

**WELLINGTON MANAGEMENT ADVISERS, INC.**  
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WELLINGTON  
MANAGEMENT

March 27, 2017

Marcia E. Asquith  
Office of the Corporate Secretary  
FINRA  
1735 K Street, NW  
Washington, DC 20006-1506

VIA EMAIL: [pubcom@finra.org](mailto:pubcom@finra.org)

**RE: Regulatory Notice 17-06 Communications with the Public**

Dear Ms. Asquith:

Wellington Management Advisers, Inc. ("**WMA**") is a limited purpose broker-dealer affiliate of Wellington Management Company LLP ("**Wellington Management**") created solely to support Wellington Management and its affiliates in distributing their sponsored and/or managed funds. WMA registered representatives market funds only to institutional investors and/or qualified purchasers, including public funds, central banks, insurance entities, endowments, foundations, retirement plan sponsors, financial intermediaries, and family offices. Wellington Management is a private partnership registered with the Securities and Exchange Commission as an investment adviser. As of December 31, 2016, Wellington Management manages \$979 billion in assets across a wide variety of equity, fixed income and asset allocation strategies.

WMA appreciates the opportunity to comment on the proposed amendments to Rule 2210 described in FINRA Regulatory Notice 17-06 (the "**Proposing Release**"). We support permitting firms to distribute customized hypothetical investment planning illustrations that include the projected performance of an asset allocation or other investment strategies. We agree that this information is valuable to institutional and other sophisticated investors, and Wellington Management routinely receives requests from its advisory clients and prospects for such illustrations. As noted in the Proposing Release, there is no similar prohibition on performance projections in the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") or the rules promulgated thereunder, so the proposed amendments to Rule 2210 would bring the FINRA regulations in line with the rules applicable to registered advisers. Permitting member firms to utilize hypothetical planning illustrations, subject to a reasonable basis standard is an excellent step towards accomplishing FINRA's goal of better informing investors about the expected performance of a strategy.

We also urge FINRA to consider additional amendments to Rule 2210 that would further harmonize FINRA regulations with Advisers Act requirements with respect to performance projections of specific funds. Under the Advisers Act, an investment adviser may show projections of investment strategy performance (subject to general antifraud requirements) but current FINRA rules prohibit an affiliated member firm such as WMA from using similar projections when the investment strategy is offered as a fund. We believe these projections would provide prospective fund investors valuable information for their due diligence purposes, and we encourage FINRA to consider permitting member firms to similarly use projections of fund performance with institutional investors or qualified purchasers,

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subject to the same conditions set forth in the Proposing Release (i.e., there is a "reasonable basis" for all assumptions, conclusions and recommendations and clear disclosure that the information is hypothetical).

We recognize that projected fund performance may not be appropriate for all investors, so we recommend that member firms only be permitted to use fund performance projections with institutional investors or qualified purchasers. FINRA has recognized that communications provided solely to institutional investors or qualified purchasers do not raise the same investor protection concerns as sales materials provided to retail investors,<sup>1</sup> and our experience with institutional investors and qualified purchaser clients and prospects suggest that these projections would be a valuable component of their overall due diligence. As a result, we believe that harmonizing the requirements of Rule 2210 with the requirements of the Advisers Act with respect to performance projections would allow member firms to provide greater information to their clients, further accomplishing the goals of the Proposing Release.

We applaud FINRA's efforts with respect to the Proposing Release. Please feel free to contact Lance Dial, Managing Director and Counsel at 617-289-3686 if you would like to discuss further.

Sincerely,



Molly Shannon

President

Wellington Management Advisers, Inc.

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<sup>1</sup> See, e.g., Letter from Joseph E. Price, Senior Vice President, FINRA to Edward P. Macdonald (Hartford Funds Distributors, LLC) (May 12, 2015); Letter from Thomas M. Selman, Senior Vice President, NASD, to Yukako Kawata (Davis Polk & Wardwell) (Dec. 30, 2003).