

A decorative graphic in the top left corner consisting of several thin, curved blue lines that sweep upwards and to the right.

November 14, 2024

Donald J. Trump
President
Mar-a-Lago Club
1100 S Ocean Blvd
Palm Beach, FL 33480

President Donald Trump:

Congratulations on your election victory. The alternative asset management industry wishes you success in your Presidency. Now is the time to turn the page on the current SEC agenda and leave behind misguided policies that have harmed markets, investors, and the economy. MFA stands ready to work with you, Vice President-elect Vance, your future Treasury Secretary, and SEC Chair to advance policies that support U.S. economic growth and the well-being of all Americans.

MFA represents the alternative asset management industry, including hedge funds, credit funds, and funds that invest in public and private markets. Our members deploy a diverse set of investment strategies on behalf of investors, including pensions, foundations, and endowments. These investors rely on the returns from their alternative investments to support their beneficiaries in all market conditions.

MFA supports policies that enhance America's financial markets — driving economic growth, providing capital to businesses large and small, and benefitting all Americans.

Support robust capital markets

America's capital markets must remain the most vibrant in the world. Deep and liquid markets create jobs, bolster retirement savings, and drive innovation. Stable and predictable regulations that protect investors, while also encouraging capital formation and innovation, are essential to U.S. economic competitiveness. To further enhance the U.S.'s economic advantage, MFA recommends your Administration pursue policies that:

- Review harmful rules finalized over the last several years and cut unnecessary red tape
- Promote the expansion of private and public markets
- Change the adversarial relationship between policymakers and market participants and eliminate the practice of using enforcement in lieu of official rulemaking

These policies will ensure the U.S. capital markets remain the envy of the world and a critical driver of America's economic growth.

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Recognize that alternative asset managers play a critical role in the financial system

MFA members are well-regulated and serve a distinct role in the financial system. Alternative asset managers benefit investors, public and private companies, and capital markets in important ways. It is time policymakers embrace alternative assets as a driver of economic growth and abandon criticism of activity outside of the banking sector. The economy benefits from both capital markets-based finance and bank-based finance. In fact, the diversification provided by private funds is a key fixture in stabilizing financial markets and diffusing risk among sophisticated investors. Private funds do not have a government backstop and their structure limits contagion and liquidity risks, which reduces systemic risk.

Implement pro-growth tax policies

Pro-growth tax policies enhance U.S. economic competitiveness. To ensure America remains the economic leader of the world, policymakers should preserve provisions in the U.S. tax code that encourage more innovation and economic growth. MFA supports provisions in the tax code that drive long-term investments like incentivizing long-term investment by preserving the current treatment of carried interest as a long-term capital gain.

To avoid harming U.S. economic competitiveness, punitive ideas that discourage investments in our capital markets like a financial transaction tax or tax on unrealized capital gains should be rejected. These taxes weaken capital markets, harm economic growth, and reduce innovation — the opposite of what our economy needs.

Again, congratulations on your victory. MFA is ready to work together with your Administration to pursue policies that will benefit markets and all Americans.

Best,

A handwritten signature in blue ink, appearing to read "Bryan Corbett", is written over a light blue horizontal line.

Bryan Corbett
President & CEO, MFA

CC: Vice President-elect J.D. Vance

Susan Wiles, Chief of Staff