

CT DIRECT INDEXING

LOS ANGELES, WEALTH-BUILDING LIFE EVENTS 4 pm

Moderator: Show of hands, who gave it an A or a ? Three. How about C. One.

Afsaneh: Yes, mine was B minus. – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: We've got three A's and B's. Two B minuses, B, C. And how about D's and F's?

Tom C.: D. – *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Let's start with the A's and the B's and then we'll go to the neutrals. Tell me what you think about this concept, please. Who would like to start? Siegfried, you want to start?

Siegfried: Yes. I like the tax efficiency. The fact it's customizable and I like the 30 bps more than anything else. [*Moderator: Other thoughts? Anything that you didn't like?*] I don't understand what it means by must be only in separate accounts. I'd rather have everything in one place. – *Wealth-building Life Events, Los Angeles (Male)*

Galit: Yes, that was a little confusing. It makes it more complex. – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: Let me just hear from the As or Bs, and then you be first. Anybody else with an A or a B? Ray, you liked it, Mark, and Thi. Mark, what did you think?

Mark A.: Lower cost that was tax efficiency as well, important. Customizable, important. Taxes are by the individuals rather by a group as in the product. For that individual investment I guess instead of a basket. – *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Thi, what did you think?

Thi: I give it a B and I like the idea. I like the idea not for myself as much as my husband and I, because this came, I think it was through Robinhood, because my husband was the one who set up the accounts, but we gave the kids money and because they could buy small portions of percentages of shares, they were able to learn how to invest with very little money. They kind of got their feet wet, and they had to prove to us that they knew what they were doing before we would give them more to invest. But it was kind of this idea that I — so I'm sold on the idea. My only, I think it's the wording, when anything is discussed with the word share in it, it always throws me back to the '80s and '90s when timeshares were huge. And timeshare is the biggest dump of money on the planet. [crosstalk 01:16:30] Just using the word I think would throw a lot of people off. [*Moderator: What do you think about the word direct indexing?*] That makes more sense to me because index funds have from the very beginning been shown to be consistently good if you stayed in the mortgage. – *Wealth-building Life Events, Los Angeles (Female)*

Ray: I'm confused on the indexing, actually, because I think for this fund or managed account, you're supposed to be able to buy fractional shares. But I mean, Fidelity, right now you can buy fractional shares. You just put in a dollar amount. If I wanted to get in and buy \$10,000 of Berkshire Hathaway, it ain't going to happen if it weren't fractional shares. I don't want to put that much money. I don't necessarily think it's some sort of a — this is making sound like it's something really new, new. It's really not that new. It's not really an innovation, but I don't see the correlation between direct indexing versus purchasing fractional shares. — *Wealth-building Life Events, Los Angeles (Male)*

Moderator: At Fidelity, has anybody heard about this product being in the market?

Thi: Yes. — *Wealth-building Life Events, Los Angeles (Female)*

Moderator: It's already a thing? And then at Fidelity it's a thing called FidFolios. Vanguard has it. Parametric, Morgan Stanley has it, and it is pretty new because instead of having an ETF like SPY or something, you would actually own all of the stocks in the S&P 500 in little fractional shares in one account.

Ray: But you get to pick and make that — [*Moderator: You might say, I don't want to own Exxon, or I don't want to own whatever, or I work in telecom, so I don't want the telecom. It's kind of like an index fund, but you get to customize it.*] But it's like if I were to just go to Fidelity and purchase X amount of fractional shares of whatever companies I want though, right? — *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Yes. The difference is that it's 500 companies or whatever.

Galit: What does more individualized or is this — — *Wealth-building Life Events, Los Angeles (Female)*

Nick: No, this one is more diverse. — *Wealth-building Life Events, Los Angeles (Male)*

Thi: It's like you set up your own index fund. — *Wealth-building Life Events, Los Angeles (Female)*

Nick: Yes. Correct. But I mean that was my thing. It's really like if I'm going to own direct shares, I'm just going to own direct shares on my own. If I want to pick and choose, like I'll just pick, and I get it like you are creating your own index fund, but at that point, do you really have 20 different stocks you want to do at the same time? Probably not for the average person. You probably are going to, I like this, maybe a handful at best. You may as well go get your own. I mean I use tax loss harvesting already. You don't necessarily need an ETF or really any type of fund for that. If you just take a loss, you just count that loss against your gain. — *Wealth-building Life Events, Los Angeles (Male)*

Moderator: And so you gave this a D or an F, right?

Nick: Well, B minus C plus because to that point, like if somebody really wants to go dunk call, I want 50 different stocks, but I don't want to buy them 50 individually, so you don't have to manage them. It's like a one-stop shop. That makes sense. — *Wealth-building Life Events, Los Angeles (Male)*

Ray: But you still have to pick the 50 stocks though? — *Wealth-building Life Events, Los Angeles (Male)*

Nick: Correct. But the flip side of it is you still have to choose the 50. If I say, you know what, I want tech, or maybe I want five companies there, want three telecom companies, five oil companies, four pharmaceuticals. Like you could create your own index, but then you're still doing research for each one to understand the why. And at that point you might as well just go either buy the stocks with that company directly or buy your own fractional shares of that company directly. *[Moderator: But I think the idea of this product is you don't have to pick the stocks. You can say, I'm going to get —]* Oh, you just give the industry? – *Wealth-building Life Events, Los Angeles (Male)*

Gallit: Like to customize it? – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: Yes. You can say I want an index like the I don't know like aerospace. I'm making something up.

Nick: So, you're just picking some indexes now. – *Wealth-building Life Events, Los Angeles (Male)*

Gallit: So, they would give you a survey, you would answer it and then they would create that given your responses to like what you're comfortable with? – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: I think so. I don't really know, but I think you could get the index, and you could say I want this index, but I don't want any tobacco stocks, or whatever. I want the small cap index, but I don't want any companies that are selling guns or whatever, that kind of a thing.

Nick: I just think if you're doing that, I'm an advocate that people should at least research a little bit about what you're investing, even if it's just for fun, and it's money you're willing to lose. To me, it is gambling. If you go to Vegas and you're going to gamble, you probably should learn a little bit about how you're gambling, whether it's roulette, slots, craps, blackjack. Like if you don't know how to play blackjack, you're clueless. – *Wealth-building Life Events, Los Angeles (Male)*

Gallit: Don't play. – *Wealth-building Life Events, Los Angeles (Female)*

Nick: Exactly. Like if you get it, I just need to get to 21. OK, well, let me have a little fun. But if you're just like, I want to invest just to invest, and you're spending a significant, you probably should just get a financial advisor, and let them choose for you at that point because you're rolling a dice either way. – *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Good point. I have two more questions after this and I'm going to let you go, but Tom, you said you gave this an F I think?

Tom C.: No, I said D, but I'm going to give it a C. I'm only speaking from a consumer, right? – *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Yes. You personally.

