



Mark Quinn
DIRECTOR OF REGULATORY AFFAIRS

VIA UPS Overnight

November 19, 2018

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

**Re: File No. S7-07-18 – Regulation Best Interest
File No. S7-08-18 – Form CRS Relationship Summary**

Dear Mr. Fields:

Please allow this to serve as a supplement to the comment letter submitted by Cetera Financial Group (“Cetera”) on August 7, 2018, regarding proposed Regulation Best Interest (“Reg. BI”) and the related rule proposals that were published with it. We would like to take this opportunity to expand on some of our initial comments, particularly with respect to proposed Form CRS. The initial comment period for Reg. BI ended on August 7, 2018, but it is our understanding that the Commission is still accepting written submissions at this time.

Cetera is the corporate parent of a group of six broker-dealers and five Registered Investment Advisors (“RIAs”), with more than 8,000 affiliated representatives. Our firms collectively serve more than 1 million retail investors, the large majority of whom are individuals, families, and small businesses. Through our representatives, we provide services as both broker-dealers and RIAs, and have extensive experience with the brokerage and advisory models and the differing standards that are applicable to each.

Background

Reg. BI would require that broker-dealers and RIAs deliver a written summary of their relationship to prospective customers. The summary would contain information about the services that the adviser provides, their fees and expenses, conflicts of interest and how they are managed or mitigated, and other related matters. The Proposing Release includes drafts of a relationship disclosure document, which is denominated as Form CRS.

The Proposing Release indicates that Form CRS is intended to serve as a starting point for discussions between financial advisers and potential customers, and seeks comments about both its form and content. The Commission has made significant efforts to obtain reaction to

Form CRS, both in the proposed regulations and in a series of public meetings that it has held with investors.

Reg. BI and Form CRS represent new concepts in the regulation of financial advisers, specifically with respect to disclosures regarding customer relationships with broker-dealers. RIAs are currently required to deliver a disclosure document (referred to as Form ADV) to potential clients at or prior to establishment of an advisory relationship, but its form and content are materially different from that of the proposed Form CRS. Form ADV is typically much longer than what has been proposed for Form CRS and contains extensive guidance regarding what and how disclosures should be made.

Cetera has long advocated for a requirement that broker-dealers and RIAs deliver a relationship disclosure document similar to Form CRS, and we continue to believe that it should be an important part of the overall investor protection regime. We believe that the Form CRS proposed by the SEC would be useful in providing information that is important to prospective customers regarding the services offered by both broker-dealers and RIAs. However, financial advisers are not the intended audience for Form CRS. The more important question is whether Form CRS would be useful to investors. In order to help determine if that is the case, Cetera commissioned a survey of consumers to get their opinions about Form CRS. The results of the survey are described more fully below, but we believe that they are enlightening with regard to the utility of proposed Form CRS and establish that it represents a promising start to this important initiative.

The Cetera Survey

A. Methodology

To gain insight into investor reaction to Form CRS, Cetera commissioned a survey of consumers to obtain their views. The survey was conducted by Woelfel Research, Inc., a well-known research firm. The survey sought opinions from consumers about the way the material in Form CRS is presented, whether it supplied the reader with useful information, the extent to which it helped the investor determine whether to establish or continue a relationship with a financial adviser, and what type of relationship (brokerage or advisory) best suited their circumstances.

- **Form CRS Employed in the Survey** - The Proposing Release for Form CRS includes three separate versions: One for brokerage relationships, one for advisory relationships, and one that covers both. To give respondents the broadest possible exposure to descriptions of both brokerage and advisory relationships and to highlight the fact that many financial advisers offer both types of services, we used the combined version of Form CRS in our survey.
- **The Audience** - The survey was conducted from June 19 -23, 2018 through internet interviews with a total of 803 respondents aged 25 and older. The respondents were

broken into five subgroups, described more fully in the attached report. There is overlap among the subgroups.

- **Characteristics of Respondents** – Respondents were asked for information about their age, gender, marital status, education, ethnicity, employment, income, and net worth. They were also asked about past, current, or prospective relationships with financial advisers, and their current investments.
- **Survey Methodology** - Respondents were asked to read the Form CRS and then answer a series of questions about it. They could review the form for as long as they wished, but were exposed to it for a minimum of five minutes. The average respondent viewed the form for 7 minutes and 38 seconds.

B. Notable Findings.

The results of the survey are described in the attached report. The more significant findings include the following:

- Nearly 84% of respondents stated that they they knew more about their financial adviser after reviewing the Form CRS than they did before, with only 16% stating they did not know more than they did prior to reading the form. Among respondents who have a current or past relationship with a financial adviser or who plan to consult with one in the future, approximately 90% stated that they knew more about relationships with advisers after reading the Form CRS.
- More than 60% of respondents stated that the Form CRS gave them the information necessary to decide which type of relationship (brokerage or advisory) was right for them. 77% of respondents who have an existing relationship with an adviser stated that the Form CRS supplied them with the information necessary to allow them to decide which type of relationship was better suited to their circumstances.
- Respondents were shown a list of nine topics covered in the Form CRS and asked if each was important to them in considering a relationship with a financial adviser.
 - More than 80% stated that each of the nine topics was either “somewhat” or “very” important.
 - Of the nine topics covered in the Form CRS, more than 75% of respondents stated that each topic is described clearly.

- Most respondents who had no current plans to consult with an adviser stated that they found the topics covered in the Form CRS to be important and clearly described. From this, we conclude that even consumers who have no present interest in relationships with financial advisers found the information to be useful and informative.

Summary

The SEC has received hundreds of written comments in response to proposed Reg. BI, many of which offer specific feedback about Form CRS. A few commenters have conducted surveys or other research similar to that which Cetera has done.

Our review indicates that a large number of the comments regarding Form CRS found fault with it, for many different reasons. Some considered it too short, some too long, some found it too complicated, and others thought it too simplistic. We offer the following perspective: Nothing is perfect. To expect complete agreement from the universe of parties who have views on standards of conduct for financial advisers, especially with respect to anything that represents such a substantive change to the existing regulatory regime as Form CRS is not realistic. We also note that, with relatively few exceptions, the parties that found fault with the Form CRS did not offer very much in the way of specific ways to improve it.

