



April 23, 2026

The Honorable Paul S. Atkins, Chair
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File No. S7-2026-05: Form N-PORT Reporting

Dear Chair Atkins:

Ceres writes to oppose the elimination of Names Rule reporting on Form N-PORT, because this will deny investors access to important information that is not available elsewhere.

Ceres is a nonprofit advocacy organization with over 35 years of experience working to accelerate the transition to a cleaner, more just, and resilient economy. Our [Investor Network](#), [Company Network](#), and [Policy Network](#) include many large U.S. institutional investors and large companies. Drawing on our decades of expertise we support companies and investors with integrating responsible business strategies and managing financial sustainability issues critical to protecting portfolio value. The Ceres Accelerator for Sustainable Capital Markets aims to transform the practices and policies that govern capital markets by engaging federal and state regulators, financial institutions, investors, and corporate boards to address weather-driven risk as a systemic financial risk. The comments provided herein represent only the opinions of Ceres, and do not necessarily imply endorsement by each member of our Investor, Company, or Policy Networks.

Ceres supported the proposed Investment Company Names rule in our [2022 letter to the SEC](#),¹ which emphasized:

- The proposed rules are an appropriate way to prevent investor confusion and greenwashing. We also supported the SEC's proposal to include climate terms within the scope of the rule.
- Many investment advisers subject to the proposals are part of global asset management businesses subject to similar rules in other jurisdictions (such as the EU SFDR), which will ease the cost burden for U.S. companies.
- The primary benefit of the rules fits squarely within the purposes of the Securities Act, the Investment Company Act, and the Investment Advisers Act. The rules

¹ Ceres' letter concerned two proposed rules: Enhanced Disclosure by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices, and Investment Company Names ("Names Rule").

would do much to ensure that the assets of registered fund investors and advisory clients who seek to invest in keeping with climate factors are invested consistently with the intent of these investors.

Under the current Investment Company Names rule (Dec. 10, 2023), for a registered fund that is required to adopt an 80% investment policy, the fund must report quarterly on Form N-PORT, “(1) Definitions of the terms used in a registered fund’s name; (2) The value of the fund’s 80% basket, as a percentage of the value of the fund’s assets; and (3) Whether each investment in the fund’s portfolio is in the fund’s 80% basket.” See SEC proposed rule Form N-PORT Reporting, No. S7-2026-05 (Feb. 23, 2026), p. 37. The proposed rule would eliminate the quarterly reporting of these three elements on Form N-PORT. See *Id.*

In the proposed rule, the SEC poses the following questions: “33. Should we, as proposed, eliminate the names rule-related reporting? Do enhanced disclosures in fund prospectuses about a fund’s 80% investment policy, along with available information about fund portfolio holdings, provide the public with sufficient information to understand a fund’s investments and risks? To what extent would removing the names rule-related reporting reduce reporting burdens for registered funds? Instead of eliminating the names rule-related reporting, are there modifications to these requirements we should make? For example, should we require a fund to report the value of the fund’s 80% basket, as a percentage of the value of the fund’s assets, but remove other names rule-related reporting requirements?” Below we provide answers to the first three questions.

Should we, as proposed, eliminate the names rule-related reporting? No. The SEC should not, as proposed, eliminate the name rule-related reporting, because the proposed rule change will harm investors. Ceres supported the 2023 Investment Company Names rule amendments because of the valuable information about fund names that the amendments would provide to investors. In the future, while prospectus disclosures will still require a fund to define the terms used in its name, including the criteria the fund uses to select the investments that the term describes, fund investors will have no comparable standardized, position-level, periodic (non-static) substitute for Form N-PORT reporting of the value of the fund’s 80% basket, whether an investment is included in the basket, and any changes to the definition(s) of terms used in the fund’s name.

