Episode 10: How an Investment Policy Statement Helps You Look into the "Eyes of a Tiger"

Announcer: Welcome to the Empowered Investor Podcast. Have you ever felt overwhelmed by the sheer volume of choices and voices telling you how to plan or invest for your future? With his straightforward approach, host Keith Matthews of Tulett, Matthews & Associates cuts through the noise to help you create a winning action plan for you and your family. The decision-making framework discussed in this show can transform you and your investment experiences and will increase your odds of becoming financially secure. Learn more and subscribe today at TMA-invest.com.

Keith: Welcome to episode 10 of the Empowered Investor. My name is Keith Matthews and I'm joined by my co-host Marcelo Taboada for today's episode. In today's episode, we're going to touch base and elaborate on the investment policy statement. But before we jump into the investment policy statement, Marcelo, can you give us a bit of a heads-up, a bit of a recap as to where we are in the story of the Empowered Investor?

Marcelo: Absolutely. This has been a great experience for both of us, but I think the first thing we addressed in the podcast, Keith, is what do Canadians, what do investors want? And that's financial security. Then we moved into the common or very harmful investing mistakes or pitfalls. We spent quite a bit of time there and went over some examples. And then we finished in the last three episodes, we've covered the different stages and how important they are in the financial planning process. Now we're covering investment policy statements. That's what we're going to move into, right?

Keith: Yeah. And I think in light of the context of the coronavirus and where we're at with the economy, where we're at with investing, an investment policy statement is more critical than ever before. Part of the journey of the Empowered Investor is to understand these planning documents or these control documents, understand them really well, and understand how to use them. Today we're really going to focus on the investment side, the investment tool called the investment policy statement.

Marcelo: Yeah, absolutely. So let's get into it. What is an investment policy statement?

Keith: An investment policy statement, I think at the heart, is a service agreement between an advisory firm and the client. And there's two main issues that are spelled out in this service agreement. The first is you gotta jot down, write, and document the goals and objectives of the investor. You also have to essentially put down the process by which the investment manager will do his or her job or the firm. There's all sorts of things that are also disclosed in a policy statement. It's a huge transparency document and I think it's critical. We'll talk about that a little bit later. Suffice it to say, the first people using investment policy statements were pension funds. This goes back to the 60s, 70s, and 80s where Canadian pension fund managers who had a large amount of capital to manage, when they would hire a manager to manage a specific asset class, they would sign an agreement and that agreement would stipulate how each will work together. I would say in the last 20 years, investment policy statements are becoming more of the norm in the private client world. Not everybody uses them. We believe they're a must-use. We believe it provides huge amounts of clarity, transparency, and empowerment.

Marcelo: In your years of experience, how impactful has this been for clients from what you've seen?

Keith: What it does, I think, is it sets expectations. So from the get-go, you get a chance to talk about expected returns, a chance to talk about how you're going to manage the portfolio, what you're going to do, and what you're not going to do. Absolutely. If you hear one criticism about the investment industry, a lot of investors would say things like, "I don't understand it. Things don't feel transparent. I feel like I get a lot of surprises." So what a wonderful document to have in place to really help control things that are controllable, like asset allocation, like how to rebalance, stipulate and mark down how that works, and then be extremely transparent with investors.

Marcelo: Yeah, absolutely. I couldn't agree more. We have so many real-life examples of similar documents for different services. For example, if you're hiring an architect to build a house, a cottage, or a commercial building, this will give you the plans and the drawings and set up the expectations of the timeline, what materials will be used, and how the blueprint will look going forward. Then you have workout plans, right? When we go to the gym and we hire a personal trainer, most likely they will give you a written plan of what the expectations should be.

Keith: And you don't even have to hire a personal trainer because usually that's a bit pricey, right? But with the pandemic, I think what we see a lot of right now are people downloading programs. And that's in writing. It's a guide. You've got a coach, it's a process. So a plan is better than no plan. What other kinds of examples do you have for us today, Marcelo?

Marcelo: There's wills and powers of attorney, which are legal documents that clearly stipulate what will happen if one of the spouses dies or gets sick. It's clear, it's in writing, and the expectations are set as to what is to happen if this happens in the future, right? That's a great example. What else? Yeah, you have service agreements if you pay people to cut your lawn or buy a cell phone. There are contracts that they give you. If you hire a dog trainer, you get a service agreement as to what the expectation would be going forward. So we have many real-life examples. Now, like you said, it's the norm in the investment industry but still, in some places, it's still very murky and not transparent. But the norm is more transparency, and that's a really good thing for investors.