Our review of Form CRS found it to be usable, understandable, of appropriate length, and designed to prompt the reader to ask questions that would fill in gaps in their knowledge and understanding. Given the size of Cetera and the number of customer relationships that we have, we are in a good position to judge what would be meaningful and relevant in the Form CRS, but as we noted above, our opinion is less important than that of consumers. We believe that the results of the Cetera survey clearly establish that Form CRS represents a very good start with respect to a relationship disclosure document. We would caution both the Commission and other commenters not to allow the perfect to be the enemy of the good. With so many diverse opinions, reaching consensus on the Form CRS is not realistic in the short term.

We also note that Form CRS is a central, perhaps even critical part of the new regime envisioned by Reg. BI. If Form CRS is not finalized and put into use, implementation of Reg. BI is likely to be delayed. That is not in anyone's interest. Even if Reg. BI and Form CRS are not perfect, they represent an incremental improvement over the status quo, and can be amended over time. We therefore suggest that the Commission proceed with the current versions of Form CRS and revisit them after some period of use. Making revisions with the benefit of experience is almost always easier.

Mr. Brent J. Fields
November 19, 2018
Page 5 of 5

I am attaching a copy of the report from Woelfel Research summarizing the findings of the Cetera survey. If you have questions or we may offer any further information about the survey or our earlier comments, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Quinn', with a long horizontal stroke extending to the left.

Mark Quinn

Enclosures



**EVALUATION OF PROPOSED SEC FORM CRS –
CUSTOMER RELATIONSHIP SUMMARY FOR
BROKER-DEALERS AND
REGISTERED INVESTMENT ADVISORS**

Prepared by Woelfel Research, Inc.

June 2018



Table of Contents

	Page
Objective	3
Methodology	4
Significance Testing	6
Executive Summary	7
Detailed Findings	10
Overall Evaluation	11
Importance/Clarity of Topics Covered	18
General Comments about the Relationship Summary	23
Classification	25
Detailed Methodology	40
Appendix: Mode of Investment & Assets Held	43

Study Objective

- The SEC has developed a sample Customer Relationship Summary document which describes the relationship between an investor and both a Broker-Dealer (BD) and a Registered Investment Adviser (RIA). The SEC has solicited comments to determine what investors think about the sample Relationship Summary.
- The goal of the research presented here is to obtain consumer evaluations of the relationship summary, both overall and for specific sections.

- The research was carried out by means of Internet interviews.
- A total of 803 interviews were completed with adults aged 25 and older.
- Interviews were conducted between June 19 and June 23, 2018.
- The sample included the following five relevant subgroups and their sample size.
 - ① Have a current relationship with a BD (n=214)
 - ② Have a current relationship with an RIA (n=229)
 - ③ Had a previous relationship with either a BD or an RIA (n=144)
 - ④ Do not currently have a financial adviser but plan to consult with one in the future (n=233)
 - ⑤ No current or previous relationship with BD or RIA and no plan to consult with a financial adviser (n=292)
- There is overlap among the five groups.
- The data were weighted by age and gender.

Methodology (continued)

- The respondents were exposed to the Form CRS for a minimum of 5 minutes although respondents could continue to look at the document for as long as they desired.
- The average respondent viewed the document for 7 minutes and 38 seconds.
- After viewing the Form CRS, the respondents answered several questions about the document.

Significance Testing

- Significance tests were conducted at the 95% confidence level among the five sub-segments, modes of investing, and types of assets held.
- Each sub-group was assigned a letter (A, B, C, etc). If a letter appears in a graph or table, it signifies that the score on which the letter appears is significantly higher than the score for the sub-group corresponding to the letter.
- It should be noted that the five sub-groups are not independent from one another. Similarly, the modes of investment and the types of assets held are not independent. This means that they do not have the specific characteristics required to conduct a significance test of independent samples since such tests require that the groups be completely independent. Nonetheless, since the overlap is relatively small, the tests will be fairly accurate. As such, the significance testing will provide insight into the degree to which members of the segments differ in their evaluation of the Relationship Summary.

Conclusions

- The results of this research clearly show that the Form CRS proposed by the SEC is viewed by investors as both important and useful. Moreover, it is written concisely, requiring the average consumer to spend fewer than 8 minutes reading it.
 - For most respondents, the summary provided them with additional knowledge about BDs and RIAs
 - For many, it provided the necessary information to select between a brokerage account and an advisory account.
 - All nine topics included in the relationship summary were deemed important by most respondents.
 - Most respondents agreed that the nine topics were described clearly.
 - The Relationship Summary leaves the consumer with 10 questions to help them screen potential firms.

Overall Evaluation

- The Relationship Summary document clearly imparted knowledge about BDs and RIAs.
- More than eight in ten (84%) respondents said they know “a lot more about these firms” (25%) or a “little more about these firms” (59%) than they knew prior to reading the Relationship Summary.
- Only 15% said they did not know more about financial advisers after reading the Relationship Summary.

Ability to Motivate to Consider Using Broker and/or Advisor

- Those respondents that do not currently have a relationship with either a BD or RIA were asked about their interest in utilizing the services of one of these firms after having read the Relationship Summary.
- Slightly more than one quarter of the respondents (27%) said that they were “very” (6%) or “somewhat” (21%) likely to utilize the services of one of these firms.

Impact on Ability to Select a Broker or Financial Adviser

- The respondents were asked if the Relationship Summary gave them the information to help decide whether a BD or RIA was right for them.
- More than six of ten respondents (61%) said that the Relationship Summary had provided the necessary information to help decide whether a brokerage account or advisory account is best for them.

Importance of Topics Covered in the Relationship Summary

- The respondents were shown 9 topics covered in the Relationship Summary and asked to indicate how important they feel it is for the Relationship Summary to discuss each of the topics.
- Between 81% and 88% of respondents feel it is “very” or “somewhat” important to cover each of the nine topics.

Clarity of Topics Covered in the Relationship Summary

- The respondents were asked if the Relationship Summary covered the 9 topics clearly.
- Between 75% and 84% of the respondents strongly or somewhat agreed that each topic is described clearly.

