U.S. SECURITIES AND EXCHANGE COMMISSION

# 40TH ANNUAL SMALL BUSINESS FORUM

Wednesday, May 26, 2021
1:00 p.m.

U.S. Securities and Exchange Commission
100 F Street, N.E., Washington, D.C.
via Eventbrite

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P R O C E E D I N G S

MS. MCKINNEY: Hi. I'm Jessica McKinney from the SEC Small Business Advocacy Team. Thank you for joining us today here from a panel of thought leaders including Samir Kaji of Allocate, Gayle Jennings-O'Byrne of WOCstar Fund, and Commissioner Mike Pieciak from the North American Securities Administrators Association on how we can support diversity and empower emerging fund managers. Let's get today's session started.

MS. LEGG MILLER: Wonderful. Thank you, Jessica, and welcome everyone to Day 3 of the SEC's 40th Annual Small Business Forum. For those of you who joined us on Monday and Tuesday, we are thrilled that you are back with us today, and for those who missed our first two days, we had wonderful conversations on how to access early stage capital as entrepreneurs. And then yesterday, we talked with investors about how to do your diligence and build diversified portfolios.

We also launched our updated cutting through the jargon glossary on small business terminology and lingo yesterday, which I encourage you to check out on our webpage. That link will be chatted into the messages by our team.

The first two days we heard from Chair Gensler and Commissioners Pierce and Roisman, and I am thrilled today to be introducing Commissioner Allison Herren Lee, who I am working to no longer refer to as "acting chair" after three successful and may I say very busy months with her leading the Commission before Chair Gensler's confirmation. Thank you again for your service, Commissioner Lee.

I'll also add the disclaimer before I turn it over to her that the views expressed today by participants in the forum are those of the individuals not necessarily the organizations they represent, and that goes for SEC staff and commissioners as well.

Commissioner Lee, I will pass the unmute over to you.

MS. GIBBS: Thank you, Martha, for your introduction.

COMMISSIONER LEE: Good afternoon. I'm pleased to join for you for the 40th Annual Small Business Forum. And I want to begin by thanking the staff in the Office of the Advocate for Small Business Capital Formation for your efforts in putting this event together.

Martha, I believe this is the third time your office has hosted the forum, and we've had to contend with pandemic conditions now for two of those three forums. And you and your staff have, not surprisingly, made sure that the quality of the event didn't suffer, and if anything, you've taken the opportunity to innovate and enhance the formats. Thank you for that.

And notwithstanding how successful this event has been in a virtual setting, I am hopeful that we can come together in person for next year's event. I would really welcome the opportunity to sit down and talk with all of you face to face.

In addition to the staff, I want to thank today's speakers and participants for contributing their time and expertise. I look forward to this event each year in part because of the emphasis on collaboration. For one thing, it provides us with an opportunity to deepen our engagement with the small business community. But our statutory mandate also requires that we invite other regulators. And this calls on the Commission to think about the broader regulatory landscape and how we can learn from one another and work together with our regulatory partners to promote capital formation and investment opportunity while protecting investors.

I also like that the event furnishes an opportunity for us to reflect on our progress since the previous year's forum. Last year, we were in the early months of adjusting and responding to the pandemic and still evaluating its implications for small business.

Now, one year later, we're beginning to emerge from the pandemic conditions, and we can look back on an ambitious year of regulatory changes, many of which were responsive to the recommendations coming out of last year's forum.

Among other things last year, the Commission amended the accredited investor definition to provide for additional avenues to qualify.  We raised offering limits for Regulation A and Regulation Crowdfunding Offerings.  We relaxed certain disclosure requirements under Reg. D, and we extended certain relief that was granted on a temporary basis to crowdfunding issuers for an additional 18 months.  But this is by no means a complete list either of our rule making in the last year or even just of our rule making affecting the exempt offering framework.  But it's notable both for the sheer volume of policy work done by the Commission staff in challenging circumstances and also for the focus on the private markets.

So as we look ahead having made a tremendous number of changes designed to open up access to private investment opportunities, I ask you to consider the corresponding investor protections that may be appropriate to help ensure that investors in the private markets can assess and bear the risks of those investments and to increase investor confidence in those markets.

For instance, now that we've opened the door to alternative methods for qualifying these accredited, shouldn't we consider how to ensure that the financial thresholds in the accredited investor definition, which are still the principal investor protection in this space, that they don't continue to erode in effectiveness. And specifically, shouldn't we consider whether those thresholds which have been unchanged since 1983 should be updated and indexed to inflation going forward. After all, what is the sense of having financial thresholds if there is no mechanism to make adjustments to account for the passage of time.

And I also note that last year's forum indicated a particular focus on underrepresented founders. The emphasis on women and minority owned businesses has continued throughout this year and resulted in very helpful recommendations from both the small business capital formation advisory committee and the investor advisory committee. And these recommendations are focused on increasing investment and capital formation of the communities for diverse founders and investors.

But we still need your insight to better understand how to translate those broad recommendations into action and how we can tailor policy changes to address the specific challenges faced by the underrepresented communities. So I hope that you'll keep that in mind as you think through your recommendations during the course of the forum, and again, I just want to say thank you to all of you for your time, and I look forward to your recommendations.

MS. LEGG MILLER: Thank you, Commissioner Lee. You are always incredibly thoughtful in your expressions of appreciation to staff and the teams that make things like this four-day virtual event happen. And it has indeed been a labor of love for our team.

I am thrilled to introduce you to Pam Gibbs next who is going to give some opening remarks. She is the director of the SEC's Office of Minority and Women Inclusion, which we often refer to around here as our OMWI office. Pam, I'll turn it over to you.

MS. GIBBS: Thank you, Martha, for your introduction. I am delighted to provide opening remarks to the panel that will discuss tools for diversifying emerging and smaller firms. This is an important topic to me for a number of reasons. First, it has been the goal of my office, the Office of Minority and Women Inclusion, to increase diversity among our regulated entities are those smaller firms often do not have to registered with the SEC. Increased diversity in the industry, I hope, will have the effect upstream to those larger SEC registered firms.

The SEC has been collecting diversity assessments of regulating entities, diversity policies and procedures every two years starting in 2018. In 2020, the SEC invited nearly 1,200 entities to provide responses on a voluntary basis to our correction tools of diversity assessment report, and 13.5 responded an increase over eight percent from our 2018 survey.