Keith: Yeah. I remember when you first started the investment career 20 years ago, you used to fill out a know-your-client application choosing one of three risk parameters: low, medium, or high. Let's say somebody says I'm a medium. It was almost then, what are the guidelines? How do we manage the portfolio? It was just what ended up happening was a bunch of random ideas get loaded up in a portfolio. Things are getting better now. You see a lot more discretionary services that are offered. With discretionary services, you must have a policy statement. You must have an account agreement. And so you are starting to see this as a more prevalent document within the industry, and that is a good thing. Imagine this. We have a contract with, as you mentioned, a lawn care company or a cell phone provider. Most Canadians know exactly how many minutes they get, if they have unlimited texting, how much data they get. Shouldn't we all know how money should be managed? What are the terms and conditions of money management? It's a much more important concept than a service agreement for a couple hundred dollars a month maximum.

Marcelo: A hundred percent. Yeah, they're critical. And it's really an important part of the empowering process. So what do all these service agreements or contracts have in common, Marcelo?

Marcelo: I think what they have in common is they set up the expectations. You know exactly how things are going to work and what to expect. And that's huge. I think that's huge for any relationship, whether that's personal or a professional relationship, setting up the proper expectations. And if you have it in writing, it's even better because nobody can be in the dark about what the expectations should be going forward. So I think those are the things that they have in common.

Keith: In preparation for the show, I Googled why get architectural plans. And the three responses I got were because they provide clarity, you know why and how services are rendered, you have an idea for future modifications, and it allows you to see a set of rules of engagement.

Marcelo: Yeah, the accountability is huge too. I forgot to mention that. So I think it's expectations and accountability that are the two biggest things in these written agreements.

Keith: Yeah. And what better document to have in place? When it comes to managing one of your largest nest eggs, there's the home and real estate, and then there's the investment portfolios. Those are typically the two largest financial assets that most Canadians hold. So, Marcelo, we've spoken a little bit about what an investment policy statement is. Can we talk a little bit about why to use an investment policy? Why is it important?

Marcelo: It's important because you want to get clarity on the many investments that you're going to have in your portfolio. That means knowing exactly what you're invested in and how. You gotta know all these things. So it's going to be there. And that's why you put it in the investment policy statement because you need to have that clarity. Then it reduces surprises and uncertainties around the investment process. Like you said, in the coronavirus context, it's huge to know if you have it in your investment policy statement and the rules of engagement are clear, you know exactly what's going to happen in good times and in bad times because it's been put on paper, right? So that's huge for investors. It reduces stress. It increases their confidence in the fact that they have a process and they know that somebody is taking care of them. And it keeps you fully invested. It helps you with your behavior. If you want to do something stupid and bail on an investment plan because you're fearful about the market, it sets up the clear rules and clear guidelines as to how the money will be managed. So you're almost not allowed to give in to this temptation of doing something harmful.

Keith: In the first three or four shows, Marcelo, we spoke a lot about pitfalls, investing pitfalls. I think the investment policy statement protects investors and the advisors from falling prey to those pitfalls.

Marcelo: Yeah, and ultimately you'll get better results. I just went through an experience. I adopted a seven-month-old dog, and adopted dogs are a challenge because you don't know where they come from. And on top of that, the dog is like 130 pounds. So we knew it was going to be a challenge. So we hired a trainer. And everything was working really well, but we were missing a really important aspect of this process, which was having a plan, a clear document as to what the expectation was. So it was very loosey-goosey. The guy used to come here and say, work on this, work on that. We would meet every two weeks, and it ended up not working. The dog didn't have the results that we wanted. So we still have some issues. And looking back, I think the mistake was not having a plan. If I had a plan after every session and some homework and some expectations as to what exercises I should be working on, I think the results would have been different. So I think in this example, it's clear that some guidance, expectation, and accountability would have been different for this process. So I think with the investment policy statement, it's the same thing. It accomplishes these things, right? It gives you accountability, sets up the expectations, and at the end of the day, it helps you or the investor achieve the financial security that you want.

Keith: Okay. Very cool. Your dog trainer example is an interesting one, but I think what I heard you say was it'd be nice if there was a bit of an agreement in place that we could talk about what it is we're going to do and not do, and how things may work. So let's get into the various parts of a policy statement. We've spoken about what it is. We've spoken about why you have one. Let's actually get into the nuts and bolts. There are about seven or eight sections that we're going to cover right now. And what we're really going to try to respond to is why is that particular section important in an investment policy statement? What's important about it? So let me start by asking the first thing that is usually in an investment policy statement is a recap of the individual's personal financial situation. And that includes their goals. That's huge. You just had a story a couple of minutes ago before we started where you were talking about meeting a prospect, and they were surprised that you focused on goals versus some of the other providers that they sought. Talk to us a little bit about why goals are important in a policy statement.

