2020 OUTLOOK

Trends in US Capital Markets

About SIFMA

SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

> SIFMA plays a pivotal role in helping firms adapt to change and raise the bar on the experience and value we provide to clients. Investors' lives are changing faster than ever, and we're innovating to serve them now and into the future.

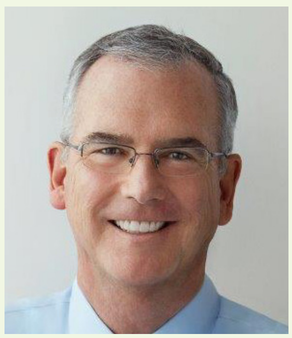
Joseph E. Sweeney
President of Advice & Wealth Management, Products and Service Delivery, Ameriprise Financial
2020 Chair, SIFMA Board of Directors

Our Members

SIFMA members provide access to capital so that ideas, businesses and savings can grow. America's capital markets are the strongest in the world, providing 65% of funding for economic activity. Our members' combined businesses represent 75% of the U.S. broker-dealer sector by revenue and 50% of the asset management sector by assets under management.

2019-2020 Board Officers

2019 Chair
JAMES R. ALLEN
Vice Chairman
Robert W. Baird & Co. Incorporated



2020 Chair
JOSEPH E. SWEENEY
President, Advice & Wealth Management, Products and Service Delivery
Ameriprise Financial, Inc.

Treasurer
JAMES WALLIN
Senior Vice President
AllianceBernstein

President and CEO
KENNETH E. BENTSEN, JR.
President and CEO
SIFMA

Our History

1912

SIFMA's first predecessor trade group, the Investment Bankers Association of America (IBA), was founded to be the voice of the investment banking industry.

1913

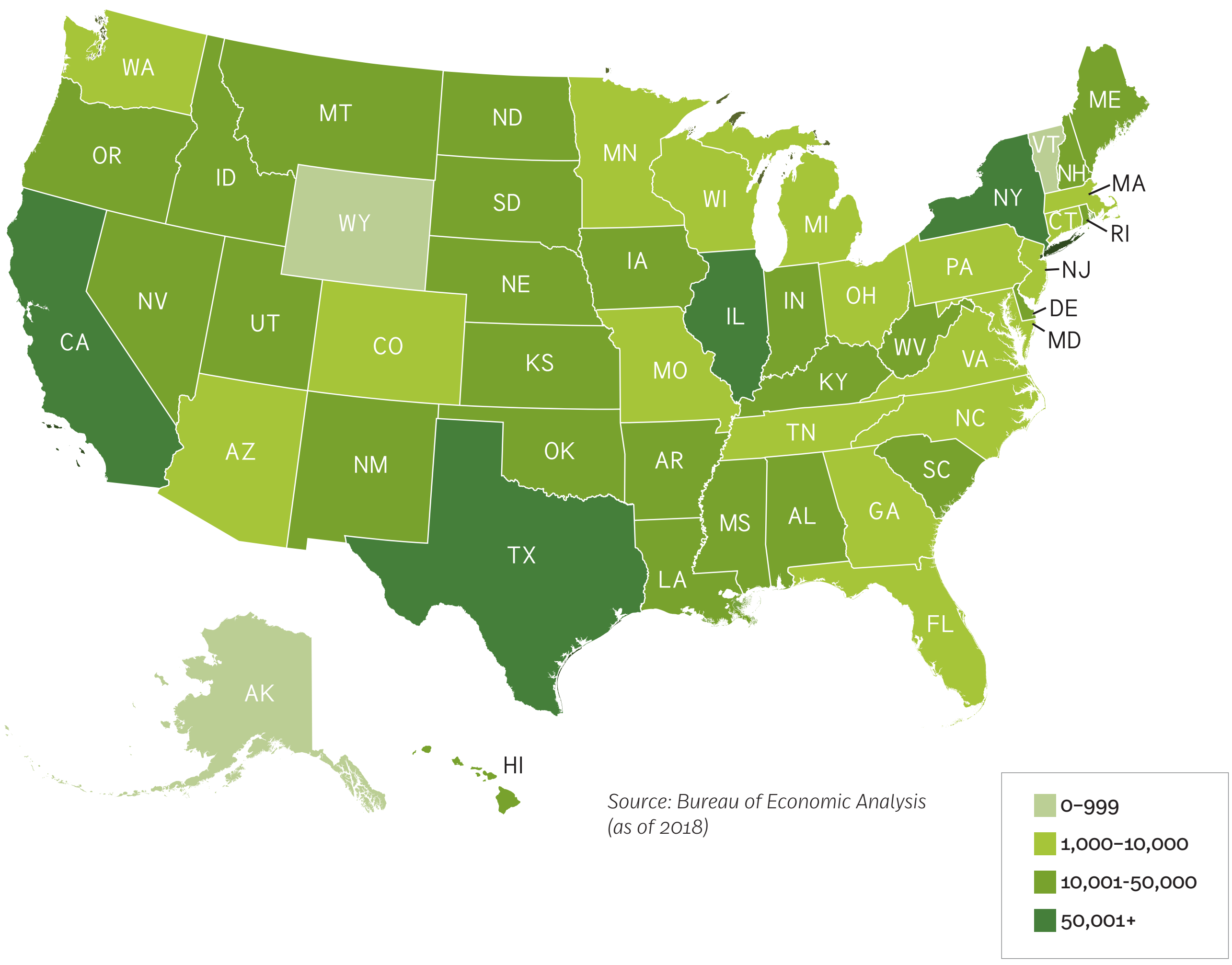
The Association of American Stock Exchange Firms (ASEF) was formed to represent the interest of the financial markets. An eventual merger in 1971 between the ASEF and IBA was a natural fit.

1914

The IBA creates our very first committee, the Education Committee. Our current organization is structured through approximately 35 such committees.

The Securities Industry

The securities industry has employees in every state, employing 944,000 individuals across the country (a 1.8% increase year-over-year).



Source: Bureau of Economic Analysis (as of 2018)

1971

IBA and ASEF merged to form the Securities Industry Association (SIA), as the industry recognized the need to formally combine efforts and establish one association representing all of Wall Street.

1976

IBA's Municipal Securities and Government Bonds Committees (established in 1918) incorporated as an independent organization, forming the Public Securities Association (PSA).

1997

PSA expanded over the years and changed its name to The Bond Market Association (TBMA) to reflect the organization's growing representation of the debt markets.

2007 – Present

Starting a new chapter but building on our shared history, the Securities Industry and Financial Markets Association (SIFMA) was created through the merger of SIA and TBMA.

Our Committees

SIFMA is a member-driven organization. On behalf of our industry's one million employees, SIFMA's committees share their views on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We engage with policymakers and regulators through comment letters, testimony, research and more. SIFMA's committee structure includes 35 standing committees, 21 forums and 8 advisory councils overseen by 6 Board subcommittees.

Committees

Asset Management

- SIFMA AMG Steering Committee
- SIFMA AMG Accounting Policy Committee
- SIFMA AMG Derivatives Committee
- SIFMA AMG Equity Market Structure Committee
- SIFMA AMG Fixed Income Market Structure Committee
- SIFMA AMG Operations Executive Committee
- SIFMA AMG Tax Committee

Capital Markets

- Corporate Credit Committee
- Equity Markets and Trading Committee
- Listed Options Trading Committee
- Municipal Securities Committee
- Primary Markets Committee
- Prime Brokerage and Securities Lending Committee
- Rates and Funding Committee
- Securitization Committee
- Swap Dealer Committee

Government Relations & Communications

- Federal Government Representatives Committee
- International Policy Committee
- State Regulation & Legislation Committee

Legal & Compliance

- Amicus & Litigation Advisory Committee
- Anti-Money Laundering (AML) & Financial Crimes Committee
- Compliance & Regulatory Policy Committee
- Technology & Regulation Committee

Operations & Technology

- Operations & Technology Committee
- Business Continuity Planning Committee
- Cybersecurity Committee

Private Client & Wealth Management

- Arbitration Committee
- ERISA/Retirement & Savings Committee
- Private Client Services Committee
- Private Client Legal Committee

Prudential & Capital

- Prudential Committee
- Dealer Accounting & Capital Committee
- Federal Tax Committee
- State Tax Committee
- Tax Compliance and Administration Committee

Councils

- SIFMA Advisory Council
- Communications Council
- Diversity & Inclusion Advisory Council
- General Counsels Committee
- Muni Swap Index Advisory Council
- SIFMA AMG MAC Advisory Council
- Regional Firm CEOs Council
- TBA Guidelines Advisory Council

Forums

Asset Management Group

- SIFMA AMG CCO and Enforcement Forum
- SIFMA AMG Collateral Operations Forum
- SIFMA AMG Counterparty Risk Forum
- SIFMA AMG Custodian Operations Forum
- SIFMA AMG Derivatives Europe Forum
- SIFMA AMG Derivatives Operations Forum
- SIFMA AMG Operational Risk Forum
- SIFMA AMG Retirement Investment Forum

Capital Markets

- MBS Operations Forum
- Municipal & Corporate Operations Forum
- Municipal Legal Forum
- Retail Fixed Income Forum
- Swap Dealer Compliance Forum

Legal & Compliance

- Electronic Communications & Records Forum
- Privacy & Data Protection Forum

Operations & Technology

- Banking Services Management Forum
- Blockchain Forum
- Clearing Firms Forum
- Insider Threat Forum

Private Client & Wealth Management

- Senior Investor Protection Forum

Prudential & Capital

- Regulatory Capital and Margin Forum

The GFMA Partnership

www.gfma.org

The Global Financial Markets Association (GFMA) is an extension of its regional association members: AFME in Europe, ASIFMA in Asia and SIFMA in the United States. GFMA's mission is to provide a forum for global systemically important banks to develop policies and strategies on issues of global concern within the regulatory environment.

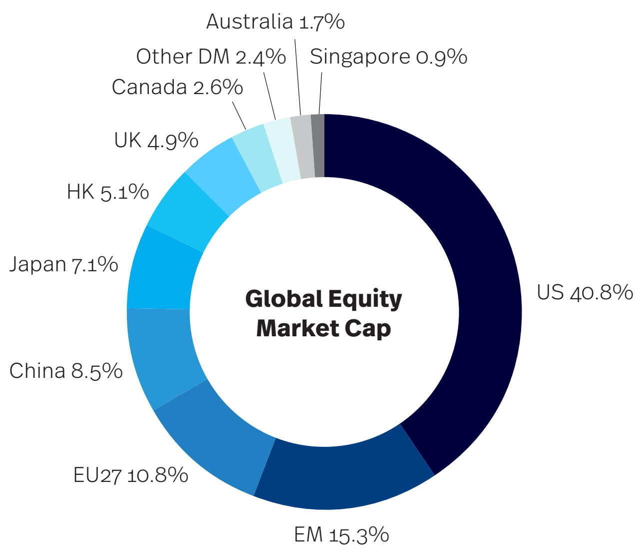
Markets Matter

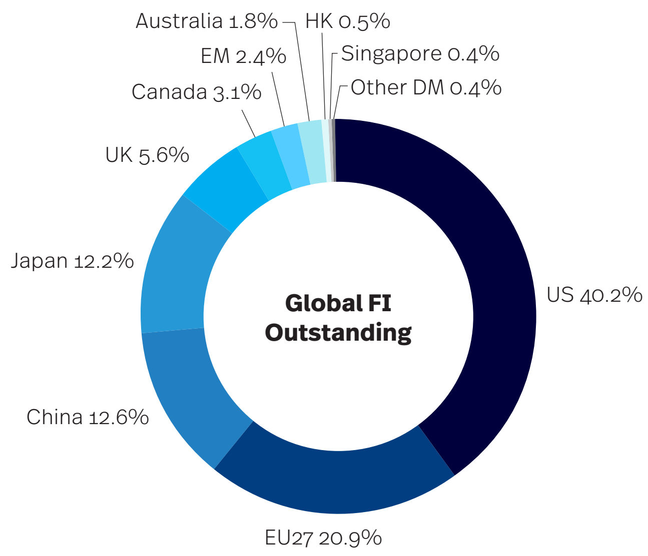
US Capital Markets Are the Largest in the World

The U.S. capital markets are the largest in the world and continue to be among the deepest, most liquid and most efficient.