Of those responding, 85 percent have a written -- indicated that they have a written diversity and inclusion policy, 75 percent include diversity and inclusion goals in performance management plans of its managers. Second, this topic is of particular importance to me because more work to increase diversity among providers of capital is greatly needed. Research has shown that pattern matching persists and needs to be addressed. Funders are 21 percent more likely to be funded by an investor of the same ethnicity than a different ethnicity.

Lack of diversity among capital allocators means that diverse funding teams struggle to get capital. Minorities remain underrepresented in the venture capital industry, accounting for only 24 percent of its workforce and 20 percent of its venture capital investment partners.

I look forward to the discussion today and the ideas our panelists and audience has to improve diversity among our capital allocators.  Thank you and enjoy the discussion.

MS. LEGG MILLER:  Thank you very much, Pam.  I appreciate you teeing up today's important topic, which is the heart and soul of Day 3, diversifying capital allocators looking at tools that we can use to equip emerging and smaller funds and their managers.  So that could not have been a more timely remark.  It is no coincidence that we wanted you to open things up for us on Day 3.

Before we dive in with today's panel, I want to provide a framework for those who are new to this year's forum on how you can engage.  We encourage you to start asking questions now in the Q&A in the event portal live for our panelists.  We will ask them at the end, but don't wait until the last minute to get those questions added in.

We also want you to know that if you want to ask a question live on video, you're able to do so. Chat in with us and we will work on getting you into the video stream if you would like. If you have ideas for policy recommendations, we would love to hear them in the chat. You will see shortly once the poll for the audience closes that we have the suggestions that have been submitted by you in advance of the event shown in a polling module that is not yet open for you to actually cast votes. It is there so that you can look at it, reflect, and send anything additional that you think needs to be reflected to our team.

After the panel and the Q&A, that's when you're going to have a chance to vote on the recommendations that you think the Commission and Congress should prioritize for action.

And with that, let's dive in to our panel discussion today. I am thrilled to be welcoming three fantastic panelists who bring different perspectives for us, and you will see them on the virtual stage shortly. We've got Gayle Jennings-O'Byrne, we've got Samir Kaji who just showed up, as well as Mike Pieciak. Thank you all for being here.

One thing that you will get tired of quickly is hearing me talk. So no one can do a better introduction of you than you. So I want to hear the quick pitch, who are you, what are you working on, and what are you most excited about for today's discussion.

Let's go alphabetically by first name. So we'll start, Gayle, with you.

MS. JENNINGS-O'BYRNE: Great. Thank you so much for having me, and thank you everyone in the audience who's joining us.

I'm Gayle Jennings-O'Byrne. I am the cofounder and general partner at the WOCstar Fund. And that fund started because I was a career investment banker on Wall Street, I was in Silicon Valley, and yet I saw so many in my sisterhood that were starting companies and solving big problems and was inspired by women of color before me who contributed to tech and innovations, and I thought I'm going to take all that I know, all that I love, and bring that to women entrepreneurs. And so now I have the privilege each day to get up and do three things: tell stories about amazing women of color, tech entrepreneurs, invest in them, and champion for them.

And so I'm excited to be here to do all three of those with all the people on this people and all of you in the audience.

MS. LEGG MILLER: Wonderful. And I said alphabetically by first name and then I listed you alphabetically by last name. That was a lovely -- this is live. It's unfiltered. So let's keep going with what I said. Samir, can you go next?

MR. KAJI: Yes, and thanks, Martha. It's good to see everybody. So I am the cofounder and CEO of a newly formed company called Allocate whose mission is primarily to bring access to the venture asset category to the growing population of noninstitutional investors who have historically been boxed out. We do that by bringing vetted, researched diligence, and allow people to access in a structured and programmatic way to invest in these high quality emerging and emerged venture managers.

You know, before doing this, I spent 22 years in banking. I'm a reformed banker. The last ten years I spent working very, very closely with this new wave of venture manager that are, you know, emerging, and many of them are much more diverse than the venture asset category that we saw when I first started my career 15 or 20 years ago. So I'm excited to help foster more growth and foster more diversity through our new platform.

MS. LEGG MILLER: Wonderful. Mike?

COMMISSIONER PIECIAK: Yeah, thank you very much, Martha. And thank you very much to the SEC for putting on the program and for putting on this panel specifically. So I'm commissioner at the Vermont

Department of Financial Regulation, regulate Vermont's financial services industry including the securities industry. And I'm also a member of the North American Securities Administrators Association, or NASA. I recently as their president a couple of years ago.

So state regulators certainly have a core mission of protecting consumers, protecting investors, but we also have a core mission of promoting capital formation and capital allocation. And for many of the members of NASA, that's a critical question. How do we do that because we're not necessarily located near some of the financial hotspots, if you will, across the country.

It's also important for us as regulators, I think, to promote diversity and inclusion in the entities that we regulate both because it's the right thing to do but because they also -- we found that organizations that have diverse workforces, diverse thoughts, they are better prepared to navigate challenges ahead. They make better decisions. They are more profitable. They're better entities to regulate because they're safe entities to regulate. So it's something that our organization has taken a great interest in in the past few years. I'm interested to share that and learn from the other members of the panel as well.

MS. LEGG MILLER: Wonderful. Well, with those wonderful introductions, I think for those who are tuning in, you can see we've got a great panel with very different perspectives and lenses through which they view the market. So it's going to make for, I think, a really rich discussion. So thinking about how far we have come from very few venture capital funds and really those who are investing and supporting companies growing and scaling and limited opportunities really to become a general partner or the person that's calling the shots, fast forward to today. Over the last ten years, we've seen more people and increased diversity in the area, particularly women and historically underrepresented minorities deciding to break away from traditional pathways and launch their own fund.

Certainly, we are not yet to parity with what the population looks like and those who are in this space, but we're seeing good change. Samir, I want to start with you. In your experience, who are these emerging managers who are breaking into this space, bringing in new perspectives, and what size funds are they typically raising?

MR. KAJI: Yeah, it's a great question. And you're right. We have seen a massive shift in venture moving away from monolith to much more fragmented and diversified. So since 2007, there's been 2,200 new firms that have been formed in the U.S. Many of them fall on the left side of this barbell, which are these small, artisanal managers. Average fund size, you know, for a Fund 1 manager, still fairly small, about $33 million. And the background of these individuals is fairly varied. So it's somebody that worked in an operating role at a startup. Somebody that was an angel investor that was very successful, either as investing off their own balance sheet or lending -- some things like angel lists or they're people, as you mentioned, broke up larger platforms where they were an associate, principal, or partner.

Now, sometimes it's a combination of those things, but that's the normal archetype of somebody starting a firm.

