

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

ASSET MANAGEMENT ADVISORY
COMMITTEE MEETING

Held Remotely via WebEx
Monday, September 27, 2021
9:30 a.m.

Securities and Exchange Commission
100 F Street NE
Washington, D.C.

Page 2	<p>1 PARTICIPANTS:</p> <p>2</p> <p>3 Securities and Exchange Commission:</p> <p>4 Gary Gensler, Chairman</p> <p>5 Hester Peirce, Commissioner</p> <p>6 Allison Herren Lee, Commissioner</p> <p>7 Sarah Ten Siethoff, Acting</p> <p>8 Director of Division of</p> <p>9 Investment Management</p> <p>10 Ed Bernard, Chairman</p> <p>11</p> <p>12 Panelists:</p> <p>13 Karen Barr</p> <p>14 Gail Bernstein</p> <p>15 Theresa Hamacher</p> <p>16 Steve Yadegari</p> <p>17 Dave Carson</p> <p>18 Russ Wermers (AMAC Member)</p> <p>19</p> <p>20 AMAC Members:</p> <p>21 Ed Bernard, AMAC Committee Chairman</p> <p>22 John Bajkowski</p> <p>23 Jane Carten</p> <p>24</p> <p>25</p>	Page 4	<p>1 CONTENTS</p> <p>2</p> <p>3 PAGE:</p> <p>4 Welcome and Opening Remarks 6</p> <p>5</p> <p>6 Recommendations of the Private</p> <p>7 Investments Subcommittee 28</p> <p>8</p> <p>9 Update from the Evolution of Advie 46</p> <p>10 Subcommittee</p> <p>11</p> <p>12 Break 58</p> <p>13</p> <p>14 Update from the Small Advisers and 59</p> <p>15 Small Funds Subcommittee and Panel</p> <p>16 Discussion</p> <p>17 AMAC Panel Moderator: Scot Draeger, R.M.</p> <p>18 Davis Inc.</p> <p>19 Karen Barr, Investment Adviser Association</p> <p>20 Gail Bernstein, Investment Adviser Association</p> <p>21 Steve Yadegari, Cramer Rosenthal</p> <p>22 Dave Carson, Ultimus</p> <p>23 Russ Wermers (AMAC Member), Smith School of</p> <p>24 Business, University of Maryland</p> <p>25</p>
Page 3	<p>1 PARTICIPANTS(CONT.):</p> <p>2</p> <p>3 AMAC Members(cont.):</p> <p>4 Scot Draeger, Panel Moderator</p> <p>5 Michael Durbin</p> <p>6 Gilbert Garcia</p> <p>7 Paul Greff</p> <p>8 Richard Hall</p> <p>9 Adeel Jivraj</p> <p>10 Renee LaRoche-Morris</p> <p>11 Susan McGee</p> <p>12 Jeffrey Ptak</p> <p>13 Erik Sirri</p> <p>14 Aye Soe</p> <p>15 Rama Subramaniam</p> <p>16 John Suydam</p> <p>17 Russ Wermers</p> <p>18 Joe Savage</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	Page 5	<p>1 CONTENTS(CONT.):</p> <p>2 PAGE:</p> <p>3 Summary and Discussion 167</p> <p>4</p> <p>5 Adjournment 188</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

Page 6

1 PROCEEDINGS
 2 CHAIRMAN BERNARD: Thank you.
 3 Welcome to the SEC's Asset Management
 4 Advisory Committee. I'll call the
 5 meeting to order. It's September 27,
 6 2021. I would note that we have a
 7 quorum. This is a virtual meeting on
 8 WebEx, and we've done a sound check to
 9 ensure that all members of the committee
 10 and the Commission can hear. If there
 11 are any problems, please send a chat to
 12 the meeting host.
 13 As we open the meeting, I'd like to
 14 welcome Chairman Gensler and thank him and
 15 Commissioner Lee for joining us today.
 16 Chair Gensler, I think you wanted to make
 17 a few opening remarks.
 18 CHAIR GENSLER: Thank you, Ed.
 19 Thank you for the Asset Management
 20 Advisory Committee. I appreciate all of
 21 your time and willingness to give us
 22 advice. Look forward to getting the
 23 reactions from today's discussion.
 24 As is customary, I note that my
 25 remarks are my money and not the

Page 7

1 Commission's or staff. I know that you're
 2 going to speak today about the topic
 3 Evolution of Advice subcommittees,
 4 actually going to speak about the rapidly
 5 changing technology and user experience
 6 and marketing providing the ability to
 7 give individual personalized advice and
 8 client service.
 9 And so I just want to discuss one
 10 thing that's underlying all of these
 11 changes, and they are really exciting
 12 across our economy, but it's predicted
 13 data analytics. Maybe it's a little bit
 14 of my study of this stuff up at MIT, but I
 15 think it can bring a lot of economic
 16 inclusion and targeted marketing.
 17 And we're living in a really
 18 transformational time, I believe maybe
 19 it's transformational as the internet
 20 itself three decades ago. Artificial
 21 intelligence, predictive data analytics,
 22 sometimes what's used as machine learning
 23 for shaping and reshaping many parts of
 24 our economy. Of course we know some of
 25 the debates going on right now in what

Page 8

1 will be facing us over the next 10 and 15
 2 years about the transition possibly to
 3 driverless cars, and policymakers are
 4 already thinking through how to keep
 5 passengers and pedestrians alike safe if
 6 and when these changes take further hold.
 7 They are already starting to see some of
 8 those debates.
 9 Finance is not immune to these
 10 developments either, and here too
 11 policymakers I think must consider what
 12 rules of the road we need for modern
 13 technical markets and for the use of
 14 predictive data analytics. You see, new
 15 platforms can collect boundless amounts of
 16 data from customers or from the world
 17 around them. And with that data the steps
 18 we've taken wearing our fitness bands or
 19 Fitbits and so forth or the days of the
 20 week we buy pet food online or even the
 21 telematics inside of our automobile, they
 22 can tune their marketing to each of us
 23 differently.
 24 So therefore, fintech platforms and
 25 the big incumbents and the tech companies

Page 9

1 have new capabilities to tailor marketing
 2 and products to individual investors using
 3 predictive data analytics and other
 4 digital engagement practices. These
 5 technologies can bring increased
 6 efficiencies, greater access in finance;
 7 and in many cases too, though, these
 8 individualized features may encourage
 9 investors to invest in different products
 10 or change their investment strategy. So
 11 that's where I think there's a real
 12 interesting and important set of policy
 13 questions.
 14 In the case of robo advisors and
 15 investment advisors, I question what are
 16 they doing within the predictive data
 17 analytics algorithms. Statistically
 18 speaking, for instance, they are not only
 19 maximizing for our returns as investors,
 20 but are saying maybe awesome maximizing
 21 for the revenues of the platform.
 22 What about that inherent sort of
 23 tension of tuning the algorithms not only
 24 for us, but tuning the algorithms for
 25 them. In essence, predictive data

Page 10

1 analytics and other digital engagement
 2 practices including the prompts and the
 3 differential marketing are often designed
 4 in part, not wholly, but in part to
 5 increase the revenues, the data collection
 6 and the customer engagement.
 7 So this raises a number of
 8 questions that I think for all of us to
 9 grapple with as a policy matter. How are
 10 investors protected in light of these
 11 potential conflict of interests that may
 12 exist when the engagement practices and
 13 the underlying data analytics, as I said,
 14 are optimizing not only for us and our
 15 returns but for the platforms, revenues,
 16 data collection and the like.
 17 There's a related set of questions
 18 if the engagement practices are affecting
 19 investors' behavior, when is that nudging
 20 up against -- when is that a
 21 recommendation for investment advice.
 22 Also how do these business models
 23 ensure for fairness and access of pricing
 24 and access. More specifically, this
 25 question arises when the underlying data

Page 11

1 used in the analytic models reflects
 2 society's data with historical biases that
 3 may be proxies for protected
 4 characteristics like race and gender. We
 5 kind of can't get away from that, but how
 6 do we ensure that the digital analytics
 7 aren't just proxies for race and gender
 8 underneath.
 9 Lastly, advances of predicted data
 10 analytics also could raise some
 11 system-wide issues when we apply new
 12 models, artificial intelligence,
 13 et cetera, across the capital markets, and
 14 it could lead to greater concentration of
 15 data sources if one place is about one
 16 place that you get all that fitness data
 17 or that one place you might get all the
 18 data on mortgage origination or something.
 19 Or herding or interconnectedness are
 20 potential issues for systemic risk.
 21 So we're taking a look at these.
 22 We put out -- in late August the
 23 Commission published a request for public
 24 comment on the use of new and emerging
 25 technologies by financial industry firms.

Page 12

1 I encourage those listening here if you
 2 want to weigh in. I think we have an open
 3 comment period through October 1.
 4 Separately I've asked SEC staff to
 5 develop potential proposals with regard to
 6 cybersecurity risk governance. I know
 7 that's sort of separate than what you're
 8 doing right here, but we've asked for some
 9 recommendations on the fund side as well
 10 as on the issuer side. So asset managers
 11 as well as corporate issuers and see how
 12 we maybe can help address incident
 13 reporting and what I'll call cyberhygiene.
 14 With that, Ed, I look forward to
 15 hearing more from your committees and turn
 16 it back to you.
 17 CHAIRMAN BERNARD: Thank you very
 18 much indeed, Chairman Gensler.
 19 Commissioner Peirce, have you been
 20 able to join us?
 21 COMMISSIONER PEIRCE: Yes, can you
 22 hear me?
 23 CHAIRMAN BERNARD: Yes, thank you.
 24 I think so you wanted to make a few
 25 remarks.

Page 13

1 COMMISSIONER PEIRCE: Yes, and
 2 thanks to the rest of the committee and
 3 all the panelists today.
 4 When former Commissioner -- when
 5 former Commission Chairman Jay Clayton
 6 announced the formal establishment of the
 7 AMAC nearly two years ago, he charged it
 8 with helping the Commission ensure that
 9 our regulatory approach to asset
 10 management meets the needs of retail
 11 investors and market participants at a
 12 time when the industry is evolving
 13 rapidly.
 14 Over the next two years, the AMAC
 15 succeeded in addressing many of the
 16 pressing issues facing asset managers, and
 17 I for one profited from the work and
 18 contribution each of you have made.
 19 Today's agenda is in keeping with
 20 AMAC's rule to inform the Commission on
 21 pertinent matters addressing asset
 22 managers and their clients. And I'm
 23 looking forward to hearing the
 24 presentations from the subcommittees on
 25 private investments and the Evolution of

Page 14

1 Advice.

2 I'm especially interested, however,

3 in the discussions on the small advisors

4 and small funds subcommittee. Recognizing

5 the important role that small advisors

6 play in our markets and in the lives of

7 clients needs to be a key consideration in

8 policy formulation.

9 One way to show our appreciation

10 for special challenges smaller advisors

11 face is by taking the relatively simple

12 step of amending our regulatory definition

13 of just what a small advisor is for

14 purposes of our regulatory analysis.

15 Currently we define a small advisor as

16 being a firm without the kind of

17 management of less than 25 million.

18 As the presentation materials

19 illustrate, almost 60 percent of advisors

20 have assets under management of

21 100 million to a billion, and nearly

22 90 percent of all advisors have 50 or

23 fewer nonclerical employees with a median

24 number of just eight employees.

25 Regardless of what our rule says, these

Page 15

1 are small firms who feel keenly the cost

2 of each additional regulatory requirement

3 that the Commission imposes.

4 Small advisors provide a bridge to

5 prosperity as they are engaged on a daily

6 basis with retail investors in communities

7 across the country, and it's incumbent

8 upon us to do all we can to encourage

9 their growth and lower barriers.

10 As I said above, I'm looking

11 forward to hearing what the

12 subcommittee -- what the subcommittees

13 have to say, but I'm even more excited to

14 listen to the discussions that will

15 follow. Although I've not always agreed

16 with AMAC's recommendations, I've always

17 benefited from hearing dialogue. Thanks

18 so much.

19 CHAIRMAN BERNARD: Thank you,

20 Commissioner Peirce. And Commissioner

21 Lee, I think you also wanted to make a

22 comment?

23 COMMISSIONER LEE: Yes, thank you,

24 Ed, and good morning and thanks to

25 everyone for joining. I'm looking

Page 16

1 forward to hearing from all the

2 subcommittees today about the

3 developments in your respective work

4 streams, and I'm also especially

5 interested to hear from today's panelists

6 on the challenges and competitive issues

7 confronting small advisors and small

8 firms.

9 Before you get started, I'll just

10 offer a few brief thoughts on today's

11 topics.

12 First, the materials for today's

13 discussion of small advisors and small

14 funds offers an important reminder that

15 the asset management community is largely

16 comprised of small businesses. And that's

17 an important context for us as we think

18 about the regulatory and competitive

19 impacts of our rule-makings.

20 Of course, small funds and advisors

21 are critical to ensuring that investors

22 have access to a diverse range of products

23 and strategies and other services, so it's

24 important to focus on ways to promote and

25 sustain growth in this segment of the

Page 17

1 market.

2 I was particularly interested in

3 the materials relating to how both small

4 advisors and small funds are navigating

5 the challenges of competing against some

6 very large firms. And a number of

7 industry innovations like leveraging

8 technology, utilizing efficient legal

9 structures like turnkey series trusts and

10 outsourcing back office functions to

11 experienced vendors enable advisors to

12 more readily scale operations, but they

13 may present unique governance and

14 compliance challenges relating to, among

15 other things, supervision and fiduciary

16 obligations.

17 So I look forward to the

18 conversation about how advisors and funds

19 are using these approaches, and I hope to

20 hear whether there are ways that the

21 Commission can facilitate small entities'

22 ability to compete in this way while

23 supporting core investor protections.

24 And next I want to thank the

25 private investments subcommittee for a

1 thorough and thoughtful report and
2 recommendations. I think the topic of
3 facilitating private market access to
4 retail investors presents a number of
5 difficult questions, several of which
6 you've attempted to address head on, which
7 I appreciate.

8 And, in particular, I appreciate
9 the effort to compare numerous types of
10 private funds to their nearest public
11 market equivalents while also
12 acknowledging, of course, these
13 comparisons are quite complex.

14 And I also found very helpful the
15 discussion of proposed design principles
16 that are tailored to address many of the
17 unique needs and challenges that retail
18 investors would face with respect to the
19 private markets.

20 The topic raises important
21 questions regarding the ways in which our
22 rules may continue to blur the lines
23 between public and private markets and in
24 doing so potentially undermine the
25 benefits of public markets for retail

1 analysis of the effect on public markets
2 and retail investors.

3 So these are issues that I grapple
4 with in evaluating whether and how the
5 Commission should facilitate private
6 companies' ability to access capital from
7 retail investors. And I'll say that your
8 report and recommendations are some of the
9 most thoughtful and analytical that I've
10 seen on the topic, and I encourage you to
11 also consider addressing the ways in which
12 these recommendations may bear on the
13 important and growing imbalance between
14 public and private markets.

15 So, again, thank you for all your
16 work on these topics. The Commission and
17 the public benefit greatly from your
18 efforts, and I look forward to the
19 conversation.

20 CHAIRMAN BERNARD: Thank you,
21 Commissioner Lee, and thank you to the
22 chair and all the Commissioners.

23 Now I'll turn to acting director of
24 investment management Sarah ten Siethoff.
25 Sarah, we're ever grateful for the support

1 investors and public companies alike.

2 As Chair Gensler recently described
3 the basic bargain of our securities
4 laws -- and I'm paraphrasing here -- as
5 one in which investors get to decide
6 whether and how to invest, but issuers
7 must provide full and fair disclosure to
8 inform those decisions.

9 So I believe that our regulatory
10 approach should consider that bargain and
11 ensure that when issuers get the benefits
12 they seek, which is access to an ever
13 expanding pool of investors' capital, they
14 must keep up their end of that basic
15 bargain by providing the disclosure that's
16 necessary to inform and protect investors.

17 We must be mindful of the
18 regulatory shift over the past few years
19 that facilitate companies' decisions to
20 stay private longer. In this dynamic,
21 which has been promoted but not well
22 explored by the Commission has fueled
23 enormous growth in the private markets
24 over the past couple of decades. And I
25 think the approach cries out for careful

1 you provided us as well as your team, and
2 I think you'd like to provide us some
3 thoughts this morning as well.

4 MS. TEN SIETHOFF: Thank you, Ed.

5 So good morning to everyone and
6 welcome to this meeting of the Asset
7 Management Advisory Committee. Of course,
8 like the others speaking before me, I'll
9 remind you I'm just speaking on behalf of
10 myself and not the Commission, the
11 Commissioners or the staff.

12 Incredibly we're just about to
13 enter the last quarter of 2021, and it's
14 without surprise that the committee
15 members are ready to share the great
16 amount of work that they've accomplished
17 since the committee last met. I
18 understand today that the private
19 investment subcommittee will present their
20 recommendations after over a year of
21 consideration.

22 I'm also looking forward to hearing
23 an update from the new subcommittee on the
24 Evolution of Advice.

25 As you may have seen, the

Page 22

1 Commission recently issued a request for
 2 comment on digital engagement practices,
 3 as Chair Gensler mentioned, and the
 4 Commission is focused on understanding
 5 better how the use of technology impacts
 6 clients receiving advice.
 7 Specifically, the Commission is
 8 currently seeking to understand better the
 9 analytical tools and other technology used
 10 by investment advisors to develop and
 11 provide advice to clients.
 12 The Commission is further
 13 interested in assessing the impact of
 14 digital engagement practices such as
 15 behavioral prompts, differential marketing
 16 and gamelike features on advisors'
 17 interactions with their clients. The
 18 subcommittee's input on these subjects and
 19 on this entire topic will be extremely
 20 valuable to the Commission and be a great
 21 contribution to our thoughts. I also
 22 expect the panel discussion on small
 23 advisors and small funds subcommittee to
 24 be very important.
 25 I'd like to thank Chair Gensler and

Page 23

1 the commissioners for their patience
 2 today. I also want to thank you, Ed, for
 3 your leadership and all the subcommittee
 4 leaders and the committee members for your
 5 excellent contributions.
 6 And then last but absolutely not
 7 least I would like to thank Christian
 8 Broadbent, Jay Williamson, Emily Rowland,
 9 Neil Lombardo and the other division staff
 10 who worked tirelessly to support this
 11 committee.
 12 Thank you also to the division's
 13 managing executive office and the
 14 Commission's Office of Information
 15 Technology who always make these virtual
 16 meetings run smoothly.
 17 And with that, Ed, I will turn it
 18 over to you and look forward to the
 19 discussion.
 20 CHAIRMAN BERNARD: Thank you very
 21 much. Just a few quick AMAC updates for
 22 the group.
 23 First I want to update you that our
 24 fellow AMAC member Ross Stevens has
 25 stepped down from the committee, and I

Page 24

1 wanted to offer our thanks to him for his
 2 participation and contribution.
 3 Next is I believe -- in fact, I
 4 know you should all be aware because
 5 you've all received emails about it, our
 6 charter expires on November 4 of this
 7 year. You've already received timing for
 8 our final two meetings: one on
 9 October 28 and the other on November 3.
 10 Both will be considerably shorter than
 11 today's meeting, and due to our tight time
 12 frame we have very little flexibility and
 13 I hope you'll make every effort to make
 14 those times work.
 15 I'm grateful for your tremendous
 16 efforts with me on the committee and what
 17 we've accomplished together and look
 18 forward to rolling up our collective
 19 sleeves to maximize the short time we have
 20 left together.
 21 So turning to today's agenda, I'll
 22 let each subcommittee chair introduce
 23 their sessions. For now I'll just provide
 24 a brief overview of today. In our first
 25 session, as you've already heard, we'll

Page 25

1 discuss final recommendations to AMAC from
 2 the private investment subcommittee with
 3 the expectation of taking a vote for
 4 approval at the end of that discussion.
 5 Then we'll have a relatively brief
 6 discussion led by the Evolution of Advice
 7 subcommittee to bring us up to date on the
 8 numerous discussions we've had on this
 9 topic over the last 18 months and talk
 10 about their approach in our remaining
 11 time.
 12 After a break, the small advisors
 13 and small fund managers subcommittee will
 14 present a panel with a number of outside
 15 speakers from 11:45 to 1:45. At that
 16 point we can decide if we want a brief
 17 break or to continue directly into our
 18 usually lightning round to hear brief
 19 reactions of the day and get input from
 20 committee with quick remarks around the
 21 table. And with that we should wrap up
 22 about 2:15 or 2:30.
 23 Before we turn to Rama to discuss
 24 the final report and recommendations for
 25 the private investment subcommittee, I'd

1 like to, if you'll indulge me, remind the
2 AMAC of a few thoughts I shared at our
3 last meeting regarding final approval and
4 recommendations.

5 First recall that all panel
6 speakers and AMAC discussions led by the
7 private investment subcommittee in our
8 meetings are a part of the record of AMAC,
9 any and all of which can serve as a
10 reference for the Commission as and when
11 it takes up work on these issues.

12 I believe that record is robust,
13 thorough and balanced, encompassing voices
14 from numerous points of view.

15 Second, I've participated as an
16 ex officio member in most of the
17 subcommittee meetings as well as the
18 drafting of the final report and
19 recommendations. As I've just noted, I
20 believe strongly they've been thorough,
21 balanced and inclusive in their work.
22 They've also reached out to additional
23 AMAC members to seek reactions and input.

24 And finally the SEC staff have also
25 reviewed the drafts and provided technical

1 input in the form of AMAC has led great
2 work on our behalf in a very complex area,
3 and I hope you'll join me today endorsing
4 their work and adopting it as the
5 recommendations of AMAC.

6 So with that, just a very quick
7 refresher on some housekeeping. We've
8 done this numerous times, so I'll keep
9 this brief. If you run into tech
10 problems, please send a private chat to
11 the meeting host. As usual, we'll manage
12 our own status. When you're not speaking,
13 please ensure you're muted. When you're
14 ready to speak, don't forget to unmute,
15 and please keep video on while we're live
16 of the people.

17 I'll take a pause now to see if
18 there's any questions before we get
19 started. And seeing none, Rama, over to
20 you.

21 RECOMMENDATIONS OF THE PRIVATE INVESTMENTS
22 SUBCOMMITTEE

23 MR. SUBRAMANIAM: Thank you, Ed,
24 and thank you to the Commission for
25 providing us the opportunity to present

1 input, not to shape the recommendations of
2 AMAC, which is independent, but rather to
3 help the subcommittee convey its intended
4 meaning as clearly and accurately as
5 possible so it will be as useful as
6 possible for the Commission's reference.

7 In our discussions of their
8 recommendations today, you should, of
9 course, raise any final questions or
10 comments as part of the record. But I
11 also hope we can minimize the temptation
12 to engage in sentence-level editing of the
13 recommendations at this late stage, and
14 I'll ask for the vote on the
15 recommendations as a whole.

16 Let's all remember that if and when
17 the Commission elects to take up these
18 issues for further action, there will be
19 still more input, analysis and debate. I
20 hope and expect our recommendations will
21 be incorporated as part of that, but
22 they're part of a process, as is the
23 entire record created by all of our
24 meetings.

25 I think the subcommittee with the

1 our final report and recommendations for
2 private investments.

3 The private investment subcommittee
4 was formed shortly after the first and
5 only in-person AMAC meeting in
6 January 2020. Following that meeting and
7 particularly the presentations by some
8 asset management industry experts, many
9 AMAC members expressed an interest in
10 considering increasing access to private
11 investments by retail investors. The
12 private investment subcommittee was thus
13 formed.

14 Over the course of three further
15 meetings in May, September and
16 December 2020 and one meeting in March
17 2021, we have presented several work
18 streams and most recently our interim
19 report during the second meeting in 2021
20 in July.

21 By way of a short recap, in our
22 May 2020 meeting the subcommittee provided
23 its first update where we laid out our
24 conclusions on our first work stream,
25 macroeconomic supply and demand

<p style="text-align: right;">Page 30</p> <p>1 characteristics of the asset management 2 industry, noting particularly on Michael 3 Goldstein's initial presentation to the 4 AMAC in January 2020.</p> <p>5 We also discussed how we intended 6 to fulfill our key guiding principle of 7 recommending what is in the best interest 8 of Main Street a/k/a retail investors, 9 which would include balancing protection 10 for the investor with the opportunity and 11 access to a wider range of investments.</p> <p>12 We also discussed our next two work 13 streams. We were going to measure the 14 full cycle returns from private 15 investments, and we were going to 16 understand the legal and regulatory 17 landscape that governs individual investor 18 access to private investments.</p> <p>19 On measuring retailers, we surveyed 20 prior academic research and engaged with 21 the SEC Division of Economic Risk Analysis 22 to help ensure our survey was complete. 23 We found a few relevant studies but felt 24 we needed to enhance our understanding of 25 the returns on private investments.</p>	<p style="text-align: right;">Page 32</p> <p>1 principles.</p> <p>2 At our December 2020 meeting Eric 3 Siri summarized the private equity returns 4 work stream, and realizing that we have to 5 think about other types of private 6 investments, John Suydam provided a 7 presentation that helped to provide a 8 taxonomy of various private investments.</p> <p>9 John also summarized what types of 10 investments retail investors currently 11 have access to along the liquidity 12 spectrum.</p> <p>13 And lastly, he provided some data 14 on the percentage share of private 15 investments held in the portfolios of 16 various types of investors, including 17 retail and high net worth investors, 18 investors' pension funds, endowments and 19 foundations, insurance companies and 20 sovereign wealth funds.</p> <p>21 Lastly, Joe Savage discussed some 22 principles for wider access and asked for 23 AMAC comment. These principles underpin 24 the ongoing development of our so-called 25 design principles.</p>
<p style="text-align: right;">Page 31</p> <p>1 And given the lack of much data on 2 returns from private investments, we 3 started to seek out industry participants 4 to analyze their return data, particularly 5 Hamilton Lane and Cambridge Associates 6 with long-term data from several asset 7 classes.</p> <p>8 In our September 2020 meeting we 9 devoted the majority of the time to a 10 lively panel hosted by Eric Siri, 11 comprising two academics: Josh Lerner and 12 Ludwig Phalippou as well as Cambridge 13 Associates and Hamilton Lane to consider 14 the returns from private entity.</p> <p>15 We also returned to summarize the 16 current regulatory landscape both in terms 17 of what access the retail investors 18 currently have to private investments and 19 what are the main investor qualification 20 thresholds for individuals to have access 21 to a full range of private investments.</p> <p>22 Lastly we began to share initial 23 thoughts on our guiding principles which 24 would be developed and refined over the 25 coming months into our so-called design</p>	<p style="text-align: right;">Page 33</p> <p>1 In our March 2021 meeting we 2 presented our findings on the returns from 3 two additional classes of private 4 investments, private real estate and 5 private debt, and we also discuss that due 6 to the lack of public market comparables, 7 we did not analyze the returns from real 8 assets such as infrastructure as well as 9 structured products and hedge funds any 10 further.</p> <p>11 We also provided AMAC a summary of 12 the responses received by the SEC to 13 question No. 155 of its concept release on 14 harmonization of securities offerings in 15 2019. That question stated: What 16 restriction should there be, if any, on 17 the ability of closed end funds, including 18 BDCs, to invest in private funds, 19 including private equity funds and hedge 20 funds and to offer their shares to retail 21 investors.</p> <p>22 Some of our specific final 23 recommendations that we offer correspond 24 closely to some of the suggestions in 25 those comment letters. Joe Savage</p>

<p style="text-align: right;">Page 34</p> <p>1 provided an update on the line principles 2 criteria as well as discuss potential 3 private investment access option for 4 retail investors, including the use of 5 registered investment companies, 6 particularly closed end funds. 7 Lastly, in July 2021 we presented 8 our interim report. Our final report is 9 the culmination of the work I have 10 summarized over the last 18 months or so. 11 And while it's relatively lengthy at 12 around 26 pages, we wanted the final 13 report to be a stand-alone document that 14 summarizes our observations, conclusions 15 and recommendations. 16 Our observations focus on three 17 areas and our relevant conclusions on 18 those three areas are firstly, in relation 19 to the macroeconomic and structural supply 20 and demand factors impacting retail 21 investors, we believe that the demand for 22 investments and investment choices from 23 retail investors and self-directed 24 retirement accounts, which include 25 401(k)s, will continue to outpace GDP,</p>	<p style="text-align: right;">Page 36</p> <p>1 capitalization in aggregate that is less 2 than Apple. 3 Secondly we concluded that retail 4 investors are precluded from accessing 5 most private investments due to investor 6 qualification requirements, including 7 qualifications that apply to retail 8 vehicles like closed end funds including 9 ten integral intend to offer funds in some 10 cases. 11 In particular, the SEC staff 12 position requiring closed end funds that 13 hold more than 15 percent of their assets 14 in private funds to be offered only to 15 accredited investors and the advisors act 16 that requires advisors of close end funds 17 which charged incentive fees can only 18 offer them to qualified clients. 19 It is estimated that only around 20 13 percent of retail investors meet the 21 accredited investor threshold, and likely 22 less than 10 percent meet the qualified 23 client threshold. 24 Lastly, we concluded that returns 25 from the three private investment asset</p>
<p style="text-align: right;">Page 35</p> <p>1 inflation and even the overall growth rate 2 of the asset management industry. And 3 these investors are largely limited to 4 public market investments, primarily U.S. 5 public equities. 6 On the supply side, we see a more 7 concentrated public equity market due to a 8 decline in the number of listed companies 9 with companies staying private for longer 10 and a concentration of very large 11 companies, particularly in the technology 12 industry. 13 Many of you will recall the example 14 we gave of the top ten companies we gave 15 in the S&P 500, accounting for more than 16 one-third of the total index weight with 17 the top five companies all being 18 technology companies: Apple with a market 19 cap of around 2.5 trillion, Microsoft 20 2.5 trillion, Google 1.5 trillion, Amazon 21 1.7 trillion and Facebook just under a 22 trillion. 23 Companies six to ten, which include 24 Berkshire Hathaway, Walmart and 25 Mastercard, have a total market</p>	<p style="text-align: right;">Page 37</p> <p>1 classes were reviewed, namely, private 2 equity, private debt and private real 3 estate exhibit similar or higher returns 4 than their public market equivalents. 5 However, we acknowledge that 6 private investments are less liquid than 7 public market investments, and the excess 8 returns may be largely due to this 9 illiquidity. 10 In addition, in the case of private 11 equity, there's evidence of a higher 12 disbursement of returns between private 13 fund managers compared to public equity 14 funds. 15 Our key general recommendations 16 based on these conclusions are: 17 Firstly, we recommend that the SEC 18 consider permitting retail investors 19 access to a wider range of private 20 investments. 21 Secondly, we recommend that wider 22 access should be considered within the 23 design principles we have developed that 24 aim to balance the potential benefits to 25 retail investors from wider access to</p>

<p style="text-align: right;">Page 38</p> <p>1 private investments with sufficient 2 investor protection. In particular, the 3 design principles of chaperoned access and 4 uniform disclosure are key to the balance 5 we believe should be sought.</p> <p>6 Lastly, we recommend that the SEC 7 consider the current registered investment 8 company framework to serve as the basis on 9 which to achieve the balance sought by the 10 design principles outlined.</p> <p>11 In relation to specific 12 recommendations, we recommend the SEC 13 consider the removal of the 15 percent 14 limitation on closed end funds investments 15 and private funds unless offered only to 16 accredited investors.</p> <p>17 Investors in such funds already 18 have the benefit of the registered 19 investment company rules, including having 20 an investment advisor, independent 21 directors and extensive disclosure and 22 reporting requirements.</p> <p>23 Secondly, we recommend the SEC 24 consider the removal of the qualified 25 client requirements for closed end funds</p>	<p style="text-align: right;">Page 40</p> <p>1 We note that chaperoned access via 2 registered investment company and 3 investment advisor structure will cause an 4 additional layer of fees for retail 5 investors compared to institutional 6 investors. We therefore recommend that 7 the SEC consider allowing large sponsors 8 to play the role of investment advisor for 9 cost efficiency reasons to closed end 10 funds and to consider how conflicts of 11 interest could be disclosed and managed.</p> <p>12 We also recommend that the SEC 13 consider whether chaperoned access may 14 also be achieved by allowing closed end 15 funds to only invest in approved private 16 funds, which such approval status being 17 based on things like the size and 18 diversification of investments held by the 19 private fund as well as potentially 20 requiring at least a majority of the 21 capital commitments to the underlying 22 private fund to come from qualified 23 purchases or other large institutional 24 investors.</p> <p>25 The SEC may even choose to go</p>
<p style="text-align: right;">Page 39</p> <p>1 that charge incentive fees for the same 2 reasons as the removal of the so-called 3 15 percent limit.</p> <p>4 We recommend the SEC consider 5 facilitating closed end funds listing on 6 public markets more easily. We believe 7 removing the accredited investor and 8 qualified client requirements will go a 9 long way to achieving this, as secondary 10 sales of securities issued by closed end 11 funds could occur freely without needing 12 to ensure the purchaser has any investment 13 qualifications.</p> <p>14 Listing could provide secondary 15 market liquidity and help deal with the 16 liquidity conundrum of private 17 investments, that is that they are 18 inherently illiquid.</p> <p>19 We acknowledge that there is a 20 potential of the closed end fund stock 21 price trading substantially below the net 22 asset value of the closed end fund. But 23 we have this issue with REITs and some 24 ETFs, particularly during times of market 25 stress.</p>	<p style="text-align: right;">Page 41</p> <p>1 further and consider whether such approved 2 private funds could be invested into 3 directly by retail investors without the 4 need for the additional layer of an 5 investment advisor to reduce the 6 additional cost faced by retail investors.</p> <p>7 We note that integral tender-offer 8 funds may also be suited to deal with cash 9 flow profile of investing in private 10 funds, which have eight to ten-year life 11 and where typically there's a drawdown 12 phase during the build-up of the 13 investment portfolio and then a 14 liquidation phase as companies are sold.</p> <p>15 As a result, we recommend that the 16 SEC should consider providing these funds 17 with additional flexibility, including 18 allowing integral funds to have more 19 flexibility with the initial investment 20 period before the first repurchase and 21 allow flexible repurchase dates based on 22 the underlying liquidity of the funds' 23 investment instead of a fixed schedule and 24 also allowing the more flexible 25 repurchases of a tender-offer fund in a</p>

Page 42

1 similar manner to integral funds. In
 2 other words, aligning the Form N23 for
 3 integral funds with the form to
 4 requirements for tend to offer funds.
 5 We recommend that the SEC consider
 6 standardized disclosure of fees, risks,
 7 fee terms and returns as well as perhaps
 8 liquidity constraints of private
 9 investments that retail investors have
 10 access to.
 11 And lastly, we recommend that the
 12 SEC consider whether diversification
 13 requirements should be required for
 14 registered investment companies investing
 15 in private funds that retail investors
 16 have access to as an alternative to the
 17 SEC stock 15 percent limit rule.
 18 These may include minimum fund size
 19 and other qualifying criteria for each
 20 private fund that a registered investment
 21 company is allowed to invest in; and
 22 registered investment companies could have
 23 a defined maximum exposure to any one
 24 particular private fund investor.
 25 That concludes my summary of the

Page 43

1 report. I wish to thank the other members
 2 of the subcommittee: Adeel Jivraj, Eric
 3 Siri, Joe Savage, John Bajkowski and John
 4 Suydam for all their work.
 5 I also wish to thank Christian
 6 Broadbent and the SEC team for all their
 7 assistance and particularly Emily Rowland
 8 for her valuable comments through various
 9 drafts of this report.
 10 Lastly, I wish to thank the
 11 chairman of the AMAC for providing
 12 valuable guidance through the process of
 13 identifying the work streams, ensuring an
 14 appropriate balance with deep analysis
 15 with getting the report actually completed
 16 and his patience with our overall process.
 17 I will now turn it back to Ed for
 18 the formal vote on the report and its
 19 recommendations. Thank you.
 20 CHAIRMAN BERNARD: Thank you very
 21 much, that's a very thorough summary. I
 22 agree with Commissioner Lee the report is
 23 superb. It's a very complex set of
 24 issues.
 25 I've watched the group wrestle with

Page 44

1 them for quite some time, and I too want
 2 to thank the entire group and particularly
 3 you, Rama, who have carried enormous loads
 4 since the last meeting to get this over
 5 the finish line working with your
 6 subcommittee members.
 7 So with that, I'd like to open it
 8 up to the entire committee for any
 9 additional questions, comments before we
 10 get to a formal vote. And basically I'm
 11 in gallery view. I'm just looking for
 12 Gilbert.
 13 MR. GARCIA: Thank you for that.
 14 Remind me or pinpoint, what safeguards
 15 are there for retail investors to be
 16 educated about how private equity or how
 17 they work. I mean, what will be the
 18 education components so they understand
 19 what they're investing in?
 20 MR. SUBRAMANIAM: So I think, you
 21 know, in recommending the use of the
 22 registered investment company framework,
 23 I think it's around the disclosures that
 24 get mandated as part of that. Like what
 25 are the risks disclosures and what are

Page 45

1 the other disclosures that required. So I
 2 think the key part of the education
 3 process.
 4 CHAIRMAN BERNARD: Other questions
 5 or comments? Then can I just sort of see
 6 nodding heads if you're ready to vote?
 7 I'm seeing a lot of nodding heads.
 8 So what I'm going to ask you to do
 9 is for everyone who is a voting member to
 10 come off of mute for just a moment and I
 11 will ask for ayes, nays and abstentions
 12 and we'll see where we are.
 13 All those in favor -- so what we're
 14 voting for here is to take what we've read
 15 from the subcommittee and Rama's summary,
 16 and by approving this, it will become then
 17 the recommendation of AMAC to the
 18 Commission. So with that, would all in
 19 favor, please say aye. Any opposed please
 20 say nay. And any abstentions. Okay.
 21 With that, we have unanimously
 22 ratified that. Thank you again to Rama,
 23 to John Bajkowski, to Adeel Jivraj, Joe
 24 Savage, Eric Siri and John Suydam. This
 25 work has been pretty remarkable.