Equities: U.S. equity markets represent 41% of the $75 trillion in global equity market cap, or $30 trillion; this is 3.8x the next largest market, the EU (excluding the U.K.).

Fixed Income: U.S. fixed income markets comprise 40% of the $103 trillion securities outstanding across the globe, or $41 trillion; this is 1.9x the next largest market, the EU (excluding the U.K.).





Source: World Federation of Exchanges, Bank for International Settlements (as of 2018)

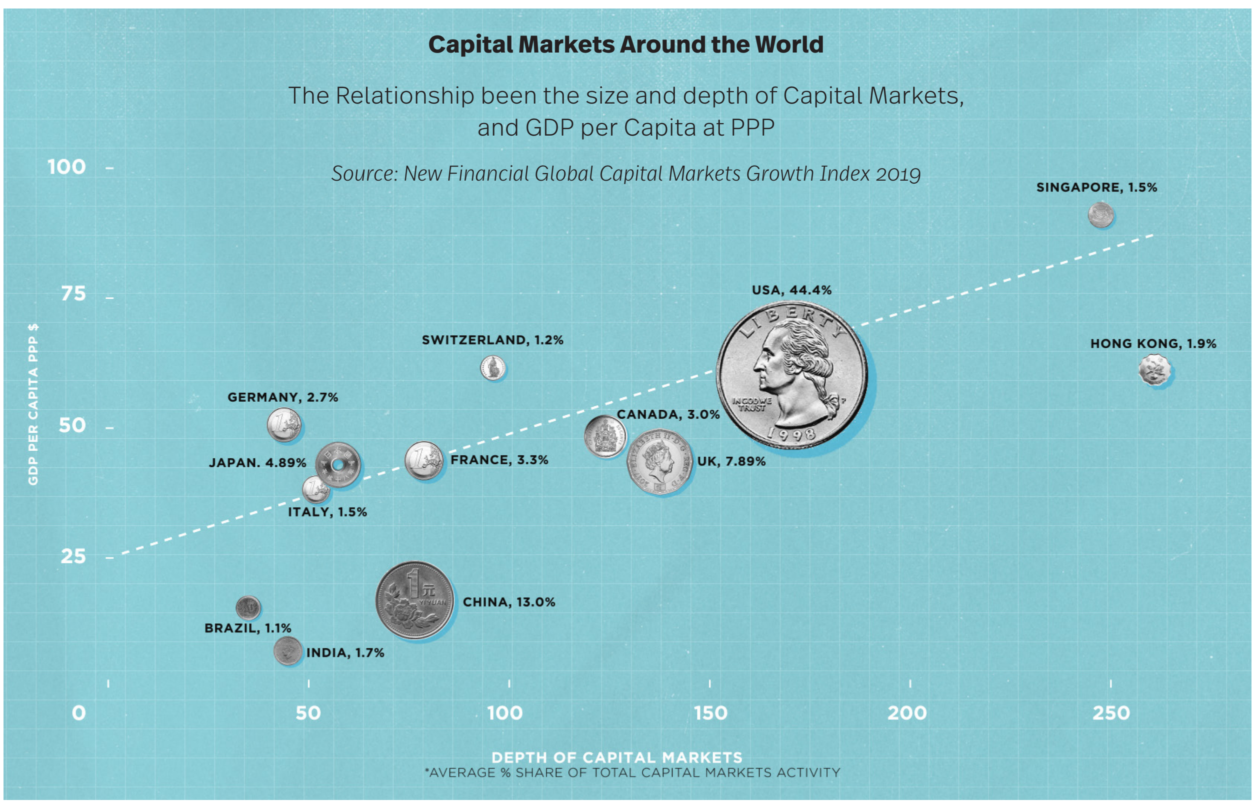
Note: FI = fixed income; EM = emerging markets; HK = Hong Kong; DM = developed markets.

Capital markets recognize and drive capital to the best ideas and enterprises. Coupled with the free flow of capital, innovation is an integral component for supporting job creation, economic development and prosperity. Markets facilitate the transfer of funds from those who seek a return on their assets to those who need capital and credit to grow.

Clients benefiting from healthy capital markets include not just investors but also governments and corporations. Capital, raised through equity and debt, can be used to grow businesses, finance investments in new plant, equipment and technology and fund infrastructure projects. This creates jobs and flows money into the economy. Additionally, individuals and businesses can invest in securities to generate wealth.

Capital Markets Drive Opportunity

There is a clear relationship between capital market depth and GDP per capita when expressed as purchasing power parity. Higher GDP per capita means individuals have higher disposable income and the potential to save more. Deeper capital markets may help drive higher GDP per capital through the more efficient allocation of capital. As such, the U.S., with its deep capital markets, accounts for 44% of total global markets activity. Its markets drive high GDP per capita, which in turn provides individuals with economic opportunities.



Source: GFMA/New Financial report (as of 2017)

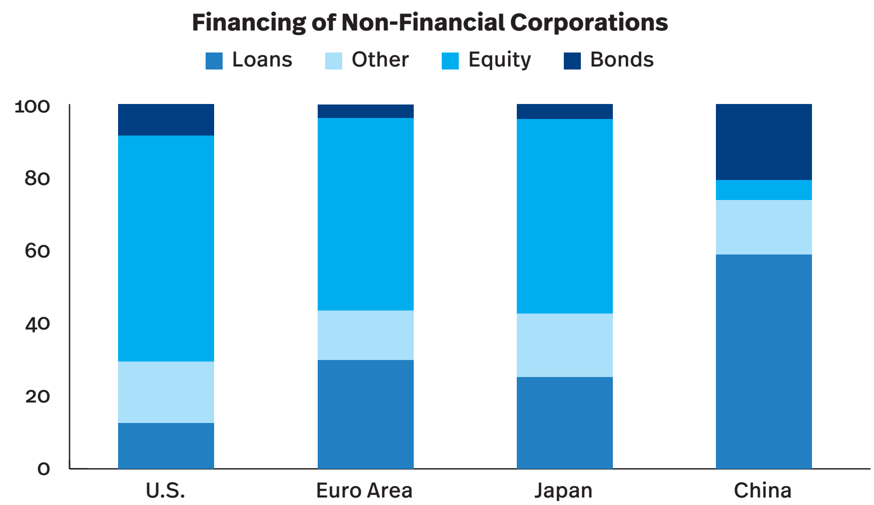
Note: The size of each bubble denotes the average % share of total capital markets activity in the 25 sectors of activity studied

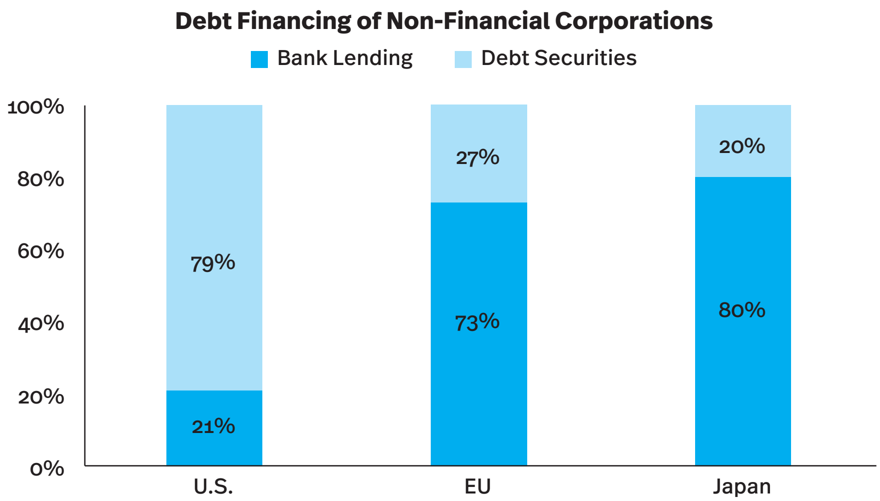
Capital Markets Fuel Economies

In the U.S., capital markets provided 65% of funding for economic activity. Capital markets enable debt issuance, which is a more efficient, stable and less restrictive form of borrowing for corporations. The use of debt capital markets to fuel economic growth is more prevalent in the U.S, at 79% of the total, whereas bank lending is more dominant in other regions, around 21% on average.

On the equities side, companies need capital for various business purposes – to invest in growth, fund mergers and acquisitions, etc. – and firms have several ways they can generate capital, including issuing IPOs. IPOs allow businesses to grow, innovate and better serve their customers.

In short, U.S. capital markets are the bedrock of our nation's economy.





Source: Organization for Economic Co-operation and Development, European Central Bank, Bank of Japan, National Bureau of Statistics of China, Federal Reserve (as of 2018, China 2015)

Note: Note: Euro Area = 19 EU-member states using the Euro; EU = 28 member states. Other financing = insurance reserves, trade credits and trade advances. Economic activity defined as financing of non-financial corporations; DCM includes corporate bonds only.

Market Insights

Market Structure Is the Key to Capital Markets Strength

Efficient and resilient market structure is the key to sustaining investor confidence and participation underpinning the capital markets. The goal of regulators and market participants is to promote market resiliency and ensure markets continue to benefit investors and play an essential role in capital formation.

Market strength is crucial in both primary (issuance) and secondary (trading) markets, which are symbiotic in nature. Efficiently functioning primary markets maintain the depth and liquidity in the secondary markets. Healthy secondary markets give issuers confidence their needs will be met at a good price level in the primary markets, and the cost of capital will be lower at issuance when a liquid secondary market is available. It is important to maintain the robustness and efficiency of secondary markets. In addition to promoting capital formation, investors utilize secondary markets to generate returns and manage risk.

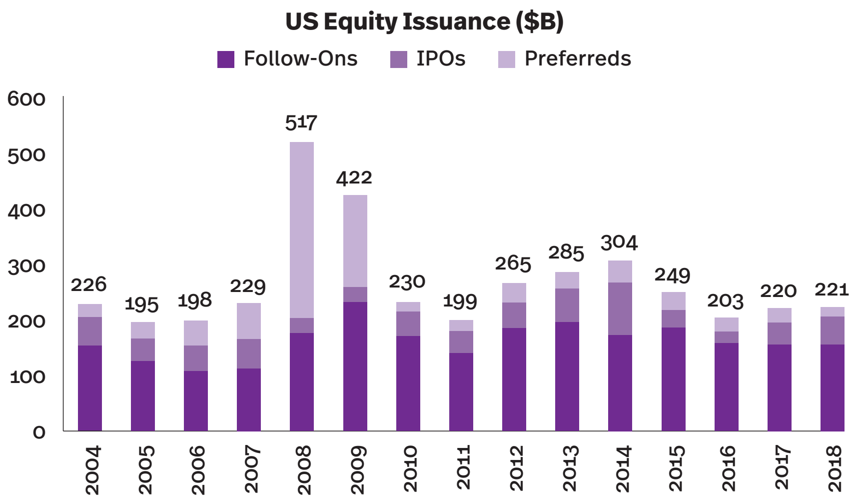
To continue to function efficiently, capital markets need market makers, which stand ready to buy and sell securities at all times, including times of stress, thereby providing liquidity. They need stable, long-term investors and a robust regulatory structure. These factors support the framework for healthy, vibrant capital markets. It is this structural support that is crucial to maintaining the longevity and stability of markets, ensuring they continue functioning even under times of economic or market stress.

