

The New Sale

10.06.20

10AM EST

Business Operations

10.13.20

10AM EST

Dynamic Marketing

10.20.20

10AM EST

Global Allocators

10.27.20

10AM EST



Lisa Roth
President
Monahan & Roth, LLC
lroth@monahan-roth.com



Darien Gould
Founder, President
DG Analytics
darien@dganalytics.net



Donna DiMaria
CEO, Principal
Tessera Capital Partners
Donna.dimaria@tesseracapital.com

COMPLIANCE UPDATE

3PM Games: 2020

Presented by Lisa Roth, President of Monahan & Roth, LLC

SEC Initiatives

01

- Reg BI, Form CRS Overview
- SEC Finder

ANTI-MONEY LAUNDERING

02

- What's new
- FINCEN stats to get you thinking

CYBERSECURITY

03

- Where to look for trouble
- The new normal: WFH protocols

When making such a recommendation to a retail customer, the firm must act in the best interest of the retail customer at the time the recommendation is made, without placing its financial or other interest ahead of the retail customer's interests.

A “retail customer” is a natural person, or the legal representative of such person, who:

- receives a recommendation of any securities transaction or investment strategy involving securities from a broker-dealer
- uses the recommendation primarily for personal, family, or household purposes

1

Disclosure Obligation: provide certain required disclosure before or at the time of the recommendation, about the recommendation and the relationship between the firm and its retail customer.

2

Care Obligation: exercise reasonable diligence, care, and skill in making the recommendation.

3

Conflict of Interest Obligation: establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest.

4

Compliance Obligation: establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest.

Adviser = Investment Adviser, No exceptions (RRs cannot use Adviser (or Advisor) in their title)

Sales Contests = Strictly Prohibited

What is the Disclosure Obligation?

The firm must, **prior to or at the time of the recommendation**, provide the retail customer, **in writing, full and fair disclosure** of:

- all material facts relating to the scope and terms of the relationship with the retail customer; and
- all material facts relating to conflicts of interest that are associated with the recommendation.

What is a Material Fact?

“Substantial likelihood that a retail investor would consider it important.”

FINRA'S EXAM FOCUS

1. Form CRS , content, format and initial delivery to existing clients
 - Appendix B is the word
 - No, seriously, THE WORD
2. Record keeping and ongoing delivery requirements
3. Mandatory or optional Reg BI training
4. Procedures that were NOT modified because they already addressed Reg BI
5. New Procedures implemented to address Reg BI

SEC Proposed Conditional Exemption for Finders Assisting Small Business with Capital Raising – 30-day comment period

1. Tier 1 – no contact with a potential investor
 - Limitations to providing contact information of potential investors in connection with only a single capital raising transaction by a single issuer in a 12-month period
 - Finder cannot have any contact with a potential investor about the issuer
2. Tier 2 – contact with potential investor BUT limited to
 - Identifying, screening and contact potential investors
 - Distributing issuer offering materials to investors
 - Discussing issuer information included in any offering materials
 - No advice regarding the valuation or merits of the investment
 - Arranging or participating in meetings with the issuer and investor
 - Must make disclosures and attain signed customer acknowledgment of receipt

SEC Proposed Conditional Exemption for Finders Assisting Small Business with Capital Raising: Conditions

1. Issuer is not Section 13 or 15(d) filer; Registration exemption
2. No general solicitation
3. Investor is (or reasonably expected to be) an accredited investor
4. Finder and Issuer enter into written agreement
5. Finder is not associated with a BD
6. Finder is not statutorily disqualified
7. Finder cannot handle funds, participate in structuring the transaction, participate in developing sales materials, assist or provide financing, or provide advice.

- AML is both a regulatory issue and a national security concern
- AML Programs help to weed out criminals, terrorists and drugs, weapons and human traffickers
- Participants, including BDs and IAs, must work together and learn from each other
 - FinCEN
 - US Department of Treasury
 - FINRA, SEC
 - SIFMA, 3PM

- AML remains among top risks identified by FINRA
 - FINRA's AML Investigative Unit researches and exams quantitative and qualitative measures
 - FINRA's dedicated review team monitors rule filings and FinCEN rules to tailor examination policies
- Exam Findings
 - Data accuracy and integrity, including FinCEN searches
 - Independent testing, tailored to the company's business
 - Cyber Focus including intrusions, hacks, phishing
 - Exception reports, tools, vendors

- Treasury's Suspicious Activity Reporting or SAR rule governs the filing of a suspicious activity report if:
 - (i) a transaction is conducted or attempted to be conducted by, at, or through a BD
 - (ii) the transaction involves or aggregates funds or other assets of at least \$5000; and
 - (iii) the broker-dealer knows, suspects, or has reason to suspect that the transaction:
 - (a) involves funds or is intended to disguise funds derived from illegal activity,
 - (b) is designed to evade requirements of the BSA,
 - (c) has no business or apparent lawful purpose, and the broker-dealer knows of no reasonable explanation for the transaction after examining the available facts, or
 - (d) involves the use of the broker-dealer to facilitate criminal activity.
- SAR filings are **CONFIDENTIAL**

FinCEN Suspicious Activity Report (Form 111)

Exhibit 1: Filings by Year & Month by Securities/Futures*

January 1, 2014 through December 31, 2019


 Department of the Treasury
 Financial Crimes Enforcement Network

MONTH	2014	2015	2016	2017	2018	2019
January	1,788	1,712	1,315	1,484	2,184	2,323
February	1,577	1,600	1,432	1,557	1,923	2,590
March	1,826	1,830	1,748	2,126	2,447	2,730
April	1,835	1,750	1,462	1,813	2,120	2,398
May	1,830	1,702	1,499	2,111	2,353	2,959
June	1,862	1,748	1,730	2,035	2,241	2,976
July	1,926	1,782	1,484	1,850	2,040	2,886
August	1,849	1,604	1,666	2,008	2,632	3,099
September	2,101	1,763	1,742	2,058	1,970	2,987
October	2,219	1,620	1,529	2,154	2,392	2,970
November	1,594	1,600	1,605	2,305	2,398	2,601
December	1,670	1,668	1,726	2,331	2,076	2,703
Subtotal	22,077	20,379	18,938	23,832	26,776	33,222
Total Filings	145,224					

*Statistics generated for this report were based on the Bank Secrecy Act Identification Number (BSA ID) of each record within the Suspicious Activity Report (SAR) system. The BSA ID is a unique number assigned to each SAR submitted. Numeric discrepancies between the total number of filings and the combined number of filings of states and/or territories are a result of multiple locations listed on one or more SARs.



Department of the Treasury Financial Crimes Enforcement Network

FinCEN Suspicious Activity Report (Form 111)

Exhibit 9: Filings by the type of Securities and Futures institution or Individual by Securities/Futures*

January 1, 2014 through December 31, 2019

TYPE OF SECURITIES & FUTURES INSTITUTION	2014	2015	2016	2017	2018	2019
Clearing broker-securities	17,860	16,216	15,718	20,092	22,107	31,326
Execution-only broker securities	-	-	-	-	188	283
Futures commission merchant	1,840	1,484	1,242	1,483	1,807	3,130
Holding company	796	1,325	1,344	171	540	308
Introducing broker-commodities	1,058	1,264	1,469	2,110	2,128	3,475
Introducing broker-securities	12,356	13,862	13,603	17,593	20,203	22,118
Investment advisor	1,638	2,285	2,104	4,091	5,910	8,423
Investment company	864	911	1,179	1,664	2,183	3,749
Retail foreign exchange dealer	174	112	85	24	186	1,623
Self-clearing broker securities	-	-	-	-	161	2,079
Subsidiary of financial/bank holding company	9,743	10,748	11,123	13,203	13,683	16,788
Other	3,229	3,334	4,225	4,916	5,166	3,439

* Some Securities/Futures or individual filing a report may list multiple reporting institutions.

Note: Statistical data for Suspicious Activity Reports is continuously updated as information is processed. For this reason, there may be minor discrepancies between the statistical figures contained in the various portions of this report or in previous reports.



