Speech

Speech: PLI Investment Management Institute

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Introduction

Good Morning. Thank you Barry [Barbash] and Paul [Roye] for the kind introduction and thank you and PLI for inviting me to speak again with you. I looked back at my remarks the last time I was with you. Two years ago, the focus of our discussion primarily centered on SEC rulemaking regarding Standards of Conduct for Financial Professionals and Liquidity Risk Management.[1] This year, we have many more items on the agenda, and COVID-19 has reshaped our lives, tested our markets and reordered – but not reduced – our priorities.

Clearly, there's more to discuss than I can tackle in one speech, so I'm going to focus on three topics. To get the ball rolling, I'll start with a look back at key developments this year. Then, I'll talk about what you should expect from the Division for the remainder of the year. Finally, I'll close with my favorite topic – the fine people of the Division of Investment Management and how we're working together to make some changes that will improve efficiencies and enhance our monitoring.

Before I start, let me remind you that I am speaking today only for myself and not for the Commission, the Commissioners, or the staff.[2]

I. Looking Back on the Year So Far

1. Impact of COVID-19

This has been a year of big, unexpected events – events that have tested both asset managers and regulators, business processes and market structures, home internet connections and the patience of parents. We have not, unfortunately, seen the end of the COVID-19 pandemic and its impact on our lives. We have, however, seen some remarkable examples of resilience and adaptability. I am, for example, very proud of the Division staff. The staff has been teleworking for almost five months, and the Division has not only remained fully functional b on a workload that dramatically expanded to accommodate additional outreach, extensive monitoring, emergency response work, and intense international and domestic coordination.

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In the course of just a few months this year, the Division, for example, brought recommendations to the Commission for targeted, temporary relief addressing filing and delivery challenges, providing additional tools for obtaining credit and permitting fund boards to meet virtually. The staff also responded to a variety of questions, including in staff letters and FAQs.[3]

In addition, the Division, working with staff throughout the Commission, conducted hundreds of outreach calls to understand the effects of the pandemic on registrants and the markets.[4] Changes made after the Financial Crisis

have proven critical to this outreach and monitoring. In particular, our Analytics Office has been at the center of these efforts, greatly improving our data handling capabilities and aided by the significant expansions of our structured data on registered funds and private funds. The integration of this market intelligence with our policy tools enabled a swift and well-informed response that, in my view, represents a leap forward from what was possible in past crises.

As the intense swings of March and April have settled into a somewhat steadier pattern and market participants have started to look back at those events, I have been asked whether significant policy changes should be on the table, particularly with regard to money market funds, liquidity and operational risk. I believe that, in general, drawing conclusions about significant policy changes would be premature, not least because the pandemic is ongoing. In addition, while we certainly understand the broad strokes of recent market events, many important questions will need to be answered before permanent changes are considered. We need to start with rigorous analysis of the data. We also need to understand the role, in the short and long term, of the fiscal and monetary responses, as well as the perspectives and experience of other regulators and market participants. We should then be guided by that work in assessing whether changes are needed.

In the meantime, I invite asset managers to take a clear-eyed look at their own experiences and engage with us in an open, data-driven dialogue on these questions. As an initial contribution to the dialogue to come, I will offer some preliminary thoughts in two areas: fund liquidity and operational challenges.

a. Fund Liquidity

Let's tackle fund liquidity first. Over the last few months, some funds faced a significant level of redemption activity as investors sought to shift long-term assets into short-term, highly liquid instruments. More broadly, mutual funds across all asset classes experienced net outflows while government money market funds grew to unprecedented levels, reflecting this broad shift.[5] Funds with elevated levels of redemption activity can face liquidity challenges or the risk that remaining shareholders will face dilution.

The Commission took significant steps to address these risks by adopting liquidity rule 22e-4 and a modernized framework for liquidity risk management.[6] The rule requires funds to "kick the tires" to uncover potential problems and risks. Specifically it requires funds to take stressed market conditions into account as they assess and manage liquidity risk to anticipate liquidity needs. By doing so, funds can establish a game plan for dealing with a variety of circumstances. The rule does not create a rigid structure for engaging in this analysis, or specify the frequency or manner in which any stress testing elements must be conducted. Instead the rule allows funds to structure and design any stress testing elements they use as appropriate for that fund.[7]

While I believe these stress testing elements, along with the risk management framework of rule 22e-4, improved the resilience of funds ahead of recent events, it is, of course, fair to ask whether the rule effectively achieved its purpose. I invite feedback on this question. For example, the stress testing elements are not a requirement to conduct a full portfolio stress test; should there be such a requirement? Do funds generally include stress tests in their programs? If not, how effective are the programs in anticipating market dislocations? How useful was information about a fund's liquidity classifications to its risk and compliance officers? Did the models underlying the classifications need to be adjusted and, if so, how?

