

**SEGMENT**

WEALTH MANAGEMENT, LLC

September 26, 2018

Honorable Jay Clayton
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0213

Dear Mr. Clayton,

I am writing during the comment period about the SEC's proposal to limit requirements on intra-day NAV calculations for ETFs. I'm nominally cynical about why reducing investor information has any benefit except to narrow the growing gap between open and closed-end funds. Open-end funds often (but not always) suffer from loads, higher costs, less liquidity, poorer tax treatment for shareholders, and a number of other disadvantages. Accordingly, ETFs are eating the lunch of the Fidelity's of the world, which have resisted the shift to passive, cheap, load free, and liquid.

Reducing intra-day NAV calculations will limit investor information flow and will result in less efficient daily pricing. I believe that 99% accurate information is better than no information at all. In this case, it's more like 99.99%. We both understand who benefits from reduced information.

A recent Wall Street Journal article said a problem with intra-day calculations is that they are not always accurate. We can build an algorithm to find one ten-thousandth of a cent for a rapid trader, but not for routine holding calculations? The WSJ article used as an example a one-day custodian change as having led to a 1% miscalculation in a single fund, and that was corrected in the market the next day. Even a rare event like that pales in comparison to only knowing after the fact what the NAV was on the open-end fund you already bought. With daily price swings greater than 1% somewhat common, how does a one-in-a-million miscalculation suddenly render useless the vast majority of correct calculations? I sense a straw man being used to hobble the stronger horse.

Please do not let industry forces succeed in reducing great information in pursuit of perfect information. They would find perfect information that much more offensive once it's achieved.

Sincerely,

Gil Baumgarten

President