1 Now we're ahead of schedule, and I
 2 think Mike is probably going to pick us up
 3 some time as well, but I'm going to turn
 4 to Mike Durbin to bring us up on work
 5 relating to the Evolution of Advice.
 6 UPDATE FROM THE EVOLUTION OF ADVICE SUBCOMMITTEE
 7 MR. DURBIN: Thank you, Ed. Good
 8 morning to everybody. Thank you to SEC,
 9 Commissioners and staff, my fellow
 10 evolution advice subcommittee members and
 11 the full AMAC membership for the chance
 12 to give what I do hope is a brief update
 13 on the state of the Evolution of Advice
 14 subcommittee. In fact, I thought
 15 Chairman Gensler captured the task at
 16 hand very well with his opening remarks.
 17 And so, hopefully this update dovetails
 18 naturally with those remarks.
 19 With the approaching end date for
 20 our term as an AMAC has reminded us and
 21 the potential depth and breadth of the
 22 Evolution of Advice theme, it is quite
 23 broad and deep, as a subcommittee we've
 24 been endeavoring to draw our work because
 25 of that looming end date for all of us to

1 a productive close by the end of October.
 2 And in that process we seek to leave
 3 Commission, if the AMAC agrees, with a set
 4 of reflections regarding the rapidly
 5 developing state of the data and
 6 technology that is being brought to bear
 7 by our broad industry participants each
 8 and every day in service to individual
 9 customers ultimately.
 10 And we applaud the Commission's
 11 clear focus on this topic already. As
 12 mentioned right off the top by Chair
 13 Gensler on August 27, the SEC published a
 14 request for information on the digital
 15 engagement practices or DEPs, of
 16 broker/dealers and investment advisors.
 17 Entry participants, in fact,
 18 consumers are invited to respond to that
 19 RFI by October 1, which is just the end of
 20 this week.
 21 The move reflects what we think is
 22 a healthy focus on the pace of change
 23 being brought to the industry due to the
 24 rapidly evolving availability of data and
 25 the technologies being used to augment the

1 engagement of any customers by so many
 2 industry participants.
 3 That rapidly evolving availability
 4 of data and technology is the theme that
 5 we seized on as an AMAC and an AMAC
 6 subcommittee, and we prioritized it such
 7 in AMAC over a year ago.
 8 So as reviewed in the materials
 9 that accompanied today's agenda -- and
 10 I'll do my hardy best to show it here
 11 without being too disruptive, hopefully
 12 you can see that -- we set out to survey
 13 this very broad landscape of capabilities
 14 as we sought in fact to narrow our focus
 15 as an AMAC to something that we felt was
 16 important and certainly potentially
 17 actionable for consideration ultimately by
 18 the Commission.
 19 So consistent with our approach to
 20 other topics that we've taken up as an
 21 AMAC, we turned to industry participants
 22 and experts to help us in pursuit of
 23 education and, again, refining and
 24 narrowing the scope for the subcommittee's
 25 work.

1 I will not go through all this in
 2 detail, don't worry, but on July 16 of
 3 2020 we clearly prioritized data; data
 4 being what we view as the feedstock of the
 5 technology and customer engagement
 6 innovation that is under way. You'll
 7 recall that we heard from panelists who
 8 are experts in the aggregation of consumer
 9 financial data and the utilization of such
 10 data for client-facing applications such
 11 as building a financial plan, rebalancing
 12 an individual's portfolio of holdings or
 13 calculating portfolio performance,
 14 et cetera.
 15 Latter sessions and discussions you
 16 see here as summarized focused on
 17 personalization, which we see as the
 18 application of increasingly robust data
 19 sets regarding customers and the
 20 technologies which use that data to serve
 21 customers on an increasingly personalized
 22 basis.
 23 Now, personalization can come in
 24 many forms, many venues, many
 25 interactions, and they include but

Page 50

1 certainly are not limited to anticipating
 2 the basis of a customer's service inquiry
 3 to their financial services provider,
 4 increasingly predicting why is Mike Durbin
 5 calling in to ask a question of my service
 6 provider.

7 To things like personalizing a
 8 portfolio for tax efficiency, optimized
 9 around the tax situation in which I might
 10 find myself as the head of household. Or
 11 investing a portfolio consistent with a
 12 customer's values across environmental,
 13 social and/or governance issues.

14 We believe the evolution of
 15 customer engagement based on data and
 16 technology has benefited customers as
 17 industry participants are able to provide
 18 an informative, intuitive and, yes,
 19 increasingly personal customer experience.

20 Now, the explosive growth of
 21 customer engagement, particularly in
 22 equity and options trading earlier this
 23 calendar year, has stirred industry
 24 participants and regulators alike to
 25 review the complicated ecosystem that is

Page 51

1 brought to bear in the acquisition,
 2 onboarding, trading and investing of
 3 ongoing servicing of individual customers,
 4 given that a substantial amount of that
 5 spike in customer activity earlier this
 6 calendar year was, in fact, from
 7 first-time or relatively inexperienced
 8 savers and investors.

9 And, again, while we applaud the
 10 Commission's pursuit of information and
 11 perspective via the RFI issued in late
 12 August, we may caution the SEC against
 13 moving to impose additional regulatory
 14 restrictions that could hamper the ability
 15 of broker/dealers and investment advisors
 16 to pursue technological innovations that
 17 enhance the customer experience and
 18 encourage productive investor behaviors
 19 and instead, focus on the interactions
 20 that do not fall within an existing and
 21 clear regulatory framework.

22 Existing regulatory frameworks that
 23 govern the conduct of broker/dealers and
 24 investment advisors have shown resilience
 25 in the face of industry change over many

Page 52

1 years. To that end -- I'll skip ahead,
 2 sorry for the scrolling, bear with me --
 3 to that end as an AMAC subcommittee and
 4 with the help of industry experts, we seek
 5 to use the balance of our short time
 6 together in order to assemble a reasonable
 7 but robust spectrum of the application of
 8 data and technology for the purpose of
 9 providing increasingly personalized
 10 solutions to customers.

11 Such a spectrum will seek to array
 12 instances of personalization that, again,
 13 range from personal service interactions
 14 up to and including clearly personalized
 15 and prescriptive investment advice.

16 Then we will seek to align the
 17 current regulatory -- primary regulatory
 18 frameworks governing broker/dealers and
 19 investment advisors with that spectrum,
 20 and in that process potentially identify
 21 areas where clarity from the SEC may be
 22 warranted.

23 At this stage we do not believe a
 24 new regulatory structure should be imposed
 25 solely because interactions are being

Page 53

1 conducted increasingly digitally. Rather,
 2 the SEC could pursue additional
 3 enforcement action within the existing
 4 regulatory frameworks governing IAs and
 5 BDs against those employing practices that
 6 involve questionable behavior or reveal
 7 conflicted arrangements not properly
 8 managed or disclosed.

9 So with that, I want to thank all
 10 of you for your consideration of this
 11 scope of our remaining time together on
 12 this topic, and, Ed, I welcome any
 13 comments or questions from the group.

14 CHAIRMAN BERNARD: Can you give us
 15 the screen back?

16 Obviously as the term I used
 17 earlier, we're in a hurry up offense here,
 18 thank you, Mike, that was a terrific
 19 summary. And I think the group has done a
 20 nice job homing in on some important areas
 21 that we think we have time to add some
 22 value to in our remaining time together
 23 building on the work that's been done over
 24 18 months.

25 But with that, I would welcome

1 quickly any comments, questions that you
2 have for Mike and the subcommittee to
3 guide that work over the next month.

4 Just looking for hands here. Looks
5 like you laid it out pretty clearly.
6 Everybody is good to go. So final call
7 for questions. Rama?

8 MR. SUBRAMANIAM: Not so much a
9 question, just a comment. I think this
10 is a hugely interesting and important
11 area. We're a very data-driven firm
12 ourselves and we see just a massive
13 growth in computing power and data
14 analytics and not just -- you know, this
15 is just one example of lots of things
16 that are happening to us that is
17 personalized, right or attempted to be
18 personalized.

19 So there's a benefit to that and,
20 but there's also obviously new issues that
21 crop up. So I think that the plan you
22 have with the time we have is the right
23 one, and I'm really interested to see how
24 you segment the various types of, you
25 know, use of technology. To me that's

1 like a really important first step and
2 then matching up the rules. I think it's
3 a great approach, a very interesting
4 topic. It's a difficult topic as well.
5 But I'm glad we're taking it on. It's
6 definitely time.

7 CHAIRMAN BERNARD: If I can just
8 add to that, I agree with Rama's comment.
9 And I think you framed this well, Mike.
10 There's sort of a challenge of finding
11 the right balance between allowing
12 innovation to occur which could be
13 extraordinarily beneficial to investors
14 most importantly and to the industry that
15 serves them while at the same time
16 ensuring the necessary protections are in
17 place.

18 I was going to say this is a
19 particularly challenging area to do that
20 because of the pace of innovation, but,
21 frankly, I dare say, the Commission would
22 say most areas of regulation is pretty
23 difficult to find that balance. So I
24 don't want to overstep there.

25 But I think the way you all have

1 taken, even though we have a relatively
2 brief time, you know, one of the things I
3 would remind the group that the value of
4 an advisory committee like AMAC is to
5 bring senior leaders from the industry
6 together for dialogue in addition to what
7 they already get in the form of letters
8 back and forth, basically requests for
9 comments, comment letters coming in and so
10 forth.

11 And I think what you planned to do
12 is to essentially frame the issue and here
13 is a way to think about these questions,
14 perhaps a continuum from sort of the
15 clearly okay to the clearly not okay and
16 the gray in between, I think even in the
17 limited time we have remaining with the
18 insight that will come from this group I
19 think will be enormously valuable. So I'm
20 grateful to you for taking it on and
21 distilling it in that way.

22 So with that, unless there's other
23 comments. So this has happened to us once
24 before. We are well ahead of schedule.
25 Our next panel is Scot Draeger and the

1 small advisor and small fund subcommittee.
2 Again, in our hurry-up offense mode we put
3 together a very substantive panel of six
4 speakers. It's scheduled for 11:45 to
5 12:45. I'm sorry, to 1:45. And I dare
6 say everyone can understand that we can't
7 quickly email six differently -- well,
8 five external speakers and Russ Wermers a
9 committee member and say can you please
10 change your schedule.

11 So we are now going to take an
12 extended break until 11:45. As far as
13 those who are viewing in public, there
14 will be a holding screen on SEC.gov, and
15 we hope you'll rejoin us at 11:45.

16 For committee members, I think for
17 technology purposes I would encourage you
18 to keep this link open and just turn off
19 your camera and mute. If for some reason
20 you need to log off -- and what I was
21 going to say is if you stay connected, I
22 would say at about 11:40, please come back
23 and make sure everything is good and then
24 we'll open up and start the panel. If you
25 need to log off, maybe come back about

1 11:30. Make sure you get back in, we have
2 no technology difficulties.

3 And in the meantime we'll give you
4 a little time to catch up on your day jobs
5 which since we already draw so much time
6 away from it we'll let you catch up a
7 little on your day jobs and we'll see
8 everybody back here on the committee
9 between 11:30 and 11:40, and for the
10 public we'll turn this back on at 11:45.

11 So with that, any other questions
12 about that housekeeping or will I see
13 everybody at the appointed time? It looks
14 like we're good. We'll see everybody
15 after an extended break, thanks.

16 (BREAK)

17 CHAIRMAN BERNARD: Let's get
18 started again. It's 11:45. Welcome back
19 to the Asset Management Advisory
20 Committee after a somewhat extended
21 break.

22 At this point Scot Draeger, who is
23 chairman of the Small Advisors and Small
24 Funds Subcommittee will introduce today's
25 panel and discussion. As I hand off to

1 subcommittee for their work leading up to
2 this point which subcommittee includes
3 Susan McGee, Jane Carton, Russ Wermers,
4 Rene LaRoche Morris and myself.

5 Finally I want to thank each of the
6 presenters that have agreed to share their
7 time and perspectives with the AMAC and
8 Commission today. We have six speakers
9 who will cover a diverse scope of
10 perspectives on matters impacting the
11 segment of the investment advisory and
12 fund communities that consider themselves
13 small businesses.

14 I will introduce each of the
15 speakers just before they present, and as
16 Ed said, for efficiency we are going to
17 have all the presenters share their
18 perspectives and then leave some time for
19 questions and answers at the end of all
20 the presentations.

21 In our first segment we are
22 fortunate to have Karen Barr and Gail
23 Bernstein, the CEO and general counsel
24 respectively, of the Investment Advisors
25 Association. As long-time leaders of the

1 Scot, I'd like to personally offer my
2 sincere thanks to all my speakers for
3 making time today for sharing your
4 insights with us. We're very, very
5 grateful.

6 I think, Scot, I know you're going
7 to go through logistics. I think we're
8 going to have the speakers speak first and
9 save questions for the end, so my only
10 note to committee members would be as
11 questions or comments arise in your mind
12 you might want to make a brief note of it
13 so that we can pick all that up at the
14 end.

15 With that, Scot, over to you.

16 UPDATE FROM THE SMALL ADVISERS AND SMALL FUNDS
17 SUBCOMMITTEE AND PANEL DISCUSSION

18 MR. DRAEGER: Really appreciate
19 the opportunity here as others. I want
20 to thank Chair Gensler, the Commissioners
21 and the SEC staff, particularly Sarah
22 ten Siethoff and Christian Broadbent and
23 Jay Williamson for all the support
24 leading into today as well as Ed's
25 guidance and all the members of the

1 IAA, they meet regularly with industry
2 members, and they are truly in tune with
3 current perspectives, challenges and pain
4 points for the typical asset management
5 firm.

6 With that knowledge, Karen, Gail
7 and the entire team at the IAA serve as a
8 very critical educational resource for
9 industry members in the context of
10 operational, compliance and business
11 policy.

12 The IAA puts out an annual report
13 each year that provides the most
14 comprehensive data set available on the
15 shape and evolution of our industry, and
16 as we heard, some of the SEC Commissioners
17 themselves who were referencing some of
18 that data this morning.

19 Karen and Gail will calibrate our
20 collective focus today by sharing some
21 information about the shape of our
22 industry, which really emphasizes that
23 it's largely an industry of small
24 businesses, and they will also share what
25 they consider to be the most universal

1 pain points of small businesses in our
 2 industry at this point.
 3 So with that, I'm going to turn it
 4 over to Gail and Karen, and thank you,
 5 once again to both of you for your
 6 thoughts today, and after they finish I
 7 will introduce the next speaker.
 8 MS. BARR: Well, thank you for
 9 that kind introduction, Scot, and thank
 10 you for inviting us to this panel. Thank
 11 you to Ed, the subcommittee, Chair
 12 Gensler and SEC staff for focusing on
 13 issues related to smaller advisors. And
 14 thank you to Commissioner Lee,
 15 Commissioner Peirce for your comments
 16 this morning recognizing the importance
 17 of balance and how to promote and sustain
 18 this important community of advisors.
 19 As Scot mentioned, I'm Karen Barr,
 20 president and CEO of the Investment
 21 Advisor Association. I'm joined by our
 22 general counsel, Gail Bernstein.
 23 The IAA is the leading trade
 24 association advancing the interest of
 25 fiduciary investment advisor firms. Our

1 members range from the large global asset
 2 managers to the small firms that make up
 3 the vast majority of our industry in all
 4 shapes and sizes in between. We
 5 appreciate the opportunity to provide data
 6 and perspectives today.
 7 I'm going to spend a few minutes
 8 providing data on the industry and a few
 9 thoughts on the business environment for
 10 smaller advisors. Gail will speak to some
 11 of the regulatory considerations for the
 12 industry.
 13 As Scot mentioned, the IAA and NRS
 14 publish a report every year doing a deep
 15 dive into the recent form ADV data. We've
 16 been doing this for 20 years. Most firms
 17 file by March 31 based on the 12/31 prior
 18 year data so that the data is for last
 19 year.
 20 The link is on our website as well
 21 as the underlying data files, and I
 22 encourage everyone to dig in. I'm not
 23 going to go into all of these slides in
 24 detail in the interest of time, but I will
 25 just give as a top line note that our

1 industry continues to grow with assets,
 2 clients and employees hitting all-time
 3 highs.
 4 These types of statistics get all
 5 the headlines, and people assume that our
 6 industry is made up of big players, but
 7 you need to peel back the onion. And when
 8 you do, you see that the vast majority of
 9 these advisors are small businesses. As
 10 of April 2021, there were 13,880 SEC
 11 registered investment advisor firms. And
 12 you can see that there's a definite
 13 barbell effect here. The majority of
 14 firms, almost 10,000, manage \$1 billion
 15 dollars or less in assets, and
 16 88.5 percent manage less than 5 billion.
 17 The top 185 firms managed almost
 18 two-thirds of the total industry assets.
 19 When you look at employees, the
 20 picture is even more stark. More than
 21 eight in ten have fewer than 50
 22 nonclerical employees, and more than 8,000
 23 firms have ten or fewer employees. And,
 24 in fact, the median number of employees is
 25 eight, as was mentioned this morning.

1 Those numbers, that eight, those
 2 ten or fewer need to include leadership,
 3 often the owner of the firm, client-facing
 4 personnel, investment, operations,
 5 compliance. They wear a lot of hats.
 6 These are small businesses by any measure.
 7 The larger firms are obviously
 8 larger employers. Smaller advisors
 9 account for a large proportion of
 10 employees relative to the assets that they
 11 manage, and they account for solid
 12 employment growth.
 13 The next few slides underscore that
 14 the next few advisors are truly a Main
 15 Street profession. More than 80 percent
 16 of SEC-registered advisors only have one
 17 or two offices.
 18 I'm going to acknowledge that
 19 things might be changing with the new
 20 normal on remote, but this is the data as
 21 of now. Advisors are in all 50 states,
 22 D.C. and Puerto Rico. They're not just
 23 located in New York or California, but
 24 they are spread throughout the country.
 25 60 percent of investment advisors

Page 66

1 have at least one client who is an
 2 individual. We drilled down into those
 3 who specialize in managing money for
 4 individuals. Advisors that manage money
 5 primarily for individuals are likely to be
 6 small businesses. On average those firms
 7 have nine employees, two offices and under
 8 400 million in AUM.

9 So here is the upshot. Small
 10 businesses are the backbone of the
 11 investment advisor community. A typical
 12 or median advisor has eight employees
 13 serving primarily individuals and family.
 14 The vast majority have 50 or fewer
 15 employees and under a few billion AUM.

16 This typical SEC registrant has
 17 challenges and opportunities that are
 18 dramatically different from the relatively
 19 small number of large firms out there.
 20 And they often have very different
 21 business models and investment strategies
 22 from global institutional firms.

23 We encourage the SEC to consider
 24 these unique challenges and the
 25 operational realities faced by the typical

Page 67

1 advisor firm and to evaluate the
 2 cumulative impact on policy decisions on
 3 their businesses and their ability to
 4 serve the investing public.

5 Today's business environment
 6 rewards scalability and effectively
 7 requires substantial fixed investments in
 8 infrastructure, technology, personnel and
 9 systems across all aspects of the business
 10 in order for a business to remain viable.

11 It's very difficult for smaller
 12 advisors to determine how much is
 13 reasonable or enough when it comes to the
 14 expenditure of resources. Not only to
 15 stay relevant and to do the business that
 16 they're hired to do by their clients, but
 17 to keep up with very serious global
 18 challenges like cybersecurity, and Gail
 19 will talk about that a little bit later.

20 Small firms cannot scale up
 21 effectively, so they need to outsource an
 22 ever-increasing number of functions
 23 ranging from operations, marketing,
 24 recordkeeping, data analysis and
 25 management, cyber, help with proxy voting,

Page 68

1 compliance, even the trading function.
 2 Some are even outsourcing investment
 3 management and using models.

4 These are only a few of the
 5 functions that today are outsourced. And
 6 with each outsourcing agreement, smaller
 7 advisors are expected to have the
 8 resources to conduct due diligence and
 9 manage their third-party service
 10 providers.

11 In addition to not being able to
 12 scale internally, smaller firms also face
 13 challenges in competing with financial
 14 services. For example, a lot of third
 15 parties such as fintech providers,
 16 research providers, they'll only do
 17 business with firms above a certain size,
 18 or they'll only provide a certain level of
 19 service to firms of a certain size, and
 20 that really freezes smaller advisors out.

21 All of this leads to an increase in
 22 mergers and acquisitions activity, which
 23 is really picking up, consolidation
 24 activity and other kinds of affiliations.
 25 There are some other business

Page 69

1 practices that have a negative impact on
 2 smaller advisors, and I'm going to turn it
 3 to Gail to start us off with some of
 4 those.

5 MS. BERNSTEIN: Thank you, Karen.
 6 And thank you to the committee for
 7 inviting me to join today's discussion.

8 I'm going to start with an issue
 9 that we've heard about for years and have
 10 been hearing about even more lately, and
 11 that is CUSIP licensing fees. CUSIPs are
 12 assigned to new securities by the CUSIP
 13 Services Bureau, which is operated by
 14 Standard & Poors.

15 Use of CUSIPs is prevalent in our
 16 market. It is used to identify most
 17 financial instruments, and they're also
 18 embedded in numerous SEC regulations.
 19 They are used for trading, clearance and
 20 settlement, regulatory reporting and
 21 internal data management, to name just a
 22 few things.

23 Because of the ubiquity, S&P
 24 effectively has a monopoly on security
 25 identifiers and it charges licensing fees

Page 70

1 for virtually any use of CUSIPs, whether
 2 direct or indirect and regardless of the
 3 purpose of the use, including by our
 4 understanding a firm's keeping a record of
 5 securities in its own database owned on
 6 behalf of its clients.

7 We understand from our members that
 8 S&P's efforts to obtain these licensing
 9 fees for use of CUSIPs by advisors have
 10 become increasingly assertive recently.
 11 We hear of S&P threatening to freeze an
 12 advisor's ability even to maintain CUSIPs
 13 in its internal database unless it pays a
 14 fee as determined by Standard & Poors.

15 S&P is also apparently increasingly
 16 requiring that it be given access to
 17 advisors' databases so that it can
 18 directly order the use of CUSIPs. In
 19 fact, we understand that S&P is now
 20 conditioning its agreements with service
 21 providers that offer advisors data
 22 management services on those providers,
 23 essentially, forcing their end user
 24 clients to pay the S&P fee in order to
 25 access and manage their own data.

Page 71

1 This is a problem across the board
 2 for advisors, and it's particularly
 3 expensive for smaller advisors that rely
 4 so heavily on third-party vendors, which
 5 we'll hear about a lot today.

6 We think that this is something
 7 that the Commission really ought to take
 8 into account as it considers how much
 9 burden there is on the ability of smaller
 10 advisors to remedy businesses and serve
 11 the investing public.

12 We think that the Commission should
 13 work with the Federal Trade Commission
 14 and, if appropriate, also with the Justice
 15 Department to initiate a review of
 16 Standard & Poors' licensing practices and
 17 to consider whether requiring the use of
 18 license identification numbers in
 19 regulatory filing poses potential
 20 liability, creates antitrust issues with
 21 respect to use fees or is otherwise
 22 problematic, particularly for smaller
 23 firms.

24 It might be worth mentioning here
 25 that in 2011 the European Commission

Page 72

1 issued a decision in which it reached a
 2 preliminary view that Standard & Poors was
 3 imposing unfair prices for both direct and
 4 indirect use of identification numbers
 5 that are based on CUSIPs within the
 6 European economic area.

7 The decision resulted in S&P's
 8 commitment not to charge fees at all to
 9 indirect users of these numbers, including
 10 advisors, but in the EEA and also that it
 11 would unbundle its pricing to direct users
 12 like issuers.

13 Although this commitment expired in
 14 2017, we heard that S&P continues to
 15 adhere to it in full in the EA, but
 16 interestingly, no longer in the UK
 17 following Brexit.

18 I just want to point out that it's
 19 not just CUSIP that's the problem for
 20 smaller advisors. There are concerns
 21 about similarly aggressive pricing coming
 22 up in the context of benchmark providers.
 23 The more well-known index providers also
 24 have virtual monopolies of the most common
 25 benchmarks, and we hear from our members

Page 73

1 that fees for their use are increasing
 2 unreasonably as well. We think the
 3 Commission should consider benchmark
 4 licensing issues as well.

5 We move now to some regulatory
 6 considerations for smaller advisors. And
 7 I'd like to really ask the Commission to
 8 keep some of these things in mind as it
 9 considers its approach to smaller
 10 advisors.

11 Karen has spent some time talking
 12 about what a small advisor looks like in
 13 the industry landscape from the data point
 14 of view. I'd like to focus on what it
 15 looks like for purposes of the SEC's
 16 regulation.

17 Commissioner Peirce touched on this
 18 point at the beginning of the day, and
 19 it's worth repeating. Federal agencies
 20 are required by the Regulatory Flexibility
 21 Act to analyze the economic impact of
 22 proposed regulations when there's likely
 23 to be a significant impact on a
 24 substantial number of small entities, and
 25 it's supposed to explore regulatory

<p style="text-align: right;">Page 74</p> <p>1 alternatives for reducing the impact. 2 Now, for purposes of this analysis, 3 as Commissioner Peirce pointed out, the 4 SEC views a small entity as an advisor 5 that has less than \$25 million in assets 6 under management. As you all know, the 7 threshold for SEC registration in almost 8 all cases is 100 million in AUM. So 9 despite the very clear data that Karen has 10 gone through today indicating that the 11 vast majority of advisors are small 12 businesses by any measure, the SEC's rate 13 fix analysis is not taken into account at 14 all. 15 We believe that it's time for the 16 Commission to increase the AUM threshold 17 to more realistically capture the actual 18 universe of small advisors, but we also 19 think that it's imperative that the 20 Commission update its definition of small 21 entity to provide for more meaningful 22 alternative metrics to AUM, such as, for 23 example, the number of advisors and 24 employees. 25 Because regulatory compliance</p>	<p style="text-align: right;">Page 76</p> <p>1 regulatory requirements but to consider 2 the cumulative impact of all of its 3 regulations and compliance expectations on 4 its registrants. It may well be that an 5 advisor has the personnel and resources to 6 comply with a given regulation when looked 7 at by itself, but when all the 8 requirements and expectations are viewed 9 as a whole, it's often an overwhelming 10 challenge for advisors. 11 We think that the Commission should 12 periodically take a step back and look at 13 the whole regulatory landscape, the whole 14 picture, and we also think that it should 15 apply in rule of reason to its imposition 16 of additional requirements and 17 expectations on these small businesses. 18 We also think that it's important 19 for the Commission to do a retrospective 20 review of existing requirements on a 21 periodic basis to determine whether they 22 are still effectively serving their 23 objectives. 24 Moving to some specific regulatory 25 challenges, in the time I have left I</p>
<p style="text-align: right;">Page 75</p> <p>1 depends on financial and human resources, 2 using an AUM-based test is the only 3 measure we think is missing the true 4 burdens of regulation on advisors. 5 Separately, we strongly recommend 6 that the Commission use the growing amount 7 of data at its disposal to tailor 8 regulations and its exam program more 9 appropriately for smaller advisors. The 10 Commission has done so in other context, 11 and it should do so in this one as well. 12 For example, small public companies 13 under the Exchange Act reporting rules are 14 not a scale disclosure or reporting. It's 15 also worth noting that an SBA, Small 16 Business Administration study, pointed to 17 agencies that do this in the scope and 18 compliance requirements for small business 19 as well, including independent agencies. 20 So that's worth taking a look at as well. 21 Also something that Scot mentioned 22 is about considering the cumulative impact 23 of regulations and compliance's 24 expectations. It's important for the 25 Commission, we believe, not to look at its</p>	<p style="text-align: right;">Page 77</p> <p>1 would like to touch on just a couple. 2 I'll briefly speak to the use of proxy 3 advisory firms, the limited access of 4 smaller firms to the bond markets, and 5 I'll end with cybersecurity and data 6 privacy. 7 So first use of proxy advisory 8 firms. Proxy voting is an important part 9 of stock ownership, and we don't think 10 that the SEC should make it more difficult 11 for advisors to engage in proxy voting or 12 to use proxy advisory firms when the 13 advisors decide to vote proxies on behalf 14 of their clients. 15 Basically advisors should not be 16 the collateral damage in a broader 17 political battle. Smaller advisors of 18 those proxies on behalf of the clients use 19 proxy advisory firms not just for voting 20 but for a variety of services, including 21 voting mechanics, data tracking and 22 aggregation and workman management. 23 Without these services, they would, 24 simply put, not be able to vote proxies at 25 all.</p>

Page 78

1 The SEC issued guidance for
 2 advisors' use of proxy advisory firms in
 3 2019 and again in 2020. Although both
 4 sets of guidance are framed as guidance
 5 and not as rules, this is another example
 6 of the cumulative impact of regulatory
 7 expectations.
 8 Our members tend to view guidance
 9 as a requirement that needs to be
 10 integrated into their compliance programs,
 11 and the SEC examiners certainly look to
 12 guidance as part of their examination
 13 process.
 14 This all just serves to make the
 15 use of proxy advisory firms more difficult
 16 and more expensive for smaller advisors.
 17 We believe that the SEC should take
 18 approach that is more tailored to smaller
 19 firms when developing guidance, and it
 20 should provide an opportunity for notice
 21 and comment so that it can hear from firms
 22 about the likely impact of guidance on
 23 them.
 24 Let me turn now to what is an
 25 increasingly limited access to small

Page 79

1 advisors to the bond market. Many small
 2 advisors believe that it is in their
 3 clients' best interest to pull the
 4 portfolio of individual bonds rather than
 5 to seek exposure to fixed income markets
 6 through bond firms. The intent is often
 7 to hold bonds to maturity and not to
 8 actively trade them, but more and more
 9 fixed income issuers are opting to rely on
 10 the Rule 144A process for bond issuance
 11 rather than going through the more
 12 expensive and burdensome public offering
 13 process.
 14 Only qualified institutional buyers
 15 can purchase 144A bonds, and 144A bonds
 16 now outnumber registered issues both in
 17 number and in volume, and they currently
 18 make up more than half of the high yield
 19 bond market.
 20 In an increasing number of cases,
 21 these bonds are only offered on what they
 22 call a 144A-for-life basis, meaning that
 23 they are never registered and thus never
 24 available for purchase by non-QUIBs.
 25 Smaller advisors that are pursuing

Page 80

1 fixed income strategies are being
 2 significantly disadvantaged by the
 3 increasing lack of availability of bond
 4 offerings.
 5 These SMA clients are not
 6 QUIBs. They are not allowed to access
 7 these high-quality corporate mini-bond
 8 issues.
 9 And this means individually
 10 investors are in a position of having to
 11 overpay for the limited inventory of
 12 available in the secondary market when the
 13 new issues are flipped.
 14 We suggest that the Commission
 15 consider expanding the QIB definition to
 16 include investors that receive
 17 discretionary investment advice from SEC
 18 registered advisors. The advisors would
 19 have to manage over 100 million in
 20 securities of unaffiliated issuers, which
 21 would be consistent with other categories
 22 of QUIBs.
 23 At a minimum, we ask that the
 24 Commission and staff study this issue to
 25 consider the practical realities and how

Page 81

1 to level the playing field for access to
 2 quality new issue bonds by smaller
 3 advisors who want to hold bonds directly
 4 on behalf of their individual clients.
 5 I want to wrap up by calling on the
 6 Commission in the cybersecurity and data
 7 privacy area to work with other federal
 8 financial regulators on a uniform national
 9 approach to cybersecurity and data privacy
 10 regulations in order to create consistency
 11 and reduce complexity.
 12 Federal coordination and explicit
 13 preemption of the growing patchwork of
 14 state regulation in these areas are both
 15 overdue.
 16 Implementation of compliance
 17 challenges for all advisors but for
 18 smaller advisors in particular are only
 19 growing in this area. Chair Gensler
 20 mentioned this morning that he has asked
 21 the staff to develop a proposal on
 22 cyberhygiene and cyberrisk governance.
 23 We ask in this context as well that
 24 the Commission tailor its expectations to
 25 the size and resources of an advisor's

1 business, because while one size
 2 absolutely cannot fit all here.
 3 With that, I'd like to thank you
 4 again for including the IAA in this very
 5 important conversation. Karen and I and
 6 the entire IAA staff stand ready to act as
 7 a resource for the committee and for the
 8 Commission and to stay engaged as you
 9 continue to grapple with the many
 10 challenges that we're talking about today.
 11 Thank you very much for having us.

12 CHAIRMAN BERNARD: Karen and Gail,
 13 that was really terrific and I'm sure
 14 greatly appreciated by all of the AMAC
 15 members and the commissioners and staff.
 16 Thank you so much.

17 And also, Gail, great job staying
 18 on target with time and Karen as well.
 19 You left me one minute, which is perfect
 20 to introduce our next speaker.

21 So Mr. Hamacher, our next speaker,
 22 is the chair of the Morningstar fund
 23 board, and while Morningstar is obviously
 24 a very big firm, in totality the
 25 proprietary fund complex is in its early

1 stages.

2 As Morningstar Fund's board share,
 3 Theresa will share the perspective of a
 4 fund director for a small but growing fund
 5 complex focusing on the governance's,
 6 operational and compliance stress point
 7 for fund directors of complexes that have
 8 reasonable resource constraints.

9 In addition to serving as chair of
 10 the Morningstar Fund board, Theresa has
 11 served as the chief investment officer of
 12 a variety of reputable advisory firms and
 13 fund shops, and she has also served as the
 14 president of NICSA, a nonprofit that has
 15 worked with the advisory industry to
 16 develop operational best practices for
 17 advisors and bonds.

18 Her experiences are colored by all
 19 of those past roles that she served in,
 20 and so I'm very grateful to have Theresa
 21 here to share her perspective.

22 And with that, Theresa, take it
 23 away.

24 MS. HAMACHER: Thank you for
 25 having me here today. I also want to

1 thank the commission for their attention
 2 to issues affecting smaller fund
 3 complexes.

4 As Scot mentioned, I am the chair
 5 of the Morningstar Fund's trust board.
 6 And why that's relevant, as Scot
 7 mentioned, is that we're a fairly new fund
 8 family. We began operating almost three
 9 years ago now. I got involved about a
 10 year before the launch, but Morningstar
 11 has been talking about this project for
 12 some time.

13 But I think what's most relevant is
 14 that we're one of the few fund families
 15 that has launched outside the Series Trust
 16 format in recent years, certainly one of
 17 the few that I know. And I think that
 18 lack of new entrants is something that's
 19 worth some attention.

20 So anyway, it would seem that
 21 Morningstar would be a natural for
 22 launching a fund family. The company is
 23 obviously very familiar with the fund
 24 business. They have a recognized brand
 25 name with both industry professionals and

1 investors. They also have a significant
 2 investment management operation with a
 3 base of assets ready to be moved into the
 4 funds. But this, the fund launch still
 5 continued out to be a massive project
 6 involving significant investment on
 7 Morningstar's part, investment in both
 8 people and technology.

9 I think the Morningstar experience
 10 is important because it illustrates the
 11 difficulties new entrants have if they are
 12 to be positioned to challenge the very
 13 large firms that now account for a growing
 14 part of the industry.

15 The Series Trust format is
 16 certainly very useful for smaller firms
 17 that are looking for a cost-effective way
 18 to enter the retail market, and you'll be
 19 hearing more about that format later in
 20 the panel.

21 But if mutual fund firms are to be
 22 successful and hope to move into the
 23 larger fund category, they'll need to
 24 think about setting up their own
 25 independent fund family the same way that

Page 86

1 Morningstar did.
 2 Obviously, one of the key factors
 3 generating cost for the fund family is
 4 regulation. I hate to admit it, but I've
 5 been in the mutual fund business for
 6 almost 40 years now, and so I've seen the
 7 regulatory regime become much more
 8 sophisticated over those years. I
 9 understand the reasons that regulations
 10 have been put in place.
 11 But the thing is, at the firms that
 12 I've been involved with before, the
 13 accumulation of regulation has been very
 14 gradual. But it gave me a very different
 15 perspective to be involved with a startup
 16 where all of that regulation is laid on at
 17 once. And you become much more aware of
 18 the weight of it combined.
 19 A very good -- I also became much
 20 more aware of the fact that regulations
 21 are one size fits all working with a
 22 smaller fund family. A very good example
 23 of that is the SEC's relatively recent
 24 liquidity rule.
 25 As a smaller fund family, the

Page 87

1 Morningstar Funds benefited from a
 2 slightly longer phase-in period, but once
 3 we started having to fully comply with the
 4 regulation, we had to comply on
 5 essentially the same terms as much larger
 6 fund groups, even though we don't pose any
 7 big picture risk.
 8 After three years of operation, we
 9 have \$5 billion in assets and are
 10 generally investing in highly liquid
 11 securities. But we still had to hire a
 12 third-party vendor to provide reporting at
 13 the cost of over \$150,000 per year.
 14 And although the derivatives rule
 15 which is going into effect next year will
 16 impose a similar cost on us, we will need
 17 to hire an outside vendor to do the
 18 required fact testing, stress testing and
 19 bar analysis, and we may need to hire a
 20 third party to fulfill the derivatives
 21 risk manager role.
 22 I think the SEC should take a
 23 closer look at the cost burden of this
 24 rule for smaller fund complexes. As
 25 currently written, the fund puts us on the

Page 88

1 board in a difficult position. We can
 2 avoid the compliance burden by keeping our
 3 derivatives use very limited at less than
 4 10 percent notional exposure. Or we incur
 5 the full costs of complying with the
 6 regime that would allow us to have up to
 7 200 percent exposure as measured by Barr,
 8 and there's no alternative in the middle.
 9 So for fixed income funds which
 10 tend to have notional exposure somewhere
 11 between 10 percent and 30 percent as a
 12 small asset base, there's a very
 13 significant tradeoff, which wouldn't be
 14 the case for a larger fund complex.
 15 I do hope the SEC will take another
 16 look at this and perhaps consider
 17 extending the compliance date for smaller
 18 fund complexes in order to do so.
 19 And here I'll make a pitch for fund
 20 directors. I think that some level of
 21 board oversight could be a more
 22 cost-effective alternative to some of
 23 these outside vendor solutions.
 24 Another point I'm going to echo
 25 Gail and Karen on this, I've heard the

Page 89

1 suggestion of periodically having DERA
 2 review the overall burden of regulation,
 3 and I think that makes a lot of sense. In
 4 general, maybe getting away from a
 5 rule-by-rule assessment to an overall
 6 assessment of the regulations could help
 7 with smaller fund complexes.
 8 So regulation is one thing, but I
 9 think that vendor oversight is another
 10 issue to focus on. Here I think the issue
 11 is that it's not just the fund industry
 12 itself that has consolidated, but all of
 13 the vendors to the fund industry have
 14 consolidated maybe even to a greater
 15 extent.
 16 As the result, as the board member
 17 of a smaller fund family, I find that
 18 overseeing -- we're overseeing enormous
 19 service providers. Now, there's clearly
 20 value to the process, and as directors we
 21 need to be aware of the issues that are
 22 involved, things like cybersecurity.
 23 But our ability to drive change in
 24 a vendor or even to change vendors is
 25 limited. Vendor oversight is costly. In

Page 90

1 my opinion, the heavy reliance on due
 2 diligence questionnaires is the big driver
 3 of that cost.

4 The DBQ regime is pretty
 5 inefficient, and I think it would be
 6 worthwhile focusing on how to simplify
 7 that regime. I don't have the perfect
 8 answer, but some things to think about
 9 would be more standardization of the
 10 questionnaire regime. There has been some
 11 movement in that direction, the FICA
 12 questionnaire from the ICI, for instance,
 13 for subtransfer agency arrangements, and I
 14 understand that the ICI is also working on
 15 a compliance due diligence questionnaire,
 16 but there could be more.

17 One question I always have is it's
 18 a small thing, but why does every board
 19 have its own 15(c) questionnaire and every
 20 board have its own conflict questionnaire.
 21 My fellow directors are rolling their eyes
 22 as I say this. It's one of my pet peeves.
 23 So standardizing DBQs is one answer.

24 Another approach would be to impose
 25 some minimum standards on key vendors. I

Page 91

1 won't even attempt to spell that out here.
 2 I know the experts on my board could
 3 probably give you some more specific
 4 suggestions. But I think the general
 5 concept is worth thinking about.

6 So to summarize, I see the need for
 7 more tailored regulation for smaller fund
 8 families and more standardization in
 9 vendor oversight. I hope that the AMAC
 10 will think about both. I think that both
 11 are critical in not just reducing
 12 unnecessary costs for shareholders, for
 13 the shareholders that I represent, but
 14 also in helping to ensure that the fund
 15 industry remains dynamic and innovative.