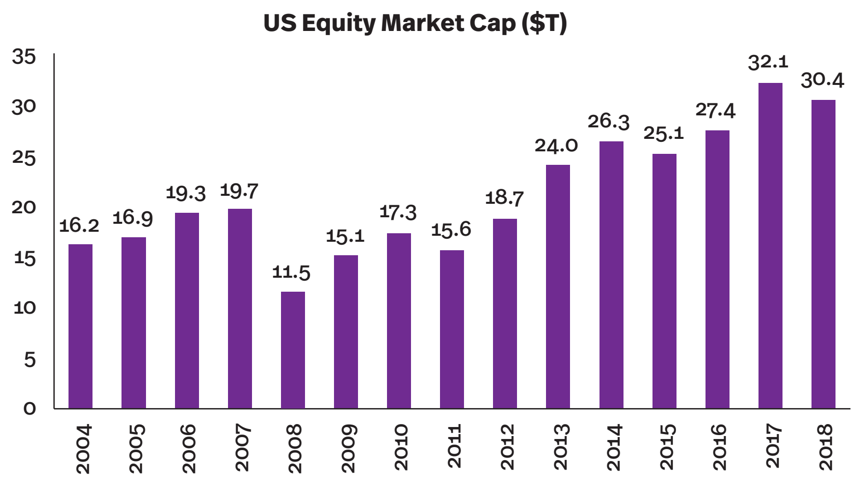
The stability of capital markets provides continued fuel for economic growth and job creation.

Equities Issuance & Market Cap

Issuance: Total equity issuance was $221 billion in 2018, essentially flat Y/Y but up 19.7% since the low seen in 2011. Issuance has declined at a 6.2% CAGR over the last five years.

Market Cap: Total equity market cap was $30.4 trillion in 2018, -5.2% Y/Y yet +165.6% since the low seen during the financial crisis. Market cap has grown at a 2.9% CAGR over the last five years.



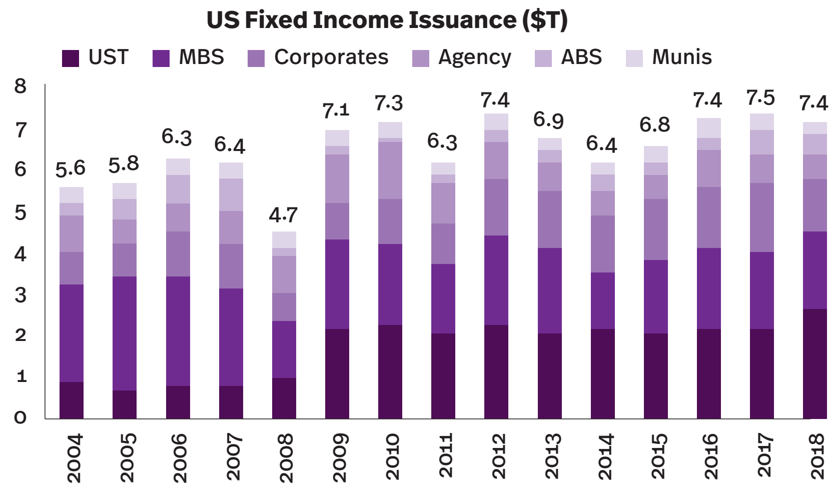


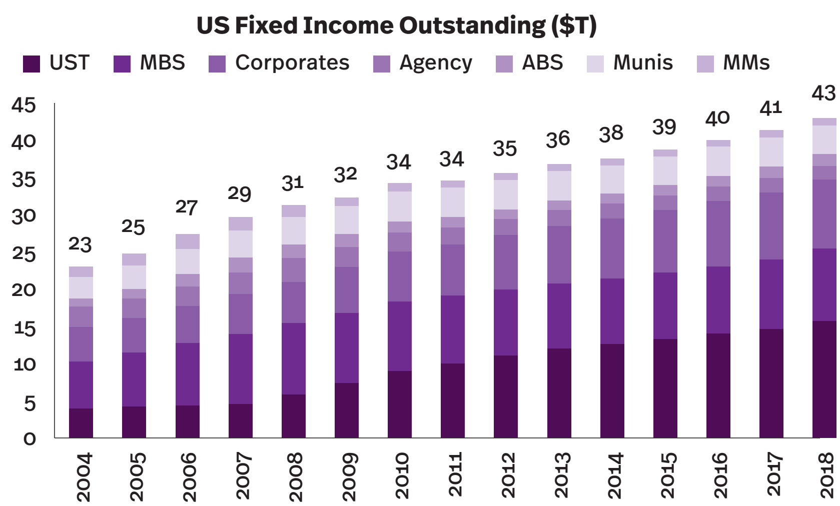
Source: Dealogic, World Federation of Exchanges

Fixed Income Issuance & Outstanding

Issuance: Total fixed income issuance was $7.4 trillion in 2018, -1.4 Y/Y but up 59.2% since the low seen with the financial crisis. Issuance has increased at a 3.1% CAGR over the last five years.

Outstanding: Total fixed income outstanding was $43 trillion in 2018, +4.4% Y/Y and +87.1% since 2004. Outstanding has grown at a 2.7% CAGR over the last five years.





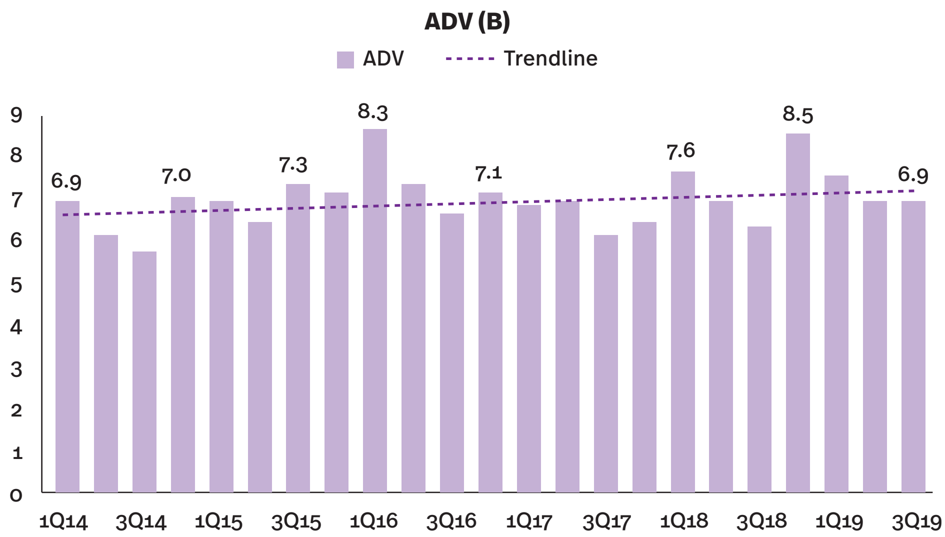
Source: SIFMA

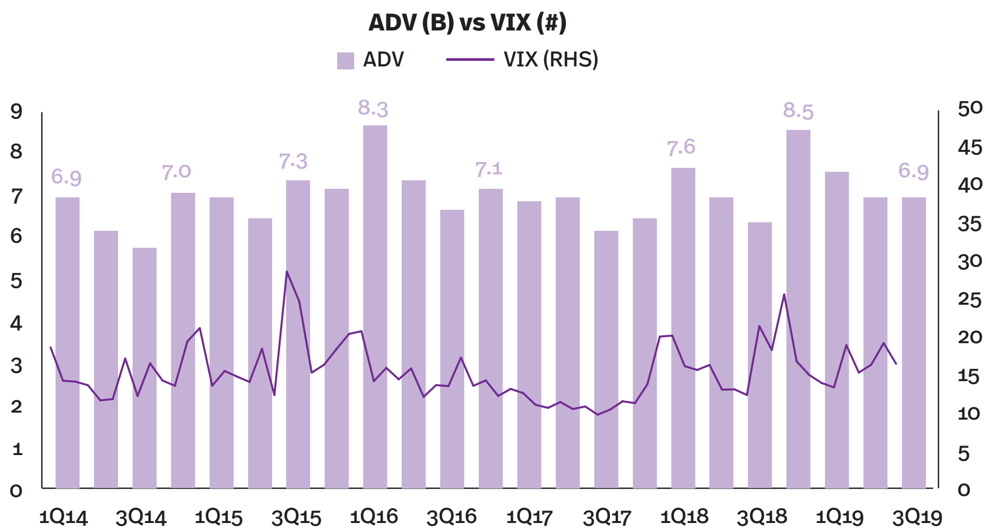
Note: Issuance is long-term instruments only

Equities Markets

Investors in U.S. equities markets continue to enjoy narrow spreads, low transaction costs and fast execution speeds. There is also plenty of opportunity for price improvement, especially for retail investors.

On average (through September 2019), around 6.9 billion shares are traded on U.S. equity markets every day. ADV averaged 7.5 billion and 7.1 billion for the last 12 to 24 months, while the six month average was 6.9 billion.



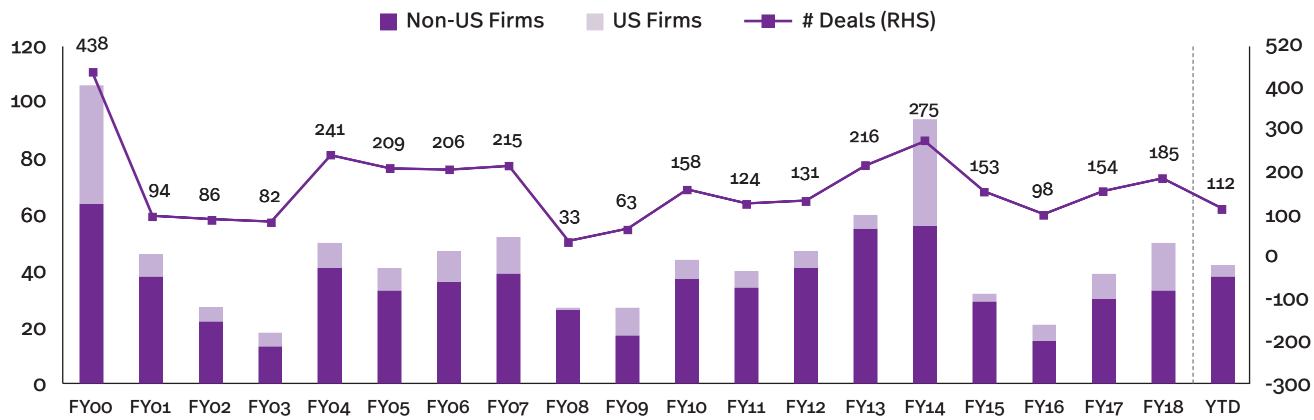


Source: Cboe Global Markets, Bloomberg, SIFMA estimates (as of September 2018)