Tom C.: Not as a company. Yes. I personally think that it's a little bit opportunistic. It's obviously trying to find that niche of Robinhood. People who can't afford Amazon stock and think that they want to buy a piece. I'm a little confused on if it's an actual personalized ETF, or it's actual individual stocks. I think it's

alluding to individual stock ownership. But at the same time it's like why do we have to pay more to ruin our own returns when an ETF is designed to have professional managers at a lower basis point to not touch. That's where I think it's a little opportunistic. I think if I'm speaking on behalf of the company, that's a great product because that's where people who don't have money want to put their money. [crosstalk 01:22:53] – *Wealth-building Life Events, Los Angeles (Male)*

Galit: Definitely on more budget conscious. Like if you only say you only have \$10,000, but you want to have a huge variety, then this is probably a great appeal, be very appealing. But otherwise, I don't think that the rewards are that significant in this situation. – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: Interesting. That's good. My two last questions are. The first one is does anyone have any accounts that are dormant? You mentioned you had all these retirement accounts and you pulled them together. Would anybody say they have relationships that are dormant or stagnant?

Tom C.: Credit Union. – *Wealth-building Life Events, Los Angeles (Male)*

Nick: I have probably like two or three that I just have forgotten about. And it's better that way. It's better to be found when I'm gone. [*Moderator: Tell me more about that.*] Yes, because I'm not searching for them, but I'm like, ah, I remember being 16 and like having something in a 401(k) somewhere. But that's not necessarily like a brokerage account, but I'm sure they're — – *Wealth-building Life Events, Los Angeles (Male)*

Conversation from Wealth-building Life Events, Los Angeles

Tom C.: I'm sure that as Planet Hollywood as a waiter I had a stock account with principal with five dollars sitting somewhere. (*Male*)

Nick: I'm almost certain I have TD — (*Male*)

[*Moderator: We haven't talked much about retirement accounts. It's interesting.*]

Tom C.: Well, you didn't bring it up. (*Male*)

Thi: I love mine. (*Female*)

Nick: They work like indexes. (*Male*)

[crosstalk 01:24:17]

Siegfried: I have a 401(k) at a company where I started four years ago. I just made some choices, and I left it. And now I'm thinking, okay, I need to go start looking at it again. (*Male*)

Azita: Don't look at it. And when you do, hopefully, it will do well. (*Female*)

Nick: Hopefully, you invested in the S&P 40 years ago and just left it. (*Male*)

Thi: Yes, also like a 529. I did that for each of my kids when they were born, and it'll help if and when they need it. (*Female*)

Nick: Those are investible, right? (*Male*)

Thi: Yes. were born, and it'll help if and when they need it. (*Female*)

Moderator: The last question is you mentioned at the very beginning when we started off with emails and things. I think, Mark, you kicked it off and said you were getting a lot of emails about promoting different products. Like what ideas would you have for the firms that you're working with now that you

would like to be engaged by them more? How could they engage you more in investing? Or are you already engaged enough? Talk to me a little bit about that.

Galit: I personally don't want any more emails or text. If I want something, I just want to be able to have access to what I want at the time that I want it. If there's an advisor that could be there to just answer my questions or maybe give some prescient suggestions, fine. But as far as sending me weekly emails, no, thank you. – *Wealth-building Life Events, Los Angeles (Female)*

Moderator: No emails you said?

Afsaneh: No. *[Moderator: Tell me more.]* Just a live person to talk to, more specialized for me. *[Moderator: Somebody that knows you?]* Yes, exactly. – *Wealth-building Life Events, Los Angeles (Female)*

Ray: I recently got an email from, I mean that's why I moved my CD over to Capital One. They had promotional five percent for 11 months. I had money sitting there that wasn't making anything, so I might as well just put it all in there. If they give me a promotional rate on something, I might as well take advantage of it. I am open to emails. I get a lot of them, and I can kind of filter it real quick and just delete, delete, delete. But it's almost like if I don't get them, I would've missed that opportunity. And that would kind of – I mean it could be a difference of like five, \$10,000 a year. And if I'm earning from a savings account on a regular bank, it's kind of sad. That'd be a little disappointing. – *Wealth-building Life Events, Los Angeles (Male)*

Siegfried: I really enjoy the emails that I get from Fidelity because they have live classes. For about a month, I was listening to one every Monday through Friday half an hour before the market opens. And they show you how to look at the different reports that they have on Fidelity and tell you this is what you can expect. This is what the different types of companies are doing. And then when I got into the program that I can no longer use, which is Trader Pro, I remember the name. I was able to get one-on-one lessons on how to get really technical. And so I would know exactly when to get in and exactly when to get out. And I thought that I was doing great, and I kind of was, but it's very time consuming, and I like it. And they'll come in, and they'll put an email, and say, hey, take this webinar on how to handle the banking crisis. And so, I'll take a swing at a few of those. – *Wealth-building Life Events, Los Angeles (Male)*

Ray: What was pretty efficient was actually popups on my logins. *[Moderator: Popups on your logins?]* I have Capital One. I hate Capital One actually, but I didn't get rid of them yet. I have them for a particular credit card. And now that I think about it, the rate was actually popped up on my app when I logged in. *[Moderator: And then you did end up moving money there?]* Yes. – *Wealth-building Life Events, Los Angeles (Male)*

Moderator: Anyone else?

Azita: I'm not going to do it for Bank America. I agree with you. Poor promotional stuff. I would like that, popups, or emails. *[Moderator: Phone calls?]* No. – *Wealth-building Life Events, Los Angeles (Female)*

Ray: No. – *Wealth-building Life Events, Los Angeles (Male)*

Azita: No way. – *Wealth-building Life Events, Los Angeles (Female)*

LOS ANGELES, WEALTH-ERODING LIFE EVENTS 6 pm

By show of hands, how many gave it an A or a B? One, two, OK, three. Three--four. Four As and Bs. How many gave it a C? One, two, three, four, five, OK. How many gave it a D or an F? Nobody.

Stephane: I loved the concept. I'm just slightly ambivalent about the management of that from that aspect. I love that you can avoid specific companies because I've been involved with some indexes where maybe it was heavily invested in say an oil company I was against, and I love the idea that I could opt out of doing that. Overall, the concept, I really do like it. I'm just--I'm curious for somebody who's--can sometimes get overbearing and whether it would be too much work to manage, but-- – *Wealth-eroding Life Events, Los Angeles (Male)*

Mike S.: I kind of used the term pride of ownership in something like that. You can kind of decide whether you want to be in that or not, versus some funds that there's stuff in there that you would--you'd really look into and you might not be--you might love, you might hate. I think the flexibility is-- – *Wealth-eroding Life Events, Los Angeles (Male)*

Delanite: I like that it's tax efficient. – *Wealth-eroding Life Events, Los Angeles (Female)*

Joo: Oh, yes. I actually put in the highlight yellow once reserved for wealthy investors and institutions, and so for me I think nothing annoys me more than wealthy individuals in this country getting away with loopholes or doing things so that they can either make more money or not have to pay taxes. If this is something that was typically something that wealthy people have access to or are using, that actually makes it attractive to a regular person like myself to say I should actually explore this. Again, it's a concept. I'd have to get more details, but if this is something that I can actually do, I think I would be very happy with it. – *Wealth-eroding Life Events, Los Angeles (Female)*

Anna: I agree with them, and I like the customization part that you're able to choose and there's more opportunities. – *Wealth-eroding Life Events, Los Angeles (Female)*

Mike S.: For me it was what brought it down basically is the 30 basis points and then. I'd like to know more about the desire can be applied on top. Kind of a loose A. – *Wealth-eroding Life Events, Los Angeles (Male)*

Moderator: Now, how about the Cs? Talk to me about what you liked or didn't like.