Subgroup Differences

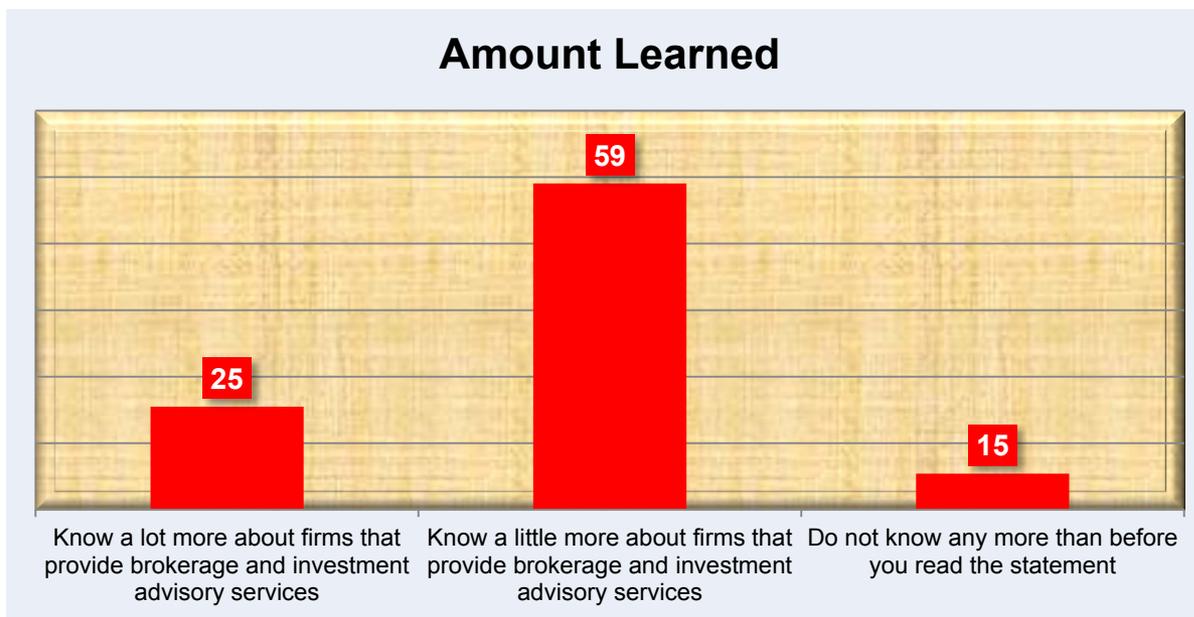
- The Relationship Summary is clearly more relevant for those respondents who currently have a brokerage and/or an advisory relationship, have previously had such a relationship, or plan to do so in the future.
- More than six in ten (62%) of those respondents who have never had a relationship with a BD and/or RIA and have no plans to utilize one in the future state that they have no money to invest.

Detailed Findings

Overall Evaluation

Amount Learned About Advisers

- The respondents were asked to indicate the overall degree of learning they obtained from the Relationship Summary.
- More than eight in ten (84%) said they know “a lot more about these firms” (25%) or a “little more about these firms” (59%) than they knew prior to reading the Relationship Summary.
- Only 15% said they did not know more about financial advisers after reading the Relationship Summary.



Base is total, n=803

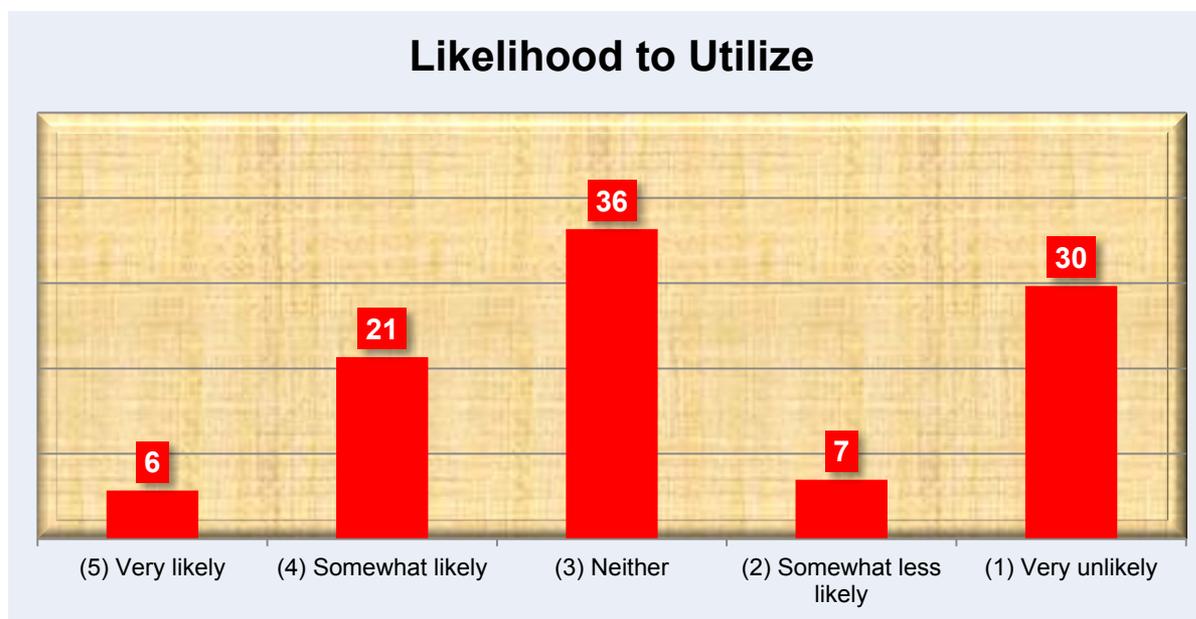
Amount Learned About Advisers by Sub-Group

- This table shows the amount learned about BDs and RIAs after reading the Relationship Summary by the five sub-groups. It is interesting to note that at least nine out of ten respondents who have a current or past relationship with an adviser or plan to consult one in the future said they know more about these firms after reading the relationship Summary.
- Nearly three of ten respondents (29%) who have never had a relationship with an adviser and do not plan to consult one in the future said they did not know any more about these firms after having read the Relationship Summary.