16 And thank you for your time.

17 CHAIRMAN BERNARD: Thank you,
 18 Theresa. That was terrific, and I know
 19 the whole committee appreciates the fund
 20 director perspective. And I'm sure for
 21 some of those on the committee who serve
 22 as fund directors, some of your points
 23 also resonated heavily.

24 We're a little ahead of schedule,
 25 which is great. So next I'm very pleased

Page 92

1 to introduce Steve Yadegari. Steve, in
 2 addition to his past life at the
 3 Commission, Steve has been the chief
 4 operating officer, general counsel and
 5 chief compliance officer, among other
 6 things, for Cramer Rosenthal for almost
 7 the last two decades.

8 During this time Steve has led
 9 operations, technology, legal and
 10 compliance efforts of an investment
 11 advisory firm that was able to manage very
 12 profitable growth from a small firm
 13 serving a very narrow set of client bases,
 14 mostly with measured accounts to a
 15 sizeable firm serving a broad
 16 international client base served through
 17 separate accounts, mutual funds, UCITs and
 18 private funds.

19 During that growth, Steve has
 20 provided strategic oversight and planning
 21 for the firm, including the launch of new
 22 products such as UCITs in Europe and
 23 private funds here in the United States,
 24 both markets that were unfamiliar to the
 25 firm at the time.

Page 93

1 As well, Steve has provided
 2 oversight of domestic and foreign
 3 third-party service providers and their
 4 relationships with the U.S. and foreign
 5 regulatory bodies.

6 He's also considered to have some
 7 special expertise in the design and
 8 implementation of investing class
 9 cybersecurity and other set of programs
 10 that are calibrated for small firms that
 11 have a geographically diverse footprint.

12 Steve is going to share his
 13 perspective on the operating challenges of
 14 a small firm that from his experiences he
 15 can share with us and particularly those
 16 who seek to offer services on a
 17 cross-border basis.

18 So with that, I'm going to turn it
 19 over to you, Steve, and thank you so much
 20 for your perspective.

21 MR. YADEGARI: Good afternoon,
 22 everyone. And Scot, thank you very much
 23 for that kind of introduction. I will
 24 try to live up to the characteristics
 25 you've bestowed upon me.

Page 94

1 I'm very pleased to be with each of
 2 you here this afternoon, and let me join
 3 my colleagues in thanking Chairman,
 4 Commissioners and staff as well as Ed and
 5 Scot for your leadership and my
 6 co-presenters time today to present and
 7 discuss some of these important issues.
 8 I also have a presentation here
 9 that I will share with each of you, and to
 10 build on Scot's comments, the topics I've
 11 been asked to address specifically include
 12 a little bit deeper dive into outsourcing
 13 considerations. I think Karen and Gail
 14 did a wonderful job framing some of the
 15 issues that many of us in the industry are
 16 dealing with today.
 17 I'll speak briefly on some topics
 18 related to vendor management which would
 19 build on some of Theresa's comments. And
 20 then finally I'll spend a few minutes just
 21 discussing how smaller advisors, smaller
 22 mutual fund complexes and firms are
 23 thinking about cross-border and share some
 24 perspectives regarding our firm's launch
 25 into the UCITs area.

Page 95

1 Outsourcing is something that has
 2 become not only an increasing trend, it's
 3 just become a part of everyday life for
 4 smaller advisors. And you've seen many
 5 more managers relying on outsourcing today
 6 on a number of different areas, and the
 7 numbers are increasing, both by way of the
 8 number of advisors and firms that are
 9 looking at outsourcing options, but also
 10 as well the areas that are up for review
 11 in terms of outsourcing.
 12 And this move really began before
 13 the COVID-19 pandemic, but what's
 14 interesting about the COVID pandemic is I
 15 believe it's given firms a little bit more
 16 confidence in terms of their ability to
 17 work with outside parties, vendors and
 18 further reevaluate areas of business that
 19 may make sense in terms of outsourcing.
 20 I think the industry has done very
 21 well during the pandemic to continue
 22 providing excellent service to clients. I
 23 think business continuity plans scored
 24 very, very well during the time period,
 25 and it's giving folks the initiative to

Page 96

1 think about other ways in which they may
 2 be able to work remotely, both internally
 3 within their own firms, but also by
 4 working with outside partners.
 5 And there have been some studies
 6 that have been done to, I think,
 7 demonstrate this point. This is one by
 8 HFS Research, which pulled numbers in the
 9 industry about operational strategies
 10 coming out of the pandemic, and you'll see
 11 a few important things here, which
 12 highlight reasons for which people are
 13 today thinking about outsourcing.
 14 71 percent here cited reduction in head
 15 count as being important.
 16 One of the things we've heard
 17 already is about pressure on fees and
 18 costs for managers, so 82 percent are
 19 looking at it as a means in which firms
 20 can reduce costs effectively and
 21 appropriately.
 22 And then also with respect to
 23 digital engagement practices, you see that
 24 94 percent of firms are looking at
 25 outsourcing as just one way in which it

Page 97

1 can potentially deliver greater digital
 2 experiences to clients.
 3 I think for many firms,
 4 particularly smaller ones, this does not
 5 necessarily mean replacing the investment
 6 advice function, but rather enhancing the
 7 client experience. And many firms,
 8 smaller firms, are in the early days of
 9 thinking about that particular issue,
 10 whereas I think some of our larger
 11 counterparts have professionals who are
 12 designated to this area and even teams
 13 that are working to advance their digital
 14 efforts and potentially even provide
 15 investment advice through that platform.
 16 Another, just one more study I'll
 17 show you demonstrates, I think, here that
 18 there is decreasing resistance to this
 19 idea of outsourcing, and you'll see that
 20 89 percent of firms are considering at
 21 least outsourcing parts of their program
 22 to third parties for assistance.
 23 It's operational areas in
 24 particular that this study had focused on.
 25 But, again, it's the effort to enhance

Page 98

1 client experience, enhance resiliency and
 2 lower costs as a means that is encouraging
 3 firms to look at these types of options.
 4 To Scott's point, I've been in my
 5 seat with my current firm for some time
 6 now since 2005. When I started, there was
 7 a real sense that ownership was important.
 8 We really thought that it was vital for us
 9 to have control over the various aspects
 10 of our business, including operations and
 11 technology and compliance and
 12 cybersecurity as that was just basically
 13 in its infancy back then.
 14 When you fast forward to today, the
 15 questions being asked are really around
 16 what should be outsourcing, and to Karen's
 17 point earlier, essentially everything is
 18 on the table. And what's driving this as
 19 much as anything else are cost
 20 considerations, fee compression.
 21 Firms that are not thinking about
 22 outsourcing options are having a very
 23 difficult time today, given the pressure
 24 on margins and fees that we are all
 25 experiencing in the industry. It is just

Page 99

1 a natural part of the evolution of our
 2 industry. I think a lot of firms have
 3 recognized that, but it's something that
 4 we have to take into account and pay very
 5 close attention to it, because the
 6 alternative is making managing a business
 7 very difficult.
 8 The economics are getting
 9 increasingly put under pressure, and what
 10 you're seeing is a much greater degree of
 11 merger and acquisition activity. Smaller
 12 firms are having a harder time surviving.
 13 They are being approached by larger firms,
 14 and back in March of 2018 a former
 15 division director Dalia Blass made this
 16 observation and in comments noticed that
 17 the downward trend in fees may lead to
 18 less access to small and medium size
 19 advisors because they're having a tough
 20 time surviving and meeting the scale and
 21 ability of larger advisors and therefore
 22 they are either being acquired or they are
 23 simply going out of business,
 24 unfortunately.
 25 And a much more recent study this

Page 100

1 past June by E&Y has found that it is
 2 becoming more difficult for many asset
 3 managers, particularly small and medium
 4 firms, to survive in our current form.
 5 And the same study cited that over the
 6 next five years we should see the change
 7 of the pace of change accelerate quite a
 8 bit, and ties back into the ability to
 9 scale your business as it grows, as you
 10 think about moving into different areas.
 11 And, in addition, technology
 12 considerations where many years ago may
 13 have been feasible to manage the
 14 technology function at our firms, but with
 15 technology changing so rapidly and the
 16 needs to keep up to speed with some of
 17 these developments vital, it's challenging
 18 for a smaller advisor to handle all of
 19 these items on their own. And by working
 20 with an outsource provider who is
 21 investing back into the business does give
 22 us the ability to leverage that technology
 23 and provide the same client experience
 24 that maybe we're seeing at some of our
 25 larger counterparts and would be simply

Page 101

1 unable to do without that assistance.
 2 So with outsourcing come some
 3 important considerations. You may
 4 outsource one of the areas or multiple
 5 areas of your business, but for the
 6 advisor and for the fund family the
 7 responsibility and oversight continues to
 8 remain with the advisor and with the fund.
 9 So for funds board involvement is
 10 very important. Theresa spoke to this a
 11 few minutes ago. Participation,
 12 inclusion, support of your board,
 13 something that's very important, it's been
 14 something important for us. We engage
 15 with them frequently to discuss some of
 16 these topics.
 17 Firms will sometimes utilize
 18 outside consultants to assist them. For
 19 smaller firms it simply may not be the
 20 internal expertise to understand how to
 21 seriously consider outsourcing options and
 22 some advice could be hopeful.
 23 However, we must guard against
 24 potential conflicts of interest and
 25 understand where these consultants are

<p style="text-align: right;">Page 102</p> <p>1 coming from and relationships that they 2 may have to try to promote one group over 3 another. 4 And the way in which advisors can 5 deal with these various issues is through 6 a rigorous due diligence process, which is 7 very important in terms of identifying the 8 right potential group to work with in any 9 of these areas. 10 So we might begin with an RFP 11 process where we collect certain 12 information and level set, identify the 13 appropriate candidates; and as we move 14 through the process and the selections are 15 made, ongoing due diligence becomes very 16 important to ensure or continue in getting 17 the quality of service that's expected and 18 that any of the risk considerations that 19 might -- may involve a particular provider 20 are being adequately addressed as well. 21 And this topic really ties neatly 22 into the concept of vendor management as 23 well. You'll see there's quite a few 24 factors here which a firm has to take into 25 account. I spoke a moment ago about the</p>	<p style="text-align: right;">Page 104</p> <p>1 an issue were to arise, when will we find 2 out about it. What's considered to be a 3 material issue, what is the escalation 4 policy. How are we going to have a level 5 of comfort that we understand what's 6 taking place with respect to our different 7 areas that are being handled by a 8 particular vendor. 9 And then other areas that become 10 important would be term, the termination, 11 how one might be able to end an agreement. 12 And if an agreement isn't going or a 13 vendor relationship is not proceeding as 14 you may have hoped, what can you do about 15 it other than terminating the agreement. 16 What would be your alternative thought as 17 to how your information data and security 18 will then move to potentially another 19 vendor or if you need to bring it back 20 in-house and renewal terms. 21 When looking at vendors, it's very 22 easy to get enamored with the way in which 23 they can help a business, but for advisors 24 it's very important also to think about 25 what are some of the other areas that may</p>
<p style="text-align: right;">Page 103</p> <p>1 selection process. And I'll attempt to 2 unpack a few of these in just a minute or 3 two. 4 But as we're thinking about working 5 with our vendors and the services that 6 they're providing, some vendors will get 7 very involved in different areas of your 8 business. For example, if you're working 9 with a vendor that might be handling your 10 entire operations area or a significant 11 part of it, it's very important that there 12 be a level of communication that really 13 goes beyond just working with a vendor as 14 a mere service provider, but they 15 understand your business and that there's 16 the daily type of communication so that 17 you're able to oversee what's happening on 18 a day-to-day basis. 19 And with that comes an 20 understanding of what the duty of care is 21 for a vendor to the advisor, the type of 22 oversight responsibility being exercised 23 by an advisor so we may spend time looking 24 at things like the service level 25 agreements and reporting requirements if</p>	<p style="text-align: right;">Page 105</p> <p>1 become important or if an issue arises. 2 Many of these things may fall out 3 of scope out of an initial agreement and 4 therefore lead to a cost that advisors 5 haven't simply contemplated and to make it 6 a much more burdensome proposition than 7 when you first imagined and when you first 8 began your engagement. 9 And then critically important in 10 this area would be cybersecurity. 11 Understanding not only the topic that's 12 been thrown around here today, 13 cyberhygiene, but also incident reporting 14 in this particular area. 15 And as I had mentioned earlier, 16 when you're working with vendors, advisors 17 really want to think about how much the 18 vendor is investing back into the 19 business, especially if you're relying on 20 a vendor for some of its technological 21 capabilities. That's one of the areas 22 that advisors can see the most value is 23 leveraging that technology and having 24 assurances that some of the money is being 25 put back into developing and enhancing</p>

<p style="text-align: right;">Page 106</p> <p>1 technology and that it's available to all 2 clients and to the advisor as it's being 3 deployed becomes very important. 4 And finally, I'll just touch upon 5 some considerations when thinking about 6 cross-border distribution and moving into 7 foreign markets. For many smaller 8 advisors, there is the allure of 9 opportunity to move into international 10 markets, and a question arises as to how 11 to best approach those opportunities. 12 There is tremendous time and cost 13 that's involved in considering a launch in 14 a foreign market, and sometimes advisors 15 are just faced with the prospect of 16 putting in that time and effort but 17 wondering if the assets will follow. 18 So there are a number of marketing 19 firms that have emerged in the foreign 20 marketplace to assist smaller advisors 21 with entertaining and considering 22 opportunities that may exist in foreign 23 markets, for their particular style of 24 investment management. They could be very 25 helpful and serve as an important resource</p>	<p style="text-align: right;">Page 108</p> <p>1 The continent is moving toward a 2 single market. The UCITS structure has 3 really benefited from that move, and as 4 you can see from the slide, more than 5 \$11 trillion now exists in the European 6 UCITS marketplace. So many U.S. managers 7 are looking at this as an opportunity to 8 raise new assets. 9 There are broad distribution 10 capabilities through a so-called 11 passporting feature which allows you to 12 domicile your UCITS fund in one market, 13 but then so-called passport into other 14 markets. 15 So as an example, we domiciled our 16 UCIT in Dublin, and through that product 17 we've been able to enter other European 18 markets by meeting their particular 19 requirements. So it's not as simple as 20 showing up at a border and getting your 21 passport stamped, unfortunately. Each 22 foreign market will have its particular 23 requirements, and some of them can be very 24 costly and onerous. However, it does save 25 you the requirement of creating a new fund</p>
<p style="text-align: right;">Page 107</p> <p>1 in identifying some of those 2 opportunities. 3 Also, service providers in some of 4 the foreign markets, some of which may be 5 serving an advisor in a domestic capacity, 6 also could be a terrific resource in terms 7 of identifying markets that may make sense 8 for a particular advisor and its style of 9 investment management and the ability to 10 attract assets from that marketplace. 11 So thought has to be given to where 12 to domicile the type of structure that may 13 be appropriate and what the different 14 distribution opportunities may entail once 15 a decision is made to launch a particular 16 product. 17 And for our firm and as mentioned, 18 we launched a UCIT more than ten years ago 19 now, and it has been a successful part of 20 our firm's business practices over the 21 last decade. And the UCITS has become a 22 very interesting area for many U.S. 23 managers. There's unquestionably a U.S., 24 European appetite for U.S. managers, and 25 it seems to continue to grow.</p>	<p style="text-align: right;">Page 109</p> <p>1 structure in each jurisdiction. And that 2 can be very helpful to managers, 3 particularly smaller ones that are trying 4 to find an entranceway into the European 5 marketplace. 6 The regulations around UCITS have 7 really come from both specific rules, but 8 more recently have largely been relying 9 upon guidance and directives. In the case 10 of Ireland they come from the Central Bank 11 of Ireland, which publishes numerous 12 consultation papers, so-called Dear CEO 13 and also provides other guidance through 14 regular correspondence with managers just 15 to share their thoughts as to what might 16 be some of the issues of the day and their 17 expectations of managers in dealing with 18 those types of issues. For example, 19 cybersecurity. 20 When managers are thinking about 21 where to begin foreign fund domicile 22 considerations, often you might see a 23 client actually express a preference for 24 one reason or another. It could be that 25 the client itself, you have a major client</p>

Page 110

1 who has experience in a particular
 2 jurisdiction. But short of that, there
 3 are a number of other considerations that
 4 will come into play, and I think some of
 5 the key ones would be the reputation of
 6 the domicile.

7 So there's probably two principal
 8 ones for UCITS that come to mind for most
 9 managers. But then advisors will also
 10 look at -- the regulator will think about
 11 their particular distribution strategy.
 12 Some areas may more lend themselves to one
 13 product or location than another.

14 And then if they have experience
 15 with current service providers with
 16 expertise, they may be able to leverage
 17 that experience. And things like native
 18 language and convenience can also be
 19 important factors for some advisors,
 20 particularly smaller ones where really
 21 every issue becomes more important than
 22 our larger counterparts.

23 Finally, the structure in the UCITS
 24 framework, many years ago the self-managed
 25 company was really the primary and only

Page 111

1 way that many funds were organizing where
 2 an advisor here in the U.S. would create a
 3 company in the foreign jurisdiction, and
 4 that company would then manage the entire
 5 fund and its operations. Today many
 6 smaller advisors are moving into a more
 7 shared management company model, and
 8 there's been a push by the regulatory
 9 authorities for smaller advisors to move
 10 into that area by instilling requirements
 11 such as residency requirements for folks
 12 who are serving as directors of these
 13 companies. And accordingly, you really
 14 don't have much of an alternative and it's
 15 becoming more difficult for U.S. managers
 16 to stay in a self-managed container.

17 Just like U.S. mutual funds,
 18 there's a board of directors that's
 19 ultimately responsible for the operations
 20 of the fund, the UCITS, and many of these
 21 directors will look to delegate certain
 22 areas of responsibility to third parties
 23 to assist.

24 And you'll see there's also a
 25 depository bank in the UCITS framework,

Page 112

1 which is very similar to the U.S. mutual
 2 fund custodian function and has a separate
 3 layer of oversight function to ensure that
 4 things are -- everything is meeting
 5 regulatory requirements with direct
 6 reporting to the board as well as the
 7 regulators as issues may come up.

8 And governance, CP has, I think,
 9 consultation papers and there was one
 10 about four or five years ago that set
 11 forth the framework for UCITS structure,
 12 and it really does touch upon the various
 13 areas that are expected of board members
 14 in this area, including a requirement that
 15 directors think about and rationalize the
 16 amount of time that they're spending with
 17 each individual board engagement, a review
 18 of the organization's effectiveness, and
 19 then other areas that would be important
 20 to the governance of the fund with direct
 21 reporting again to the regulators.

22 So it's been an area under some
 23 review for the last few years, but there's
 24 been enhanced regulation in this area.
 25 Much of it has been done through this type

Page 113

1 of guidance rather than formal
 2 rule-making.

3 And then I'll just conclude with
 4 distribution. So there's some
 5 similarities in UCITS framework as you'll
 6 see with the U.S. registered investment
 7 companies where you have a prospectus and
 8 supplement. There's also a document
 9 called the KIID, a key investor
 10 information document which provides a much
 11 shorter summary of the fund, its product
 12 and also includes a risk reward indicator
 13 which will be higher if you're involved in
 14 more exotic investments, derivatives and
 15 so forth.

16 And as I mentioned, one of the key
 17 features is the passport which allows
 18 sales of the fund in multiple
 19 jurisdictions, but it is quite an
 20 undertaking because each jurisdiction has
 21 the ability to impose its own peculiar
 22 requirements which may include
 23 translation, the hiring of a paying agent
 24 and the meeting of certain requirements
 25 that individual jurisdiction will require

Page 114

1 in return for the privilege of selling
 2 into that marketplace.
 3 It's another area that's been
 4 getting review, and the European
 5 regulators are thinking about some
 6 privatization in this area, but it
 7 continues to be an area where each
 8 individual location will have a fair
 9 amount of autonomy in terms of making its
 10 decisions.
 11 So I'll leave it there, Scot, and
 12 I'll thank you very much and turn it back
 13 to you.
 14 MR. DRAEGER: Thank you, Steve.
 15 That was really terrific and fascinating
 16 about all it would take, including the
 17 courage of the small firm to start a
 18 cross-border offering with a product or a
 19 small service, but that was really great.
 20 I suspect you'll get some questions.
 21 So next I'm excited to introduce
 22 Dave Carson, who has served as president
 23 of Ultimus Series Trust of mutual funds
 24 and Unified Series Trust of Funds. Dave
 25 has more than 30 years of experience in

Page 115

1 the fund industry including as a fund
 2 director, trustee, chief operating
 3 officer, chief compliance officer, auditor
 4 strategist, head of marketing
 5 distribution, just about every role
 6 someone could perform. And relevant to
 7 our committee, all really for small
 8 advisors and funds of all types.
 9 And so Dave has a great
 10 perspective. He's going to share that
 11 perspective on the evolution of
 12 outsourcing, kind of continuing on that
 13 theme that Steve started in our industry
 14 and where specifically outsourcing has
 15 strengthened or weakened economies of
 16 scale, internal controls, fund board
 17 independence and investor protection
 18 within this segment.
 19 He's going to use the multiple
 20 Series Trust platform as an example for
 21 some of his perspectives and offerings.
 22 And I think that that is a good space
 23 because there's so much outsourcing that
 24 goes on there, his group in particular
 25 that Ultimus provides outsourcing

Page 116

1 opportunities I know and manage account
 2 platforms chief investment officer, legal
 3 admin, transfer agency, hopefully all
 4 accounting treasury services. Just about
 5 anything that a fund does.
 6 So the scope and quality of his
 7 perspectives on the pain points for small
 8 firms is broad and deep, and he has a
 9 great perspective on the benefits and
 10 drawbacks of outsourcing in particular.
 11 So with that, Dave, I'll turn it over to
 12 you, and I thank you in advance.
 13 MR. CARSON: Thank you, Scot. I
 14 appreciate that.
 15 As Scot said, I am Dave Carson. I
 16 want to say thank you to Chair Gensler and
 17 your fellow commissioners. Also SEC staff
 18 and Ed, Scot and AMAC members for this
 19 opportunity to speak today. Thank you
 20 very much.
 21 Scot did a great job introducing
 22 me. If you don't know Ultimus Fund
 23 Solutions where I've been for almost nine
 24 years now, Ultimus serves over 450
 25 advisors in registered and private funds,

Page 117

1 over 300 billion in assets. We've grown
 2 from three men in a ten-by-ten office, who
 3 had the idea of providing exemplary
 4 service, to now 750 employees.
 5 Given our background, we are very
 6 fond of the kinds of small firms that
 7 Karen and Gail spoke to eloquently. We
 8 are or consider ourselves a boutique
 9 service firm with industrial strength.
 10 Interestingly, while our focus is
 11 primarily on the smaller end of the
 12 spectrum, we do have clients in all 4 of
 13 the AUM segments that Karen and Gail
 14 identified in their presentation.
 15 And all four segments are
 16 represented by advisors that have funds in
 17 multi Series Trusts. Sometimes those are
 18 also described as umbrella trusts. Series
 19 trust is the shorthand that I'll be using
 20 today. Take a couple of words out of the
 21 definition.
 22 So with that, I am moving on to
 23 show first the structure for Series
 24 Trusts. As Theresa mentioned, it could be
 25 a fairly daunting task for an advisor to

Page 118

1 offer a proprietary trust, organize their
 2 trust. This is actually a high-level
 3 chart. There are lower level service
 4 providers behind almost every box that's
 5 showing on this slide, so there definitely
 6 are a lot of moving pieces in organizing a
 7 trust.

8 The beauty for a smaller or even
 9 mid-sized advisor if he chooses to offer
 10 their funds through the Series Trust model
 11 is some of these services, other than
 12 being investment manager, Ultimus or
 13 another series trust sponsor can provide,
 14 even the services that are in the orange
 15 coloring are services that a sponsor like
 16 an Ultimus typically will source.

17 So it makes for essentially
 18 one-stop shopping for an advisor who is
 19 thinking about launching a mutual fund,
 20 which simplifies their access to the
 21 marketplace. But at the same time, it
 22 also provides a governance framework which
 23 certainly with people of Theresa's
 24 background and experience an advisor
 25 certainly can source.

Page 119

1 But that's one more opportunity to
 2 potentially stumble when you're organizing
 3 a fund structure or offering investments.
 4 And, again, that's something that the
 5 Series Trust sponsor often is able to
 6 provide.

7 I do want to mention that some
 8 commenters have posited that Series Trusts
 9 are more risky than proprietary trusts for
 10 a single advisor. We believe that Series
 11 Trusts are not inherently more risky; in
 12 fact, can offer some significant benefits.
 13 The least of which is that Series Trusts
 14 align well with the mission of the
 15 Securities and Exchange Commission.

16 Mutual funds which are offered
 17 through Series Trusts or not facilitate
 18 risk management for investors with
 19 rigorous regulatory framework, compliance
 20 policies and procedure programs that are
 21 mandated by law and by SEC regulation.

22 Series Trusts allow smaller asset
 23 managers to offer innovative investment
 24 strategies while accessing established
 25 compliance programs and -- and this is

Page 120

1 very important -- experienced trustees.
 2 We believe that the offering of the
 3 strategies for small and midsized asset
 4 managers supports capital formation, and
 5 my fellow presenters have all discussed
 6 today. Smaller strategies can efficiently
 7 and profitably invest in the securities
 8 smaller issuers in a scale that may not be
 9 effective for larger asset managers.

10 Supporting that, the governance
 11 structure of Series Trust including having
 12 established boards and compliance programs
 13 can support Congress' goals in providing
 14 risk management for investors while
 15 facilitating capital formation.

16 And lastly, Series Trusts tend to
 17 have established relationships with
 18 broker/dealers and other market
 19 participants supporting the securities
 20 trading operations of asset managers as
 21 well as access that asset gathering.

22 Now, are there quite a few
 23 benefits, in our view, for asset managers
 24 that stem from the Series Trust structure.
 25 First in my list, not necessarily first in

Page 121

1 order priority, is time to market. As you
 2 noticed on the flow chart of the Series
 3 Trust structure, there are many different
 4 services that have to be sourced in
 5 offering a mutual fund structure.

6 Because the Series Trust eliminates
 7 the need to organize a trust and can
 8 significantly reduce the amount of effort
 9 involved in sourcing the other services
 10 that go into providing a mutual fund, the
 11 structure can save two to three months in
 12 time compared to starting a proprietary
 13 trust.

14 As you'll see on the slide later,
 15 even in the Series Trust structure it can
 16 take four to five months to go from an
 17 advisor deciding to move ahead with the
 18 Series Trust to actually having the trust
 19 in operation. And that four- to
 20 five-month time frame does not include
 21 getting access to various intermediary
 22 platforms which is almost a necessity
 23 today.

24 So it's a time-intensive process
 25 going from idea to operation to actually

Page 122

1 asset gathering. Being able to save two
 2 to three months is certainly a significant
 3 benefit.

4 It also cuts down on the asset
 5 manager's administrative burden. One of
 6 the key benefits we believe from the
 7 Series Trust structure is it allows the
 8 asset manager to have all aspects of the
 9 trust supported by people who are engaged
 10 in the 1940 Investment Company Act
 11 business full-time. If an advisor is
 12 organizing and providing all these
 13 services on its own, especially in the
 14 smaller and even mid-tier firms, very
 15 likely those people supporting the mutual
 16 fund wear other hats as well and may not
 17 be fully up to date on aspects of the
 18 '40 Act as an established administrator
 19 can be.

20 Organizational costs are another
 21 benefit to the Series Trust structure. An
 22 asset manager in the Series Trust doesn't
 23 have to create and file state trust
 24 documents. They don't have to obtain a
 25 seat on it. They don't have to establish

Page 123

1 insurance coverage. And even state Blue
 2 Sky registrations, at least in some
 3 states, may already be in place at the
 4 trust level. So that's one more hurdle
 5 that the asset manager can avoid.

6 I will also mention under the Time
 7 and Effort category while many asset
 8 managers in Series Trust are smaller
 9 firms, it's not just the small boutique
 10 asset managers. Some mid-size firms
 11 prefer the structure simply because they
 12 don't want to spend resources on an effort
 13 that is core to the administrator but
 14 likely an ancillary function of the asset
 15 manager.

16 I think you saw that in Steve's
 17 presentation just before I started that
 18 with all the pressures on asset managers,
 19 there's significant need to look at
 20 building in efficiencies.

21 More benefits from the Series Trust
 22 structure for asset managers are quality
 23 control. The experienced administrator
 24 has professionals focused full time on
 25 fund securities, legal services,

Page 124

1 accounting, financial administration,
 2 regulatory compliance, statutory
 3 distribution, and the list goes on.

4 And my fellow trustees and people
 5 like Theresa probably would say this is a
 6 key benefit of the Series Trust structure.
 7 Series Trust boards are comprised of
 8 intelligent women and men who are experts
 9 in relevant areas, and we think this is a
 10 significant benefit independent of the
 11 asset manager. Going along with that
 12 independence, in all of the Series Trusts
 13 that Ultimus sponsors, the board chairs
 14 are independent. That prompts trustees to
 15 focus on the need to minimize risk for
 16 shareholders and asset managers.

17 Certainly another important need
 18 that the industry is increasing its focus
 19 on is diversity. We certainly are
 20 striving for diversity among our staff.
 21 The boards that we work with are
 22 increasing their focus on diversity. But
 23 because of the advantages of Series Trust,
 24 they also make it easier for that smaller
 25 boutique and diverse asset manager to

Page 125

1 access the space.

2 I'm pleased that I'm getting at
 3 this point to work with several
 4 women-owned firms as well as several firms
 5 that are owned and managed by people of
 6 color. Those are both developments that
 7 I'd say even ten years ago there would
 8 have been a very small number of such
 9 firms being able to provide access to
 10 strategies through mutual funds, and
 11 certainly there's plenty of research that
 12 shows that when you have people with
 13 diverse perspectives, investors benefit.

14 Speaking of investor benefits, many
 15 of the benefits that help advisors with
 16 funds also enure to shareholders, so
 17 organizational and operational costs tend
 18 to be at least somewhat lower in the
 19 Series Trust structure. There tends to be
 20 easier -- I won't say easy, but easier
 21 access to financial intermediaries. The
 22 investors benefit from the expertise of
 23 the trustees and certainly again benefit
 24 from having independent chairs providing
 25 services to them.

Page 126

1 The chart I'm showing now shows the
2 timeline for launching a fund in a Series
3 Trust. Conceivably it could happen within
4 four months; more realistically we have
5 various back-and-forth with boards with
6 advisors and so forth, it's more like a
7 five-month timeline.
8 By way of comparison, if everything
9 works well for an advisor that is
10 organizing its own proprietary trust,
11 that's probably at least eight months.
12 And it's not unusual for an advisor
13 organizing its own trust to take a year
14 more from the point where it starts going
15 through, starts moving towards offering
16 mutual funds to having them actually
17 available operationally.
18 One of the things that every Series
19 Trust organization maybe includes are
20 review of the investment advisory
21 agreement, reviewing the advisor's
22 responses to the 15(c) questionnaires. I
23 agree with Theresa if those could be
24 standardized I think that's better for
25 everybody in the industry, but at the very

Page 127

1 least the boards are very focused on
2 assuring that the agreement with the
3 advisor is arm's length and that there are
4 benefits to the investors from the
5 proposing agreements.
6 Equally important, I think, in that
7 organizational board meeting is the review
8 by the board and by the trust ECO of the
9 compliance, policies and procedures of
10 that advisor.
11 So, again, why Series Trust? We
12 believe that they definitely align with
13 the SEC mission. We believe that the
14 government structures facilitate risk
15 management for asset managers and
16 investors, and as I've mentioned, they are
17 both cost and time effective.
18 And then one more thing I wanted to
19 mention going along with a couple of
20 points that Karen and Gail mentioned
21 earlier today. CUSIP fees are definitely
22 a concern. They also mention benchmark
23 fees. In the mutual fund world the use of
24 benchmarks are mandated by the Commission,
25 and I understand the reasons for those.

Page 128

1 But just as they discussed with the
2 S&P, the CUSIP bureau fees, index fees
3 from the main stream providers have risen
4 significantly in the last three years, and
5 it's not unusual for a fund to have to
6 bear the cost of paying those fees at two
7 or even three levels, depending on the
8 service providers that they're working
9 with.
10 The other point that Karen and Gail
11 raised that I also want to underline, the
12 QIB division, we think that there would be
13 significant benefit for that to adhere to
14 the advisor and not to the individual
15 investor. Just as discretionary investors
16 are relying on the advisor, the same thing
17 is true in the mutual fund world.
18 We've had experience with multiple
19 advisors who manage five to \$10 billion of
20 assets, but offering a specialized fixed
21 income fund structure we're unable to
22 provide the depth of the strategy they
23 like to provide because the fund,
24 according to the rule, has to be a QIB.
25 And until they can get to the point of

Page 129

1 100 million in assets, the fund doesn't
2 meet the definition, and often that's a
3 chicken and egg problem as well for funds.
4 So with that, I want to thank you
5 for your time today. It has definitely
6 been a pleasure. And Scot, I will hand
7 things over back to you.
8 MR. DRAEGER: Thank you, Dave.
9 That's terrific, a great overview for
10 those AMAC members who may be less
11 involved in the fund industry or with
12 fund startups. I think that would be
13 particularly educational. So thank you
14 very much, Dave.
15 So our final speaker today, I'm
16 glad to announce, is our very own AMAC
17 member, Russ Wermers. Russ is going to be
18 presenting on the impact of technology and
19 big data on the economies of scale for
20 small advisors and small funds.
21 Russ is not new to financial
22 policies analysis as it applies to the
23 fund and advisor industry and, in fact,
24 his expertise in that space is one of the
25 reasons why he was recruited for the AMAC.

Page 130

1 Russ serves as the dean, dean's
 2 chair of finance, the chair of the
 3 Department of Finance and the director of
 4 Center for Financial Policy at the Smith
 5 School of Business at University of
 6 Maryland. And he's widely accepted as an
 7 expert on financial policy in our
 8 industry.

9 With that, Russ, I'm going to give
 10 thanks in advance and turn it over to you.

11 MR. WERMERS: Thank you, Scot.
 12 Your accolades have only set me up for
 13 underperformance here, to put it in the
 14 nomenclature that we understand so well.

15 So thank you so much for the
 16 ability to talk and the opportunity to
 17 talk about this particular topic. And I
 18 might say at the outset here that this is
 19 the most exploratory talk that you'll have
 20 heard today. We haven't had time to
 21 deliberate on this particular topic on the
 22 effect of technology and big data on big
 23 versus small asset managers, but it's
 24 something that I think is worth talking
 25 about in the future.

Page 131

1 And I'd like to set out some
 2 thoughts here. So I'm not going to have
 3 any specific recommendations since this is
 4 exploratory surgery, if you will. We're
 5 going to just see what is under the hood
 6 and see, you know, get people thinking
 7 about this because I think it's a really
 8 tough topic.

9 I think it was also appropriate
 10 that Chair Gensler, some of the first
 11 words that he spoke this morning as he
 12 introduced us graciously were artificial
 13 intelligence, predictive analytics,
 14 machine learning and digital analytics.
 15 Obviously Chair Gensler has a huge
 16 interest in these topics and that is right
 17 squarely in the bulls-eye of what I'm
 18 going to be talking about are those types
 19 of things. So let me go into presentation
 20 mode.

21 Okay. Now, so one thing that I
 22 think piques our interest in what is going
 23 to happen as technology and big data
 24 become bigger and bigger aspects of being
 25 an asset manager, and I might even say

Page 132

1 that investment management is becoming a
 2 data science, some of you might say
 3 investment management already is a data
 4 science, with a little bit of human input
 5 added, you know, depending on your point
 6 of view. So can we draw experience from
 7 the data science, the peer data science
 8 providers or the computing providers:
 9 Apple, IBM, Google, Amazon.

10 We heard earlier today that Apple
 11 is 2.1 trillion was it, equity value,
 12 market equity value company. So the big
 13 guys are dominating in big data. And
 14 amazon, you know, we can call it a data
 15 science company, not a book seller
 16 anymore.

17 So will asset management go the
 18 same route as this and will the big guys
 19 dominate to the detriment of small
 20 innovation and small management companies
 21 as well as small investment advisors and
 22 financial advisors and the like. Those
 23 are also a target or an interesting topic
 24 here.

25 So let me talk about an interesting

Page 133

1 theory model that I think speaks to this,
 2 that I found, Dugast and Foucault, I think
 3 they built a realistic model of some of
 4 the tradeoffs that were existing in
 5 computer power data abundance. And they
 6 focus this on its effect on competition in
 7 the asset management industry. They don't
 8 have specific, I guess, predictions about
 9 whether this will increase economies of
 10 scale or decrease economies of scale in
 11 the industry, but they do bring some
 12 interesting thoughts.

13 So okay. So their assumptions are
 14 really not too difficult to understand.
 15 And so let me start with greater computing
 16 power. Okay.

17 So a fun little quiz for the people
 18 in the audience here is when was the IBM
 19 PC introduced. I know it was 1981, but I
 20 didn't know it was August 12, 1981, until
 21 I quizzed Google this morning. August 12,
 22 1981. Almost 40 years ago to the day.
 23 Right.

24 And so why do I bring that up?
 25 Well, one estimate of the power of

Page 134

1 computers is that computers for the same
 2 dollar that costs can process 100,000
 3 times the data that they could when the
 4 IBM PC was introduced.

5 Now, that's been 40 years and maybe
 6 that seems like a long time and ten to the
 7 fifth, you may think that's not that
 8 surprising for 40 years, but it's growing
 9 exponential now. So in a couple years it
 10 will be ten to the sixth times. A million
 11 times the power.

12 So computing power is obviously
 13 costly, you know, for the latest and
 14 greatest, but for FLOP, I guess, for a
 15 floating point operation it's decreasing
 16 at the rate of Moore's law as predicted.
 17 It never seems to end.

18 There's also a ton more data out
 19 there. We can call this the needle in the
 20 haystack problem. There's more data.
 21 There are a lot of data analyzers, and in
 22 Chair Gensler's words predictive analytics
 23 that are being undertaken now.

24 For example, I talked to a friend
 25 of mine, Walter Taket, who is an expert in

Page 135

1 machine learning and artificial
 2 intelligence as it applies to asset
 3 management. Walter told me that some data
 4 analytics, some data analysts are using
 5 whenever I go to the local Starbucks and
 6 my cell phone senses the wi-fi available
 7 even if I don't log into that wi-fi, that
 8 data could be transmitted to a central
 9 location because I had given consent last
 10 time I used that data.

11 So you can imagine me driving
 12 around town doing certain things shopping
 13 and so on and hitting, you know, the Home
 14 Depot, the Starbucks, the what have you
 15 wi-fis and somebody being able to track
 16 me.

17 Now, this brings up data concerns
 18 and data privacy concerns, but I'm taking
 19 the opposite tack here is how far it
 20 typically can be taken to exploit
 21 information. Obviously, active managers
 22 are going to respond to changes in
 23 computing power and the abundance of data.

24 So the key take-aways from this
 25 theory model is that increases in

Page 136

1 computing power might increase the average
 2 alpha set managers depending on how low
 3 cost those increases in computing power
 4 are.