In addition, recent events have caused me to wonder whether some of the liquidity tools that are avai Return to Top funds, such as swing pricing and redemption fees, have been underutilized. Both have the potential to ameliorate the risk of dilution when redemptions increase. This was a critical policy goal for the Commission when it adopted rule 22e-4. We should explore whether swing pricing has been effective during the recent market disruptions in jurisdictions that have put it into practice. If it had a proven effect, what concrete steps could or should the Commission and other regulators take to ensure swing pricing can be operationalized in the U.S.? If that is not possible, should funds instead be required to impose redemption fees to protect the interests of remaining shareholders? Are there other approaches we should consider to protect remaining shareholders?

b. Operational Challenges.

Let's move on now from liquidity to operations. A recent meeting of the Asset Management Advisory Committee ("AMAC"), an advisory committee established to make recommendations to the SEC and its staff about the asset management industry, highlighted the operational challenges that managers faced during the COVID-19 market disruptions.[8] Crises expose weak spots, and this discussion identified one that I believe is both significant and solvable – the continued dependence of fund and adviser communication on paper.

The panelists identified numerous operational challenges relating to paper delivery. Among others, funds and advisers faced delays in printing and delivering disclosures, mail delivery in some countries was suspended, and the personnel necessary to prepare and send required disclosures became unavailable, or available only on a limited basis.

The Commission's most recent comprehensive guidance on e-delivery is now 20 years old, and it was written at a time when it still made sense to talk about CD-ROMs and faxes in the same sentence as email and the internet.[9] As my three Generation Z children are fond of reminding me, even email has become outdated technology. With that in mind, I believe it is time to reconsider our approach to shareholder and client communication. I do not believe that we should override any expressed delivery preference, but we should consider guidance that treats physical and electronic delivery as equals rather than measuring delivery against a paper standard. Where an investor has not expressed a preference, could we open the door to allowing funds and advisers to communicate with shareholders and clients using electronic contact information? What standards should apply for when that contact information can be relied on? Could we, for example, use the framework in the staff's recent international mail delivery no-action position?[10] Are there other regulatory approaches in use from which we can learn?

Recent experience has also highlighted the operational challenges that result from the Investment Company Act's requirements for certain in-person board meetings. As you know well, fund directors could not, in recent months, reasonably be expected to travel and meet physically in a single room. In response, the Commission issued an exemptive order, twice extended, that provided much-needed relief to permit virtual meetings during the pandemic.[11]

As a result, boards have gained experience conducting virtual meetings while considering matters ordinarily reserved for in-person meetings. As with many corporate boards, which already permit members to participate virtually, the feedback so far is that they have found these virtual meetings to be both effective and a way to address health concerns. As a result, a number of groups have expressed interest in extending the relief permanently. In my view, moving in this direction makes good sense. As we consider these requests, I would be interested in hearing what limitations, if any, are needed. For example, are there conditions the Commission should require? Can a meeting meet the in-person requirement if it is largely in-person but with some board members attending virtually? The current exemptive order requires that a virtual vote be ratified at the next in-person board meeting. Is that requirement necessary in light of boards' experiences? Should there be certain technology and security requirement?

2. Accomplishments of the Division in the first half of 2020

Although the pandemic and its effects have demanded much of our focus in the first half of the year, the Division has also moved forward on a number of the projects on our agenda. I would like to call attention to a few, particularly those that the Commission has completed or on which we are currently seeking your engagement. These include:

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- First, the recently proposed increase of the Form 13F filer threshold from $100 million to $3.5 billion.[12] Form 13F was designed to provide the Commission and market participants with data from large (not necessarily famous) institutional managers about their activities and holdings. When Form 13F was adopted over 40 years ago, the overall value of U.S. public corporate equities was $1.1 trillion. Today, it is $35.6 trillion. This proposal is part of the staff's retrospective review of rules that have not changed in decades to evaluate whether they are functioning as intended.
- Second, guidance regarding an investment adviser's proxy voting responsibilities under the Advisers Act and related rules.[13] In addition, the staff has continued its work on ways to address challenges when a

fund itself is seeking proxies.