Diana: I didn't like all the different accounts and harder to mix funds, but I really liked the customization, like the As said, because my husband worked in the tax sector, and 30 or 40 years ago we were investing in companies that you hadn't heard of like Oracle and Apple, things like that, and he had really strong feelings because he was working on the other side. We're using their motherboards or whatever it was at the time. It was something and he said, "I wish instead of having 10 percent of Apple or whatever, we can get 50 percent," so I like that part of it, but I don't like the complication of it and then the term tax efficiency. I had a problem with that word because does that mean tax savings, that's--to me, that was

vague. I think there's a better way to put that phrase. [Mike S.: That's a good point.] – *Wealth-eroding Life Events, Los Angeles (Female)*

Loretta: I gave it a C just because I sort of--just right in the middle. I just wasn't exactly sure where I feel. I like the--what some people said, the fact that it's customizable, but I'm still not--I need to research it more. I don't know enough about it. I'm just not--I'm just right--I'd like to learn more, but I'm not sure about it yet. Neutral. – *Wealth-eroding Life Events, Los Angeles (Female)*

Conversation from Wealth-eroding Life Events, Los Angeles

[Moderator: Now, have any of you heard anything like this in the market?]

Raffi: No. (Male)

Anna: No. (Female)

Joo: No. I think the closest thing I've heard is the way that you can buy some real estate where you're buying shares in the home versus buying the entire home. So, that's kind of similar, I guess, to this concept, but I've never heard of this. (Female)

Delanite: Well, in Robinhood you can buy shares--you can buy fractions of shares now, so if you want to just buy a fraction of Apple or--they have that now, where they didn't have that before. [Moderator: Have you ever bought, and if you have what's your experience been like?] It's been good. I've been making a lot of my money there. (Female)

Conversation from Wealth-eroding Life Events, Los Angeles

[Moderator: Who would provide a service like this? Can you think of firms or--]

Stephane: Seems to me that with the high price of so many stocks right now, most of these firms will want to get into this kind of business. (Male)

Mike S.: Yes. (Male)

Stephane: You're looking at companies that are worth \$5,000 a share now and it's like for \$300--even \$350 a share. It's like you might be able to buy. It seems like an obvious progression for all these companies to get something like this. (Male)

Loretta: Yes. (Female)

Raffi: Just wasn't clear to me whether this is--you're buying--you're customizing the index where you're buying shares--fractional shares of a company. That wasn't very clear to me. That's why I gave it a C. Wasn't, like Loretta said, we need more--I need to do more research. That's why--if not-- [Moderator: What would you like to see it be?] Buying--I'd like to have more control personally, so I'd like to see--I'd like to have control over the index files rather than them deciding what to be included in it. So, I like that control. I want to have control over--not just financial but--financial people making decisions for me. I'd like to have control over my decisions, and if somebody else wants them--for them to make decisions, that's fine, but me, I want to have the option of me controlling it, not them. – *Wealth-eroding Life Events, Los Angeles (Male)*

Moderator: I want to ask you--we talked just a little bit about workplace plans. This is kind of a separate topic. I went back and I was talking to some of my colleagues and one of them had a question for you.

Somebody mentioned target date funds, which you can buy usually in a workplace plan. Who manages the target date funds for your workplace plans, if you know that?

Mike S.: A specific name? *[Moderator: The firm.]* The one I was referring to was Vanguard. *[Moderator: How has that process been for the target date funds? What happens with that?]* I usually use it as a safety net when I get overwhelmed on what's going to keep on taking a nosedive or not. I try to watch. I watch it every day. I log in to look at it at least once a day, but if I'm not feeling comfortable--I'm generally pretty aggressive, but if I'm not liking what I see, I just back *[inaudible 01:25:58]* but that's how I use it anyway. – *Wealth-eroding Life Events, Los Angeles (Male)*

Josh: No. I don't have any workplace plans. I have my own business. – *Wealth-eroding Life Events, Los Angeles (Male)*

Delanite: Empower. – *Wealth-eroding Life Events, Los Angeles (Female)*

Joo: I have one through Empower. Yes. I don't really--I monitor it on a maybe monthly basis but not looking at it every day. *[Moderator: Those are target date funds?]* Yes. *[Moderator: They are target date funds and how did you come about getting those? Were they recommended to you with the plan or did you pick them?]* I don't think it was recommended to me. I think I just personally wanted to have a date that I was looking to because my goal is to retire early, so that was my goal. – *Wealth-eroding Life Events, Los Angeles (Female)*

Mike S.: I always recommend them to the new people that start into the company to maybe just park it there for now and start learning from there because you can dig into those individual accounts as well and then break them down a little bit. That way you can--because you--everybody kind of sets that window of when they think they're going to retire. – *Wealth-eroding Life Events, Los Angeles (Male)*

Diana: When I opened mine, they told me this is your age now, so this is what you put it in the 20/40 one or 20/50 or something like that, and then as time went on I looked at the other ones and there was a little explanation, thank goodness because I don't know who's pulling the strings behind the curtain, but they're doing--the do a good job. I decided to take more risk, and that's when I rebalanced it because now I look at it once a year on that one, but I still have money in the account, so I'm okay. These other ones I watch more closely but that one I don't because it's a government fund and -- *[Moderator: That's TSP?]* Yes. Yes. Really low cost. – *Wealth-eroding Life Events, Los Angeles (Female)*

LOS ANGELES, NO LIFE EVENTS 8 pm

Seth S.: Is this something in the market today? *Moderator: Have you heard of anything in the market?* No, not really. And I don't care for it on its base. – *No Life Events, Los Angeles (Male)*

Elwood: It's great. Let me show you how it'll work. – *No Life Events, Los Angeles (Male)*

Moderator: Let's see. Let's have here show of different hands. Show of hands, A's and B's. Who gave it an A or B? One, two, three, four. How about C's? Any C's?