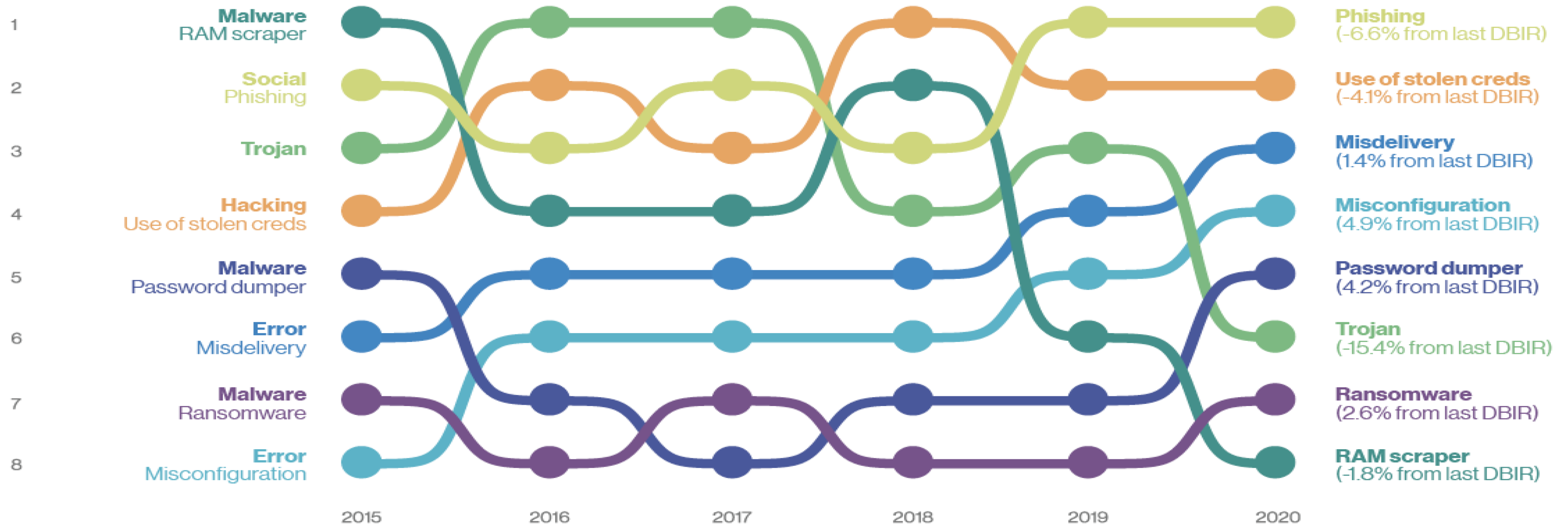
Department of the Treasury
Financial Crimes Enforcement Network

RANK	SUSPICIOUS ACTIVITY TYPE	FILINGS (OVERALL)	PERCENTAGE (OVERALL)
1	Wire	33,709	8.88%
2	Identity theft	32,597	8.59%
3	ACH	25,176	6.63%
4	Transaction with no apparent economic, business, or lawful purpose	23,311	6.14%
5	Account takeover	20,860	5.49%
6	Check	20,672	5.45%
7	Securities/Futures/Options - Other	17,604	4.64%
8	Suspicious EFT/wire transfers	16,871	4.44%
9	Embezzlement/theft/disappearance of funds	16,258	4.28%
10	Other Suspicious Activities - Other	15,787	4.16%
11	Fraud - Other	13,742	3.62%
12	Suspicion concerning the source of funds	13,558	3.57%
13	Two or more individuals working together	10,316	2.72%
14	Elder financial exploitation	9,855	2.60%
15	Insider trading	9,149	2.41%
16	Suspicious use of multiple accounts	9,098	2.40%
17	Unauthorized electronic intrusion	7,170	1.89%
18	Market manipulation/Wash trading	6,454	1.70%
19	Forgeries	6,354	1.67%
20	Transaction(s) below CTR threshold	6,211	1.64%
21	Credit/Debit card	6,038	1.59%
22	Mail	5,175	1.36%
23	Provided questionable or false documentation	5,030	1.32%
24	Transaction out of pattern for customer(s)	4,989	1.31%
25	Counterfeit Instruments	3,578	Less than 1%
26	Against financial institution customer(s)	3,167	Less than 1%
27	Misuse of position or self-dealing	3,153	Less than 1%
28	Little or no concern for product performance penalties, fees, or tax consequences	2,848	Less than 1%

FinCEN Suspicious Activity Report (Form 111)

Exhibit 5: Number of Filings by Type of Suspicious Activity by Securities/Futures*
January 1, 2014 through December 31, 2019Department of the Treasury
Financial Crimes Enforcement Network

SUSPICIOUS ACTIVITY CATEGORY	SUSPICIOUS ACTIVITY TYPE	2014	2015	2016	2017	2018	2019
Cyber Event	Against financial institution(s)*	-	-	-	-	66	345
	Against financial institution customer(s)*	-	-	-	-	461	2,706
	Other*	-	-	-	-	28	197
	Sub-Total	-	-	-	-	555	3,248
Fraud	ACH	2,464	3,077	3,358	4,350	4,925	7,002
	Advance fee*	-	-	-	-	30	197
	Business loan	29	16	11	15	16	12
	Check	1,940	2,701	3,125	3,599	3,817	5,490
	Consumer loan	15	20	62	27	41	202
	Credit/Debit card	849	844	782	756	1,331	1,476
	Healthcare/Public or private health insurance	36	20	13	22	22	23
	Mail	778	787	869	864	759	1,118
	Mass-marketing	36	82	111	180	432	493
	Other	1,215	1,070	1,644	3,038	3,387	3,388
	Ponzi scheme*	-	-	-	-	6	60
	Pyramid scheme	21	28	21	23	18	5
	Securities fraud*	-	-	-	-	187	1,036
	Wire	5,345	5,466	5,340	5,978	5,202	6,378
	Sub-Total	12,728	14,111	15,336	18,852	20,173	26,880
Gaming Activities	Chip walking*	-	-	-	-	0	0
	Inquiry about end of business day†	0	0	0	0	0	0
	Minimal gaming with large transactions	0	1	0	1	0	1
	Other	75	923	447	3	4	4
	Suspicious intra-casino funds transfers†	2	1	0	1	1	0
	Suspicious use of counter checks or markers	4	4	4	2	3	0
	Unknown source of chips*	-	-	-	-	0	0
	Sub-Total	81	929	451	7	8	5
Identification Documentation	Changes spelling or arrangement of name	32	48	47	42	41	57
	Multiple individuals with same or similar identities	50	39	125	199	188	442
	Other	115	152	130	197	225	127
	Provided questionable or false documentation	893	930	884	740	898	685
	Provided questionable or false identification*	-	-	-	-	52	247
	Refused or avoided request for documentation	199	181	235	246	754	417
	Single individual with multiple identities	65	71	123	71	70	155
	Sub-Total	1,354	1,421	1,544	1,495	2,228	2,130

Figure 6. Select action varieties in breaches over time

6 Convenience sampling is a type of nonrandom sampling that involves the sample being drawn from that part of the population that is close to hand or available. More details can be found in our "Methodology" section.

7 This year, we added a Trojan category to Malware. This is a combination of Malware RAT, Malware C2 and Backdoor, Hacking Use of backdoor or C2, and Malware Spyware/Keylogger.