- Third, the establishment of an expedited review procedure for routine applications under the Investment Company Act.[14]
- Fourth, modification and clarification of requirements related to the covered fund provisions of the Volcker Rule. These aimed to address ambiguities and treat bank investments in funds and outside of funds in parallel .[15]
- Fifth, a proposal to overhaul the outdated regulatory framework for fund valuation practices.[16]
- Sixth, modification of the registration, communications, and offering processes for business development companies and other closed-end funds.[17]
- Seventh, led by the Commission's Office of the Chief Accountant, updates to the "loan provision," one of the auditor independence rules.[18] These included updates to address changes in the student loan and consumer credit markets.
- Finally, led by the Division of Corporation Finance, a recommendation for adding new categories of qualifying natural persons (based on demonstrated sophistication) and entities to the definition of accredited investor,[19] and to simplify, harmonize, and improve certain aspects of the exempt offering framework.[20]

All of these initiatives were in addition to the regular work of the Division including exemptive orders, no-action letters, review of disclosure filings, and exam and enforcement assistance..

II. Looking Ahead

I have said a lot already about our work, focusing on the events from March and since, but I also want to update you on what to expect for the remainder of the year.

To begin with, we plan to make recommendations for next steps to the Commission on all of the outstanding proposals in our area, including fund of funds arrangements,[21] funds' use of derivatives,[22] fund valuation practices,[23] and investment adviser advertising and solicitation.[24] In addition, we continue to work on our investor experience initiative, and in particular on how to make disclosure more accessible to Main Street investors. Currently, the investor experience team is working on a recommendation for a streamlined shareholder report.

I would also like to highlight one other initiative that has been important over the last several months. That initiative is enhancing public access to private markets. I would like to start by explaining why I view this as an important area to tackle and then offer my thoughts on two fund structures that could potentially help provide that enhanced access.

Access to private investment returns is not new for Main Street investors. For decades, such returns have been an important part of the strategies of defined benefit plans which invest in the private markets as institutional investors. Private investments have the potential to provide stronger returns and diversification for investors, but come with both performance and liquidity risks. Defined benefit plans utilize the potentially advantageous returns while seeking to manage those risks. The role and availability of defined benefit plans, however, has decreased in recent decades, and has coincided with a pronounced shift to defined contribution plans.[25] Defined contribution plans have not, historically, provided access to private investments.[26] As a result, Main Street inves increasingly on the outside looking in.

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I believe there are two potential 1940 Act-registered fund structures we could explore to provide enhanced access to private investments. They are target date funds and closed-end funds of private funds. Both could provide convenient, professionally managed means for Main Street investors to invest in these markets.

Registered target date funds are open-end funds. Their portfolios are designed to meet investors' longer term financial goals and could offer one expedient means for Main Street investors to obtain exposure to private investments.[27] Target date funds could, for example, invest in private markets as a way to diversify risk and

potentially enhance portfolio returns. At the same time, private investments would be capped to 15% of the fund's portfolio.[28]

Closed-end funds can provide another and different pathway. They do not offer daily redemptions and, therefore, can have more substantial holdings in longer-term, illiquid private investments without having to manage the same risks to liquidity and daily valuation. While a few closed-end funds of private funds exist in today's marketplace, the staff of the Division has historically raised investor protection concerns if these products were to be offered to retail investors.[29] For this reason, closed-end funds with more than 15% of their assets in private funds have, in the past and at the Division's urging, limited their offerings to accredited investors.

The Division is currently re-examining whether this staff position should be reviewed consistent with our firm commitment to investor protection. We are interested in hearing from fund sponsors, investors and other market participants with ideas for closed-end fund of private funds that would respond to our concerns. In particular we are interested in answers to the following questions:

- What criteria would promote access to high quality private market investments? For example, should closed-end funds of private funds invest with fund managers that meet certain experience and scale criteria?
- What closed-end fund structures would be most appropriate for Main Street investors? For example, would an interval fund or tender offer fund provide the right mix of liquidity and access? If so, are there any limitations on an interval fund of private funds strategy given the liquidity requirements in the interval fund rule? Should we consider changes to existing rules to make these funds a more viable option in this context?[30]
- What types of advisory compensation arrangements would result in the most optimal alignment of economic interests between Main Street investors and the fund adviser? For example, would performance-based compensation better serve this goal? Or perhaps compensation in the form of fund shares? If so, how should we structure such relief?
- Should registered funds limit exposure to private funds that are sponsored or advised by a single adviser? Would allocating assets across multiple advisers promote competition and minimize the risk of unattractive or unsuitable investments? What other risk measures could be put in place by closed-end funds of private funds that would diminish incentives for advisers to take undue risks?
- Finally, how can the structure be shaped in a manner that would not involve an extra layer of fees and expenses?

If you have thoughts on the questions above, please contact the Division's staff.

III. Closing – Making the Most of our Resources

In my speeches, I've reported from time to time about our efforts to use our resources effectively. Doing so has been a top priority because, while registered funds represent approximately $30 trillion in assets and registered advisers report that they manage approximately $97 trillion in assets, the Division has a staff of approximately 200. To advance this goal, the Division has taken several measures over the past two years.

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First, our operations team has created a new office called the Business Solutions and Technology Of
focuses on project management and process improvement. Among its many tasks, the office will be our central location for all internal and external process improvements.[31]

Second, we have been making changes designed to improve our regulatory monitoring and oversight. The first is the creation of a new Industry Specialist Unit housed within our Analytics Office.[32] The unit currently includes our ERISA, ETF, MMF, operations, and private fund portfolio management specialists. We will continue to increase the scope of our industry coverage to improve our ability to monitor trends and risks, analyze data collections, formulate policy decisions, and facilitate our outreach efforts.

Third, we have reorganized and expanded our policy and legal support to the Office of Compliance Inspections and Examinations ("OCIE"). As many of you are aware, the Division has an enforcement liaison program under the leadership of Janet Grossnickle. Janet and her dedicated team of attorneys work closely with Enforcement in headquarters and across the regions on hundreds of matters each year.[33] This has been a successful model that allows us to support Enforcement's work. While we also currently coordinate closely with OCIE and benefit greatly from their observations on trends and practices in the field, the Division has lacked a formal coordinator and dedicated staff for this important relationship. To remedy that, we have expanded Janet's team to build out a liaison role modeled on our relationship with Enforcement.[34] These consolidated functions now reside in the IM Liaison Office. This will take time to be fully operational, but as it reaches maturity over the next couple of years, I am confident that it will help us build an even closer tie between policy and exams.

Fourth, the AMAC which I mentioned earlier, held its inaugural meeting in January. Since then, the AMAC has taken deep dives into current topics, including ones that are neither easy nor comfortable to tackle. Just two weeks ago, with support from me and Chairman Jay Clayton, the AMAC held a special meeting on issues surrounding the lack of diversity and inclusion in the asset management industry as well as data privacy and the impact of technology on investment advice. The AMAC has also hosted a discussion of effects of COVID-19 on asset managers and reported on its preliminary work analyzing the recent growth of ESG-focused investing and public access to private investments. I would personally like to thank Ed Bernard, the Committee's chairman, for his exemplary leadership, as well as all the members of the AMAC for their own public service advising the SEC and the Division on how we can make our regulatory system more effective and more efficient.

With that, I will close, and thank you all very much for your time and attention this morning. I hope that you find the rest of the conference educational, in keeping with the spirit of the PLI's work and mission.

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[1] Speech by Dalia Blass, Remarks at the PLI Investment Management Institute 2018, (Apr. 30, 2018), available at https://www.sec.gov/news/speech/blass-remarks-pli-investment-management-institute-2018.

[2] The Securities and Exchange Commission ("SEC" or "Commission") disclaims responsibility for any private publication or statement of any SEC employee or Commissioner. This speech expresses the author's views and does not necessarily reflect those of the Commission, the Commissioners, or other members of the staff.

[3] *See* SEC Coronavirus (COVID-19) Response, available at https://www.sec.gov/sec-coronavirus-covid-19-response.

[4] *See id*.

