



SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-821, OMB Control No. 3235-0776]

Submission for OMB Review; Comment Request; Extension: Rule 18f-4

Upon Written Request, Copies Available From

Securities and Exchange Commission

Office of FOIA Services

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Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

Rule 18f-4 (17 CFR 270.18f-4) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) (the “Investment Company Act”) permits a fund to enter into derivatives transactions, notwithstanding the prohibitions and restrictions on the issuance of senior securities under section 18 of the Investment Company Act. A fund that relies on rule 18f-4 to enter into derivatives transactions generally is required to: adopt a derivatives risk management program; have its board of directors approve the fund’s designation of a derivatives risk manager and receive direct reports from the derivatives risk manager about the derivatives risk management program; and comply with a VaR-based test designed to limit a fund’s leverage risk consistent with the investor protection purposes underlying section 18 of the Investment Company Act. Rule 18f-4 includes an exception from the derivatives risk management program requirement and limit on fund leverage risk if a fund limits its derivatives exposure to 10% of its net assets (the fund may exclude from this calculation derivatives transactions that it uses to hedge certain

currency and interest rate risks). A fund relying on this exception will be required to adopt policies and procedures that are reasonably designed to manage its derivatives risks.

Rule 18f-4 also includes an exception from the VaR-based limit on leverage risk for a leveraged/inverse fund that cannot comply with rule 18f-4's limit on fund leverage risk and that, as of October 28, 2020, is: (1) in operation, (2) has outstanding shares issued in one or more public offerings to investors, and (3) discloses in its prospectus that it has a leverage multiple or inverse multiple that exceeds 200% of the performance or the inverse of the performance of the underlying index (for purposes of this Supporting Statement, such a fund is an "over-200% leveraged/inverse fund"). A fund relying on this exception must disclose in its prospectus that it is not subject to rule 18f-4's limit on fund leverage risk.

Finally, rule 18f-4 permits funds to enter into reverse repurchase agreements (and similar financing transactions) and "unfunded commitments" to make certain loans or investments, and to invest in securities on a when-issued or forward-settling basis, or with a non-standard settlement cycle, subject to conditions tailored to these transactions.

The respondents to rule 18f-4 are registered open- and closed-end management investment companies and BDCs. Compliance with rule 18f-4 is mandatory for all funds that seek to engage, in reliance on the rule, in derivatives transactions and certain other transactions that the rule addresses, which would otherwise be subject to the restrictions of section 18 of the Investment Company Act.

The information collection requirements of rule 18f-4 are designed to ensure that funds maintain the required written derivatives risk management programs that promote compliance with the federal securities laws and protect investors, and otherwise comply with the requirements of the rule. The information collections also assist the Commission's examination staff in assessing the adequacy of funds' derivatives risk management programs and their compliance with the other requirements of the rule, and identifying weaknesses in a fund's derivatives risk management if violations occur or are uncorrected.

The respondents to rule 18f-4 are registered open- and closed-end management investment companies and BDCs. Compliance with rule 18f-4 is mandatory for all funds that seek to engage, in reliance on the rule, in derivatives transactions and certain other transactions that the rule addresses, which would otherwise be subject to the restrictions of section 18 of the Investment Company Act. To the extent that records required to be created and maintained by funds under the rule are provided to the Commission in connection with examinations or investigations, such information will be kept confidential subject to the provisions of applicable law.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by **[INSERT DATE 30 DAYS AFTER DATE OF**

PUBLICATION IN THE FEDERAL REGISTER] to (i)

MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo , 100 F Street, NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: March 25, 2024.

Sherry R. Haywood,

Assistant Secretary.

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