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Remarks as prepared for delivery
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I'm Tim Scheve, president and CEO of Janney Montgomery Scott. As chair-elect of SIFMA, it's my pleasure to welcome you. I'm pleased to be joined today by such a large and impressive group of industry leaders. Thank you for coming.
We're gathered here at the capital markets conference—SIFMA's flagship event—to discuss the many ways our industry fuels American ingenuity and economic growth.
What does that mean? To me it means:

- that well-functioning capital markets recognize the best ideas and enterprises and drive capital to them.
- that the efficient allocation of capital provides meaningful benefits to individuals, companies, and society-at-large.

There are many players that make up the vast and complex network of financial services providers across our 50 states.

- When taken together, they establish the infrastructure and backbone of the U.S. financial system—
- and the most resilient and respected capital markets in the world.

SIFMA's members play a key role in the U.S. economy.

- We provide much-needed financing to users of capital.
- We fund innovation and growth,
- We provide funding for our nation's critical infrastructure.
- And we help hard-working Americans save for their long-term goals,
- As an industry, we also serve as a leading employer.

Let me share some statistics with you:

- In 2015, $6.7 trillion was issued in the capital markets.
- We helped to raise over $2.5 trillion for U.S. businesses and municipalities.
- We helped 166 companies raise $32.3 billion through IPOs.
- We manage more than $67 trillion in assets for individual and institutional clients, including mutual funds and retirement plans.
- We employ nearly one million individuals in the U.S.

I'd also like to share with you some highlights of a Greenwich Associates' Global Fixed-Income Investor Survey which help further illustrate these points:

- The diversity of the U.S. bond markets – which include 17 product categories - supports a wide breadth of borrowers who depend on the ability to raise capital to finance investment.
- Bonds consistently represent 20-25% of overall investor portfolios
- Corporations need the bond markets to finance capital investment; more than 75 percent of borrowing by U.S. corporations represented in the survey is in the public debt markets
- Many U.S. corporations use bond-related derivatives to manage risk
- The bond market is becoming increasingly electronic, with many market participants relying increasingly on electronic trading platforms
- However, investors are increasingly facing less market liquidity. A survey of institutional bond investors shows that the portion believes it is difficult to sell between $5 and $15 million in bonds in the secondary market. This went from 19 percent in 2014 to 41 percent in 2015.
- And finally, the bond markets are highly regulated. A total of 10 federal agencies oversee the U.S. bond markets and ensure that borrowers make appropriate financial disclosures, to mitigating systemic risk, to ensuring that retail advisors only recommend to their clients bonds that are suitable investments.
- Regulations adopted after the 2008 financial crisis have filled perceived gaps in the regulatory regime.

Certainly, our financial market system is far safer and more resilient than it was at the onset of the financial crisis. What's been central to this undertaking has been balancing the efforts:

- to reduce systemic risk and protect client interests
- while ensuring well-functioning markets
- and the efficient allocation of capital in the U.S. and globally.

Achieving such an ongoing balance is vital and we must continue to design and manage policies that keep pace with a rapidly-evolving, technology-driven financial marketplace. While financial innovation may have outpaced regulation before the crisis, we need to consider whether the pendulum has now swung too far—and away from maximizing the benefits of stable, well-functioning capital markets.

Digging deeper into the topic of regulation, I'd like to address our industry's well-documented support for the creation of a single fiduciary standard of care—which puts clients' interest first when financial professionals provide advice.

In 2009 the industry fully supported Congress's adoption of a provision in the Dodd-Frank Act authorizing the Securities and Exchange Commission to implement a single fiduciary standard of care for brokers and advisers.

Congress seemed to get it right:

- protect investors,
- preserve investors' choice, and

- have the nation's preeminent securities regulator, the SEC, write the rule.

Unfortunately, while the SEC deliberated over how best to write such a rule, the Department of Labor chose to intercede with its own regulatory standard affecting retirement accounts only, and the millions of investors who use an IRAs or a 401(k) plan as a retirement savings vehicle.

Simply put, while well intentioned, the DOL rule will make retirement saving harder for the same American families and individuals the regulation seeks to protect. It will be a complex, costly rule, for both firms and investors.

Now, each of our firms and teams of professionals are working diligently to understand the rule's implications—developing policies to implement it, procedures to comply with it, and ways to communicate to clients about it.

While we are in a heightened and unprecedented regulatory environment, our daily work providing relevant and useful advice to clients never ceases.

Earlier, I mentioned the many players that make up the financial services landscape. Our industry members are remarkably diverse—in size, geographic location, and business model.

While many firms are headquartered in New York, countless others are located all over America. Taken together, our firms and hardworking professionals serve millions of investors—helping them realize goals like:

- home ownership,
- business ownership,
- paying for college, and
- heading into retirement with a high level of financial security.

We also serve other crucial functions like

- making markets,
- raising capital,
- advising and underwriting debt, and
- supporting the secondary fixed income markets.

We are partners in our communities, and partners with our clients—who in turn have a high degree of trust and confidence in us because of the work we do.

At Janney, we operate in the best interest of our clients. Our advisors use a planning-based approach as the centerpiece of their advice to clients to ensure we are fully meeting a client's individual and personal priorities.

Janney's support in local capital formation is evident in the diverse markets we serve. In addition to our presence at our headquarters in Philadelphia, we work with clients across the U.S.

- We've assisted many municipalities, regional authorities, and educational institutions with financing solutions.
- Additionally, our CD underwriting team helps community banks raise funding to support homeownership and local business growth.

It’s important for SIFMA to preserve the diversity of business models so that competition remains strong.
It’s important that our diverse clients are able to choose their preferred provider and continue to have equal access to all business models in the industry.
To remain a strong association, it’s important that each of us serves as an ambassador of these models, and ensure membership remains open to diverse points of view.
Finally, it’s important that each of us demonstrates day in and day out, through our work, the value that we provide—

- value to the economy as a whole,
- and value to each and every individual client we serve.

While there are headwinds, there is a lot of opportunity out there for all of our firms.
We should be extremely proud of what we do for our clients and we should never lose sight of our fundamental purpose – to serve and keep the client at the center of it all.
With that, it is now my pleasure to introduce our first featured speakers of the day: George Osborne, Henry Paulson and Bob Zoellick.
George Osborne is a former Chancellor of the Exchequer in the UK, where he oversaw fiscal and monetary policy. He previously served as Shadow Chancellor and was first elected to Parliament in 2001. In 2005 he successfully ran David Cameron’s campaign to be leader of the Conservative Party, and in 2010 he was part of the small negotiating team that led to the formation of the Coalition Government, among other achievements.
Henry Paulson is the former Secretary of the Treasury under President George W. Bush, and previously had a thirty-two-year career at Goldman Sachs, serving as chairman and chief executive officer. Today, he serves as chairman of the Paulson Institute at the University of Chicago, which aims to advance sustainable economic growth, a cleaner environment and cross-border investments in the United States and China. His recent book, *Dealing with China*, details his career working with China’s top political and business leaders.
The moderator for today’s discussion is Bob Zoellick. Bob is the former World Bank president, U.S. trade representative and deputy secretary of state. He currently serves as the chairman of Goldman Sachs’ international advisors.
Gentlemen, thank you for joining us to share your views on the global regulatory, political and economic outlook. Please join me in welcoming the speakers.