The fact that there is no substitute for Form N-PORT names rule reporting shows it has unique value. The Form N-PORT reporting the SEC plans to eliminate includes the following information:

1. The periodic, standardized measurement of compliance with the expectation that 80% of the fund’s investments align with name of the fund. Specifically, the rule requires reporting of “the value of the fund’s 80% basket, as a percentage of the value of the fund’s assets”. We agree with the Commission’s assessments that the Form N-PORT requirements will provide insights into how funds invest

consistent with their names, assist in investment choices to better match investment preferences, provide transparency about what specific portfolio investments are consistent with the 80% policy, and aid understanding of whether funds characterize particular investments similarly. See SEC, Investment Company Names final rule, File No. S7-16-22 (Dec. 10, 2023), pp. 131-132.

2. The tagging of each individual investment in the portfolio on whether it is inside or outside the basket. Although annual reporting requires disclosures of holdings, it does not require this explicit position-level identification. Position-level identification allows investors to easily analyze if a company whose business they are familiar with falls under the fund name's definitions.
3. The standardized, aggregated value of the 80% basket inside the total portfolio. Without tagging, investors can't reliably reconstruct this information from the holdings disclosure alone.

For each of these three items, no other SEC reporting provides this data.

Do enhanced disclosures in fund prospectuses about a fund's 80% investment policy, along with available information about fund portfolio holdings, provide the public with sufficient information to understand a fund's investments and risks? No, because they do not provide ongoing information about whether a fund is staying true to its aims as laid out in the prospectus. The Investment Company Names rule (Dec. 10, 2023) states, "each fund that is required to adopt and implement an 80% investment policy must include disclosure in its prospectus that defines the terms used in its name, including the specific criteria the fund uses to select the investments that the term describes, if any." See p. 110. While this prospectus disclosure provides helpful information, it does not include the Form N-PORT disclosures of the value of the fund's 80% basket and whether an investment is included in the basket.

The proposed Form N-PORT Reporting rule notes that "the names rule-related reporting on Form N-PORT would provide more specific insight to the public into how funds have invested in compliance with their 80% investment policies." It also states that the SEC will have access to information that the public does not: "the amendments require a fund to retain records that are available to the Commission and its staff, documenting whether an investment is included in its 80% basket and, if so, the basis for including that investment in the 80% basket." Unfortunately, the proposal does not explain how Commission access to important information substitutes for public access to that information.

The proposal does state that "the public would continue to have access to information about a fund's portfolio holdings in annual and semi-annual reports, in public Form N-PORT reports, and on fund websites". But it does not consider the costs to the public to

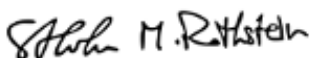
analyze whether each holding complies with the 80% policy, and whether it is even possible to do so. In fact, it is not reasonably (or reliably) possible for an investor to determine whether a fund categorizes a particular investment as part of the fund's 80% basket without the fund disclosing that information.

To what extent would removing the names rule-related reporting reduce reporting burdens for registered funds? The costs to funds for names rule-related reporting are justified, because the required reporting—of the value of the fund's 80% basket as a percentage of the value of the fund's assets and whether each investment in the fund's portfolio is in the fund's 80% basket—is available nowhere else. Removing the names rule-related reporting simply shifts the costs of attempting to compile this information from funds to investors, or shifts the risks of the lack of alignment with the fund's aims to investors. Because of the lack of ongoing accountability after the prospectus is issued, it also increases the chance that some funds will invest in ways that do not align with the definitions in the prospectus.

Finally, as described in the [Investment Company Names rule](#) (Dec. 10, 2023), the burden of the rule has already been reduced compared to the proposed rule. For example, "in response to comments, the final Form N-PORT amendments modify the proposed reporting approach by requiring reported information for the third month of each quarter, instead of for every month."

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Steven M. Rothstein".

Steven Rothstein
Chief Program Officer
Ceres

A handwritten signature in black ink that reads "James B. Coburn".

Jim Coburn
Senior Manager, Disclosure and Regulation
Ceres