- Section 1c asks about investment strategy characterization, trading levels, identity of significant counterparties and counterparty credit risk and information on trading and clearing.

The vast majority of investment advisers that are required to file Form PF under the Rule will complete only Section 1.

- Section 2 must be completed by investment advisers that manage hedge funds with an aggregate regulatory AUM of at least $1.5 billion. Large hedge fund advisers must report, on an aggregated basis, information regarding exposures by asset class, geographical concentration and turnover by asset class. In addition, investment advisers to hedge funds having a net asset value of at least $500 million must report certain information relating to that fund's exposures, leverage, risk profile and liquidity. Large hedge fund advisers do not need to report position-level information.

- Section 3 must be completed by investment advisers that manage liquidity funds with an aggregate regulatory AUM of at least $1 billion. Large liquidity fund advisers must report information on the types of assets in each of their liquidity fund's portfolios, information regarding risk and the extent to which the fund has a policy of complying with the Investment Company Act's rule relating to registered money market funds (Rule 2a-7).

- Section 4 must be completed by investment advisers that manage private equity funds with an aggregate regulatory AUM of at least $2 billion. Large private equity advisers must report on the extent of leverage incurred by their funds' portfolio companies, the use of bridge financing and their investments in financial institutions.

Information reported on Form PF will remain confidential.

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For more information regarding the issues discussed in this Investment Management Alert, please contact either of the Co-Chairs of our Investment Management Group or your attorney at Fox, Hefter, Swibel, Levin & Carroll, LLP.

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This Alert is intended to provide general information regarding developments in the law. It is not intended to constitute legal advice and should not be relied upon as such.