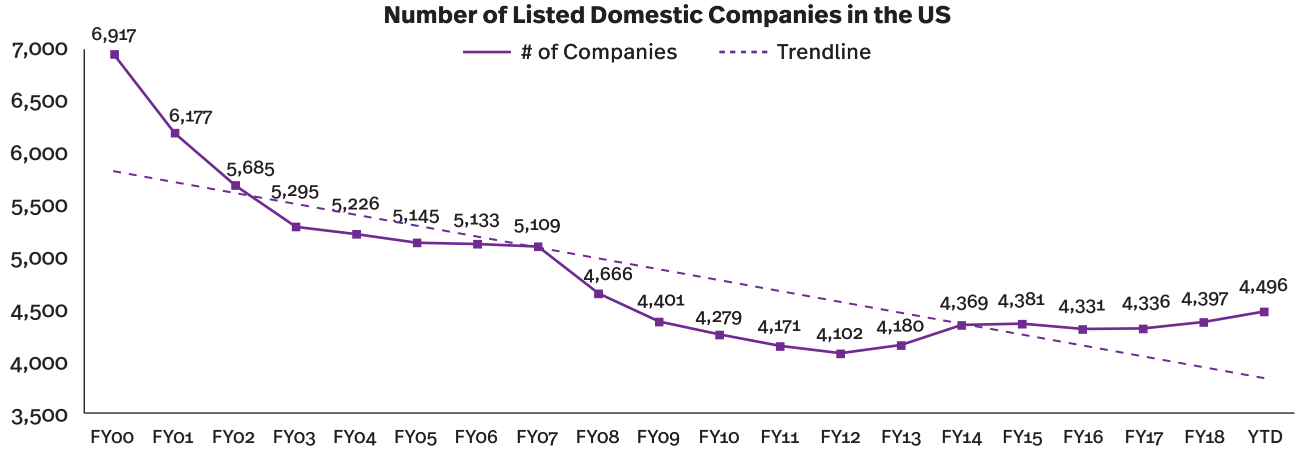
Capital Formation

As of September 2019, IPOs totaled $42.4 billion, essentially flat to this time period last year (+0.5%). Of this, $38.2 billion, or 90.0% of the total, was in U.S. domiciled firms, +30.7% Y/Y. The number of deals was 112 YTD, -24.8% Y/Y; U.S. domiciled deals was 88, -22.1% Y/Y. The number of listed domestic companies was 4,496, down 35.0% since 2000 (6,917) but up 9.6% from the 2012 low (4,102).

US IPOs Issuance by Domicille ($B)



Number of Listed Domestic Companies in the US



Source: Dealogic, Bloomberg, SIFMA estimates (as of September 2019)

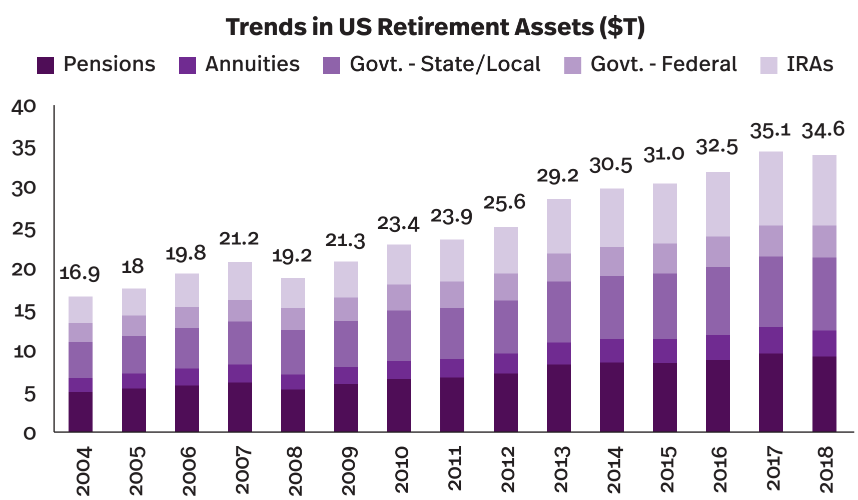
Note: U.S. domiciled companies listed on U.S. exchanges. Excludes BDCs, SPACs, ETFs, CEFs, & rights offers

Private Wealth Management

Financial institutions pool their employee talent and product offerings to help individual investors, governments and corporations manage money. This includes: managing individual investor retirement accounts; providing investment advice; and overseeing corporate and government retirement plans.

In the U.S., there are $34.6 trillion of retirement market assets, broken out across the following categories:

- Private pensions, 27.2% ($9.4T)
- Defined contribution plans, 63.4% of total pensions or $6.0T
- Defined benefit plans, 36.6% of total pensions or $3.4T
- State and local government pensions, 26.3% ($9.1T)
- IRAs, 25.4% ($8.8T)
- Federal government pensions, 11.6% ($4.0T)
- Annuities, 9.4% ($3.3T)
- Financial institutions further help investors purchase individual stocks or other securities, such as mutual funds ($17.7 trillion market) and ETFs ($3.4 trillion market)



Source: Federal Reserve Flow of Funds, SIFMA estimates

Note: Pensions includes defined benefit and defined contribution plans held by private individuals; 403 plans are included in private pensions

Fintech

The industry continues to analyze how fintech solutions can increase efficiencies in the back office, better serve clients, manage risk or meet regulatory reporting requirements. While much of a firm's technology spend is on ways to increase operational efficiencies and decrease costs (for the firms and also their customers), many firms also sponsor investments for fintech innovations. As such, we highlight a few fintech topics of interest to market participants.

Robotics, Robotic Process Automation (RPA): Robotics and RPA have a shorter time frame to implementation compared with some other emerging technologies. Automation via these fintech capabilities benefits employees and employers, by decreasing time it takes to perform tasks, and clients, by improving straight through processing and other procedures, all while increasing transparency and reducing operational risk. While RPA continues to gain maturity and is implemented in multiple areas, we learned at our annual Operations Conference & Exhibition that the current automation scope is only 3-7%, out of a 40%+ potential to automate. Some analysts have suggested 4 million bots may be active supporting RPA by 2021.

Cloud: Cloud architecture can come in several forms: internal (private), public or hybrids. Initial use cases were to gain raw computing power. Now, firms use clouds to access and utilize data in real time in a flexible and efficient manner and provide platforms for partnerships with third parties and new innovators. Firms can use multiple cloud platforms together while controlling how they interact, with some adopting financial institutions using a combination of 3-4 private and public clouds. Yet, we learned at our annual Operations Conference & Exhibition that only 20% of workloads in financial services have moved to cloud technology. What will the modern cloud architecture look like – secure, fast, real-time access – when firms ramp up for a world requiring more and more data be pulled in (while balancing with resiliency and risk management)?

Artificial Intelligence (AI): AI has been in use at financial institutions for many years, for example: using it for credit scoring in retail banking; using it in CCAR/stress testing to forecast and view changes in results under different macro variables; using it in call centers, where evidence has shown query resolution increases significantly; and other, more simple processes. To continue to grow usage, firms are exploring how to embed AI into the workflow/decision process, for example: KYC/AML monitoring to automate the closing out of cases; or trader conduct surveillance to predict behavior before it happens. However, firms stress that oversight and controls are key in the implementation process. The deployment of AI needs to need to consider where the data came from and how the model operates, understand how to supervise it and ensure AI is supporting with professional decision making, not replacing it.

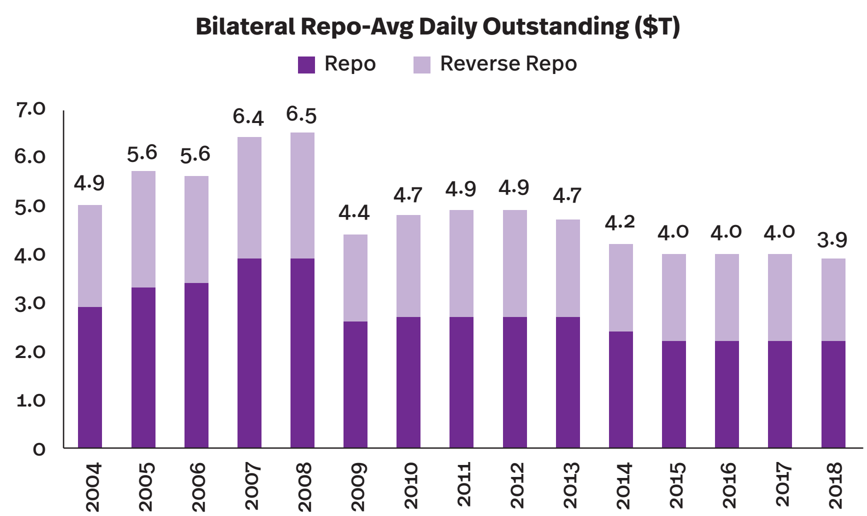
Repo Markets

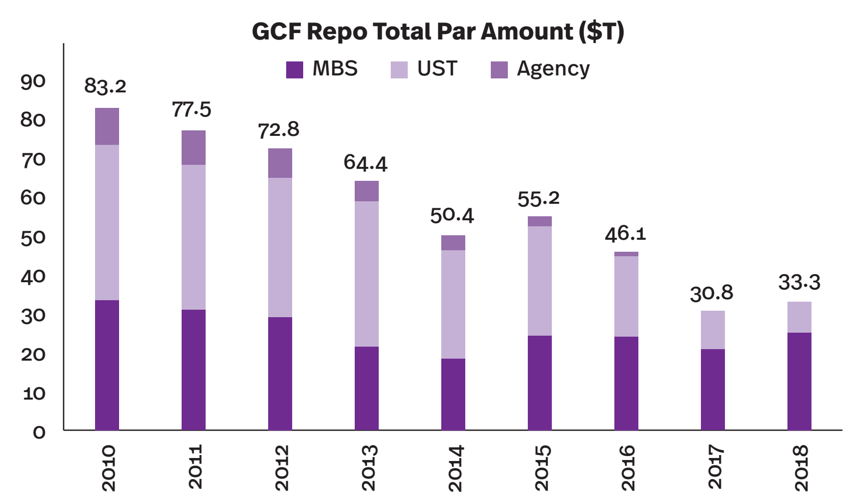
A repurchase agreement (repo) is a financial transaction in which one party sells an asset to another party with a promise to repurchase the asset at a pre-specified later date, enabling market participants to provide collateralized loans to one another to manage short-term fluctuations in cash holdings. Repos aid secondary market liquidity for the cash markets (ex: UST), allowing dealers to act as market makers in a very efficient manner and keep secondary cash markets running effectively. This in turn contributes to lower interest rates paid by the issuers, most notably the U.S. Treasury, which lowers debt servicing costs borne by taxpayers.

The repo market is a crucial but little-known market that ordinarily hums steadily along. In September 2019, a confluence of technical factors caused a shortage of cash and resulting massive short-term spike in repo rates. The Federal Reserve Bank of New York conducted a series of temporary repo and reverse repo operations to reduce volatility, ensure liquidity, and maintain stability of short-term borrowing rates. The Fed anticipates its interventions will continue into 2020.

Bilateral Repo: Total average daily outstanding was $3.9 trillion in 2018, -3.3% Y/Y and -40.4% since the financial crisis. Outstanding has decreased at a 1.8% CAGR over the last five years.

GCF Repo: Total par amount was $33.3 trillion in 2018, +7.8% Y/Y but -60.0% since the financial crisis. Outstanding has decreased at an 8.0% CAGR over the last five years.