Michael P.: I'll go in the middle because I don't — *[Moderator: Great. C's. Michael hasn't had the chance to give out your order.]* I'm a little confused about it. I don't understand. What do you mean fractional shares? *[Elwood: I'll show you.]* Well, who buys just a half a share? — *No Life Events, Los Angeles (Male)*

Conversation from No Life Events, Los Angeles

Seth S.: But can I buy a fractional share today? *[Moderator: Yes.]* I mean, I go into Fidelity and I say I want to buy company X and I want to spend \$100. If the stock price is 1,000, and then I'm buying — A fraction. *(Male)*

Damon: Index funds. *(Male)*

[Moderator: But you could say I don't want to have tobacco stocks or I want —]

Michael P.: I can see that. *[Moderator: It's like that.]* For me, I would like to cut out Tesla, because I just think it's a terrible company. But I'd rather keep everything else in my — *(Male)*

Seth S.: Pardon me. I get that now. Thank you. How hard is the concept being considered here to manage and implement? If I wanted a portfolio of everything but Tesla, how simple is that? *(Male)*

Elwood: It's actually pretty easy to do that. It's really easy. Like you said, you add — *(Male)*

Susan Q.: Well, I think it's an interesting concept. We don't really use it though. *[Moderator: What do you like about it?]* I think it's cool that you can cut out or choose. I think that's interesting. *[Moderator: Was there anything you didn't like?]* Not too much. Just harder to mix and match stuff, I guess. — *No Life Events, Los Angeles (Female)*

Damon: That could start getting complicated if you start. If you're really active in doing it, you could end up with a lot of different accounts. — *No Life Events, Los Angeles (Male)*

Elwood: I know, but you look at it just as a certain amount of money that you can invest in these things. — *No Life Events, Los Angeles (Male)*

Chiyeko: How is it different than my individual stocks? — *No Life Events, Los Angeles (Female)*

Moderator: Let me just go back to the A's and the B's. I want to hear more A's. Did you give it an A or B?

Chiyeko: I gave it a B. — *No Life Events, Los Angeles (Female)*

Moderator: A B. Any A's?

Elwood: It's good. — *No Life Events, Los Angeles (Male)*

Moderator: Elwood loves it. How about F's? Did anybody give it an F? Anyone give it a D? And the C's? I'm going to come to you in a sec. I just want to get people that may be C's. Tell me what.

My: It's just because I want to know more information and then just kind of play on with it just to see how difficult it may or may not be. And then if I have to do separate accounts and just having a feel for it myself. *[Moderator: What were the things that you liked about it?]* Kind of like what we were all talking about. Fractional shares, being able to just put in — sometimes I invest. Every Friday, I put in X amount that automatically goes out for whatever stock. Regardless of how much it is, it just pulls out of my

account. *[Moderator: Pulls out of which account?]* My bank account. *[Moderator: And it goes to your brokerage account?]* Exactly. It will buy X amount of dollars of that share. *[Moderator: And where's your brokerage account?]* I have a few. *[Moderator: But they have fractional shares there?]* Yes. As far as being able to split, I like that idea too because of being able to pick and choose. If I don't want an ETF, I don't want to invest in this particular industry or whatever. I do like that. But I do want to get more information. – *No Life Events, Los Angeles (Female)*

Moderator: Cool. Let me hear from Seth. You gave it a C.

Seth S.: I was just trying to understand it. And once it was explained, this document does a terrible job as a —. It's awful. *[Moderator: What's awful about it? Tell me more.]* Well, it's too much of a word salad upfront, too much background. It's not cleanly stating what it is and giving me a relatable use case so that I can grasp it more quickly. What I don't understand — I'm getting it. The how hard is it to use is what gets me paused at this first blush, Costs a little more, let's see if that's worth it. I don't understand the tax efficiency arguments. Maybe someone could explain that to me. – *No Life Events, Los Angeles (Male)*

Chiyeko: I guess I like the concept, but I don't understand this versus how I buy individual stocks that I like in that company. Yes, I could look in my mutual fund and look in all the companies that are in there, but then I just, boom, pull that out and then I give money to that company. I don't understand the difference between this and what I do. I don't understand the difference. – *No Life Events, Los Angeles (Female)*

Michael P.: Well, I think it could be reasonable for a lot of people. For the tax thing, it's interesting because let's say you own a broad market ETF. You've held it for four years. You want to sell. You sell some of it because you want to pay for something. And you made a big profit on it, but then you want to balance it with a loss. You can't do that if everything has made money over there. If you can divide it and sell some of the stocks that lost for that year and you're using essentially the same mix of stocks that would be in the ETF, it seems reasonable. – *No Life Events, Los Angeles (Male)*

Seth S.: That's more clear. When it says taxes are by individuals, that's meaning individual stocks, not people. – *No Life Events, Los Angeles (Male)*

Chiyeko: But what if I have Procter & Gamble? I don't get it. *[Moderator: You would own — Procter & Gamble is in the S&P 500, I would guess.]* I had an individual stock just in, boom, that company. – *No Life Events, Los Angeles (Female)*

Moderator: You'd be replicating the index.

Seth S.: It's an index fund. *[Moderator: It's your own personal index fund.]* Seth: Great. Which would have been a good headline for this. – *No Life Events, Los Angeles (Male)*

Moderator: That's a good idea. What else would be — Can I write that down? Sure. Your own personal index fund.

Damon: And that's a better — That's a better verbiage on that. — *No Life Events, Los Angeles (Male)*

Conversation from No Life Events, Los Angeles

[Moderator: Can you explain how it works?]

Elwood: Yes. *[Moderator: And then we can think of a better way to make sure —]* I don't represent this company. But if you want to try it for free, there's an Apple Stash. And do you get the party that they — they give you free stock. *(Male)*

My: They do. *(Female)*

Elwood: Every day I get a thing, get free. I have Apple, Amazon, Walmart, JetBlue or HEB. *(Male)*

Janet: What do you mean you get free stock? It's just an algorithm. It's play money. *(Female)*

Elwood: No. They're giving you stock. It's your stock. But you get fractional parts so you can get used to how it works. *(Male)*

Seth S.: That's to get you in the door there. *(Male)*

Elwood: Yes. But then you can add. I can go on Apple right now and it shows you how much is the thing worth. And then you just click invest and you just buy more Apple or — *(Male)*

Chiyeko: What's the name of the company? *(Female)*

Elwood: Stash. *(Male)*

My: That's the one that I get pulled every week where it's when I put in however much stock. *(Female)*

Elwood: This is why I'm like, oh my God, I do this. *(Male)*

My: Are you receiving it every week? Biweekly? *(Female)*

Chiyeko: Where does the free money come from? *(Female)*

My: When you get the app, and there's — And get a message. Yes, there's a message notification when you open it. *(Female)*

Chiyeko: No-no. I get the notification, but where does the actual free money come from? *(Female)*

Seth S.: Stash is giving it to you. *(Male)*

Elwood: Yes, Stash is giving it to you. *(Male)*

Chiyeko: It's an investment? *(Female)*

Elwood: Yes. *(Male)*

Seth S.: It's user acquisition that they're paying you. *(Male)*

Chiyeko: That's their acquisition. *(Female)*

My: It's like with crypto too. Crypto does things where you might even do a quick quiz and then they give you free crypto. *(Female)*

Elwood: Exactly. *(Male)*

My: The same kind of. *(Female)*

Chiyeko: But it's an endless amount of free money? *(Female)*

My: No. *(Female)*

Elwood: No. There's so many people, and there's a set amount of money. And however many people participate, you might get 23 cents. But if you want to know how it works, it's a good way to start. *(Male)*

Chiyeko: The Apple? *(Female)*

Elwood: The Apple. *(Male)*

MINNEAPOLIS, NO LIFE EVENTS 4 pm

Moderator: By show of hands, how many of you gave this an A or B? B. Moderator: So I have one. How many gave it a C? Two, three? Three. How many gave it a D or F? Two. I'm going to start with the B. Can you tell me a little bit about what factors made you give it that grade?

