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**Sent:** Friday, May 15, 2020 16:03  
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**Cc:** Deborah Fuhr [REDACTED] >  
**Subject:** May 21st Investor Advisory committee meeting

Hi I would like to raise a recent issue due to the impact of the Covid 19 on many investors in index funds. The issue seems to be a relevant issue to be discussed at the May 21<sup>st</sup> Investor Advisory committee meeting during the index fund segment

The topic is:

During the past few months some of the index providers have decided to delay or cancel periodic rebalances that are outlined in the index methodology. Index rulebooks do allow index providers discretion in deciding when they will delay or cancel scheduled rebalances.

In the past, changes to rebalancing have been due to known factors so it was expected and the indices were adapted to ensure they remained accurate barometers of the indices investment universe.

There are people in the investment industry that would like to see a discussion take place as to how discretionary decisions to delay or cancel index rebalances are made and the impact these decisions have on investors, fund managers and others.

Given securities continued to be priced, markets and trading remained open the indices could have been rebalanced as outlined in their handbooks. It would be useful to understand the process to make the decisions, which stakeholders were consulted, and how, when and where the information on the decision to delay or cancel rebalances was made.

Not doing or delaying a scheduled rebalance can cause unintended consequences for investors, fund managers and traders – loss of money, errors in not doing the rebalance on the correct day, owning securities that are not in their investment universe of fund mandate.

Given the growing use of index investing it would seem to warrant a discussion/consultation to assess the above issues.

Can you tell me who I can speak with on this?

Thank you, Debbie

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