

April 18, 2024

Dear CCOs,

The SEC has been honing in on investment advisers' compliance with Rule 206(4)-1 of the Advisers Act (the "Marketing Rule"). Among other things, the SEC is actively reviewing publicly available information on advisers' websites and social media pages for compliance with (i) the Marketing Rule and (ii) requisite policies and procedures of the firm.

Last week, the SEC [settled charges](#) with five registered investment advisers for advertising hypothetical performance to the general public on their websites without adopting and implementing policies and procedures reasonably designed to ensure that the hypothetical performance was relevant to the likely financial situation and investment objectives of each advertisement's intended audience, as required by the Marketing Rule. The five firms paid \$200,000 in combined penalties. These settlements follow the SEC's charging of [nine registered investment advisers with Marketing Rule violations](#) last fall, with combined penalties totaling \$850,000.

Accordingly, we urge advisers to periodically review publicly available content on their (and their supervised persons') websites and social media pages for compliance with the Marketing Rule and internal policies and procedures. **If you would like Orical's assistance in conducting this review in light of SEC guidance and our recent examination experience, please contact the Orical team and we would be happy to assist.**

Please contact Orical to discuss any of your regulatory, operational, or compliance concerns, at info@orical.org or (212) 257-5790.