Greg: I guess the only thing, without knowing too much about it. Again, I'm kind of one person that's more hands off than anything. But it is interesting, if there's a certain, how it explains here a certain sector that you might want to go ahead and get into as far as the stock, but don't want to go purchase the full thing. It seems like an interesting concept. Again, not knowing that something like this exists already out there, and maybe trying something more risky. So, getting into something that you might not usually— But again, I would say that everything when it comes to me and my investing, I'm more hands off and let someone else go and take control of it. So maybe this really wouldn't apply to me, but the concept is interesting. *[Moderator: And could you think of which firms, who would you think might do something like this?]* I guess, I don't have necessarily an answer. — *No Life Events, Minneapolis (Male)*

Katie: I gave it a C, C- because I think it's very- the wording, a lot of people that aren't in the financial sector, this is very- They wouldn't understand it. I had to read it a few times just to understand what— to make sure I understood it. And I don't know, maybe I'm not too bright with this stuff, but I just thought it was very wordy, and it's pretty complex. I don't think a lot of people would even do this, that don't totally understand it. I don't think it's for most people. — *No Life Events, Minneapolis (Female)*

Steen: Don't worry, you're a nurse. I probably wouldn't understand most of what you're talking about either. But I put that it's a little complex to understand perhaps just at first until I would think that this would take some time to get comfortable with. I think it's probably the likelihood more of a hands-on sort of approach for an investor. That if you're willing to do that and take the time to learn and feel comfortable with it, this would be okay, but I think it's going to be work. But I'm looking at retirement, so I need something to do. So maybe this could be something to do. — *No Life Events, Minneapolis (Male)*

Emily: It had all the great buzzwords, autonomy and customizable. Who doesn't want that? Everything fit their needs, but also super intimidating for somebody that doesn't want to really manage much. So, agreed. You're reading that. I started out hearing a lot of blah, blah, blah. Because I didn't know what it was even saying to me. So, no offense. — *No Life Events, Minneapolis (Female)*

Greg: I would say I'm kind of echoing the same thing. I think in concept it's very interesting. But then, like you said, maybe when I'm retired or something. — *No Life Events, Minneapolis (Male)*

Katie: When you have more time to research, to dig. — *No Life Events, Minneapolis (Female)*

Emily: To know what the customizable really mean? What do you want it invest in? — *No Life Events, Minneapolis (Female)*

Moderator: Ds and F, speak to me.

Lena: To me, it seemed like a potentially way overly complicated everyone else was already saying, and I don't really see much value in customizing which companies I'm buying when an index fund is already giving me pieces of a bunch of different companies. I already have those shares, pieces of those companies. The only place I could really see value is if you were looking to invest in only, say, companies, dedicated to green energy or avoiding oil investments or, very specific sectors that you want to avoid. But I think there's a lot of ETFs that already do that. If this is something that's going to be an expensive product, I feel like I can already find that elsewhere if I'm looking for it. – *No Life Events, Minneapolis (Female)*

Clay: This to me sounds like almost being a day trader or something. You've got to do all of the research and know and the sectors and everything, and that's not who I am. That's not what I want to do. No offense, but when I retire, I don't want to do. [Emily: A lot of work.] So, I gave it a D and I thought, it's an interesting idea. Certainly the idea of being able to buy portions of a company is an interesting idea, but, no, it's not. Wouldn't be for me. – *No Life Events, Minneapolis (Male)*

Moderator: Has anybody heard of anything like this in the market?

Clay: I've heard of fraction of shares before. – *No Life Events, Minneapolis (Male)*

MINNEAPOLIS, WEALTH-ERODING 6 pm

Tom P.: Is it supposed to be like an easier way to investing direct indexing? [*Moderator: The question is, is it supposed to be an easier way of investing? I don't know, does it seem easier to you?*] I don't know. That's why I'm-. [*Moderator: It seems like it's easier?*] Well, I'm not sure. I don't know. I was just wondering if that was what the concept was. It's complicated. – *Wealth-eroding Life Events, Minneapolis (Male)*

Moderator: By show of hands, A or B? Anybody A or B? One, two, three, four. How about any Cs? One, two, three. And how about Ds and Fs?

Marlyn: D plus. – *Wealth-eroding Life Events, Minneapolis (Male)*

Moderator: A D. And you haven't decided yet. So first from the As and Bs, what do people like about this?

David G.: Tax efficiency. [*Moderator: Tax efficiency.*] And it seems like you're direct buying. It seems like if you retire in 2050 mutual fund, the components are made up of something else. And if you want to do the buying of the direct stock, it seems like the nice way to bundle that together. – *Wealth-eroding Life Events, Minneapolis (Male)*

Ann D. I like that. It's customizable, and I thought I like that it's actually lower cost than purchasing mutual funds. – *Wealth-eroding Life Events, Minneapolis (Female)*

Chris G.: If you're a sophisticated investor. *[Moderator: It feels if you're a sophisticated investor.]* A sophisticated investor. – *Wealth-eroding Life Events, Minneapolis (Male)*

Ann K.: You can buy it through your broker. – *Wealth-eroding Life Events, Minneapolis (Female)*

Chris G.: Well, this says that I want 50% semis. I want 30% retail. I want to adjust it. You have to be pretty savvy in terms of screening this to somebody to be able to use it. The reason I like it's because it gives you a lot of control. You better be careful in terms of knowing what that control is. – *Wealth-eroding Life Events, Minneapolis (Male)*

Moderator: And the people who didn't like it, the Cs, and the Ds, and the Fs, talk to me. Marlyn, you gave it a D plus, you gave it a C, you ended up giving it a B. What don't you like about it? You got paragraphs, talk to me.