5 And, in other words, more needles
 6 in the haystack are going to be located.
 7 That information on the wi-fis that I trip
 8 as I go through town buying certain things
 9 is certainly useful information that could
 10 be harvested more quickly than waiting for
 11 Home Depot or Starbucks to post their
 12 latest revenue forecasts or earnings
 13 forecast, sales forecasts.

14 So certainly there's more things
 15 that could be harvested, but more data can
 16 also mean that it's hard to find the best
 17 data, the useful data. So maybe a bigger
 18 haystack with similar level needles,
 19 probably a better way to put this is a
 20 bigger haystack with more needles, but not
 21 proportionately more needles. So this can
 22 bring a tougher chore in terms of looking
 23 alpha.

24 How do these two affect -- these
 25 two forces affect economies of scale?

Page 137

1 It's hard to say. If computing power is
 2 low cost enough, it may actually even the
 3 playing field for small providers, for
 4 small investment managers, for small
 5 financial advisors and so on. But if the
 6 latest and greatest power is always ten
 7 times the price of just the next second
 8 generation down there, there may be
 9 advantages that scale brings to this
 10 situation.

11 One kind of interesting factoid
 12 here, Brogaard and Zareei in an academic
 13 paper used genetic algorithm approach to
 14 find that just to use 10 NYSE/AMEX
 15 volatility assets over a 40-year sample
 16 takes 459 days to find the optimum trading
 17 rules. This is for an i7 Intel CPU which
 18 is what I have on my Microsoft notebook
 19 here. It isn't using the latest and
 20 greatest, but it shows you what was state
 21 of the art ten years ago is not state of
 22 the art today.

23 So there are a lot of areas that I
 24 could talk about, and it's a big topic in
 25 terms of technology changes. One of the

Page 138

1 areas is again, going back to the notice
 2 Foucault paper, collection of raw data.
 3 Who is collecting it and who is
 4 controlling this data.

5 I always think that EDGAR and the
 6 SEC's movement toward making EDGAR more
 7 machine friendly has made the playing
 8 field a lot more level for smaller
 9 advisors and smaller investors, and I
 10 applaud them for that.

11 But the big guys are now going
 12 after data that is available from
 13 satellite imaging, from, like I said,
 14 wi-fi tracking, from cell phone tracking,
 15 from ship, tracking of container ships;
 16 and there's no shortage of companies now
 17 that engage in this type of exercise and
 18 sell information such as Orbital Insight
 19 does GL locating using all kind of
 20 different approaches including using
 21 satellites and wi-fis and so on.

22 There is increased technology in
 23 the form of data mining and
 24 interpretation. We all know that. There
 25 is -- there are new machine learning

Page 139

1 algorithms coming out every day. There's
 2 artificial intelligence, boosted
 3 progressions, random forests.

4 And these are the things that fall
 5 under the category of increased -- what I
 6 call increased computing power. Both the
 7 hardware and the software are what I
 8 consider computing power increases, and we
 9 see increases in both of those. And we
 10 see that the best and the brightest are
 11 now commanding in terms of human beings as
 12 well as machines are now commanding very
 13 high premiums over the second best out
 14 there.

15 One thing that is I guess a bit
 16 bracing here is that asset managers with
 17 less than \$100 billion in AUM are being
 18 the biggest outflows. That's consistent
 19 with but not conclusory proof that
 20 technology changes and changes in scale
 21 economies are driving this, but it seems
 22 to be concerning that perhaps the middle
 23 sized investment managers and financial
 24 advisors and maybe many of the small ones
 25 as well are going out of business because

Page 140

1 they just can't keep up with the
 2 technology.

3 Think about giving financial
 4 advice, financial engines now oversees
 5 trillions of dollars and they have
 6 algorithmized, if that's a word, many
 7 different aspects of the investment
 8 recommendation process. You can see how
 9 many -- thinking about how many investment
 10 advisory shops that financial engines has
 11 potentially put out of business, you know.
 12 Where is this going to end.

13 From the SEC's point of view, I
 14 think this is going to bring some very,
 15 you know, tough questions about how to
 16 ensure compliance. Rob Jackson, former
 17 Commissioner of the SEC, published a paper
 18 that showed that the SEC was inadvertently
 19 posting information by FTP access seconds
 20 before they posted on their website, and
 21 then some investors were able to
 22 capitalize on this few seconds, a few
 23 minutes of extra time.

24 My own paper with coauthors show
 25 that SAC Capital has repeatedly used FOIA

Page 141

1 requests to get information on the
 2 efficacy of new pharmaceuticals.
 3 Supposedly public information, FOIA is
 4 about making everything public, but SAC
 5 Capital just attempted to get it faster
 6 than others did.

7 How does all this come down, all
 8 these environmental, I guess, forces come
 9 to -- what is the impact on asset
 10 management on economies of scale? I don't
 11 have the answer, as I said, but I think
 12 there are some interesting questions and
 13 factors here that build into this or that
 14 factor into this question.

15 One is the hiring, leveraging and
 16 retention of human capital tend to be
 17 asset managers and investment advisors
 18 retain their best and brightest human
 19 capital. That may be something that
 20 actually goes in the direction of this
 21 economy of scale.

22 Secondly, as I say with the
 23 concentration of best human capital could
 24 lead to spinoffs and this could force
 25 large companies to have to adopt

Page 142

1 performance-based profit sharing and to
 2 share profits with their managers or to
 3 outsource a lot of things.
 4 Let me talk just a second about
 5 outsourcing too. A lot of things are
 6 being outsourced. In a recent Oliver
 7 Wyman/Morgan Stanley, what they call a
 8 blue paper, they thought -- their opinion
 9 is that the biggest threat to asset
 10 managers, especially active managers, is
 11 the outsourcing of distribution. They
 12 repeat this again and again in their blue
 13 paper.
 14 They think that at some point, you
 15 know, as we know, distribution is
 16 important for asset managers to build
 17 loyalty and to build brand awareness and
 18 things like that and to retain clients.
 19 As that is outsourced, that may actually
 20 work for or against large asset managers,
 21 depending on whether the distributors in
 22 the future, whether that's the Amazons or
 23 the Googles or whomever that is, depending
 24 on if they're trying to exert monopoly
 25 profits by charging high prices and thus

Page 143

1 freezing out the smaller asset managers
 2 and smaller investment advisors.
 3 So yeah, I think the last one is --
 4 the last one on this list is how long
 5 until almost all fundamental analysis
 6 techniques are spanned by human-assisted
 7 machine-learning techniques. This is not
 8 just a silly question. When I teach
 9 quantitative portfolio management to my
 10 students, I tell them you're finance
 11 students who have some knowledge of Python
 12 and I'm going to teach you how to do
 13 back-testing, but it's important that
 14 you're a human being because you will
 15 understand the behaviors of other human
 16 beings.
 17 That's true today. I'm not sure if
 18 20 years from now that I'll be able to say
 19 the same thing. Will machines and
 20 human-assisted machine learning be able to
 21 exploit misbehaviors of other human beings
 22 more quickly than a well-educated person?
 23 Good question.
 24 I talked about decentralization
 25 again. It could be either way.

Page 144

1 Distribution is a worry, of course, but
 2 also the economies of scale and generating
 3 factor returns; Blackrock is certainly
 4 becoming dominant, in my opinion, in
 5 generating factor returns for a very cheap
 6 price. Distribution could go the same
 7 way.
 8 Some of the separation that we know
 9 about between providing data and providing
 10 alpha may commoditize the industry. This
 11 could cause a -- as it probably should,
 12 may cause active management to focus only
 13 on alpha, and alpha will become tougher
 14 and tougher to find as more and more
 15 systematic signals become commoditized by
 16 the Blackrocks of the world.
 17 So let me stop there. Where do I
 18 think this is going to end up? I think we
 19 need a lot of study on this, and I would
 20 urge the SEC's bureau to undertake some
 21 study in terms of the cost of data and how
 22 companies like Refinitiv, Thomson Reuters
 23 have bought up many of the data providers
 24 and are now some might say charging
 25 monopoly profits, monopoly prices for

Page 145

1 data, which maybe only the highest, the
 2 biggest scale asset managers may be able
 3 to pay for.
 4 In addition, I would invite the SEC
 5 to look at distribution channels. Is this
 6 favoring or disfavoring the small asset
 7 managers and the mid-sized asset managers
 8 out there.
 9 Then there's the active versus the
 10 passive as well. We've seen this battle
 11 between the very large active management
 12 firm and a very large mostly passive
 13 management firm, and we've seen that the
 14 very large passive management firm can't
 15 always sell index products cheaper than
 16 the very large mostly actively managed
 17 firm. There are loss leader
 18 considerations here too.
 19 So there's going to be a lot of, I
 20 think, shaking up in the future as we see
 21 these forces play out, and it will play
 22 out, I think, differently among passive
 23 products versus active products.
 24 Let me stop there. Sorry for the
 25 chaotic presentation, but this is really

Page 146

1 an interesting and tough problem to get
 2 one's arms around.
 3 MR. DRAEGER: Russ, thank you so
 4 much. And it wasn't disorganized or
 5 unwieldy at all. I thought it was easy
 6 to follow and raises some really
 7 interesting concerns and opportunities.
 8 So Ed, with your discretion, I
 9 think it would be great, it looks like we
 10 have plenty of time for some Q and A for
 11 all the panelists on any of the topics
 12 that they covered. And so I'd like to
 13 open it up to the AMAC and just make sure
 14 people have time to engage with the group.
 15 MS. MCGEE: I have a quick
 16 comment. I would like to thank the
 17 panelists, I thought it was full of good
 18 content.
 19 Several of the panelists did talk
 20 about, suggesting to the SEC that they
 21 relook at the definition of what is small,
 22 a small advisor, and I think this is
 23 critical.
 24 I just wanted to make the comment
 25 that advisors that are managing separate

Page 147

1 accounts have -- can be -- make decent
 2 profits at a lower AUM, maybe 200 million
 3 or so. But advisory firms that are
 4 managing products have significant overlay
 5 of regulations. And I just don't think it
 6 could be profitable for some of these
 7 firms under a billion. I would encourage
 8 the SEC to look at advisory firms and the
 9 types of products that they're offering.
 10 CHAIRMAN BERNARD: I think that's
 11 a great point. Do any of our panelists
 12 want to comment on that or react to it?
 13 Do others have other questions?
 14 While you're thinking, I'll just
 15 chime in. First of all, thank you all. I
 16 think that was exceedingly well done, and
 17 it laid out, I think, very thoughtfully
 18 and concisely the issues facing small
 19 advisors and to a certain extent the
 20 ecosystem that's already in place to
 21 address some of these issues from a
 22 business standpoint.
 23 I'm hoping to pose -- and this may
 24 be more for Karen and Gail and Theresa,
 25 but I think it could be for any of the

Page 148

1 panelists. I'm guessing at any time
 2 there's a question about the
 3 disproportionate burden of regulation on
 4 smaller advisors, in the context -- and
 5 whether or not that can be reduced in some
 6 way, shape or form, you-all often will
 7 face the sort of, the question from the
 8 sceptic of help me understand so the SEC
 9 is trying to balance, you know,
 10 appropriate innovation, opportunity for
 11 investment and so forth for investors with
 12 protection. And if they reduce regulatory
 13 requirements on smaller investors, how do
 14 they do that without harming investors.
 15 I think, frankly, you've each given
 16 some very good examples in very specific
 17 terms, and I guess my broad question for
 18 you as not to replay all those because I
 19 think we've all got those for the record
 20 and it was very helpful, but is your broad
 21 answer to that question -- I'm just
 22 thinking it's a question that's hovering
 23 in the room, I see Karen nodding her head
 24 that you often face and I wanted to give
 25 you a chance to address it.

Page 149

1 Is it really the answer that the
 2 devil is in the details and it depends on
 3 the specific facts and circumstances and
 4 the issue you're talking about, or is
 5 there a broader answer that would help us
 6 as a committee frame that question of how
 7 you can balance maintaining that
 8 protection while at the same time reducing
 9 the disproportionate burden on small
 10 advisors.
 11 So help us, if you would, because
 12 we're going to -- as I've used this term
 13 too many times today, we're in a hurry-up
 14 offense to distill a lot of this and come
 15 back with recommendations. Anything you
 16 can give us in terms of design principles
 17 that might help us think about how to
 18 maintain that balance would be welcomed.
 19 Sorry for the very long worded question.
 20 MS. BARR: Thank you, Ed, and I'll
 21 start, and please, Gail and Theresa chime
 22 in.
 23 The devil is in the detail in terms
 24 of the specific rule. The broad
 25 principles are obviously investor

Page 150

1 protection is paramount. Investor
2 protection is paramount, and we're not
3 asking for exemption from regulation.
4 What we're talking about is scaling and
5 tailoring.
6 So taking a one-size-fits-all rule
7 set and scaling and tailoring it to
8 segments of size, firms and business
9 models.
10 And in sum, there are two types
11 of ways of doing that. There's one at the
12 level of each rule and looking at each
13 rule and whether it could be scaled and
14 tailored to different segments of the
15 registrant population.
16 And then there's in the
17 implementation or examination phase there
18 are a good number of SEC rules that talk
19 about tailoring a rule to the -- that
20 firms can tailor their policies and
21 procedures, for example, to the size and
22 model of their firm.
23 But then when it comes to actually
24 implementing that, there are expectations
25 from examiners, from third parties that

Page 151

1 don't always sync up with the high-level
2 principle of tailoring.
3 So, for example, the Division of
4 Examination puts out extremely helpful
5 risk alerts and observations. And it
6 would be helpful if those could be right
7 size or tailored to size of firms. So,
8 for example, here are best practices we're
9 seeing at large asset managers, here are
10 the best practices we're seeing at smaller
11 advisor firms.
12 So I'll stop there and let Gail
13 chime in.
14 MS. BERNSTEIN: Karen, I think you
15 said it really well. The only thing that
16 I would add is that I would suggest that
17 the Commission always look for adopting
18 new rules to whether or not the
19 protection that it's trying to get at
20 already exists somewhere.
21 So without looking to adding new
22 specific requirements that are additive
23 but not necessarily that targeted or that
24 helpful in achieving the objective, I
25 would suggest just looking more at do we

Page 152

1 already have something that covers this.
2 And the other thing that I would
3 suggest is that the Commission really look
4 at every rule whether it can moderate
5 implementation timelines, whether
6 everything needs to be done at the same
7 time for everybody in the same way. Those
8 are the couple things that I would add.
9 MS. HAMACHER: I would note that I
10 was speaking from an investor
11 perspective. But as a fund trustee, I'm
12 trying to judge whether the cost is
13 appropriate given the added protection.
14 And I think the issue comes from the rule
15 drafting tends to focus on broad
16 principles and the average. It also
17 thinks about the minimum and the maximum.
18 So the derivatives rule would be a
19 good view of that, you know, what falls
20 outside the rule, what's the maximum
21 allowed in the rule.
22 And when the rule is drafted,
23 nobody really has a very concrete sense of
24 what it's going to cost to comply. And as
25 everybody starts working on the actual

Page 153

1 cost, it becomes clear that they are
2 not -- that not everyone is going to pay
3 the average basis point charge.
4 And I think it's the fine tuning
5 the application in the middle that is the
6 difficult part and probably requires a
7 second stage to be able to really address.
8 I mean I was kind of -- I'm like should we
9 have commented on this rule, the
10 derivatives rule when it came out, but I
11 think it was really hard to see it when it
12 was initially being drafted.
13 CHAIRMAN BERNARD: That's very
14 helpful.
15 Dave, did you want to say
16 something?
17 MR. CARSON: Theresa must have
18 been reading my mind, because I was
19 wondering could there be another step in
20 the rule-making process. Because it's
21 very hard for small advisors that I work
22 with all the time to invest time and
23 energy in analyzing an appropriate rule
24 because we've all seen the final rules
25 can be significantly different than the

1 proposed rule.
 2 And so the tendency is to wait for
 3 the proposed rule, and then vendors come
 4 up with the solutions that meet what the
 5 proposed rule calls for and only then can
 6 us as a service provider, let alone the
 7 advisors actually assess what the impact
 8 is from a cost perspective.
 9 I don't actually want the
 10 rule-making process to become more
 11 complex, but it really is hard the way it
 12 runs today, I think in my opinion, to be
 13 able to analyze what the impact is going
 14 to be and then you end up with situations
 15 that are kind of either you're in one
 16 extreme or you're in the all other bucket.
 17 And, I mean, things like liquidity risk
 18 management, I would hazard a guess that 96
 19 to 98 percent of the funds that we work
 20 with are extremely liquid products and yet
 21 people at the firm, people on the board
 22 still have to spend time giving thought to
 23 that.
 24 So, yes. The more nuance, however
 25 you get there I think would certainly be

1 There's no incentive for some intermediary
 2 to create a Morningstar type of service
 3 for filings.
 4 CHAIRMAN BERNARD: That's a great
 5 point, and that type of standardization
 6 may actually be one that in contrast to
 7 some of the other examples is
 8 disproportionately helpful to small
 9 advisors because they can get easier
 10 access to information they need without
 11 the burden of the staff or whatever it
 12 may take when it's all in paper format.
 13 MR. WERMERS: As well as one of
 14 the few things that could be informative
 15 and useful for investors, small
 16 investors.
 17 CHAIRMAN BERNARD: I've got
 18 another question, but Scot, I see your
 19 hand up.
 20 MR. DRAEGER: As I'm listening to
 21 people speak, I'm wondering about maybe a
 22 change that could be made in the notice
 23 and comment area of the rule-making,
 24 because there is always opportunity for
 25 small advisors to comment, of course. As

1 helpful.
 2 MR. DRAEGER: That's all very
 3 helpful.
 4 Russ, I saw your hand as well.
 5 MR. WERMERS: Yeah, just a
 6 different dimension, Ed. You asked for
 7 specific comments from the SEC. I think
 8 the different dimension here is
 9 standardization of data, and this is
 10 standardization of data by issuers as
 11 well as standardization of data releases
 12 by asset managers.
 13 A metaphor could be Morningstar's
 14 style box, Karen's company there.
 15 Morningstar's style box sort of
 16 democratized the measurement of style.
 17 Now you can look up on Morningstar.com any
 18 asset manager, large and small, and find
 19 out what their style orientation is and so
 20 on.
 21 Data standardization, I think, will
 22 bring -- you know, right now there's no
 23 incentive when -- for those types of forms
 24 that could be filed in text format and
 25 have no standardization and format.

1 Dave said, there are resources to pull
 2 that together in a timely way may be in
 3 question.
 4 But even when a significant number
 5 of small advisors comment on rule-making,
 6 the weight that is given to those voices
 7 in the debate is relatively small compared
 8 to the larger institutional voices who
 9 have the capacity to pay for and receive
 10 trust coverage on their angle, on the
 11 proposal.
 12 And so -- and I think that the
 13 proxy voting area, you know, to what
 14 extent small advisors can rely on proxy
 15 voting advisory services and to what
 16 extent that actually furthers their
 17 fiduciary duty got such a small weight as
 18 compared to, you know, a quick reference
 19 to nomenclature of robo voting which was
 20 thrown out there by the issuer community
 21 as a way to, you know, pejoratively
 22 position what those proxy advisory firms
 23 do.
 24 And so, you know, I'm wondering
 25 about whether in the notice and comment

Page 158

1 process there could be an opportunity for
 2 small advisors either, you know, through
 3 the IAA or other places to coordinate
 4 comments that could receive weight by the
 5 staff, you know, somewhat commensurate
 6 with the fact that it's a huge volume of
 7 SEC registrants that are impacted by that
 8 regulation.

9 So, you know, I think the notice
 10 and comment process exists. Part of the
 11 question is to what weight are some of
 12 those comments, you know, being, what
 13 gravity is being given to those comments
 14 if you don't have the opportunity to get
 15 the press coverage on your angle. So
 16 anyway, that's just a thought.

17 CHAIRMAN BERNARD: Honestly, given
 18 your background you understand what I'm
 19 about to, the subject I'm about to make a
 20 comment on far better than I do.

21 But I think some of the comments
 22 that we've had about the definition of
 23 smaller advisor and what metrics that's
 24 based upon and whether that should change
 25 I think would have bearing on what DERA

Page 159

1 does, the Commission obviously has a
 2 responsibility to address the cost and
 3 benefit of any new regulation and sort of
 4 understanding the population which is
 5 considered in the context of doing that
 6 analysis could have bearing on some of the
 7 things you just described.

8 Jane, I think I saw your hand go
 9 up.

10 MS. CARMEN: I just wanted to
 11 comment and ruminate on the fact that as
 12 you said, it's in the investing ecosystem,
 13 and I think it's important to take a step
 14 back and realize that small funds and
 15 small firms are an important part of that
 16 ecosystem.

17 And if every regulation is
 18 trying to protect investors but the
 19 consequence of it is minimizing of the
 20 playing field, then the ecosystem itself
 21 will die.

22 I feel like a little like an
 23 endangered species of a small fund
 24 provider, but I think that there are lots
 25 of different funds that are a lot

Page 160

1 different and right for different
 2 investors. I mean, as a faith-based and
 3 an ESG provider, I know that our investors
 4 are sometimes different than the typical
 5 investor.

6 And I do worry a little bit about
 7 overprotecting people and making access to
 8 financial products and information too
 9 difficult.

10 I really think about it in a
 11 practical sense. The people who have been
 12 the most harmed are the people who haven't
 13 been in the market at all. So we need the
 14 ability to talk to the average person and
 15 turn them into a small investor.

16 And I just, I get concerned that
 17 trying to protect people too much may in
 18 the end forfend. It's just a comment I
 19 wanted to make.

20 CHAIRMAN BERNARD: That's helpful.
 21 Other questions or comments.

22 MR. SUYDAM: One thing, I think
 23 maybe to think about with new regulation,
 24 it's not just, you know, the proposal and
 25 how it might impact, but there should be

Page 161

1 some thought given to that testing once
 2 the regulation is in, particularly as
 3 impacts smaller, you know, the division
 4 examinations could always be looking at
 5 for smaller what's the impact. Is it
 6 what we thought it was. Is it different
 7 than what we thought it was and then
 8 tinker.

9 We all do that in our business,
 10 when we put things in we back-test them as
 11 we go to see their impact because they're
 12 never exactly what you think they are.

13 CHAIRMAN BERNARD: I think that's
 14 a great suggestion, and it could probably
 15 apply to a lot of the different issues
 16 for which we're making recommendations
 17 across AMAC.

18 One quick question for you, Russ,
 19 if I may, just to pick up on your good
 20 point of higher outflows for firms with
 21 less than 100 billion. And I'm not sure
 22 at your work, if you've seen -- I can
 23 imagine the impacts that scale and
 24 technology would have on that, but I
 25 wonder if you've also looked at the extent

1 to which that has to do with distribution
2 dynamics.

3 So, for example, shelf space and
4 larger advisors and broker/dealers and so
5 forth wanting to reduce the number of
6 families for whom they're doing due
7 diligence and so forth. What do you think
8 is in the mix in that specific data about
9 the outflows for smaller advisors?

10 MR. WERMERS: I think that, like I
11 said, the Oliver Wyman/Morgan Stanley
12 report, that was their main point was
13 that changes in distribution and the
14 disintermediation of distribution
15 services may really be changing the
16 landscape out there.

17 Yeah, I think that that's right.
18 The shelf space we can think of, you know,
19 go to the grocery store and certain
20 leading products start to take over
21 because there's a limited amount of shelf
22 space.

23 I think the same thing is true with
24 shelf space at some of the places like
25 Charles Schwab or Ameritrade or whomever

1 large ones is now creating sort of a group
2 think. And I think and also there are
3 some kind of back-and-forth benefits that
4 are being shared between the consultants
5 and the large asset managers.

6 CHAIRMAN BERNARD: This is all a
7 great discussion. We're about coming up
8 on time, but any other questions or
9 comments for this group? Go ahead, Scot.

10 MR. DRAEGER: I just have two
11 quick questions. One out of curiosity
12 for Steve.

13 So as you were moving in the
14 foreign markets, with respect to the
15 distribution side of the business, were
16 there materially different approaches that
17 you had to take? Obviously, small funds
18 we know the distribution model here in the
19 U.S., but is it meaningfully different in
20 Europe, Steve?

21 MR. YADEGARI: Well, for a smaller
22 advisor, Scot, it sure is materially
23 different, and the reason is there are
24 only so many resources a smaller advisor
25 may be able to bring to task. So where a

1 runs the next generation of offerings.
2 And I think it's going to be a problem for
3 the middle tier there. And it may already
4 be a problem, as you've sort of suggested.

5 MS. LaROCHE MORRIS: Do you think
6 consultants playing an increasing role in
7 the selection of funds for that shelf
8 space is also influencing distribution?

9 MR. WERMERS: Great point. Yes,
10 they are. To some extent we see
11 consolidation of consultants, and that
12 leads to more I guess focusing on -- I
13 guess the shelf space is lower with your
14 consultants. The other -- Rene, the
15 other big force that has pushed out a lot
16 of the also-rans -- forgive me for saying
17 that -- is the litigation. Litigation
18 consultants are loathe to -- you know,
19 it's the old recommend an IBM PC and
20 nobody is going to blame you, fire you.
21 Recommend an Apple 2 and you might get
22 fired.

23 So litigation is also pushing
24 consultants and as I say the consolidation
25 of consultants themselves into just a few

1 larger firm may be able to open an office
2 in a foreign jurisdiction or at least
3 send the team into foreign locales more
4 regularly, potentially establish
5 presence, the smaller advisor, that
6 becomes a bit more of a challenge where
7 it might have a more limited team and
8 then questions of distribution may center
9 around finding other intermediaries with
10 which it can work with so that there are
11 greater distribution opportunities.

12 In our case we began with one
13 client who felt that an investment in
14 UCITS was something they were interested
15 in or some type of structured product. So
16 it gave us an opportunity to get started.
17 And as we began and had some meetings, we
18 discovered the importance of having a
19 presence locally, and we had to begin
20 leveraging certain relationships so that
21 we could have that continuity and presence
22 even though we could not and we weren't
23 positioned to open a foreign office or
24 have our own personnel on the ground on a
25 consistent basis.

1 MR. DRAEGER: Thank you, Steve.
 2 My last question is for Russ.
 3 Toward the end of your presentation you
 4 were talking about passive indexing
 5 products used as a loss leader for the
 6 actively managed products.
 7 What is -- where are we in the
 8 maturation of considering the antitrust
 9 issues associated with that, do you
 10 believe, Russ?
 11 MR. WERMERS: Well, I'm at a
 12 disadvantage, Scot, (audio interruption)
 13 and a good one at that and I am not. I
 14 think that it's an interesting situation
 15 because it's becoming, you know, there
 16 are just a few asset management firms
 17 that are controlling -- not controlling,
 18 I should say, that control the vast
 19 majority of index assets now. And we
 20 know, we all know who they are.
 21 And to some extent it's not going
 22 to get any better because both indexing
 23 and active management fees are going down.
 24 And some of this is related to technology
 25 and Moore's law and so on and so forth.

1 But where we are, are the places now too
 2 big?
 3 I'm not quite sure, but I think
 4 that's something that definitely the SEC
 5 should be thinking about in terms of
 6 enhancing competition in both the passive
 7 space and the active space.
 8 Sorry to dodge around your
 9 question, but it's a great question.
 10 MR. DRAEGER: Thanks, Russ, I was
 11 just curious. I know we're butting up on
 12 time, but this has been terrific.
 13 SUMMARY AND DISCUSSION
 14 CHAIRMAN BERNARD: This has been a
 15 great discussion. Let me just once again
 16 thank Scot and his subcommittee and
 17 particularly today's panelists. You were
 18 all asked to summarize your thoughts and
 19 issues in a concise manner, and you all
 20 did that extremely well. And it gave us
 21 a lot of rich input to consider in the
 22 time we have remaining. So thank you
 23 very much.
 24 We're going to go to our final
 25 session, which is sort of a lightning

1 round. We go around the table. The
 2 meeting, as you know, is open to the
 3 public. You're welcome to stay with us,
 4 but we also appreciate your time and
 5 understand you've given us a good chunk of
 6 it. So if you need to sign off, by all
 7 means feel free to do so. I will look for
 8 sort of nods of heads. We had an
 9 unusually long break this morning. Would
 10 people like to go ahead to the lightning
 11 round? It usually takes us about 20 or 25
 12 minutes, or we can take a five-minute
 13 break. Thumbs up if you want to keep
 14 going. I figured people might want some
 15 time back at the end.
 16 So if we can do as is our normal
 17 custom, and we found this to be an
 18 extraordinarily good source of input at
 19 every meeting. So if each member, and I'm
 20 going top to bottom on the participant
 21 list which you can all see by first name.
 22 And so A comes up first and just for full
 23 disclosure I started at the bottom the
 24 last meeting.
 25 Take no more than a minute to share

1 one or two things you heard that struck
 2 you today. If what struck you is similar
 3 to someone who just spoke before you,
 4 that's fine because it helps us see
 5 dominant themes and priorities.
 6 So I will work my way down the
 7 list. And with that, Asa, you were up
 8 first. So I welcome any thoughts that you
 9 want to share with the group.
 10 MS. SOE: Thanks, Ed. I found the
 11 last session and small advisors very, very
 12 fascinating, and there's so much to
 13 digest, so I'm going to have to go back
 14 and read the transcript.
 15 But I do want to point out the
 16 pressures that are faced by the small
 17 advisors in the fund. It's actually, you
 18 know, there was that pressure everywhere.
 19 It comes from the hollowing out of the
 20 belly from the asset management industry.
 21 I do want to point out the
 22 pressures also come from the supplier's
 23 side being consolidated which a lot of
 24 people point out. And there's also data
 25 being treated almost like gold now. And

1 data is incredibly, incredibly expensive,
2 and the use of data rides and the derived
3 products that are creating derived
4 products from that. So somebody who is in
5 the field, I think that's something that I
6 will urge further insight and
7 investigation into why is data so
8 incredibly expensive.

9 CHAIRMAN BERNARD: Great. Thank
10 you for that. Jane, you're up next.

11 MS. CARTON: I think one of the
12 things that struck me is the theme of some
13 monopolistic entities that pervade our
14 industry in different ways. And that's a
15 real problem that our industry faces in
16 lots of different categories. So I think
17 that that sort of struck me the most.

18 CHAIRMAN BERNARD: Great. I think
19 Gilbert had to drop off, so Jeff Ptak,
20 you're up next.

21 MR. PTAK: Good discussion with
22 all the presenters, in particular Rama and
23 Mike, I think you did a great job in
24 presenting your subject matter, and I also
25 enjoyed the small presentation, good food

1 panels.

2 I guess the small advisor and small
3 fund panel I thought was really good. At
4 FINRA we regulate broker/dealers, not
5 advisors, but I can just tell you from my
6 own experience a lot of the same themes
7 come up on the broker/dealer side,
8 particularly fee compression and the use
9 of technology and the need to outsource, I
10 think, are all very common themes,
11 especially for small broker/dealers. But
12 even mid-size and larger broker/dealers
13 are feeling those pressures as well.

14 In terms of tailoring rules, you
15 know, we tried that at FINRA, at least in
16 terms of our capital acquisition broker
17 rules, which are a rule set for sort of a
18 narrow business model of firms that mostly
19 have an institutional customer base and do
20 more of a kind of an M&A or institutional
21 private placement or corporate
22 advisory-type business. You know, it's
23 been moderately successful, but it's hard
24 because you really do have to balance
25 investor protection against creating a

1 for thought there.

2 You know, I think to your point,
3 Ed, a little bit later in the discussion,
4 you know, sort of coming up with a good
5 sort of framing for AMAC so that we can
6 appropriately provide the best counsel
7 recognizing that there are real issues
8 there around making sure there's an
9 appropriate balance between protecting the
10 investor while at the same time not
11 creating insurmountable (audio
12 interruption) for smaller advisors who are
13 out there.

14 That's the key thing, but what
15 can AMAC do with recommendations to best
16 effect that I think is a key question or
17 at least one that I find myself wrestling
18 with.

19 But compliments to everybody that
20 presented today. I thought you did a
21 great job.

22 CHAIRMAN BERNARD: Thank you. Joe
23 Savage.

24 MR. SAVAGE: Again, thank you to
25 everybody that spoke today. It was great

1 smaller rule set. But I think it's
2 worthwhile if you can do it the right way.
3 Thanks.

4 CHAIRMAN BERNARD: Thanks. John
5 Bajkowski.

6 MR. BAJKOWSKI: I was amazed how
7 Michael was able to condense into four
8 slides the work that his committee has
9 done over the last year or so. For me
10 perhaps what struck me in terms of the
11 interest of the individual investor that
12 is the group that I kind of work with,
13 it's still a motion of privacy and how
14 investor protection has really changed and
15 how the SEC is struggling to deal with
16 that issue, the notion of what investor
17 protection is while also providing strong
18 market liquidation and access to capital
19 formation.

20 It was a challenge, and our members
21 are always concerned about the whole
22 notion of their privacy, how the
23 information is being used; information is
24 golden now. What is advice, what does a
25 nudge become advice, and I think the

1 notion of how can we take the information
 2 as being presented and distinguished
 3 between what is simply information and
 4 what is advice is a challenge for the SEC.
 5 And the fact that broker/dealers
 6 have different requirement versus
 7 advisors, as far as what the relationship
 8 with their clients is is an interesting
 9 point as well that needs to be somehow
 10 considered when the information (audio
 11 interruption) back to that individual.
 12 So again, a lot of great
 13 information, and thank you so much for
 14 being able to see this stuff.
 15 Thank you. John Suydam.
 16 MR. SUYDAM: First I'd like to
 17 applaud Rama for his leadership of our
 18 subcommittee. It was outstanding,
 19 particularly the last 30 days or so,
 20 which I think was quite intense for him.
 21 But the one comment I'd make is
 22 about the small advisor discussion we had.
 23 One thing that we may want to hear more
 24 about in the future is any type of
 25 disproportionate effect, you know, the

1 squeeze on small advisors is having on the
 2 diversity within the industry. Because I
 3 suspect it might be, I just don't know,
 4 but it would be great to get some
 5 information about that.
 6 CHAIRMAN BERNARD: Mike Durbin.
 7 MR. DURBIN: Just to echo my
 8 thanks and congratulations to you, Rama,
 9 and the subcommittee who does excellent
 10 work on a thorny topic so well done.
 11 Going on small advisors, and,
 12 again, kudos to all of you for I thought
 13 was a really detailed and pretty direct
 14 set of thoughts in short order, which I
 15 personally appreciate. I'd also like to
 16 pick up on where Asa started, which is,
 17 you know, the example of CUSIT as an
 18 element of data was perhaps just one
 19 example, but the market data tail is quite
 20 long, so it would be an interesting
 21 category to stay on top of.
 22 And the one trailing thought is I
 23 did not hear a lot about the role that
 24 state securities regulators may play in
 25 all this, but they are not long tail, they

1 are small businesses. The states do have
 2 a primary role in regulating, so I would
 3 just be curious as to the subcommittee's
 4 view on and perhaps ideas for state
 5 securities regulators against this theme.
 6 Thanks.
 7 CHAIRMAN BERNARD: Thanks. Paul.
 8 MR. GREFF: Thanks, Ed.
 9 Congratulations, Rama, and the area of
 10 the small advisors is a narrative that
 11 I'm not very familiar with, so I really
 12 do appreciate a well-organized and really
 13 thoughtful discussion, and I just found
 14 it really educational. Thanks very much.
 15 CHAIRMAN BERNARD: You're up
 16 again, Rama, and I add, once again, my
 17 thanks and congratulations on a job well
 18 done, and I welcome any thoughts you want
 19 to share with us, although we just lost
 20 your picture.
 21 MR. SUBRAMANIAM: I think for me
 22 the evolution of advice is, as I said
 23 very interesting on sort of the
 24 technology angle and any time needed to
 25 address it and trying to work out as

1 things -- it was a great advantage to
 2 being able to tailor advice or a
 3 portfolio that has \$5,000. My daughter
 4 opened up a brokerage account and was
 5 offered robo advice. She wasn't told
 6 forget it, you have \$5,000 to invest.
 7 Balance that against appropriate
 8 regulation.
 9 On the small advisors, the small
 10 advisor ourselves on the asset management
 11 side, you know, I understand the issue
 12 with data. It is the new frontier, new
 13 source of wealth for a lot of people. I
 14 think one comment I'd make generally on
 15 that is distinguishing maybe regulatory
 16 hurdles for small advisors with call it
 17 industry structural issues. Someone
 18 touched on it with institutional
 19 investors; right. They wouldn't touch a
 20 fund unless it's being through
 21 consultants. Consultants themselves
 22 always have incentives and motivations.
 23 I know when we look at launching
 24 funds, we don't think about institutional
 25 investors for several years. Doesn't

Page 178

1 matter how good a product you have, how
 2 good an idea you have, they're not going
 3 to touch it unless it's been through the
 4 consultant.
 5 I think some of it is structural
 6 inherent in segments of the industry, and
 7 I think kind of distinguish that from sort
 8 of regulation could be useful.
 9 CHAIRMAN BERNARD: That's great.
 10 Thank you.
 11 Rene.
 12 MS. LaROCHE MORRIS: I think the
 13 thing that struck me is the conversation
 14 we were having about outsourcing and the
 15 small advisor, because as the advisor
 16 outsources more and more to the service
 17 provider -- and it could be one of the
 18 service providers that Jane mentioned that
 19 are fairly large -- the advisor loses that
 20 expertise in-house. So it's really
 21 important that whoever the advisor is
 22 outsourcing to is a partner and has
 23 expertise to help maintain the level of
 24 knowledge of an advisor. And it touches
 25 all of the conversations we had today

Page 179

1 about technology and about data and the
 2 need to have the right legal and
 3 compliance in place in order to grow and
 4 scale the business and offer new types of
 5 asset classes.
 6 So the importance of the
 7 outsourcing providers really being trusted
 8 experts becomes more and more important.
 9 That's what's on my mind as I'm reflecting
 10 on the conversation.
 11 CHAIRMAN BERNARD: That's great.
 12 Thank you.
 13 MR. WERMERS: Thanks, Ed. A few
 14 things here.
 15 It's been said several times, but I
 16 want to also add my plaudits for Rama.
 17 Rama shared his report with me before this
 18 meeting; I read it pretty thoroughly and
 19 it's just top-notch. Good work to you and
 20 your committee.
 21 And I continue to learn from my
 22 fellow smaller investors, small advisor
 23 subcommittee workers, IAA and the rest.
 24 There's so many things that I have learned
 25 today and continue to learn about the

Page 180

1 challenges that smallness brings with it.
 2 And then I think, finally, Jane
 3 Carton's comment just a few minutes ago
 4 about the cost of data I think is really
 5 something that is important that might
 6 have come out here unexpectedly. I sort
 7 of brought that up when I mentioned
 8 Refinitiv and Thomson, but I think data
 9 costs are becoming, you know, quite an
 10 issue now for small advisors and
 11 investment managers. I'll stop there. I
 12 enjoyed today a lot.
 13 CHAIRMAN BERNARD: Thank you.
 14 Scot.
 15 MR. DRAEGER: Thanks, Ed.
 16 First I want to just say thank you
 17 to Rama and the other subcommittee members
 18 to approaching retail access to privates
 19 in a way that exhibited true intellectual
 20 independence. You know, we obviously --
 21 you brought together a lot of folks to
 22 speak on that somewhere on the end of the
 23 spectrum that thought access was really
 24 just inappropriate. And others were on
 25 the end of the spectrum, you know, the

Page 181

1 Blackstones, if you will, that obviously
 2 were just making any play possible for
 3 access to retirement plan market for
 4 whether that is appropriate or not.
 5 And I feel like your
 6 recommendations exhibited independence
 7 from any one group that had a, you know, a
 8 dog in the fight and really kind of
 9 proposed a balanced pathway that can
 10 protect investors appropriately while also
 11 carving out an intellectual for access for
 12 retailers to private citizens. Really
 13 terrific. Thank you for that.
 14 So grateful to all the panelists on
 15 small advisors and funds. I think with
 16 respect to the outsourcing discussion,
 17 what I really appreciated is some
 18 distillation on areas where outsourcing
 19 can enhance quality control and enhance
 20 independence including onboard
 21 independence and thus enhance investor
 22 protection and then in part to Rene's
 23 point where outsourcing may be
 24 detrimental, you know, to independence or
 25 quality control. And so I appreciated

1 some distillation on that. It was
 2 terrific.
 3 CHAIRMAN BERNARD: Susan.
 4 MS. McGEE: You would think after
 5 two years I would get the mute button
 6 down. I wanted to also thank Rama and
 7 Mike for their reports today, very, very
 8 good and thoughtful.
 9 On the small funds and small
 10 advisor issue, I want to echo what Jeff
 11 said about tailoring and how hard that
 12 could be. And I would like for our
 13 subcommittee to maybe have some more
 14 discussion about some suggestions that we
 15 could give to the SEC.
 16 I do think the easy answer is we're
 17 not going to tailor and everyone is going
 18 to be subject to the same regulation.
 19 That's very easy to say. And maybe our
 20 subcommittee could have more discussions
 21 about details, some detailed suggestions
 22 for the SEC.
 23 But thank you, Scot, for your work.
 24 CHAIRMAN BERNARD: Thanks. I
 25 think I've gotten all of the members. Is

1 there anybody I've missed? And Sarah,
 2 I'm going to give you the last word in
 3 just a moment.
 4 Let me just add my thanks. I
 5 thanked Rama a couple times. One more
 6 time, I really do think it's a remarkable
 7 piece of work that that group has done. I
 8 also want to thank Mike and Scot. They
 9 have a slightly different challenge than
 10 some of our other subcommittee chairs,
 11 because we've come up against the end of
 12 our charter and I personally think today
 13 is ample evidence that they thought
 14 through that challenge, and the odds of us
 15 in the relatively limited time we have
 16 available of adding some valuable in these
 17 areas is very high. So I'm grateful to
 18 them for figuring out how to bring focus
 19 to framing their issues and ensuring that
 20 we can tackle a few key concepts that we
 21 can, in fact, push over the line.
 22 So I look forward to that even if
 23 it's sort of high-level design guidance
 24 and so forth. I mean, both of the topics
 25 are very broad. I'm very confident in the

1 next couple of meetings we'll be able to
 2 add some value.
 3 So we've obviously now approved the
 4 private investments subcommittee's work,
 5 and that joins the work we did, we
 6 approved in July on diversity inclusion
 7 and ESG and last year on exchange-traded
 8 products and operational matters.
 9 So I will once again, apropos of
 10 getting this additional work done
 11 encourage all of you to check your email
 12 and your calendars for those last two
 13 meetings on October 28 and November 3 and
 14 let Christian know if you have any issues.
 15 I frankly don't think there's going to be
 16 much flexibility on time, so I really hope
 17 that you can manage your calendars
 18 accordingly, because we'd really love to
 19 have everyone's input in those final
 20 sessions.
 21 And you'll notice when you look
 22 at the email that they are shorter because
 23 we're homing in on sort of closing
 24 thoughts on these topics.
 25 As always, I'd really like to close

1 with sincere thanks once again to
 2 Christian Broadbent, Neil Lombardo, Ned
 3 Rubenstein, Emily Rowland, Jessica Shen,
 4 Jay Williamson and Wally Oriola who
 5 provided tireless and very thoughtful
 6 support.
 7 Anyone who is working on the
 8 subcommittee knows exactly what I mean.
 9 They've been terrific and Sarah, so just
 10 so you know, we want to publicly
 11 acknowledge your team. They really have
 12 been a great support.
 13 And with that, do you have anything
 14 you'd like to add before we close?
 15 MS. TEN SIETHOFF: So I'll just add
 16 again another set of recommendations, and
 17 I really do appreciate the tremendous
 18 amount of work that goes into those, and
 19 it's not just the sets of words on the
 20 page, but all the preparatory work panels
 21 that go into that. You've passed on a
 22 tremendous amount of information for our
 23 division and the Commission's ultimate
 24 consideration. So a tremendous amount of
 25 thanks for that.