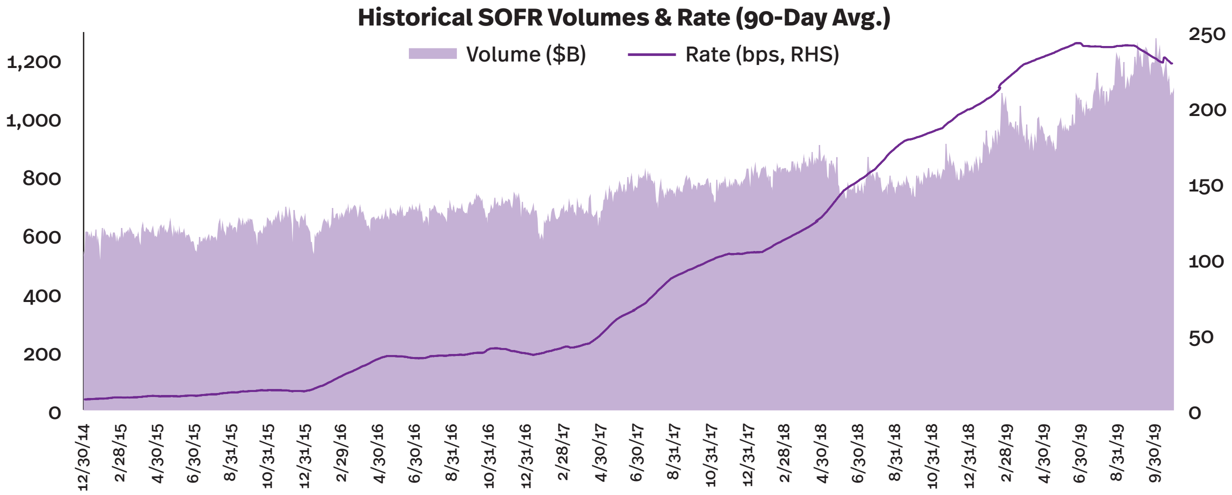


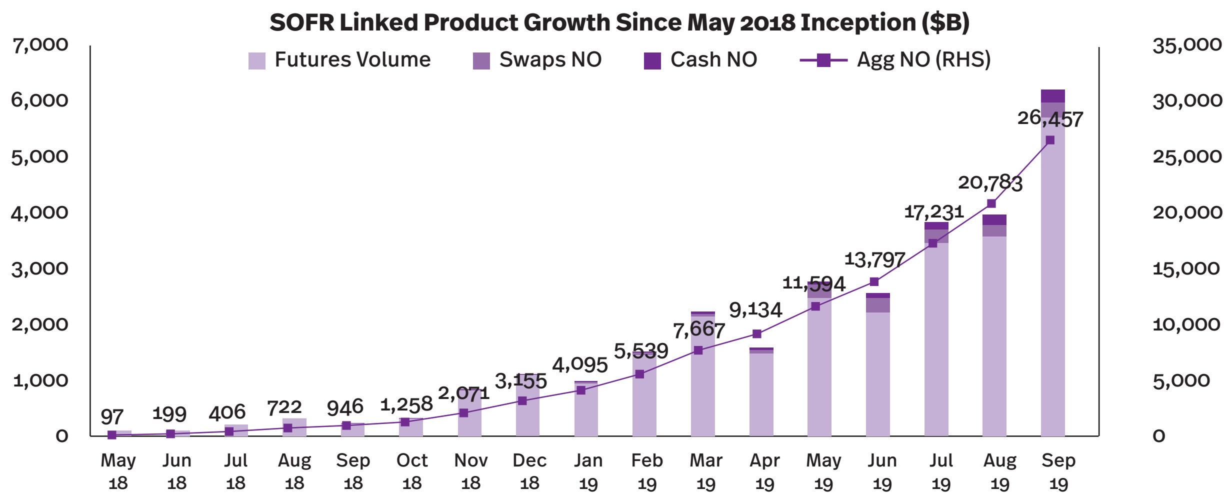


Source: NY Fed, SIFMA estimates

Transitioning to SOFR from LIBOR

The transition from the London Interbank Offered Rate (LIBOR) to alternative interest rate benchmarks is well underway, but much work lies ahead in order to implement a successful reference rate change by the end of 2021. In the U.S., the Alternative Reference Rates Committee (ARRC) is leading the transition away from LIBOR to the Secured Overnight Financing Rate (SOFR). SOFR is based on the overnight repo markets, moving the reference rate from being based on ~$1 billion transactions per day (the most active tenor of LIBOR, three months) to the repo market with around $1 trillion of transactions per day. Publication of the SOFR rate began in April 2018. Trading and clearing of SOFR-based swaps and futures began in May 2018.





Source: NY Fed, ARRC, CME Group, ICE, LCH, SIFMA estimates

Note: SOFR rate = 90 day rolling average

Policy Viewpoints

> SIFMA's thought leadership, advocacy and support truly enhance the ability of its member firms to serve clients at the highest level.

James R. Allen
Vice Chairman, Robert W. Baird & Co. Incorporated
2019 Chair, SIFMA Board of Directors

The financial industry and markets are in an extended period of dramatic change. Technology is revolutionizing the industry, that is indeed true, but a confluence of several major events is actually behind our seismic shift. The industry is still absorbing new regulations to ensure safety and soundness, but finding our ability to facilitate capital formation and economic growth is often constrained by it. The skills needed for today's workforce are changing and we are investing in our people to ensure they can grow with our firms. We are striving to foster a diverse and inclusive industry, with our professionals representative of our clients and our culture welcoming to all. The way we serve the individual investor is changing, too, with technology supporting our ability to focus on holistic wealth planning.

It all comes back to what we do: bringing capital to the best ideas and enterprises, and bringing investment opportunities to retail and institutional investors.

Prudential Regulation

Since the crisis, the financial industry has built up significant capital to enhance the resiliency of the financial system.

A proxy for the entire financial system, firms subject to the Federal Reserve's Comprehensive Capital Analysis and Review (CCAR) now have more than $1 trillion of Common Equity Tier 1 capital (CET1) – an increase of 71% since 2009. Their average CET1 ratio is 11.8%, well above the 7% minimum requirement and even greater than the maximum regulatory requirement inclusive of the highest G-SIB surcharge. It is also estimated that, for the largest financial institutions, increases in capital and the introduction of convertible long-term debt as required by the TLAC rule has substantially increased total loss bearing capacity from roughly 15% in 2008 to more than 25% in 2018.

> I believe it is prudent to review all our practices to ensure that they are as efficient and transparent as possible and that they remain appropriate in light of changes in the industry that have been achieved.
>
> **Randal K. Quarles**
> **Vice Chair for Supervision, Federal Reserve Board of Governors**
> **Chair, Financial Stability Board**
> **July 2019**

With the adoption of numerous conservative prudential regulatory requirements, banks now hold excessive levels of capital and liquidity that are increasingly disconnected from the level of risk they incur. Although these levels have undoubtedly increased resiliency, they come at a cost: the more capital required, the less deployed into the economy.

Prudential and market regulators have set out to tailor and improve upon the post-crisis regulatory regime, executing on recommendations put forth by the Treasury Department to rebalance and modernize financial regulation. To that end, industry and regulators have been examining recalibrations to several major rules adopted over the last ten years.

Policymakers and regulators should take steps to ensure prudential regulations promote the stability of the financial system but do not negatively impact capital formation and economic growth, notably Basel provisions, including:

- Standardized approach for counterparty credit risk (SA-CCR);
- Supplementary leverage ratio (SLR) and enhanced supplementary leverage ratio (eSLR);
- CCAR requirements;
- Stress capital buffer (SCB) requirements; and
- Fundamental review of the trading book (FRTB).

Are CCAR Shocks to the Trading Book Plausible?

www.sifma.org/gms-lcd-study
A September 2019 study using statistical analysis of stress testing scenarios concludes that, in a number of significant areas, GMS/LCD shocks are not reasonably plausible and it is, therefore, important to revisit key aspects of CCAR.

Capital Markets

Market Data

Market data is information about current stock prices, recent trades, and supply-and-demand levels sold by national securities exchanges. Access to this information is essential to America's world-leading capital markets, because all participants need timely and complete data to make informed trading decisions. Because exchanges control that information, they have enormous pricing power over the cost to access the data.

At SIFMA, we believe market data reform should focus on promoting competition, supporting efficient markets, and providing a transparent and fair system for all investors. We continue to advocate for improvements to the SIP content, consistent with the recommendations the SEC is developing for proposals to changes to the SIP, and for the addition of competing SIPs to replace single-consolidator model.

Housing Finance Reform

The U.S. housing market is a critical piece of the general economy. It represents one-fifth of U.S. GDP and 35% of all private, non-financial debt in the country.

In March 2019, a Presidential Memorandum was issued for Federal Housing Finance Reform that directed the U.S. Department of the Treasury and the Department of Housing and Urban Development (HUD) to conduct a broad review of our housing finance system, including the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac. In September, the Treasury and HUD released their housing finance reform plans. SIFMA supports the U.S. Administration and Congress working together to identify a permanent solution. Moving the GSEs out of the conservatorship of their regulator, the Federal Housing Finance Agency (FHFA), is a goal that we support – but not without Congress taking the necessary action to address the need for an explicit government guarantee to ensure stable mortgage-backed securities (MBS). In their plans, the Administration outlined both legislative and administrative steps for reform of the GSEs and housing finance. While the outlook for legislation is uncertain, it is clear that the Administration intends to take administrative steps toward reform.

The Volcker Rule

While pure proprietary trading for one's own account was historically a limited activity for most banks, the ability to trade and take positions in securities has been an essential tool to making markets and ensuring those markets remain liquid.

SIFMA supports the regulatory agencies' goal of reducing compliance-related inefficiencies of the Volcker Rule. Revisions issued in August 2019 will help ensure the Rule does not negatively impact capital formation and economic growth, which could exacerbate financial harm during times of stress. The removal of the accounting prong is a positive step forward in ensuring the regulatory definition of 'trading account' does not go beyond the statutory definition and Congressional intent. In the face of studies showing the Rule's negative impact on liquidity, including from the Office of Financial Research, and numerous calls to simplify the Rule, including from former Fed Governor Dan Tarullo and Paul Volcker, it was clear revisions were needed. It is important to be clear on what the changes encompass: the prohibition on proprietary trading under the Rule is statutory and will not go away. However, the revisions do provide market participants with more clarity on compliance as they implement the continuing legal restrictions under the Rule, and they will make it easier for the regulators to ensure compliance.

The next step in the process is for the agencies to finalize matters pertaining to the covered funds provisions of the Volcker Rule. SIFMA would like to see clarification around certain related definitions as well as exclusions for specific vehicles that we do not believe represent proprietary trading and therefore should not be included in prohibitions.

Wealth Management

Regulation Best Interest Implementation

In June, the SEC voted 3-1 to adopt Regulation Best Interest. Reg BI requires broker-dealers to act in the best interest of their retail customers when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer. The SEC also adopted Form CRS, a customer relationship summary. Finally, the SEC also issued interpretive guidance regarding the broker-dealer exclusion from the definition of investment advisers, and interpretive guidance regarding the standard of conduct for investment advisers.

Since early 2009, SIFMA has consistently advocated for the establishment of a best interest standard for financial professionals when providing investment advice. For that reason, we have supported the efforts of the SEC to finalize comprehensive federal regulations that meaningfully raise the bar for broker-dealers when providing personalized investment advice about securities to retail customers. While well-intentioned, a patchwork of state-by-state approaches currently under discussion would undermine the new federal standard and also the interest of investor protection generally.

To assist firms in understanding the various Reg BI and Form CRS requirements and their potential impacts, SIFMA partnered with Deloitte to develop a Reg BI implementation guide as a high-level framework for compliance and for assessing the rule's potential impacts on firms.