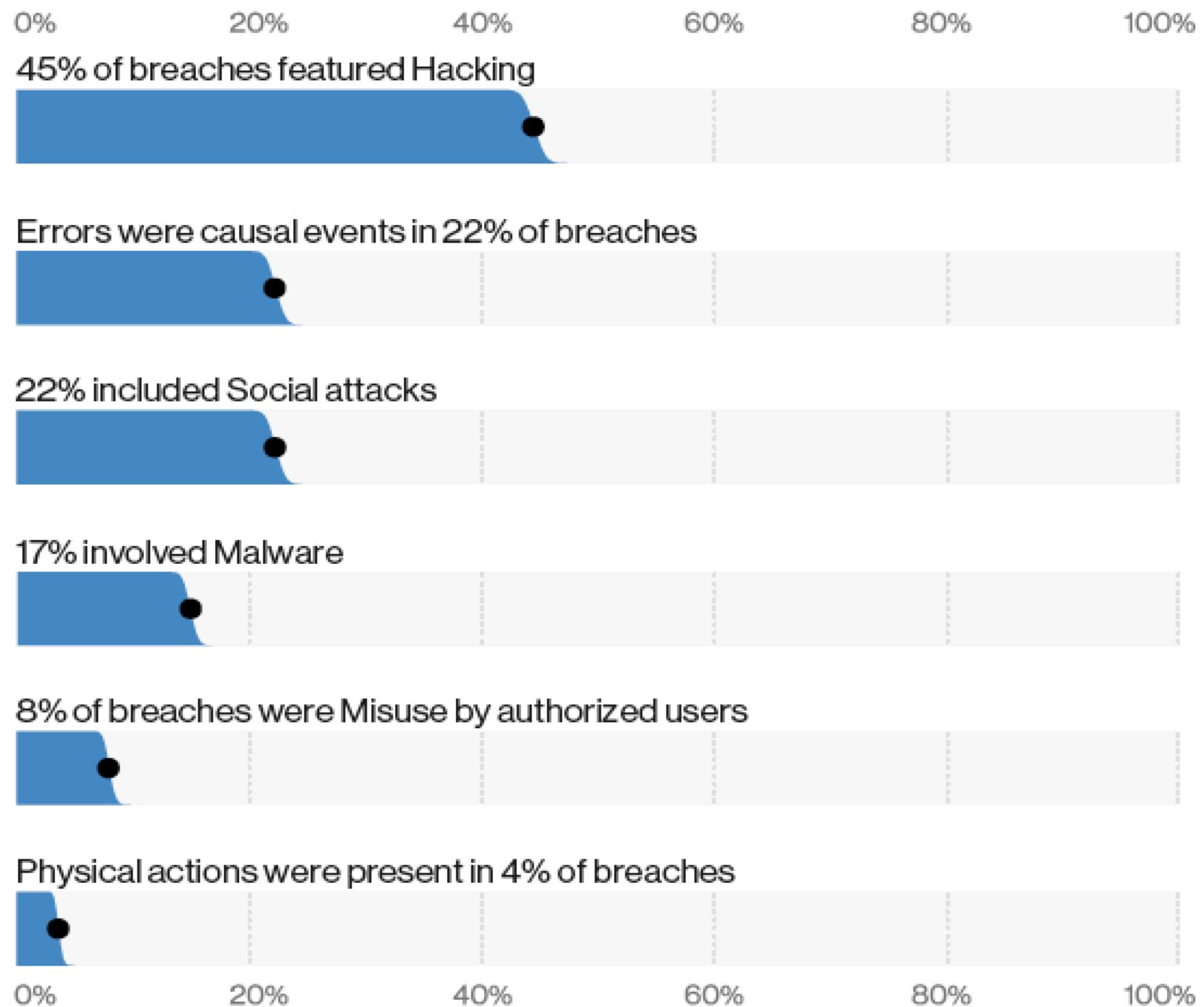
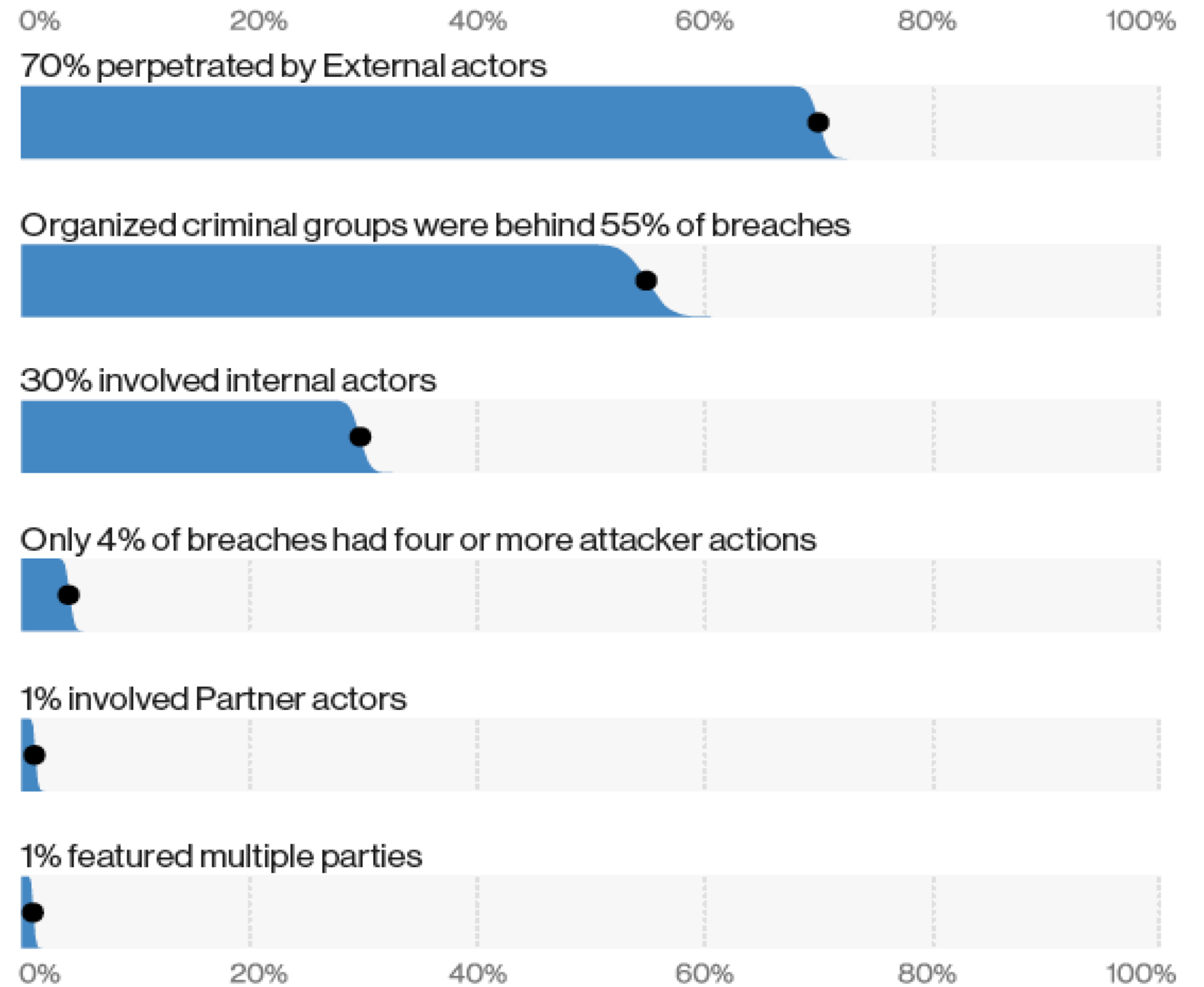
Figure 2. What tactics are utilized? (Actions)**Figure 3. Who's behind the breaches?**

Figure 4. Who are the victims?

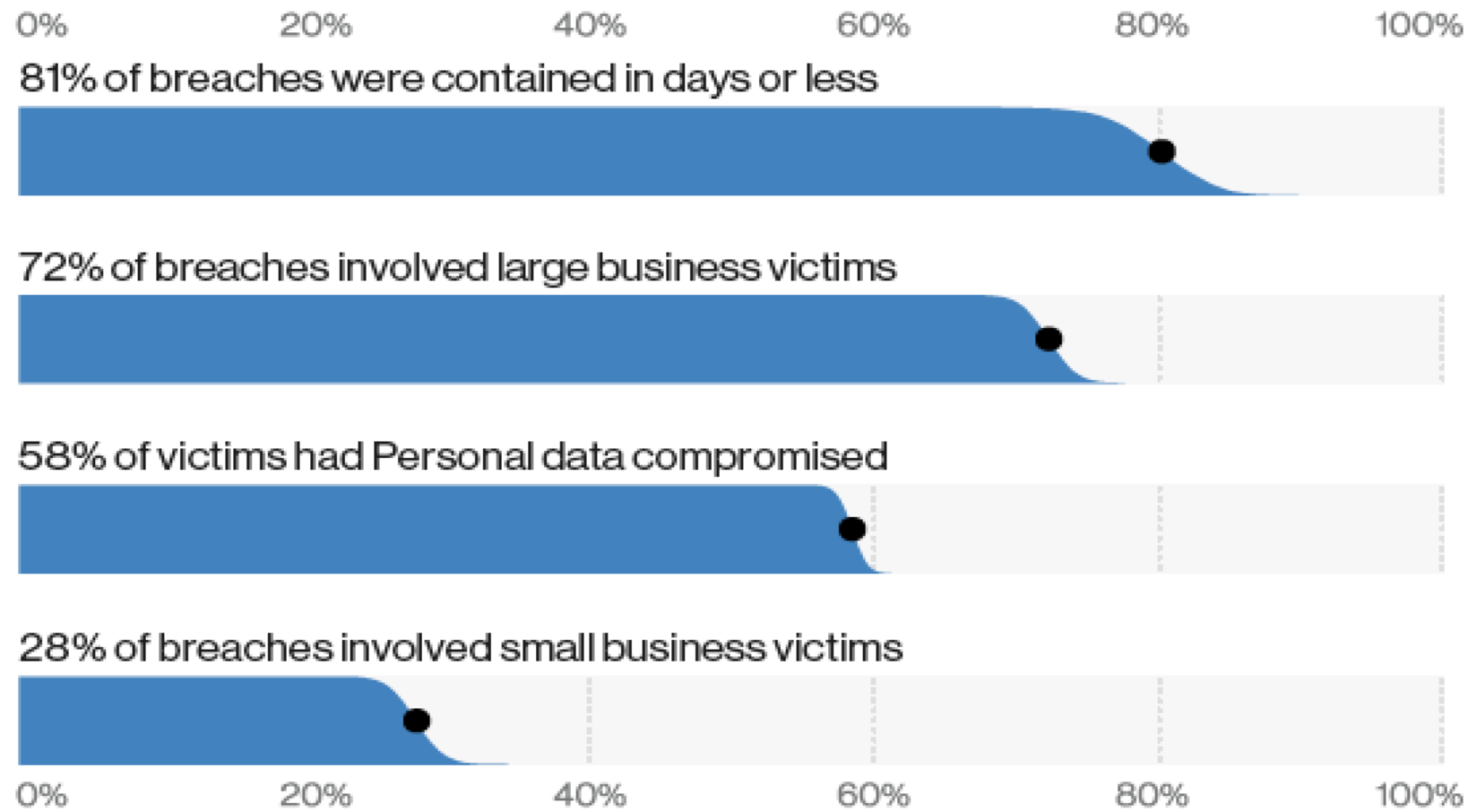
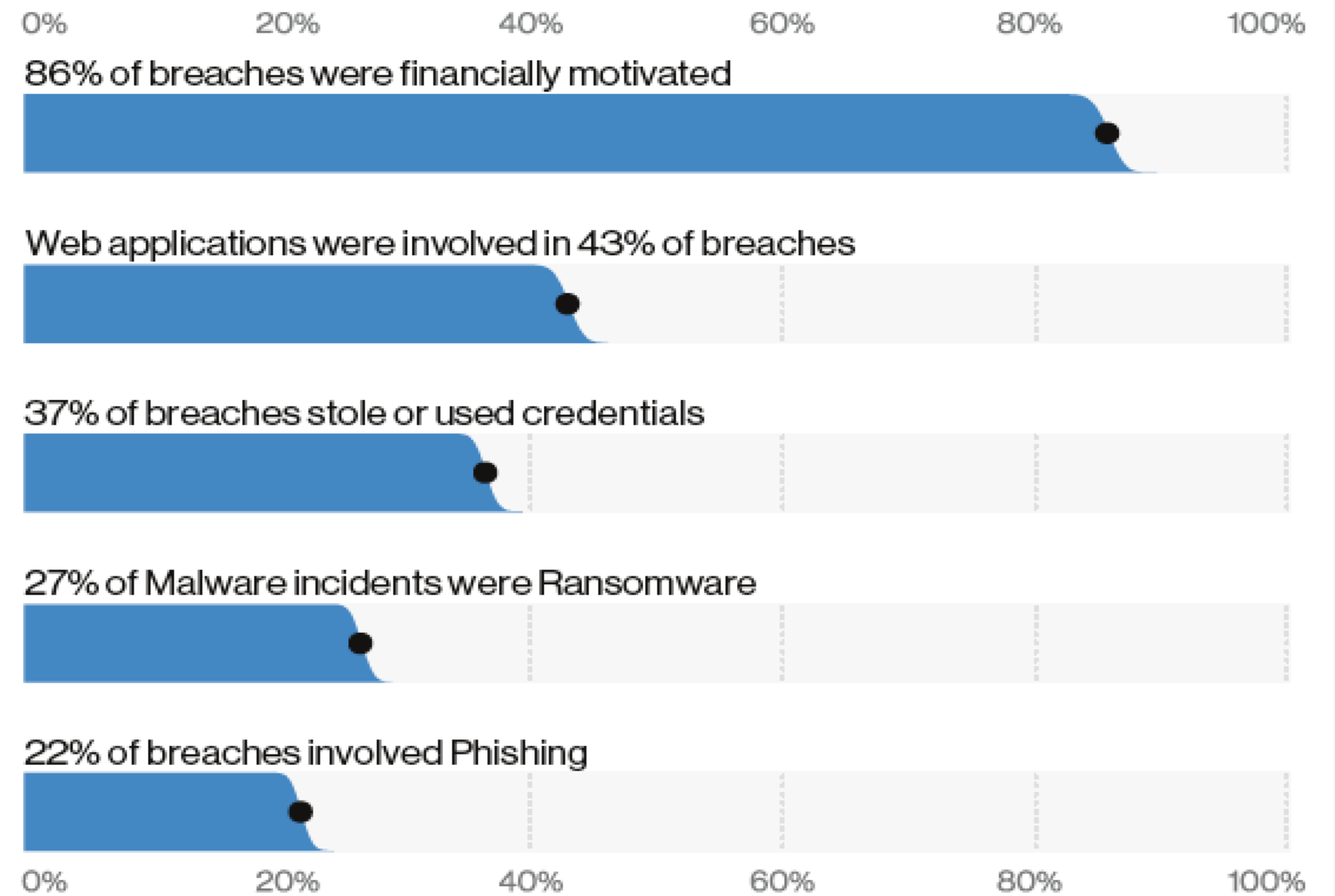