David G.: Furrowed brows. To me, it almost seems like the customization at the bottom is in conflict with everything that's above it. You can do mutual funds, exchange-traded funds, but if you don't want to, you can pick and choose anything you want. [Ron D.: At a much smaller entry.] So, what you're saying is I actually could just buy individual stocks with this. I don't have to do any of this stuff that you're pitching us at all. – *Wealth-eroding Life Events, Minneapolis (Male)*

Chris G.: It feels like you could drop a thousand dollars into the S&P. – *Wealth-eroding Life Events, Minneapolis (Male)*

David G.: And I think of people who are like corporate social responsibility type of things. I don't want invest in anyone who has plastics, I don't want to invest in anyone who hurts animals. So, I'll go through and remove them from my portfolio, or I don't want to invest in anyone who's kind- *[Moderator: And that's good, you think?]* I think it's a double edge. It's good because people want to invest in those things, and there are funds out there like that. It may actually cause a greater level of risk because you are now taking what was an exchange-traded fund that was indexed, and then now you're like, "Well, I'm going to take out what may be a significant portion." – *Wealth-eroding Life Events, Minneapolis (Male)*

MINNEAPOLIS, WEALTH-BUILDING 8 pm

Moderator: Show of hands, how many gave it an A or a B? 1, 2, 3, 4, 5, 6. Okay. How many gave it a C? 1. Any Fs? Okay. I'm going to start with the As and Bs. Strategic group. What were the factors that prompted you to give it that grade?

Brad E.: I put down the tax efficiency. I like the customizable part of it and everything. Just like it's a new way of looking at stocks and new ideas for looking for investing. – *Wealth-building Life Events, Minneapolis (Male)*

Sean G.: Kind of the same thing. I was looking at the advantages and disadvantages. And I liked the advantages more so. But some of the disadvantages, I heard it must be owned in separate accounts. I

had it in a mix. *[Moderator: That was a little bit of a drawback.]* Yeah. – *Wealth-building Life Events, Minneapolis (Male)*

Heidi: I think I was, where it says it was reserved for wealthy investors and institutions, it kind of piqued my interest a little bit. And it was like it wouldn't be something I could probably ever manage on my own. But I could hire someone and have access to something that is newer. – *Wealth-building Life Events, Minneapolis (Female)*

Eric H.: I think if they had an organized platform that you logged into and could see it, then it would be easier. Visualize it on the page you log into. You've got all these different separate accounts. Now you've got to be able to track them quickly and efficiently and have it be intuitive every time you log in and see that. I think it would be done. – *Wealth-building Life Events, Minneapolis (Male)*

Brad E.: One thing I didn't like, they kept on saying BPS. I have no idea what that means. – *Wealth-building Life Events, Minneapolis (Male)*

Moderator: It's a basis point. Any of the other As and Bs? Light-

Kim: I think it has potential. We have a couple of things that we've invested in that have multiple companies in it. The good thing about it is, if one company is doing really good, one company is doing really bad, that day at least it evens it out so you're not losing your shirt. This has some of that. It talks about the high cost, which I didn't like, and harder to mix. I pulled those out of there. But it does have some good things and some potentials. So, I gave it a B. I didn't give it an A. – *Wealth-building Life Events, Minneapolis (Female)*

Moderator: And the C. I want to hear from the C.

Ben T.: I'm on the spot. I actually really like the idea because I do some of this. *[Moderator: You do some of this.]* When you said to grade it as a term paper, I gave it a C because it leaves out some important facts that it actually can be more risky. If you bought an S&P index fund, then you mix to everything within that index fund. If you decide that you just really like Tesla and you just want to buy a bunch of Tesla, that's far more risky than an S&P index fund. *[Moderator: You say there's something like this. There's something already out there.]* Yeah. *[Moderator: Talk to me about that.]* There's an app I use called Stash that I think I mentioned before. For basically any amount of money, you can buy fractional shares of any company that you want. You don't have to have the \$700 for a share of Tesla. You can put \$5 in. But then the other thing that it left out is that you actually can buy index funds in partial shares as well. You don't have to buy an individual company's share. You could buy an S&P index fund in a fractional share. – *Wealth-building Life Events, Minneapolis (Male)*

Moderator: I have one question from the back room. The question is, do any of you have an IRA or a brokerage account or more than one that you haven't added to in the last couple of years? And if you do, what would make you add to that account or accounts?

Heidi: I have one that I rolled over from a previous 401(k). And I don't add to that one because I'm adding to my current or my active one. *[Moderator: It's just sitting there.]* Yeah. I've rolled it over, but I don't. – *Wealth-building Life Events, Minneapolis (Female)*

Brad E.: It's not really an account that I think of. I do have at RBC. I had several accounts I rolled over. But now when I get more cash, I open up a CD so that I can either get rid of that CD in the year in case I wanted. It's money that I can decide what I want to do with. And my pensions and my old 401(k)s, that's long term. That's for me to retire and everything. But there's other funds I use just to, if I have extra money, I throw in there. *[Moderator: And would something motivate you to add money to that?]* If I have extra money in my account at the end of the year, I would suppose. All right. – *Wealth-building Life Events, Minneapolis (Male)*

Ben T.: We have a brokerage account at Wells Fargo that we haven't added to in years. It's very slow and steady. It wins the race. Very boring. And like it does its thing, and it keeps making money. So that's fine. But as you guys can probably tell, I'm a little bit of a nerd about investing. I like to- It's a little more exciting for me to do some of it myself. *[Sean G.: It makes you more aggressive.]* Yeah. *[Moderator: What would-]* And that account still exists because of my wife. *[Moderator: Would she be motivated to invest more in there?]* Probably. Yeah. – *Wealth-building Life Events, Minneapolis (Male)*

Kim: We invest every year because it's a tax break. And if you put, we put the maximum amount of money in our IRAs to get tax break. Because you can subtract that from your taxes. So, we'll do it every year. – *Wealth-building Life Events, Minneapolis (Female)*

Sean G.: I have one, when I changed positions where I am now, one of them I wasn't eligible for anymore. It's just sitting there. And I am not even with it, leaving it there. It's kind of a pension. And then I moved on to the next one. And so, I've been- It's been 20 years. *[Moderator: And would you go back to it at some point?]* Actually, I don't think I can. I could add to it. But that doesn't get matched by my employer. *[Moderator: So not having the match.]* Correct. *[Moderator: You want to see that match.]* Yeah. Not that great. I would want to just keep adding to it. But I can add to these other investments. – *Wealth-building Life Events, Minneapolis (Male)*

Eric H.: Now, a different idea though is, because I know that my HP 401(k), we had an ability to then move money within the 401(k) into other things. That might be a motivation to at least move the money from one investment to another inside of that. *[Sean G.: Yeah, this is actually tied up in some other things where I get penalized for taking it out early.]* Well, you wouldn't be taking it out. You'd be taking it within, if they have it out. It may be that way, unique to the one that you have HP. – *Wealth-building Life Events, Minneapolis (Male)*

BOSTON, WEALTH-ERODING 4 pm

Moderator: Can I ask who gave it an A or a B? One, two, three, four, five, six, seven. OK, seven. Who gave it a C? One. D or F? OK. I'm going to start with the A's and B's. What were factors that led you to give it that grade?

