



U.S. Securities and Exchange Commission

PAPERWORK REDUCTION ACT SUPPORTING STATEMENT

for the Revision of
Form N-CSR
OMB Control Number 3235-0570

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-CSR¹ is a combined reporting form used by registered management investment companies (“funds”) to file certified shareholder reports under the Investment Company Act of 1940 (“Investment Company Act”)² and the Securities Exchange Act of 1934 (“Exchange Act”).³ Specifically, Form N-CSR is to be used for reports under section 30(b)(2) of the Investment Company Act⁴ and section 13(a) or 15(d) of the Exchange Act,⁵ filed pursuant to rule 30b2-1(a) under the Investment Company Act.⁶ Reports on Form N-CSR are to be filed with the

¹ 17 CFR 274.128.

² 15 U.S.C. 80a-1 et seq.

³ 15 U.S.C. 78a et seq.

⁴ 15 U.S.C. 80a-29(b)(2).

⁵ 15 U.S.C. 78m(a) and 78o(d).

⁶ 17 CFR 270.30b2-1(a).

Securities and Exchange Commission (“Commission”) no later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under rule 30e-1 under the Investment Company Act.⁷

On September 30, 2026, the Commission issued a release that, among other things, would amend Form N-CSR, to require funds to provide more particularized disclosure regarding the approval of performance fees based on capital gains in or capital appreciation of a fund whose investment adviser charges the fund a performance fee pursuant to the conditions of proposed rule 205-3(c)(1)(iv) under the Investment Advisers Act of 1940 (“Advisers Act”). This disclosure would be useful for investors because it would provide them with meaningful insight into the board’s reasoning and analysis in approving a performance fee arrangement that could impact their returns.

2. Purpose and Use of Information Collection

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. The information provided in reports on Form N-CSR may be used by the Commission in its regulatory, disclosure review, inspection, and policymaking roles. Unlike many other federal information collections, which are primarily for the use and benefit of the collecting agency, this information collection is also for the use and benefit of investors. The information filed with the Commission permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information.

⁷ 17 CFR 270.30e-1.

3. Use and Consideration of Information Technology

The information required by Form N-CSR is to be filed electronically with the Commission using the Commission’s Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system. In addition, we require that the information be reported on Form N-CSR using a structured data language (specifically, Inline eXtensible Business Reporting Language (“Inline XBRL”)) which makes the disclosures more readily available and easily accessible to investors, market participants, and others for aggregation, comparison, filtering, and other analysis.

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 form or a change in a rule or form. We believe that the Form N-CSR requirements do not duplicate, overlap, or conflict with other federal rules.

5. Effect on Small Entities

The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.⁸ The current disclosure requirements for reports on Form N-CSR do not distinguish between small entities and other funds. The burden on smaller funds, however, to prepare reports on Form N-CSR may be proportionally greater than for larger funds. The Commission believes,

⁸ 5 U.S.C. 601 et seq.

however, that imposing different requirements on smaller funds would not be consistent with investor protection and the purposes of certified shareholder reports.

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

Funds are required to file reports on Form N-CSR with the Commission no later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders pursuant to rule 30e-1 under the Investment Company Act. Failure to conduct this collection of information would reduce the information available to investors to make these decisions.

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

There are no special circumstances in connection with this collection.

8. Public Comment and Consultations Outside the Agency

Before determining whether to adopt the proposed amendments to Form N-CSR, 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 paperwork burdens confronting the industry.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality and Privacy

Documents submitted to the Commission are available to the public. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (“PIA”) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on March 6, 2025, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

11. Collection Questions of a Sensitive Nature

No information of a sensitive nature will be required. These information collections collect basic Personally Identifiable Information (PII) that may include a name and job title. However, the agency has determined that these information collections do not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier.

12. Estimated Time Burden and its Cost Equivalent

The estimated burden hours and cost burden are made solely for the purposes of the PRA and represent the average burden for all issuers. The cost burden is not derived from a comprehensive or even a representative survey of the costs of Commission rules and forms. Compliance with Form N-CSR is mandatory. Responses to the collection of information will not be kept confidential.

We estimate that 669 regulated funds would be subject to the particularized disclosure requirements regarding the approval of performance fees based on capital gains in or capital appreciation of a regulated fund whose investment adviser charges the regulated fund a performance fee pursuant to the conditions of proposed rule 205-3(c)(1)(iv). This estimate is based on the number of regulated funds (except for business development companies, which do not file Form N-CSR) that would pay its investment adviser a performance fee based on capital gains or capital appreciation of the regulated fund pursuant to the conditions of proposed rule 205-3(c)(1)(iv).⁹ The table below summarizes our PRA annual burden estimates associated with the amendments to Form N-CSR.

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

Annual Hours¹	Total Monetized Burden Hours²	Total Annual Cost Burden³
3,345 hours	\$2,023,725	\$2,589,030
Notes ¹ We estimate that the amendments would increase the annual hour burden for Form N-CSR by 5 hours per fund and 3,345 hours in the aggregate (5 hours x 669 funds = 3,345 hours). ² The total monetized burden hours are based on the total annual hours estimate times a \$605 blended wage rate (3,345 hours x \$605 = \$2,023,725). The \$605 wage rate reflects current estimates of the blended hourly rate for a computer programmer (\$436) and an attorney (\$774) in the securities industry $((\\$436 + \\$774)/2 = \\$605)$. ³ The total annual cost burden is the cost of goods and services purchased to prepare and amend registration statements on Form N-CSR 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). 669 regulated funds x \$3,870 = \$2,589,030.		

⁹ 5 percent of 13,376 funds = 669 funds.

13. Estimated Additional Cost Burden

Cost burden is the costs of goods and services purchased to prepare and update filings on Form N-CSR, 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 reports on Form N-CSR. We estimate that the additional estimated total annual cost burden for Form N-CSR is \$2,589,030.

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

We estimate that the total annual burden hours associated with Form N-CSR will increase by 3,345 hours and that the total cost will increase by \$2,589,030. The reasons for the changes in annual time burden and annual cost burden estimates are a result of the proposed amendments that would require more particularized disclosure regarding a board's approval of advisory contracts with performance fees as well as a revision in the method by which staff calculates hourly rates and a modernization of the methodology used to calculate the cost to the Federal government.

16. Plans for Publishing Results

The collection is filed with the Commission on its EDGAR system and is made available to the public through that system. The information collection does not employ statistical methods.

17. Approval to Omit Display of OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the forms and schedule. Including the expiration date on the electronic version of the form and schedule will result in increased costs, because the need to make changes to the form and schedule may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. Exceptions to the Certification for Paperwork Reduction Act Submissions

There are no exceptions for the Paperwork Reduction Act submissions.