	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Advisor N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Know a lot more about firms that provide brokerage and investment advisory services	40 ^{CDE}	42 ^{CDE}	28 ^E	27 ^E	14
Know a little more about firms that provide brokerage and investment advisory services	56	54	62	64 ^B	57
Do not know any more than before you read the statement	4	4	10	9 ^{AB}	29 ^{ABCD}

Likelihood to Utilize an Adviser

- Those respondents who do not currently have a relationship with a BD or RIA were asked how likely they would be to consider utilizing the services of one or both of these types of firms.
- Slightly more than one quarter of the respondents (27%) said that they were “very” (6%) or “somewhat” (21%) likely to utilize the services of an adviser, while 37% say they were “somewhat less likely” (7%) “or very unlikely” (30%).



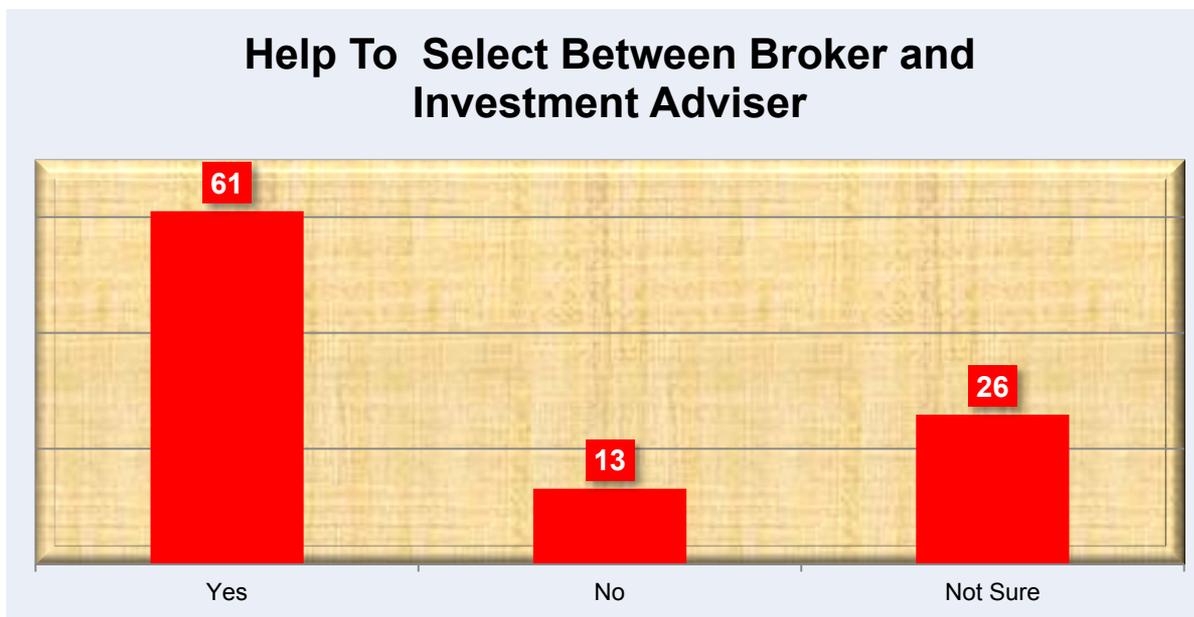
Base is do not have a current relationship, n=534

Likelihood to Utilize an Adviser

- This table looks at the likelihood of utilizing the services of a BD or RIA after reading the Relationship Summary among those without a current relationship.
- Among those who formerly had a relationship with a financial adviser, 38% said they are very or somewhat likely to utilize the services of one or both of these firms again after reading the Relationship Summary.
- Among those who said they planned to consult with a financial adviser (but currently have no relationship with one), 53% said they are very or somewhat likely to utilize the services of one or both of these firms again after reading the Relationship Summary.
- Among those who said they had no plans to consult with either a BD or RIA, 13% said they are very or somewhat likely to utilize the services of one or both of these firms after reading the Relationship Summary.

Base: Do not have a current relationship	Former Adviser Relationship N=120 % C	Plan To Consult Adviser N=201 % D	No Plans to Consult Adviser or Broker N=292 % E
%Very or Somewhat Likely	38^E	53^{CE}	13
Very likely	10 ^E	13 ^E	2
Somewhat likely	28 ^E	40 ^{CE}	11
Neither	41	31	37
Somewhat less likely	8	7	7
Very unlikely	13	9	44 ^{CD}

- More than six of ten respondents (61%) said that the Relationship Summary had provided the necessary information to help decide whether a brokerage relationship or an advisory relationship is best for them.



Base is total, n=803

Impact on Ability to Select a Broker or RIA

- This table shows if the Relationship Summary provides sufficient information to select a BD or RIA by the five sub-groups. As the table shows, more than three-quarters of those with a current BD (77%) or RIA (76%) relationship think that the Relationship Summary provides sufficient information to decide whether to select between a Broker and an RIA.
- Two-thirds of those who plan to consult with an adviser (67%) in the future believe the Relationship Summary does provide sufficient information to make the selection.
- Six out of ten or those who formerly had a relationship with an adviser believe the Relationship Summary does provide sufficient information to make the selection.
- Nearly half (47%) of those who have had not relationships in the past and no plans to begin a relationship in the future believe that the Relationship Summary provides sufficient information to help them make a selection.

Base is total	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Advisor N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Yes	77 ^{CDE}	76 ^{CDE}	60 ^E	67 ^E	47
No	5	5	10	7	23 ^{ABCD}
Not Sure	18	19	30 ^{AB}	26 ^{AB}	29 ^{AB}

Importance of Topics Covered and Clarity With Which they are Covered

Importance of Topics Covered

- The respondents were shown 9 topics covered in the Relationship Summary and asked to indicate how important they feel it is for the Relationship Summary to discuss each of the topics.
- As the table shows, between 81% and 88% of respondents feel it is “very” or “somewhat” important to cover each of the nine topics.

Importance of Topics Covered



%Very or Somewhat Important

Base is total, n=803

Q.11) Please indicate how important you feel it is for a Relationship Summary to discuss each of the following topics in order for you to understand brokerage firms and investment advisory firms.