Michelle S.: I gave it a B. I'd like to know more about it before I give it an A. The big word for me was tax efficiency and tax savings. Because I'm sick of getting smoked every day. *[Moderator: I'm seeing some people nod.]* I also like the small investors because that means my kids can take part in something like this. – *Wealth-eroding Events, Boston (Female)*

Neal: I gave it an A just because, and I can't think of it, what's that fund that they bought like AMC stock with some company that you can buy like a little amount of stock. That's what I thought of. I can't think of the name of the company, but I know—. – *Wealth-eroding Events, Boston (Male)*

Conversation from Wealth-eroding Events, Boston

David H: GameStop. *(Male)*

Neal: What's it called? Was it GameStop? *(Male)*

David H: Yeah, GameStop. What's the name of the- AMC was the other one because my son knew it. He did well with either. *(Male)*

Neal: Yeah, my son's a pretty bright kid. And he was just telling me that he liked it because you have more direct control rather than going through a mutual fund. If there's 30 firms, and you know, they're buying defense stock, which cannot prove up like you really don't have any control over that. So just sounded like a good idea. *(Male)*

Aaron: I'm with Michelle. I don't know much about this sounds kind of interesting. Anything to save taxes, like I say Taxachusetts. It's just absolutely horrible. I can't believe. So, if there's a way to save money on taxes. There's only so much you can do. – *Wealth-eroding Events, Boston (Male)*

Michelle S.: That's the most important fact. – *Wealth-eroding Events, Boston (Female)*

David H: Or maybe the customization, too. The fact that, you know, let's say I'm in one of those funds that are I think, David, you mentioned, the age group, you're going to retire in 2030. They've got whatever they're mixing there. And maybe some company that you don't personally agree with their policies, or maybe too much of it's invested in, you know. – *Wealth-eroding Events, Boston (Male)*

David H: Exactly. And if you can customize and pick what you want. It may lead to a little bit of the canceled culture to a point, but that would be my decision then. – *Wealth-eroding Events, Boston (Male)*

David B: I have-. I gave it a B but not an A. I got some more questions. I guess if you take this to the extreme, the customization, I assume this will be a lot more cost efficient than simply doing your own customization, which means going out and buying individual stocks yourself. Being sort of trying to replicate sort of a custom index, sounds potentially attractive. And the tax advantages. Yeah, it might be,

if it works out. I have a firm now, that does tax loss harvesting, but it means things have gone down. But look, sold some things for a loss. – *Wealth-eroding Events, Boston (Male)*

Stephen: I gave it a C. [*Moderator: Tell me a little bit more about that.*] Well, as much as, I guess, I would pick stocks and such as I'm creating the portfolio this seems to be a little bit too interactive for me. Watching the individual stocks, and well, let's sell this one and buy another one. I'm not going to jump around like that. That's what I got out of it. – *Wealth-eroding Events, Boston (Male)*

Conversation from Wealth-eroding Events, Boston

David B: One of the beauties of index funds is that you kind of know what you're getting, just buy it and forget it. You see the S&P 500 every several times a day, and you know how you're doing. (*Male*)

David H: But what if you can have the mixed stuff? If you wanted to do a little bit of [CROSSTALK] (*Male*)

David B: I'm not sure how much of an advantage that would be to me personally. My work starts to complicate things too much. (*Male*)

BOSTON, WEALTH-BUILDING 6 pm

Moderator: I want to see As and Bs? And how about C? One, two. Ds, Es, Fs would be zero. So, we're going to hear from the Cs first because there's fewer of you. So, talk to me, what did you think about this?

Alan: It sounds like a lot of work as we were going through it. Because right now, we could buy broad market ETFs for really, really low fees, like point 0, whatever percent, right? Like 0.04%, for example, at Vanguard. So, I don't really see the advantage of this. I mean, because without knowing the performance, it seems like a lot of work to do this. – *Wealth-building Events, Boston (Male)*

Jennifer: I agree. That's why I gave it a C. It's more micromanagement and obviously, giving you the ability to micromanage your own account. But the time commitment that is needed to effectively make the changes that, for me, hiring a broker would be managing and monitoring. It's not something that I would be comfortable with to log on after work or every now and then to sort of monitor what's going on. I think there's a lot-. It almost sounds like a full-time job. And that's me. – *Wealth-building Events, Boston (Female)*

Moderator: Let's hold that thought. Let's go back to the positive, the As and the Bs. Let me hear what you guys think about this.

Richard: I just– I'll chime in. The reason why, and it's hard to get an A from me, but I gave it a B. I like the fact that- because I agree there's no way if you did not offer the option of hiring managers to do this on my behalf, it's too much work. In other words, my time is worth something. I bill out my time. So, I don't want to deal with when to buy and sell, but I'd like the flexibility that it looks like I could elicit help from someone, correct? That's how I read it. – *Wealth-building Events, Boston (Male)*

Moderator: Does anybody own any fractional shares now? Gregg does.

Gregg: I'm doing this exact thing. *[Moderator: You are? Tell me.]* So, March 1st, I started a direct index managed account. This is not for anyone, but professional managers. I don't do it myself. *[Moderator: Where do you do it?]* At Fidelity. *[Moderator: What's it called?]* It's about 30 bps. Direct index managed account at Fidelity. *[Moderator: There was a full-page ad in the Wall Street Journal today about a product that the Schwab has.]* I actually don't know its exact terminology, but-. *[Moderator: You're right, they do exist. There are about four companies. There's Parametrics and Morgan Stanley, I think, has that.]* And I will tell you, Morgan Stanley has had it probably the longest, I think. And I pooh-poohed this for years. I had a friend who did it with Morgan Stanley. And this is not a do-it-yourself. There is no way you can do this yourself, and I've been investing a long time, and I don't even know what the machinations are behind the curtain. There is someone behind the curtain managing this account. *[Moderator: Well, it's an index fund, right?]* It's not really an index fund as much as your-. So, I'm invested in a large cap growth portfolio. So, it's not mimicking any specific one index. I probably hold 200 positions. It's ridiculous. I mean-. *[Moderator: In fractional shares in all of them?]* Yeah, 1.15 shares with Chipotle-. — *Wealth-building Events, Boston (Male)*

Conversation from Wealth-building Events, Boston

Alan: And you'll see every single stock? Oh, man. *(Male)*

Gregg: Yeah. And just today, they created another 200 positions, sold out. This and that. *(Male)*