Figure 5. What are the other commonalities?



Financial and Insurance 2020 Summary

The attacks in this sector are perpetrated by external actors who are:

- Financially motivated to get easily monetized data (63%)
- Internal financially motivated actors (18%)
- Internal actors committing errors (9%)

Top Patterns

- Web applications, miscellaneous errors and everything else represents **81%** of breaches

Threat Actors

- External (**64%**), Internal (**35%**), Partner (**2%**), Multiple (**1%**) (breaches)

Actor Motives

- Financial (**91%**), Espionage (**3%**), Grudge (**3%**) (breaches)

Data Compromised

- Personal (**77%**), Other (**35%**), Credentials (**35%**), Bank (**32%**) (breaches)

Top Controls

- Implement a Security Awareness and Training Program (CSC 17), Boundary Defense (CSC 12), Secure Configurations (CSC 5, CSC 11)

VAP= Very Attacked Person



Vulnerability

- Most vulnerable industry:
 - Education, food and beverage (7 of 10 are successful)
- Best protected industries:
 - Financial services makes the list (also healthcare, software/technology, energy, government)



Attacks

- Shared email addresses (info@companyname.com; sales@companyname.com)
- No industry was spared



Privilege

- All levels of the organization are targets
- Potential for damage is proportionately higher at different levels of the organization

Network Security Controls

- Evaluate/update **privileges to access** sensitive systems and data.
- Provide staff with a **secure connection** to the work environment or sensitive applications (e.g., VPN, secure sessions remote desktop with multi-factor authentication).
- Provide staff with important **IT support** staff contact information (e.g., whom to call, how to contact them, when to contact them and how to handle emergency situations)

Incident Response

- Review/revise and prepare to implement the **firm's incident response plan** including whom to contact in the event of a cyber security incident (e.g., data breach, loss or exposure of customer PII, successful email attack, ransomware, lost or stolen mobile device).
- **Confirm change management chain** of command with internal or outsourced IT personnel

Measures for Associated Persons' Office and Home Networks

- Use a **secure network connection** to access the firm's work environment (e.g., through a company-provided Virtual Private Network (VPN) or through a secure firm or third-party website (which begin with "https"))
- Secure Wi-Fi connections using a **stringent security** protocol (g., WPA2)
- Check for and apply **software updates and patches** to routers on a timely basis
- Change the default **user names and passwords** on home networking equipment, such as Wi-Fi routers

Measures for Associated Persons' Computer and Mobile Devices

- Install, operate, set to **auto-update anti-virus** (AV) and **anti-malware** software
- For any files on a personal device, adhere to **file storage and back-up**, especially if the files contain customer personally identifiable information (PII)
- **Lock your screen** if you work in a shared space and plan to be away from your computer.
- Engage a specialist to perform a **vulnerability test**

Prepare for (Be Aware of) Common Attacks

- Be sensitive to the growing variety of scams and attacks that fraudsters are using to exploit the current situation, such as:
 - **Phishing scams** that reference COVID-19, the coronavirus or related matters;
 - **Fake, unsolicited calls** from a “Helpdesk” requesting passwords or wanting to walk you through your home preparedness; and
 - **Malicious links** in emails, online sites and unofficial download sides, especially those offering “free software”

Communicate, Communicate, Communicate = Train, Train, Train

- Increase timing and frequency of communications to associated persons
- Encourage increased timing and frequency of communications from associated persons

Lisa Roth

President of Monahan & Roth, LLC

lroth@monahan-roth.com

619-283-3500

REG BI AND FORM CRS

01

- Overview
- FINRA exam priorities

ANTI-MONEY LAUNDERING

02

- What's new
- FINCEN stats to get you thinking

CYBERSECURITY

03

- Where to look for trouble
- The new normal: WFH protocols



The 3PM Games, October 13, 2020

Business Operations Session:
Marketing communications impacted by new regulations



Darien Gould
DG Analytics, Inc.

Overview of the Investment Advisers Act of 1940 – timeline

- 20th Century rules
 - The original advertising rules were first put into place in the 1960's
 - The solicitation and ADV Brochure rules were adopted in 1979
- 21st Century rules proposed
 - In November 2019 the SEC issued Release No. IA-5407 which detailed the proposed changes, and solicited comments from interested parties
 - The comment period on the proposal ended Feb. 10, 2020
 - The Securities and Exchange Commission has stated plans to recommend adopting amendments to the advertising and solicitation rules for RIAs in October 2020
 - The Division of Investment Management stated plans to recommend that the commission adopt these amendments.

Overview of the Investment Advisers Act of 1940 –proposed changes

- Changes proposed by the SEC
 - Marketing and advertising rules updated to reflect the digital age and industry evolution
 - Solicitor compensation/cash solicitation rules made more expansive and more flexible
 - ADV disclosures expanded/changed
 - Books and records requirements made more explicit

What does the SEC hope to achieve with these proposed changes?

- Create a more tailored and restructured set of rules and definitions that will be “evergreen” in light of ever-changing technology
- Allow for manager discretion through “principles-based” rules
- Rely more heavily on “fair and balanced” criteria for appropriate performance presentation
- Redefinition of what constitutes an advertisement, including criteria for what communications are provided “by and on behalf of” an adviser
- Update solicitation rules to better reflect current advisory and referral practices
- Adds internal review and reporting requirements for managers
- Replaces and/or supersedes many “No-Action” letters with written rules and guidelines

What is an advertisement?

- Proposed definition of an advertisement: “any communication, **disseminated by any means**, by or on behalf of an investment adviser, that offers or promotes the investment adviser’s investment advisory services or that seeks to obtain or retain one or more investment advisory clients or investors in any pooled investment vehicle advised by the investment adviser.”
- Exclusions: live oral communications (conferences, conversations)
 - Response to unsolicited request (includes follow-up requests for information)
 - Communications about an investment company or business development company
 - Information presented for regulatory notice or filing

*Note: The SEC specifically mentioned that **Market Commentary’s** sent to existing clients could be considered advertising under specific conditions, though client communications are not normally considered advertisements when it is account information or educational material. The addition of promotional information may make the communication an advertisement, if it “offers or promotes” the adviser’s advisory services.*

Are databases considered advertisements?

