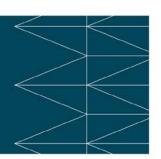
## ETF INSIGHTS WITH ERIC POLLACKOV OF INVESCO



Jeff McCarthy, ETF Services, BNY Mellon Eric Pollackov, Global Head of ETF Capital Markets, Invesco April 2020

**Jeff McCarthy (JM):** Hi. I'm here joined by Eric Pollackov, Global Head of ETF Capital Markets at Invesco, chatting about the ETF industry a little bit. Eric, thanks for joining us today.

Eric Pollackov (EP): Thanks for having me.

**JM:** So, Eric, as a global issuer offering investors solutions in many domiciles, what do you see as some of the main drivers for ETF growth globally in the next two to three years.

**EP:** I think it's pretty simple, quite openly. We talk about tax efficiency in the U.S. We talk about ease of ownership outside of the U.S., including the United States, of just owning and buying a security, right? So, it's a diversification play. It's just a better wrapper, right? I think, at the end of the day, that's the thing that we need to focus on, is really just about the technology that the exchange-traded product brings to investors.

MC: That's good. And so how do you find Invesco's approach to educating investors globally about ETFs, exactly what you said, the usage of the wrapper to achieve investment strategy?

**EP:** It's hard, because at the end of the day, we don't know every investor that owns all of our products, but we try our best to at least provide educational pieces, whether they be white papers, websites, webinars, etc, on just how the ETF wrapper technology works, and then try to get our sales team to engage with the end users of our products.

**MC:** And do you have a place where investors can go to, to kind of learn about Invesco's products, services, and strategies out there?

**EP:** That's right, so www.invesco.com/etf will bring up all of our lineup based upon where you're at. We have a Canadian lineup, and a European lineup, and a U.S. lineup, based upon what type of investor you are and the location you are, it will put you to the right place.

**MC:** So, Eric, that brings me to my next subject, focusing on capital markets. A lot of what we're seeing in market structure, ETF Rule, the changes in the market, how do you see the effect around fixed income, for example, and the benefits that an ETF can bring?



EP: If we just focus on the United States specifically, we're thinking about the differences of – again, we talked a little bit about the ease of ownership of an exchange-traded fund share versus the ease or difficulty of owning an individual bond, and whether that be a Treasury security, a corporate bond, a municipal bond, etc, the process of actually getting ownership for the retail level is quite difficult, and it's quite cumbersome, quite openly. Whereas in an ETF, you can log into your basic account that you own where you have your securities listed, and you can quickly purchase and sell ETFs very easily.

**MC:** So, there's a lot of changes on ETF Rule, trading, capital markets activities for ETFs. I know we're well involved in a lot of industry programs. Invesco, and yourself as well. What do you see as some of the biggest impacts that will benefit investors around capital markets and the ETF structure?

**EP:** If we look at the SEC's Rule 6c-11, otherwise known as the ETF Rule, it's really kind of standardized the ability for the sell-side to create and redeem our ETFs in a much more standardized fashion. Whereas in the past, it was much more of a one-off kind of thing, and there are over 120 issuers in the United States, and it becomes quite difficult to understand all the rules and how to buy and sell those products. But the reality is, is that this new rule has kind of standardized all of that for everybody. And I think that allows for investors to be much more secure in buying and selling their ETFs, whether it be a small issuer or a large issuer like ourselves, at least understanding the capabilities and the buying and selling of that product should be much more easier for them.

**MC:** Exactly. We're a believer in standardization as well, so we look forward to working with you, as well as the industry, to standardize and make that process more efficient.

**EP:** That's great.

MC: Great. Thanks, Eric.

EP: Appreciate it.

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