



April 25, 2022

Private Capital Data Standards Alliance  
Post Office Box 1281  
Lexington, SC 29071

Attention: Vanessa A. Countryman, Secretary  
Securities and Exchange Commission (SEC)  
100 F Street, NE  
Washington, DC 20549-1090

Submitted online at <https://www.sec.gov/cgi-bin/ruling-comments> for S7-03-22

Re: Comment on 17 CFR Part 275, File No. S7-03-22, Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews, 3. Preparation and Distribution of Quarterly Statements, structured, machine-readable data language

**Dear Secretary Countryman and SEC staff:**

The Private Capital Data Standards Alliance (PCDS) is a 501(c)(6) industry nonprofit and global membership organization representing private capital market participants. The members include investors, advisors, and providers who have joined PCDS to support the development of a common data standard or “language.” More specifically, the purpose of PCDS is to create and maintain data tags and definitions that will allow for a standardized reporting protocol to accurately exchange granular data – such as the quarterly investor capital account statement - between private capital market participants in any technology or platform.

PCDS membership spans the US, Canada, UK, Europe, and Asia. PCDS does not opine on the ultimate technology for mappable or machine-readable reporting. However, PCDS strongly encourages the pursuit of an efficient data exchange method in private capital with detailed, comprehensive data definitions. The issue of syntax must be addressed for such a rule to be effective. If reported data points are accurate, comparable, and consistent in their granularity, the long-term gains from efficiency, scale, and transparency from such automation can outweigh implementation costs. These characteristics are critical because automation without data quality will not benefit our industry. A data standard that allows for efficient, machine-readable (or “consumable”) data exchange could eliminate the inefficient and less-scalable spreadsheet and PDF processing that is common today.

PCDS is focused on the best possible outcome for all stakeholder groups and the industry we serve. We remain open to the opportunity to discuss our initiative and how a 2022 PCDS standards release can support market participants.

The vision of PCDS is to bring together market participants, industry contributors, and consultative subject matter experts to develop this data standard by incorporating existing practices and templates. With consistent, granular data in a commonly defined set of definitions and reporting protocol, the investor is empowered to freely analyze, research, measure, and present their own portfolio data.

PCDS currently estimates that large institutional investors with significant allocations to private capital could save up to 10% or possibly 20% in their portfolio administration and data aggregation costs through automation if data accuracy and comparability are resolved.

It is worth noting that given the lifecycle of the typical fund, change must be made in stages. While new funds can more easily implement a standard, many private funds with several years of legacy data do not have enough granularity in the historical accounting records to adopt a new standard. Therefore, if the typical private fund lifecycle is considered, the industry could see significant benefits of scale from a new data standard as new funds adopt over the next five to seven years.

Thank you for the opportunity to comment on SEC proposed rule S7-03-22.

Sincerely,



Lorelei Graye

President and CEO

Private Capital Data Standards Alliance

