

Amendments to Form PF

Operational Information. Under current Form PF, advisers must report whether the liquidity fund uses certain methodologies to compute its net asset value. The Release replaces these questions with a requirement for advisers to report the information more directly, by requiring advisers to report whether the liquidity fund seeks to maintain a stable price per share and, if so, to provide the price it seeks to maintain. The Release also amends Form PF to remove current Question 54 of Form PF, which requires advisers to report whether the liquidity fund has a policy of complying with certain provisions of Rule 2a-7.

Assets and Portfolio Information. With respect to fund assets, amended Form PF (i) will require advisers to report cash separately from other categories when reporting assets and portfolio information concerning repo collateral, (ii) adopt an amended definition of the term “weekly liquid assets” to specify that the term includes “daily liquid assets” and (iii) will require advisers to report additional identifying information about each portfolio security, including the name of the counterparty of a repo. In addition:

- At present, for repos, it is not clear whether advisers should report the name of the counterparty of the repo, the name of the clearing agency (in the case of centrally cleared repos) or both. Amended Form PF addresses this ambiguity.
- If an adviser reports an “other unique identifier” in identifying a portfolio security, the adviser will be required to describe that identifier.
- The list of categories of investments that advisers will use to identify a portfolio security in Item E of section 3.505 is revised. Accordingly, amended Form PF will require advisers to distinguish between U.S. government agency debt categorized as a coupon-paying note and a no-coupon discount note.

Consistent with the amendments to Form N-MFP, the SEC will not (as proposed) require large liquidity fund advisers to provide information separately for initial and subsequent transactions relating to securities purchased or sold by their liquidity funds during the reporting period (lot-level reporting). In a related change from the Form PF Release, the amended form will continue to require an adviser to report the coupon, if applicable, when reporting the title of the issue.

Additional Repo Reporting. The final amendments will require advisers to provide clearing information for repos. However, in a change from the Form PF Release and consistent with the Release, amended Form PF will continue to permit the advisers to aggregate certain information if multiple securities of an issuer are subject to a repo.

Subscriptions/Redemptions. The Release amends to Item B of section 3 to require information about subscriptions and redemptions. Advisers must report the total gross subscriptions (including dividend reinvestments) and total gross redemptions for each month of the reporting period.

Financing Information. The Release amends Form PF to revise how advisers report financing information to indicate whether a creditor is based in the United States and whether it is a “U.S. depository institution,” rather than a “U.S. financial institution,” as section 3 currently provides. As amended, advisers will also be required to indicate whether a creditor is based outside the U.S. but will not have to indicate whether that non-U.S. creditor is a depository institution.

Investor Information. As amended by the Release, section 3 will require advisers to provide the following information for each investor that beneficially owns five percent or more of the reporting fund’s equity (i) the type of investor and (ii) the percent of the reporting fund’s equity owned by the investor. In a change from the Form PF Release, these amendments have a modification applicable when an adviser selects “other” as an investor category in response to this

question. Unlike the proposal in the Form PF Release, the amended form will require the adviser to describe the investor further in its response to section 1, Question 4.

In addition, the Release adopts a new question that requires advisers to report whether the liquidity fund is established as a cash management vehicle for other funds or accounts that the adviser or the adviser's affiliates manage that are not cash management vehicles.

Disposition of Portfolio Securities. The Release adopts new Item F (Disposition of Portfolio Securities) to section 3 of Form PF requiring advisers to report information about the portfolio securities the liquidity fund sold or disposed of during the reporting period (not including portfolio securities that the fund held until maturity). Advisers will report the gross market value sold or disposed of for each category of investment.

Weighted Average Maturity and Weighted Average Life. The Release adopts revisions to the definitions of "WAM" and "WAL" to include an instruction to calculate these figures with the dollar-weighted average based on the percentage of each security's market value in the portfolio.