Importance of Topics Covered by Sub-Group

- This table shows the importance of topics covered in the Relationship Summary by sub-group.
- As the table shows, at least 85% in the first four of the groups view each topic as very or somewhat important.
- For those with no plans to consult an adviser in the future, between 74% and 84% judge each topic to be very or somewhat important.

Base is total Cell entry is %Top 2 Box	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Fees and costs associated with those services	94 ^E	92 ^E	93 ^E	90 ^E	84
The firm's obligations to you	94 ^E	92 ^E	92 ^E	89 ^E	83
How to report a problem with your investments	89 ^E	89 ^E	87	87	82
Questions to ask your financial professional to get more information	94 ^{DE}	92 ^E	89 ^E	87 ^E	79
Services the firm offers	93 ^E	90 ^E	87 ^E	88 ^E	80
How to find additional information about a broker/adviser	93 ^{DE}	90 ^E	91 ^E	87 ^E	77
How to report a problem with a financial professional	91 ^E	89 ^E	85	86 ^E	79
How to find additional information about the firm	91 ^E	88 ^E	87 ^E	86 ^E	76 ^E
Certain conflicts of interest	89 ^E	86 ^E	89 ^E	85 ^E	74

Clarity of Topics Covered

- Between 75% and 84% of the respondents strongly or somewhat agree that each topic is described clearly.



% Strongly or Somewhat Agree

Base is total, n=803

Clarity of Topics Covered by Sub-Group

- This table shows the clarity of topics covered in the Relationship Summary by sub-group.
- For those with a current BD or RIA relationship, between 79% and 91% strongly or somewhat agree that each topic is described clearly.
- For those planning to consult with an adviser, between 76% and 86% strongly or somewhat agree that each topic is described clearly.

Base is total Cell entry is %Top 2 Box	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Questions to ask your financial professional to get more information	90 ^E	90 ^E	84	85 ^E	78
The firm's obligations to you	91 ^E	89 ^E	86 ^E	86 ^E	77
Services the firm offers	90 ^E	87 ^E	86 ^E	86 ^E	77
Fees and costs associated with those services	88 ^{CDE}	86 ^E	78	81 ^E	69
How to report a problem with your investments	83 ^E	84 ^E	81 ^E	83 ^E	68
Certain conflicts of interest	85 ^E	83 ^E	77	78	71
How to report a problem with a financial professional	84 ^E	84 ^E	79 ^E	82 ^E	67
How to find additional information about the firm	80 ^E	79	78	80 ^E	72
How to find additional information about a broker/adviser	81 ^{CE}	83 ^{CE}	72	76	69

General Comments About Relationship Summary

General Comments

- The respondents did not have many recommendations for improving the Relationship Summary. Three quarters of the sample either did not answer the question (48%), said they had no suggestions but liked it (14%) or could not think of anything (13%). The main suggestion was to simplify the document because it is too long (10%).

Base is total	Total N=803 %	Current Broker Relationship N=214 %	Current Adviser Relationship N=229 %	Former Adviser Relationship N=144 %	Plan To Consult Adviser N=233 %	No Plans to Consult Adviser or Broker N=292 %
No suggestions/Like it	14	21	23	13	14	7
Can't think of anything	13	10	8	14	14	15
Simplify (too long)	10	11	12	10	8	10
Fees	5	5	5	5	6	5
Responsibility / Ethics / Conflicts of interest	4	5	4	8	6	2
Contact info / Finding answers and advice	3	4	4	1	1	5
Investment types / Alternatives / Services	2	2	1	1	3	2
Don't invest	1	1	1	0	1	2
Return rates / Projections / Historical returns	1	1	0	2	2	2
Investor experience / Firm stability	1	0	0	2	1	1
Minimums	0	0	0	0	0	1
Dk/Refused	48	43	45	46	45	52

Classification

Age

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Advisor N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
25-34	20	26 ^E	26 ^E	20	28 ^E	12
35-44	19	17	17	19	23	19
45-54	24	20	22	25	29 ^{ABE}	21
55-64	15	11	13	12	11	21 ^{ABCD}
65 or older	22	26 ^D	23 ^D	25 ^D	9	27 ^D

Gender

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Male	48	55 ^E	54 ^E	56 ^E	51 ^E	40
Female	52	45	46	44	49	60 ^{ABCD}

Ever Consulted with a Financial Adviser

Base is total	Total N=803 %	Current Broker Relationship N=214 %	Current Adviser Relationship N=229 %	Former Adviser Relationship N=144 %	Plan To Consult Adviser N=233 %	No Plans to Consult Adviser or Broker N=292 %
Yes	46	92	100	100	43	0
No	54	8	0	0	57	100

Significance tests not conducted.

Currently Working with an Adviser

Base is ever consulted with Adviser	Total N=372 %	Current Broker Relationship N=198 %	Current Adviser Relationship N=229 %	Former Adviser Relationship N=144 %	Plan To Consult Adviser N=98 %	No Plans to Consult Adviser or Broker N=0 %
Yes	61	88	100	0	0	0
No	39	12	0	100	100	0

Significance tests not conducted.

Plan to Consult with an Adviser

Base is not currently consulting with Adviser	Total N=574 %	Current Broker Relationship N=40 %	Current Adviser Relationship N=0 %	Former Adviser Relationship N=144 %	Plan To Consult Adviser N=233 %	No Plans to Consult Adviser or Broker N=292 %
Yes	41	81	N/a	69	100	N/a
No	59	19	N/a	31	0	N/a

Significance tests not conducted.

Reasons for Not Planning To Consult with an Adviser

Base is not currently consulting with Adviser/not planning to consult with an Adviser	Total N=341 %	Current Broker Relationship N=7 %	Current Adviser Relationship N=0 %	Former Adviser Relationship N=45 %	Plan To Consult Adviser N=233 %	No Plans to Consult Adviser or Broker N=292 %
Have no money to invest	59	Small sample size	N/a	41	N/a	62
It costs too much	25			33		24
No necessity	36			51		34
Don't trust them	15			18		14
Make own decisions	3			9		2
Other	1			0		1

Multiple Response Variable: Responses sum to more than 100%.

Significance tests not conducted.