1 And then also as always today
 2 interesting discussions, and I'll say, you
 3 know, I will echo the point that it is
 4 helpful for us to understand distinctions
 5 between where you see areas that the
 6 Commission can focus on particularly
 7 versus the broader economic forces shaping
 8 the industry, and here I'm talking really
 9 about both technology and small advisors.
 10 But it is helpful for us to hear about
 11 both because they do so often interact
 12 with each other. And I think some was
 13 pointed out today, and I think the
 14 outsourcing is a great case in point of
 15 that where I definitely heard discussions
 16 about pressure driving you to outsource
 17 while at the same time that outsourcing
 18 creating tensions, and it creates pricing
 19 pressures. So certainly one connection
 20 point that I think we would always be
 21 interested in hearing is where our
 22 regulatory regime plays into that push and
 23 pull on outsourcing, are there aspects of
 24 it that's driving it and is that
 25 beneficial or deleterious I think could be

1 discussions and look forward to the next
 2 couple meetings.
 3 CHAIRMAN BERNARD: Thank you,
 4 Sarah. I think that last comment is a
 5 great piece of advice for the smaller
 6 advisors subcommittee, but also for any
 7 of those watching on SEC.gov who may
 8 write comment letters from time to time
 9 that provide a little more input on how
 10 we might be more focused.
 11 So in any case, thank you all very
 12 much. We've gotten through a lot of
 13 content today. Appreciate your time,
 14 attention and the input of everyone who
 15 brought it to us. And we will see you
 16 again very soon in late October.
 17 So thanks again, and enjoy the rest
 18 of your week. I think we're -- for those
 19 in the public, we will shut down the feed
 20 now and this concludes our meeting.
 21 Thanks so much.
 22 (Whereupon, at 2:10 p.m., the meeting
 23 was concluded.)
 24 * * * * *
 25

1 a great input.
 2 And then I'll also just echo the
 3 exchange between Joe Savage and Susan. I
 4 do think a lot of times what we hear
 5 through the comment process that we're
 6 doing regularly initiatives relating to
 7 small firms tend to be one of either could
 8 there be a longer compliance period or
 9 could there be an exemption from the staff
 10 for small firms. And those may be
 11 sometimes alternatives that people want to
 12 point out, but we very seldom hear
 13 anything in between. And I know there was
 14 mentioned a tailored regulatory regime
 15 that is very rarely presented to us or
 16 ways that that could be some that really
 17 have a bang for the buck or the firms and
 18 really would make a difference.
 19 Just to give some encouragement to
 20 a good discussion, perhaps, among that
 21 committee, I think is one area that we
 22 don't hear much about, so it really would
 23 be informative.
 24 And with that as always, thank you
 25 for letting me listen in on your

1 PROOFREADER'S CERTIFICATE
 2
 3 In The Matter of: ASSET MANAGEMENT ADVISORY COMMITTEE MEETING
 4 Date: Monday, September 27, 2021
 5 Location: Washington, D.C.
 6
 7 This is to certify that I, Christine Boyce,
 8 (the undersigned), do hereby certify that the foregoing
 9 transcript is a complete, true and accurate transcription
 10 of all matters contained on the recorded proceedings
 11 of the meeting.
 12
 13
 14 _____
 15 (Proofreader's Name) 10-1-2021
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

1 DISTRICT OF COLUMBIA: SS
2 I, Barbara Moore, a Registered Court Reporter
3 of the District of Columbia, do hereby certify
4 that these proceedings took place before me at the
5 time and place herein set out, and the proceedings
6 were recorded stenographically by me and this
7 transcript is a true record of the proceedings.
8

9 I further certify that I am not of counsel to
10 any of the parties, nor an employee of counsel nor
11 related to any of the parties, nor in any way
12 interested in the outcome of this action.
13

14 _____
15 BARBARA MOORE, CRR, RMR
16

17 _____
18 My Commission Expires:
19 July 31, 2023
20
21
22
23
24
25

A				
a.m 1:10	125:1,9,21	53:3 190:12	admin 116:3	127:10 128:14
a/k/a 30:8	140:19 156:10	actionable 48:17	administration	128:16 129:23
ability 7:6 17:22	160:7 173:18	active 135:21	75:16 124:1	146:22 151:11
20:6 33:17	180:18,23	142:10 144:12	administrative	158:23 164:22
51:14 67:3	181:3,11	145:9,11,23	122:5	164:24 165:5
70:12 71:9	accessing 36:4	166:23 167:7	administrator	172:2 174:22
89:23 95:16	119:24	actively 79:8	122:18 123:13	177:10 178:15
99:21 100:8,22	accolades	145:16 166:6	123:23	178:15,19,21
107:9 113:21	130:12	activity 51:5	admit 86:4	178:24 179:22
130:16 160:14	accompanied	68:22,24 99:11	adopt 141:25	182:10
able 12:20 50:17	48:9	actual 74:17	adopting 28:4	advisor's 70:12
68:11 77:24	accomplished	152:25	151:17	81:25 126:21
92:11 96:2	21:16 24:17	add 53:21 55:8	ADV 63:15	advisors 9:14,15
103:17 104:11	account 65:9,11	151:16 152:8	advance 97:13	14:3,5,10,19
108:17 110:16	71:8 74:13	176:16 179:16	116:12 130:10	14:22 15:4
119:5 122:1	85:13 99:4	183:4 184:2	advances 11:9	16:7,13,20
125:9 135:15	102:25 116:1	185:14,15	advancing 62:24	17:4,11,18
140:21 143:18	177:4	added 132:5	advantage 177:1	22:10,23 25:12
143:20 145:2	accounting	152:13	advantages	36:15,16 47:16
153:7 154:13	35:15 116:4	adding 151:21	124:23 137:9	51:15,24 52:19
164:25 165:1	124:1	183:16	advice 6:22 7:3	58:23 60:24
173:7 174:14	accounts 34:24	addition 37:10	7:7 10:21 14:1	62:13,18 63:10
177:2 184:1	92:14,17 147:1	56:6 68:11	21:24 22:6,11	64:9 65:8,14
absolutely 23:6	accredited 36:15	83:9 92:2	25:6 46:5,6,10	65:16,21,25
82:2	36:21 38:16	100:11 145:4	46:13,22 52:15	66:4 67:12
abstentions	39:7	additional 15:2	80:17 97:6,15	68:7,20 69:2
45:11,20	accumulation	26:22 33:3	101:22 140:4	70:9,21 71:2,3
abundance	86:13	40:4 41:4,6,17	173:24,25	71:10 72:10,20
133:5 135:23	accurate 189:9	44:9 51:13	174:4 176:22	73:6,10 74:11
academic 30:20	accurately 27:4	53:2 76:16	177:2,5 188:5	74:18,23 75:4
137:12	achieve 38:9	184:10	Advie 4:9	75:9 76:10
academics 31:11	achieved 40:14	additive 151:22	Adviser 4:19,20	77:11,13,15,17
accelerate 100:7	achieving 39:9	address 12:12	Advisers 4:14	78:16 79:1,2
accepted 130:6	151:24	18:6,16 94:11	59:16	79:25 80:18,18
access 9:6 10:23	acknowledge	147:21 148:25	advisor 14:13,15	81:3,17,18
10:24 16:22	37:5 39:19	153:7 159:2	38:20 40:3,8	83:17 94:21
18:3 19:12	65:18 185:11	176:25	41:5 57:1	95:4,8 99:19
20:6 29:10	acknowledging	addressed	62:21,25 64:11	99:21 102:4
30:11,18 31:17	18:12	102:20	66:11,12 67:1	104:23 105:4
31:20 32:11,22	acquired 99:22	addressing	73:12 74:4	105:16,22
34:3 37:19,22	acquisition 51:1	13:15,21 20:11	76:5 100:18	106:8,14,20
37:25 38:3	99:11 172:16	Adeel 3:9 43:2	101:6,8 103:21	110:9,19 111:6
40:1,13 42:10	acquisitions	45:23	103:23 106:2	111:9 115:8
42:16 70:16,25	68:22	adequately	107:5,8 111:2	116:25 117:16
77:3 78:25	act 36:15 73:21	102:20	117:25 118:9	125:15 126:6
80:6 81:1	75:13 82:6	adhere 72:15	118:18,24	128:19 129:20
99:18 118:20	122:10,18	128:13	119:10 121:17	132:21,22
120:21 121:21	acting 2:7 20:23	Adjournment	122:11 126:9	137:5 138:9
	action 27:18	5:5	126:12 127:3	139:24 141:17

143:2 146:25 147:19 148:4 149:10 153:21 154:7 156:9,25 157:5,14 158:2 162:4,9 169:11 169:17 171:12 172:5 174:7 175:1,11 176:10 177:9 177:16 180:10 181:15 186:9 188:6	agree 43:22 55:8 126:23 agreed 15:15 60:6 agreement 68:6 104:11,12,15 105:3 126:21 127:2 agreements 70:20 103:25 127:5 agrees 47:3 ahead 46:1 52:1 56:24 91:24 121:17 164:9 168:10 aim 37:24 alerts 151:5 algorithm 137:13 algorithmized 140:6 algorithms 9:17 9:23,24 139:1 align 52:16 119:14 127:12 aligning 42:2 alike 8:5 19:1 50:24 all-time 64:2 Allison 2:6 allow 41:21 88:6 119:22 allowed 42:21 80:6 152:21 allowing 40:7,14 41:18,24 55:11 allows 108:11 113:17 122:7 allure 106:8 alpha 136:2,23 144:10,13,13 also-rans 163:16 alternative 42:16 74:22 88:8,22 99:6 104:16 111:14 alternatives 74:1 187:11	AMAC 2:18,20 2:21 3:3 4:17 4:23 13:7,14 23:21,24 25:1 26:2,6,8,23 27:2 28:1,5 29:5,9 30:4 32:23 33:11 43:11 45:17 46:11,20 47:3 48:5,5,7,15,21 52:3 56:4 60:7 82:14 91:9 116:18 129:10 129:16,25 146:13 161:17 171:5,15 AMAC's 13:20 15:16 amazed 173:6 amazon 35:20 132:9,14 Amazons 142:22 amending 14:12 Ameritrade 162:25 amount 21:16 51:4 75:6 112:16 114:9 121:8 162:21 185:18,22,24 amounts 8:15 ample 183:13 analysis 14:14 20:1 27:19 30:21 43:14 67:24 74:2,13 87:19 129:22 143:5 159:6 analysts 135:4 analytic 11:1 analytical 20:9 22:9 analytics 7:13 7:21 8:14 9:3 9:17 10:1,13 11:6,10 54:14 131:13,14 134:22 135:4	analyze 31:4 33:7 73:21 154:13 analyzers 134:21 analyzing 153:23 ancillary 123:14 and/or 50:13 angle 157:10 158:15 176:24 announce 129:16 announced 13:6 annual 61:12 answer 90:8,23 141:11 148:21 149:1,5 182:16 answers 60:19 anticipating 50:1 antitrust 71:20 166:8 anybody 183:1 anymore 132:16 anyway 84:20 158:16 apparently 70:15 appetite 107:24 applaud 47:10 51:9 138:10 174:17 Apple 35:18 36:2 132:9,10 163:21 application 49:18 52:7 153:5 applications 49:10 applies 129:22 135:2 apply 11:11 36:7 76:15 161:15 appointed 58:13 appreciate 6:20 18:7,8 59:18 63:5 116:14	168:4 175:15 176:12 185:17 188:13 appreciated 82:14 181:17 181:25 appreciates 91:19 appreciation 14:9 approach 13:9 19:10,25 25:10 48:19 55:3 73:9 78:18 81:9 90:24 106:11 137:13 approached 99:13 approaches 17:19 138:20 164:16 approaching 46:19 180:18 appropriate 43:14 71:14 102:13 107:13 131:9 148:10 152:13 153:23 171:9 177:7 181:4 appropriately 75:9 96:21 171:6 181:10 approval 25:4 26:3 40:16 approved 40:15 41:1 184:3,6 approving 45:16 April 64:10 apropos 184:9 area 28:2 54:11 55:19 72:6 81:7,19 94:25 97:12 103:10 105:10,14 107:22 111:10 112:14,22,24 114:3,6,7 156:23 157:13
---	---	--	---	--

176:9 187:21	63:1 88:12	54:17 141:5	64:7 76:12	72:5 158:24
areas 34:17,18	100:2 119:22	attention 84:1	98:13 99:14	bases 92:13
52:21 53:20	120:3,9,20,21	84:19 99:5	100:8,21	basic 19:3,14
55:22 81:14	120:23 122:1,4	188:14	104:19 105:18	basically 44:10
95:6,10,18	122:8,22 123:5	attract 107:10	105:25 114:12	56:8 77:15
97:23 100:10	123:7,10,14,18	audience 133:18	129:7 138:1	98:12
101:4,5 102:9	123:22 124:11	audio 166:12	149:15 159:14	basis 15:6 38:8
103:7 104:7,9	124:16,25	171:11 174:10	168:15 169:13	49:22 50:2
104:25 105:21	127:15 130:23	auditor 115:3	174:11	76:21 79:22
110:12 111:22	131:25 132:17	augment 47:25	back-and-forth	93:17 103:18
112:13,19	133:7 135:2	August 11:22	126:5 164:3	153:3 165:25
124:9 137:23	139:16 141:9	47:13 51:12	back-test 161:10	battle 77:17
138:1 181:18	141:17 142:9	133:20,21	back-testing	145:10
183:17 186:5	142:16,20	AUM 66:8,15	143:13	BDCs 33:18
arises 10:25	143:1 145:2,6	74:8,16,22	backbone 66:10	BDs 53:5
105:1 106:10	145:7 151:9	117:13 139:17	background	bear 20:12 47:6
arm's 127:3	155:12,18	147:2	117:5 118:24	51:1 52:2
arms 146:2	164:5 166:16	AUM-based	158:18	128:6
arrangements	169:20 177:10	75:2	Bajkowski 2:22	bearing 158:25
53:7 90:13	179:5 189:3	authorities	43:3 45:23	159:6
array 52:11	assets 14:20	111:9	173:5,6	beauty 118:8
art 137:21,22	33:8 36:13	automobile 8:21	balance 37:24	becoming 100:2
artificial 7:20	64:1,15,18	autonomy 114:9	38:4,9 43:14	111:15 132:1
11:12 131:12	65:10 74:5	availability	52:5 55:11,23	144:4 166:15
135:1 139:2	85:3 87:9	47:24 48:3	62:17 148:9	180:9
Asa 169:7	106:17 107:10	80:3	149:7,18 171:9	began 31:22
175:16	108:8 117:1	available 61:14	172:24 177:7	84:8 95:12
asked 12:4,8	128:20 129:1	79:24 80:12	balanced 26:13	105:8 165:12
32:22 81:20	137:15 166:19	106:1 126:17	26:21 181:9	165:17
94:11 98:15	assigned 69:12	135:6 138:12	balancing 30:9	beginning 73:18
155:6 167:18	assist 101:18	183:16	bands 8:18	behalf 21:9 28:2
asking 150:3	106:20 111:23	average 66:6	bang 187:17	70:6 77:13,18
aspects 67:9	assistance 43:7	136:1 152:16	bank 109:10	81:4
98:9 122:8,17	97:22 101:1	153:3 160:14	111:25	behavior 10:19
131:24 140:7	associated 166:9	avoid 88:2 123:5	bar 87:19	53:6
186:23	Associates 31:5	aware 24:4	Barbara 190:2	behavioral
assemble 52:6	31:13	86:17,20 89:21	190:15	22:15
assertive 70:10	association 4:19	awareness	barbell 64:13	behaviors 51:18
assess 154:7	4:20 60:25	142:17	bargain 19:3,10	143:15
assessing 22:13	62:21,24	awesome 9:20	19:15	beings 139:11
assessment 89:5	assume 64:5	aye 3:14 45:19	Barr 2:13 4:19	143:16,21
89:6	assumptions	eyes 45:11	60:22 62:8,19	believe 7:18
asset 1:5 6:3,19	133:13		88:7 149:20	19:9 24:3
12:10 13:9,16	assurances	<hr/> B <hr/>	barriers 15:9	26:12,20 34:21
13:21 16:15	105:24	back 12:16	base 85:3 88:12	38:5 39:6
21:6 29:8 30:1	assuring 127:2	17:10 43:17	92:16 172:19	50:14 52:23
31:6 35:2	attempt 91:1	53:15 56:8	based 37:16	74:15 75:25
36:25 39:22	103:1	57:22,25 58:1	40:17 41:21	78:17 79:2
58:19 61:4	attempted 18:6	58:8,10,18	50:15 63:17	95:15 119:10

120:2 122:6 127:12,13 166:10 belly 169:20 benchmark 72:22 73:3 127:22 benchmarks 72:25 127:24 beneficial 55:13 186:25 benefit 20:17 38:18 54:19 122:3,21 124:6 124:10 125:13 125:22,23 128:13 159:3 benefited 15:17 50:16 87:1 108:3 benefits 18:25 19:11 37:24 116:9 119:12 120:23 122:6 123:21 125:14 125:15 127:4 164:3 Berkshire 35:24 Bernard 2:10,21 6:2 12:17,23 15:19 20:20 23:20 43:20 45:4 53:14 55:7 58:17 82:12 91:17 147:10 153:13 156:4,17 158:17 160:20 161:13 164:6 167:14 170:9 170:18 171:22 173:4 175:6 176:7,15 178:9 179:11 180:13 182:3,24 188:3 Bernstein 2:14 4:20 60:23 62:22 69:5 151:14	best 30:7 48:10 79:3 83:16 106:11 136:16 139:10,13 141:18,23 151:8,10 171:6 171:15 bestowed 93:25 better 22:5,8 126:24 136:19 158:20 166:22 beyond 103:13 biases 11:2 big 8:25 64:6 82:24 87:7 90:2 129:19 130:22,22 131:23 132:12 132:13,18 137:24 138:11 163:15 167:2 bigger 131:24 131:24 136:17 136:20 biggest 139:18 142:9 145:2 billion 14:21 64:14,16 66:15 87:9 117:1 128:19 139:17 147:7 161:21 bit 7:13 67:19 94:12 95:15 100:8 132:4 139:15 160:6 165:6 171:3 Blackrock 144:3 Blackrocks 144:16 Blackstones 181:1 blame 163:20 Blass 99:15 blue 123:1 142:8 142:12 blur 18:22 board 71:1 82:23 83:2,10 84:5 88:1,21	89:16 90:18,20 91:2 101:9,12 111:18 112:6 112:13,17 115:16 124:13 127:7,8 154:21 boards 120:12 124:7,21 126:5 127:1 bodies 93:5 bond 77:4 79:1 79:6,10,19 80:3 bonds 79:4,7,15 79:15,21 81:2 81:3 83:17 book 132:15 boosted 139:2 border 108:20 bottom 168:20 168:23 bought 144:23 boundless 8:15 boutique 117:8 123:9 124:25 box 118:4 155:14,15 Boyce 189:7 bracing 139:16 brand 84:24 142:17 breadth 46:21 break 4:12 25:12,17 57:12 58:15,16,21 168:9,13 Brexit 72:17 bridge 15:4 brief 16:10 24:24 25:5,16 25:18 28:9 46:12 56:2 59:12 briefly 77:2 94:17 brightest 139:10 141:18 bring 7:15 9:5 25:7 46:4 56:5	104:19 133:11 133:24 136:22 140:14 155:22 164:25 183:18 brings 135:17 137:9 180:1 broad 46:23 47:7 48:13 92:15 108:9 116:8 148:17 148:20 149:24 152:15 183:25 Broadbent 23:8 43:6 59:22 185:2 broader 77:16 149:5 186:7 Brogaard 137:12 broker 172:16 broker/dealer 172:7 broker/dealers 47:16 51:15,23 52:18 120:18 162:4 172:4,11 172:12 174:5 brokerage 177:4 brought 47:6,23 51:1 180:7,21 188:15 buck 187:17 bucket 154:16 build 94:10,19 141:13 142:16 142:17 build-up 41:12 building 49:11 53:23 123:20 built 133:3 bulls-eye 131:17 burden 71:9 87:23 88:2 89:2 122:5 148:3 149:9 156:11 burdens 75:4 burdensome 79:12 105:6	bureau 69:13 128:2 144:20 business 4:24 10:22 61:10 63:9 66:21 67:5,9,10,15 68:17,25 75:16 75:18 82:1 84:24 86:5 95:18,23 98:10 99:6,23 100:9 100:21 101:5 103:8,15 104:23 105:19 107:20 122:11 130:5 139:25 140:11 147:22 150:8 161:9 164:15 172:18 172:22 179:4 businesses 16:16 60:13 61:24 62:1 64:9 65:6 66:6,10 67:3 71:10 74:12 76:17 176:1 butting 167:11 button 182:5 buy 8:20 buyers 79:14 buying 136:8
C				
C 4:1 5:1 6:1 calculating 49:13 calendar 50:23 51:6 calendars 184:12,17 calibrate 61:19 calibrated 93:10 California 65:23 call 6:4 12:13 54:6 79:22 132:14 134:19 139:6 142:7 177:16 called 113:9				

calling 50:5 81:5	170:16	20:20 23:20	38:3 40:1,13	clearance 69:19
calls 154:5	category 85:23	43:11,20 45:4	characteristics	clearly 27:4 49:3
Cambridge 31:5	123:7 139:5	46:15 53:14	11:4 30:1	52:14 54:5
31:12	175:21	55:7 58:17,23	93:24	56:15,15 89:19
camera 57:19	cause 40:3	82:12 91:17	charge 39:1 72:8	client 7:8 36:23
candidates	144:11,12	94:3 147:10	153:3	38:25 39:8
102:13	caution 51:12	153:13 156:4	charged 13:7	66:1 92:13,16
cap 35:19	cell 135:6	156:17 158:17	36:17	97:7 98:1
capabilities 9:1	138:14	160:20 161:13	charges 69:25	100:23 109:23
48:13 105:21	center 130:4	164:6 167:14	charging 142:25	109:25,25
108:10	165:8	170:9,18	144:24	165:13
capacity 107:5	central 109:10	171:22 173:4	Charles 162:25	client-facing
157:9	135:8	175:6 176:7,15	chart 118:3	49:10 65:3
capital 11:13	CEO 60:23	178:9 179:11	121:2 126:1	clients 13:22
19:13 20:6	62:20 109:12	180:13 182:3	charter 24:6	14:7 22:6,11
40:21 120:4,15	certain 68:17,18	182:24 188:3	183:12	22:17 36:18
140:25 141:5	68:19 102:11	chairs 124:13	chat 6:11 28:10	64:2 67:16
141:16,19,23	111:21 113:24	125:24 183:10	cheap 144:5	70:6,24 77:14
172:16 173:18	135:12 136:8	challenge 55:10	cheaper 145:15	77:18 80:5
capitalization	147:19 162:19	76:10 85:12	check 6:8	81:4 95:22
36:1	165:20	165:6 173:20	184:11	97:2 106:2
capitalize	certainly 48:16	174:4 183:9,14	chicken 129:3	117:12 142:18
140:22	50:1 78:11	challenges 14:10	chief 83:11 92:3	174:8
capture 74:17	84:16 85:16	16:6 17:5,14	92:5 115:2,3	clients' 79:3
captured 46:15	118:23,25	18:17 61:3	116:2	close 36:16 47:1
care 103:20	122:2 124:17	66:17,24 67:18	chime 147:15	99:5 184:25
careful 19:25	124:19 125:11	68:13 76:25	149:21 151:13	185:14
CARMEN	125:23 136:9	81:17 82:10	choices 34:22	closed 33:17
159:10	136:14 144:3	93:13 180:1	choose 40:25	34:6 36:8,12
carried 44:3	154:25 186:19	challenging	chooses 118:9	38:14,25 39:5
cars 8:3	CERTIFICA...	55:19 100:17	chore 136:22	39:10,20,22
Carson 2:17	189:1	chance 46:11	Christian 23:7	40:9,14
4:22 114:22	certify 189:7,8	148:25	43:5 59:22	closely 33:24
116:13,15	190:3,9	change 9:10	184:14 185:2	closer 87:23
153:17	cetera 11:13	47:22 51:25	Christine 189:7	closing 184:23
Carten 2:23	49:14	57:10 89:23,24	chunk 168:5	co-presenters
Carton 60:3	chair 6:16,18	100:6,7 156:22	circumstances	94:6
170:11	19:2 20:22	158:24	149:3	coauthors
Carton's 180:3	22:3,25 24:22	changed 173:14	cited 96:14	140:24
carving 181:11	47:12 59:20	changes 7:11 8:6	100:5	collateral 77:16
case 9:14 37:10	62:11 81:19	135:22 137:25	citizens 181:12	colleagues 94:3
88:14 109:9	82:22 83:9	139:20,20	clarity 52:21	collect 8:15
165:12 186:14	84:4 116:16	162:13	class 93:8	102:11
188:11	130:2,2 131:10	changing 7:5	classes 31:7 33:3	collecting 138:3
cases 9:7 36:10	131:15 134:22	65:19 100:15	37:1 179:5	collection 10:5
74:8 79:20	chairman 2:4,10	162:15	Clayton 13:5	10:16 138:2
cash 41:8	2:21 6:2,14	channels 145:5	clear 47:11	collective 24:18
catch 58:4,6	12:17,18,23	chaotic 145:25	51:21 74:9	61:20
categories 80:21	13:5 15:19	chaperoned	153:1	color 125:6

colored 83:18	56:9,23 59:11	committee 1:6	compared 37:13	components
coloring 118:15	62:15 94:10,19	2:21 6:4,9,20	40:5 121:12	44:18
Columbia 190:1	99:16 155:7	13:2 21:7,14	157:7,18	comprehensive
190:3	158:4,12,13,21	21:17 23:4,11	comparison	61:14
combined 86:18	160:21 164:9	23:25 24:16	126:8	compression
come 40:22	commission 1:1	25:20 44:8	comparisons	98:20 172:8
45:10 49:23	1:23 2:3 6:10	56:4 57:9,16	18:13	comprised 16:16
56:18 57:22,25	11:23 13:5,8	58:8,20 59:10	compete 17:22	124:7
101:2 109:7,10	13:20 15:3	69:6 82:7	competing 17:5	comprising
110:4,8 112:7	17:21 19:22	91:19,21 115:7	68:13	31:11
141:7,8 149:14	20:5,16 21:10	149:6 173:8	competition	computer 133:5
154:3 169:22	22:1,4,7,12,20	179:20 187:21	133:6 167:6	computers
172:7 180:6	26:10 27:17	189:3	competitive 16:6	134:1,1
183:11	28:24 45:18	committees	16:18	computing
comes 67:13	47:3 48:18	12:15	complete 30:22	54:13 132:8
103:19 150:23	55:21 60:8	commoditize	189:9	133:15 134:12
152:14 168:22	71:7,12,13,25	144:10	completed 43:15	135:23 136:1,3
169:19	73:3,7 74:16	commoditized	complex 18:13	137:1 139:6,8
comfort 104:5	74:20 75:6,10	144:15	28:2 43:23	Conceivably
coming 31:25	75:25 76:11,19	common 72:24	82:25 83:5	126:3
56:9 72:21	80:14,24 81:6	172:10	88:14 154:11	concentrated
96:10 102:1	81:24 82:8	communication	complexes 83:7	35:7
139:1 164:7	84:1 92:3	103:12,16	84:3 87:24	concentration
171:4	119:15 127:24	communities	88:18 89:7	11:14 35:10
commanding	151:17 152:3	15:6 60:12	94:22	141:23
139:11,12	159:1 186:6	community	complexity	concept 33:13
commensurate	190:18	16:15 62:18	81:11	91:5 102:22
158:5	Commission's	66:11 157:20	compliance	concepts 183:20
comment 11:24	7:1 23:14 27:6	companies 8:25	17:14 61:10	concern 127:22
12:3 15:22	47:10 51:10	19:1 32:19	65:5 68:1	concerned
22:2 32:23	185:23	34:5 35:8,9,11	74:25 75:18	160:16 173:21
33:25 54:9	Commissioner	35:14,17,18,23	76:3 78:10	concerning
55:8 56:9	2:5,6 6:15	41:14 42:14,22	81:16 83:6	139:22
78:21 146:16	12:19,21 13:1	75:12 111:13	88:2,17 90:15	concerns 72:20
146:24 147:12	13:4 15:20,20	113:7 132:20	92:5,10 98:11	135:17,18
156:23,25	15:23 20:21	138:16 141:25	115:3 119:19	146:7
157:5,25	43:22 62:14,15	144:22	119:25 120:12	concise 167:19
158:10,20	73:17 74:3	companies'	124:2 127:9	concisely 147:18
159:11 160:18	140:17	19:19 20:6	140:16 179:3	conclude 113:3
174:21 177:14	commissioners	company 38:8	187:8	concluded 36:3
180:3 187:5	20:22 21:11	38:19 40:2	compliance's	36:24 188:23
188:4,8	23:1 46:9	42:21 44:22	75:23	concludes 42:25
commented	59:20 61:16	84:22 110:25	complicated	188:20
153:9	82:15 94:4	111:3,4,7	50:25	conclusions
commenters	116:17	122:10 132:12	compliments	29:24 34:14,17
119:8	commitment	132:15 155:14	171:19	37:16
comments 27:10	72:8,13	comparables	comply 76:6	conclusory
43:8 44:9 45:5	commitments	33:6	87:3,4 152:24	139:19
53:13 54:1	40:21	compare 18:9	complying 88:5	concrete 152:23

condense 173:7	100:12 101:3	75:10 81:23	80:7 172:21	covers 152:1
conditioning 70:20	102:18 106:5	148:4 159:5	correspond 33:23	COVID 95:14
conduct 51:23 68:8	109:22 110:3	continent 108:1	correspondence 109:14	COVID-19 95:13
conducted 53:1	considered 37:22 93:6	continue 18:22 25:17 34:25	cost 15:1 40:9	CP 112:8
confidence 95:16	104:2 159:5	82:9 95:21	41:6 86:3	CPU 137:17
confident 183:25	174:10	102:16 107:25	87:13,16,23	Cramer 4:21
conflict 10:11 90:20	considering 29:10 75:22	continues 64:1 72:14 101:7	90:3 98:19	92:6
conflicted 53:7	97:20 106:13	114:7	105:4 106:12	create 81:10 111:2 122:23
conflicts 40:10 101:24	106:21 166:8	continuing 115:12	127:17 128:6	156:2
confronting 16:7	considers 71:8 73:9	continuity 95:23 165:21	136:3 137:2	created 27:23
congratulations 175:8 176:9,17	consistency 81:10	continuum 56:14	144:21 152:12	creates 71:20 186:18
Congress' 120:13	consistent 48:19 50:11 80:21	contrast 156:6	152:24 153:1	creating 108:25 164:1 170:3
connected 57:21	139:18 165:25	contribution 13:18 22:21	154:8 159:2	171:11 172:25
connection 186:19	consolidated 89:12,14	24:2	180:4	186:18
consent 135:9	169:23	contributions 23:5	cost-effective 85:17 88:22	cries 19:25
consequence 159:19	consolidation 68:23 163:11	control 98:9 123:23 166:18	costly 89:25 108:24 134:13	criteria 34:2 42:19
consider 8:11 19:10 20:11	163:24	181:19,25	costs 88:5 91:12	critical 16:21 61:8 91:11
31:13 37:18	constraints 42:8 83:8	controlling 138:4 166:17	96:18,20 98:2	146:23
38:7,13,24	consultant 178:4	166:17	122:20 125:17	critically 105:9
39:4 40:7,10	consultants 101:18,25	controls 115:16	134:2 180:9	crop 54:21
40:13 41:1,16	163:6,11,14,18	conundrum 39:16	counsel 60:23 62:22 92:4	cross-border 93:17 94:23
42:5,12 60:12	163:24,25	convenience 110:18	171:6 190:9,10	106:6 114:18
61:25 66:23	164:4 177:21	conversation 17:18 20:19	count 96:15	CRR 190:15
71:17 73:3	177:21	82:5 178:13	110:22	culmination 34:9
76:1 80:15,25	consultation 109:12 112:9	179:10	country 15:7 65:24	cumulative 67:2 75:22 76:2
88:16 101:21	consumer 49:8	conversations 178:25	couple 19:24 77:1 117:20	78:6
117:8 139:8	consumers 47:18	convey 27:3	127:19 134:9	curiosity 164:11
167:21	contained 189:10	coordinate 158:3	152:8 183:5	curious 167:11 176:3
considerably 24:10	container 111:16 138:15	coordination 81:12	184:1 188:2	current 31:16 38:7 52:17
consideration 14:7 21:21	contemplated 105:5	core 17:23 123:13	courage 114:17	61:3 98:5
48:17 53:10	content 146:18 188:13	corporate 12:11	course 7:24 16:20 18:12	100:4 110:15
185:24	context 16:17 61:9 72:22		21:7 27:9	currently 14:15 22:8 31:18
considerations 63:11 73:6			29:14 144:1	32:10 79:17
94:13 98:20			156:25	87:25
			Court 190:2	CUSIP 69:11,12 72:19 127:21
			cover 60:9	128:2
			coverage 123:1 157:10 158:15	
			covered 146:12	