Marcelo: Yeah, I think it all starts with your goals because at the end of the day, sometimes as investment professionals, we forget that people have goals and they have dreams. We tend to focus a lot on the investment process and talking about equity markets and how cool that is. But I think people really appreciate the idea of somebody really listening to them and knowing exactly what their goals are. And if you put that in writing, you have a higher likelihood of reaching those goals than if you don't put them in writing. So I think that's huge for the investment policy statement. You must put this, and that's why you put it because you want to help your client get to those goals.

Keith: Yeah, and the goals ground the advisor in keeping things in line with the client's long-term views and their wishes. Absolutely. So the next thing I know that we have in our policy is the ability to understand a client's or investor's willingness and their capacity to bear risk. So there's two things: willingness to bear risk and capacity to bear risk. What does that mean exactly, Marcelo?

Marcelo: This is huge into why you do this because some people will have a different expectation of what risk is. So your willingness to take risk is you saying, "Oh, I can stomach a 20% market downturn," but your financial ability or your capacity to take risk may be different from your willingness. Sometimes you may not be able to afford to take risk. Sometimes you will be hard-pressed to afford risk in order to reach your goals. And sometimes clients have different expectations. A lot of people say, "Oh, I want a 10% return, but I want no risk in my portfolio." So that's why you put it in writing because you've got to be clear and honest and set the expectations of what those risks mean and what they don't mean for the client.

Keith: Yeah, it's an important reference that an investment advisory group should bounce back and forth with a client. And those are the two levers that can determine really, at the end of the day, how much stocks you can put in your portfolio versus bonds. And you've got lots of different examples as to how people have different reference points and different willingness to bear risk. We've got, for example, an 80-year-old client who hasn't really ever owned bonds and only wants to own stocks and has the capacity, has the financial strength to own stocks. That person's going to have a very heavy weighting in equities, and they would have it no other way. They can rationalize it. They can be very comfortable with that. They've lived through many dips and they're totally comfortable living through more dips. Alternatively, you can have a fairly young professional high-income earner who has the capacity to bear risk, but they do not have the willingness to see their portfolio go down, and it makes them nervous. These are two extreme examples, but a lot has to do with gauging a person's willingness and their capacity and then documenting that in a policy statement.

Marcelo: I think one of the things in the investment policy statements is showing exactly what the portfolio could look like in a bad period. There's a really great analogy. You know how they say if you ever find a tiger in nature, in the wilderness, if you look into its eyes, it won't attack you. So rationally and fully knowing that, if you find a tiger in the wilderness, you look into its eyes, it's not going to eat you alive. But sometimes, and I would say 99% of human beings, if they find a tiger in nature, they're just going to turn their back and run.

Keith: There's no way if I was to meet a tiger in a jungle, and I consider myself pretty rational, that I would be able to stare it in the eyes. That is a great example, Marcelo.

Marcelo: It's like a portfolio. Sometimes you show clients, "Listen, you could lose 20-25% in a bad period," and they'll say, "Yes, I get it." But when it comes, it's, "Oh my God," they're panicking. Their irrational thoughts are getting to them. And that's why an investment policy statement is so important because it sets up the expectations. And you know that you'll have somebody there telling you, "Don't do it." And it's been written on paper.

Keith: Yeah. And before we get to the next point, one thing I would add is the power of an investment policy statement is not a document. It's not an eight-page document that parties just sign. It's the concepts inside that need to be articulated and explained. So an investment policy statement and the process is an ongoing process that requires continual explanations, continual feedback so that everybody is in the loop as to really what's going on in the investment strategy. Why am I doing things a certain way? Why are you doing things a certain way? So it's not a one-time signature. All right, let's move on. Investing time horizon should be in an investment policy statement. Why?

Marcelo: Because you need to know how long you're going to be investing for. I'm 32 years old. I'm not going to be investing until I'm 65. It goes beyond that. So most likely, my time horizon is close to 45 to 50 years. So when you have this time horizon for the client, you're saying this is how long you're going to be investing. And this should be taken into account when we're putting together a portfolio for you. That's why you put it. So if I'm dealing with a 35-

year-old or a 55-year-old, the time horizon is different. So the expectation on risk may vary depending on this time horizon. So I think that's why it's important to put it.

