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Practices/Areas/Products of Heightened Interest: Protect Retail Investors Saving for Retirement X X X X X Fee Selection and Reverse Churning X X X Variable Annuities X X X X Branch Offices X X X X Exchange-Traded Funds (ETFs) Public Pension Advisers Regulation Systems Compliance & Integrity (SCI) Compliance with Exemptive Orders/Pay to Play Rule Recidivist Reps and their Employees X X X X Microcap Fraud Anti-Money Laundering (AML) Clearing Agencies X X X X Exchange Exams X X X X Share Class Selection Multi-Branch Advisors Older Type Assessments Product Promotion Liquidity Controls Capital Internal Controls Capital Internal Controls ReTIRE Private Placements Never-Before Examined Investment Advisers/Companies X X X X Supervision Transfer Agents X X X X X X X X X X X X X X X	Comparison of SEC Regulatory and Examination Priorities 2013-2017*								
Fee Selection and Reverse Churning Variable Annuities Branch Offices Exchange-Traded Funds (ETFs) Public Pension Advisers Regulation Systems Compliance & Integrity (SCI) Compliance with Exemptive Orders/Pay to Play Rule Recidivist Reps and their Employees Variable	Practices/Areas/Products of Heightened Interest:	2017	<u>2016</u>	<u>2015</u>	2014	2013			
Variable Annuities	Protect Retail Investors Saving for Retirement	Х	Х	Х	Х				
Branch Offices	Fee Selection and Reverse Churning		Х	Х					
Exchange-Traded Funds (ETFs) X X X Public Pension Advisers X X X X Regulation Systems Compliance & Integrity (SCI) X X X Compliance with Exemptive Orders/Pay to Play Rule X Recidivist Reps and their Employees X X X X X Microcap Fraud X X X X X X X X X X X X X X X X X X X	Variable Annuities	Х	Х						
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Recidivist Reps and their Employees X X X X X Microcap Fraud X X X X X X X X X X X X X X X X X X X		Х				Х			
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Product Promotion X Liquidity Controls X Capital						Х			
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NEP-Wide Initiatives Proprietary Trading ReTIRE X X X Private Placements X X Never-Before Examined Investment Advisers/Companies X X X Supervision X Private Fund Advisers X X X X	Fund Governance					Х			
ReTIRE X X X Private Placements X X Never-Before Examined Investment Advisers/Companies X X X Supervision X X Private Fund Advisers X X X X						Х			
ReTIRE X X X Private Placements X X Never-Before Examined Investment Advisers/Companies X X X Supervision X X Private Fund Advisers X X X X						Х			
Private Placements X Never-Before Examined Investment Advisers/Companies X X X X X Supervision X X X X X X X X X X X X X X X X X X X		Х	Х						
Never-Before Examined Investment Advisers/Companies X X X X X Supervision X X X X X X X X X X X X X X X X X X X	Private Placements								
Supervision X Private Fund Advisers X X		Х		Х	Х				
Private Fund Advisers X X						Х			
		Х	Х						
				Х	Х	Х			
Financial Responsibility X									
"Alternative" Investment Companies X X				Х		Х			
Direct Registration System X						, ,			
Market Access Rule X						Х			
Business Continuity and Disaster Recovery Plans X									
Fixed Income Investment Companies X X				х					
Money Market Funds X X	·	Х		<u> </u>		Х			
Section 31 Fee Exams X	· · · · · · · · · · · · · · · · · · ·								
Municipal Advisors X X X		X	X	Х		 			
SRO Monitoring				 ^		Х			
Excessive Trading X X X			У	У	У	X			
Wrap Fee Programs X X	-	Y		 ^		 ^			
Suitability X X X	•			V					

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Comparison of SEC Regulatory and Examination Priorities 2013-2017*							
Practices/Areas/Products of Heightened Interest:	2017	<u>2016</u>	<u>2015</u>	2014	<u>2013</u>		
New Laws and Regulation				Χ			
Sales Practices/Fraud	Х		Х	Χ	Х		
Corporate Governance, Conflicts of Interest, Manage Risk				Χ	Х		
Securities Lending Arrangements				Χ			
Potential Equity Order Routing Conflicts			Х				
Proxy Services			Х				
Fees and Expenses in Private Equity			Х				
Dodd-Frank Act Mandates/Monitoring					Х		
Informing Policy and Process					Х		
JOBS Act					Х		
Technology				Х	Х		
Outsourcing					Х		
Hybrid Securities					Х		
Third Party Administration					Х		
Dual Registrants				Х	Х		
Safety of Assets and Custody				Χ			
Presence Exams				Χ			
Fraud Detection and Prevention				Χ			
Conflicts of Interest Inherent in Certain IA Models	Х			Χ	Х		
Marketing/Performance				Χ	Х		
Payments for Distribution				Χ	Х		
Fixed Income Markets				Χ			
New Registrants				Χ	Х		
Ongoing Risks					Х		
Duel Registrants					Х		
Large Firm Monitoring			Х				
Oversight of FINRA	Х			Х	Х		
Quantitative Trading Models				Х			
Cybersecurity	Х	Х	Х				
Electronic Investment Advice	Х						

^{*}The Annual FINRA Priorities Letters are available by clicking on each year.