Requirement and Other Form N-PORT Information

The proposal would eliminate the adopted-but-not-yet effective requirements for a fund subject to the names rule to report quarterly information related to its names rule policy and investments.³⁰ The proposal also would eliminate the need for a fund to report other information, as applicable, including an investment’s payoff profile (*i.e.*, whether each non-derivatives position is long or short), the conversion ratio or delta of convertible securities,³¹ and the rationale for assigning multiple liquidity classifications to a single holding.

We strongly support the proposed elimination of this information. Reporting the names rule information could reveal proprietary information and increase predatory trading, is subjective and potentially confusing, and is burdensome and costly to produce, especially given the detailed information that investors already receive. Forcing a fund to disclose whether each of its portfolio holdings fits within its 80 percent basket may telegraph to the public an adviser’s views on the investment. For example, a “growth” or “value” fund that is required to identify whether a particular portfolio holding fits within the fund’s 80 percent basket could reveal that an adviser expects the position to exhibit either growth or value characteristics, respectively,

²⁸ If the Commission issues such guidance, for consistency, it should also withdraw or amend the Commission staff guidance indicating that a fund *could* present return information without deducting sales loads or redemption fees charged and requiring the fund to explain that it does so. See, e.g., SEC Staff Reporting Modernization FAQs at Form N-PORT Question 6 (noting the SEC staff’s expectation for a fund reporting returns without deducting sales loads or redemption fees to note that fact in Part E of Form N-PORT (explanatory notes)).

²⁹ The proposal also would require funds to once again report return and flow information for the preceding three months in each Form N-PORT. We support this requirement because the proposal would now only make the Form N-PORT for the third month of a fiscal quarter public, and investors otherwise would not receive the return or flow information for the first two months of a fiscal quarter.

³⁰ See 2023 Names Rule Amendments. The “names rule” requires certain funds to adopt a policy to invest at least 80 percent of the value of their assets in accordance with the investment focus that a fund’s name suggests. The 2023 Names Rule Amendments would require such a fund to provide on Form N-PORT: (i) definitions of terms used in the fund’s name; (ii) the value of the fund’s 80 percent basket as a percentage of the fund’s net assets; and (iii) whether each investment in the fund’s portfolio is in the fund’s 80 percent basket. In addition, the 2023 Names Rule Amendments defined “80 percent basket” generally as investments that are invested in accordance with the investment focus that a fund’s name suggests. See Rule 35(d)-1(g) under the Investment Company Act.

³¹ Delta refers to the ratio of change in the value of an option to the change in value of the asset into which the option is convertible.

potentially raising predatory trading concerns similar to those discussed above. We believe that investors already have adequate information (e.g., a fund's names rule policy disclosed in its prospectus and its portfolio holdings data) to give them sufficient visibility into how a fund's investments comply with its names rule policy.

Disclosing these subjective determinations also could confuse investors.³² Different advisers—and even the same adviser across different funds—may reasonably reach different conclusions about whether a particular instrument falls within a fund's 80 percent basket based on their distinct investment processes and names rule policies. Publishing these basket determinations therefore risks creating “apples-to-oranges” comparisons across funds and could cause investors to draw unwarranted inferences from differences in classification rather than from the funds' disclosed investment focus and strategies. Reporting the 80 percent basket quarterly also could lead to “false positives” in which a fund appears out of compliance with the names rule due to a temporary market fluctuation or “drift,” potentially causing unnecessary concern, even though a fund may appropriately and timely resolve the issue.

The names rule-related reporting also would impose additional costs and burdens on funds and their shareholders. Funds have begun implementing the 2023 Names Rule Amendments, including by obtaining supplemental and tailored portfolio investment data to enable the newly required names rule testing and reporting. This is particularly challenging for certain derivatives positions, which are not necessarily automated, and for connecting both internal and external data systems (e.g., from different third-party service providers or subadvisers). Eliminating the reporting requirements would provide funds and their shareholders with some measure of relief from one of the most far-reaching and burdensome rulemakings affecting funds in recent years.³³

We also support eliminating the payoff profile for non-derivatives positions, information about convertible debt securities, and the reason for classifying certain holdings in multiple liquidity categories and agree with the Commission's rationale for each. Form N-PORT users can use the sign of the value of a holding (positive or negative) to determine if a non-derivatives position is long or short.

Users likewise can review information about an underlying reference instrument for monitoring and analyzing convertible securities. Further, we agree that funds may use different methodologies for calculating delta for convertible bonds, adding variability in the reported information, and eroding the comparability of the reported measure. For similar reasons we

³² See [Letter from Eric J. Pan, President and CEO, ICI, et al. to Vanessa A. Countryman, Secretary, SEC, dated August 16, 2023](#) at 35-36.