MS. LEGG MILLER: Wonderful. And just as a follow-up question, you mentioned that left side of the bell curve. We hear that often, that when you get started, you start out in that smaller space, but you generally -- I mean, a lot of people have the goal of becoming a little bit bigger, being able to do something maybe a little bit more ambitious, support a different phase of companies. Do you see any regulatory or other barriers that might unintentionally keep managers from scaling, say when they want to go onto Fund 2 or 3?

MR. KAJI: Yeah, I mean, I think there's a lot of things actually that are barriers. And so I think somebody brought this up around pattern recognition. There isn't a ton of institutional investors that are popping up every single day. So there's a limited pool of capital that is seeking to invest in these emerging managers, especially on the institutional side.

And on the noninstitutional side, there are challenges from the policy standpoint because as a fund manager, you are limited if you raise through a 3(c)(1) which is the exemption through the Investment Company Act that if you're over $10 million you only can have 100 LPs, which means that if you're raising a $40 million fund, your average check size has to be $400,000, and that boxes out this massive population of investors who actually have demand for this exposure.

So as a manager, you're over indexing to these institutionals who, many have their dance cards already full with existing managers, are unlikely to have the pattern recognition to continue to back a lot of these -- you know, diverse managers, and fundamentally are going to be risk-adverse investing in a Fund 2 or Fund 3. So there are some, you know, significant barriers that are both structural but also as I mentioned from a policy standpoint. The ironic thing is it's easier for an individual to invest in a start-up company which is extremely high risk than invest in expert-led venture capital fund.

MS. LEGG MILLER: And that is feedback that is really important for us to be thinking about because one of the things that we talked about yesterday is the importance of diversification of your portfolio, especially when you are investing early stage.

Gayle, I want to switch things over to you because Samir was talking a little bit about that scaling and that second or third fund. Talk to me about your experience. What inspired you to start your own firm and raise a fund, and where did you find those first dollars?

MS. JENNINGS-O'BYRNE: I'd be happy to. So the WOCstar Fund is an early stage VC fund that invests in women of color, thus WOCstars, in the tech space. And so my inspiration really started with the women who were the innovators in many ways.

One, my mom, Phalen Batae, was much like the women in the Hidden Figures move that were working at NASA on the space shuttle. She was doing the same thing, but for McDonnell Douglas in the F-15 fighter plane, which actually brought the U.S. to have its air superiority in the skies.

And so I grew up seeing amazing women who were innovative, who were amazing in technology, but yet we weren't recognizing their contribution to society. I'll put in the chat a little bit later, but we have a small video. It's about one minute, minute and a half. And it shows some of these innovations. So your caller ID on your smart phone, call waiting, CCTV, security cameras, right? The little call button you press now that we're all starting to fly and need to get ahold of the flight attendant. Those were all technologies brought to us by black women. And yet we never think of those when we think about investing, right? Or when we think about Silicon Valley or technology.

That was part of my inspiration. The other side of it is I like money. I like winning. I like returns. And we have right now this beautiful, I call it female arbitrage moment happening in which we've got undercapitalized but high potential, high growth, really exciting technologies. And so it made absolute sense to leave a great job that I had at J.P. Morgan, like Samir, a recovering banker, recovering Wall Street gal, right, to go after this arbitrage market. So that was the inspiration for what led me to start the WOCstar fund.

MS. LEGG MILLER: I love it because what you're highlighting is you bring that rich experience that's your own personal experience and you spot things differently. You know the story of that button that's over your head that I think if you've ridden on a plane, you know exactly where it is. But you don't know the story. You don't think about the people unless you're looking for that. And we share often and the data shows that increased diversity among fund managers, the location of funds and the size of funds can really improve access to capital for underrepresented entrepreneurs, particularly women, minorities, flyover state residents, and others who are statistically less likely to raise capital. We talked flyover states, I might call it train-over states as we talk about Vermont. Mike, I want to talk to you with this next question. You highlighted your leadership role that you have had with NASAA, the other NASAA, not the NASA from Hidden Figures. The one that has an extra A and is well known among the securities circles. But one of NASAA's legislative priorities for this year is examining diversity in venture capital. Tell me a little bit more about your thoughts on the role smaller funds can play in supporting access to capital for diverse groups of entrepreneurs outside of those traditional coastal hotspots.

COMMISSIONER PIECIAK: Yeah, for sure. Happy to, Martha. So you know, I think we had two goals with that in our legislative agenda. One is a commitment that we've had for a few years of trying to get more diversity generally in the financial services industry and trying to promote that, trying to make that a reality in every way that we can.

But we also have the goal of trying to find ways for smaller funds to be able to support smaller businesses that are located, you know, across the country, particularly in the heart of the country, but even in places like Vermont where we're only a two-hour drive away from Boston, but we have our own struggles finding funds that will invest in small businesses here in Vermont.

So I think if you don't have that localized capital, if you don't have those small funds, you know, in your backyard, there are really two likely outcomes for a business that might be located in Vermont, might be in Nebraska, some other state. You know, that business can't get the funding, it has challenges getting that venture capital funding, and I will say that there are, you know, there is bank financing, there are angel investors, you know. There's a pretty good geographic diversity there, but when you're coming to the VC funds that's really where this becomes an issue. That business won't get the funding, it won't be able to grow, it won't be able to move to the next level, it won't be able to start whatever situation it's in. Or that business will get the funding and it will move closer to where its clients are. So we've had businesses that get funded in Vermont and then they end up deciding that they need to move to Boston or New York or other places. So that might be good for that business, but it's not good for Vermont and our economy. We want to have businesses that are able to get funded here and are able to grow here along the way as well.

So I think that's why localized capital (audio drop) managers are critical to make that happen.

MS. LEGG MILLER: Well, and that goes along with what we hear often, Mike, that -- and this is from my own personal experience. I'm from Alabama, so I am from the definition of flyover in an area where you might be able to raise your Series A, your seed fund, but what happens when you raise Series B and your investor says come be closer to me because I’m somewhere else and I want to be active with helping make sure that you hit those milestones.

To our two recovered bankers, Gayle and Samir, I want to hear a little bit more. How do you see emerging managers interplaying with these entrepreneurial ecosystems that are not in hotspots?

MS. JENNINGS-O'BYRNE: Samir, I'll let you go first.

MR. KAJI: Yeah. So the challenge, you know, and there's so much asymmetry that exists in the venture landscape, both by region, type of funder, and, you know, the networks that you have. And so, you know, I was listening to Mike's comments, and you know, I agree that historically, the challenge with these different regions is really a capital one.

