

Introduction to the 2026 Edition

Updates to the 2026 edition include:

- **Chapter 22**—In 2025, the SEC began granting streamlined orders to registered closed-end funds for co-investment relief, which was a development well-received by the industry. Dozens of closed-end funds have applied and the SEC has granted, as of the time of this publication, more than 60 orders. Initial drafts of the first applications would have permitted registered open-end funds to be co-investors alongside their affiliated closed-end fund counterparts, which still may be a possibility in the future.
- **Chapter 27**—In August 2024, the SEC adopted amendments to Form N-PORT requiring funds to file Form N-PORT more frequently and in a timelier fashion, specifically, on a monthly basis and within 30 days after the end of each month. In addition, each Form N-PORT will become public 60 days after the end of the month. In April 2025, to permit the SEC time to review the potential negative impacts of the final Form N-PORT amendments, the SEC extended the prior November 2025 effective date, so the new reporting requirements are now scheduled to become effective, for most funds, on November 17, 2027.
- **Chapter 30**—In 2025, bipartisan legislation was introduced to address the tax treatment of mutual fund shareholders. The Generating Retirement Ownership Through Long-term Holding Act, or “Growth Act,” would allow mutual fund investors to defer taxes on distributions of gains, interest, and dividends, despite not having sold their share of the fund. In part, this would allow fund shareholders to reinvest capital gains without first paying taxes on the gains. Despite having bipartisan support, as of this update, no action has been taken on the Growth Act other than being referred to committee.
- **Chapter 34**—Until recently, only one ETF sponsor was permitted to issue an ETF share class of an existing mutual fund. However, beginning in 2023, many fund complexes filed applications with the SEC to permit a mutual fund to offer an ETF share class or an ETF to offer one or more mutual fund share classes. In late 2025, the SEC began issuing orders approving this exemptive relief. Consequently, there is an expectation that ETF share classes will become more prominent going forward.

This 2026 Edition fully replaces the 2025 Edition. Please recycle or discard the 2025 Edition.