³³ See, e.g., [Letter from Eric J. Pan, President and CEO, ICI, et al. to The Honorable Paul S. Atkins, Chairman, SEC, dated April 11, 2025](#). Further, the SEC staff already may request a fund's names rule classifications through its examination authority.

ask the Commission to consider eliminating the requirement to report delta for other instruments under the form (*e.g.*, for options, warrants, and other types of derivatives).

Finally, we agree with eliminating the requirement that funds provide their rationale for classifying certain holdings in multiple liquidity categories. As the item is rarely used and not publicly disclosed, the Commission's determination that the information is not helpful for its analysis should be dispositive.³⁴

Removing the Part F Requirement for a Regulation S-X-Compliant Schedule of Investments

Consistent with the proposal's overall thrust, we strongly urge the Commission to remove the requirement that funds attach the Regulation S-X-compliant Schedule of Investments for the first and third fiscal quarters (currently required under Part F of the form). The requirement is redundant, unnecessary, burdensome, and costly for funds and their shareholders.

Removing the Part F requirement would have little impact on the Commission or investors. The vast majority of information contained in the Regulation S-X-compliant attachment already is reported on Form N-PORT, and investors do not need the Regulation S-X-compliant attachment to understand what securities a fund holds.³⁵ In fact, in adopting the requirement, the SEC acknowledged that there may be differences between the information that is required in Part F and monthly portfolio holdings information on Form N-PORT but that these differences are "unlikely to affect the utility of the information" reported.³⁶ Further, although the Form N-PORT information may not be in a reader-friendly format, as the Proposing Release notes, many fund complexes already provide basic fund holdings information to third-party data aggregators and directly to investors on easier-to-access websites.³⁷ These outlets likely would satisfy nearly all retail investors' requests related to information on Form N-PORT. For

³⁴ The proposal also would require funds to report additional information related to (i) multi-class funds with an ETF share class (*i.e.*, net assets and flow information for a period); and (ii) additional identifying information, as applicable, for all investments (*e.g.*, fund ticker symbols and class-level information). We do not object to these proposed new items.

³⁵ As we noted in our February 2023 ICI Letter, a Regulation S-X-compliant Schedule of Investments includes very limited information that the Form N-PORT holdings disclosures do not, including the: (i) reference rate and spread for variable rate securities; (ii) classification of the portfolio by security type, industry, or country, along with subtotals for each classification; (iii) identification of non-income producing securities; and (iv) tick marking of and activity reporting for affiliated securities. While restricted securities are flagged on Form N-PORT, there are some additional disclosures on a Regulation S-X-compliant Schedule of Investments (*e.g.*, acquisition date, carrying value per unit). We do not believe that most investors will care to see any of these items. Even if they did, certain information already is disclosed effectively in other fund materials (*e.g.*, disclosure about the possibility of investing in affiliated securities). See February 2023 ICI Letter at n.258 and surrounding text.

³⁶ See Reporting Modernization Adopting Release at 81878.

³⁷ See Proposing Release at 8589.

investors that want more detail, they can access the publicly filed Form N-PORT or the reader friendly Regulation S-X-compliant Schedule of Investments filed with a fund's annual and semi-annual reports required under Form N-CSR.³⁸

In addition, the Part F information takes time and is costly to prepare. Funds must reconcile the Form N-PORT Part C holdings information with a Regulation S-X-compliant presentation that adheres to generally accepted accounting principles (GAAP). Almost all funds that are required to file Form N-PORT apply trade date plus one ("T+1") accounting to record their day-to-day transactions. Form N-PORT requires funds to file their monthly Form N-PORT on the same basis they use to calculate their NAVs (typically on this T+1 basis), while funds must provide that information in a trade date-based ("T+0") presentation to comply with Regulation S-X and GAAP. Thus, funds must convert their T+1 accounting records into a T+0 representation, which requires a number of time intensive and possibly manual topside accounting entries. Regulation S-X-compliant Schedules of Investments also require complex categorization, footnote disclosures (including illiquid securities and a fair value hierarchy), and rigorous quality control processes similar to those used for audited financial statements. Imposing this rigor for the end of the first and third quarters imposes a significant burden on fund accounting teams four times a year, essentially asking them to perform a complete full "accounting close" process quarterly to provide the Regulation S-X-compliant Schedule of Investments.

If the SEC determines to retain the Part F requirement and maintains a framework in which funds could file the Part F information for the first and third quarters on a date that follows the date on which the Form N-PORT filing is due, we support the Commission's determination to provide a separate submission for funds to file the Part F exhibit.³⁹ When providing the separate submission, we recommend that the Commission or its staff also provide guidance that a fund may file the Part F exhibit with the Form N-PORT filing or through the submission on any date between the date that the Form N-PORT filing is due and the date that the Part F exhibit is due. Clear filing instructions will provide flexibility for early filers and ensure compliance with the Commission's determined deadlines.