- A significant detail in the new definition of advertisement is whether the communication is “by or on behalf of” the manager.
- In addition to the new advertisement definition provided, the SEC specifically refers later in the document to data provided for dissemination to intermediaries, including consultants.
- “We understand that investment advisers often provide to intermediaries, such as consultants and solicitors, advertisements for dissemination, and the proposed rule would treat those as communications “by or on behalf of” the advisers.” *SEC release No. IA-5407*
- “In our view, these new proposed regulations will likely have a significant impact on how the SEC looks at investment data generally, and what is in the investment databases specifically.” *APX Stream blog, July 20, 2020*
- In the opinion of Cipperman Compliance Services, because data analysis is driving investor decisions, the SEC is going to focus on the data which is the basis of those decisions.

Other advertisements considered “by or on behalf of” a manager

- Has a manager involved itself in the preparation of information or explicitly or implicitly endorsed or approved the information? This issue may commonly arise in the context of an adviser’s use of its website or other social media. For example:
 - Third-party content incorporated into the adviser’s communication via hyperlink to an independent webpage
 - Third parties to posting commentary on the adviser’s website or social media page
- Third-party content is “by or on behalf of” an adviser when the adviser takes affirmative action:
 - Any form of content preparation – including initial drafts
 - Exercising ability to influence or control – editing, suppressing, organizing or prioritizing content
 - Paying for content – cash or non-cash payments
- *It’s not about who sent the message, posted the information or talked on a vlog, but about whether the manager was able to create, influence or even just edit the content.*

Using Testimonials, Endorsements and Third-Party Ratings

- The proposed Advertising Rule would allow the use of testimonials under certain conditions, subject to new Definitions:
 - Testimonial – any statement of a client’s or investor’s experience with the adviser or its advisory affiliates
 - Endorsement – any statement by a person other than a client or investor indicating approval, support, or recommendation of the investment adviser or its advisory affiliates
 - Third-party ratings – any rating or ranking of an investment adviser provided by a person who is not a related person, providing the ratings or rankings in the ordinary course of its business
- An adviser that uses a testimonial or endorsement in an advertisement would have to clearly and prominently disclose:
 - That any testimonial was given by a client or investor, and any endorsement was given by a non-client or non-investor, as applicable
 - If any compensation was provided by the adviser in connection with obtaining or using the testimonial or endorsement
- Ratings disclosure would need to include the date of the rating, the time period used to determine the rating, name of the rating provider and any compensation provided by, or on behalf of, the adviser in connection with obtaining or using the rating
- The disclosures must all be “clear and prominent” – at least as prominent as the testimonial, endorsement or rating itself – and cannot be relegated to obscure footnotes or endnotes.

“Fair and Balanced” Performance presentations in advertisements

- The new rules make a point of distinguishing between “retail” and “non-retail” persons, based on their different needs, with the following definitions:
 - Non-retail person – clients and investors that are “qualified purchasers” under 2(a)(51) of the Investment Company Act and “knowledgeable employees” under 3c-5 of the Investment Company Act.13.
 - Retail person – any other person
- Gross and Net performance in advertisements are guided by the general principles that the data be presented in a “fair and balanced” manner, and not include any misleading implications or inferences:
 - All advertisements that include gross performance must provide the fee schedule and expenses necessary to calculate net performance
 - Retail advertisements must include both gross and net performance, displayed with at least equal prominence showing the direct comparison between the two
 - Retail Advertisements need to present performance results using 1-, 5-, and 10-year periods
 - One-on-one presentations only require gross performance
- The SEC proposes to all advertisements to offer hypothetical performance, performance extracted from a larger portfolio, and performance related to another portfolio, with extensive disclosures and limitations.

Additional changes of interest – Solicitation Rules and Requirements

- Here is a brief summary of additional rule proposals most significant to 3PM members. The SEC proposes changes to the Solicitation Rule to:
 - Cover solicitors that receive “all forms of compensation,” not just cash
 - Apply the rule to solicitation of current and prospective investors in any private fund
 - Remove the current requirement that the solicitor must deliver the adviser’s Form ADV brochure
 - Require that the solicitor explicitly disclose any conflicts of interests related to the solicitation arrangement
 - Remove the obligation for advisers to obtain acknowledgements from investors that they received a solicitor disclosure
- A couple of examples provided by the SEC show how social media will change the definition of solicitor:
 - A third-party promoter would be acting as a solicitor if they are paid by the adviser per referral to when engaging a social media campaign to promote the adviser’s services
 - A social media “influencer” could be considered a solicitor if they are paid to review and provide its view of the adviser’s services on a blog, website, or social media page

Additional changes – Disclosures and Recordkeeping

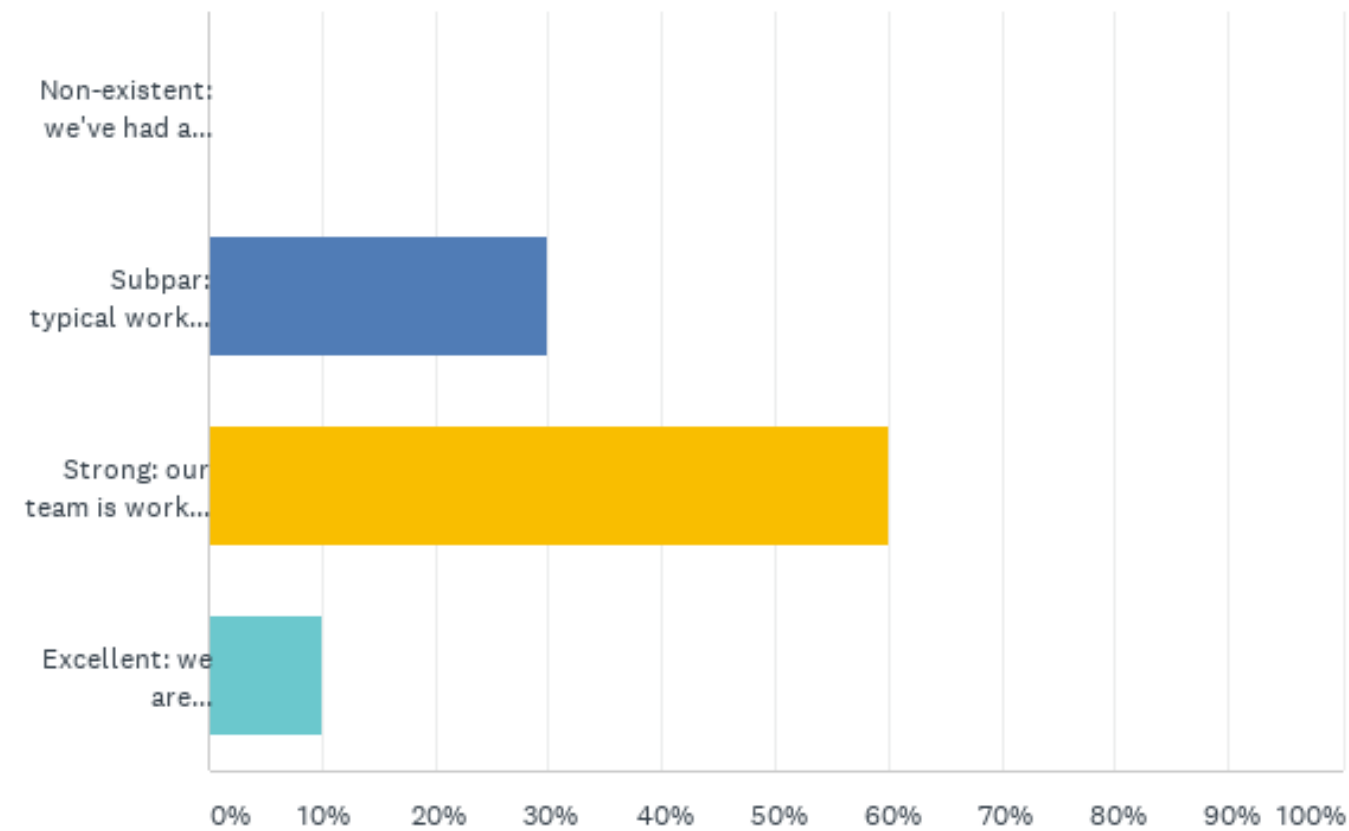
- In conjunction with the proposed rule changes the SEC is beefing up disclosure and recording requirements (books and records):
 - Enhanced advertising disclosures
 - New compliance procedures for digital marketing:
 - The proposed requirement to “clearly and prominently” disclose material risks would necessitate formatting and tailoring based on the form of the communication. For example, an advertisement intended to be viewed on a mobile device may meet the standard in a different way than one intended to be seen as a print advertisement.
 - For instance, a person viewing a mobile device could be automatically redirected to the required disclosure before viewing the substance of an advertisement. However, it would not be consistent with the clear and prominent standard to merely include a hyperlink to disclosures available elsewhere.
 - Advertisements will need documented verification or review by a qualified person in the firm

