



June 23, 2026

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Form PF; Reporting Requirements for All Filers, File No. S7-2026-13, 91 Fed. Reg. 22232 (Apr. 24, 2026)

Dear Ms. Countryman:

Better Markets¹ appreciates the opportunity to comment on the above-referenced proposed amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds.² The Commission says that the proposed amendments are designed to eliminate certain burdens.³ But those so-called burdens are reporting requirements that would provide the Commission with vital information about the private markets. This information is especially essential as the private markets have experienced significant turmoil recently. The Commission should withdraw these proposed amendments and ensure that the amendments the Commission adopted in 2024 to Form PF become effective on October 1, 2026.⁴

The Commission proposes to raise the filing threshold for all filers from \$150 million in private fund assets under management to \$1 billion. According to the Commission, the purpose of this change is eliminate filing burdens for smaller advisers. Yet the Commission does not explain how an adviser with just under \$1 billion in assets under management could be considered small. Nor could it. \$1 billion is not a small amount of money. The desire to ease compliance burdens for these supposedly small advisers does not outweigh the Commission's need for information about the private funds that these supposedly small advisers advise.

The Commission justifies this proposed change on the ground that Form PF would continue to obtain information on over 90 percent of private fund gross asset value that advisers report. The suggestion seems to be that, even though the Commission admits that raising the

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans' jobs, savings, retirements, and more.

² 91 Fed. Reg. 22,232 (Apr. 24, 2026).

³ *Id.* at 22,232.

⁴ <https://www.sec.gov/newsroom/press-releases/2025-119-sec-cftc-extend-form-pf-compliance-date-oct-1-2026>.

threshold would cut in half the number of advisers filing Form PF, the Commission would still gain visibility into an overwhelmingly large percentage of private fund assets. Yet the Commission fails to recognize that the 90 percent figure is only a snapshot of the current market. With the increased reporting threshold, as more and more advisers manage assets under management between \$150 million and \$1 billion, more and more of the private fund gross asset value will be exempt from reporting. In other words, that 90 percent figure is sure to decline as time passes under the new threshold. The Commission says nothing about what will happen in the future as the new reporting threshold results in less and less visibility into private assets.

Similarly, the Commission proposes to raise the reporting threshold for large hedge fund advisers from \$1.5 billion in hedge fund assets under management to \$10 billion. Again, the Commission says that the purpose of the change is to eliminate certain reporting burdens for smaller hedge fund advisers. The Commission does not explain why it considers a hedge fund adviser with, for example, \$9 billion in assets under management to be small. Indeed, it is hard to understand how such an adviser could be considered a small hedge fund adviser. It is also hard to understand why the Commission believes it does not need insight into the assets under management of hedge fund advisers with \$9 billion in assets under management.

The Commission again justifies this change on the ground that Form PF would continue to obtain information quarterly on over 80 percent of hedge fund gross asset value that advisers report. Although the Commission acknowledges that raising the reporting threshold would eliminate the reporting obligation for almost two-thirds of advisers that must currently report as large hedge fund advisers, it says this is ok because the 80 percent figure means that it will continue to obtain information on a substantial portion of the assets of the hedge fund industry. Yet as the higher threshold remains static and more and more hedge fund advisers have assets under management between \$1.5 billion and \$10 billion, the portion of the assets of the hedge fund industry about which the Commission obtains quarterly information will be less and less.

Raising the threshold for reporting so that Form PF captures only the largest of all private fund advisers also minimizes the risk from smaller and medium sized funds—to the extent that funds with between \$150 million and \$1 billion, or between \$1.5 billion and \$10 billion, may even be considered small or medium size. That is because policymakers and regulators “not only should focus on the largest funds but should also pay attention to risk posed by the large number of small or medium sized funds pursuing similar strategies.”⁵ This has long been an issue:

Second, the reforms focus on the operations of the largest hedge funds, which is reasonable given that a relatively small proportion of hedge funds control a substantial fraction of industry-wide assets. However, recent research has pointed to risks created by large numbers of small or medium-sized hedge funds that pursue similar strategies. Although Dodd-Frank theoretically gives

⁵ Lloyd Dixon, Noreen Clancy, and Krishna B. Kumar, *Hedge Funds and Systemic Risk*, RAND Corporation, at xxvi (2012), https://www.rand.org/content/dam/rand/pubs/monographs/2012/RAND_MG1236.sum.pdf.

regulators authority to address such risks, it does not appear that those risks are being adequately addressed in the ensuing regulations.⁶

This suggests that, although it may have been reasonable to focus on large funds when Form PF was first adopted, regulators gave insufficient attention to systemic risks emanating from smaller and medium-sized funds. Rather than fixing this issue, the proposed amendments exacerbate it.

The Commission says that it will require its staff to report on each filing and reporting threshold, and assess whether any should be adjusted, every five years. Yet this means that if the reporting thresholds are set too high, and the Commission lacks sufficient insight into private market assets under management, it will not discover this fact for five years. Nor is there any guarantee that the Commission will take action to revise the thresholds in five years if the Commission's estimates about how much of the market it will continue to capture under the revised thresholds prove unduly optimistic. The Commission even says that the five-year report and review is designed to ensure that the form continues to impose minimal filing burdens for small advisers while continuing to collect a significant percentage of private fund assets. This suggests that the report and review are to be used to continually raise the threshold in order to minimize the filing burdens on supposedly small advisers rather than readjust the thresholds if the raised thresholds do not provide the Commission with sufficient insight into the market.