Now, what we found is the capital issue is really at the earliest stages. So as -- while there's angel money and late stage money actually does travel fairly well, so if you're a company that's at a Series B and Series C and everyone knows you're performance, there will be capital. But very few companies get to those stages in the markets that they start off because at the seed and Series A, there's just not enough local capital sourcing those opportunities and investing in those opportunities.

So I do think as you think about emerging regions and -- now we've expanded purely, you know, away from just Silicon Valley and of course, L.A., and New

York, and you know, Boston and other areas, and of course now we're hearing about areas like Miami and Austin and Colorado and Seattle and Atlanta and Pittsburgh.  But a lot of those regions are still very, very early, particularly the latter names that I brought up in terms of early stage emerging capital that is funding companies at the seed level.

So what we've seen in successful areas is we have a concentration of these emerging managers. Chicago is a great example of this.  We're -- you now have a thriving ecosystem of early stage entrepreneurs that can get funded and are staying there.  And if the pandemic has shown anything, it's that you can be in these different locations and succeed and candidly, in places like Silicon Valley and New York, the rents are so high that you have an unnatural amount of capital that you have to raise to get to companies to the same level.  So you know, the emerging manager, you know, like one of the things I'm really excited about -- two things actually -- is the regional diversification to areas like, whether it's Alabama or others, still, we're not there yet.  And the continued diversity of the individuals that are doing it, because statistically speaking if you are in a -- BIPOC manager, you're more likely to, you know, look at type of companies and founders that are maybe don't meet the normal patterns of your traditional funders. And so we're still early. I mean, less than three percent, less than two percent are BIPOC in terms of venture capitalists. Less than 11 percent are women. It's changing, but it's still slow. But again, regions are, you know, really driven by early stage capital.

MS. JENNINGS-O'BYRNE: So I'm based in New York. I've been here for over two decades. So you know, I'm a big New Yorker. It's in my heart, it's in my blood. I sit on a couple of entrepreneurial committees for -- out of the Mayor's office and Small Business Services Commission here.

But having said that, there is something that always plays in my head and was really instrumental on how we formed our fund, which is you've got to meet people where they're at. Those are words my grandmother used to say to me all the time. You've got to meet people where they're at. So even though we're a New York based venture fund, our investments span the country.

And for us, we actually look to those places that are the flyover and the train-over places because the entrepreneurs in those places have a different type of grit and resilience and hustle that is just really different than what you see in really well-sourced, you know, high profile tech hubs, if you will.

The other thing that we haven't talked about but is also really important is that women in many ways, even before COVID, existed in a distributed talent workforce remote -- however we want to call it -- type of environment, right, because we couldn't necessarily get up and move to Silicon Valley for some great accelerator program or pick up and go to some great boot camp, you know, in Chicago, right.  So we had to figure out how to build our networks virtually before this whole COVID pandemic started.

And that is really what's helped us become one of the fastest growing population of entrepreneurs is because we do so in a very borderless, virtual way.  So we're not afraid of having an entrepreneur or part of our team in Vermont and half in Maine and part of it in Tennessee.  And so even when you look at the portfolio of companies that we've invested in, it has that diversity to it as well as the people that are on my team that are helping find these founders, right.  Some of us are in New York, but our team and our reach goes beyond that.

MS. LEGG MILLER:  I love that, Gayle.  I want to switch gears a little bit and talk a little bit about the aspects of raising capital for your funds. We hinted at it a little bit. Samir, you mentioned some of the statistics and things that you're looking at. I will also give a not shameless plug for our office's annual report. Some of the data in stats and trends on with the VC industry looks like decisionmakers as well as that radius from entrepreneur to the investor and just how far it is. It's about 37 miles really early stage. That's close by. That's local. So that goes to the importance of local capital. But check out our office's annual report. There's a link to that that's in the chat. But all of these things, I love the data behind it because that's what helps us make really informed decisions.

On the datapoint, I want to talk a little bit about the unique challenges. And this goes to the data. Lack of track record, network gaps, knowledge constraints, operating budgets. Things that emerging managers are facing when they're raising capital for their funds.

In your experience, what are some of those hurdles and how do you see emerging fund managers overcoming them? Gayle, can you start us on that one?

MS. JENNINGS-O'BYRNE: Yeah, happy to. So there's kind of two or three that I can touch upon. The first one I'll kind of call the fundamentals, and this is track record, this is experience. And I think we have to think a little differently about it. It doesn't mean we've got to lower our standards around the fundamentals. But I think we have to be open to how people assemble the fundamentals. It can look a little different.

Think about barbecue. You got Texas style, you got Kansas City style, you got Memphis style. All great barbecues. I'm sure if I invited you guys over for dinner and I told you we were having barbecue and tonight it happens to be Kansas City style, I don't think anyone would go home hungry, right, but the ingredients might just look a little different.

So I think when we talk about fund managers, we have to be okay that the standards don't get, you know, don't get lessened but how we compose them and compile them may look a little different. So what do I mean by that?

My pedigree isn't Sequoia or Blackrock. And I don't have PayPal and Uber or eBay in my track record for exits. And I don't have the PayPal mafia on speed dial to get in some of the same deals that they're getting into. But do I have investments? Do we have operating experience like Samir talked about? On our team do we have skills? Do we have experience investing? Absolutely. So I think as we think about fundamentals, they may look different in terms of how they come out, but the standards by which we evaluate them doesn't get lessened.

And I would put the track record of myself and my peers and my experience in Silicon Valley and at J.P. Morgan up against anyone else, and I would do that with a lot of my peers.

The other hurdle that's out there, I'm going to call it the power trust dynamic. And it's this trust in willingness to let diverse fund managers do their job. And if you think about it, and I recognize that if you have been in the driver's seat for 400 years, it can be really hard to hand over the keys to another driver of your car, right? But we've got to think about the fact that we're on new roads and in new neighborhoods. And so these diverse fund managers know those neighborhoods. They know those streets. So why wouldn't you let them be the ones to drive and get us to where we all want to go, right? But that's a really tough conversation, and it's not necessarily one that we can legislate our way out of or, you know, create statutes around, but we need to have that conversation about those hurdles that are preventing fund managers like myself from raising meaningful capital. And that's a call to action to family offices, pension funds, endowments, corporations who've made a lot of headlines talking about their commitment, but it shows up a lot of times as home loans, business loans, and marketing dollars, right. So this is a call to action for everyone.