CUSIPs 69:11 69:15 70:1,9 70:12,18 72:5	50:15 52:8 54:13 61:14,18 63:5,8,15,18 63:18,21 65:20 67:24 69:21 70:21,25 73:13 74:9 75:7 77:5 77:21 81:6,9 104:17 129:19 130:22 131:23 132:2,3,7,7,13 132:14 133:5 134:3,18,20,21 135:3,4,8,10 135:17,18,23 136:15,17,17 138:2,4,12,23 144:9,21,23 145:1 155:9,10 155:11,21 162:8 169:24 170:1,2,7 175:18,19 177:12 179:1 180:4,8	days 8:19 97:8 137:16 174:19 DBQ 90:4 DBQs 90:23 deal 39:15 41:8 102:5 173:15 dealing 94:16 109:17 dean 130:1 dean's 130:1 Dear 109:12 debate 27:19 157:7 debates 7:25 8:8 debt 33:5 37:2 decade 107:21 decades 7:20 19:24 92:7 December 29:16 32:2 decent 147:1 decentralization 143:24 decide 19:5 25:16 77:13 deciding 121:17 decision 72:1,7 107:15 decisions 19:8 19:19 67:2 114:10 decline 35:8 decrease 133:10 decreasing 97:18 134:15 deep 43:14 46:23 63:14 116:8 deeper 94:12 define 14:15 defined 42:23 definite 64:12 definitely 55:6 118:5 127:12 127:21 129:5 167:4 186:15 definition 14:12 74:20 80:15 117:21 129:2	146:21 158:22 degree 99:10 delegate 111:21 deleterious 186:25 deliberate 130:21 deliver 97:1 demand 29:25 34:20,21 democratized 155:16 demonstrate 96:7 demonstrates 97:17 Department 71:15 130:3 depending 128:7 132:5 136:2 142:21 142:23 depends 75:1 149:2 deployed 106:3 depository 111:25 Depot 135:14 136:11 DEPs 47:15 depth 46:21 128:22 DERA 89:1 158:25 derivatives 87:14,20 88:3 113:14 152:18 153:10 derived 170:2,3 described 19:2 117:18 159:7 design 18:15 31:25 32:25 37:23 38:3,10 93:7 149:16 183:23 designated 97:12 designed 10:3	despite 74:9 detail 49:2 63:24 149:23 detailed 175:13 182:21 details 149:2 182:21 determine 67:12 76:21 determined 70:14 detriment 132:19 detrimental 181:24 develop 12:5 22:10 81:21 83:16 developed 31:24 37:23 developing 47:5 78:19 105:25 development 32:24 developments 8:10 16:3 100:17 125:6 devil 149:2,23 devoted 31:9 dialogue 15:17 56:6 die 159:21 difference 187:18 different 9:9 66:18,20 86:14 95:6 100:10 103:7 104:6 107:13 121:3 138:20 140:7 150:14 153:25 155:6,8 159:25 160:1,1,4 161:6,15 164:16,19,23 170:14,16 174:6 183:9 differential 10:3 22:15
<hr/> D <hr/>				
D 6:1 D.C 1:25 65:22 189:5 daily 15:5 103:16 Dalia 99:15 damage 77:16 dare 55:21 57:5 data 7:13,21 8:14,16,17 9:3 9:16,25 10:5 10:13,16,25 11:2,9,15,16 11:18 31:1,4,6 32:13 47:5,24 48:4 49:3,3,9 49:10,18,20	data-driven 54:11 database 70:5 70:13 databases 70:17 date 25:7 46:19 46:25 88:17 122:17 189:4 dates 41:21 daughter 177:3 daunting 117:25 Dave 2:17 4:22 114:22,24 115:9 116:11 116:15 129:8 129:14 153:15 157:1 Davis 4:18 day 25:19 47:8 58:4,7 73:18 109:16 133:22 139:1 day-to-day 103:18	days 8:19 97:8 137:16 174:19 DBQ 90:4 DBQs 90:23 deal 39:15 41:8 102:5 173:15 dealing 94:16 109:17 dean 130:1 dean's 130:1 Dear 109:12 debate 27:19 157:7 debates 7:25 8:8 debt 33:5 37:2 decade 107:21 decades 7:20 19:24 92:7 December 29:16 32:2 decent 147:1 decentralization 143:24 decide 19:5 25:16 77:13 deciding 121:17 decision 72:1,7 107:15 decisions 19:8 19:19 67:2 114:10 decline 35:8 decrease 133:10 decreasing 97:18 134:15 deep 43:14 46:23 63:14 116:8 deeper 94:12 define 14:15 defined 42:23 definite 64:12 definitely 55:6 118:5 127:12 127:21 129:5 167:4 186:15 definition 14:12 74:20 80:15 117:21 129:2	146:21 158:22 degree 99:10 delegate 111:21 deleterious 186:25 deliberate 130:21 deliver 97:1 demand 29:25 34:20,21 democratized 155:16 demonstrate 96:7 demonstrates 97:17 Department 71:15 130:3 depending 128:7 132:5 136:2 142:21 142:23 depends 75:1 149:2 deployed 106:3 depository 111:25 Depot 135:14 136:11 DEPs 47:15 depth 46:21 128:22 DERA 89:1 158:25 derivatives 87:14,20 88:3 113:14 152:18 153:10 derived 170:2,3 described 19:2 117:18 159:7 design 18:15 31:25 32:25 37:23 38:3,10 93:7 149:16 183:23 designated 97:12 designed 10:3	despite 74:9 detail 49:2 63:24 149:23 detailed 175:13 182:21 details 149:2 182:21 determine 67:12 76:21 determined 70:14 detriment 132:19 detrimental 181:24 develop 12:5 22:10 81:21 83:16 developed 31:24 37:23 developing 47:5 78:19 105:25 development 32:24 developments 8:10 16:3 100:17 125:6 devil 149:2,23 devoted 31:9 dialogue 15:17 56:6 die 159:21 difference 187:18 different 9:9 66:18,20 86:14 95:6 100:10 103:7 104:6 107:13 121:3 138:20 140:7 150:14 153:25 155:6,8 159:25 160:1,1,4 161:6,15 164:16,19,23 170:14,16 174:6 183:9 differential 10:3 22:15

differently 8:23 57:7 145:22	53:8	distill 149:14	187:6	drop 170:19
difficult 18:5 55:4,23 67:11 77:10 78:15 88:1 98:23 99:7 100:2 111:15 133:14 153:6 160:9	disclosure 19:7 19:15 38:4,21 42:6 75:14 168:23	distillation 181:18 182:1	dollar 134:2	Dublin 108:16
difficulties 58:2 85:11	disclosures 44:23,25 45:1	distilling 56:21	dollars 64:15 140:5	due 24:11 33:5 35:7 36:5 37:8 47:23 68:8 90:1,15 102:6 102:15 162:6
dig 63:22	discovered 165:18	distinctions 186:4	domestic 93:2 107:5	Dugast 133:2
digest 169:13	discretion 146:8	distinguish 178:7	domicile 107:12 108:12 109:21 110:6	Durbin 3:5 46:4 46:7 50:4 175:6,7
digital 9:4 10:1 11:6 22:2,14 47:14 96:23 97:1,13 131:14	discretionary 80:17 128:15	distinguishing 177:15	domiciled 108:15	duty 103:20 157:17
digitally 53:1	discuss 7:9 25:1 25:23 33:5 34:2 94:7 101:15	distribution 106:6 107:14 108:9 110:11 113:4 115:5 124:3 142:11 142:15 144:1,6 145:5 162:1,13 162:14 163:8 164:15,18 165:8,11	dominant 144:4 169:5	dynamic 19:20 91:15
diligence 68:8 90:2,15 102:6 102:15 162:7	discussed 30:5 30:12 32:21 120:5 128:1	diversification 40:18 42:12	dominate 132:19	dynamics 162:2
dimension 155:6 155:8	discussing 94:21	diverse 16:22 60:9 93:11 124:25 125:13	dominating 132:13	<hr/> E <hr/>
direct 70:2 72:3 72:11 112:5,20 175:13	discussion 4:16 5:3 6:23 16:13 18:15 22:22 23:19 25:4,6 58:25 59:17 69:7 164:7 167:13,15 170:21 171:3 174:22 176:13 181:16 182:14 187:20	District 190:1,3	dovetails 46:17	E 4:1 5:1 6:1,1
direction 90:11 141:20	discussions 14:3 15:14 25:8 26:6 27:7 49:15 182:20 186:2,15 188:1	dive 63:15 94:12	downward 99:17	E&Y 100:1
directives 109:9	disfavoring 145:6	diversity 124:19 124:20,22 175:2 184:6	Draeger 3:4 4:17 56:25 58:22 59:18 114:14 129:8 146:3 155:2 156:20 164:10 166:1 167:10 180:15	EA 72:15
directly 25:17 41:3 70:18 81:3	disintermedia... 162:14	document 34:13 113:8,10	drafted 152:22 153:12	earlier 50:22 51:5 53:17 98:17 105:15 127:21 132:10
director 2:8 20:23 83:4 91:20 99:15 115:2 130:3	disorganized 146:4	documents 122:24	drafting 26:18 152:15	early 82:25 97:8
directors 38:21 83:7 88:20 89:20 90:21 91:22 111:12 111:18,21 112:15	disposal 75:7	division 2:8 23:9 30:21 99:15 128:12 151:3 161:3 185:23	drafts 26:25 43:9	earnings 136:12
disadvantage 166:12	disproportion... 148:3 149:9 174:25	division's 23:12	dramatically 66:18	easier 124:24 125:20,20 156:9
disadvantaged 80:2	disproportion... 156:8	document 34:13 113:8,10	draw 46:24 58:5 132:6	easy 39:6 104:22 125:20 146:5 182:16,19
disbursement 37:12	disruptive 48:11	document 34:13 113:8,10	drawbacks 116:10	echo 88:24 175:7 182:10 186:3 187:2
disclosed 40:11		document 34:13 113:8,10	drawdown 41:11	ECO 127:8
		document 34:13 113:8,10	drilled 66:2	economic 7:15 30:21 72:6 73:21 186:7
		document 34:13 113:8,10	drive 89:23	economics 99:8
		document 34:13 113:8,10	driver 90:2	economies 115:15 129:19 133:9,10 136:25 139:21 141:10 144:2
		document 34:13 113:8,10	driverless 8:3	economy 7:12 7:24 141:21
		document 34:13 113:8,10	driving 98:18 135:11 139:21 186:16,24	

ecosystem 50:25 147:20 159:12 159:16,20	41:10 64:21,25 65:1 66:12 126:11	159:23	entertaining 106:21	establishment 13:6
Ed 2:10,21 6:18 12:14 15:24 21:4 23:2,17 28:23 43:17 46:7 53:12 60:16 62:11 94:4 116:18 146:8 149:20 155:6 169:10 171:3 176:8 179:13 180:15	either 8:10 99:22 143:25 154:15 158:2 187:7	endeavoring 46:24	entire 22:19 27:23 44:2,8 61:7 82:6 103:10 111:4	estate 33:4 37:3 estimate 133:25 estimated 36:19 et 11:13 49:14 ETFs 39:24 Europe 92:22 164:20
Ed's 59:24	elects 27:17	endorses 28:3	entities 73:24 170:13	European 71:25 72:6 107:24 108:5,17 109:4 114:4
EDGAR 138:5,6	element 175:18	endowments 32:18	entities' 17:21	evaluating 20:4
editing 27:12	eliminates 121:6	energy 153:23	entity 31:14 74:4,21	ever-increasing 67:22
educated 44:16	eloquently 117:7	enforcement 53:3	entranceway 109:4	everybody 46:8 54:6 58:8,13 58:14 126:25 152:7,25 171:19,25
education 44:18 45:2 48:23	email 57:7 184:11,22	engaged 15:5 30:20 82:8 122:9	entrants 84:18 85:11	evaluating 20:4
educational 61:8 129:13 176:14	emails 24:5	engagement 9:4 10:1,6,12,18 22:2,14 47:15 48:1 49:5 50:15,21 96:23 105:8 112:17	Entry 47:17	ever-increasing 67:22
EEA 72:10	embedded 69:18	engines 140:4,10	enure 125:16	environment 46:8 54:6 58:8,13 58:14 126:25 152:7,25 171:19,25
effect 20:1 64:13 87:15 130:22 133:6 171:16 174:25	emerged 106:19	enhance 30:24 51:17 97:25 98:1 181:19,19 181:21	environment 63:9 67:5	environmental 50:12 141:8
effective 120:9 127:17	emerging 11:24	enhanced 112:24	environmental 50:12 141:8	Equally 127:6
effectively 67:6 67:21 69:24 76:22 96:20	Emily 23:8 43:7 185:3	enhancing 97:6 105:25 167:6	equities 35:5	equities 35:5
effectiveness 112:18	emphasizes 61:22	enjoy 188:17	equity 32:3 33:19 35:7 37:2,11,13 44:16 50:22 132:11,12	equity 32:3 33:19 35:7 37:2,11,13 44:16 50:22 132:11,12
efficacy 141:2	employee 190:10	enjoyed 170:25 180:12	equivalents 18:11 37:4	equivalents 18:11 37:4
efficiencies 9:6 123:20	employees 14:23 14:24 64:2,19 64:22,23,24 65:10 66:7,12 66:15 74:24 117:4	enormous 19:23 44:3 89:18	Eric 31:10 32:2 43:2 45:24	Eric 31:10 32:2 43:2 45:24
efficiency 40:9 50:8 60:16	employers 65:8	enormously 56:19	Erik 3:13	Erik 3:13
efficient 17:8	employing 53:5	ensure 6:9 10:23 11:6 13:8 19:11 28:13 30:22 39:12 91:14 102:16 112:3 140:16	escalation 104:3	escalation 104:3
efficiently 120:6	employment 65:12	ensuring 16:21 43:13 55:16 183:19	ESG 160:3 184:7	ESG 160:3 184:7
effort 18:9 24:13 97:25 106:16 121:8 123:7,12	enable 17:11	entail 107:14	especially 14:2 16:4 105:19 122:13 142:10 172:11	especially 14:2 16:4 105:19 122:13 142:10 172:11
efforts 20:18 24:16 70:8 92:10 97:14	enamored 104:22	enter 21:13 85:18 108:17	essence 9:25	essence 9:25
egg 129:3	encompassing 26:13		essentially 56:12 70:23 87:5 98:17 118:17	essentially 56:12 70:23 87:5 98:17 118:17
eight 14:24	encourage 9:8 12:1 15:8 20:10 51:18 57:17 63:22 66:23 147:7 184:11		establish 122:25 165:4	establish 122:25 165:4
	encouragement 187:19		established 119:24 120:12 120:17 122:18	established 119:24 120:12 120:17 122:18
	encouraging 98:2			
	endangered			

74:23 75:12	81:24 109:17	79:5 88:4,7,10	86:2 102:24	128:2,2,6
78:5 86:22	150:24	express 109:23	110:19 141:13	166:23
103:8 108:15	expected 68:7	expressed 29:9	facts 149:3	fellow 23:24
109:18 115:20	102:17 112:13	extended 57:12	fair 19:7 114:8	46:9 90:21
134:24 150:21	expenditure	58:15,20	fairly 84:7	116:17 120:5
151:3,8 162:3	67:14	extending 88:17	117:25 178:19	124:4 179:22
175:17,19	expensive 71:3	extensive 38:21	fairness 10:23	felt 30:23 48:15
examples 148:16	78:16 79:12	extent 89:15	faith-based	165:13
156:7	170:1,8	147:19 157:14	160:2	fewer 14:23
exceedingly	experience 7:5	157:16 161:25	fall 51:20 105:2	64:21,23 65:2
147:16	50:19 51:17	163:10 166:21	139:4	66:14
excellent 23:5	85:9 97:7 98:1	external 57:8	falls 152:19	FICA 90:11
95:22 175:9	100:23 110:1	extra 140:23	familiar 84:23	fiduciary 17:15
excess 37:7	110:14,17	extraordinarily	176:11	62:25 157:17
exchange 1:1,23	114:25 118:24	55:13 168:18	families 84:14	field 81:1 137:3
2:3 75:13	128:18 132:6	extreme 154:16	91:8 162:6	138:8 159:20
119:15 187:3	172:6	extremely 22:19	family 66:13	170:5
exchange-trad...	experienced	151:4 154:20	84:8,22 85:25	fifth 134:7
184:7	17:11 120:1	167:20	86:3,22,25	fight 181:8
excited 15:13	123:23	eyes 90:21	89:17 101:6	figured 168:14
114:21	experiences		far 57:12 135:19	figuring 183:18
exciting 7:11	83:18 93:14	F	158:20 174:7	file 63:17 122:23
executive 23:13	97:2	F 1:24	fascinating	filed 155:24
exemplary	experiencing	face 14:11 18:18	114:15 169:12	files 63:21
117:3	98:25	51:25 68:12	fast 98:14	filing 71:19
exemption 150:3	expert 130:7	148:7,24	faster 141:5	filings 156:3
187:9	134:25	Facebook 35:21	favor 45:13,19	final 24:8 25:1
exercise 138:17	expertise 93:7	faced 41:6 66:25	favoring 145:6	25:24 26:3,18
exercised 103:22	101:20 110:16	106:15 169:16	feasible 100:13	27:9 29:1
exert 142:24	125:22 129:24	faces 170:15	feature 108:11	33:22 34:8,12
exhibit 37:3	178:20,23	facilitate 17:21	features 9:8	54:6 129:15
exhibited 180:19	experts 29:8	19:19 20:5	22:16 113:17	153:24 167:24
181:6	48:22 49:8	119:17 127:14	federal 71:13	184:19
exist 10:12	52:4 91:2	facilitating 18:3	73:19 81:7,12	finally 26:24
106:22	124:8 179:8	39:5 120:15	fee 42:7 70:14	60:5 94:20
existing 51:20	expired 72:13	facing 8:1 13:16	70:24 98:20	106:4 110:23
51:22 53:3	expires 24:6	147:18	172:8	180:2
76:20 133:4	190:18	fact 24:3 46:14	feed 188:19	finance 8:9 9:6
exists 108:5	explicit 81:12	47:17 48:14	feedstock 49:4	130:2,3 143:10
151:20 158:10	exploit 135:20	51:6 64:24	feel 15:1 159:22	financial 11:25
exotic 113:14	143:21	70:19 86:20	168:7 181:5	49:9,11 50:3
expanding	exploratory	87:18 119:12	feeling 172:13	68:13 69:17
19:13 80:15	130:19 131:4	129:23 158:6	fees 36:17 39:1	75:1 81:8
expect 22:22	explore 73:25	159:11 174:5	40:4 42:6	124:1 125:21
27:20	explored 19:22	183:21	69:11,25 70:9	129:21 130:4,7
expectation 25:3	explosive 50:20	factoid 137:11	71:21 72:8	132:22 137:5
expectations	exponential	factor 141:14	73:1 96:17	139:23 140:3,4
75:24 76:3,8	134:9	144:3,5	98:24 99:17	140:10 160:8
76:17 78:7	exposure 42:23	factors 34:20	127:21,23	find 50:10 55:23

89:17 104:1	123:10 125:4,4	61:20 73:14	formal 13:6	112:11 113:5
109:4 136:16	125:9 147:3,7	89:10 117:10	43:18 44:10	118:22 119:19
137:14,16	147:8 150:8,20	124:15,18,22	113:1	frameworks
144:14 155:18	151:7,11	133:6 144:12	format 84:16	51:22 52:18
171:17	157:22 159:15	152:15 183:18	85:15,19	53:4
finding 55:10	161:20 166:16	186:6	155:24,25	framing 94:14
165:9	172:18 187:7	focused 22:4	156:12	171:5 183:19
findings 33:2	187:10,17	49:16 97:24	formation 120:4	frankly 55:21
fine 153:4 169:4	first 16:12 23:23	123:24 127:1	120:15 173:19	148:15 184:15
finish 44:5 62:6	24:24 26:5	188:10	formed 29:4,13	free 168:7
FINRA 172:4,15	29:4,23,24	focusing 62:12	former 13:4,5	freely 39:11
fintech 8:24	41:20 55:1	83:5 90:6	99:14 140:16	freeze 70:11
68:15	59:8 60:21	163:12	forms 49:24	freezes 68:20
fire 163:20	77:7 105:7,7	FOIA 140:25	155:23	freezing 143:1
fired 163:22	117:23 120:25	141:3	formulation	frequently
firm 14:16 54:11	120:25 131:10	folks 95:25	14:8	101:15
61:5 65:3 67:1	147:15 168:21	111:11 180:21	forth 8:19 56:8	friend 134:24
82:24 92:11,12	168:22 169:8	follow 15:15	56:10 112:11	friendly 138:7
92:15,21,25	174:16 180:16	106:17 146:6	113:15 126:6	frontier 177:12
93:14 98:5	first-time 51:7	following 29:6	148:11 162:5,7	FTP 140:19
102:24 107:17	firstly 34:18	72:17	166:25 183:24	fueled 19:22
114:17 117:9	37:17	fond 117:6	fortunate 60:22	fulfill 30:6 87:20
145:12,13,14	fit 82:2	food 8:20 170:25	forward 6:22	full 19:7 30:14
145:17 150:22	Fitbits 8:19	footprint 93:11	12:14 13:23	31:21 46:11
154:21 165:1	fitness 8:18	force 141:24	15:11 16:1	72:15 88:5
firm's 70:4	11:16	163:15	17:17 20:18	123:24 146:17
94:24 107:20	fits 86:21	forces 136:25	21:22 23:18	168:22
firms 11:25 15:1	five 35:17 57:8	141:8 145:21	24:18 98:14	full-time 122:11
16:8 17:6	100:6 112:10	186:7	183:22 188:1	fully 87:3
62:25 63:2,16	121:16 128:19	forcing 70:23	Foucault 133:2	122:17
64:11,14,17,23	five-minute	forecast 136:13	138:2	fun 133:17
65:7 66:6,19	168:12	forecasts 136:12	found 18:14	function 68:1
66:22 67:20	five-month	136:13	30:23 100:1	97:6 100:14
68:12,17,19	121:20 126:7	foregoing 189:8	133:2 168:17	112:2,3 123:14
71:23 77:3,4,8	fix 74:13	foreign 93:2,4	169:10 176:13	functions 17:10
77:12,19 78:2	fixed 41:23 67:7	106:7,14,19,22	foundations	67:22 68:5
78:15,19,21	79:5,9 80:1	107:4 108:22	32:19	fund 12:9 25:13
79:6 83:12	88:9 128:20	109:21 111:3	four 112:10	37:13 39:20,22
85:13,16,21	flexibility 24:12	164:14 165:2,3	117:15 121:16	40:19,22 41:25
86:11 93:10	41:17,19 73:20	165:23	126:4 173:7	42:18,20,24
94:22 95:8,15	184:16	forests 139:3	four- 121:19	57:1 60:12
96:3,19,24	flexible 41:21,24	forfend 160:18	frame 24:12	82:22,25 83:4
97:3,7,8,20	flipped 80:13	forget 28:14	56:12 121:20	83:4,7,10,13
98:3,21 99:2	floating 134:15	177:6	149:6	84:2,7,14,22
99:12,13 100:4	FLOP 134:14	forgive 163:16	framed 55:9	84:23 85:4,21
100:14 101:17	flow 41:9 121:2	form 28:1 42:2,3	78:4	85:23,25 86:3
101:19 106:19	focus 16:24	56:7 63:15	framework 38:8	86:5,22,25
116:8 117:6	34:16 47:11,22	100:4 138:23	44:22 51:21	87:6,24,25
122:14 123:9	48:14 51:19	148:6	110:24 111:25	88:14,18,19

89:7,11,13,17	funds' 41:22	134:22	46:2,3 55:18	governance 12:6
91:7,14,19,22	further 8:6	geographically	57:11,21 59:6	17:13 50:13
94:22 101:6,8	22:12 27:18	93:11	59:8 60:16	81:22 112:8,20
108:12,25	29:14 33:10	getting 6:22	62:3 63:7,23	118:22 120:10
109:21 111:5	41:1 95:18	43:15 89:4	65:18 69:2,8	governance's
111:20 112:2	170:6 190:9	99:8 102:16	79:11 87:15	83:5
112:20 113:11	further 157:16	108:20 114:4	88:24 93:12,18	governing 52:18
113:18 115:1,1	future 130:25	121:21 125:2	99:23 104:4,12	53:4
115:16 116:5	142:22 145:20	184:10	115:10,19	government
116:22 118:19	174:24	Gilbert 3:6	121:25 124:11	127:14
119:3 121:5,10	G	44:12 170:19	126:14 127:19	governs 30:17
122:16 123:25	G 6:1	give 6:21 7:7	129:17 130:9	graciously
126:2 127:23	Gail 2:14 4:20	46:12 53:14	131:2,5,18,22	131:12
128:5,17,21,23	60:22 61:6,19	58:3 63:25	135:22 136:6	gradual 86:14
129:1,11,12,23	62:4,22 63:10	91:3 100:21	138:1,11	grapple 10:9
152:11 159:23	67:18 69:3	130:9 148:24	139:25 140:12	20:3 82:9
169:17 172:3	82:12,17 88:25	149:16 182:15	140:14 143:12	grateful 20:25
177:20	94:13 117:7,13	183:2 187:19	144:18 145:19	24:15 56:20
Fund's 83:2	127:20 128:10	given 31:1 51:4	149:12 152:24	59:5 83:20
84:5	147:24 149:21	70:16 76:6	153:2 154:13	181:14 183:17
fundamental	151:12	95:15 98:23	163:2,20	gravity 158:13
143:5	gallery 44:11	107:11 117:5	166:21,23	gray 56:16
funds 4:15 14:4	gamelike 22:16	135:9 148:15	167:24 168:14	great 21:15
16:14,20 17:4	Garcia 3:6	152:13 157:6	168:20 169:13	22:20 28:1
17:18 18:10	44:13	158:13,17	175:11 178:2	55:3 82:17
22:23 32:18,20	Gary 2:4	161:1 168:5	182:17,17	91:25 114:19
33:9,17,18,19	gathering	giving 95:25	183:2 184:15	115:9 116:9,21
33:20 34:6	120:21 122:1	140:3 154:22	gold 169:25	129:9 146:9
36:8,9,12,14	GDP 34:25	GL 138:19	golden 173:24	147:11 156:4
36:16 37:14	gender 11:4,7	glad 55:5 129:16	Goldstein's 30:3	161:14 163:9
38:14,15,17,25	general 37:15	global 63:1	good 15:24 21:5	164:7 167:9,15
39:5,11 40:10	60:23 62:22	66:22 67:17	46:7 54:6	170:9,18,23
40:15,16 41:2	89:4 91:4 92:4	go 39:8 40:25	57:23 58:14	171:21,25
41:8,10,16,18	generally 87:10	49:1 54:6 59:7	86:19,22 93:21	174:12 175:4
42:1,3,4,15	177:14	63:23 121:10	115:22 143:23	177:1 178:9
58:24 59:16	generating 86:3	121:16 131:19	146:17 148:16	179:11 185:12
85:4 87:1 88:9	144:2,5	132:17 135:5	150:18 152:19	186:14 187:1
92:17,18,23	generation	136:8 144:6	161:19 166:13	188:5
101:9 111:1,17	137:8 163:1	159:8 161:11	168:5,18	greater 9:6
114:23,24	genetic 137:13	162:19 164:9	170:21,25	11:14 89:14
115:8 116:25	Gensler 2:4 6:14	167:24 168:1	171:4 172:3	97:1 99:10
117:16 118:10	6:16,18 12:18	168:10 169:13	178:1,2 179:19	133:15 165:11
119:16 125:10	19:2 22:3,25	185:21	182:8 187:20	greatest 134:14
125:16 126:16	46:15 47:13	goals 120:13	Google 35:20	137:6,20
129:3,20	59:20 62:12	goes 103:13	132:9 133:21	greatly 20:17
154:19 159:14	81:19 116:16	115:24 124:3	Googles 142:23	82:14
159:25 163:7	131:10,15	141:20 185:18	gotten 182:25	Greff 3:7 176:8
164:17 177:24	Gensler's	going 7:2,4,25	188:12	grocery 162:19
181:15 182:9		30:13,15 45:8	govern 51:23	ground 165:24

group 23:22 43:25 44:2 53:13,19 56:3 56:18 102:2,8 115:24 146:14 164:1,9 169:9 173:12 181:7 183:7	hand 46:16 58:25 129:6 155:4 156:19 159:8	88:25 96:16 130:20 132:10 169:1 186:15	hire 87:11,17,19 hired 67:16 hiring 113:23 141:15	149:13
groups 87:6	handle 100:18	hearing 12:15 13:23 15:11,17	historical 11:2	<hr/> I <hr/>
grow 64:1 107:25 179:3	handled 104:7	16:1 21:22	hitting 64:2 135:13	i7 137:17
growing 20:13 75:6 81:13,19 83:4 85:13 134:8	handling 103:9	69:10 85:19 186:21	hold 8:6 36:13 79:7 81:3	IAA 61:1,7,12 62:23 63:13 82:4,6 158:3 179:23
grown 117:1	hands 54:4	heavily 71:4 91:23	holding 57:14	IAs 53:4
grows 100:9	happen 126:3 131:23	heavy 90:1	holdings 49:12	IBM 132:9 133:18 134:4 163:19
growth 15:9 16:25 19:23 35:1 50:20 54:13 65:12 92:12,19	happened 56:23	held 1:8 32:15 40:18	hollowing 169:19	ICI 90:12,14
guard 101:23	happening 54:16 103:17	help 12:12 27:3 30:22 39:15 48:22 52:4 67:25 89:6 104:23 125:15 148:8 149:5,11 149:17 178:23	Home 135:13 136:11	idea 97:19 117:3 121:25 178:2
guess 133:8 134:14 139:15 141:8 148:17 154:18 163:12 163:13 172:2	hard 136:16 137:1 153:11 153:21 154:11 172:23 182:11	helped 32:7	homing 53:20 184:23	ideas 176:4
guessing 148:1	harder 99:12	helpful 18:14 106:25 109:2 148:20 151:4,6 151:24 153:14 155:1,3 156:8 160:20 186:4 186:10	Honestly 158:17	identification 71:18 72:4
guidance 43:12 59:25 78:1,4,4 78:8,12,19,22 109:9,13 113:1 183:23	hardware 139:7	helping 13:8 91:14	hood 131:5	identified 117:14
guessing 148:1	hardy 48:10	helps 169:4	hope 17:19 24:13 27:11,20 28:3 46:12 57:15 85:22 88:15 91:9 184:16	identifiers 69:25
guidance 43:12 59:25 78:1,4,4 78:8,12,19,22 109:9,13 113:1 183:23	harm 160:12	herding 11:19	hoped 104:14	identify 52:20 69:16 102:12
guidance 43:12 59:25 78:1,4,4 78:8,12,19,22 109:9,13 113:1 183:23	harming 148:14	Herren 2:6	hopeful 101:22	identifying 43:13 102:7 107:1,7
guidance 43:12 59:25 78:1,4,4 78:8,12,19,22 109:9,13 113:1 183:23	harmonization 33:14	Hester 2:5	hopefully 46:17 48:11 116:3	illustrate 14:19
guide 54:3	harvested 136:10,15	HFS 96:8	hoping 147:23	illustrates 85:10
guiding 30:6 31:23	hate 86:4	high 32:17 79:18 139:13 142:25 183:17	host 6:12 28:11	imagine 135:11 161:23
guys 132:13,18 138:11	Hathaway 35:24	high-level 118:2 151:1 183:23	hosted 31:10	imagined 105:7
<hr/> H <hr/>	hats 65:5 122:16	high-quality 80:7	household 50:10	imaging 138:13
half 79:18	haystack 134:20 136:6,18,20	higher 37:3,11 113:13 161:20	housekeeping 28:7 58:12	imbalance 20:13
Hall 3:8	hazard 154:18	highest 145:1	hovering 148:22	immune 8:9
Hamacher 2:15 82:21 83:24 152:9	head 18:6 50:10 96:14 115:4 148:23	highly 87:10	huge 131:15 158:6	impact 22:13 67:2 69:1 73:21,23 74:1 75:22 76:2 78:6,22 129:18 141:9 154:7,13 160:25 161:5 161:11
Hamilton 31:5 31:13	headlines 64:5	highs 64:3	hugely 54:10	impacted 158:7
hamper 51:14	heads 45:6,7 168:8		human 75:1 132:4 139:11 141:16,18,23 143:14,15,21	impacting 34:20 60:10
	healthy 47:22		human-assisted 143:6,20	impacts 16:19 22:5 161:3,23
	hear 6:10 12:22 16:5 17:20 25:18 70:11 71:5 72:25 78:21 174:23 175:23 186:10 187:4,12,22		hurdle 123:4	
	heard 24:25 49:7 61:16 69:9 72:14		hurdles 177:16	
			hurry 53:17	
			hurry-up 57:2	

imperative 74:19	180:24	50:19 52:9	50:17,23 51:25	31:22 41:19
implementation 81:16 93:8 150:17 152:5	incentive 36:17 39:1 155:23 156:1	53:1 70:10,15 78:25 99:9	52:4 55:14 56:5 61:1,9,15 61:22,23 62:2 63:3,8,12 64:1 64:6,18 73:13 83:15 84:25 85:14 89:11,13 91:15 94:15 95:20 96:9 98:25 99:2 115:1,13 124:18 126:25 129:11,23 130:8 133:7,11 144:10 169:20 170:14,15 175:2 177:17 178:6 186:8	105:3 initially 153:12 initiate 71:15 initiative 95:25 initiatives 187:6 innovation 49:6 55:12,20 132:20 148:10
implementing 150:24	incentives 177:22	incredibly 21:12 170:1,1,8	115:1,13 124:18 126:25 129:11,23 130:8 133:7,11 144:10 169:20 170:14,15 175:2 177:17 178:6 186:8	innovations 17:7 51:16 innovative 91:15 119:23
importance 62:16 165:18 179:6	incident 12:12 105:13	incumbent 15:7 incumbents 8:25 incur 88:4	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	input 22:18 25:19 26:23 27:1,19 28:1 132:4 167:21 168:18 184:19 187:1 188:9,14
important 9:12 14:5 16:14,17 16:24 18:20 20:13 22:24 48:16 53:20 54:10 55:1 62:18 75:24 76:18 77:8 82:5 85:10 94:7 96:11,15 98:7 101:3,10 101:13,14 102:7,16 103:11 104:10 104:24 105:1,9 106:3,25 110:19,21 112:19 120:1 124:17 127:6 142:16 143:13 159:13,15 178:21 179:8 180:5	include 30:9 34:24 35:23 42:18 49:25 65:2 80:16 94:11 113:22 121:20	independence 115:17 124:12 180:20 181:6 181:20,21,24	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	instances 52:12 instilling 111:10 institutional 40:5,23 66:22 79:14 157:8 172:19,20 177:18,24
importantly 55:14	includes 60:2 113:12 126:19	independent 27:2 38:20 75:19 85:25 124:10,14 125:24	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	instance 9:18 90:12
impose 51:13 87:16 90:24 113:21	including 10:2 32:16 33:17,19 34:4 36:6,8 38:19 41:17 52:14 70:3 72:9 75:19 77:20 82:4 92:21 98:10 112:14 114:16 115:1 120:11 138:20 181:20	index 35:16 72:23 128:2 145:15 166:19	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	instances 52:12 instilling 111:10 institutional 40:5,23 66:22 79:14 157:8 172:19,20 177:18,24
imposed 52:24	incorporated 27:21	indexing 166:4 166:22	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	instruments 69:17
imposes 15:3	inclusion 7:16 101:12 184:6	indicating 74:10	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	insurance 32:19 123:1
imposing 72:3	inclusive 26:21	indicator 113:12	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	insurmountable 171:11
imposition 76:15	income 79:5,9 80:1 88:9 128:21	indirect 70:2 72:4,9	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	integral 36:9 41:7,18 42:1,3 integrated 78:10 Intel 137:17
in-house 104:20 178:20	increased 9:5 138:22 139:5,6	individual 7:7 9:2 30:17 47:8 51:3 66:2 79:4 81:4 112:17 113:25 114:8 128:14 173:11 174:11	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	intellectual 180:19 181:11
in-person 29:5	increases 135:25 136:3 139:8,9	individual's 49:12	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	intelligence 7:21 11:12 131:13 135:2 139:2
inadvertently 140:18	increasing 29:10 73:1 79:20 80:3 95:2,7 124:18,22 163:6	individualized 9:8	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	intelligent 124:8
inappropriate	increasingly 49:18,21 50:4	indulge 26:1 industrial 117:9 industry 11:25 13:12 17:7 29:8 30:2 31:3 35:2,12 47:7 47:23 48:2,21	175:2 177:17 178:6 186:8 inefficient 90:5 inexperienced 51:7 infancy 98:13 inflation 35:1 influencing 163:8 inform 13:20 19:8,16 information 23:14 47:14 51:10 61:21 102:12 104:17 113:10 135:21 136:7,9 138:18 140:19 141:1,3 156:10 160:8 173:23,23 174:1,3,10,13 175:5 185:22	

intend 36:9	138:24	80:17 83:11	38:17 40:5,6	19:6,11 72:12
intended 27:3	interruption	85:2,6,7 92:10	40:24 41:3,6	79:9 80:20
30:5	166:12 171:12	97:5,15 106:24	42:9,15 44:15	120:8 155:10
intense 174:20	174:11	107:9 113:6	51:8 55:13	issues 11:11,20
intent 79:6	introduce 24:22	116:2 118:12	80:10,16 85:1	13:16 16:6
interact 186:11	58:24 60:14	119:23 122:10	119:18 120:14	20:3 26:11
interactions	62:7 82:20	126:20 132:1,3	125:13,22	27:18 43:24
22:17 49:25	92:1 114:21	132:21 137:4	127:4,16	50:13 54:20
51:19 52:13,25	introduced	139:23 140:7,9	128:15 138:9	62:13 71:20
interconnecte...	131:12 133:19	141:17 143:2	140:21 148:11	73:4 79:16
11:19	134:4	148:11 165:13	148:13,14	80:8,13 84:2
interest 29:9	introducing	180:11	156:15,16	89:21 94:7,15
30:7 40:11	116:21	investments 4:7	159:18 160:2,3	102:5 109:16
62:24 63:24	introduction	13:25 17:25	177:19,25	109:18 112:7
79:3 101:24	62:9 93:23	28:21 29:2,11	179:22 181:10	147:18,21
131:16,22	intuitive 50:18	30:11,15,18,25	investors' 10:19	161:15 166:9
173:11	inventory 80:11	31:2,18,21	19:13 32:18	167:19 171:7
interested 14:2	invest 9:9 19:6	32:6,8,10,15	invite 145:4	177:17 183:19
16:5 17:2	33:18 40:15	33:4 34:22	invited 47:18	184:14
22:13 54:23	42:21 120:7	35:4 36:5 37:6	inviting 62:10	items 100:19
165:14 186:21	153:22 177:6	37:7,20 38:1	69:7	
190:12	invested 41:2	38:14 39:17	involve 53:6	J
interesting 9:12	investigation	40:18 42:9	102:19	Jackson 140:16
54:10 55:3	170:7	67:7 113:14	involved 84:9	Jane 2:23 60:3
95:14 107:22	investing 41:9	119:3 184:4	86:12,15 89:22	159:8 170:10
132:23,25	42:14 44:19	investor 17:23	103:7 106:13	178:18 180:2
133:12 137:11	50:11 51:2	30:10,17 31:19	113:13 121:9	January 29:6
141:12 146:1,7	67:4 71:11	36:5,21 38:2	129:11	30:4
166:14 174:8	87:10 93:8	39:7 42:24	involvement	Jay 13:5 23:8
175:20 176:23	100:21 105:18	51:18 113:9	101:9	59:23 185:4
186:2	159:12	115:17 125:14	involving 85:6	Jeff 170:19
interestingly	investment 2:9	128:15 149:25	Ireland 109:10	182:10
72:16 117:10	4:19,20 9:10	150:1 152:10	109:11	Jeffrey 3:12
interests 10:11	9:15 10:21	160:5,15	issuance 79:10	Jessica 185:3
interim 29:18	20:24 21:19	171:10 172:25	issue 39:23	Jivraj 3:9 43:2
34:8	22:10 25:2,25	173:11,14,16	56:12 69:8	45:23
intermediaries	26:7 29:3,12	181:21	80:24 81:2	job 53:20 82:17
125:21 165:9	34:3,5,22	investors 9:2,9	89:10,10 97:9	94:14 116:21
intermediary	36:25 38:7,19	9:19 10:10	104:1,3 105:1	170:23 171:21
121:21 156:1	38:20 39:12	13:11 15:6	110:21 149:4	176:17
internal 69:21	40:2,3,8 41:5	16:21 18:4,18	152:14 173:16	jobs 58:4,7
70:13 101:20	41:13,19,23	19:1,5,16 20:2	177:11 180:10	Joe 3:18 32:21
115:16	42:14,20,22	20:7 29:11	182:10	33:25 43:3
internally 68:12	44:22 47:16	30:8 31:17	issued 22:1	45:23 171:22
96:2	51:15,24 52:15	32:10,16,17	39:10 51:11	187:3
international	52:19 60:11,24	33:21 34:4,21	72:1 78:1	John 2:22 3:16
92:16 106:9	62:20,25 64:11	34:23 35:3	issuer 12:10	32:6,9 43:3,3
internet 7:19	65:4,25 66:11	36:4,15,20	157:20	45:23,24 173:4
interpretation	66:21 68:2	37:18,25 38:16	issuers 12:11	174:15