Modes of Investing

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Directly, myself	34	37 ^E	40 ^E	48 ^E	45 ^E	20
Through a retirement plan 401(k), 403(b), etc.)	37	50 ^E	55 ^{CDE}	44 ^E	45 ^E	20
Through a broker/professional	27	100 ^{BCDE}	76 ^{CDE}	16 ^E	14 ^E	0
I do not invest at all	34	0	2	22 ^{AB}	26 ^{AB}	64 ^{ABCD}

Multiple Response Variable: Responses sum to more than 100%.

Types of Investment/Assets Owned

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Advisor N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Stocks	42	79 ^{CDE}	76 ^{CDE}	49 ^E	46 ^E	13
Bonds	29	55 ^{CDE}	56 ^{CDE}	32 ^E	31 ^E	8
Mutual funds	36	69 ^{CDE}	66 ^{CDE}	46 ^E	37 ^E	12
Annuities	20	45 ^{CDE}	46 ^{CDE}	18 ^E	14 ^E	5
Stock options	17	36 ^{CDE}	39 ^{CDE}	15 ^E	17 ^E	3
Commodities like gold	14	19 ^E	21 ^E	16 ^E	18 ^E	7
Alternative investments	9	19 ^{CDE}	20 ^{CDE}	9 ^E	8 ^E	1

Marital Status

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Advisor N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Married	45	52 ^E	51 ^E	53 ^E	47 ^E	38
Not married, living with partner/significant other	12	13	13	10	15	10
Separated	1	0	0	2	1	1
Divorced	14	11	11	10	8	21 ^{ABCD}
Widowed	6	5	5	6	3	8 ^D
Never Married	22	19	20	19	26	21
Refused	1	0	0	0	0	1

Education

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
0 through 12th grade (no diploma)	1	0	0	1	2	2
High school graduate (or equivalent)	20	11	12	12	17	29 ^{ABCD}
Post high school vocational or technical training	3	4	4	2	3	4
Some college (no degree)	24	17	17	25	23	28 ^{AB}
College graduate (2 year degree)	9	9	9	11	9	9
College graduate (4 year degree)	27	41 ^{CDE}	38 ^{DE}	29 ^E	30 ^E	19
Post-graduate study	4	5	5	4	4	3
Graduate or professional degree(s)	11	14 ^E	15 ^E	17 ^E	13 ^E	6
Refused	0	0	0	0	0	1

Ethnicity/Race

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Hispanic Ethnicity						
Yes	8	11 ^E	11 ^E	9	10 ^E	5
No	91	89	88	91	89	95 ^{ABD}
Refused	1	0	0	0	1	1
Race						
White or Caucasian	81	79	81	85	78	83
Black or African American	8	8	8	7	7	9
Asian American	5	7	5	4	8	4
Native American	0	0	0	0	0	0
Hispanic	4	6	5	4	6	3
Something else	1	0	0	0	1	1



Q.C3) Are you Hispanic, of Spanish descent, or Latino?
 Q.C4) What best describes your race? Would you say you are...?

Employment

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Employed or self-employed full-time	43	57 ^{CE}	59 ^{CDE}	45 ^E	49 ^E	29
Employed or self-employed part-time	10	7	6	10	15 ^{ABE}	8
Retired and not working	23	24 ^D	23 ^D	25 ^D	11	30 ^{BD}
Unemployed and looking for work	9	5	4	5	11 ^{AB}	11 ^{AB}
Not in the labor force for other reasons	5	2	2	7 ^B	8 ^{AB}	6 ^{AB}
Disabled	8	4	4	8	5	13 ^{ABD}
Student	2	1	2	1	1	2
Refused	0	0	0	1	1	0

Income

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Less than \$10,000	4	0	0	1	3 ^{AB}	7 ^{ABC}
\$10,000 to \$19,999	11	2	2	8 ^{AB}	7 ^{AB}	20 ^{ABCD}
\$20,000 to \$29,999	12	6	7	9	8	17 ^{ABCD}
\$30,000 to \$39,999	15	13	13	17	18	15
\$40,000 to \$49,999	9	11	9	11	11	8
\$50,000 to \$74,999	19	24 ^E	26 ^{CDE}	16	18	15
\$75,000 to \$99,999	11	16 ^E	16 ^E	14 ^E	14 ^E	6
\$100,000 to \$124,999	7	12 ^E	12 ^E	9 ^E	8 ^E	3
\$125,000 to \$149,999	4	6 ^E	5 ^E	8 ^E	6 ^E	2
\$150,000 or more	4	8 ^E	8 ^{DE}	4 ^E	4 ^E	0
Don't know	0	0	0	0	0	0
Refused	4	0	1	4 ^A	3 ^A	7 ^{AB}



Q.C6) Households are sometimes grouped according to income. Please indicate which group best estimates your annual household income before taxes.

Net Worth

Base is total	Total N=803 %	Current Broker Relationship N=214 % A	Current Adviser Relationship N=229 % B	Former Adviser Relationship N=144 % C	Plan To Consult Adviser N=233 % D	No Plans to Consult Adviser or Broker N=292 % E
Less than \$100,000	49	26	22	45 ^{AB}	57 ^{ABC}	62 ^{ABC}
\$100,001 - \$250,000	13	22 ^{CDE}	23 ^{CDE}	13	14 ^E	7
\$250,001 - \$500,000	10	21 ^{CDE}	22 ^{CDE}	12 ^E	8 ^E	2
\$500,001 - \$1 million	6	14 ^{DE}	12 ^{DE}	9 ^E	5 ^E	1
\$1 million - \$2 million	4	7 ^{DE}	8 ^{CDE}	3	2	1
\$2 million - \$5 million	1	2	3	2	2	0
More than \$5 million	0	1	1	0	0	0
Don't know	9	3	3	5	8 ^{AB}	14 ^{ABCD}
Refused	8	3	5	10 ^{AB}	5	13 ^{ABD}

Q.C7) Households are sometimes grouped according to net worth or investment assets. Please indicate which group best estimates the value of your investments assets (stocks, bonds, mutual funds, annuities, alternative investments, and the value of retirement plan assets such as 401(k) and IRA accounts, but not including the value of your primary residence).