And then the third one I would put out there, and I'll end on this one, is for those of diversity and minorities that are at these different institutions, we've got to empower them to be bold and be courageous and bring about the change that we're seeking. It's not enough to have someone in the diversity and inclusion office, but are they in the decision making where capital is getting allocated. That's the other hurdle that we find is often -- there may be people of color, there may be champions that aren't of color even, right, there may be champions and allies who want to allocate capital, but they don't always have the decision making authority or the power within the institution to put forward these ideas, to put forward these fund managers. I'll stop there.

MS. LEGG MILLER: That was wonderful. I'm stealing your barbecue analogy, and I think that that goes -- just as somebody from Alabama I'd show up with white sauce and everybody would look at me like that's not what you bring for barbecue, but that's what you bring for barbecue in Alabama. So I totally understand the ingredients thing.

MS. JENNINGS-O'BYRNE: And I love this. I've never heard of that, right, this is the two-way side of diversity. Like, that's something I've never heard of. So I'm learning too.

MS. LEGG MILLER: It's a thing, it's a thing. But I'd love to hear Mike and Samir's thoughts from the two of you on this topic as well.

COMMISSIONER PIECIAK: Yes, Samir, why don't you go ahead? I'll let you go first.

MR. KAJI: Okay. Yeah, I'm happy to. So it is tough, you know, for first time managers still. So if you look at the last five years, it's consistent that the average first time funds is in market for about 18 months, right. Eighteen months is a long time to rise a fund, especially when, you know, your primary job is actually, you know, helping founds, investing in companies, and of course, generating returns for your ultimate investors.

On that medium or that spectrum, diverse managers are actually on the longer end of that spectrum consistently, oftentimes, 18 to 24 months. And there's a lot of structural reasons because of the, you know, for that, you know, the one is the opacity of the individual investor market. Family offices, individuals aren't hanging a shingle, and then when you, you know, continue to layer on the problem by saying well, in order to invest as an individual, you have to write a $250,000 check, it makes it even harder and harder for people to, you know, back really interesting, diverse managers. Institutions are also on the hook, and they have immense responsibilities to change the way they think and remove some of the biases of the pattern recognition. There are some people that are doing a lot.

So whether it be Goldman or Accolade, for example, just you know, today announced a $200 million fund to back diverse founders -- I mean diverse managers. Those are great things, first close partners, and I can mention a number of them that are coming to market. It's still a small, small pool of capital that's focused on it.

I would -- the one thing that I would really emphasize and recommend to people, especially if there's allocators listening here is stop thinking of investing in diverse managers as some kind of tradeoff to returns. It's not. In fact, these two things are absolutely congruent.  And if you look at the statistics, having a diverse team member on your investment team allows you to see opportunities that you otherwise wouldn't, and many of those opportunities are those outliers.

And so there's still this belief, and I have this conversation, they're like, well, we're doing, you know, diverse managers, as if it's something that belongs in a different bucket.  No, it is in the same bucket.  You need to assess it as hey, is this going to provide me those high level three to five net returns, and I've seen some of the numbers, and I can attest there is a comparative advantage in backing diverse teams or diverse led managers.

And so the responsibility -- the hurdles are there, and they're going to continue to be there, and with 2,200 managers and growing by a hundred a year, it's a crowded market.  But we have to do our part in terms of making sure we're pounding the drum in terms of letting people know the stats of backing managers that are diverse.

And also, you know, I'll say this over and over.  The policies and terms of the number of LPs that can be in a fund needs to be raised.

MS. JENNINGS-O'BYRNE:  And I'm going to second what he said on that.  Yeah, but you're right too about the data. I mean, a report that came out looking at last year's numbers, exit valuations for female founded companies was 30 percent higher. And over the same period, the exit valuation for male led companies decreased 44 percent. So what does that mean? That means if you put money in, and by the time it exited, if it was female led, the increase in value would be 30 percent greater. Your investment would be 30 percent great. If it was male led, it would be 44 percent less. It's amazing the data that Samir talks about is in abundance, and it's real.

I don't know if I can find the chat on here, but we'll get you some way to get to our website because along with SEC's data, there's some other data I would really love people to have as they're trying to raise, I think could be really helpful to them.

COMMISSIONER PIECIAK: And I think the points that have been raised are excellent. I mean, the part that I was going to mention, and it's been brought up, you know, by both panelists is, you know, when it comes to the track record, on the individual side, you have to show that experience and you have to show that record to some degree. But you look at the aggregate at emerging funds, they have a strong track record, I think, for many of the reasons that Samir mentioned, whether it's their ability to respond to marketplace conditions, whether it's operational efficiency, whether it's less overhead. So in the aggregate, data that I've looked at shows that, you know, they have a better likelihood of return, of profit emerging fund managers.

So I think that is critical to make sure that people understand that and that capital is being allocated to those funds because it's not made with the expectation that you have less return. It's made with the expectation that it's important to have a diversified portfolio in every meaning of that word. So it is critical for those that have access to the capital across the capital continuum to not only build in diverse inclusion policies and statement, but you know, put their money where their mouth is, so to speak, and make sure that they're also allocating capital along those same lines.

MS. JENNINGS-O'BYRNE: Yeah, and you know, the other thing in what you said, Mike, makes me think about conversations that we have when we're raising capital and talking to potential investors is also about the other things that help bring about that success in those returns is not simply the check, which in many cases, right, other VCs can provide, but for me, I'm getting the calls at -- and I don't want everyone to start calling me at 10:00 at night -- but I’m getting the calls from our portfolio founder, you know, our portfolio companies and founders, right. We're in there asking how can we help, right.

Those are things that they may not share with some of those bigger funds that they want in their -- you know, on their cap table, but those are the things that we can be their big sisters, right, their big champions for and help them build to success. So I love that you touched on that because it's absolutely true that there's things besides just the check that diverse fund managers like us provide that get us to those returns that you're talking about.

MR. KAJI: You know, the other thing I wanted to bring up is something that is a unique challenge to those that are raising really small funds, especially ones that are in different regions, have network asymmetries that oftentimes your first fund is a very small fund, and brought up the stat of 33 million being the average, but that's also boosted up by, you know, somebody that's leapt to Lightspeed and has raised 75 million in their first fund. And there are a lot of people that are raising these 15 million and under funds.

And what historically has happened in the LP world is they look at a metric called GP commit. It's the amount that a general partner invest in their own fund to show alignment. And you know, for a lot of -- you know, in history it's been between one and five percent, and one percent is sort of the minimum, but if you look at somebody raising a $15 million fund with two percent managed fees, maybe they're hiring somebody they have to pay under expenses, the GP commit actually is a huge deterrent for them starting because if they have to put one percent of 15 million, they might be cashflow negative or mirror that in the first couple years.