The proposing release also gives insufficient attention to investor protection. The Commission anticipates that the cost to investor protection efforts as a result of cutting in half the number of advisers that have to file Form PF and cutting by two-thirds the number of advisers that have to report as large hedge fund advisers will be minimal because those advisers will still have to file Form ADV. Of course, if the information on Form ADV was the same as the information on Form PF, there would be no reason to require any private fund adviser to file Form PF. It is not. In 2024, the Commission recognized that "Form PF *complements* the basic information about private fund advisers and funds reported on Form ADV."⁷ The fact that these advisers would still be required to file a different form is no reason to say that such a drastic reduction in the number of advisers who will file Form PF will only minimally impact investors.

Similarly, the Commission says that raising the threshold for large hedge fund adviser reporting will have a minimal impact on investor protection because hedge fund advisers with between \$1.5 billion and \$10 billion in assets under management will still have to file section 1 of Form PF annually. If annual reporting was just as good as quarterly reporting, there would be no need for any hedge fund adviser to report quarterly instead of annually. The question is whether the benefits of having fewer advisers report quarterly outweighs the risks that having fewer advisers report quarterly poses to investor protection and systemic risk. The Commission admits that the main benefit of the proposal would be to eliminate the "burden" that filing Form

⁶ Lloyd Dixon, Noreen Clancy, and Krishna B. Kumar, *Hedge Funds and Systemic Risk*, RAND Corporation, at 100 (2012), https://www.jstor.org/content/oa_chapter_monograph/10.7249/j.ctt1q60xr.14?seq=2.

⁷ *Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers*, 89 Fed. Reg. 17,984, 18,033 (Mar. 12, 2024).

PF imposes on private fund advisers.⁸ A Commission whose mission is supposedly to protect investors should care more about investor protection and systemic risk than doing everything that it can to reduce the filing obligations on the market participants it supposedly exists to regulate.

The timing of these proposed amendments is especially curious. Private funds, particularly private credit, have experienced significant turmoil in the last year.⁹ Investors in private credit can't get out fast enough.¹⁰ The trend is only accelerating.¹¹ At this time, the Commission should want more insight into private funds and their advisers, not less.

Instead, the Commission seems intent on burying its head in the sand. For a while, it insisted that private credit does not pose systemic risks.¹² Then, faced with all the evidence to the contrary,¹³ it said it is "closely monitoring" the private credit market.¹⁴ Yet these proposed amendments will prevent the Commission from doing exactly that. That is why it is "awkward" for the Commission to be proposing deregulatory actions in the private markets now:

And for Elisabeth de Fontenay, a Duke University law professor, the awkward one-two combo highlights the need to focus on not what the SEC 'says but what they are doing.' 'What they are really trying to do is expand access to these markets,' said de Fontenay, while pointing to other efforts to open up private assets to more everyday investors. She said expanding investor access to the private markets is 'something the industry really wants but, of course, might be very bad for retail investors.'¹⁵

Now is not the time to expand access to the private markets. It is a time for the Commission to ensure that it has as much insight into the private markets as possible. If the Commission really

⁸ 91 Fed. Reg. at 22,264.

⁹ Benjamin Schiffirin, *Retail Investors Will Be Ripped Off in Private Markets with SEC Approval*, Better Markets (Feb. 26, 2026), <https://bettermarkets.org/analysis/retail-investors-will-be-ripped-off-in-private-markets-with-sec-approval/>.

¹⁰ Benjamin Schiffirin, *Now is Not the Time to Expose 401(k) Plans to Private Credit*, Better Markets (June 2, 2026), <https://bettermarkets.org/analysis/now-is-not-the-time-to-expose-401k-plans-to-private-credit/>.

¹¹ Matt Wirz, *Even More Investors Want Out of Private Credit*, The Wall Street Journal (June 18, 2026), <https://www.wsj.com/finance/investing/even-more-investors-want-out-of-private-credit-4c225a9c>.

¹² Nicola M. White, *SEC's Atkins Says Ballooning Private Markets Not a Systemic Risk*, Bloomberg (Oct. 7, 2025), <https://www.bloomberg.com/news/articles/2025-10-07/sec-s-atkins-says-ballooning-private-markets-not-a-systemic-risk?sref=mQvUqJZj>.

¹³ Samim Ghamami et al., *Private Credit & Systemic Risk*, Moody's (June 2025), <https://www.economy.com/getfile?q=2107637A-C535-4AFF-83BC-6CBA1AD1FAB9&app=download>.

¹⁴ Declan Harty, *SEC watching 'emerging pressures' in private credit, Atkins says*, Politico (Apr. 21, 2026), <https://subscriber.politicopro.com/article/2026/04/sec-watching-emerging-pressures-in-private-credit-atkins-says-00883018>.

¹⁵ Sam Sutton, Declan Harty, and Victoria Guida, *A new, low-cost route to state capitalism*, Politico (Apr. 24, 2026), <https://www.politico.com/newsletters/morning-money-capital-risk/2026/04/24/a-new-low-cost-route-to-state-capitalism-00890129>.

wants to closely monitor the private markets, it will withdraw this proposal and require compliance with the amendments to Form PF it adopted in 2024 at the earliest possible date.

Conclusion

We hope these comments are helpful as the Commission considers this matter.

Sincerely,

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