Resources

- SEC Advertising Rule proposed changes Nov2019: Release No. IA-5407; File No. S7-21-19
- FTC report on digital communications: “.com disclosures – How to Make Effective Disclosures in Digital Advertising”
- Links:
 - <https://www.apxstream.com/insights/the-new-sec-guidance-what-does-it-mean-for-investment-data-compliance>
 - <https://www.apxstream.com/insights/sec-proposed-rule-revisions-2-takeaways-for-investment-data-compliance>
 - <https://www.morganlewis.com/pubs/in-focus-analysis-of-sec-proposals-to-modernize-advertising-and-solicitation-rules>
- Professional resources
 - APX Stream
 - Cipperman Compliance Services
 - Guardian Performance Solutions LLC
 - Focus 1 Associates – “Focus Perspective: Advertising Rule”
 - Sondhelm Partners – “How Content Marketing Changes the Game for Asset Managers”
 - FundFire – Nov 6, 2019 article “SEC Proposes Loosening Restrictions on Investment Industry Advertising”
 - Peregrine Communications – “Has Social Media Become Part of the Investment Process?”
 - ThinkAdvisor – “‘Next Steps’ for Advertising Rule Coming: SEC Official” By Melanie Waddell

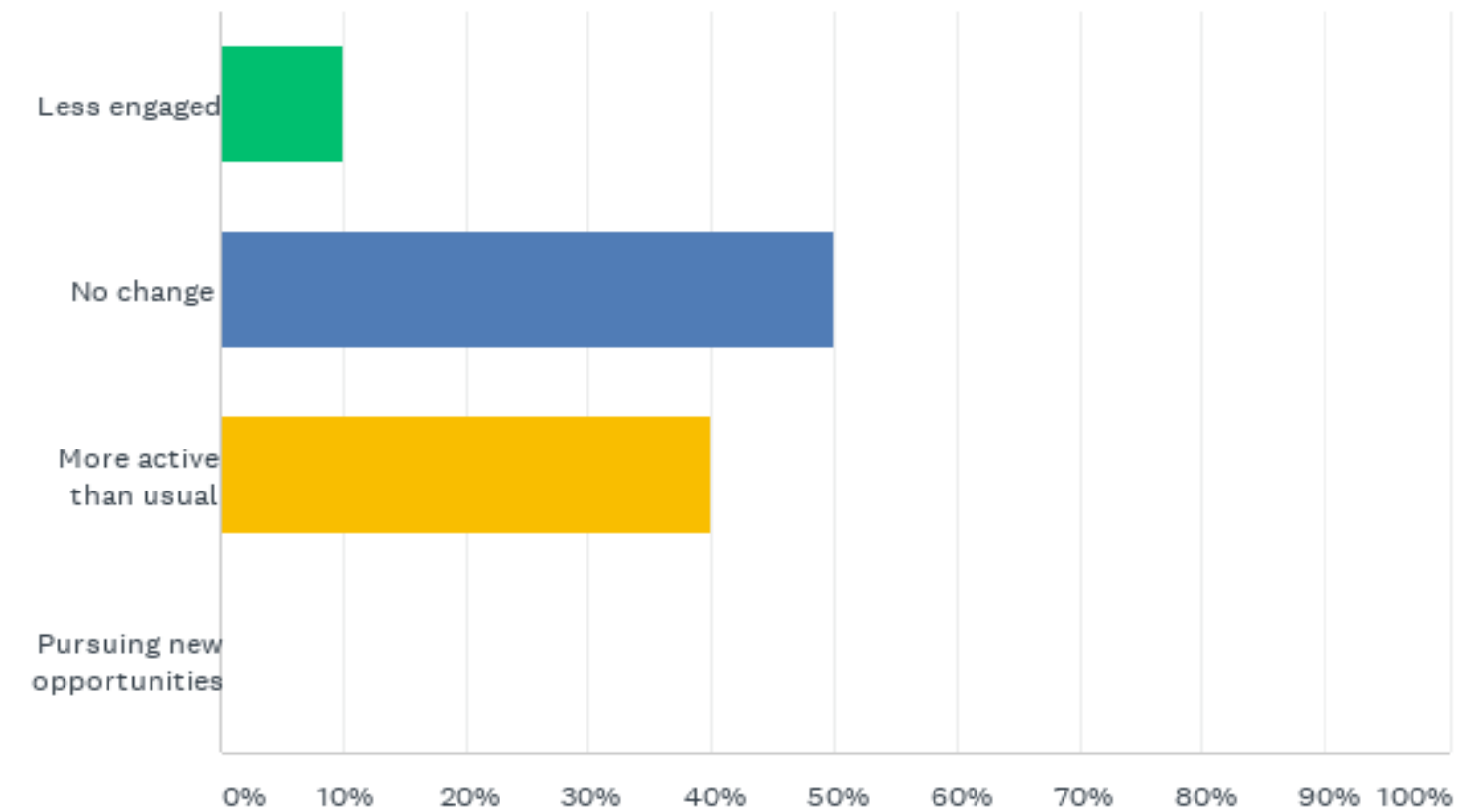
Survey Results

How has your sales activity been overall in 2020?



Non-existent: we've had a tough time connecting with prospects overall	0.00%
Subpar: typical work effort but not connecting with prospects sufficiently	30.00%
Strong: our team is working hard but not getting flows	60.00%
Excellent: we are meeting/exceeding our asset raising targets	10.00%

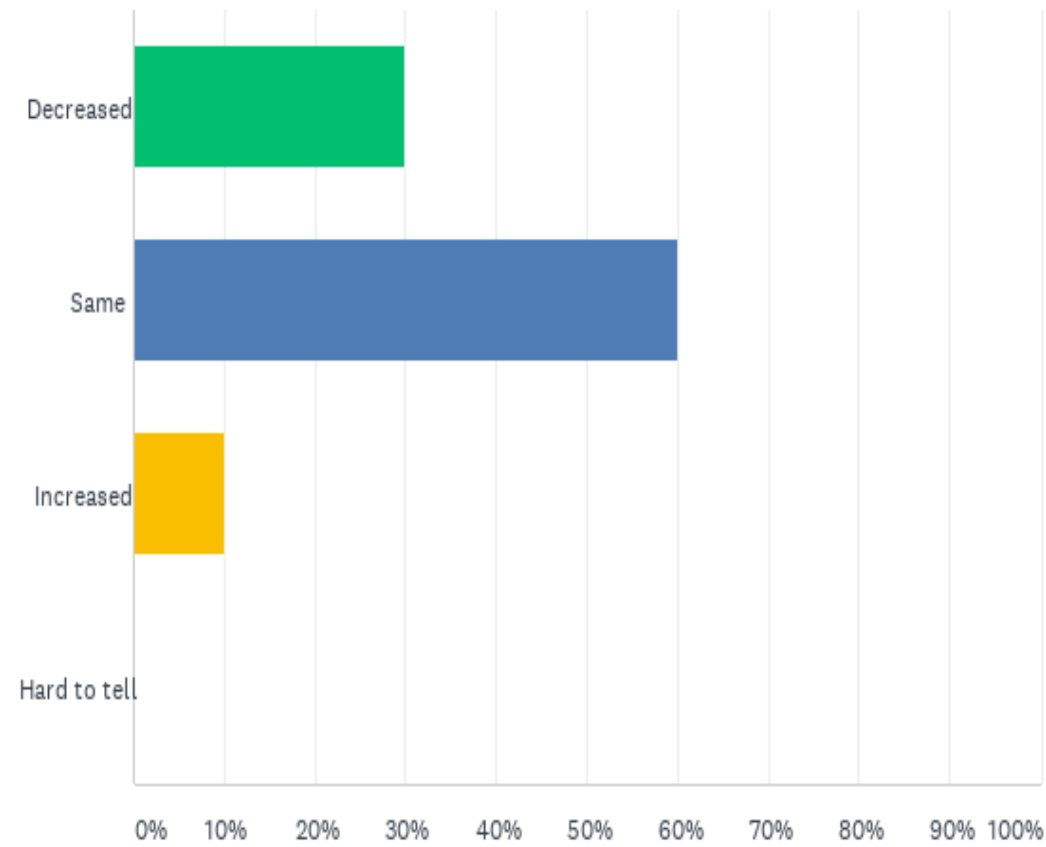
How have managers changed in 2020?