> "As written, the SEC's Regulation Best Interest rule imposes a materially heightened standard of conduct for broker-dealers when serving retail clients. While principles-based, the rule is specific with respect to the duty and obligations brokers owe to their clients, and what steps they must take to comply, including the obligation to eliminate, or disclose and mitigate, certain conflicts of interest. It is undeniable that this rule will directly enhance investor protection and contribute to increased professionalism among financial service providers. Compliance with the rule will not be easy for the industry. Firms will need to make substantial changes. The costs to implement will no doubt be significant, but, we believe, worthwhile to uniformly enhance investor protection to the level investors should and do expect, while preserving investor choice and access to investment advice."

Kenneth E. Bentsen, Jr., President and CEO, SIFMA
June 2019

Senior Investor Protection

It is vital that we are able to protect our senior investors from financial exploitation and the dangers of cognitive decline. SIFMA has been working with industry members, academics, and state and federal lawmakers to advance policies, practices, rules, regulations and statutes which enhance senior investor protections. A growing number of states have enacted senior investor protection laws that extend to broker-dealers, and several others are currently working to develop a similar path. Additionally, FINRA Rule 2165, permitting pauses on certain suspicious activity, and FINRA Rule 4512, requiring firms to request trusted contact information from certain clients, went into effect in February 2018. SIFMA continues to push for updated laws and regulations to get ahead of this emerging threat and better equip advisors - through regional workshops, toolkits and more - to protect their aging client base. This is an issue of increasing importance, and SIFMA looks to continue to lead on this issue, as it has for the past several years.

Retirement Savings Legislation

The retirement system in the United States is helping millions of Americans save for a secure retirement and maintain their standards of living as retirees. However, increased life expectancies, the uncertain future of Social Security benefits, higher health care costs, and low interest rates have increased the need for American workers to save more for retirement.

Since its inception, the retirement system has become more effective and portable, leading to increased financial security for many Americans. Retirement savings plans also play an important role in the capital markets, as the contributions from these plans form a large amount of the capital invested in our financial markets.

SIFMA is committed to increasing retirement security and has identified three primary pillars to reach this goal:

1. Expanding access to plans,
2. Increasing participation and decreasing leakage, and
3. Enhancing education.

SIFMA encourages passage of retirement legislation that includes Open MEPs, increased incentives for small businesses to open plans, an increase in the RMD age, along with other provisions to improve access to retirement savings.

Tax Policy

A Financial Transaction Tax

A financial transaction tax (FTT) is a levy on transactions of stocks, bonds and derivatives. While proposed as a means to raise funds or curb behavior, a financial transaction tax amounts to a sales tax on investors, savers and retirees.

SIFMA is strongly opposed to a financial transaction tax, which raises costs to the issuers, pensions and investors who help drive economic growth, negatively impacting those saving for retirement, college or to buy a home by decreasing the amount of their savings. Moreover, major economies that have adopted such taxes have had overwhelmingly negative results, including reduced asset prices, trading moving to other venues, market dislocation and decreased liquidity. Past experience also suggests that it would raise less revenue than supporters often claim.

The U.S. financial markets are the broadest and deepest in the world and this benefits American individuals and businesses in many ways. An FTT would substantially reduce market liquidity and impair the strength of the U.S. capital markets, a move that runs counter to strong, sustainable, and balanced growth, and the financial impact of such a tax is not just on markets.

The Ramifications of a Financial Transaction Tax

www.sifma.org/ftt-ramifications

In October 2019, SIFMA Insights uses failed case studies from across the globe to assess the potential ramifications of a financial transaction tax on capital markets and individual investors.

Tax Reform

The Tax Cuts and Jobs Act (TCJA) significantly changed the way U.S. multinational foreign profits are taxed. Importantly, while the Global Intangible Low Tax Income (GILTI) regime was introduced as an outbound anti-base erosion provision, it has not worked as envisioned. SIFMA supports final regulations that account for the unique concerns of financial services companies, results in the lowest possible effective tax rate on foreign earnings, mitigates the unintended consequences caused by interest expense allocation rules, and obtains reasonable treatment for US branches operating in foreign jurisdictions.

Similarly, SIFMA also supports final regulations for Base Erosion and Anti-abuse Tax (BEAT) and tax-deductible interest that mitigate the impact of taxable interest on inter-company debt. This change would also better reflect the original intent of Congress.

Finally, the TCJA imposed a new limitation on the deduction for business interest expense also known as the 163(j) limitation. SIFMA is in favor of final regulations that ensures interest is not imputed on certain types of uncleared swaps.

Trade Policy

The United States exports over $100bn of financial services a year. SIFMA supports an open, rules based, global economy in which financial services can do its part to boost exports, investment and global economic growth. SIFMA believes that trade agreements should be comprehensive, broaden market access for financial services firms, and address issues specific to today's economy in digital trade to enhance U.S. economic competitiveness in the 21st century. To that end, we encourage policymakers to: expand the free flow of goods and services around the world and maximize cross-border investment opportunities; coordinate regulatory approaches across borders to ensure a level playing field for domestic and international firms; and address the rise of impediments to the free flow of data.

- SIFMA supports efforts to strengthen the U.S.-China economic relationship including by establishing a level playing field in China's financial markets for all participants, including U.S. firms.
- In North America, we strongly support passage of the United States-Mexico-Canada Agreement (USMCA) which would establish a new gold standard for financial services in terms of protecting the data flows crucial for growth and employment.
- In Europe, together with our colleagues at AFME and GFMA, SIFMA believes that an orderly Brexit is crucial to ensure a smooth exit from the EU and transition to future financial services relationships. SIFMA is also the co-chair of the UK-U.S. Financial and Related Professional Services Industry Coalition which works to present industry views on the future U.S./UK relationship.

Operations & Technology

Cybersecurity

Cybersecurity is a top priority in the financial industry to ensure the security of customer assets and information and the efficient, reliable execution of transactions within markets. It is a shared objective that demands an integrated approach but is often complicated with an overlapping patchwork of regulation. In fact, no fewer than 11 federal agencies impose some form of cybersecurity requirements. This is in addition to individual state, SRO and jurisdictional requirements, as well as standards from the National Institute of Standards and Technology (NIST) and International Organization for Standardization (ISO).

As a global industry, all market participants are interconnected and part of the same ecosystem and need to work together to protect the sector as a whole. This year, SIFMA's Quantum Dawn cybersecurity exercise went global. Together, financial institutions and the sector, as a whole, practiced and improved coordination and communications with key industry and government partners in order to maintain equity market operations in the event of a systemic cyber-attack.

An effective and efficient cybersecurity policy is achieved most easily through harmonized, risk-based global standards that leverage extensive investments already made. The financial industry is committed to furthering the development of industry-wide cybersecurity initiatives that protect our clients and critical business infrastructure, improve data sharing between public and private entities and safeguard customer information. SIFMA is actively engaged in coordinating the effort to support a safe, secure information infrastructure, with cybersecurity resources which provide security of customer information and efficient, reliable execution of transactions. We continually work with industry and government leaders to identify and communicate cybersecurity best practices for firms of all sizes and capabilities, and educate the industry on evolving threats and appropriate responses; see the Resources section of this book for our exercises, tests and other resources.

Consolidated Audit Trail

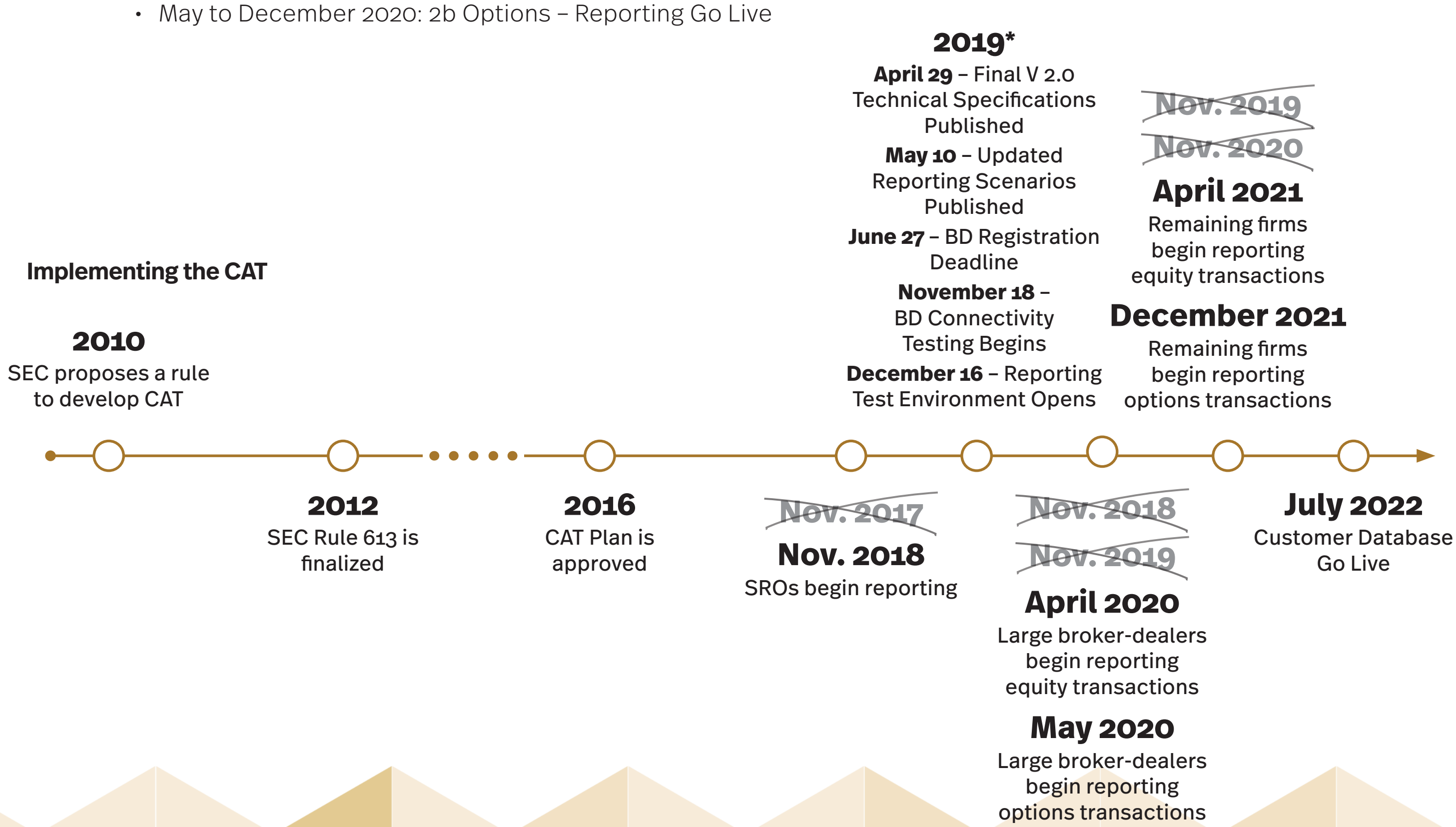
The SEC and the SROs continue to develop a comprehensive Consolidated Audit Trail (CAT) that would enable regulators to efficiently and accurately track all activity throughout the U.S. for equities and options trades.

The CAT will allow regulators to link every order through its entire life cycle, including cancellations, modifications and executions, and the CAT database will link all orders with the account holder. As such, the CAT will enable regulators to conduct cross-market surveillance and market reconstruction by pulling together detailed trading data from all market centers.

SIFMA has focused on concerns around risks related to the collection of Personally Identifiable Information (PII). SIFMA has engaged the SEC and the SRO's for adjustments to the CAT to ensure adequate data protection and response, as well as restricting access to any submitted data to a strictly controlled environment.
In October, the SROs filed for exemptive relief to remove certain PII - date of birth, SSN and account number - from CAT.