Replacing Investment-Specific Liquidity Classification Reporting with Portfolio-Wide Aggregate Reporting

Question 38 of the Proposing Release asks whether the Commission should eliminate reporting related to the liquidity of a fund's investments and, if so, why.⁴⁰ In response to that question, we recommend replacing the requirement that a fund report non-publicly each

³⁸ See Form N-CSR.

³⁹ See Proposing Release at n.32. See *also* SEC Staff Reporting Modernization FAQs at Form N-PORT Question 2 (providing instructions on how Form N-PORT Part F attachments should be added to Form N-PORT filings during the initial Form N-PORT implementation).

⁴⁰ See Proposing Release at 8597.

portfolio investment's liquidity classification (Item C.7 of Form N-PORT) with non-public reporting of the aggregate percentages of portfolio investments in each of the four liquidity categories (*i.e.*, highly liquid investments, moderately liquid investments, less liquid investments, and illiquid investments).

This too would reduce fund reporting burdens without substantially diminishing the usefulness of the liquidity information that the Commission receives, and it would in no way affect funds' compliance with the liquidity rule.⁴¹ Putting aside the overall utility of the liquidity rule's "bucketing" requirements,⁴² Form N-PORT imposes additional liquidity-related burdens, principally by requiring a fund to report liquidity classifications for each investment. This reporting process can have manual elements, and depending on the size of the portfolio, it could require completion and review of hundreds of distinct data fields for a single fund each month. Requiring that funds instead report aggregate liquidity classification information⁴³ would reduce funds' liquidity-related reporting burdens; but still provide adequate information to the Commission about funds' liquidity profiles (as determined under the liquidity rule) and their compliance with the rule's 15 percent illiquid limit and highly liquid investment minimum requirement (if applicable); and still allow the Commission to spot month-to-month trends in liquidity classifications (by fund and industry-wide).

Tailoring Compliance Dates Will Ensure an Efficient and Low Risk Transition

We appreciate the Commission's proposed tiered 12-month compliance period for larger complexes and 18-month compliance period for smaller complexes.⁴⁴ We recommend slight modifications to these timeframes and a change to the compliance dates so all funds within a

⁴¹ See Rule 22e-4 under the Investment Company Act.

⁴² The Commission previously has acknowledged the subjectivity of the liquidity classification process. See, e.g., [Investment Company Liquidity Disclosure](#), Rel. No. IC-33142, 83 Fed. Reg. 31859 (July 10, 2018) at 31861-62 (acknowledging the subjectivity of the liquidity classification process and its concerns related to public disclosure). For a general critique of the liquidity rule's bucketing requirements, see, e.g., [Letter from Paul Schott Stevens, President and CEO, ICI, to Brent J. Fields, Secretary, SEC, dated May 18, 2018](#) ("Simply put, bucketing information is inappropriate as required public disclosure because funds will generate this information using complex and widely divergent methodologies, and such information by its nature is subjective, forward-looking, and hypothetical.").

⁴³ Item B.8 of Form N-PORT, as adopted in 2016, initially required this kind of aggregate liquidity reporting, before the SEC removed it in 2018. Consistent with our prior advocacy, we would not support making this aggregate liquidity reporting public.

⁴⁴ A "larger complex" would be a fund that, together with other investment companies in the "same family of investment companies" (as such term is defined in Item B.5 of Form N-CEN), have net assets of \$10 billion or more as of the end of the most recent fiscal year. A "smaller complex" would be a fund that, together with other investment companies in the same family of investment companies, have net assets of less than \$10 billion as of the most recent fiscal year.

complex can transition to the new requirements at the same time. A “big bang” approach would eliminate the need for complexes to separately track which funds are filing under which set of requirements and maintain dual procedures and infrastructure to support filing under both sets of requirements.

Tiering Compliance Dates for Small Complexes Recognizes Their Challenges

The Commission’s proposal would provide small complexes with a longer compliance period. It would define a small complex based on a complex’s combined registered investment company assets using a \$10 billion aggregate net asset baseline.⁴⁵

We support the Commission’s expanded definition of a small complex, just as we supported the SEC’s recent proposed changes to the “small business” definition for funds.⁴⁶ Small complexes frequently operate with fewer internal resources and less bargaining power to negotiate with third-party service providers to assist with compliance and operational functions. They also face disproportionately higher compliance costs (as a percentage of assets under management) than larger complexes. Giving an expanded number of smaller complexes additional time to comply with reporting requirements would enable them to better adjust their internal processes and prepare for regulatory change with less strain and no appreciable impact to the SEC or investors.