join 12:20 28:3 69:7 94:2	KIID 113:9	86:16 147:17	177:23	104:4 118:3
joined 62:21	kind 11:5 14:16 62:9 93:23	landscape 30:17 31:16 48:13	law 119:21 134:16 166:25	123:4 136:18 138:8 150:12
joining 6:15 15:25	115:12 137:11 138:19 153:8	73:13 76:13 162:16	laws 19:4	178:23
joins 184:5	154:15 164:3 172:20 173:12	Lane 31:5,13	layer 40:4 41:4 112:3	levels 128:7
Josh 31:11	178:7 181:8	language 110:18	lead 11:14 99:17 105:4 141:24	leverage 100:22 110:16
judge 152:12	kinds 68:24 117:6	large 17:6 35:10 40:7,23 63:1	leader 145:17 166:5	leveraging 17:7 105:23 141:15 165:20
July 29:20 34:7 49:2 184:6 190:19	know 7:1,24 12:6 24:4	65:9 66:19 85:13 141:25	leaders 23:4 56:5 60:25	liability 71:20
June 100:1	44:21 54:14,25 56:2 59:6 74:6	142:20 145:11 145:12,14,16	leadership 23:3 65:2 94:5 174:17	license 71:18
jurisdiction 109:1 110:2 111:3 113:20 113:25 165:2	84:17 91:2,18 116:1,22 131:6	151:9 155:18 164:1,5 178:19	leading 59:24 60:1 62:23 162:20	licensing 69:11 69:25 70:8 71:16 73:4
jurisdictions 113:19	132:5,14 133:19,20	largely 16:15 35:3 37:8 61:23 109:8	leads 68:21 163:12	life 41:10 92:2 95:3
Justice 71:14	134:13 135:13 138:24 140:11 140:15 142:15 142:15 144:8	larger 65:7,8 85:23 87:5 88:14 97:10 99:13,21 100:25 110:22 120:9 157:8 162:4 165:1 172:12	learn 179:21,25 learned 179:24 learning 7:22 131:14 135:1 138:25 143:20	light 10:10 lightning 25:18 167:25 168:10
<hr/> K <hr/>	157:18,21,24 158:2,5,9,12 160:3,24 161:3 162:18 163:18 164:18 166:15 166:20,20 167:11 168:2 169:18 171:2,4 172:15,22 174:25 175:3 175:17 177:11 177:23 180:9 180:20,25 181:7,24 184:14 185:10 186:3 187:13	LaRoche 60:4 163:5 178:12 LaRoche-Mor... 3:10 lastly 11:9 31:22 32:13,21 34:7 36:24 38:6 42:11 43:10 120:16 late 11:22 27:13 51:11 188:16 lately 69:10 latest 134:13 136:12 137:6 137:19 launch 84:10 85:4 92:21 94:24 106:13 107:15 launched 84:15 107:18 launching 84:22 118:19 126:2	leave 47:2 60:18 114:11 led 25:6 26:6 28:1 92:8 Lee 2:6 6:15 15:21,23 20:21 43:22 62:14 left 24:20 76:25 82:19 legal 17:8 30:16 92:9 116:2 123:25 179:2 lend 110:12 length 127:3 lengthy 34:11 Lerner 31:11 Let's 27:16 58:17 letters 33:25 56:7,9 188:8 letting 187:25 level 68:18 81:1 88:20 102:12 103:12,24	limit 39:3 42:17 limitation 38:14 limited 35:3 50:1 56:17 77:3 78:25 80:11 88:3 89:25 162:21 165:7 183:15 line 34:1 44:5 63:25 183:21 lines 18:22 link 57:18 63:20 liquid 37:6 87:10 154:20 liquidation 41:14 173:18 liquidity 32:11 39:15,16 41:22 42:8 86:24 154:17 list 120:25 124:3 143:4 168:21 169:7 listed 35:8 listen 15:14 187:25 listening 12:1 156:20 listing 39:5,14
<hr/> Karen 2:13 4:19 60:22 61:6,19 62:4,19 69:5 73:11 74:9 82:5,12,18 88:25 94:13 117:7,13 127:20 128:10 147:24 148:23 151:14	knowledge 61:6 143:11 178:24			
Karen's 98:16 155:14	knows 185:8			
keenly 15:1	kudos 175:12			
keep 8:4 19:14 28:8,15 57:18 67:17 73:8 100:16 140:1 168:13	<hr/> L <hr/>			
keeping 13:19 70:4 88:2	lack 31:1 33:6 80:3 84:18			
key 14:7 30:6 37:15 38:4 45:2 86:2 90:25 110:5 113:9,16 122:6 124:6 135:24 171:14,16 183:20	laid 29:23 54:5			

litigation 163:17 163:17,23	168:7 177:23 183:22 184:21	138:7,25 143:20	120:14 127:15 132:1,3,17,20	17:1 18:3,11 33:6 35:4,7,18
little 7:13 24:12 58:4,7 67:19 91:24 94:12 95:15 132:4 133:17 159:22 160:6 171:3 188:9	188:1 looked 76:6 161:25 looking 13:23 15:10,25 21:22 44:11 54:4 85:17 95:9 96:19,24 103:23 104:21 108:7 136:22 150:12 151:21 151:25 161:4	machine-learn... 143:7 machines 139:12 143:19 macroeconomic 29:25 34:19 main 30:8 31:19 65:14 128:3 162:12 maintain 70:12 149:18 178:23 maintaining 149:7 major 109:25 majority 31:9 40:20 63:3 64:8,13 66:14 74:11 166:19 making 59:3 99:6 114:9 138:6 141:4 160:7 161:16 171:8 181:2 manage 28:11 64:14,16 65:11 66:4 68:9 70:25 80:19 92:11 100:13 111:4 116:1 128:19 184:17 managed 40:11 53:8 64:17 125:5 145:16 166:6 management 1:5 2:9 6:3,19 13:10 14:17,20 16:15 20:24 21:7 29:8 30:1 35:2 58:19 61:4 67:25 68:3 69:21 70:22 74:6 77:22 85:2 94:18 102:22 106:24 107:9 111:7 119:18	133:7 135:3 141:10 143:9 144:12 145:11 145:13,14 154:18 166:16 166:23 169:20 177:10 189:3 manager 87:21 118:12 122:8 122:22 123:5 123:15 124:11 124:25 131:25 155:18 manager's 122:5 managers 12:10 13:16,22 25:13 37:13 63:2 95:5 96:18 100:3 107:23 107:24 108:6 109:2,14,17,20 110:9 111:15 119:23 120:4,9 120:20,23 123:8,10,18,22 124:16 127:15 130:23 135:21 136:2 137:4 139:16,23 141:17 142:2 142:10,10,16 142:20 143:1 145:2,7,7 151:9 155:12 164:5 180:11 managing 23:13 66:3 99:6 146:25 147:4 mandated 44:24 119:21 127:24 manner 42:1 167:19 March 29:16 33:1 63:17 99:14 margins 98:24 market 13:11	39:15,24 69:16 79:1,19 80:12 85:18 106:14 108:2,12,22 120:18 121:1 132:12 160:13 173:18 175:19 181:3 marketing 7:6 7:16 8:22 9:1 10:3 22:15 67:23 106:18 115:4 marketplace 106:20 107:10 108:6 109:5 114:2 118:21 markets 8:13 11:13 14:6 18:19,23,25 19:23 20:1,14 39:6 77:4 79:5 92:24 106:7,10 106:23 107:4,7 108:14,18 164:14 Maryland 4:24 130:6 massive 54:12 85:5 Mastercard 35:25 matching 55:2 material 104:3 materially 164:16,22 materials 14:18 16:12 17:3 48:8 matter 10:9 170:24 178:1 189:3 matters 13:21 60:10 184:8 189:10 maturation
	lots 54:15 159:24 170:16 love 184:18 low 136:2 137:2 lower 15:9 98:2 118:3 125:18 147:2 163:13 loyalty 142:17 Ludwig 31:12			
	M			
	M&A 172:20 machine 7:22 131:14 135:1			

166:8	168:2,19,24	met 21:17	missed 183:1	Morningstar
maturity 79:7	179:18 188:20	metaphor	missing 75:3	82:22,23 83:2
maximize 24:19	188:22 189:3	155:13	mission 119:14	83:10 84:5,10
maximizing	189:11	metrics 74:22	127:13	84:21 85:9
9:19,20	meetings 23:16	158:23	MIT 7:14	86:1 87:1
maximum 42:23	24:8 26:8,17	Michael 3:5	mix 162:8	156:2
152:17,20	27:24 29:15	30:2 173:7	mode 57:2	Morningstar's
McGee 3:11	165:17 184:1	Microsoft 35:19	131:20	85:7 155:13,15
60:3 146:15	184:13 188:2	137:18	model 111:7	Morningstar.c...
182:4	meets 13:10	mid-size 123:10	118:10 133:1,3	155:17
mean 44:17 97:5	member 2:18	172:12	135:25 150:22	Morris 60:4
136:16 153:8	4:23 23:24	mid-sized 118:9	164:18 172:18	163:5 178:12
154:17 160:2	26:16 45:9	145:7	models 10:22	mortgage 11:18
183:24 185:8	57:9 89:16	mid-tier 122:14	11:1,12 66:21	motion 173:13
meaning 27:4	129:17 168:19	middle 88:8	68:3 150:9	motivations
79:22	members 2:20	139:22 153:5	moderate 152:4	177:22
meaningful	6:9 21:15 23:4	163:3	moderately	move 47:21 73:5
74:21	26:23 29:9	midsized 120:3	172:23	85:22 95:12
meaningfully	43:1 44:6	Mike 46:2,4	Moderator 3:4	102:13 104:18
164:19	46:10 57:16	50:4 53:18	4:17	106:9 108:3
means 80:9	59:10,25 61:2	54:2 55:9	modern 8:12	111:9 121:17
96:19 98:2	61:9 63:1 70:7	170:23 175:6	moment 45:10	moved 85:3
168:7	72:25 78:8	182:7 183:8	102:25 183:3	movement 90:11
measure 30:13	82:15 112:13	million 14:17,21	Monday 1:9	138:6
65:6 74:12	116:18 129:10	66:8 74:5,8	189:4	moving 51:13
75:3	173:20 180:17	80:19 129:1	money 6:25 66:3	76:24 100:10
measured 88:7	182:25	134:10 147:2	66:4 105:24	106:6 108:1
92:14	Members(cont	mind 59:11 73:8	monopolies	111:6 117:22
measurement	3:3	110:8 153:18	72:24	118:6 126:15
155:16	membership	179:9	monopolistic	164:13
measuring	46:11	mindful 19:17	170:13	multi 117:17
30:19	men 117:2 124:8	mine 134:25	monopoly 69:24	multiple 101:4
mechanics 77:21	mention 119:7	mini-bond 80:7	142:24 144:25	113:18 115:19
median 14:23	123:6 127:19	minimize 27:11	144:25	128:18
64:24 66:12	127:22	124:15	month 54:3	mute 45:10
medium 99:18	mentioned 22:3	minimizing	months 25:9	57:19 182:5
100:3	47:12 62:19	159:19	31:25 34:10	muted 28:13
meet 36:20,22	63:13 64:25	minimum 42:18	53:24 121:11	mutual 85:21
61:1 129:2	75:21 81:20	80:23 90:25	121:16 122:2	86:5 92:17
154:4	84:4,7 105:15	152:17	126:4,11	94:22 111:17
meeting 1:6 6:5	107:17 113:16	mining 138:23	Moore 190:2,15	112:1 114:23
6:7,12,13 21:6	117:24 127:16	minute 82:19	Moore's 134:16	118:19 119:16
24:11 26:3	127:20 178:18	103:2 168:25	166:25	121:5,10
28:11 29:5,6	180:7 187:14	minutes 63:7	morning 15:24	122:15 125:10
29:16,19,22	mentioning	94:20 101:11	21:3,5 46:8	126:16 127:23
31:8 32:2 33:1	71:24	140:23 168:12	61:18 62:16	128:17
44:4 99:20	mere 103:14	180:3	64:25 81:20	
108:18 112:4	merger 99:11	misbehaviors	131:11 133:21	
113:24 127:7	mergers 68:22	143:21	168:9	
				N
				N4:1,1 5:1,1 6:1

N23 42:2	174:9	November 24:6	October 12:3	one's 146:2
name 69:21	negative 69:1	24:9 184:13	24:9 47:1,19	one-size-fits-all
84:25 168:21	Neil 23:9 185:2	NRS 63:13	184:13 188:16	150:6
189:15	net 32:17 39:21	nuance 154:24	odds 183:14	one-stop 118:18
narrative	never 79:23,23	nudge 173:25	offense 53:17	one-third 35:16
176:10	134:17 161:12	nudging 10:19	57:2 149:14	onerous 108:24
narrow 48:14	new 8:14 9:1	number 10:7	offer 16:10 24:1	ones 97:4 109:3
92:13 172:18	11:11,24 21:23	14:24 17:6	33:20,23 36:9	110:5,8,20
narrowing	52:24 54:20	18:4 25:14	36:18 42:4	139:24 164:1
48:24	65:19,23 69:12	35:8 64:24	59:1 70:21	ongoing 32:24
national 81:8	80:13 81:2	66:19 67:22	93:16 118:1,9	51:3 102:15
native 110:17	84:7,18 85:11	73:24 74:23	119:12,23	onion 64:7
natural 84:21	92:21 108:8,25	79:17,20 95:6	179:4	online 8:20
99:1	129:21 138:25	95:8 106:18	offered 36:14	open 6:13 12:2
naturally 46:18	141:2 151:18	110:3 125:8	38:15 79:21	44:7 57:18,24
navigating 17:4	151:21 159:3	150:18 157:4	119:16 177:5	146:13 165:1
nay 45:20	160:23 177:12	162:5	offering 79:12	165:23 168:2
nays 45:11	177:12 179:4	numbers 65:1	114:18 119:3	opened 177:4
NE 1:24	nice 53:20	71:18 72:4,9	120:2 121:5	opening 4:4 6:17
nearest 18:10	NICSA 83:14	95:7 96:8	126:15 128:20	46:16
nearly 13:7	nine 66:7 116:23	numerous 18:9	147:9	operated 69:13
14:21	nodding 45:6,7	25:8 26:14	offerings 33:14	operating 84:8
neatly 102:21	148:23	28:8 69:18	80:4 115:21	92:4 93:13
necessarily 97:5	nods 168:8	109:11	163:1	115:2
120:25 151:23	nomenclature	NYSE/AMEX	offers 16:14	operation 85:2
necessary 19:16	130:14 157:19	137:14	office 17:10	87:8 121:19,25
55:16	non-QUIBs	<hr/> O <hr/>	23:13,14 117:2	134:15
necessity 121:22	79:24	O 4:1 5:1 6:1	165:1,23	operational
Ned 185:2	nonclerical	objective 151:24	officer 83:11	61:10 66:25
need 8:12 41:4	14:23 64:22	objectives 76:23	92:4,5 115:3,3	83:6,16 96:9
57:20,25 64:7	nonprofit 83:14	obligations	116:2	97:23 125:17
65:2 67:21	normal 65:20	17:16	offices 65:17	184:8
85:23 87:16,19	168:16	observation	66:7	operationally
89:21 91:6	note 6:6,24 40:1	99:16	officio 26:16	126:17
104:19 121:7	41:7 59:10,12	observations	okay 45:20	operations
123:19 124:15	63:25 152:9	34:14,16 151:5	56:15,15	17:12 65:4
124:17 144:19	notebook 137:18	obtain 70:8	131:21 133:13	67:23 92:9
156:10 160:13	noted 26:19	122:24	133:16	98:10 103:10
168:6 172:9	notice 78:20	obviously 53:16	old 163:19	111:5,19
179:2	138:1 156:22	54:20 65:7	Oliver 142:6	120:20
needed 30:24	157:25 158:9	82:23 84:23	162:11	opinion 90:1
176:24	184:21	86:2 131:15	onboard 181:20	142:8 144:4
needing 39:11	noticed 99:16	134:12 135:21	onboarding	154:12
needle 134:19	121:2	149:25 159:1	51:2	opportunities
needles 136:5,18	noting 30:2	164:17 180:20	once 56:23 62:5	66:17 106:11
136:20,21	75:15	181:1 184:3	86:17 87:2	106:22 107:2
needs 13:10 14:7	notion 173:16	occur 39:11	107:14 161:1	107:14 116:1
18:17 78:9	173:22 174:1	55:12	167:15 176:16	146:7 165:11
100:16 152:6	notional 88:4,10		184:9 185:1	opportunity

28:25 30:10	outnumber	overview 24:24	77:8 78:12	parts 7:23 97:21
59:19 63:5	79:16	129:9	85:7,14 95:3	party 87:20
78:20 106:9	outpace 34:25	overwhelming	99:1 103:11	passed 185:21
108:7 116:19	outset 130:18	76:9	107:19 153:6	passengers 8:5
119:1 130:16	outside 25:14	owned 70:5	158:10 159:15	passive 145:10
148:10 156:24	84:15 87:17	125:5	181:22	145:12,14,22
158:1,14	88:23 95:17	owner 65:3	participant	166:4 167:6
165:16	96:4 101:18	ownership 77:9	168:20	passport 108:13
opposed 45:19	152:20	98:7	participants 2:1	108:21 113:17
opposite 135:19	outsource 67:21		13:11 31:3	passporting
optimized 50:8	100:20 101:4	P	47:7,17 48:2	108:11
optimizing	142:3 172:9	P 6:1	48:21 50:17,24	patchwork
10:14	186:16	p.m 188:22	120:19	81:13
optimum 137:16	outsourced 68:5	pace 47:22	PARTICIPA...	pathway 181:9
opting 79:9	142:6,19	55:20 100:7	3:1	patience 23:1
option 34:3	outsources	page 4:3 5:2	participated	43:16
options 50:22	178:16	185:20	26:15	Paul 3:7 176:7
95:9 98:3,22	outsourcing	pages 34:12	participation	pause 28:17
101:21	17:10 68:2,6	pain 61:3 62:1	24:2 101:11	pay 70:24 99:4
orange 118:14	94:12 95:1,5,9	116:7	particular 18:8	145:3 153:2
Orbital 138:18	95:11,19 96:13	pandemic 95:13	36:11 38:2	157:9
order 6:5 52:6	96:25 97:19,21	95:14,21 96:10	42:24 81:18	paying 113:23
67:10 70:18,24	98:16,22 101:2	panel 3:4 4:15	97:9,24 102:19	128:6
81:10 88:18	101:21 115:12	4:17 22:22	104:8 105:14	pays 70:13
121:1 175:14	115:14,23,25	25:14 26:5	106:23 107:8	PC 133:19 134:4
179:3	116:10 142:5	31:10 56:25	107:15 108:18	163:19
organization	142:11 178:14	57:3,24 58:25	108:22 110:1	peculiar 113:21
126:19	178:22 179:7	59:17 62:10	110:11 115:24	pedestrians 8:5
organization's	181:16,18,23	85:20 172:3	116:10 130:17	peel 64:7
112:18	186:14,17,23	panelists 2:12	130:21 170:22	peer 132:7
organizational	outstanding	13:3 16:5 49:7	particularly	peeves 90:22
122:20 125:17	174:18	146:11,17,19	17:2 29:7 30:2	Peirce 2:5 12:19
127:7	overall 35:1	147:11 148:1	31:4 34:6	12:21 13:1
organize 118:1	43:16 89:2,5	167:17 181:14	35:11 39:24	15:20 62:15
121:7	overdue 81:15	panels 172:1	43:7 44:2	73:17 74:3
organizing	overlay 147:4	185:20	50:21 55:19	pejoratively
111:1 118:6	overpay 80:11	paper 137:13	59:21 71:2,22	157:21
119:2 122:12	overprotecting	138:2 140:17	93:15 97:4	pension 32:18
126:10,13	160:7	140:24 142:8	100:3 109:3	people 28:16
orientation	oversee 103:17	142:13 156:12	110:20 129:13	64:5 85:8
155:19	overseeing	papers 109:12	161:2 167:17	96:12 118:23
origination	89:18,18	112:9	172:8 174:19	122:9,15 124:4
11:18	oversees 140:4	paramount	186:6	125:5,12 131:6
Oriola 185:4	oversight 88:21	150:1,2	parties 68:15	133:17 146:14
ought 71:7	89:9,25 91:9	paraphrasing	95:17 97:22	154:21,21
outcome 190:12	92:20 93:2	19:4	111:22 150:25	156:21 160:7
outflows 139:18	101:7 103:22	part 10:4,4 26:8	190:10,11	160:11,12,17
161:20 162:9	112:3	27:10,21,22	partner 178:22	168:10,14
outlined 38:10	overstep 55:24	44:24 45:2	partners 96:4	169:24 177:13

187:11	perspectives	110:4 145:21	8:3,11	22:2,14 47:15
percent 14:19	60:7,10,18	145:21 175:24	political 77:17	53:5 69:1
14:22 36:13,20	61:3 63:6	181:2	pool 19:13	71:16 83:16
36:22 38:13	94:24 115:21	players 64:6	Poors 69:14	96:23 107:20
39:3 42:17	116:7 125:13	playing 81:1	70:14 72:2	151:8,10
64:16 65:15,25	pertinent 13:21	137:3 138:7	Poors' 71:16	precluded 36:4
88:4,7,11,11	pervade 170:13	159:20 163:6	population	predicted 7:12
96:14,18,24	pet 8:20 90:22	plays 186:22	150:15 159:4	11:9 134:16
97:20 154:19	Phalippou 31:12	please 6:11	portfolio 41:13	predicting 50:4
percentage	pharmaceutic...	28:10,13,15	49:12,13 50:8	predictions
32:14	141:2	45:19,19 57:9	50:11 79:4	133:8
perfect 82:19	phase 41:12,14	57:22 149:21	143:9 177:3	predictive 7:21
90:7	150:17	pleased 91:25	portfolios 32:15	8:14 9:3,16,25
perform 115:6	phase-in 87:2	94:1 125:2	pose 87:6 147:23	131:13 134:22
performance	phone 135:6	pleasure 129:6	poses 71:19	preemption
49:13	138:14	plenty 125:11	posited 119:8	81:13
performance-...	pick 46:2 59:13	146:10	position 36:12	prefer 123:11
142:1	161:19 175:16	point 25:16	80:10 88:1	preference
period 12:3	picking 68:23	58:22 60:2	157:22	109:23
41:20 87:2	picture 64:20	62:2 72:18	positioned 85:12	preliminary
95:24 187:8	76:14 87:7	73:13,18 83:6	165:23	72:2
periodic 76:21	176:20	88:24 96:7	possible 27:5,6	premiums
periodically	piece 183:7	98:4,17 125:3	181:2	139:13
76:12 89:1	188:5	126:14 128:10	possibly 8:2	preparatory
permitting	pieces 118:6	128:25 132:5	post 136:11	185:20
37:18	pinpoint 44:14	134:15 140:13	posted 140:20	prescriptive
person 143:22	piques 131:22	142:14 147:11	posting 140:19	52:15
160:14	pitch 88:19	153:3 156:5	potential 10:11	presence 165:5
personal 50:19	place 11:15,16	161:20 162:12	11:20 12:5	165:19,21
52:13	11:17 55:17	163:9 169:15	34:2 37:24	present 17:13
personalization	86:10 104:6	169:21,24	39:20 46:21	21:19 25:14
49:17,23 52:12	123:3 147:20	171:2 174:9	71:19 101:24	28:25 60:15
personalized 7:7	179:3 190:4,5	181:23 186:3	102:8	94:6
49:21 52:9,14	placement	186:14,20	potentially	presentation
54:17,18	172:21	187:12	18:24 40:19	14:18 30:3
personalizing	places 158:3	pointed 74:3	48:16 52:20	32:7 94:8
50:7	162:24 167:1	75:16 186:13	97:1,14 104:18	117:14 123:17
personally 59:1	plan 49:11 54:21	points 26:14	119:2 140:11	131:19 145:25
175:15 183:12	181:3	61:4 62:1	165:4	166:3 170:25
personnel 65:4	planned 56:11	91:22 116:7	power 54:13	presentations
67:8 76:5	planning 92:20	127:20	133:5,16,25	13:24 29:7
165:24	plans 95:23	policies 119:20	134:11,12	60:20
perspective	platform 9:21	127:9 129:22	135:23 136:1,3	presented 29:17
51:11 83:3,21	97:15 115:20	150:20	137:1,6 139:6	33:2 34:7
86:15 91:20	platforms 8:15	policy 9:12 10:9	139:8	171:20 174:2
93:13,20	8:24 10:15	14:8 61:11	practical 80:25	187:15
115:10,11	116:2 121:22	67:2 104:4	160:11	presenters 60:6
116:9 152:11	plaudits 179:16	130:4,7	practices 9:4	60:17 120:5
154:8	play 14:6 40:8	policymakers	10:2,12,18	170:22

presenting 129:18 170:24	13:25 17:25 18:3,10,19,23 19:20,23 20:5 20:14 21:18 25:2,25 26:7 28:10,21 29:2 29:3,10,12 30:14,18,25 31:2,14,18,21 32:3,5,8,14 33:3,4,5,18,19 34:3 35:9 36:5 36:14,25 37:1 37:2,2,6,10,12 37:19 38:1,15 39:16 40:15,19 40:22 41:2,9 42:8,15,20,24 44:16 92:18,23 116:25 172:21 181:12 184:4	47:2 52:20 78:13 79:10,13 89:20 102:6,11 102:14 103:1 121:24 134:2 140:8 153:20 154:10 158:1 158:10 187:5	Proofreader's 189:1,15 properly 53:7 proportion 65:9 proportionately 136:21 proposal 81:21 157:11 160:24 proposals 12:5 proposed 18:15 73:22 154:1,3 154:5 181:9 proposing 127:5 proposition 105:6 proprietary 82:25 118:1 119:9 121:12 126:10 prospect 106:15 prospectus 113:7 prosperity 15:5 protect 19:16 159:18 160:17 181:10 protected 10:10 11:3 protecting 171:9 protection 30:9 38:2 115:17 148:12 149:8 150:1,2 151:19 152:13 172:25 173:14,17 181:22 protections 17:23 55:16 provide 15:4 19:7 21:2 22:11 24:23 32:7 39:14 50:17 63:5 68:18 74:21 78:20 87:12 97:14 100:23 118:13 119:6 125:9 128:22 128:23 171:6	188:9 provided 21:1 26:25 29:22 32:6,13 33:11 34:1 92:20 93:1 185:5 provider 50:3,6 100:20 102:19 103:14 154:6 159:24 160:3 178:17 providers 68:10 68:15,16 70:21 70:22 72:22,23 89:19 93:3 107:3 110:15 118:4 128:3,8 132:8,8 137:3 144:23 178:18 179:7 provides 61:13 109:13 113:10 115:25 118:22 providing 7:6 19:15 28:25 41:16 43:11 52:9 63:8 95:22 103:6 117:3 120:13 121:10 122:12 125:24 144:9,9 173:17 proxies 11:3,7 77:13,18,24 proxy 67:25 77:2,7,8,11,12 77:19 78:2,15 157:13,14,22 Ptak 3:12 170:19,21 public 11:23 18:10,23,25 19:1 20:1,14 20:17 33:6 35:4,5,7 37:4,7 37:13 39:6 57:13 58:10 67:4 71:11 75:12 79:12
presents 18:4	19:20,23 20:5 20:14 21:18 25:2,25 26:7 28:10,21 29:2 29:3,10,12 30:14,18,25 31:2,14,18,21 32:3,5,8,14 33:3,4,5,18,19 34:3 35:9 36:5 36:14,25 37:1 37:2,2,6,10,12 37:19 38:1,15 39:16 40:15,19 40:22 41:2,9 42:8,15,20,24 44:16 92:18,23 116:25 172:21 181:12 184:4	108:16 110:13 113:11 114:18 165:15 178:1		
president 62:20 83:14 114:22	privates 180:18	productive 47:1 51:18		
press 158:15	privatization 114:6	products 9:2,9 16:22 33:9 92:22 145:15 145:23,23 147:4,9 154:20 160:8 162:20 166:5,6 170:3 170:4 184:8		
pressing 13:16	privilege 114:1	profession 65:15		
pressure 96:17 98:23 99:9 169:18 186:16	probably 46:2 91:3 110:7 124:5 126:11 136:19 144:11 153:6 161:14	professionals 84:25 97:11 123:24		
pressures 123:18 169:16 169:22 172:13 186:19	problem 71:1 72:19 129:3 134:20 146:1 163:2,4 170:15	profile 41:9		
pretty 45:25 54:5 55:22 90:4 175:13 179:18	problematic 71:22	profit 142:1		
prevalent 69:15	problems 6:11 28:10	profitable 92:12 147:6		
price 39:21 137:7 144:6	procedure 119:20	profitably 120:7		
prices 72:3 142:25 144:25	procedures 127:9 150:21	profited 13:17		
pricing 10:23 72:11,21 186:18	proceeding 104:13	profits 142:2,25 144:25 147:2		
primarily 35:4 66:5,13 117:11	proceedings 189:10 190:4,5 190:7	program 75:8 97:21		
primary 52:17 110:25 176:2	process 27:22 43:12,16 45:3	programs 78:10 93:9 119:20,25 120:12		
principal 110:7		progressions 139:3		
principle 30:6 151:2		project 84:11 85:5		
principles 18:15 31:23 32:1,22 32:23,25 34:1 37:23 38:3,10 149:16,25 152:16		promote 16:24 62:17 102:2		
prior 30:20 63:17		promoted 19:21		
priorities 169:5		prompts 10:2 22:15 124:14		
prioritized 48:6 49:3		proof 139:19		
priority 121:1				
privacy 77:6 81:7,9 135:18 173:13,22				
private 4:6				

141:3,4 168:3 188:19 publicly 185:10 publish 63:14 published 11:23 47:13 140:17 publishes 109:11 Puerto 65:22 pull 79:3 157:1 186:23 pulled 96:8 purchase 79:15 79:24 purchaser 39:12 purchases 40:23 purpose 52:8 70:3 purposes 14:14 57:17 73:15 74:2 pursue 51:16 53:2 pursuing 79:25 pursuit 48:22 51:10 push 111:8 183:21 186:22 pushed 163:15 pushing 163:23 put 11:22 57:2 77:24 86:10 99:9 105:25 130:13 136:19 140:11 161:10 puts 61:12 87:25 151:4 putting 106:16 Python 143:11	39:8 40:22 79:14 qualifying 42:19 quality 81:2 102:17 116:6 123:22 181:19 181:25 quantitative 143:9 quarter 21:13 question 9:15 10:25 33:13,15 50:5 54:9 90:17 106:10 141:14 143:8 143:23 148:2,7 148:17,21,22 149:6,19 156:18 157:3 158:11 161:18 166:2 167:9,9 171:16 questionable 53:6 questionnaire 90:10,12,15,19 90:20 questionnaires 90:2 126:22 questions 9:13 10:8,17 18:5 18:21 27:9 28:18 44:9 45:4 53:13 54:1,7 56:13 58:11 59:9,11 60:19 98:15 114:20 140:15 141:12 147:13 160:21 164:8 164:11 165:8 QUIBs 80:6,22 quick 23:21 25:20 28:6 146:15 157:18 161:18 164:11 quickly 54:1 57:7 136:10 143:22	quite 18:13 44:1 46:22 100:7 102:23 113:19 120:22 167:3 174:20 175:19 180:9 quiz 133:17 quizzed 133:21 quorum 6:7	<hr/> R <hr/> R 6:1 R.M 4:17 race 11:4,7 raise 11:10 27:9 108:8 raised 128:11 raises 10:7 18:20 146:6 Rama 3:15 25:23 28:19 44:3 45:22 54:7 170:22 174:17 175:8 176:9,16 179:16,17 180:17 182:6 183:5 Rama's 45:15 55:8 random 139:3 range 16:22 30:11 31:21 37:19 52:13 63:1 ranging 67:23 rapidly 7:4 13:13 47:4,24 48:3 100:15 rarely 187:15 rate 35:1 74:12 134:16 ratified 45:22 rationalize 112:15 raw 138:2 reached 26:22 72:1 react 147:12	reactions 6:23 25:19 26:23 read 45:14 169:14 179:18 readily 17:12 reading 153:18 ready 21:15 28:14 45:6 82:6 85:3 real 9:11 33:4,7 37:2 98:7 170:15 171:7 realistic 133:3 realistically 74:17 126:4 realities 66:25 80:25 realize 159:14 realizing 32:4 really 7:11,17 54:23 55:1 59:18 61:22 68:20,23 71:7 73:7 82:13 95:12 98:8,15 102:21 103:12 105:17 108:3 109:7 110:20 110:25 111:13 112:12 114:15 114:19 115:7 131:7 133:14 145:25 146:6 149:1 151:15 152:3,23 153:7 153:11 154:11 160:10 162:15 172:3,24 173:14 175:13 176:11,12,14 178:20 179:7 180:4,23 181:8 181:12,17 183:6 184:16 184:18,25 185:11,17 186:8 187:16 187:18,22 reason 57:19	76:15 109:24 164:23 reasonable 52:6 67:13 83:8 reasons 39:2 40:9 86:9 96:12 127:25 129:25 rebalancing 49:11 recall 26:5 35:13 49:7 recap 29:21 receive 80:16 157:9 158:4 received 24:5,7 33:12 receiving 22:6 recognized 84:24 99:3 recognizing 14:4 62:16 171:7 recommend 37:17,21 38:6 38:12,23 39:4 40:6,12 41:15 42:5,11 75:5 163:19,21 recommendati... 10:21 45:17 140:8 recommendati... 4:6 12:9 15:16 18:2 20:8,12 21:20 25:1,24 26:4,19 27:1,8 27:13,15,20 28:5,21 29:1 33:23 34:15 37:15 38:12 43:19 131:3 149:15 161:16 171:15 181:6 185:16 recommending 30:7 44:21 record 26:8,12 27:10,23 70:4 148:19 190:7
---	--	---	---	---	--

recorded 189:10 190:6	registrations 123:2	related 10:17 62:13 94:18	remote 65:20	requirement 15:2 78:9
recordkeeping 67:24	regular 109:14	166:24 190:11	remotely 1:8 96:2	108:25 112:14 174:6
recruited 129:25	regularly 61:1 165:4 187:6	relating 17:3,14 46:5 187:6	removal 38:13 38:24 39:2	requirements 36:6 38:22,25
reduce 41:5 81:11 96:20	regulate 172:4	relation 34:18 38:11	removing 39:7	39:8 42:4,13
121:8 148:12 162:5	regulating 176:2	relationship 104:13 174:7	Rene 60:4 163:14 178:11	75:18 76:1,8 76:16,20
reduced 148:5	regulation 55:22 73:16 75:4	relationships 93:4 102:1	Rene's 181:22	103:25 108:19
reducing 74:1 91:11 149:8	76:6 81:14	120:17 165:20	Renee 3:10	108:23 111:10
reduction 96:14	86:4,13,16	relative 65:10	renewal 104:20	111:11 112:5
reevaluate 95:18	87:4 89:2,8	relatively 14:11 25:5 34:11	repeat 142:12	113:22,24
reference 26:10 27:6 157:18	91:7 112:24	51:7 56:1	repeatedly 140:25	148:13 151:22
referencing 61:17	119:21 148:3	66:18 86:23	repeating 73:19	requires 36:16 67:7 153:6
refined 31:24	150:3 158:8	157:7 183:15	replacing 97:5	requiring 36:12 40:20 70:16
refining 48:23	159:3,17	release 33:13	replay 148:18	71:17
Refinitiv 144:22 180:8	160:23 161:2	releases 155:11	report 18:1 20:8 25:24 26:18	research 30:20 68:16 96:8
reflecting 179:9	177:8 178:8	relevant 30:23 34:17 67:15	29:1,19 34:8,8 34:13 43:1,9	125:11
reflections 47:4	182:18	84:6,13 115:6 124:9	43:15,18,22 61:12 63:14	reshaping 7:23
reflects 11:1 47:21	regulations 69:18 73:22	reliance 90:1	162:12 179:17	residency 111:11
refresher 28:7	75:8,23 76:3	relook 146:21	Reporter 190:2	resilience 51:24
regard 12:5	81:10 86:9,20	rely 71:3 79:9 157:14	reporting 12:13 38:22 69:20	resiliency 98:1
regarding 18:21 26:3 47:4	89:6 109:6	relying 95:5 105:19 109:8	75:13,14 87:12 103:25 105:13	resistance 97:18
49:19 94:24	147:5	128:16	112:6,21	resonated 91:23
regardless 14:25 70:2	regulator 110:10	remain 67:10 101:8	reports 182:7	resource 61:8 82:7 83:8
regime 86:7 88:6 90:4,7,10	regulators 50:24 81:8 112:7,21	remaining 25:10 53:11,22 56:17	represent 91:13	106:25 107:6
186:22 187:14	114:5 175:24	167:22	represented 117:16	resources 67:14 68:8 75:1 76:5
registered 34:5 38:7,18 40:2	176:5	remains 91:15	repurchase 41:20,21	81:25 123:12 157:1 164:24
42:14,20,22	regulatory 13:9 14:12,14 15:2	remarkable 45:25 183:6	repurchases 41:25	respect 18:18 71:21 96:22
44:22 64:11	16:18 19:9,18	remarks 4:4 6:17,25 12:25	reputable 83:12	104:6 164:14 181:16
79:16,23 80:18	30:16 31:16	25:20 46:16,18	reputation 110:5	respective 16:3
113:6 116:25	51:13,21,22	remedy 71:10	request 11:23 22:1 47:14	respectively 60:24
190:2	52:17,17,24	remember 27:16	requests 56:8 141:1	respond 47:18 135:22
registrant 66:16 150:15	53:4 63:11	remind 21:9 26:1 44:14	required 42:13 45:1 73:20	responses 33:12 126:22
registrants 76:4 158:7	69:20 71:19	56:3	87:18	responsibility 101:7 103:22
registration 74:7	73:5,20,25	reminded 46:20		
	74:25 76:1,13	reminder 16:14		
	76:24 78:6			
	86:7 93:5			
	111:8 112:5			
	119:19 124:2			
	148:12 177:15			
	186:22 187:14			
	REITs 39:23			
	rejoin 57:15			

