

Tell us what you think

**Sales Practices Rules for Transacting in Shares
of Leveraged/Inverse Investment Vehicles**

Item 1: General Identifying Information

a. Is the firm a Commission-registered investment adviser or a broker-dealer?: RIA

b. What is the size of the firm in terms of:

- 1.) The number of retail investors (as defined in the release)? 50
- 2.) For Investment Advisers, regulatory assets under management? 35,000,000
- 3.) For broker-dealers, regulatory net capital?
- 4.) Other (please specify)?

c. Please include any additional general identifying information that you wish to provide, that could add context to your other feedback on the proposal.

Firm name is Strategic Foresight Investments (StratFI)

d. Does the firm accept orders from or place orders for the accounts of retail investors to buy or sell shares of leveraged/inverse investment vehicles (as defined in the proposed sales practices rules)?

YES

Item 2: Cost to Comply with the Proposed Due Diligence and Account Approval Requirements

a. What do you expect the cost to your firm would be in order to comply with these proposed requirements (in terms of combined internal and external costs)?

1.) For an investment adviser (check one box): \$0 - \$5,000

2.) For a broker-dealer (check one box):

b. Are there any less expensive alternatives to the proposed requirements you can suggest that would still preserve the proposed rules' intended investor protection safeguards?

Exemption for Certified Financial Planners (CFP's), Chartered Financial Analysts (CFA's), or Chartered Market Technician's (CMT's). All of these certifications require training in risk-management. They also provide the knowledge-base to use inverse products, specifically, to hedge against market risk for their clients.

Item 3: Other Feedback on Proposed Sales Practices Rules

Instructions: Please include any other additional suggestions or comments about the proposed sales practices rules that you would like to provide. As a boutique investment advisory firm, we use leveraged index funds sparingly but effectively for clients. Over the past 4 1/2 years we've been trading the Direxion Monthly S&P 500 Bull 2X Fund (DXSLX) as part of a proprietary strategy to manage S&P 500 index exposure for IRA accounts. As of today (March 19th, 2020), this strategy has generated +8% gains on a year-to-date basis, relative to a -25% loss on the S&P 500. With the proposed regulations, I will be limited in my ability to share this strategy and the growth of my business will suffer greatly. I'm actually more concerned about the restriction of inverse funds as a hedging tool. While this is not my area of expertise, these can also be an essential tool for risk management. Because recent experience suggests that the correlation of financial assets tends to spike when you need diversification the most, inverse ETFs may provide the ONLY source of true diversification, especially for retirement accounts. Ultimately, it's about having the right tools to manage crises. This legislation takes the tools off the table for most advisors.

Other Ways to Submit Your Feedback

You also can send us feedback in the following ways (include the file number S7-24-15 in your response):

Print Your Responses and Mail	Secretary Securities and Exchange Commission 100 F Street, NE Washington, DC 20549-1090
Print a PDF of Your Responses and Email	Use the printer friendly page and select a PDF printer to create a file you can email to: rule-comments@sec.gov
Print a Blank Copy of this Flier , Fill it Out, and Mail	Secretary Securities and Exchange Commission 100 F Street, NE Washington, DC 20549-1090

File No. S7-24-15