[5] Total MMF assets increased by $705 billion in March and by $462 billion in April to reach an all-time high of $5.2 trillion in May, up 29% from the end of February 2020. Government MMFs have seen the largest share of inflows, with total assets increasing by $838 billion in March and $347 billion in April, and are up over 40% from the end of February 2020 (Source: Form N-MFP). Long-term mutual funds saw outflows of nearly $350 billion in March and $30 billion in April, an outflow of 2.2% from February levels. In March, 78% of the outflows from long-term mutual funds were attributable to bond funds. ETFs had net inflows of only $627 million in March, before recovering in April with net inflows of $44 billion (Source: Morningstar).

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[6] *See* 17 CFR 270.22e-4; Investment Company Liquidity Risk Management Programs, Investment Company Act Release No. 32315 (Oct. 13, 2016), available at https://www.sec.gov/rules/final/2016/33-10233.pdf.

[7] As part of the required periodic review of the liquidity program, the fund's board should generally receive information on any stress testing the fund conducts so that it can effectively oversee the adviser's management of fund liquidity.

[8] *See* SEC Issues Agenda for May 27 Meeting of the Asset Management Advisory Committee, Press Release No. 2020-119 (May 21, 2020), available at https://www.sec.gov/news/press-release/2020-119.

[9] *See* SEC Interpretation: Use of Electronic Media, Investment Company Act Release No. 24426 (Apr. 28, 2000), available at https://www.sec.gov/rules/interp/34-42728.htm; Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information; Additional Examples under the Securities Act of 1933, Securities Exchange Act of 1934, and Investment Company Act of 1940, Securities Act Release No. 7288 (May 9, 1996), available at https://www.sec.gov/rules/interp/33-7288.txt; Use of Electronic Media for Delivery Purposes, Securities Act Release No. 7233 (Oct. 6, 1995), available at https://www.sec.gov/rules/interp/33-7233.txt.

[10] *See* Staff Statement Regarding Temporary International Mail Service Suspensions to Certain Jurisdictions Related to the COVID-19 Pandemic (June 24, 2020), available at https://www.sec.gov/tm/temporary-international-mail-service-suspension.

[11] *See* Order Under Section 6(c) and Section 38(a) of the Investment Company Act of 1940 Granting Exemptions form Specified Provisions of the investment Company Act and Certain Rules Thereunder; Commission Statement Regarding Prospectus Delivery, Investment Company Act Release No. 33817 (Mar. 13, 2020), available at https://www.sec.gov/rules/other/2020/ic-33817.pdf. *See also* Order Under Section 6(c) and Section 38(a) of the Investment Company Act of 1940 Granting Exemptions from Sections 15(c) and 32(a) of the Investment Company Act and Rules 12b-1(b)(2) and 15a4(b)(2)(ii) Thereunder, Investment Company Act Release No. 33897 (June 19, 2020), available at https://www.sec.gov/rules/exorders/2020/ic-33897.pdf; Order Under Section 6(c) and Section 38(a) of the Investment Company Act of 1940 Granting Exemptions from Specified Provisions of the Investment Company Act and Certain Rules Thereunder; Commission Statement Regarding Prospectus Delivery, Investment Company Act Release No. 33824 (Mar. 25, 2020), available at https://www.sec.gov/rules/other/2020/ic-33824.pdf; Division of Investment Management Staff Statement on Fund Board Meetings and Unforeseen or Emergency Circumstances Related to Coronavirus Disease 2019 (COVID-19) (Mar. 4, 2020), available at https://www.sec.gov/investment/staff-statement-im-covid-19; Letter from the Staff of the Division of Investment Management to Independent Directors Council (Feb. 28, 2019), available at https://www.sec.gov/divisions/investment/noaction/2019/independent-directors-council-022819.

[12] Reporting Threshold for Institutional Investment Managers, Securities Exchange Act Release No. 89290 (Jul. 10, 2020), available at https://www.sec.gov/rules/proposed/2020/34-89290.pdf.

[13] Supplement to Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers, Investment Advisers Act Release No. 5547 (Jul. 22, 2020), available at https://www.sec.gov/rules/policy/2020/ia-5547.pdf. *See also* Exemptions from the Proxy Rules for Proxy Voting Advice, Securities Exchange Act Release No. 89372 (Jul. 22, 2020), available at https://www.sec.gov/rules/final/2020/34-89372.pdf.

[14] Amendments to Procedures With Respect to Applications Under the Investment Company Act of 1940, Investment Company Act Release No. 33921 (Jun. 6, 2020), available at https://www.sec.gov/rules/final/2020/ic-33921.pdf.