And so the other thing I would just continue to implore is as you are looking at investing in managers, particularly the smaller ones, we have to be much more open and amenable to not getting so anchored on these old, you know, systems and thoughts and actually think about this and say does it make sense, and is that manager group basically walking home with 40 or 50,000 a year not really aligned because they didn't put in one percent (audio drop).

And so I just wanted to bring that up because that is something that I'm seeing as a structural barrier.

MS. JENNINGS-O'BYRNE: Yeah, I love that you brought that up, you know. The reason our fund was able to get off the ground and launch it was because there was three years in which I've been self-funding our payroll. And so you're right, the GP commitment, all of the work to get to a fund, you know, you talked about 18 to 20 months, I talk of months, my female peers who are also raising funds, and some of us are two and a half, three years, right. There's like a year of sort of figuring it out, what we're going to do, who's going to be on the team, just sort of putting out some feelers. There's another year of actual real conversations, right. And so being able to be in a place where you can fund all of that while trying to raise is very much (audio drop) --

MALE VOICE: We just had a hiccup.

MS. JENNINGS-O'BYRNE: -- I will hit that number every month for you until we get this fund raised, through COVID for as long as you want a job here, I will hit that number. Now, I'm blowing through my savings and all my J.P. Morgan stock, but you know what, that's what it takes for early funds like ours.

So are we committed? Absolutely. But like that barbecue sauce, it might just look a little different than those traditional markers that we would've looked for like a percent of GP commitment being a certain way.

And Martha's on mute. But I think she said awesome, great, I love that.

MS. LEGG MILLER: Yes. I love that. That is actually what I was saying if you were reading lips, I was saying that is a perfect segue into the --

MS. JENNINGS-O'BYRNE: Oh, my God. If I need a second job, maybe I'll go into lipreading.

MS. LEGG MILLER: Hey, you've got it. You've got options to diversify that personal portfolio where the cashflow comes.

I want to move into some audience questions because that's I think the most exciting part of an event is getting a chance to actually ask questions of the panel. We've got a question from Jortega from New York who asks what are the major challenges of fund managers investing in pre-seed start ups? I don't know if one of you wants to tackle that question, would love to hear if you've got any thoughts.

MS. JENNINGS-O'BYRNE: I'll start. We're not afraid of pre-seed. What we're afraid of, what makes us nervous is when the founders don't have an active conversation happening with their potential clients. We're always looking to make sure that you know what the clients really need and are going to build for that, right, that you're solving a real problem. Not your problem, what the problem you and your friends have, but a problem the market needs. That's one. The other we're always listening for in that early stage is how you think about not just capturing market share but how you think about defending market share. And do you have a real sense of who your competitors are.

So again, it's not necessarily is there dollars coming in, are there sales being booked, but how do you defend market share, how do you know what the customer really wants and being in a position where you can start having a conversation about that, and really understanding your competitors. And your competitor is not if you're a travel company, it's not Travelocity, and it's not eBay. It's probably the guy or gal that was in that boot camp, that workshop that you attended last week, right. And that's who you've got to think about as your competitor.

MS. LEGG MILLER: That's great advice. And it goes to the importance of the active role that early stage investors play helping the companies troubleshoot and understand what is your go to market strategy and your product market fit and figuring those things out. That's something that you uniquely often get from a fund that you don't necessarily get from disparate individual investors who may not have the expertise, the background, or the time to personally invest.

I want to ask a question to Samir next from the audience. Samir, how do you think that LPs should be rethinking their diligence process to allow them to fairly consider diverse and emerging managers? We talked a little bit about the barbecue sauce and the different ingredients that come in, but curious if you've got any additional thoughts on the diligence process.

MR. KAJI: Yeah, I mean, diligence processes have been historically, at least, historically, and I think that's still the case, been overweighted towards the past. Like, what is the person's past performance, you know, have they invested professionally before, what firm did they come from. And the reality is when you're starting a new fund, you're -- even if you leave the Lightspeed or you leave the Sequoia, you're leaving Excel, while you've had some classic training, at the end of the day, you're building a new product. So I think the bigger focus really should be around what does this manager have that's really unique? Do they have a certain mode, is it a sourcing mode, is it a mode around some kind of systemic value add that they're providing to founders that helps them win or pick interesting opportunities, is that mode that they have something that's going to last the test of time, right. It could be a region. It could be domain expertise in a certain area. So really digging into like, the individual. We talked, you know, the question before was about pre-seed, right. Something about pre-seed is there's very few signals at the early stages, right. So you're betting on people.

When you invest in a venture fund, you are 100 percent betting on the person or the people around the table. And so thinking about things on a go-forward basis, where is the world going and where does this manager fit in in terms of executing on a strategy that's not only unique to them but is very clearly aligned with their background, their expertise, and you know, how they're thinking about actually building a firm. And so, you know, you could do that through these offshoot diligence calls. You can do it -- I actually talk with the founders that are consumers of their products and overweighting that versus the track record they had in raising a fund back in 2011.

MS. LEGG MILLER: Wonderful.

MS. JENNINGS-O'BYRNE: Yeah, and I think to that point, if you are looking to raise a fund, start investing now, right. Even if it's crowdfunded, if it's angels, start investing now because I got to tell you, we went from talking about the concept of the fund and the data for a fund, right, and the arbitrage situation. Remember I started out with talking about the female arbitrage that I believe is out there. So now the conversation has shifted to why do you invest in certain things. Why are those things in your portfolio? What's the performance of those? Where are you sourcing deals? So if you're starting to raise a fund, start investing now. Even if it's not at the VC dollar size that you're going to invest in later, but start making investments because people want to understand your methodology around how and why and what you invest in.

MS. LEGG MILLER: I like it. Mike, can I turn it over to you for a question? You mentioned your proximity to Boston. You're also not that far from New York. You can get right over the border to Montreal and some Canadian cities. With COVID and things changing, do you think that the proximity that those in Vermont have to the larger cities where we've traditionally had more sources of capital, more LPs, and just more of that kind of tech infrastructure and a more developed ecosystem, do you see that as a benefit for funds that might look in this kind of next stage coming out of the, kind of the COVID 2.0 economy, if I can brand it as that, of what we're looking at next, do you see that as a benefit and are you expecting to see more people saying, do you know what, I really want to live with a driveway where I can't even see the street instead of living in a 500 square foot apartment in New York where I can smell what my neighbors are cooking through the walls. Tell me, do you see that as an opportunity.