Less engaged	10.00%
No change	50.00%
More active than usual	40.00%
Pursuing new opportunities	0.00%

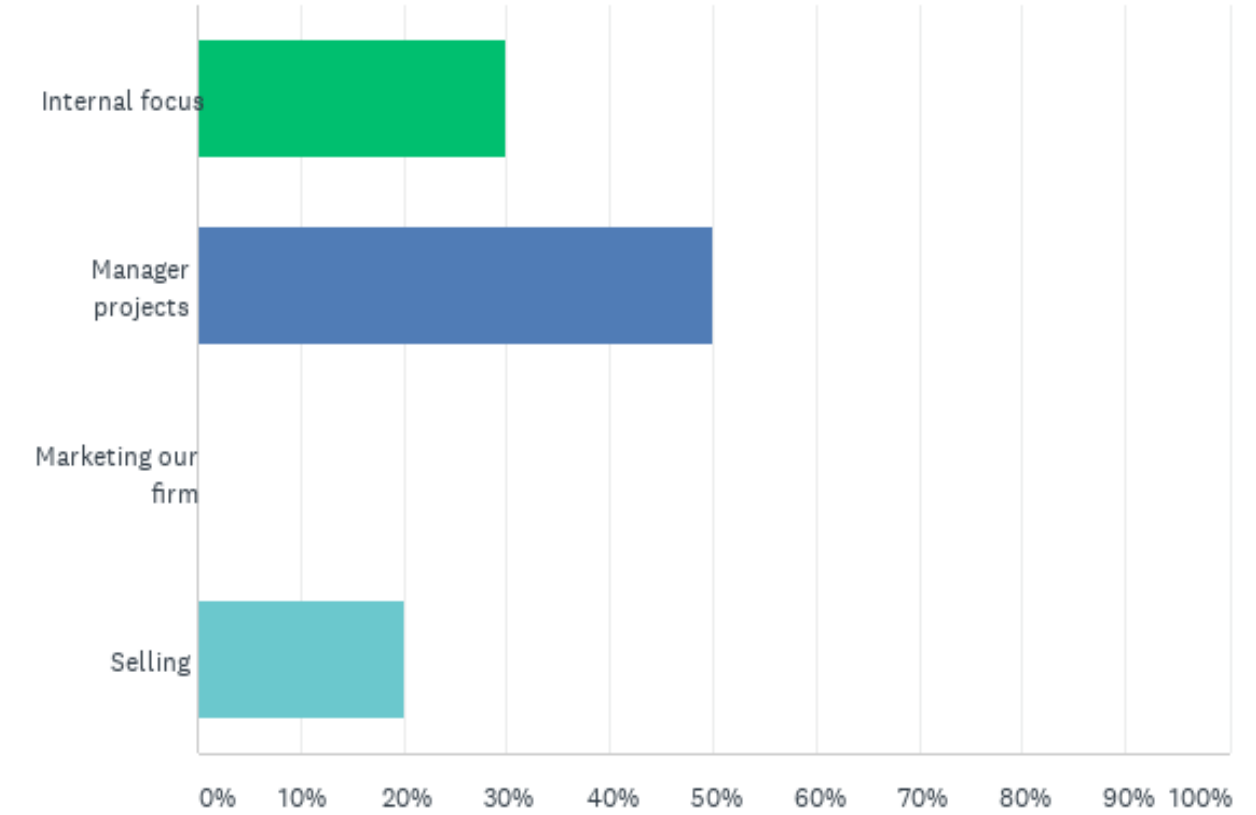
Survey Results

How has overall productivity been impacted by the events of 2020 and work from home?



Decreased	30.00%
Same	60.00%
Increased	10.00%
Hard to tell	0.00%

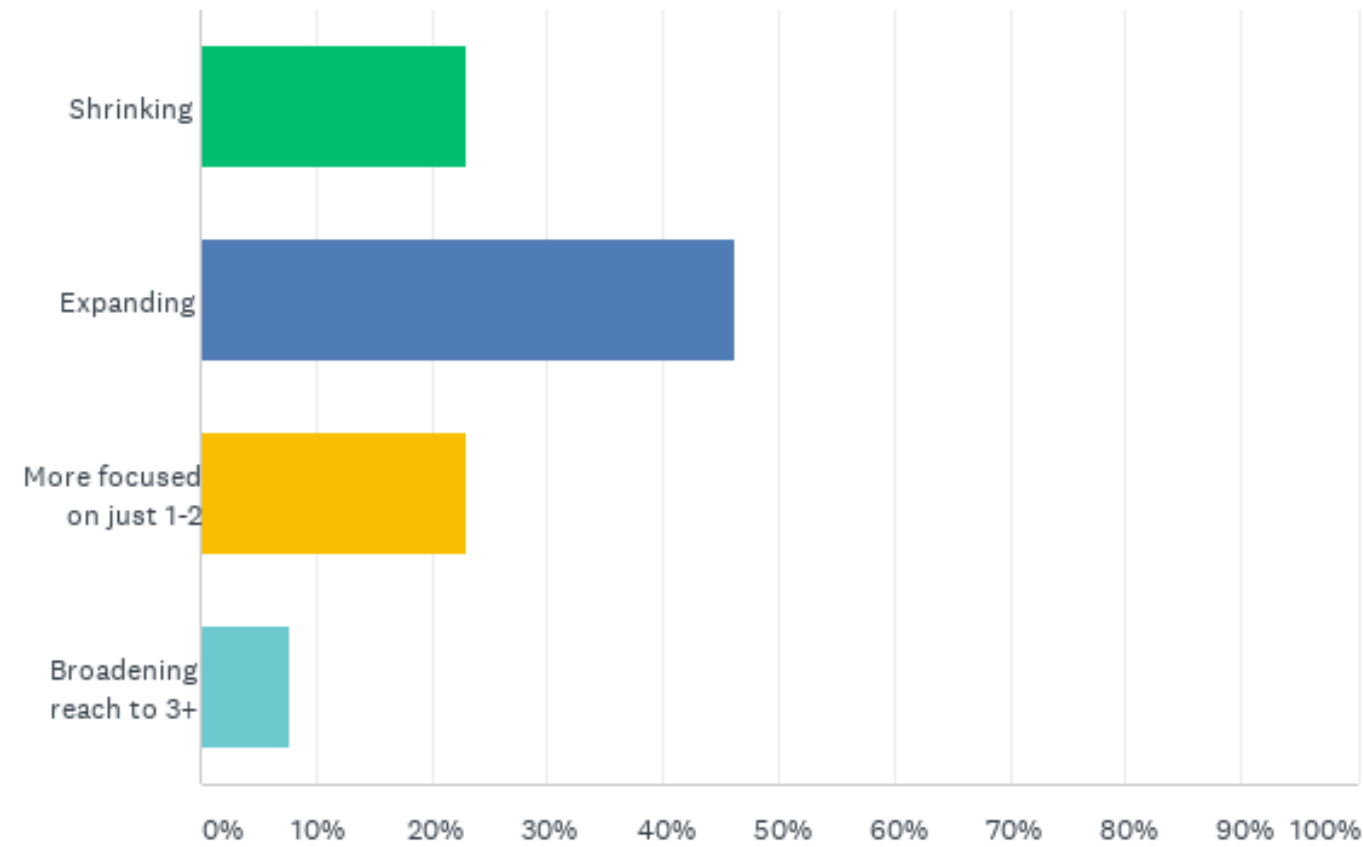
With what aspects of your business did you spend the most time in 2020?



Internal focus	30.00%
Manager projects	50.00%
Marketing our firm	0.00%
Selling	20.00%

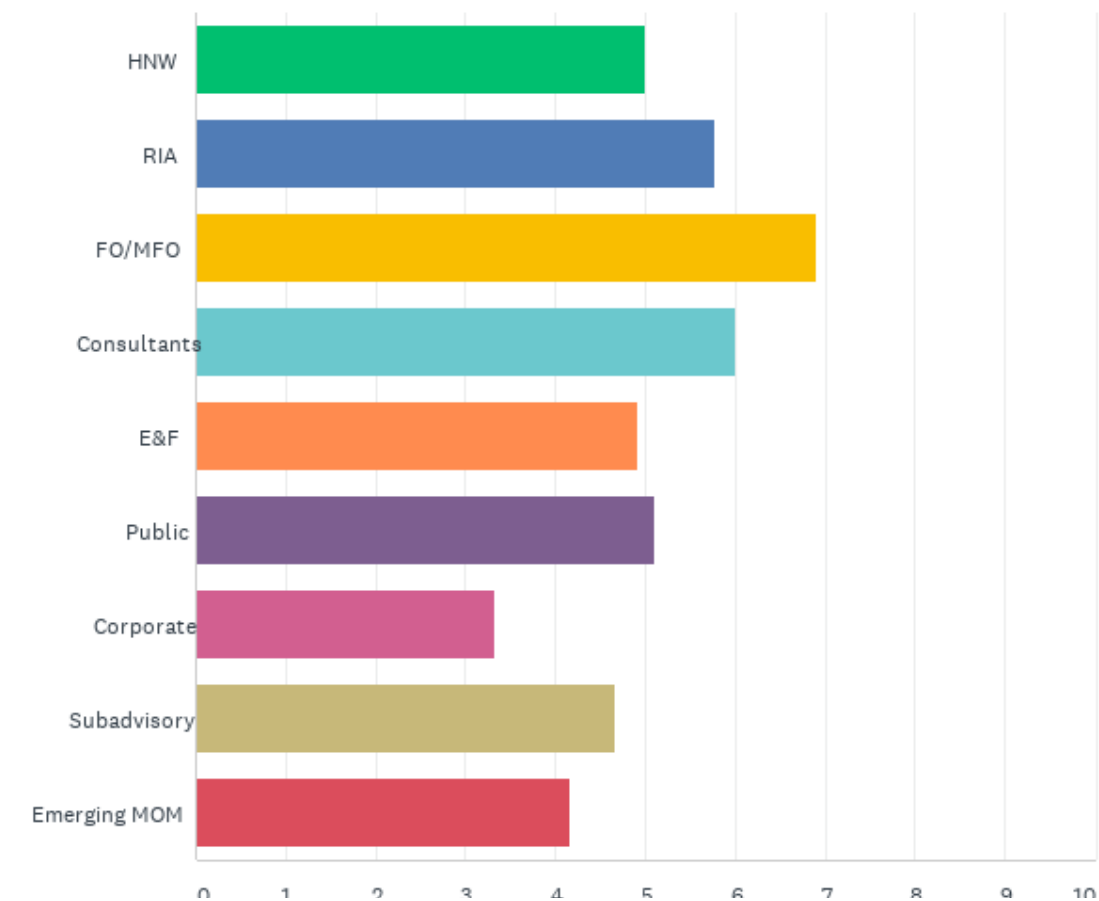
Survey Results

have your target markets changed in 2020?