Keith: And I often find people miscalculate their time horizon. I often hear, let's say, a 55-year-old, they might even at first say, "You know what, Keith, I think I have a 10-year time horizon, 15 years." And I'm like, okay, what are you going to pass away at 65, 70? We should estimate time horizons to 90 years of age minimum.

Marcelo: Absolutely.

Keith: Unless there's a family history that somebody's just not comfortable assuming that could be the outcome. That means if a person is 55, you're dealing with a 35-year time horizon. 35 years is a long time. That can help provide a reference as to why you're following a certain investment strategy, why you're embarking on that strategy. It's also a reference as to we're in a pandemic right now. Markets are mixed. You have some stocks that are up and some stocks that are down, but the economy is struggling. This isn't going to last forever. It's going to be difficult, but it's not going to last forever. So the longer your time horizon, the more you can sit back and say, you know what, we'll get through this. It'll be fine. We will get through this. And I think it's important to put that down. The next point that we would talk about, Marcelo, is cash flows. Cash flow considerations, money coming into a portfolio if you are an accumulator, or money leaving a portfolio if you're a retiree. Why is that important?

Marcelo: It's important because sometimes when life happens, sometimes there are unexpected cash flow needs that a person may have. If they're saving for a down payment on a house or they're going through a big purchase, that should be taken into account. You put that there because you want to know how sustainable the portfolio will be going forward. So if you're planning for 30 years and the person's withdrawing a certain amount of money, you will put that cash flow withdrawal or deposit expectation into the investment policy statement because you want to make sure that the client understands whether their plan is sustainable or not. That's why you put that there.

Keith: You're actually doing that almost in conjunction with projections, with retirement projections, right? So you're using multiple strategies, multiple documents, if you will, to articulate to clients that, yes, you will be okay if you continue to do this, or you need to understand that there'll be pressure in the future if you continue to do this. So it's a nice point for everybody to understand what money is coming into or leaving the portfolio.

Marcelo: And for accumulators, it's very important because if you're depositing money and you're committing to a plan, it really adds that layer of accountability where it's okay, now it's in writing that I need to put a thousand dollars a month, and now it's there.

Keith: So the next one's a biggie, which is your recommended long-term asset allocation. Why is that such an important part of an investment policy statement?

Marcelo: Referring back to the time horizon, during this coronavirus crisis, when we were reaching out to a lot of our clients, a lot of them said, "Is the proper allocation that I have okay for my age, my risk category, and all that?" And I always used to say, your long-term asset allocation is set up not for the next five years. It's set up based on your long-term plan, which is sometimes 25-30 years. So I think when you're going through explaining to the client what the long-term goal is and how that refers to their portfolio, you gotta set up the expectations of what the returns on that portfolio look like over the long term. So when clients want to bail in a financial crisis, for example, it's important to have that on paper because they'll look at it and they'll keep an eye on the long term, which is what's important.

Keith: Said a slightly different way, I agree 100% with what you just said, Marcelo, but it's an agreement between the manager and the client to say, "I'm going to keep you invested this way." So it's a two-way street here. And it's important for the investor, the client, and the investment manager, the advisory firm, to agree on what makes sense as a long-term mix. The last thing a client wants to know is that their investment manager is moving money around, trying to time the market, because investment managers can't do that accurately or successfully. And you don't want that. What you want as an investor is your investment manager to have a commitment to the long term, to stay the course. And this helps them to stay the course.

Marcelo: Absolutely. Couldn't agree more.

Keith: So it's a two-way street there. The next part I know we put this in our plan, in our investment policy statement, and a lot of other firms do as well.

It's an elaboration on the investment philosophy. So it's almost like this is a pledge that the investment manager gives to the end client. We pledge to do the following. Can you elaborate a little bit more on why we put an investment philosophy in an investment policy statement?

Marcelo: This is a personal favorite for me because this is the part that I enjoy the most covering when I'm doing IPSs, investment policy statements, with clients. And I love it because I always tell them, when in doubt about how we manage money, go back to this page. It's a one-page statement that just outlines exactly how we will be managing the money. And they like that because they say, "Wow, if you put it in writing, it means you take it pretty seriously," which we do. And it's important because once you have it in writing, I think it's the accountability of knowing exactly how your money will be managed. For example, a client will know right away that we will not speculate or do market timing or do forecasting. That's huge because if you set up the expectations from the get-go, you won't have any problems going forward saying, "Oh, I think this market will do well. Let's move money there," which a lot of managers do.