MS. JENNINGS-O'BYRNE: Mike, invite me. Mike, invite me to dinner. I'll bring the barbecue. I'm coming to Vermont.

COMMISSIONER PIECIAK: That's a deal. That's a deal. So to answer your question, Martha, I think -- so let's just -- I think short-term, maybe no, but long-term, maybe yes. Why I say short-term maybe no is because, you know, again, reviewing some data that suggested that, you know, LPs and funders during the pandemic went back to more traditional established funds because they couldn't meet the -- they couldn't meet individuals in person. They couldn't travel because of the pandemic. They couldn't do their due diligence in person.

So it seemed like the percentage during the pandemic of emerging fund capital allocation may be shrank to a degree and what I was reading, that was a suggestion of why, and that makes sense to me, and it's something that we've seen play out to a degree.

However, what we've also seen play out during the pandemic, and this is true for Vermont, other parts of the country that are not as urban, not as metropolitan, is that there has been a flow of migration. You know, we have seen tremendous amount of migration in Vermont over the last 14 months. Our out-of-state real estate purchases were up 38 percent from last year. The sale prices were up 78 percent from last year in terms of out-of-state buyers. So people have come to Vermont to seek refuge from the pandemic. I think they have also noticed that it's really -- location, you can get to New York on Jet Blue in, you know, 25 minutes. You can get to Boston, you know, similar amount of time on the airline. You can get there in a couple of hours by car. So it is well located and situated in that regard. So I do think the physical location of individuals in the marketplace moving to more rural areas could change the perspective, certainly.

I think also long-term will change that, you know, that 37 mile radius that you mentioned, Martha, in the report. You know, I'd be really interested to see what happens with that over the next five years. Individuals' comfort level working remotely, you know, not meeting people face to face, not knowing them and being able to drive down and see how things are going. I think we've all gotten more comfortable with that in our working lives and professional lives. So how does that transform, you know, that need to have capital close by and local. Hopefully, for states like Vermont, it releases it to some degree and that allows capital to flow more evenly across the country.

MS. LEGG MILLER: That's an insightful point on the trends of what's happened kind of in this current pandemic situation because that is something we saw and the numbers bore that out that, you know, data on first time and smaller funds was really not good in 2020. We went back to levels that we haven't seen in years. And Pitchbook, which tracks data, and they think about small funds as under $50 million, I think it was the worst year and the greatest decline. It was almost a 40 percent decline, one of the numbers that I saw that was a non-final number on those small funds. So it absolutely caused problems for those who are looking to break into this space. And there's also a lot of data out there, and I'd be curious, Samir and Gayle, if you've seen this, where investors were looking to double down on things in their portfolio, and they had to stick with their own network because it was hard to figure out how do you actually bridge outside of your network.

Looking at the polling results from the audience, you know, we asked at the beginning of the (audio drop) what do you see as the greatest challenges to emerging and regional funds, and the number one thing that members of our audience today said is access to a network of investors. That ranked higher than the track record and the regulatory barriers. It is that how do you bridge networks. Talk to me a little bit about that network bridging because I think that that's something that is so important with the fund managers. How are you actually bridging to other networks and connecting to investors? Samir and Gayle, I'll let which one of you jumps in first tackle that question.

MR. KAJI: Yeah, maybe I'll tackle it quickly because there's one thing I want to mention about the stats around 2020 funding. And we did see the number of emerging managers, part of the Pitchbook study degree in terms of the number that came to market. Now, one thing just to keep in mind for everyone listening, Pitchbook only tracks final closes. So it actually underestimated the number of first time funds that held at least their first close in 2020. So fortunately, it's not all bad news, and it wasn't all doom and gloom.

That said, there was a pause that people took between March of last year and really July when everyone was trying to figure things out. And your point is very spot on in terms of a lot of these people have existing managers that are coming back quicker and quicker. In the past, fundraising cycles are every three years, four years maybe now. The bigger funds are coming back every two years, often even before that with multiple products.

And so it squeezes the oxygen away from a lot of these institutions or anybody that's really active because so many of the follow-on managers, you know, have to -- they're coming back and funding those.

The big gap right now is family office individual money. It's such an opaque market. And so, you know, like, we've tried to do over the years is really bridge the gap by bringing those people together. There's no perfect way right now. So it's -- whether it's a conference or, you know, pinging an existing investor, an existing family office, and saying hey, can you introduce me to the other people that you invest with is the way that managers are really getting into those second- and third-degree networks. But it is a massive challenge because opacity is real, and until family offices start raising their hands and saying hey, we're open for business, we want to hear from you, it's tough. Now, the challenge with them is venture is a small piece of their overall asset allocations. So these are challenges that I've seen, you know, firsthand for over a decade. We're trying our best to help with some elements of that, but of course, it is -- it's certainly a work in progress.

MS. JENNINGS-O'BYRNE: Yeah, I would agree. You know, we've been having a lot of conversations and I've been having a lot of conversations with myself about access because in some ways, I -- you know, I was Ivy League educated, I was on Wall Street, I -- you know, I socialized in very diverse circles. And so one would think I would have a great network, right. And I had to come to this realization as we were raising that that first, call it 10 mil tranche was -- sort of was at the end of my direct network, right. That was the end of sort of, let's call it my friends and family LP network.

And now it's like, we've been using those second and third tranches networks which we didn't have. And it's very interesting because a lot of what we're talking about, right, is that trust. You know, it's more than just track record, right. Like, there's something else that's holding people back, right, when the data is there, the evidence is there, the stats are there, right, other things that are holding them back.

And it goes back to that power and trust dynamic that we talked about and giving someone else the -- you know, the ability to invest on your behalf.

And so that relationship building that has to happen gets really hard when you're one or two rungs from a real relationship. And so we're having to think differently as well about how do you build that with people? And I even had a call the other day with someone. I said, "How does it happen that you made a phone call and because of that phone call, that person now wants to invest?" And I thought, I was like, I love it, but it's fascinating to me, right. And he said, "We've done deals together. He calls me when he's got something good. I call him." And I thought, my gosh, how does one replicate that when we're talking about trying to reallocate or redeploy or shift deployment on a systematic scale, right? Like, that's going to be really hard to do.

And so I think, you know, this conversation of what can we do with statutes with legislation, regulation, gets really important because right now we're dependent on those personal relationships.

And so to Samir's point, I think the opacity is so real, right, when you meet one family office, you have literally just met one family office, right. One panel, you know, I'd love to see a study on the impact of being on panels or at these conferences and how much gets raised. There's a couple that have started to do that, right. So that'll be really interesting to see because we too have to think differently. And one of the things that we've done that was somewhat helpful, and I'll share with people, is we took the due diligence questionnaire and completed it very early on. Very early on. And we had that in our data room, and we provide that to everyone.

