The following statement **from ILPA CEO Steve Nelson** is in response to the U.S. Securities & Exchange Commission's (SEC's) final interpretation regarding the standard of conduct for investment advisers dated June 5, 2019:

The Institutional Limited Partners Association (ILPA) believes the Commission failed to seize the opportunity to improve clarity and consistency around the fiduciary obligations that private equity advisers owe to their clients. Based on the ruling, private equity advisers will not be required to put the fund's interest ahead of their own. Also, mere disclosure of harmful conflicts of interest will be sufficient to meet the private equity adviser's fiduciary duty obligations, rather than mitigation or elimination of the conflict.

The end result of the final interpretation will be lengthier, less meaningful conflict of interest disclosures and a further erosion of the trust that is the foundation of the private equity ecosystem. The final result is less aligned with the SEC's investor protection mission and will have a negative impact on the millions of beneficiaries on whose behalf our members invest. We encourage both regulators and policymakers to consider these implications and improve these important protections going forward."

Contact: Chris Hayes, Senior Policy Counsel, ILPA, chayes@ilpa.org.