



asset management group

April 5, 2018

Ms. Alicia L. Lewis
MRAC Designated Federal Officer and Special
Counsel to Commissioner Rostin Benham
Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street NW
Washington, D.C., 20581

**Re: Market Risk Advisory Committee (“MRAC”) – Request for Nominations and
Topic Submissions**

Dear Ms. Lewis:

The Asset Management Group of the Securities Industry and Financial Markets Association (“SIFMA AMG” or “AMG”)¹ appreciates the opportunity to comment on nominations to the MRAC and potential MRAC topics. AMG recommends the MRAC consider the below nominees and agenda topics to ensure buy-side market participants’ risk concerns are adequately represented in the MRAC committee, which AMG views as serving an essential function of maintaining the integrity of the derivatives markets.

SIFMA AMG believes that increasing the number and types of asset managers serving on the MRAC will provide invaluable expertise and perspective as fiduciaries who utilize derivatives as agents for clients. As fiduciaries, asset managers must satisfy obligations to take reasonable steps to protect client assets against risks, including those arising from potential failures of counterparties, futures commission merchants and market infrastructure. Given that asset managers’ clients range from pension funds to retail investment funds and individual investors, AMG believes that asset managers’ perspectives are valuable in advancing the CFTC’s mission to foster open, transparent, competitive, and financially sound markets.

SIFMA AMG recommends the MRAC consider membership for the below individuals so they may contribute their expertise on how asset managers use derivatives, and assess new risks posed by an evolving derivatives market structure. The MRAC was constituted to mitigate and

¹ SIFMA AMG brings the asset management community together to provide views on policy matters and to create industry best practices. SIFMA AMG’s members represent U.S. and multinational asset management firms whose combined global assets under management exceed \$39 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private equity funds.

improve systemic risks created by a developing derivatives market structure.² Increased inclusion of asset managers would further this objective given that asset managers are at the forefront of executing new and existing derivatives products and offer a unique perspective on evaluating market structure and operational risks. SIFMA AMG endorses the following candidates for membership to the MRAC:

- *Isaac Chang, Managing Director & Co-head of Trading, AQR Capital Management, LLC*
- *Kristen Walters, Managing Director, and Chief Operating Officer of BlackRock's Risk & Quantitative Analysis Group, BlackRock*
- *Stephen Berger, Managing Director and Global Head of Government & Regulatory Policy, Citadel*
- *William De Leon, Managing Director, Global Head of Portfolio Risk Management, PIMCO*
- *Angela M Patel, Senior Executive, Fixed Income & Derivatives Investment Management, Putnam Investments*
- *Sam Priyaarshi, Head of Portfolio Risk and Derivatives, The Vanguard Group, Inc.*

Further, AMG proposes that the MRAC include on its agenda:

- Maintaining the Legal Separation with Operational Comingling ("LSOC") model for segregation of customer collateral posted for cleared swaps, and considering expansion of LSOC to futures
- LIBOR Transition and SOFR futures
- Resilience, recovery and resolution of central counterparties ("CCPs")

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² 83 Fed. Reg. 51, 11507

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SIFMA AMG is committed to engage with the CFTC as it considers membership and agenda items for the MRAC. We are available to answer any questions or follow up requests that the Staff may have.

Respectfully submitted,

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