[15] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, Release No. BHCA-9 (Jun. 25, 2020), available at https://www.sec.gov/rules/final/2020/bhca-9.pdf.

[16] Good Faith Determinations of Fair Value, Investment Company Act Release No. 33845 (Apr. 21, 2020), available at https://www.sec.gov/rules/proposed/2020/ic-33845.pdf.

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[17] Securities Offering Reform for Closed-End Investment Companies, Securities Act Release No. 10771 (Apr. 8, 2020), available at https://www.sec.gov/rules/final/2020/33-10771.pdf.

[18] Auditor Independence With Respect to Certain Loans or Debtor-Creditor Relationships, Securities Act Release No. 10648 (June 18, 2019), available at https://www.sec.gov/rules/final/2019/33-10648.pdf.

[19] Amending the “Accredited Investor” Definition; Securities Act Release No. 10734 (Dec. 18, 2019), available at https://www.sec.gov/rules/proposed/2019/33-10734.pdf.

[20] Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets, Securities Act Release No. 10763 (Mar. 4, 2020), available at https://www.sec.gov/rules/proposed/2020/33-10763.pdf.

[21] Fund of Funds Arrangements, Investment Company Act Release No. 33329 (Dec. 19, 2018) available at https://www.sec.gov/rules/proposed/2018/33-10590.pdf.

[22] Use of Derivatives by Registered Investment Companies and Business Development Companies; Required Due Diligence by Broker-Dealers and Registered Investment Advisers Regarding Retail Customers' Transactions in Certain Leveraged/Inverse Investment Vehicles, Investment Company Act Release No. 33704 (Nov. 25, 2019), available at https://www.sec.gov/rules/proposed/2019/34-87607.pdf.

[23] *See supra* note 16.

[24] Investment Adviser Advertisements; Compensation for Solicitations, Investment Advisers Act Release No. 5407 (Nov. 4, 2019), available at https://www.sec.gov/rules/proposed/2019/ia-5407.pdf.

[25] According to Department of Labor data, as of 2017, the number of U.S. workers who participate in private defined contribution plans was almost three times the number of U.S. workers who participate in private defined benefit plans. U.S. Dept. of Labor, Employee Benefits Security Admin., Private Pension Plan Bulletin Historical Tables and Graphs 1975-2017 at 5 (Sept. 2019), available at: https://www.dol.gov/sites/dolgov/files/ebsa/researchers/statistics/retirement-bulletins/private-pension-plan-bulletin-historical-tables-and-graphs.pdf.

[26] The Department of Labor recently issued a letter that provides clarity on a defined contribution plan's ability to invest in private equity. *See* Department of Labor Information Letter 06-03-2020 (the "DOL Information Letter"), available at: https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/information-letters/06-03-2020.

[27] Target date funds make it easier for investors to save for retirement by offering access to diversified portfolios that are rebalanced automatically, without the need for each investor to rebalance investments repeatedly.

[28] *See supra* note 6, at notes 38-40 and accompanying text. Rule 22e-4 formalized a longstanding SEC guideline that generally limited registered open-end funds' aggregate holdings of "illiquid assets" to no more than 15% of the fund's net assets. We also understand that some mutual funds, including target date funds, currently invest in private equity, although only in very low allocations. *See generally* Section IV of Concept Release on Harmonization of Securities Offering Exemptions, Investment Company Act Rel. No. 33512 (June 18, 2019), available at: https://www.sec.gov/rules/concept/2019/33-10649.pdf.

[29] *See* Staff Report to the United States Securities and Exchange Commission, *Implications of the Growth of Hedge Funds* (Sept. 2003), at 80-83 (discussing concerns about the "retailization" of private funds), available at: https://www.sec.gov/files/implications-growth-hedge-funds-09292003.pdf.

[30] *See, e.g.,* 17 CFR 270.23c-3.

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[33] Thank you to what was formerly known as the Enforcement Liaison team: Janet Grossnickle, Martin Kimel, Neil Lombardo, Julia Kim Gilmer, Kevin McEnery, Jennifer Sawin and Linda Stirling. We are pleased to announce the addition of Robert Shapiro, Beth Clark, Marianne Dobelbower, Dan Gallagher and Jennifer Paul to the team, which is now called the IM Liaison Office.

[34] We are also pleased to announce that Jacob Krawitz has joined the office to spearhead the build-out of the OCIE Liaison function.

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