CAT Reporting Timeline – Key Dates

- November 18, 2019: Connectivity Testing Begins
- December 16, 2019: 2a Equities and 2b Options – Industry Testing Begins
- April to October 2020: 2a Equities – Reporting Go Live
- May to December 2020: 2b Options – Reporting Go Live



Community

Our society has an extreme need for financial literacy, an issue that has broad implications for our communities and the larger economy. At SIFMA, we are committed to tackle this issue from the ground up, empowering the next generation with an understanding of the market economy and teaching good financial habits that when taught young can last a lifetime.

The SIFMA Foundation

For more than 40 years, the SIFMA Foundation has strengthened economic opportunities for individuals of all backgrounds by increasing their understanding of the benefits of the global capital markets. Through a robust portfolio of dynamic, rigorous online educational programs that introduce young people to the financial industry and emphasize asset allocation, long-term planning, diversification and problem solving, the SIFMA Foundation has advanced financial capability for 18 million young people across the country.

Year after year, SIFMA member firms' critical support enables the SIFMA Foundation to equip elementary through high school teachers to engage their students first-hand in personal finance and the capital markets, prepare them for college and the workplace, and motivate them to explore jobs and careers in the financial sector. The SIFMA Foundation promotes best practices and thought leadership through multi-sector partnerships, including engaging 6,000 industry professionals as volunteers and every single member of Congress in advancing financial capability for 600,000 students each year.

“Students who participated in The Stock Market Game™ scored significantly higher on mathematics and financial literacy tests than their peers who did not participate.”

Learning Point Associates
Independent Study

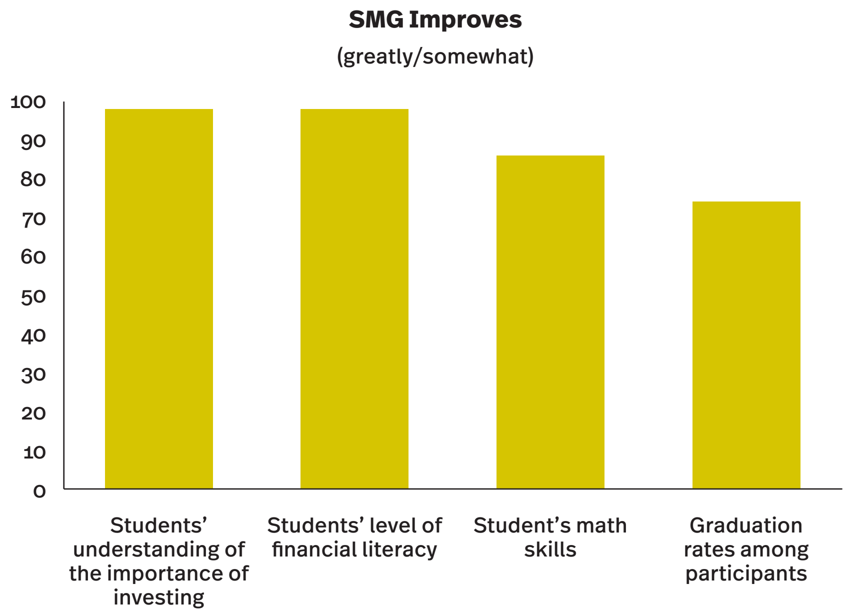
The SIFMA Foundation honored champions of Financial literacy - Tom James of Raymond James and Charlotte McLaughlin of PNC Capital Markets - at the 2019 Tribute Dinner in New York City.

Teachers consistently tell us about the positive influence our programs have on their students. The educational impact of the SIFMA Foundation's Stock Market Game™ is unmatched, with proven increases in student attendance, engagement and class participation, and improved academic performance and financial behavior. An independent study by Learning Point Associates found Stock Market Game students scored significantly higher on mathematics and financial literacy tests than their non-SMG peers. They also found that SMG teachers reported the program motivated them to better plan for their future and to engage in financial planning, research, and use of investment products and services.

The SIFMA Foundation offers a variety of volunteer and community engagement activities for financial professionals, in-person and online. From visiting classrooms to judging student essays, the SIFMA Foundation has a volunteer opportunity just right for you. Sign up today and discover specific ways you can bring your passion and expertise into classrooms and youth-serving nonprofits.

99% of teachers

would recommend The Stock Market Game to other teachers



Source: The Stock Market Game Teacher Survey

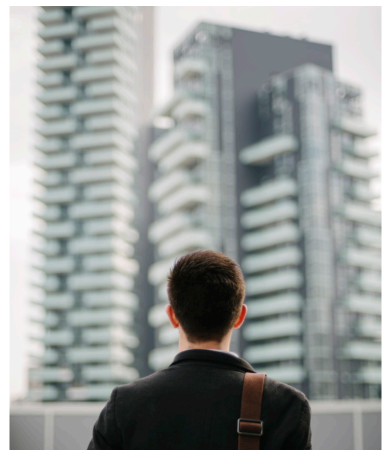
Project Invested

www.projectinvested.com

Project Invested tells the story of how capital markets contribute to our society and our economy each and every day. From underwriting infrastructure projects to helping entrepreneurs start new businesses, the capital markets are at work.

Project Invested promotes an understanding of the capital markets and promotes financial literacy for all. Its Investor Guide series provides a FINRA-reviewed comprehensive and understandable explanation of an investment product or market and is available online or in print.

- Bond Basics
- Equities
- RMBS & CMOs
- Corporate Bonds
- U.S. Treasury Securities
- Municipal Bonds
- Zero-Coupon Municipal Bonds



Fostering a Diverse & Inclusive Financial Industry

www.sifma.org/diversity

How can we promote diversity, inclusion and parity to shape our workforce and serve our clients?

SIFMA and its members strive to provide firms across the financial services industry with the resources needed to achieve, expand and promote workforce, client, and supplier diversity and inclusion. Through SIFMA's Diversity & Inclusion Advisory Council, we assist member firms in developing their diversity initiatives to increase inclusion in the workplace and in their efforts to market to diverse customers. We also provide benchmarking data on demographics and industry practices and recognizes achievements in diversity and inclusion.

Achieving diversity is an evolutionary process that requires an ongoing commitment to diversity policies and practices, as well as regular assessments to evaluate the effectiveness of workforce and employment practices, business practices and supplier diversity, and transparency of organizational diversity and inclusion.

> "Making Progress:
> Wall Street Journal rankings find banks and insurers lead the S&P 500 index in overall workforce diversity"
>
> Wall Street Journal, October 2019

Resources

Key Contacts

Kenneth E. Bentsen, Jr.
President and CEO
kbentsen@sifma.org | 202.962.7400

David Krasner
Chief Financial and Chief Administrative Officer
dkrasner@sifma.org | 212.313.1249

Joseph Seidel
Chief Operating Officer
jseidel@sifma.org | 202.962.7300

Salvatore Chiarelli
Executive Vice President, Head of Conferences and Events
schiarelli@sifma.org | 212.313.1231

Cheryl Crispen
Executive Vice President, Communications and Marketing
ccrispen@sifma.org | 202.962.7474

Ira D. Hammerman
Executive Vice President and General Counsel
ihammerman@sifma.org | 202.962.7373

Jamie Wall
Executive Vice President, Advocacy
jwall@sifma.org | 202.962.7440

Key Resources

Advocacy & Resources
Comment letters, white papers, articles and more on market policy and regulation
www.sifma.org/resources

SIFMA Insights
Thoughtful and unique views on the markets, the industry and the economy
www.sifma.org/insights

SIFMA Research
Data and reports on the capital markets and securities industry
www.sifma.org/research

SIFMA SmartBrief
A daily, concise news briefing on news impacting the capital markets
www.sifma.org/smartbrief

Pennsylvania + Wall
Musings from the intersection of public policy and financial markets
www.sifma.org/blog

My Profile
Update your profile to receive important information and event updates
www.my.sifma.org

Capital Markets Fact Book

www.sifma.org/fact-book

The SIFMA Capital Markets Fact Book is an annual reference containing comprehensive data on the capital markets, investor participation, savings and investment, and securities industry.

In 2018, the securities industry raised $2.4 trillion of capital for businesses through corporate debt and equity issuance activity in the United States. While a 10.8% decrease from last year's post-crisis high, it is the fifth-highest issuance on record in our 15-year dataset. Results were mixed across asset classes, with equities +0.4% and fixed income -11.8%, which was driven by a 19% decline in corporate bonds as issuers and investors worried about rising interest rates, the withdrawal of central bank stimulus and increased concern over corporate debt levels.

EQUITY MARKETS

$221.2 BILLION
of equity was issued in the U.S., including common and preferred shares

$49.9 BILLION
initial public offering (IPO) volume, excluding closed-end funds

Sources: World Federation of Exchanges, Dealogic

BOND MARKETS

$2.2 TRILLION
corporate debt, asset-backed securities and non-agency mortgage-backed securities was issued in the U.S.

Sources: BIS, Refinitiv, Bloomberg

In 2018, the securities industry raised

$2.4 TRILLION

of capital for businesses through debt and equity issuance activity in the United States, a **10.8% decrease** from the post-crisis high in 2017.

Sources: Bloomberg, Dealogic, Refinitiv

U.S. CAPITAL MARKETS

U.S. merger and acquisition announced deals totaled **$1.7 trillion** in 2018, a **23.7% increase** from 2017, while the value of completed M&A deals rose by **16.7% to $1.9 trillion**.

Source: Dealogic

INVESTOR PARTICIPATION

$42.2 TRILLION

The value of U.S. households' liquid assets decreased by **1.6%**.

Source: Federal Reserve Board

RETIREMENT

$34.6 TRILLION

The total value of U.S. retirement assets decreased **1.4%** year-over-year but is the second highest on record.

Source: Federal Reserve Flow of Funds Accounts

SAVINGS

6.4%

The U.S. household savings rate is projected to be **6.4%**, middle-of-the-pack for major nations

Source: OECD Economic Outlook

INDUSTRY

970K

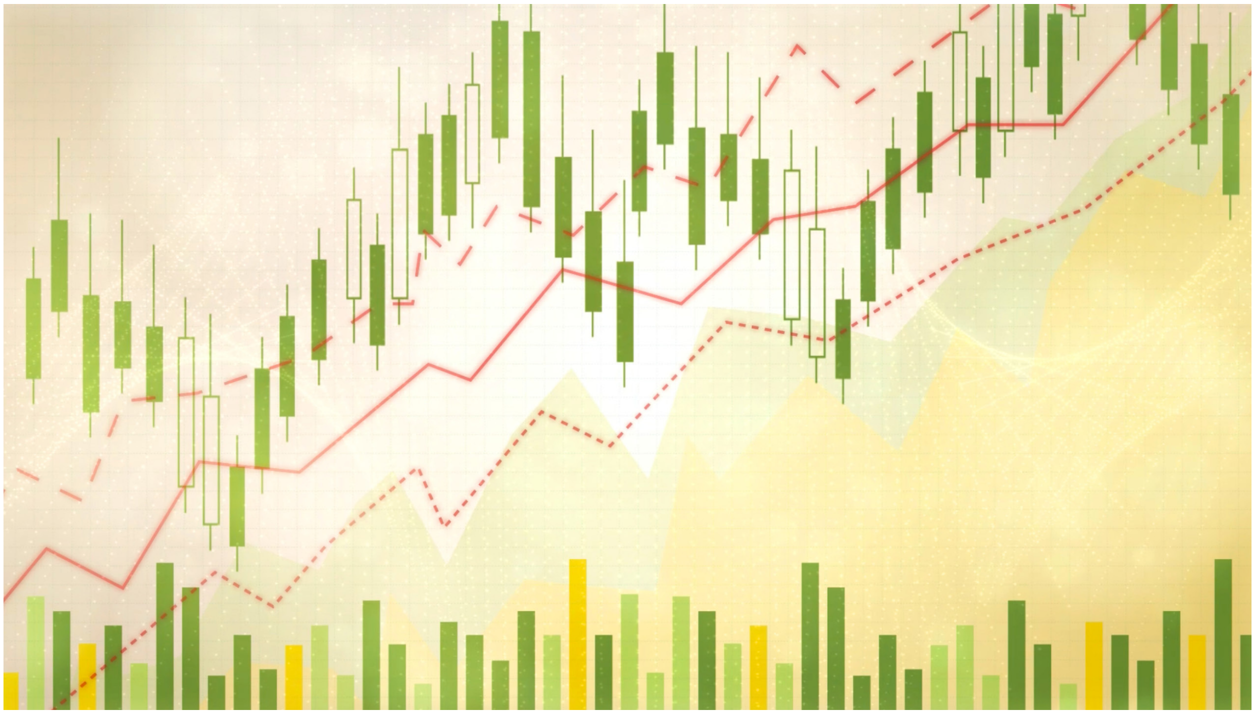
The securities industry employs 970,100 individuals, a **2.7% increase** year-over-year.

