



## **PAPERWORK REDUCTION ACT SUPPORTING STATEMENT**

for the Revision of  
Form N-1A  
OMB Control Number 3235-0307

The U.S. Securities and Exchange Commission (“Commission” or “SEC”) submits this information collection request (“ICR”) pursuant to the Paperwork Reduction Act of 1995 (“PRA”), 44 U.S.C. Section 3501 et seq., with the following justification.

### **1. Necessity of Information Collection**

Form N-1A (17 CFR 239.15A and 274.11A) is the form used by open-end management investment companies (“funds”) to register under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) (“Investment Company Act”) and/or to register their securities under the Securities Act of 1933 (15 U.S.C. 77a, et seq.) (“Securities Act”). Section 5 of the Securities Act (15 U.S.C. 77e) requires the filing of a registration statement prior to the offer of securities to the public and that the statement be effective before any securities are sold, and Section 8 of the Investment Company Act (15 U.S.C. 80a-8) requires a fund to register as an investment company. Form N-1A also permits funds to provide investors with a prospectus and a statement of additional information (“SAI”) covering essential information about the fund when it makes an initial or additional offering of its securities. Section 5(b) of the Securities Act requires that investors be provided with a prospectus containing the information required in a registration statement prior to the sale or at the time of confirmation or delivery of the securities.

On September 30, 2026, the Commission issued a release that, among other things, would amend certain investment company registration forms, including Form N-1A, to require funds to provide more

particularized prospectus disclosure in two locations about any performance-based compensation paid to the investment adviser:

- Fee table: the proposal would add a distinct line item regarding any performance-based compensation paid to the adviser or its affiliates, while also alerting the investor about the variability of the performance fees and providing a cross-reference to the more complete discussion about the performance fees provided later in the prospectus. In addition, the proposal would require that the expense example reflect any performance fees; and
- Management discussion: the proposal would require a detailed description of the performance fee arrangement, including a graphical representation illustrating the calculation of the performance fee across a range of hypothetical performance scenarios.<sup>1</sup>

These proposed amendments are designed to help implement the proposal's investor protection goals, and would augment the current registration form requirements that require a fund to provide disclosure in its prospectus and statement of additional information about the compensation of its investment advisers, including performance-based compensation.

## **2. Purpose and Use of Information Collection**

The title for the collection of information is: Form N-1A under the Investment Company Act of 1940 and Securities Act of 1933, Registration Statement of Open-End Management Investment Companies. The purpose of Form N-1A is to meet the filing and disclosure requirements of the Securities Act and the Investment Company Act and to enable funds to provide investors with information necessary to evaluate an investment in the fund. Unlike many other federal information collections, which are primarily for the use and benefit of the collecting agency, this information collection is primarily for the use and benefit of investors. The information filed with the Commission

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<sup>1</sup> Investment Adviser Performance-Based Compensation, Investment Advisers Act Release No. 7022 (Sept. 30, 2026) [91 FR 63676 (Oct. 6, 2026)].

also permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information.

### **3. Use and Consideration of Information Technology**

The Commission's electronic filing system (Electronic Data Gathering, Analysis and Retrieval or "EDGAR") is designed to automate the filing, processing and dissemination of full disclosure filings. The system permits publicly held companies to transmit their filings to the Commission electronically. EDGAR has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. All funds have been required to use EDGAR for their disclosure filings since November 6, 1995. Form N-1A is required to be filed with the Commission electronically on EDGAR.<sup>2</sup> The public may access filings on EDGAR through the Commission's website (<http://www.sec.gov>).

### **4. Identifying and Minimizing Duplication**

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or a change in a rule. The requirements of Form N-1A are not generally duplicated elsewhere.

### **5. Effect on Small Entities**

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act,<sup>3</sup> to identify methods to minimize recordkeeping or reporting requirements affecting small businesses. The disclosure requirements for registration statements on Form N-1A do not distinguish between small entities and other investment companies. The burden on smaller investment companies of preparing and filing registration statements may be proportionately greater than for larger investment companies. This

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<sup>2</sup> 17 CFR 232.101(a)(1)(i) and (iv).

<sup>3</sup> 5 U.S.C. 601 et seq.

burden includes the cost of producing, printing, filing, and disseminating prospectuses. The Commission believes, however, that imposing different requirements on smaller investment companies would not be consistent with investor protection and the purposes of the registration statements.

## **6. Consequences of Not Conducting Collection and Obstacles to Reducing Burden**

The purpose of Form N-1A is to meet the filing and disclosure requirements of the Securities Act and the Investment Company Act and to enable filers to provide investors with information necessary to evaluate an investment in the security. Less frequent filing would be inconsistent with the filing and disclosure requirements of the Securities Act and the Investment Company Act. In addition, if the form were to be filed less frequently, investors may not be provided with the information necessary to evaluate an investment in the security.

## **7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

This collection is not inconsistent with 5 CFR 1320.5(d)(2).

## **8. Public Comment and Consultations Outside the Agency**

Before determining whether to adopt the proposed amendments to Form N-1A, the Commission will receive and evaluate public comments on the proposal and its collection of information requirements. Moreover, the Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and informal exchanges. These various forums provide the Commission and staff with a means of ascertaining and acting upon the paperwork burdens that may confront the industry.