Transitioning All Funds Within a Complex at the Same Time Will Reduce Operational Burdens

The proposal would provide funds with a staggered transition period over an entire fiscal quarter. Funds would make their first individual monthly filing for the first month of the fiscal quarter that begins after the compliance date. The Commission therefore would allow funds to continue to make quarterly Form N-PORT filings covering three months up to 150 days after the compliance date. For example, for a proposed May compliance date, funds with a July fiscal quarter end could make a Form N-PORT filing covering the three-month period preceding the quarter end by September 30 (approximately 150 days from a May 1 compliance date).

⁴⁵ For the last several years, the Commission generally has used a threshold of \$1 billion in net assets to differentiate between larger and smaller complexes when providing smaller entities with additional time to comply with new requirements. See Proposing Release at n.81.

⁴⁶ See [“Small Business” and “Small Organization” Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act](#), Rel. No. IC-35864, 91 Fed. Reg. 1107 (Jan. 12, 2026). See also [Letter from Eric J. Pan, President and CEO, ICI, to Vanessa A. Countryman, Secretary, SEC, dated March 13, 2026](#).

Funds Fiscal Quarter End	Last Quarterly Filing	First Monthly Filing
May	Filing covering the months of March, April, and May would be due within 60 days of the end of May	Filing for June would be due within 45 days of the end of June*
June	Filing covering the months of April, May, and June would be due within 60 days of the end of June	Filing for July would be due within 45 days after the end of July*
July	Filing covering the months of May, June, and July would be due within 60 days of the end of July	Filing for August would be due within 45 days of the end of August*

* As noted above, we recommend that the Commission provide all funds with a 60-day deadline for filing each Form N-PORT.

We recommend that the Commission consider requiring all funds to adhere to the new requirements immediately after a fixed compliance date to reduce the risk of errors and to ensure data integrity. Although we appreciate the Commission's staggered compliance period and its intention to help funds ease the transition to the new monthly filing requirements, staggered implementation across funds within the same complex introduces meaningful data quality and compliance risks that may outweigh the benefits of incremental phasing. The proposed staggered transition period would require fund complexes to separately track which funds are filing under the prior Form N-PORT data requirements and which funds are filing under the amended data requirements. It also would require the Commission to have two sets of active schema for registrants to submit Form N-PORT (one pre-compliance and one post-compliance) for a period of time. This could complicate the filing process for complexes with several different month-end fiscal quarters.

Instead, we propose that the Commission provide a fixed compliance date after which all fund filings within a complex will adhere to the new monthly reporting requirements. Given the firm nature of the compliance date and that it would apply to all prospective filings immediately, the Commission should set the compliance date at least 14 months after the final rules are published in the Federal Register for large complexes and 20 months for small complexes, to give funds the same amount of time to prepare for the changes as the Commission proposes in the Proposing Release. In addition, we recommend that the Commission align the compliance date with the first day of a reporting period (e.g., December 1 or January 1), which would further simplify and clarify the transition for all funds.

Thus, under the same time period example as the Commission used in the Proposing Release, we would recommend that the Commission establish an August 1 compliance date and impose the following deadlines:

Funds Fiscal Quarter End	Last Pre-Amendment Filing Immediately Before August 1 Compliance Date	First Post-Amendment Monthly Filing Following August 1 Compliance Date
May	Filing covering the months of March, April, and May would be due within 60 days of the end of May	Filing for June would be due within 45 days of the end of June*
June	Filing covering the months of April and May would be due within 60 days of the end of May	Filing for June would be due within 45 days of the end of June*
July	Filing covering the month of May would be due within 60 days of the end of May	Filing for June would be due within 45 days of the end of June*

* As noted above, we recommend that the Commission provide all funds with a 60-day deadline for filing each Form N-PORT.

If the Commission proceeds with the staggered timeframe as proposed, however, we urge it to at least provide funds with a Form N-PORT schema that would accommodate funds at various stages of the transition process. A flexible schema that enables funds to choose the appropriate requirements (new or old) will reduce operational burdens, mitigate data integrity risks, and facilitate a smoother implementation across the industry.

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ICI appreciates the opportunity to comment on the Form N-PORT proposal. If you have any questions or would like additional information, please contact us (eric.pan@ici.org or paul.cellupica@ici.org); Kenneth Fang, Associate General Counsel (kenneth.fang@ici.org); or Jason Nagler, Senior Director, Fund Accounting and Compliance (jason.nagler@ici.org).

Sincerely,
/s/ Eric J. Pan
Eric J. Pan
President & CEO

/s/ Paul G. Cellupica
Paul G. Cellupica
General Counsel

cc: The Honorable Paul S. Atkins, Chairman
The Honorable Hester M. Peirce, Commissioner
The Honorable Mark T. Uyeda, Commissioner
Brian Daly, Director, Division of Investment Management
Sarah ten Siethoff, Associate Director, Division of Investment Management