Detailed Methodology

- The research was carried out by means of internet interviews. A total of 803 adult Americans aged 25 and older were interviewed.
- The results were weighted by age and gender to the 2016 American Community Survey. The weighting is discussed in detail on the next slide.
- The data was collected from June 19-23, 2018
- The margin of error for the sample of 803 is $\pm 3.5\%$.

Weighting

- The sample was weighted by age and gender. The table below contains information about the weighting. The column labeled “Population” shows the actual age and gender distribution. The column labeled “Sample” shows the age and gender distribution of the sample. The column labeled “Weighted Sample” shows the age and gender distribution in the sample after the weights were applied.

	Population*	Sample	Weighted Sample
Male			
25-44	20%	23%	20%
45-64	19%	20%	19%
65+	10%	7%	10%
Female			
25-44	20%	23%	20%
45-64	20%	20%	20%
65+	12%	8%	12%

*Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Appendix

Mode of Investment Assets Held

- The Appendix presents the results broken out for both modes of investment and investments held.

Overall Evaluation

Amount Learned About Financial Advisers

- The respondents were asked to indicate the overall degree of learning they obtained from the Relationship Summary.
- Between 90% and 96% of those respondents who invest said they know “a lot more” or a “little more” after reading the Relationship Summary.
- Over one-quarter (26%) of the respondents who do not invest said they did not know any more about these firms after having read the Relationship Summary.

	Mode of Investment			
	Self N=273 A %	Retirement Plan N=300 B %	Broker/Professional N=214 C %	Do Not Invest N=270 D %
Base is total				
Know a lot more about firms that provide brokerage and investment advisory services	34 ^D	35 ^D	40 ^D	14
Know a little more about firms that provide brokerage and investment advisory services	56	55	56	60
Do not know any more than before you read the statement	10 ^C	9 ^C	4	26 ^{ABC}

Amount Learned About Advisers

- When looking at the results by assets held, between 91% and 96% of these respondents said they know “a lot more” or a “little more” after reading the Relationship Summary.
- Respondents holding Stock Options and Alternative Investments were more likely to say they learned “a lot more” than respondents holding the other types of investments.

Base is total	Stocks N=337 A %	Bonds N=230 B %	Mutual Funds N=290 C %	Annuities N=157 D %	Stock Options N=138 E %	Commodities N=112 F %	Alternative Investment N=69 G %
Know a lot more about firms that provide brokerage and investment advisory services	39	40	38	43	54 ^{ABC}	45	59 ^{ABCDF}
Know a little more about firms that provide brokerage and investment advisory services	54 ^{EG}	52 ^{EG}	55 ^{EG}	48	39	46	37
Do not know any more than before you read the statement	7	8	7	9	7	9	4

Likelihood to Utilize an Adviser

- This table looks at the likelihood of utilizing the services of a BD or RIA after reading the Relationship Summary among those without a current relationship.
- Among those who currently invest, 43% who invest by themselves and 41% who invest through a retirement plan said they are “very” or “somewhat” likely to utilize the services of one or both types of adviser after reading the Relationship Summary.
- Among those who said they do not invest, 14% said they are “very” or “somewhat” likely to utilize the services of one or both after reading the Relationship Summary.

	Mode of Investment			
	Self N=162 A %	Retirement Plan N=159 B %	Broker/Professional N=214 C %	Do Not Invest N=270 D %
Very/somewhat likely	43^D	41^D	N/a	14
Very likely	11 ^D	8 ^D		3
Somewhat likely	32 ^D	32 ^D		11
Neither	34	45 ^D		32
Somewhat less likely	6	4		9 ^B
Very unlikely	17	11		45 ^{AB}

Likelihood to Utilize Adviser

- This table looks at the likelihood of utilizing the services of a BD or RIA after reading the Relationship Summary among those without a current relationship but who hold investment assets.
- Those respondents with Stock Options and Alternative Investments express the highest interest in considering engaging a Brokerage firm or Investment Advisory firm.

Base: Do not have a current relationship	Stocks N=135 A %	Bonds N=86 B %	Mutual Funds N=114 C %	Annuities N=41 D %	Stock Options N=37 E %	Commodities N=55 F %	Alternative Investment N=15* G %
Very/somewhat likely	45	55	44	49	70 ^{ACF}	50	70 ^{AC}
Very likely	12	9	12	15	28 ^{ABC}	13	35 ^B
Somewhat likely	33	46	32	34	42	37	36
Neither	37	29	39	23	25	32	24
Somewhat less likely	4	1	5	8	0	9 ^B	6
Very unlikely	13	15 ^E	11	20 ^E	5	9	0

*CAUTION: Small Base Size

Impact on Ability to Select a Broker or Financial Adviser

- This table shows if the Relationship Summary provides sufficient information to select a BD or RIA by mode of investing. As the table shows, at least 70% of those who invest believe that the Relationship Summary does provide sufficient information to make the selection.
- Nearly half (45%) of those who do not invest believe that the Relationship Summary provides sufficient information to help them make a selection.

	Mode of Investment			
	Self N=273 A %	Retirement Plan N=300 B %	Broker/Professional N=214 C %	Do Not Invest N=270 D %
Base is total				
Yes	73 ^D	70 ^D	77 ^D	45
No	10 ^C	9 ^C	5	22 ^{ABC}
Not Sure	17	21	18	34 ^{ABC}

Impact on Ability to Select a Broker or Financial Adviser

- This table shows if the Relationship Summary provides sufficient information to select a BD or RIA by those who hold investment assets.
- Regardless of the type of asset held, between 73% to 83% believe that the Relationship Summary does provide sufficient information to make the selection.

Base is total	Stocks N=337 A %	Bonds N=230 B %	Mutual Funds N=290 C %	Annuities N=157 D %	Stock Options N=138 E %	Commodities N=112 F %	Alternative Investment N=69 G %
Yes	75	74	75	73	81	82	83
No	7	6	5	6	9	10	9
Not Sure	19 ^{EFG}	21 ^{EFG}	20 ^{EFG}	21 ^{EFG}	10	8	8

Importance of Topics Covered & Clarity With Which they are Covered

Importance of Topics Covered

- This table shows the importance of topics covered in the Relationship Summary by mode of investing.
- As the table shows, at least 84% of those who invest view each topic as “very” or “somewhat” important.
- For those who do not invest, between 76% and 84% judge each topic to be “very” or “somewhat” important.

