

NEWS RELEASE

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ICI to SEC: Principles-Based Co-Investment Framework Key for Expanding Retail Access to Private Markets

Washington, DC; March 4, 2025—The Investment Company Institute (ICI) wrote to the Securities and Exchange Commission (SEC) today to encourage the agency to approve a principles-based co-investment framework that would provide more flexibility for retail investment products. This would remove unnecessary barriers and allow everyday Americans to better access private markets.

ICI President and CEO Eric Pan commented that “this relief would be an important move towards expanding retail access to private market investment opportunities while maintaining the underlying protections of the Investment Company Act. It’s a great first step towards modernizing the regulatory framework around private investments and removing barriers to everyday Americans’ participation. This framework aligns with previous engagement between ICI and the SEC staff on co-investment, and we look forward to continuing to work with the SEC in this important area.”

As the US initial public offering (IPO) market has slowed, private markets have boomed. There are complex hurdles for retail investors to participate in these markets, meaning they have limited opportunity to participate in any gains realized outside the public markets. For these reasons, ICI is calling on the SEC to support the application for co-investment exemptive relief filed by FS Credit Opportunities Corp.

Co-investment relief has become a virtual necessity for managers of regulated funds investing in privately placed assets, as managers of such regulated funds frequently also manage private funds with overlapping investment strategies. However, the current co-investment framework is inflexible and outdated. Should the SEC approve the FS application, as ICI calls on the agency to do, managers would have much more flexibility to engage in co-investment opportunities. If approved, the SEC should make the revised relief available to all funds that have the current form of relief.

To read more from the ICI letter, click [here](#).

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