Source: U.S. Department of Labor

Primers, by SIFMA Insights

www.sifma.org/primers

The SIFMA Insights market structure primer series is a reference tool that goes beyond a typical 101 series. By illustrating important technical and regulatory nuances, SIFMA Insights primers provide a fundamental understanding of the marketplace and set the scene to address complex issues arising in today's markets.



Primer Series

Global Capital Markets & Financial Institutions Primer

Let's start at the beginning: what is the function of the capital markets? How is a financial institution structured? Why do capital markets matter?

Electronic Trading Market Structure Primer

Technology is now part of market DNA but defining electronic trading is not black and white. Here, we attempt to do so by providing an overview of the types of platforms and strategies utilizing a form of electronic trading.

US Equity Capital Formation & Listings Exchanges Primer

Initial public offerings (IPOs) are an important way for businesses to grow, innovate and better serve their customers. Yet, the number of public companies has declined 46% since its peak in 1996. Why might that be? What can be done?

US Equity Market Structure Primer

Efficient and resilient market structure is key to sustaining investor confidence and participation underpinning the equity markets.

US Multi-Listed Options Market Structure Primer

An option is a contract to buy or sell an underlying asset or security at a specified price on or before a given date.

US ETF Market Structure Primer

Exchange-traded funds (ETFs) are pooled investment vehicles that have experienced significant growth since 2000.

US Fixed Income Market Structure Primer

Fixed income markets are an integral component to economic growth, providing efficient, long term and cost-effective funding.

SOFR Primer: The Transition from LIBOR

The publication of LIBOR is not guaranteed beyond 2021. With an estimated $200 trillion of financial contracts referencing USD LIBOR, much work lies ahead in order to implement a successful reference rate change - and time is of the essence.

Market Structure: Capital Markets At-A-Glance

Capital, raised through equity and debt, can be used to grow businesses, finance investments in new plant, equipment and technology and fund infrastructure projects. This creates jobs and flows money into the economy. Additionally, businesses and individuals can invest in securities to generate wealth.

The capital markets can be broken into:

Primary Markets

- Issuers create new securities and sell them to investors
- Sales of new issuances carried out through discrete transactions
- Securities issued at a single price

Secondary Markets

- Investors trade securities, (typically) no issuer involvement
- Trading of securities can occur continuously
- Securities traded at market prices, fluctuating

PRIMARY MARKETS

ISSUANCE

Equity

- Stocks and other equity-related products
- Owned capital for the issuer
- Buyer receives ownership in the company
- Buyer's return is dividends, more variable and potentially irregular

Fixed Income

- Government bonds, munis, corporate bonds, MBS, ABS, agency, etc.
- Borrowed capital for the issuer
- Buyer does not receive ownership; issuer obligated to repay debt
- Buyer's return on bonds is from interest payments, fixed and regular (varies for securitized products)

SECONDARY MARKETS

TRADING

Exchange-Traded

- Traded on a registered securities exchange or alternative trading system
- More agency based
- Frequent, continuous trading
- Homogeneous products
- High number of market participants

Over-the-Counter (OTC)

- Off-exchange trading between counterparties
- More principal based
- Infrequent, less continuous trading
- Less homogeneous products, more CUSIPs – ex: large financial institution may have 1,500 bond CUSIPs vs. 1 stock
- Dealer-to-Dealer (D2D) – dealers trade amongst each other
- Dealer-to-Client (D2C) – dealers trade with institutional clients

Electronification

- Increasing trend of trading on electronic trading platforms
- May match counterparties in the negotiation or execution stages
- Forms differ by trade protocols and types of end users

MARKETS

Cash/Spot

- Market for the immediate settlement of transactions (settled on the spot)
- Exchange traded: equities
- OTC: currencies, bonds, etc.

Futures

- Auction market where standardized contracts are bought and sold for delivery on a specified future date
- Price is marked-to-market daily, value fluctuates until the contract ends
- Exchange traded: multiple asset classes

Forward

- Market setting the price of an asset for delivery on a set date in the future
- Price is fixed, contract settles on the date of the end of the contract
- OTC: currencies, etc.

PRODUCTS

Financial Instruments

- Equities (exchange traded)
- Listed options (exchange traded)
- Bonds (OTC)

Derivatives

- Security whose price is directly dependent upon (derived) from the value of an underlying asset(s) or pricing index
- Predominantly used for hedging
- Exchange traded or OTC

Structured Products

- Replace payment features and returns of a traditional security with payments derived from the performance of an underlying security(ies)
- Facilitates customized risk-return objectives
- OTC traded

Securitization

- The process of designing a new financial instrument by packaging underlying assets with similar characteristics, supported by cashflows from those assets
- Transforms illiquid assets into tradable securities
- OTC traded

2020 Holiday Schedule

www.sifma.org/holiday-schedule

On behalf of financial market participants, SIFMA recommends a holiday schedule in the U.S., U.K. and Japan. All SIFMA holiday recommendations apply to the trading of U.S. dollar-denominated government securities, mortgage- and asset-backed securities, over-the-counter investment-grade and high-yield corporate bonds, municipal bonds and secondary money market trading in bankers' acceptances, commercial paper and Yankee and Euro certificates of deposit. Previously scheduled SIFMA early close recommendations do not affect the closing time for settlements.

Holiday	Recommended Early Close (2:00 p.m. Eastern Time)	Recommended Close
New Year's Day 2020	Tuesday, December 31, 2019	Wednesday, January 1, 2020
Martin Luther King Day	None	Monday, January 20, 2020
Presidents Day	None	Monday, February 17, 2020
Good Friday	Thursday, April 9, 2020	Friday, April 10, 2020
Memorial Day	Friday, May 22, 2020	Monday, May 25, 2020
U.S. Independence Day	Thursday, July 2, 2020	Friday, July 3, 2020
Labor Day	None	Monday, September 7, 2020
Columbus Day	None	Monday, October 12, 2020
Veterans Day	None	Wednesday, November 11, 2020
Thanksgiving Day	Friday, November 27, 2020	Thursday, November 26, 2020
Christmas Day	Thursday, December 24, 2020	Friday, December 25, 2020
New Year's Day 2020	Thursday, December 31, 2020	Friday, January 1, 2021

Business Continuity Planning and Cybersecurity

www.sifma.org/bcp | www.sifma.org/cybersecurity

SIFMA leads a number of projects and services on behalf of the financial industry to help members secure, maintain and recover business operations against disruptions and threats, thereby promoting a safer and more resilient marketplace.

Quantum Dawn 6 Cybersecurity Exercise
Fall 2021

Cybersecurity Resources
www.sifma.org/cybersecurity

Industry-Wide Business Continuity Test
Saturday, October 24, 2020
Saturday, October 23, 2021

Business Continuity Planning (BCP) Resources
www.sifma.org/bcp

Emergency Crisis Management Command Center
www.sifma.org/emergency

In the event of an industry-wide emergency, SIFMA convenes market participants; issues market close recommendations; and coordinates with market infrastructures, regulators and emergency personnel including the U.S. Treasury, New York City Office of Emergency Management and more.

2020 Conferences and Events

www.sifma.org/events

Regulation Best Interest Vendor Forum
January 16
New York, NY

Anti-Money Laundering & Financial Crimes Conference (AML)
February 5–6
New York, NY

Asset Management Derivatives Forum
February 5–7
Laguna Niguel, CA
Co-hosted by FIA and SIFMA AMG

Social Media & Digital Marketing Seminar
February 20, 2020
San Francisco, CA

Insurance- & Risk-Linked Securities Conference (IRLS)
March 1–3
Miami, FL

Securities Industry Institute (SII)
March 8–13
Philadelphia, PA

C&L Annual Seminar
March 15–18
Orlando, FL

Equities and Options Conference
April TBA
New York, NY

Operations Conference & Exhibition
April 21–24
San Diego, CA

Private Client Conference
May 13–15
Aventura, FL

Prudential Regulation Conference
June TBA
Washington, DC
Co-hosted by BPI and SIFMA

Financial Management Conference
June 10–12
Chicago, IL

Diversity & Inclusion Conference
FALL TBA
New York, NY

SIFMA Annual Meeting
October 19–20
Washington, DC

Terms to Know

CFTC	Commodity Futures Trading Commission
Fed	Federal Reserve System
FINRA	Financial Industry Regulatory Authority
SEC	Securities and Exchange Commission
CAGR	Compound Annual Growth Rate
FTT	Financial Transaction Tax
Reg BI	Regulation Best Interest
Fintech	Financial Technology
AI	Artificial Intelligence
Cloud	Cloud Computing
Cyber	Cyber Security
DLT	Distributed Ledger Technology*
PII	Personally Identifiable Information
Regtech	Regulatory Technology
RPA	Robotic Process Automation
CCAR	Comprehensive Capital Analysis and Review
CET1	Common Equity Tier 1
G-SIB	Global Systemically Important Bank
TLAC	Total Loss-Absorbing Capacity
SA-CCR	Standardized Approach for Counterparty Credit Risk
SLR	Supplemental Leverage Ratio
eSLR	Enhanced Supplemental Leverage Ratio
SCB	Stress Capital Buffer
FRTB	Fundamental Review of the Trading Book
GMS	Global Market Shock
LCD	Large Counterparty Default

EMS	Equity Market Structure
ADV	Average Daily Trading Volume
AUM	Assets Under Management
CAT	Consolidated Audit Trail
ECM	Equity Capital Markets
ETF	Exchange-Traded Fund
IPO	Initial Public Offering
Reg NMS	Regulation National Market System
SIP	Security Information Processor
SRO	Self Regulatory Organization
FIMS	Fixed Income Market Structure
FICC	Fixed Income, Currencies and Commodities
DCM	Debt Capital Markets
ABS	Asset-Backed Securities
Agency	Federal Agency Securities
ARRC	Alternative Reference Rates Committee
Corporates	Corporate Bonds
GCF Repo	General Collateral Financing Repo
LIBOR	London Interbank Offered Rate
MBS	Mortgage-Backed Security
MM	Money Markets
Munis	Municipal Securities
Repo	Repurchase Agreement
SOFR	Secured Overnight Financing Rate
TMPG	Treasury Market Practices Group
UST	U.S. Treasury Securities

** Blockchain is one type of DLT*

New York | Washington

www.sifma.org

www.projectinvested.com