Alan: Maybe it's AI-driven. *(Male)*

Jennifer: AI? *(Female)*

Gregg: So, I tell you. I looked very, very closely at this. The benefits, number one, it removes me from the equation. So, there are minimums, and I've put a fair amount of money into this, but I don't want to market time. I don't want to decide when I'm going to add funds to it. I want to stay out of it. Now, I could just dump it all into an S&P 500 index fund. My 401(k) is 100% S&P 500 index fund. Dollar cost average into it. But I can give them a schedule by which to invest and say, I want to put 10,000, a hundred thousand, a million, whatever, a month in. And they will invest in these stupid 1.197 shares of level. *[Moderator: So, you're saying stupid, but you're smiling like you like it.]* Because it is ridiculous. I mean, at the beginning of the day and the end of the day, there is a tax advantage to it. You can tax loss harvest that you couldn't do with an S&P 500 index fund or-. *[Moderator: Are you personalizing it? Are you saying like, I don't want defense, or I don't want-]* No. So, they're looking at my entire portfolio and my gains here to date, and what have you, and they're matching it and taking appropriate losses. Really, I mean, it's pretty sophisticated, but not sophisticated on the one hand. I conceptually understand it. You're probably juicing your performance a tiny amount, but most importantly you are removing yourself from the equation. So, you're getting-. I believe in large cap growths, and they have a large cap growth portfolio. They have an international portfolio. I've never believed in international. This is the portfolio I want to build this type of product around. And there's no way I can do it. There's no way anyone in this entire building could do it. I mean, it's just very complicated, the factors that go into it. And they had to look at multiple different factors. *[Moderator: How long did it take you to decide to buy this product?]* A long time. *[Moderator: Like months, years? Talk to me.]* It took a lot of hand holding and a lot of

reviewing, and a lot of understanding of the performance and fees. I know the performance is—.
[Moderator: What are the fees?] 30 bps plus-minus. It's probably— at this point, probably, 35 bps or 33 bps, and we'll drop to 29 bps when the account is large enough. But I thought it was reasonable. A managed portfolio of stocks would be about one percent. Not long ago, it was one and a quarter, one and a half percent. But I know what I'm getting. That's the most important thing. I know what I'm getting out of the portfolio. I don't know what the world's going to bring, and the underlying index, it's mimicking, could go down a lot. It could go up a lot. But I know what I'm getting, and I know that I don't have to monitor it. And there's no way I could implement it. It's absolutely impossible. — *Wealth-building Events, Boston (Male)*

Conversation from Wealth-building Events, Boston

Jennifer: Yeah. It's just it's the- for this, it's the almost like bait and switch, 30 bps. But if desired, you can apply a management fee on top but—. *(Female)*

Gregg: That's inclusive. That's inclusive. There's no management fee. *(Male)*

Jennifer: On top of that? *(Female)*

Gregg: On top of that. *(Male)*

Jennifer: The 30? *(Female)*

Gregg: No. *(Male)*

Jennifer: That's how I read it. Like you said, there's no- unless you have a background in finance—. *(Female)*

Gregg: Even then, you can't do it. *(Male)*

Jennifer: Your full-time job, so that's what it's kind of like, “We can get you in for this price compared to 50 that you're paying somewhere else. Oh, but then, there's some management fees.” That's how I always— Like, “So, now, you're going up into 42, 43.” *(Female)*

BOSTON, NO LIFE EVENTS 8 pm

Moderator: Show of hands, how many gave it an A or a B? One, two, three, four, five, six. How many gave it a C? D or an F? One. Are there some agnostics in this room? OK.

Michael D.: I don't get it. *[Moderator: That's okay.]* Can I say why I don't get it? — *No Life Events, Boston (Male)*

Michelle D.: I like tax loss harvesting, a time when I could make a change in the investment. Thought that was appealing. Mostly that it was customized and tax efficient. — *No Life Events, Boston (Female)*

Joanne: Yeah, those were the ones I highlighted as well. Also providing control over the timing. Control. — *No Life Events, Boston (Female)*

Seth L.: Same thing. Yeah, it's customizable, tax efficient. It just seemed kind of, just kind of made sense to a certain degree. — *No Life Events, Boston (Male)*

Jack: I had a B, too. I think I like buying, having fractional shares, because a lot of people can't afford a share like Warren Buffett's shares, \$40,000 a share. Might wanna buy a piece of it, but you don't take all that. *[Moderator: Have you heard of fractional shares before?]* You know what, I have. I know from a merger and stuff. But what she mentioned, Juliana mentioned, is like Robinhood. Isn't that fractional shares, Robinhood? I never did it, but I heard it was that. – *No Life Events, Boston (Male)*

Conversation from No Life Events, Boston

Juliana: I heard from a friend. *(Female)*

Jack: Is it fractional shares in Robinhood? *(Male)*

Albert: It can be. *(Male)*

Juliana: It can, it can. *(Female)*

Jack: That I don't know. *(Male)*

Juliana: There's a setup that you can. But you can also buy it whole. *(Female)*

Michael D.: But when you reinvest dividends or reinvest, those are all, all the mutual funds are all fractional. *(Male)*

Juliana: Then there's the stock, too. When they're in a stock, they're all fractional, too. *(Female)*

Michael D.: They have to be because they've gotta reinvest whatever comes out, and it's never gonna be a round figure. *(Male)*

Jack: Well, they could give you a check for the difference. *(Male)*

Michael D.: You can select that, yes. But if you select reinvestment, they have to be able to purchase. *(Male)*

Juliana: And some mutual funds that invest an amount of money, you also buy fractional shares of that, which is the same concept. *(Female)*

Moderator: Who else? Anybody else wanna before I get to Michael?

Michael D.: Naysayer. Think I need to close the door. – *No Life Events, Boston (Male)*

Moderator: Everything is valid.

Albert: I was a C. So, I'm on the fence. I thought it was explained very thoroughly and pretty clearly. It seemed—. The disadvantages kinda spoke to me. Like being complicated, hard to mix managers, and the higher cost didn't necessarily put it in the A or B for me. *[Moderator: Those were things that you were still thinking about.]* Right. Yep. – *No Life Events, Boston (Male)*

Michael D.: Somebody's gotta be a Debbie Downer. I guess I look at it from a stock perspective of I generally pick my own stocks. So I get that that's a little different. I'm not hiring somebody to pick that. And in that sense, there's no difference. But if I'm saying I want professional advice, then okay, maybe there's something in it. But if I wanna buy Pfizer, I don't have to spend \$250,000. I can buy two shares of Pfizer for \$7, for a fee, a commission. – *No Life Events, Boston (Male)*

Conversation from No Life Events, Boston

Moderator: Has anybody heard of something like this?

Michelle D.: I've heard index funds. *(Female)*

Jack: I've heard it when people get change like from a store, it's 95¢, it goes to a fund that does buy things like this. I think I've heard of that. But you have to like that. Have you heard of it? *(Male)*

Joanne: It sounds familiar, yeah. *(Female)*

Jack: It's kinda like the bank saying, "Keep your change" in your savings account. But they did it for this also. *(Male)*

Joanne: That sounds—, yeah. *(Female)*

Jack: I think. I don't have insight. *(Male)*

Lily: I think this product is way too complicated. If this is a managed account, you're assuming your investment advisor knows all the companies in that ETF mutual fund, and they're doing all the research to compare which companies to go with. I don't trust that they're doing that, watching each company and then picking, I only want, I want more in Tesla or Amazon, whatever. Versus like, did you do the research for all the other companies? I just don't believe they did that. They're not, they don't have that knowledge. I don't trust it. *[Moderator: So that was troubling to you.]* Yes. It's too complicated.

[Moderator: And you gave it?] I gave it a D. — *No Life Events, Boston (Female)*