



February 14, 2023

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Re: Open-End Fund Liquidity Risk Management Programs and Swing Pricing; Form N-PORT (File No. S7-26-22)

Dear Ms. Countryman,

The Board of Trustees of the WesMark Funds<sup>1</sup> hereby writes to express concern over the Securities and Exchange Commission's ("SEC") proposed rule on open-end fund liquidity risk management and swing pricing (the "Proposed Rule")<sup>2</sup>. The changes outlined in the Proposed Rule create the potential for dramatic strategic, legal, and operational issues that, in the aggregate, make mutual funds a less attractive offering in the marketplace. Additionally, the significant costs to fund companies in implementing this rule will significantly disadvantage smaller mutual fund complexes and increase expense ratios for shareholders.

We would like to indicate our strong support for the points made in the Investment Company Institute's comment letter regarding the Proposed Rule. In addition, we would like to emphasize the following points that would be particularly burdensome to smaller mutual fund complexes, such as the WesMark Funds:

- Requiring smaller funds to implement daily bucketing in their liquidity classifications and eliminating asset class classifications would result in significant additional costs to smaller funds and their shareholders with little, if any, corresponding benefit. Specifically such a requirement would likely necessitate the engagement of an additional vendor. The increased cost of engaging such a vendor, in the case of a smaller fund complex, would be spread over a relatively small asset base resulting in an adverse impact to fund shareholders.
- We oppose mandatory swing pricing for mutual funds. The costs, resources and complexity of implementing mandatory swing pricing would be extremely burdensome on smaller fund companies and would serve to disadvantage the mutual fund wrapper in the marketplace.

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<sup>1</sup> The WesMark Funds consist of a series of six separate portfolios with approximately \$810 million in assets under management as of December 31, 2022. The WesMark Funds are managed by WesBanco Investment Department, an SEC-registered investment adviser. WesBanco Investment Department is a separately identifiable department or division of WesBanco Bank, Inc.

<sup>2</sup> *Open End Fund Liquidity Risk Management Programs and Swing Pricing; Form N-PORT Reporting*, 87 Fed. Reg. 77172 (December 16, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-12-16/pdf/2022-24376.pdf>.

Collectively the Proposed Rule would significantly change and disrupt how mutual funds are perceived, purchased and sold in the marketplace. The proposal would disrupt funds' current practices, upend mutual funds' longstanding share pricing methodology, and ultimately make investing more confusing for everyday Americans trying to save to meet their long-term financial goals, including retirement. The changes would also necessitate a substantial and costly effort to communicate such changes to shareholders and financial intermediaries and to educate them on the same. This along with other amendments and new rules being proposed by the SEC continue to substantially increase the complexity of overseeing and operating a mutual fund complex which provides a disincentive for new entrants into the market. Due to the substantial increased costs that these proposed rules entail they are significantly disadvantaging smaller mutual fund complexes that do not have the asset scale to spread such costs among. The resulting impact is a regulatorily imposed advantage to the largest fund complexes that are more able to take on such costs while also keeping expense ratios relatively low.

If adopted as proposed, the Proposed Rule would have adverse consequences for the millions of Americans that rely upon mutual funds to meet their investment needs. Additionally, the proposed changes would most adversely affect smaller mutual fund complexes and their shareholders. We appreciate your consideration of our comments and if you have any questions with respect to our letter please do not hesitate to contact us.

The Board of Trustees of the WesMark Funds

          /s/ Lawrence E. Bandi            
Lawrence E. Bandi, Independent Trustee

          /s/ J. Christopher Gardill            
J. Christopher Gardill, Chairman

          /s/ Gardy J. Madich, CFA            
Gary J. Madich, Independent Trustee

          /s/ Jordan A. Miller, Jr.            
Jordan A. Miller, Jr., Independent Trustee