## **9. Payment or Gift to Respondents**

Not applicable.

## **10. Assurance of Confidentiality and Privacy**

No assurance of confidentiality was provided.

## **11. Collection Questions of a Sensitive Nature**

Not applicable.

## **12. Estimated Time Burden and its Cost Equivalent**

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act of 1995<sup>4</sup> and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms. Compliance with the disclosure requirements of Form N-1A is mandatory. Responses to the disclosure requirements will not be kept confidential.

As of December 31, 2025, there were approximately 12,674 funds that file on Form N-1A. We estimate that 5 percent of these funds would enter into an investment advisory contract with an investment adviser that includes a performance-based compensation arrangement based on capital gains or based on other measures. As a result, we estimate that 634 funds would be subject to the enhanced disclosure regarding performance-based compensation paid to the investment adviser on Form N-1A. The table below summarizes our PRA annual burden estimates associated with the amendments to Form N-1A.

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<sup>4</sup> 44 U.S.C. 3501 et seq.

**PRA Table 1. Estimated Paperwork Burden Effects of the Proposed Amendments to Form N-1A**

| <b>Annual Hours<sup>1</sup></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Total Monetized Burden Hours<sup>2</sup></b> | <b>Total Annual Cost Burden<sup>3</sup></b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------|
| 6,340 hours                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$2,929,080                                     | \$2,453,580                                 |
| <p>Notes:</p> <p><sup>1</sup> We estimate that the amendments would increase the annual hour burden for Form N-1A by 10 hours per fund or 6,340 hours in aggregate (10 hours x 634 funds = 6,340 hours).</p> <p><sup>2</sup> The total monetized burden hours are based on the total annual hours estimate times a \$462 blended wage rate (6,340 hours x \$462 = \$2,929,080). The \$462 wage rate reflects current estimates of the blended hourly rate for an accountant and auditor (\$330), paralegal and legal assistant (\$281), and attorney (\$774) in the securities industry ((<math>\\$330 + \\$281 + \\$774</math>)/3 = \$462).</p> <p><sup>3</sup> The total annual cost burden is the cost of goods and services purchased to prepare and amend registration statements on Form N-1A in connection with the proposed amendments, such as for the services of independent auditors and outside counsel. The cost burden estimate is based upon the estimated wage rate of \$774/hour for an attorney in the securities industry multiplied by 5 hours of work (5 hours x \$774 wage rate = \$3,870 per fund). 634 regulated funds x \$3,870 = \$2,453,580.</p> |                                                 |                                             |

### 13. Estimated Additional Cost Burden

Cost burden is the cost of goods and services purchased to prepare and amend registration statements on Form N-1A, such as for the services of independent auditors and outside counsel. The cost burden does not include the total monetized burden hours discussed in Item 12 above. Estimates are based on the Commission’s experience with the filing of registration forms. We estimate that the total annual external cost burden associated with the proposed amendments would be \$2,453,580, as detailed in Table 1 above. When the total estimated annual external cost burden associated with the proposed amendments is added to the current external cost burden associated with Form N-1A, \$143,540,098, as set forth in the current collection of information “Form N-1A under the Investment Company Act of 1940 and Securities Act of 1933, Registration Statement of Open-End Management Investment

Companies” (OMB Control No. 3235-0307), the total annual estimated external cost burden is \$145,993,678.

#### **14. Annual Cost to the Federal Government**

The SEC is in the process of revising its methodologies to estimate annualized costs to the Federal government for all its relevant collections of information. The SEC anticipates that future extensions of this collection of information will reflect the revised methodologies.

#### **15. Reasons for Changes in Burden Estimates**

As summarized in Table 1 above, the estimated annual hourly burden associated with Form N-1A would increase by 6,340 hours. When the total estimated annual hourly burden associated with the proposed amendments is added to the current estimated annual burden associated with Form N-1A, 1,787,043, as set forth in the current collection of information “Form N-1A under the Investment Company Act of 1940 and Securities Act of 1933, registration statement of Open-End Management Investment Companies” (OMB Control No. 3235-0307), the total estimated annual hourly burden would increase to 1,793,383 hours. Further, the total estimated external cost burden would increase by \$2,453,580 from \$143,540,098 to \$145,993,678, as discussed in Item 13, above. These increases in the burden estimates are due to the proposed requirements that funds provide more particularized prospectus disclosure in two locations about any performance-based compensation paid to the investment adviser. In addition, staff has revised how it calculates cost burdens for purposes of PRAs, which also results in revisions to the estimated cost burdens. Finally, the increase in estimated external cost burden reflects an increase in those external costs.

#### **16. Plans for Publishing Results**

The results of any information collected will not be published.

## **17. Approval to Omit Display of OMB Expiration Date**

We request authorization to omit the expiration date on the electronic version of the form for design and IT project scheduling reasons. The OMB control number will be displayed.

## **18. Exceptions to the Certification for Paperwork Reduction Act Submissions**

The Commission is not seeking an exception to the certification statement.