

## LONGBOARD STATEMENT REGARDING SEC DERIVATIVES PROPOSAL

The U.S. Securities and Exchange Commission (SEC) has recently proposed new requirements intended to regulate the use of derivatives in mutual funds, including those that Longboard offers to sophisticated financial advisors.

Longboard is supportive of the majority of the recommended rules, as they will enhance safeguards for investors and would continue to enable us to provide high-quality alternative mutual funds to our clients. We will collaborate with industry partners on recommendations as to how the current proposal could be further enhanced to protect the interest of investors.

The proposal includes recommendations on limiting notional leverage and creating new liquidity standards in mutual funds.

The SEC has opened a 90-day window for investors, the mutual fund industry and experts to provide their comments on the effects of the proposed rules. After this window, the SEC is expected to clarify if they will pass the current proposal or a modified version. It is likely that there will be an extended grace period of up to several years following implementation of any proposal.

We are confident we can adapt and grow under the proposed rules should they go into effect.

We look forward to discussing your questions and comments about this proposal.

For more information, contact your Longboard account partner directly, or call:

**800.290.8319** | [info@longboard-am.com](mailto:info@longboard-am.com)

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