Now, everyone still has their own due diligence, 30-page checklist that they want us to, you know, questionnaire they want us to fill out, and we're happy to do it, right, but we're trying to get people to say listen, Motley Fool invested, Disney invested, like, if these guys are doing it, they're pretty smart cookies, right, like, take a look at what they looked at about us. Take a look at the references that they went through. Like, you can maybe shortcut some of the work because there's others that are similar to you.

The other side of this and what Samir talked about, and I just want to loop back to it, is the number of people that can come into a fund, right, that hundred threshold is real and it's crippling. And then the third part of that is the platforms by which we can get on. So you have a lot of people that go wow, I love what you're doing, I'm a private wealth banker at fill in the blank of whatever leading private wealth management company. But because you're not on our platform, I can't really tell my clients about you. But gosh, they sure are asking about it. So maybe socially, I might, you know, maybe I'll make one social introduction and we can all go out to dinner or something, right. Again, that's not -- we can't build funds at scale on those one-on-one one-offs.

We've had some success with RIAs, registered investment advisors, because they have a little bit more flexibility in what they can, but again, that gets really hard. So I'd love for us to figure out how to get out of the Girl Scout model and really sort of get small funds on meaningful platforms so the investors can see us, right. I'd love to have more investors in, but I just can't get to all of them. But I know they're there and I know we can solve a big problem in their financial planning and portfolio.

MS. LEGG MILLER: I love it, Gayle. I hate cutting off our conversation because I think that we could probably keep going for another hour if not two, so maybe we just -- as the four of us need to commit at some point, I will introduce you to white barbecue sauce if we are all in person sometime, and we can continue the conversation. But I do want to make sure that we give our participants enough time to work on the voting modules. So I just want to say thank you to each of you. If you have any -- Samir or Mike, anything in closing that you want to just share as kind of a lightening final note. Gayle, I feel like you can't top your remarks that you just shared, but I do wanted to pass it over. Samir, I'll start with you and then Mike.

MR. KAJI: Yeah, no, I think what Gayle just said was spot on and, you know, the impacts of the smaller amount of investors that you can have is crippling for a lot of people. Getting on platforms, you know, we've done it for startups, you know, allowing that to happen for fund managers so they can spend more time funding companies and generating value is critical. And I do think the office can do a lot to help remove some of those friction layers. And so, you know, if that hundred is 500, I think it makes a substantial difference in creating much more diversity into the capital allocator market.

MS. LEGG MILLER: Wonderful. Mike?

COMMISSIONER PIECIAK: Yeah, Martha. I'll just close on this thought. We've talked about data throughout the panel and, you know, we've spent the last

14 months in Vermont talking about how the science and the data were going to lead us through the pandemic and, you know, we've had a good -- a good response to the pandemic as a result. And I think it just opens our eyes to the need for data, the need for concrete data, as well. And you know, a lot of the data that's collected in this space is from surveys and from voluntary reporting. And you don't get a full picture of what's going on, whether it's about diversification of the investments, whether it's the diversity of the owners, of the managers, the workforce. You know, I think we need that information both to hold individuals accountable, but also to understand in bench markets to where we're heading and what progress we're making.

So I know there are calls for mandatory data reporting, you know. I think that is something that we should think about as well.

MS. LEGG MILLER: I like it. Well, thank you each, Gayle, Samir, and Mike for carving out time and joining us virtually for the forum. I thoroughly enjoyed our conversation today and what I loved is the fact that, yes, we're talking about funds and fund management, we're talking about people. And people's connection to other people. And that part, that just -- that hits home with me, and it's why I love what I get to do. So we're going to switch into the final portion of today's event where you as our audience members get a chance to prioritize policy priorities that you think the Commission and Congress should work on. This is not just a webinar, this is a forum which is intentional about engagement and giving you a chance to influence capital raising policy.

The poll that you see on the right-hand side of your screen in the event module shows feedback that was submitted by you and other participants in advance and which our team has consolidated and presented to you in a poll. As a reminder from the past two days, based on your feedback from prior years, we have changed the recommendation process from a open floor where people spoke one at a time and it was a competition to see who could speak and when to something where we ask you to send us things in advance. Let's consolidate it and be really efficient with your time so that you have a chance to think about it. It also fosters a more inclusive environment where every voice has the same exact weight which matters a lot. Matters more this year than it has ever in the past. So using the polling module on the right, please rank your top five recommendations with one being the most important. The topics have changed each day and will change again tomorrow based on the focus of the discussion. So join us again tomorrow for the final day where we will be talking about small cap insights.

Before we switch into the voting and closing remarks from Jenny Choi on our team, I want to flag that the poll will remain open after the live video stream wraps for an additional 30 minutes so that you have ample time to submit your recommendations.

Let's get started with voting, and thank you again for joining us today and thank you to our wonderful speakers.

MS. CHOI: Hi, I'm Jenny Choi from the SEC's Small Business Advocacy Team.

I want to thank you for spending time with us today focused on policy affecting emerging and smaller fund managers, and in particular on diversity among these important capital allocators.

I also want to thank Samir, Gayle, and Mike for sharing their perspectives with us today.

Join us tomorrow for discussion with Thom Hence of Fidelity Investments and Sue Washer of Applied Genetic Technologies Corporation, highlighting perspectives on smaller companies.

VOICE: Today's session has ended, but voting will remain open for another 30 minutes, so please take your time prioritizing the recommendations. Thank you very much for joining us today. We look forward to having you again tomorrow.

(Whereupon, at 2:16 p.m., the forum was adjourned.)

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PROOFREADER'S CERTIFICATE

In the Matter of: 40th Annual Small Business Forum
Date: Wednesday, May 26, 2021
Location: Washington, D.C.

This is to certify that I, Christine Boyce, (the undersigned) do hereby certify that the foregoing transcript is a complete, true and accurate transcription of all matters contained on the recorded proceedings of the forum.

________________________________ 6-2-2021

REPORTER'S CERTIFICATE

I, Peter Shonerd, reporter, hereby certify that the foregoing transcript is a complete, true and accurate transcript of the forum indicated, held on 5-26-21, at Washington, D.C., in the matter of:

40TH ANNUAL SMALL BUSINESS FORUM.

I further certify that this proceeding was recorded by me, and that the foregoing transcript has been prepared under my direction.

6-2-2021