111:22 159:2	114:4 126:20	92:6	S&P 35:15	schedule 41:23
responsible	127:7	Ross 23:24	69:23 70:11,15	46:1 56:24
111:19	reviewed 26:25	round 25:18	70:19,24 72:14	57:10 91:24
rest 13:2 179:23	37:1 48:8	168:1,11	128:2	scheduled 57:4
188:17	reviewing	route 132:18	S&P's 70:8 72:7	School 4:23
restriction 33:16	126:21	Rowland 23:8	S(CONT) 5:1	130:5
restrictions	reward 113:12	43:7 185:3	SAC 140:25	Schwab 162:25
51:14	rewards 67:6	Rubenstein	141:4	science 132:2,4
result 41:15	RFI 47:19 51:11	185:3	safe 8:5	132:7,7,15
89:16	RFP 102:10	rule 13:20 14:25	safeguards	scope 48:24
resulted 72:7	rich 167:21	42:17 76:15	44:14	53:11 60:9
retail 13:10 15:6	Richard 3:8	79:10 86:24	sales 39:10	75:17 105:3
18:4,17,25	Rico 65:22	87:14,24	113:18 136:13	116:6
20:2,7 29:11	rides 170:2	128:24 149:24	sample 137:15	scored 95:23
30:8 31:17	right 7:25 12:8	150:6,12,13,19	Sarah 2:7 20:24	Scot 3:4 4:17
32:10,17 33:20	47:12 54:17,22	152:4,14,18,20	20:25 59:21	56:25 58:22
34:4,20,23	55:11 102:8	152:21,22	183:1 185:9	59:1,6,15 62:9
36:3,7,20	131:16 133:23	153:9,10,23	188:4	62:19 63:13
37:18,25 40:4	151:6 155:22	154:1,3,5	satellite 138:13	75:21 84:4,6
41:3,6 42:9,15	160:1 162:17	172:17 173:1	satellites 138:21	93:22 94:5
44:15 85:18	173:2 177:19	rule-by-rule	Savage 3:18	114:11 116:13
180:18	179:2	89:5	32:21 33:25	116:15,18,21
retailers 30:19	rigorous 102:6	rule-making	43:3 45:24	129:6 130:11
181:12	119:19	113:2 153:20	171:23,24	156:18 164:9
retain 141:18	risen 128:3	154:10 156:23	187:3	164:22 166:12
142:18	risk 11:20 12:6	157:5	save 59:9 108:24	167:16 180:14
retention 141:16	30:21 87:7,21	rule-makings	121:11 122:1	182:23 183:8
retirement	102:18 113:12	16:19	savers 51:8	Scott's 94:10
34:24 181:3	119:18 120:14	rules 8:12 18:22	saw 123:16	Scott's 98:4
retrospective	124:15 127:14	38:19 55:2	155:4 159:8	screen 53:15
76:19	151:5 154:17	75:13 78:5	saying 9:20	57:14
return 31:4	risks 42:6 44:25	109:7 137:17	163:16	scrolling 52:2
114:1	risky 119:9,11	150:18 151:18	says 14:25	seat 98:5 122:25
returned 31:15	RMR 190:15	153:24 172:14	SBA 75:15	SEC 12:4 26:24
returns 9:19	road 8:12	172:17	scalability 67:6	30:21 33:12
10:15 30:14,25	Rob 140:16	ruminate 159:11	scale 17:12	36:11 37:17
31:2,14 32:3	robo 9:14	run 23:16 28:9	67:20 68:12	38:6,12,23
33:2,7 36:24	157:19 177:5	runs 154:12	75:14 99:20	39:4 40:7,12
37:3,8,12 42:7	robust 26:12	163:1	100:9 115:16	40:25 41:16
144:3,5	49:18 52:7	Russ 2:18 3:17	120:8 129:19	42:5,12,17
Reuters 144:22	role 14:5 40:8	4:23 57:8 60:3	133:10,10	43:6 46:8
reveal 53:6	87:21 115:5	129:17,17,21	136:25 137:9	47:13 51:12
revenue 136:12	163:6 175:23	130:1,9 146:3	139:20 141:10	52:21 53:2
revenues 9:21	176:2	155:4 161:18	141:21 144:2	59:21 61:16
10:5,15	roles 83:19	166:2,10	145:2 161:23	62:12 64:10
review 50:25	rolling 24:18	167:10	179:4	66:16,23 69:18
71:15 76:20	90:21	<hr/>	scaled 150:13	74:4,7 77:10
89:2 95:10	room 148:23	S	scaling 150:4,7	78:1,11,17
112:17,23	Rosenthal 4:21	S 4:1 6:1	sceptic 148:8	80:17 87:22

88:15 116:17	121:14 131:5,6	27:12	50:3 68:14	shareholders
119:21 127:13	139:9,10 140:8	separate 12:7	69:13 70:22	91:12,13
140:17,18	145:20 148:23	92:17 112:2	77:20,23 93:16	124:16 125:16
145:4 146:20	153:11 156:18	146:25	103:5 116:4	shares 33:20
147:8 148:8	161:11 163:10	Separately 12:4	118:11,14,15	sharing 59:3
150:18 155:7	168:21 169:4	75:5	121:4,9 122:13	61:20 142:1
158:7 167:4	174:14 186:5	separation	123:25 125:25	shelf 162:3,18
173:15 174:4	188:15	144:8	157:15 162:15	162:21,24
182:15,22	seeing 28:19	September 1:9	servicing 51:3	163:7,13
SEC's 6:3 73:15	45:7 99:10	6:5 29:15 31:8	serving 66:13	Shen 185:3
74:12 86:23	100:24 151:9	189:4	76:22 83:9	shift 19:18
138:6 140:13	151:10	series 17:9 84:15	92:13,15 107:5	ship 138:15
144:20	seek 19:12 26:23	85:15 114:23	111:12	ships 138:15
SEC-registered	31:3 47:2 52:4	114:24 115:20	session 24:25	shopping 118:18
65:16	52:11,16 79:5	117:17,18,23	167:25 169:11	135:12
SEC.gov 57:14	93:16	118:10,13	sessions 24:23	shops 83:13
188:7	seeking 22:8	119:5,8,10,13	49:15 184:20	140:10
second 26:15	seen 20:10 21:25	119:17,22	set 9:12 10:17	short 24:19
29:19 137:7	86:6 95:4	120:11,16,24	43:23 47:3	29:21 52:5
139:13 142:4	145:10,13	121:2,6,15,18	48:12 61:14	110:2 175:14
153:7	153:24 161:22	122:7,21,22	92:13 93:9	shortage 138:16
secondary 39:9	segment 16:25	123:8,21 124:6	102:12 112:10	shorter 24:10
39:14 80:12	54:24 60:11,21	124:7,12,23	130:12 131:1	113:11 184:22
Secondly 36:3	115:18	125:19 126:2	136:2 150:7	shorthand
37:21 38:23	segments 117:13	126:18 127:11	172:17 173:1	117:19
141:22	117:15 150:8	serious 67:17	175:14 185:16	shortly 29:4
seconds 140:19	150:14 178:6	seriously 101:21	190:5	show 14:9 48:10
140:22	seized 48:5	serve 26:9 38:8	sets 49:19 78:4	97:17 117:23
securities 1:1,23	seldom 187:12	49:20 61:7	185:19	140:24
2:3 19:3 33:14	selection 103:1	67:4 71:10	setting 85:24	showed 140:18
39:10 69:12	163:7	91:21 106:25	settlement 69:20	showing 108:20
70:5 80:20	selections	served 83:11,13	shaking 145:20	118:5 126:1
87:11 119:15	102:14	83:19 92:16	shape 27:1	shown 51:24
120:7,19	self-directed	114:22	61:15,21 148:6	shows 125:12
123:25 175:24	34:23	serves 55:15	shapes 63:4	126:1 137:20
176:5	self-managed	78:14 116:24	shaping 7:23	shut 188:19
security 69:24	110:24 111:16	130:1	186:7	side 12:9,10 35:6
104:17	sell 138:18	service 7:8 47:8	share 21:15	164:15 169:23
see 8:7,14 12:11	145:15	50:2,5 52:13	31:22 32:14	172:7 177:11
28:17 35:6	seller 132:15	68:9,19 70:20	60:6,17 61:24	Siethoff 2:7
45:5,12 48:12	selling 114:1	89:19 93:3	83:2,3,21	20:24 21:4
49:16,17 54:12	send 6:11 28:10	95:22 102:17	93:12,15 94:9	59:22 185:15
54:23 58:7,12	165:3	103:14,24	94:23 109:15	sign 168:6
58:14 64:8,12	senior 56:5	107:3 110:15	115:10 142:2	signals 144:15
91:6 96:10,23	sense 89:3 95:19	114:19 117:4,9	168:25 169:9	significant
97:19 100:6	98:7 107:7	118:3 128:8	176:19	73:23 85:1,6
102:23 105:22	152:23 160:11	154:6 156:2	shared 26:2	88:13 103:10
108:4 109:22	senses 135:6	178:16,18	111:7 164:4	119:12 122:2
111:24 113:6	sentence-level	services 16:23	179:17	123:19 124:10

128:13 147:4 157:4 significantly 80:2 121:8 128:4 153:25 silly 143:8 similar 37:3 42:1 87:16 112:1 136:18 169:2 similarities 113:5 similarly 72:21 simple 14:11 108:19 simplifies 118:20 simplify 90:6 simply 77:24 99:23 100:25 101:19 105:5 123:11 174:3 sincere 59:2 185:1 single 108:2 119:10 Siri 31:10 32:3 43:3 45:24 Sirri 3:13 situation 50:9 137:10 166:14 situations 154:14 six 35:23 57:3,7 60:8 sixth 134:10 size 40:17 42:18 68:17,19 81:25 82:1 86:21 99:18 150:8,21 151:7,7 sizeable 92:15 sized 139:23 sizes 63:4 skip 52:1 Sky 123:2 sleeves 24:19 slide 108:4 118:5 121:14	slides 63:23 65:13 173:8 slightly 87:2 183:9 SMA 80:5 small 4:14,15 14:3,4,5,13,15 15:1,4 16:7,7 16:13,13,16,20 17:3,4,21 22:22,23 25:12 25:13 57:1,1 58:23,23 59:16 59:16 60:13 61:23 62:1 63:2 64:9 65:6 66:6,9,19 67:20 73:12,24 74:4,11,18,20 75:12,15,18 76:17 78:25 79:1 83:4 88:12 90:18 92:12 93:10,14 99:18 100:3 114:17,19 115:7 116:7 117:6 120:3 123:9 125:8 129:20,20 130:23 132:19 132:20,21 137:3,4,4 139:24 145:6 146:21,22 147:18 149:9 153:21 155:18 156:8,15,25 157:5,7,14,17 158:2 159:14 159:15,23 160:15 164:17 169:11,16 170:25 172:2,2 172:11 174:22 175:1,11 176:1 176:10 177:9,9 177:16 178:15 179:22 180:10	181:15 182:9,9 186:9 187:7,10 smaller 14:10 62:13 63:10 65:8 67:11 68:6,12,20 69:2 71:3,9,22 72:20 73:6,9 75:9 77:4,17 78:16,18 79:25 81:2,18 84:2 85:16 86:22,25 87:24 88:17 89:7,17 91:7 94:21,21 95:4 97:4,8 99:11 100:18 101:19 106:7,20 109:3 110:20 111:6,9 117:11 118:8 119:22 120:6,8 122:14 123:8 124:24 138:8,9 143:1,2 148:4 148:13 151:10 158:23 161:3,5 162:9 164:21 164:24 165:5 171:12 173:1 179:22 188:5 smallness 180:1 Smith 4:23 130:4 smoothly 23:16 so-called 31:25 32:24 39:2 108:10,13 109:12 social 50:13 society's 11:2 Soe 3:14 169:10 software 139:7 sold 41:14 solely 52:25 solid 65:11 solutions 52:10 88:23 116:23 154:4 somebody	135:15 170:4 somewhat 58:20 125:18 158:5 soon 188:16 sophisticated 86:8 sorry 52:2 57:5 145:24 149:19 167:8 sort 9:22 12:7 45:5 55:10 56:14 148:7 155:15 159:3 163:4 164:1 167:25 168:8 170:17 171:4,5 172:17 176:23 178:7 180:6 183:23 184:23 sought 38:5,9 48:14 sound 6:8 source 118:16 118:25 168:18 177:13 sourced 121:4 sources 11:15 sourcing 121:9 sovereign 32:20 space 115:22 125:1 129:24 162:3,18,22,24 163:8,13 167:7 167:7 spanned 143:6 speak 7:2,4 28:14 59:8 63:10 77:2 94:17 116:19 156:21 180:22 speaker 62:7 82:20,21 129:15 speakers 25:15 26:6 57:4,8 59:2,8 60:8,15 speaking 9:18 21:8,9 28:12 125:14 152:10	speaks 133:1 special 14:10 93:7 specialize 66:3 specialized 128:20 species 159:23 specific 33:22 38:11 76:24 91:3 109:7 131:3 133:8 148:16 149:3 149:24 151:22 155:7 162:8 specifically 10:24 22:7 94:11 115:14 spectrum 32:12 52:7,11,19 117:12 180:23 180:25 speed 100:16 spell 91:1 spend 63:7 94:20 103:23 123:12 154:22 spending 112:16 spent 73:11 spike 51:5 spinoffs 141:24 spoke 101:10 102:25 117:7 131:11 169:3 171:25 sponsor 118:13 118:15 119:5 sponsors 40:7 124:13 spread 65:24 squarely 131:17 squeeze 175:1 SS 190:1 staff 7:1 12:4 21:11 23:9 26:24 36:11 46:9 59:21 62:12 80:24 81:21 82:6,15 94:4 116:17
--	--	---	---	--

124:20 156:11 158:5 187:9 stage 27:13 52:23 153:7 stages 83:1 stamped 108:21 stand 82:6 stand-alone 34:13 Standard 69:14 70:14 71:16 72:2 standardization 90:9 91:8 155:9,10,11,21 155:25 156:5 standardized 42:6 126:24 standardizing 90:23 standards 90:25 standpoint 147:22 Stanley 142:7 162:11 Starbucks 135:5 135:14 136:11 stark 64:20 start 57:24 69:3 69:8 114:17 133:15 149:21 162:20 started 16:9 28:19 31:3 58:18 87:3 98:6 115:13 123:17 165:16 168:23 175:16 starting 8:7 121:12 starts 126:14,15 152:25 startup 86:15 startups 129:12 state 46:13 47:5 81:14 122:23 123:1 137:20 137:21 175:24 176:4	stated 33:15 states 1:1 65:21 92:23 123:3 176:1 Statistically 9:17 statistics 64:4 status 28:12 40:16 statutory 124:2 stay 19:20 57:21 67:15 82:8 111:16 168:3 175:21 staying 35:9 82:17 stem 120:24 stenographica... 190:6 step 14:12 55:1 76:12 153:19 159:13 stepped 23:25 steps 8:17 Steve 2:16 4:21 92:1,1,3,8,19 93:1,12,19 114:14 115:13 164:12,20 166:1 Steve's 123:16 Stevens 23:24 stirred 50:23 stock 39:20 42:17 77:9 stop 144:17 145:24 151:12 180:11 store 162:19 strategic 92:20 strategies 16:23 66:21 80:1 96:9 119:24 120:3,6 125:10 strategist 115:4 strategy 9:10 110:11 128:22 stream 29:24 32:4 128:3	streams 16:4 29:18 30:13 43:13 Street 1:24 30:8 65:15 strength 117:9 strengthened 115:15 stress 39:25 83:6 87:18 striving 124:20 strong 173:17 strongly 26:20 75:5 struck 169:1,2 170:12,17 173:10 178:13 structural 34:19 177:17 178:5 structure 40:3 52:24 107:12 108:2 109:1 110:23 112:11 117:23 119:3 120:11,24 121:3,5,11,15 122:7,21 123:11,22 124:6 125:19 128:21 structured 33:9 165:15 structures 17:9 127:14 struggling 173:15 students 143:10 143:11 studies 30:23 96:5 study 7:14 75:16 80:24 97:16,24 99:25 100:5 144:19,21 stuff 7:14 174:14 stumble 119:2 style 106:23 107:8 155:14	155:15,16,19 subcommittee 4:7,10,15 14:4 15:12 17:25 21:19,23 22:23 23:3 24:22 25:2,7,13,25 26:7,17 27:3 27:25 28:22 29:3,12,22 43:2 44:6 45:15 46:6,10 46:14,23 48:6 52:3 54:2 57:1 58:24 59:17 60:1,2 62:11 167:16 174:18 175:9 179:23 180:17 182:13 182:20 183:10 185:8 188:6 subcommittee's 22:18 48:24 176:3 184:4 subcommittees 7:3 13:24 15:12 16:2 subject 158:19 170:24 182:18 subjects 22:18 Subramaniam 3:15 28:23 44:20 54:8 176:21 substantial 51:4 67:7 73:24 substantially 39:21 substantive 57:3 subtransfer 90:13 succeeded 13:15 successful 85:22 107:19 172:23 sufficient 38:1 suggest 80:14 151:16,25 152:3 suggested 163:4	suggesting 146:20 suggestion 89:1 161:14 suggestions 33:24 91:4 182:14,21 suited 41:8 sum 150:10 summarize 31:15 91:6 167:18 summarized 32:3,9 34:10 49:16 summarizes 34:14 summary 5:3 33:11 42:25 43:21 45:15 53:19 113:11 167:13 superb 43:23 supervision 17:15 supplement 113:8 supplier's 169:22 supply 29:25 34:19 35:6 support 20:25 23:10 59:23 101:12 120:13 185:6,12 supported 122:9 supporting 17:23 120:10 120:19 122:15 supports 120:4 supposed 73:25 Supposedly 141:3 sure 57:23 58:1 82:13 91:20 143:17 146:13 161:21 164:22 167:3 171:8 surgery 131:4
--	--	---	--	---

surprise 21:14	102:24 114:16	technology 7:5	87:5 95:11,16	187:24 188:3
surprising 134:8	117:20 121:16	17:8 22:5,9	95:19 102:7	188:11
survey 30:22	126:13 156:12	23:15 35:11,18	104:20 107:6	thanked 183:5
48:12	159:13 162:20	47:6 48:4 49:5	114:9 136:22	thanking 94:3
surveyed 30:19	164:17 168:12	50:16 52:8	137:25 139:11	thanks 13:2
survive 100:4	168:25 174:1	54:25 57:17	144:21 148:17	15:17,24 24:1
surviving 99:12	take-aways	58:2 67:8 85:8	149:16,23	58:15 59:2
99:20	135:24	92:9 98:11	167:5 172:14	130:10 167:10
Susan 3:11 60:3	taken 8:18 48:20	100:11,14,15	172:16 173:10	169:10 173:3,4
182:3 187:3	56:1 74:13	100:22 105:23	terrific 53:18	175:8 176:6,7
suspect 114:20	135:20	106:1 129:18	82:13 91:18	176:8,14,17
175:3	takes 26:11	130:22 131:23	107:6 114:15	179:13 180:15
sustain 16:25	137:16 168:11	137:25 138:22	129:9 167:12	182:24 183:4
62:17	Taket 134:25	139:20 140:2	181:13 182:2	185:1,25
Suydam 3:16	talk 25:9 67:19	161:24 166:24	185:9	188:17,21
32:6 43:4	130:16,17,19	172:9 176:24	test 75:2	theme 46:22
45:24 160:22	132:25 137:24	179:1 186:9	testing 87:18,18	48:4 115:13
174:15,16	142:4 146:19	telematics 8:21	161:1	170:12 176:5
sync 151:1	150:18 160:14	tell 143:10 172:5	text 155:24	themes 169:5
system-wide	talked 134:24	temptation	thank 6:2,14,18	172:6,10
11:11	143:24	27:11	6:19 12:17,23	theory 133:1
systematic	talking 73:11	ten 2:7 20:24	15:19,23 17:24	135:25
144:15	82:10 84:11	21:4 35:14,23	20:15,20,21	Theresa 2:15
systemic 11:20	130:24 131:18	36:9 59:22	21:4 22:25	83:3,10,20,22
systems 67:9	149:4 150:4	64:21,23 65:2	23:2,7,12,20	91:18 101:10
	166:4 186:8	107:18 125:7	28:23,24 43:1	117:24 124:5
	target 82:18	134:6,10 137:6	43:5,10,19,20	126:23 147:24
	132:23	137:21 185:15	44:2,13 45:22	149:21 153:17
	targeted 7:16	ten-by-ten 117:2	46:7,8 53:9,18	Theresa's 94:19
	151:23	ten-year 41:10	59:20 60:5	118:23
	task 46:15	tend 42:4 78:8	62:4,8,9,10,14	thing 7:10 86:11
	117:25 164:25	88:10 120:16	69:5,6 82:3,11	89:8 90:18
	tax 50:8,9	125:17 141:16	82:16 83:24	127:18 128:16
	taxonomy 32:8	187:7	84:1 91:16,17	131:21 139:15
	teach 143:8,12	tendency 154:2	93:19,22	143:19 151:15
	team 21:1 43:6	tender-offer	114:12,14	152:2 160:22
	61:7 165:3,7	41:7,25	116:12,13,16	162:23 171:14
	185:11	tends 125:19	116:19 129:4,8	174:23 178:13
	teams 97:12	152:15	129:13 130:11	things 17:15
	tech 8:25 28:9	tension 9:23	130:15 146:3	40:17 50:7
	technical 8:13	tensions 186:18	146:16 147:15	54:15 56:2
	26:25	term 46:20	149:20 166:1	65:19 69:22
	techniques	53:16 104:10	167:16,22	73:8 89:22
	143:6,7	149:12	170:9 171:22	90:8 92:6
	technological	terminating	171:24 174:13	96:11,16
	51:16 105:20	104:15	174:15 178:10	103:24 105:2
	technologies 9:5	termination	179:12 180:13	110:17 112:4
	11:25 47:25	104:10	180:16 181:13	126:18 129:7
	49:20	terms 31:16 42:7	182:6,23 183:8	131:19 135:12

136:8,14 139:4 142:3,5,18 152:8 154:17 156:14 159:7 161:10 169:1 170:12 177:1 179:14,24 think 6:16 7:15 8:11 9:11 10:8 12:2,24 15:21 16:17 18:2 19:25 21:2 27:25 32:5 44:20,23 45:2 46:2 47:21 53:19,21 54:9 54:21 55:2,9 55:25 56:11,13 56:16,19 57:16 59:6,7 71:6,12 73:2 74:19 75:3 76:11,14 76:18 77:9 84:13,17 85:9 85:24 87:22 88:20 89:3,9 89:10 90:5,8 91:4,10,10 94:13 95:20,23 96:1,6 97:3,10 97:17 99:2 100:10 104:24 105:17 110:4 110:10 112:8 112:15 115:22 123:16 124:9 126:24 127:6 128:12 129:12 130:24 131:7,9 131:22 133:1,2 134:7 138:5 140:3,14 141:11 142:14 143:3 144:18 144:18 145:20 145:22 146:9 146:22 147:5 147:10,16,17 147:25 148:15	148:19 149:17 151:14 152:14 153:4,11 154:12,25 155:7,21 157:12 158:9 158:21,25 159:8,13,24 160:10,22,23 161:12,13 162:7,10,17,18 162:23 163:2,5 164:2,2 166:14 167:3 170:5,11 170:16,18,23 171:2,16 172:10 173:1 173:25 174:20 176:21 177:14 177:24 178:5,7 178:12 180:2,4 180:8 181:15 182:4,16,25 183:6,12 184:15 186:12 186:13,20,25 187:4,21 188:4 188:18 thinking 8:4 91:5 94:23 96:13 97:9 98:21 103:4 106:5 109:20 114:5 118:19 131:6 140:9 147:14 148:22 167:5 thinks 152:17 third 68:14 87:20 97:22 111:22 150:25 third-party 68:9 71:4 87:12 93:3 Thomson 144:22 180:8 thorny 175:10 thorough 18:1 26:13,20 43:21	thoroughly 179:18 thought 46:14 98:8 104:16 107:11 142:8 146:5,17 154:22 158:16 161:1,6,7 171:1,20 172:3 175:12,22 180:23 183:13 thoughtful 18:1 20:9 176:13 182:8 185:5 thoughtfully 147:17 thoughts 16:10 21:3 22:21 26:2 31:23 62:6 63:9 109:15 131:2 133:12 167:18 169:8 175:14 176:18 184:24 threat 142:9 threatening 70:11 three 7:20 29:14 34:16,18 36:25 84:8 87:8 117:2 121:11 122:2 128:4,7 threshold 36:21 36:23 74:7,16 thresholds 31:20 thrown 105:12 157:20 Thumbs 168:13 tier 163:3 ties 100:8 102:21 tight 24:11 time 6:21 7:18 13:12 24:11,19 25:11 31:9 44:1 46:3 52:5 53:11,21,22 54:22 55:6,15 56:2,17 58:4,5	58:13 59:3 60:7,18 63:24 73:11 74:15 76:25 82:18 84:12 91:16 92:8,25 94:6 95:24 98:5,23 99:12,20 103:23 106:12 106:16 112:16 118:21 121:1 121:12,20 123:6,24 127:17 129:5 130:20 134:6 135:10 140:23 146:10,14 148:1 149:8 152:7 153:22 153:22 154:22 164:8 167:12 167:22 168:4 168:15 171:10 176:24 183:6 183:15 184:16 186:17 188:8,8 188:13 190:5 time-intensive 121:24 timeline 126:2,7 timelines 152:5 timely 157:2 times 24:14 28:8 39:24 134:3,10 134:11 137:7 149:13 179:15 183:5 187:4 timing 24:7 tinker 161:8 tireless 185:5 tirelessly 23:10 today 6:15 7:2 13:3 16:2 21:18 23:2 24:24 27:8 28:3 59:3,24 60:8 61:20 62:6 63:6 68:5 71:5 74:10	82:10 83:25 94:6,16 95:5 96:13 98:14,23 105:12 111:5 116:19 117:20 120:6 121:23 127:21 129:5 129:15 130:20 132:10 137:22 143:17 149:13 154:12 169:2 171:20,25 178:25 179:25 180:12 182:7 183:12 186:1 186:13 188:13 today's 6:23 13:19 16:5,10 16:12 24:11,21 48:9 58:24 67:5 69:7 167:17 told 135:3 177:5 ton 134:18 tools 22:9 top 35:14,17 47:12 63:25 64:17 168:20 175:21 top-notch 179:19 topic 7:2 18:2,20 20:10 22:19 25:9 47:11 53:12 55:4,4 102:21 105:11 130:17,21 131:8 132:23 137:24 175:10 topics 16:11 20:16 48:20 94:10,17 101:16 131:16 146:11 183:24 184:24 total 35:16,25 64:18 totality 82:24 touch 77:1 106:4
--	--	---	---	--

112:12 177:19 178:3 touched 73:17 177:18 touches 178:24 tough 99:19 131:8 140:15 146:1 tougher 136:22 144:13,14 town 135:12 136:8 track 135:15 tracking 77:21 138:14,14,15 trade 62:23 71:13 79:8 tradeoff 88:13 tradeoffs 133:4 trading 39:21 50:22 51:2 68:1 69:19 120:20 137:16 trailing 175:22 transcript 169:14 189:9 190:7 transcription 189:9 transfer 116:3 transformatio... 7:18,19 transition 8:2 translation 113:23 transmitted 135:8 treasury 116:4 treated 169:25 tremendous 24:15 106:12 185:17,22,24 trend 95:2 99:17 tried 172:15 trillion 35:19,20 35:20,21,22 108:5 132:11 trillions 140:5 trip 136:7	true 75:3 128:17 143:17 162:23 180:19 189:9 190:7 truly 61:2 65:14 trust 84:5,15 85:15 114:23 114:24 115:20 117:19 118:1,2 118:7,10,13 119:5 120:11 120:24 121:3,6 121:7,13,15,18 121:18 122:7,9 122:21,22,23 123:4,8,21 124:6,7,23 125:19 126:3 126:10,13,19 127:8,11 157:10 trusted 179:7 trustee 115:2 152:11 trustees 120:1 124:4,14 125:23 trusts 17:9 117:17,18,24 119:8,9,11,13 119:17,22 120:16 124:12 try 93:24 102:2 trying 109:3 142:24 148:9 151:19 152:12 159:18 160:17 176:25 tune 8:22 61:2 tuning 9:23,24 153:4 turn 12:15 20:23 23:17 25:23 43:17 46:3 57:18 58:10 62:3 69:2 78:24 93:18 114:12 116:11 130:10 160:15	turned 48:21 turning 24:21 turnkey 17:9 two 13:7,14 24:8 30:12 31:11 33:3 65:17 66:7 92:7 103:3 110:7 121:11 122:1 128:6 136:24 136:25 150:10 164:10 169:1 182:5 184:12 two-thirds 64:18 type 103:16,21 107:12 112:25 138:17 156:2,5 165:15 174:24 types 18:9 32:5 32:9,16 54:24 64:4 98:3 109:18 115:8 131:18 147:9 150:10 155:23 179:4 typical 61:4 66:11,16,25 160:4 typically 41:11 118:16 135:20	ultimately 47:9 48:17 111:19 Ultimus 4:22 114:23 115:25 116:22,24 118:12,16 124:13 umbrella 117:18 unable 101:1 128:21 unaffiliated 80:20 unanimously 45:21 unbundle 72:11 underline 128:11 underlying 7:10 10:13,25 40:21 41:22 63:21 undermine 18:24 underneath 11:8 underperform... 130:13 underpin 32:23 underscore 65:13 undersigned 189:8 understand 21:18 22:8 30:16 44:18 57:6 70:7,19 86:9 90:14 101:20,25 103:15 104:5 127:25 130:14 133:14 143:15 148:8 158:18 168:5 177:11 186:4 understanding 22:4 30:24 70:4 103:20 105:11 159:4 undertake 144:20 undertaken	134:23 undertaking 113:20 unexpectedly 180:6 unfair 72:3 unfamiliar 92:24 unfortunately 99:24 108:21 Unified 114:24 uniform 38:4 81:8 unique 17:13 18:17 66:24 United 1:1 92:23 universal 61:25 universe 74:18 University 4:24 130:5 unmute 28:14 unnecessary 91:12 unpack 103:2 unquestionably 107:23 unreasonably 73:2 unusual 126:12 128:5 unusually 168:9 unwieldy 146:5 update 4:9,14 21:23 23:23 29:23 34:1 46:6,12,17 59:16 74:20 updates 23:21 upshot 66:9 urge 144:20 170:6 use 8:13 11:24 22:5 34:4 44:21 49:20 52:5 54:25 69:15 70:1,3,9 70:18 71:17,21 72:4 73:1 75:6 77:2,7,12,18
U				
U.S 35:4 93:4 107:22,23,24 108:6 111:2,15 111:17 112:1 113:6 164:19 ubiquity 69:23 UCIT 107:18 108:16 UCITs 92:17,22 94:25 107:21 108:2,6,12 109:6 110:8,23 111:20,25 112:11 113:5 165:14 UK 72:16 ultimate 185:23				

78:2,15 88:3 115:19 127:23 137:14 170:2 172:8 useful 27:5 85:16 136:9,17 156:15 178:8 user 7:5 70:23 users 72:9,11 usual 28:11 usually 25:18 168:11 utilization 49:9 utilize 101:17 utilizing 17:8	venues 49:24 versus 130:23 145:9,23 174:6 186:7 viable 67:10 video 28:15 view 26:14 44:11 49:4 72:2 73:14 78:8 120:23 132:6 140:13 152:19 176:4 viewed 76:8 viewing 57:13 views 74:4 virtual 6:7 23:15 72:24 virtually 70:1 vital 98:8 100:17 voices 26:13 157:6,8 volatility 137:15 volume 79:17 158:6 vote 25:3 27:14 43:18 44:10 45:6 77:13,24 voting 45:9,14 67:25 77:8,11 77:19,21 157:13,15,19	153:15 154:9 168:13,14 169:9,15,21 174:23 176:18 179:16 180:16 182:10 183:8 185:10 187:11 wanted 6:16 12:24 15:21 24:1 34:12 127:18 146:24 148:24 159:10 160:19 182:6 wanting 162:5 warranted 52:22 Washington 1:25 189:5 wasn't 146:4 177:5 watched 43:25 watching 188:7 way 14:9 17:22 29:21 39:9 49:6 55:25 56:13,21 85:17 85:25 95:7 96:25 102:4 104:22 111:1 126:8 136:19 143:25 144:7 148:6 152:7 154:11 157:2 157:21 169:6 173:2 180:19 190:11 ways 16:24 17:20 18:21 20:11 96:1 150:11 170:14 187:16 we'll 24:25 25:5 28:11 45:12 57:24 58:3,6,7 58:10,14 71:5 184:1 we're 7:17 11:21 20:25 21:12 28:15 45:13	46:1 53:17 54:11 55:5 58:14 59:4,7 82:10 84:7,14 89:18 91:24 100:24 103:4 128:21 131:4 149:12,13 150:2,4 151:8 151:10 161:16 164:7 167:11 167:24 182:16 184:23 187:5 188:18 we've 6:8 8:18 12:8 24:17 25:8 28:7 45:14 46:23 48:20 63:15 69:9 96:16 108:17 117:1 128:18 145:10 145:13 148:19 153:24 158:22 183:11 184:3 188:12 weakened 115:15 wealth 32:20 177:13 wear 65:5 122:16 wearing 8:18 WebEx 1:8 6:8 website 63:20 140:20 week 8:20 47:20 188:18 weigh 12:2 weight 35:16 86:18 157:6,17 158:4,11 welcome 4:4 6:3 6:14 21:6 53:12,25 58:18 168:3 169:8 176:18 welcomed 149:18	well-educated 143:22 well-known 72:23 well-organized 176:12 weren't 165:22 Wermers 2:18 3:17 4:23 57:8 60:3 129:17 130:11 155:5 156:13 162:10 163:9 166:11 179:13 wholly 10:4 wi-fi 135:6,7 138:14 wi-fis 135:15 136:7 138:21 widely 130:6 wider 30:11 32:22 37:19,21 37:25 Williamson 23:8 59:23 185:4 willingness 6:21 wish 43:1,5,10 women 124:8 women-owned 125:4 wonder 161:25 wonderful 94:14 wondering 106:17 153:19 156:21 157:24 word 140:6 183:2 worded 149:19 words 42:2 117:20 131:11 134:22 136:5 185:19 work 13:17 16:3 20:16 21:16 24:14 26:11,21 28:2,4 29:17 29:24 30:12 32:4 34:9 43:4 43:13 44:17
V				
valuable 22:20 43:8,12 56:19 183:16 value 39:22 53:22 56:3 89:20 105:22 132:11,12 184:2 values 50:12 variety 77:20 83:12 various 32:8,16 43:8 54:24 98:9 102:5 112:12 121:21 126:5 vast 63:3 64:8 66:14 74:11 166:18 vehicles 36:8 vendor 87:12,17 88:23 89:9,24 89:25 91:9 94:18 102:22 103:9,13,21 104:8,13,19 105:18,20 vendors 17:11 71:4 89:13,24 90:25 95:17 103:5,6 104:21 105:16 154:3	wait 154:2 waiting 136:10 Wally 185:4 Walmart 35:24 Walter 134:25 135:3 want 7:9 12:2 17:24 23:2,23 25:16 44:1 53:9 55:24 59:12,19 60:5 72:18 81:3,5 83:25 105:17 116:16 119:7 123:12 128:11 129:4 147:12			
	W			

45:25 46:4,24 48:25 53:23 54:3 60:1 71:13 81:7 95:17 96:2 102:8 124:21 125:3 142:20 153:21 154:19 161:22 165:10 169:6 173:8,12 175:10 176:25 179:19 182:23 183:7 184:4,5 184:10 185:18 185:20 worked 23:10 83:15 workers 179:23 working 44:5 86:21 90:14 96:4 97:13 100:19 103:4,8 103:13 105:16 128:8 152:25 185:7 workman 77:22 works 126:9 world 8:16 127:23 128:17 144:16 worry 49:2 144:1 160:6 worth 32:17 71:24 73:19 75:15,20 84:19 91:5 130:24 worthwhile 90:6 173:2 wouldn't 88:13 177:19 wrap 25:21 81:5 wrestle 43:25 wrestling 171:17 write 188:8 written 87:25 Wyman/Morg... 142:7 162:11	<hr/> Y <hr/> Yadegari 2:16 4:21 92:1 93:21 164:21 yeah 143:3 155:5 162:17 year 21:20 24:7 48:7 50:23 51:6 61:13 63:14,18,19 84:10 87:13,15 126:13 173:9 184:7 years 8:2 13:7 13:14 19:18 52:1 63:16 69:9 84:9,16 86:6,8 87:8 100:6,12 107:18 110:24 112:10,23 114:25 116:24 125:7 128:4 133:22 134:5,8 134:9 137:21 143:18 177:25 182:5 yield 79:18 York 65:23 you-all 148:6	129:1 139:17 161:21 100,000 134:2 11 108:5 11:30 58:1,9 11:40 57:22 58:9 11:45 25:15 57:4 57:12,15 58:10 58:18 12 133:20,21 12/31 63:17 12:45 57:5 13 36:20 13,880 64:10 144A 79:10,15 79:15 144A-for-life 79:22 15 8:1 36:13 38:13 39:3 42:17 15(c) 90:19 126:22 150,000 87:13 155 33:13 16 49:2 167 5:3 18 25:9 34:10 53:24 185 64:17 188 5:5 1940 122:10 1981 133:19,20 133:22	2019 33:15 78:3 2020 29:6,16,22 30:4 31:8 32:2 49:3 78:3 2021 1:9 6:6 21:13 29:17,19 33:1 34:7 64:10 189:4 2023 190:19 25 14:17 74:5 168:11 26 34:12 27 1:9 6:5 47:13 189:4 28 4:7 24:9 184:13	<hr/> 750 117:4 <hr/> <hr/> 8 <hr/> 8,000 64:22 80 65:15 82 96:18 88.5 64:16 89 97:20 <hr/> <hr/> 9 <hr/> 9:30 1:10 90 14:22 94 96:24 96 154:18 98 154:19
<hr/> X <hr/>	<hr/> Z <hr/> Zareei 137:12 <hr/> <hr/> 0 <hr/> <hr/> 1 <hr/> 1 12:3 47:19 64:14 1.5 35:20 1.7 35:21 1:45 25:15 57:5 10 8:1 36:22 88:4,11 128:19 137:14 10-1-2021 189:15 10,000 64:14 100 1:24 14:21 74:8 80:19	<hr/> 2 <hr/> 2 163:21 2.1 132:11 2.5 35:19,20 2:10 188:22 2:15 25:22 2:30 25:22 20 63:16 143:18 168:11 200 88:7 147:2 2005 98:6 2011 71:25 2017 72:14 2018 99:14	<hr/> 3 <hr/> 3 24:9 184:13 30 88:11 114:25 174:19 300 117:1 31 63:17 190:19 <hr/> <hr/> 4 <hr/> 4 24:6 117:12 40 86:6 122:18 133:22 134:5,8 40-year 137:15 400 66:8 401(k)s 34:25 450 116:24 459 137:16 46 4:9 <hr/> <hr/> 5 <hr/> 5 64:16 87:9 5,000 177:3,6 50 14:22 64:21 65:21 66:14 500 35:15 58 4:12 59 4:14 <hr/> <hr/> 6 <hr/> 6 4:4 60 14:19 65:25 <hr/> <hr/> 7 <hr/> 71 96:14	