Shrinking	23.08%
Expanding	46.15%
More focused on just 1-2	23.08%
Broadening reach to 3+	7.69%

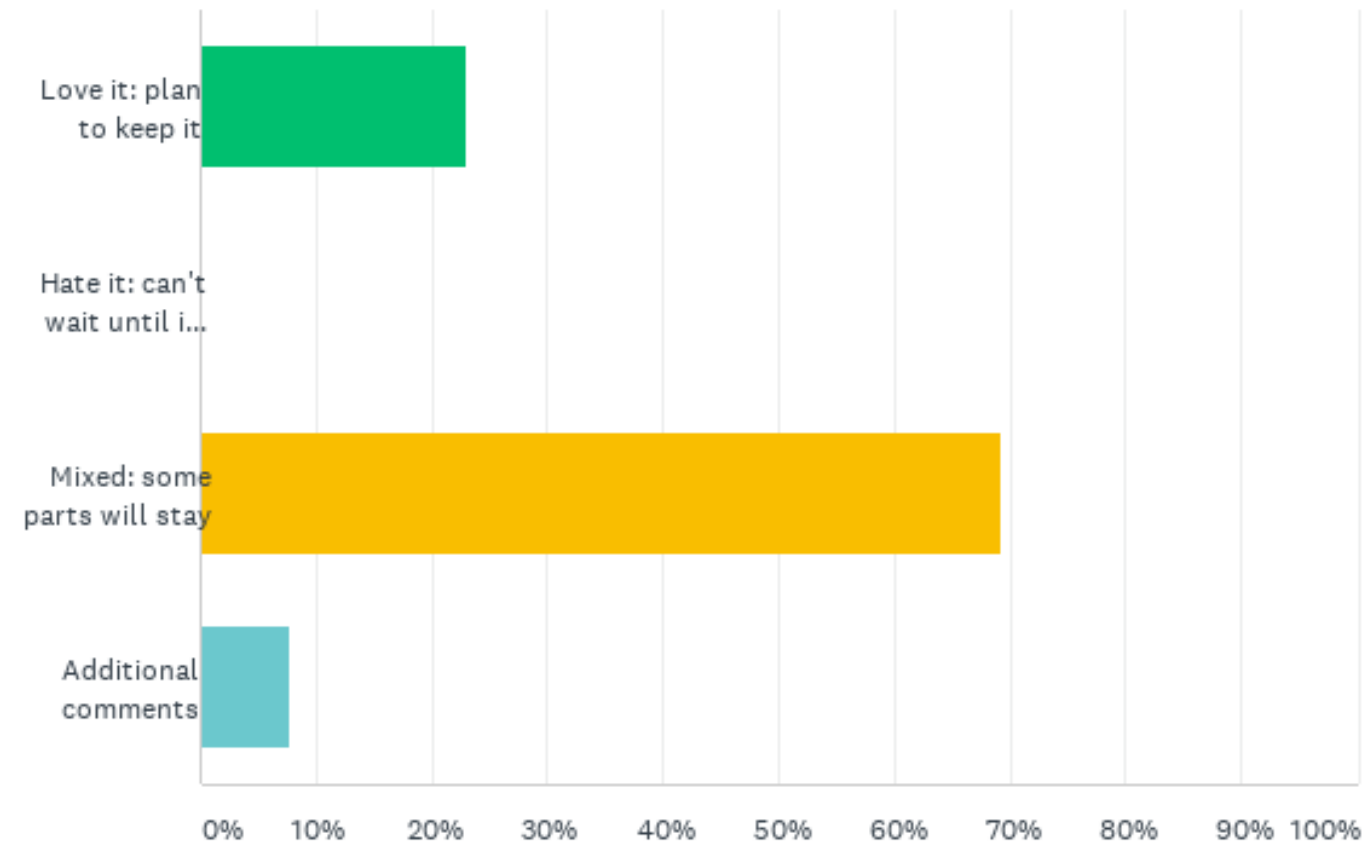
Which target markets have been most productive for you in 2020? Rank order these markets by focus/productivity 1-9, 1 being the MOST productive



FO/MFO	Rank: 1
Consultants	Rank: 2
RIAs	Rank: 3
Public	Rank: 4
HNW	Rank: 5
E&F	Rank: 6
Subadvisory	Rank: 7
Emerging MOM	Rank: 8
Corporate	Rank: 9

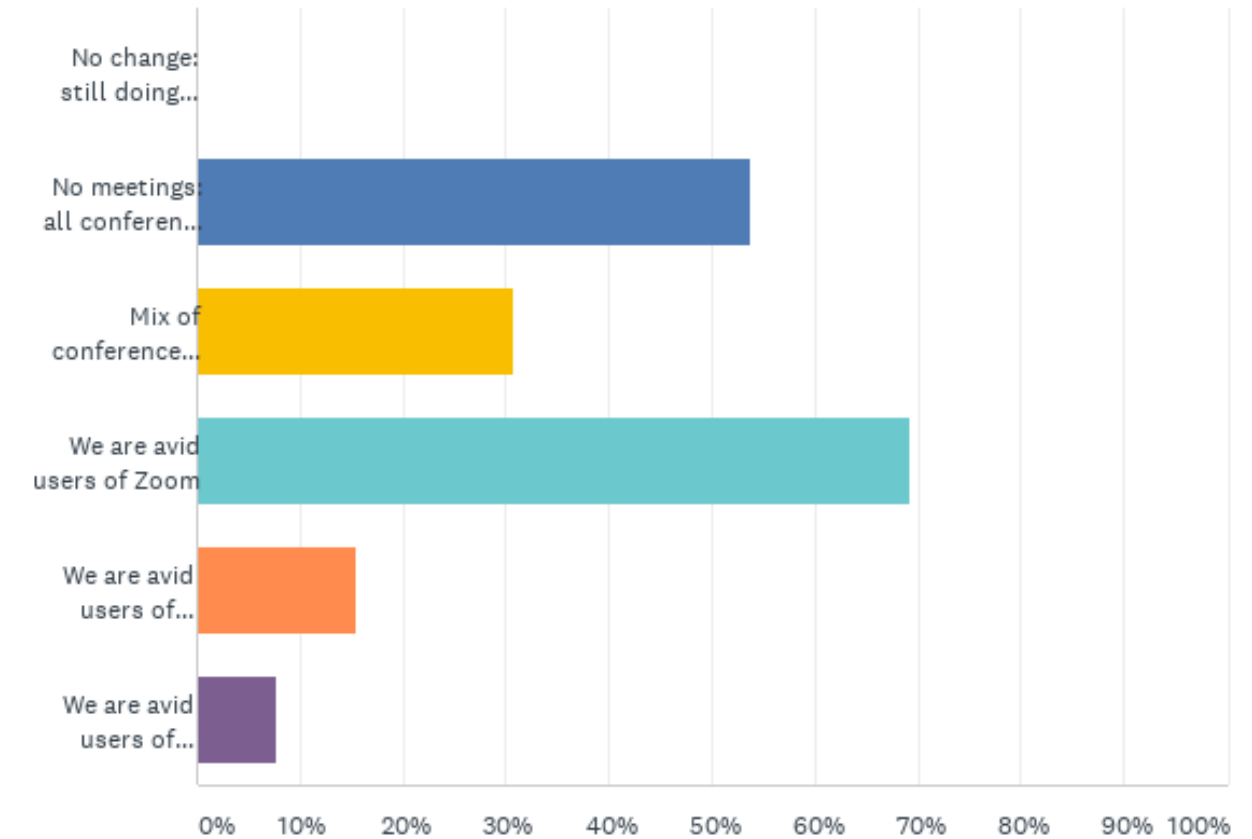
Survey Results

What do you think of work from home?



Love it: plan to keep it	23.08%
Hate it: can't wait until it's over	0.00%
Mixed: some parts will stay	69.23%

How has your new business outreach changed in 2020?



No change: still doing meetings	0.00%
No meetings: all conference calls	53.85%
Mix of conference calls and collab sites	30.77%
We are avid users of Zoom	69.23%
We are avid users of Microsoft teams	15.38%
We are avid users of Go-To-Webinar	7.69%