	Mode of Investment			
	Self N=273 A %	Retirement Plan N=300 B %	Broker/Professional N=214 C %	Do Not Invest N=270 D %
Base is total Cell entry is %Top 2 Box				
Fees and costs associated with those services	91 ^D	91 ^D	94 ^D	84
The firm's obligations to you	89 ^D	91 ^D	94 ^D	83
How to report a problem with your investments	84	87	89	83
Questions to ask your financial professional to get more information	86	87 ^D	94 ^{BCD}	80
Services the firm offers	86 ^D	89 ^D	93 ^{AD}	79
How to find additional information about a broker/adviser	86 ^D	87 ^D	93 ^{ABD}	78
How to report a problem with a financial professional	84	86	91 ^{AD}	80
How to find additional information about the firm	85 ^D	84 ^D	91 ^{BD}	76
Certain conflicts of interest	85 ^D	86 ^D	89 ^D	76

Importance of Topics Covered

- This table shows the importance of topics covered in the Relationship Summary by type of investment held.
- As the table shows, at least 80% of those who hold any of these investments view each topic as “very” or “somewhat” important.
- There is very little difference in terms of rating the importance of the topics by type of investment held.

Base is total Cell entry is %Top 2 Box	Stocks N=337 A %	Bonds N=230 B %	Mutual Funds N=290 C %	Annuities N=157 D %	Stock Options N=138 E %	Commodities N=112 F %	Alternative Investment N=69 G %
Fees and costs associated with those services	92	90	94	91	89	87	88
The firm's obligations to you	90	90	92 ^E	90	85	87	85
How to report a problem with your investments	87	88	86	88	87	83	84
Questions to ask your financial professional to get more information	89	87	88	90 ^F	86	82	85
Services the firm offers	88	87	90	90	88	84	84
How to find additional information about a broker/adviser	89	90	90	93	89	86	86
How to report a problem with a financial professional	86	87	86	86	85	81	81
How to find additional information about the firm	86	85	87	89	87	80	84
Certain conflicts of interest	85	85	86	88	83	86	85

Clarity of Topics Covered

- This table shows the clarity of topics covered in the Relationship Summary by mode of investing.
- For those who currently invest, between 76% and 91% “strongly” or “somewhat” agree that each topic is described clearly.
- For those who do not invest, between 69% and 79% “strongly” or “somewhat” agree that each topic is described clearly.

	Mode of Investment			
	Self N=273 A %	Retirement Plan N=300 B %	Broker/Professional N=214 C %	Do Not Invest N=270 D %
Base is total Cell entry is %Top 2 Box				
Questions to ask your financial professional to get more information	85	87 ^D	90 ^D	79
The firm's obligations to you	86 ^D	85 ^D	91 ^D	76
Services the firm offers	85 ^D	87 ^D	90 ^D	77
Fees and costs associated with those services	81 ^D	80 ^D	88 ^{ABD}	69
How to report a problem with your investments	80 ^D	79	83 ^D	72
Certain conflicts of interest	82 ^D	79 ^D	85 ^D	70
How to report a problem with a financial professional	78	78	84 ^D	71
How to find additional information about the firm	80 ^D	79 ^D	80 ^D	71
How to find additional information about a broker/adviser	79 ^D	76	81 ^D	69

Clarity of Topics Covered

- This table shows the clarity of topics covered in the Relationship Summary by types of assets held.
- In general, each topic is viewed as being communicated fairly clearly.
- There are no significant differences between any assets held for any topic.

Base is total Cell entry is %Top 2 Box	Stocks N=337 A %	Bonds N=230 B %	Mutual Funds N=290 C %	Annuities N=157 D %	Stock Options N=138 E %	Commodities N=112 F %	Alternative Investment N=69 G %
Questions to ask your financial professional to get more information	86	86	88	89	86	84	81
The firm's obligations to you	90	87	89	85	83	87	81
Services the firm offers	88	86	87	86	85	84	85
Fees and costs associated with those services	85	83	83	79	84	81	78
How to report a problem with your investments	83	78	81	80	83	83	78
Certain conflicts of interest	82	82	80	79	82	81	81
How to report a problem with a financial professional	81	79	79	79	84	82	77
How to find additional information about the firm	80	78	80	80	83	84	80
How to find additional information about a broker/adviser	79	77	77	77	83	83	78

General Comments About Relationship Summary

General Comments

- This table shows general comments about how the Relationship Summary might be improved broken out by modes of investing.
- Similar to the findings presented earlier, the respondents had very limited ideas of how the Relationship Summary could be improved.

	Mode of Investment			
	Self N=273 %	Retirement Plan N=300 %	Broker/Professional N=214 %	Do Not Invest N=270 %
Base is total Cell entry is %Top 2 Box				
Can't think of anything	14	12	16	14
No suggestions/Like it	12	14	15	7
Fees	6	8	6	3
Return rates / Projections / Historical returns	5	4	5	3
Simplify (too long)	1	3	3	5
Responsibility / Ethics / Conflicts of interest	4	3	5	3
Investment types / Alternatives / Services	3	3	3	2
Dk/Refused	51	50	46	59

Significance tests not conducted.

General Comments

- This table shows general comments about how the Relationship Summary might be improved broken out by modes of investing.
- Again, the respondents had very limited ideas of how the Relationship Summary could be improved.

Base is total Cell entry is %Top 2 Box	Stocks N=337 A %	Bonds N=230 B %	Mutual Funds N=290 C %	Annuities N=157 D %	Stock Options N=138 E %	Commodities N=112 F %	Alternative Investment N=69 G %
Can't think of anything	13	16	14	14	9	14	5
No suggestions/Like it	15	17	16	20	22	22	29
Fees	7	5	7	3	7	7	8
Return rates / Projections / Historical returns	3	4	4	4	6	3	3
Simplify (too long)	3	5	3	2	3	2	7
Responsibility / Ethics / Conflicts of interest	4	3	4	2	3	2	2
Investment types / Alternatives / Services	3	4	3	2	6	1	0
Dk/Refused	52	45	45	48	43	44	43

Significance tests not conducted.