

SEC ADOPTS RULES FOR REPORTING SEPARATELY MANAGED ACCOUNTS ON FORM ADV AND REVISED RECORDKEEPING RULES

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Investment Management Alert

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AMENDMENTS TO FORM ADV

Information Regarding Separately Managed Accounts

The SEC's final amendments to Part 1A of Form ADV include items intended to collect more information about each adviser's SMAs.^[1] The amendments are intended to help the SEC make risk assessments with respect to SMAs and their investment advisers. The SEC defines a "separately managed account" as an advisory account that is not a pooled investment vehicle (i.e., a registered investment company, business development company or private fund^[2]). Under the final amendments, Item 5.K.(1) was added to Item 5 of Part 1A, asking advisers if they have regulatory assets under management ("RAUM") attributable to SMAs. If so, the adviser is required to complete additional questions in Item 5.K. of Part 1A and accompanying disclosure in Schedule D.

To read the full alert, [click here](#).

NOTES:

^[1] Neither the Proposing Release nor the Adopting Release clarified the question of whether the SEC considers a "fund of one" a separately managed account. The Adopting Release includes instructions in the text preceding Section 5.K.(1) and (2) to clarify that any RAUM reported in Item 5.D. with respect to investment companies, business development companies and other pooled investment vehicles should not be reported in Sections 5.K.(1) or (2) of Schedule D.

^[2] Part 1A of Form ADV defines a "private fund" as "[a]n issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that Act." It is the same definition used in Form PF filed quarterly or annually by advisers to private funds.

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