

RE: File Number S7-24-15

Dear SEC:

This letter is written by John McClure on behalf of ProfitScore Capital Management, Inc. to express opposition to the proposed regulations regarding the use and sale of leveraged and inverse funds under Release N. 34-87607.

ProfitScore Capital Management is an SEC-registered investment advisor, as well as being registered with the NFA as a commodity trading advisor. ProfitScore Capital Management was founded in 1998 and currently has AUM of approximately 220 million dollars. We are a data-science based firm with seven members; four focused on R&D along with award-winning researchers, including a PhD. ProfitScore mostly manages money for institutions, including a multi-billion dollar family office.

The proposed regulation of Release No. 3487607 appears to suggest that inverse and leveraged funds are excessively risky beyond other products on the market. We dispute this argument and believe that as a result of this, investors might be guided to investments that have a higher risk or are less effective.

In some of our programs, we use leveraged and inverse funds in our investment strategies to manage risk in market downturns and effectively offer more flexibility to adapting market environments. We find that leveraged funds allow us to lower volatility, amplify gains, and create programs with lower correlation than a typical diversified allocation. We are hired by our clients to solve problems in their portfolios; generally, it is to provide strategies that are uncorrelated to the majority of their assets, offset risk during stressful periods and still provide positive returns during bull markets.

ProfitScore is also a member of NAAIM (National Association of Active Investment Managers). NAAIM 30-year-old trade association with over 200 members composed of investment advisors who collectively manage over 15 billion dollars. NAAIM members were some of the earliest users of these types of funds and have always been instrumental in sharing best practices.

These proposed additional regulations will add further and unnecessary complications on top of existing regulations. As a fiduciary to our clients, we are already subjecting them to questionnaires and conversations to determine the suitability and risk tolerance of investments. Firms would be required to add additional staff incurring costs and burdens that end up prohibiting the investor from potentially getting programs that would help them preserve and grow capital.

Release No. 34-87607 requires that the advisor establish that the customer or client is capable of evaluating the risk associated with leveraged and inverse funds before they can be included in the portfolios yet provides no standards as to *what is adequate client knowledge*. We see this regulation creating a scenario where less experienced investors would be discriminated against and not have the ability to get access to beneficial products because of the ambiguity of the proposed regulations. As fiduciaries, we are already required to put our client's interests first, it is already our duty, and these regulations are burdensome and add unnecessary complications with no added benefits.

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Release No. 34-87607 appears to not take into account that the leveraged and inverse funds universe has been around for over 20 years. This rule will not change the value of these programs only to seek to prohibit their use by a large portion of investors.

Please discard this proposed regulation.

Sincerely,

John M. McClure

President/CEO

ProfiScore Capital Management, Inc.