To whom it may concern:

Please, please please look into Cathie Woods/ARKINVEST History and actions before allowing her to "join" the crypto market.

I really believe she should:

1). Lose all her investing licenses/Be BANNED from Nasdaq

2). Be prosecuted for Securities Fraud

3). Disband ARKINVEST

CLAIMS/UNSUBSTANTIATED:

- Ms. Woods claims are BIZARRE and her PERFORMANCE is abysmal, with the exception of small timeframe in 2021.

- She states that "Bitcoin" would be up around 5 million in the next few years. The Dow average has been 32 percent. ARK's average in peak fived years: **7 percent**

https://fortune.com/2023/02/01/cathie-wood-ark-invest-report-bitcoin-to-hit-1-5-million-by-2030/amp/

- She stated in her Bloomberg interview that ARK IS THE NEW NASDAQ. (Cited below) This is both troubling, and MISLEADING to the uneducated 401 (k) consumer.

https://www.bloomberg.com/news/articles/2023-02-02/cathie-wood-takes-victory-lap-calling-arkk-the-new-nasdaq#:~:text=%E2%80%9CWe%20are%20the%20new%20Nasdaq,known%20for%20making%20bold%20predictions.

Where is her and her funds DUE DILIGENCE? Suprisingly, we never see that.

Here is her Modis Operendi:

She start a "Fear of Missing Out" on, in her opinion a "disruptive company"

Then she makes the News rounds on her self-proclaimed "disruptive companies"

She then adds these "disruptive companies" to her OWN fund

She charge a enormous expense/ration fees.

She rakes the profits from these fees.

Retail investors, seeing her on the News 24 x 7 fall for her 'statements' and pile in to invest

The Corporate hedge funds then invest short term and turn a QUICK PROFIT. (it smells like short selling to me)

Once the company "fails" she states "I told you so", but usually sells out before the others leaving them with the loss.

https://www.wsj.com/articles/investors-are-bailing-on-cathie-woods-popular-ark-fund-dbf5d801?mod=hp_lead_pos2

Cathie Wood's flagship exchange-traded fund has rallied more than 50% this year. Investors are using that as an opportunity to get out.

They have pulled a net $717 million from the ARK Innovation ETF over the past 12 months, according to FactSet. That exodus marks a notable shift for a fund that had consistently drawn investor cash since its 2014 inception. Once the largest actively managed ETF with nearly $30 billion in assets under management, the fund has shrunk to roughly $9 billion, mostly due to investment losses.

Known by its ticker symbol ARKK, Wood's fund became an investor darling shortly after the onset of the Covid-19 pandemic with hugely successful bets on unprofitable and "disruptive" technology companies. It took in huge amounts of investor money, culminating with a $6.5 billion inflow in the first quarter of 2021, when its share price peaked.

Then, the Federal Reserve's fastest interest-rate hiking campaign in decades crushed the valuations of unprofitable growth companies, which often attract investors when interest rates are low and returns on safer investments such as CDs are minimal. Shares of ARKK plunged 67% in 2022, but its investors largely held on or bought the dip. Now, analysts say they expect some of those investors are getting out for good.

"You have a whole group of people who got in somewhere near the top and are sitting on horrific losses," said Matthew Tuttle, chief executive of Tuttle Capital Management, which operates an inverse ETF that lets investors bet against Wood's fund. "I think some of those people have said, 'I'm never getting back to even; this is probably the best I'm going to do, and it's time to get out.'"

Wood says the outflows have been small compared with the fund's assets.
"We have been astonished at our asset retention since February of '21," Wood said in an interview. "It's a very small number as a percentage of assets, which suggests that it's far more likely to be people who are taking some profits than some exodus of people who have stayed in the fund through a prolonged down period."

Despite the recent rally, ARKK shares are trading about 70% below their all-time high. The S&P 500 has climbed 17% this year on hopes the Fed is near the end of its tightening effort; it is still down 6.1% from its early 2022 high.

ARKK's top five holdings are **Tesla**, **Coinbase, Global, Roku**, **Zoom Video Communications** and **Block**. Only Tesla and Zoom were profitable last year. Tesla holds an 11% weight in the fund, helping power its advance this year. Shares of the electric-vehicle maker have more than doubled in 2023 but, like ARKK, are down sharply from their previous high.

Although technology stocks are strongly back in favor this year, the best performers have mostly been mature, profitable companies that generate significant cash, such as Microsoft and Amazon.com. Unlike two years ago, investors appear to have less interest and patience for companies that aren't expected to turn a profit until years in the future. Higher interest rates have meant there is a much higher opportunity cost to wait for profitability.

"There's certainly been a change in sentiment from when the ARK funds were doing really well," said Aniket Ullal, head of ETF data and analytics at CFRA Research. "A lot of the stocks the ETF holds won't have big cash flows until way out in the future, and it's a more challenging environment for that with rates expected to be higher for longer."
Investors say the ARK brand lost its luster after the fund's prodigious fall. It took another hit after missing out on the monster rally in shares of Nvidia, the graphics-chip maker at the heart of the boom of interest in artificial-intelligence technology. ARKK sold the last of its Nvidia position in January, a stake that had long been one of its largest holdings. Nvidia has been the S&P 500's best performer this year, more than tripling.

"The bloom is off the rose a little bit," Tuttle said.

Wood says the negative publicity over the past two years has been an opportunity for ARK to solidify its brand as an asset manager focused on disruptive innovation.

"I can tell you at the end of '20 and early '21, when we couldn't do anything wrong and people were just chasing, I felt very uncomfortable," she said. "Today, I feel very comfortable. We are not seeing that kind of behavior. That tells me there is a wall of worry out there. And that usually sustains a bull market."

The outflows at ARK are coming while ETF investors appear eager to put money to work in other funds. June was the best month for equity ETF flows since October, according to State Street, while active funds attracted $10 billion of inflows for the month and more than $100 billion over the past 12 months.
Investors displayed "childlike exuberance" and "jumped into the market's rally with both feet," Matthew Bartolini, head of Americas research for State Street's ETF business, said in a research note.

The ARKK fund has an 11% annualized average return since inception, but the average ARKK investor has lost 21% on a dollar-weighted, annualized basis, according to FactSet.

“ARKK shareholders have not timed their purchases well. Many bought high and have yet to sell,” said Elisabeth Kashner, director of global funds research at FactSet.
The fund remains a cash cow for Wood, who owns a majority stake in its parent company, ARK Investment Management. Its 0.75% annual fee is about double the average fee for active ETFs.

Although fee revenue is well off its 2021 peak, ARKK has generated more than $20 million of fees this year. ARK Investment Management currently has the third-highest daily revenue from active equity ETFs, of at least 145 different issuers, according to an analysis from FactSet.

To be sure, the market comeback staged by many of ARKK’s tech-focused holdings surprised many, highlighting the perils of trying to forecast performance.

“If you just look at rates, you would not have expected this great rebound in growth coming into the year,” said Dana D’Auria, co-chief investment officer at Envestnet. “It’s a classic window into why market prognostication doesn’t work. Who would have thought artificial intelligence would boom and create this massive interest?”