Keith: Yeah, I agree 100%. I think it gives the investment manager the opportunity at the initial stage of bringing a client on board to yet have, once again, a chance to explain how they will manage their money. And from an investor's perspective, it gives you a chance to understand how things will be done so that in the future, when things are being done that way, there's a reference, there's a consistency, there's a pattern, there's a process. A lot of our clients have been working with us for many years, some, in fact, two decades. They know that we will stick by this process. They know that we have rebalancing an investment policy statement, and we will rebalance accordingly according to the cash flows they put in and according to market movements. These are really important things that need to be documented in an investment policy statement.

Marcelo: Do you get similar reactions from clients when you're covering the investment philosophy in a page?

Keith: Yes, I do. But we go as far as trying to cover that also more in even proposal meetings and literature that we ask clients to read in advance, of course. It's a constant process. I think what's nice about putting it in an investment policy statement is it is an affirmation that this is what the manager will do. We will do this. And that, again, is back to the service agreement concept. In a perfect world, you could replace the word investment policy statement with transparency statement. This is how things are going to work. And that brings peace of mind and confidence for investors. And I think it's just critical. That's why I think it's such a huge part of this empowerment process. We've got a couple more things left, Marcelo, on this list. Let's try to address some risks. Risks to investing, that's clearly documented in an investment policy statement so that clients or investors can understand what are the risks that they may face. Can you elaborate a little bit?

Marcelo: I like this part of the IPS as well because a lot of people think that if you're coming to an investment manager, they'll never lose money. And that's not the case. When we invest in the markets, we know there's a certain level of risk that you need to take in order to get paid. And also with the philosophy, we follow a specific philosophy called evidence-based investing, but it doesn't mean that every year we're going to do amazing because markets just move, right? That's the reason you get paid. So I think when you clearly explain this to the client and tell them exactly what the risk is and how it would look like in a bad period, that level of transparency really sets up a good base for a strong relationship, I think.

Keith: Yeah, I find one of our most valuable sections within the investment policy statement is this section that we call the lifeboat drill.

Marcelo: Oh, huge.

Keith: To be clear and open and transparent, we got that from Rob McClellan, who's in one of our study groups. He runs a great practice, and he allowed us to use it. It's basically a look down memory lane, and it shares with a client what their asset allocation would have done in six or seven of the most challenging markets in the last 30 or 40 years. And you see the dips, you see how many months it goes down, how long it takes to go down, how many months it takes to come back up, what is the drawdown? I think these are all very important so the clients can truly understand what might happen with a portfolio.

Marcelo: And I think that's huge because sometimes if you show them the worst-case scenario, they do appreciate that. I always tell them if you ever feel like you don't want to give us a call, but you are fearful about the market, go back to your investment policy statement, pull up this page, and go over it because it'll help you calm your fears.

Keith: Yeah, and we're not suggesting that we know what the next most difficult spot will look like or how much it will go down by, but a look down memory lane is important. I always tell potential clients if you're going to invest in stocks, diversified stocks, you need to understand that they can go down by 50%. And if you haven't heard that, then you're not really dealing with a straightforward firm because stocks can do that, and they have done it on many occasions. That is why you have certain strategies in place. So we refer to things like that. So the last section in the investment policy statement, Marcelo, is advisory firm compensation. Why is that important to have in this agreement?

Marcelo: This is the gold standard of transparency, in my opinion. If you can tell the client exactly how you get paid in dollar terms, percentages, that is huge. Clients appreciate that. It's not the norm in the industry to do this and be that transparent. So I think this is a must, and the reason why you do it is because you want to be upfront with the client and know exactly what they're paying for.

Keith: It's becoming, with CRM too, it's becoming a little bit more of a norm, but clients are getting advisory fee compensation statements after the fact in absolute dollars as opposed to a percentage fee. And that's misunderstood. Still. I don't think a lot of investors are truly understanding how all that works because first of all, it's not covering all the costs. So there are some costs missing in that, but the investment policy statement, if you're working with a portfolio management firm, they must by law tell you how much they're going to charge. So one of the nice things about this section, this is an absolute must. You've got to stipulate all the costs of running a portfolio. So that would include custodian costs. If there are any fees inside of any products that are used, if there is any compensation in terms of commissions, everything must be disclosed. And that includes services. So fees and services must be disclosed.

Marcelo: Absolutely.

Keith: So that's pretty much it. It's a pretty comprehensive list. We've just gone through eight major sections of an investment policy statement. Marcelo, I think you did a great job of highlighting so many points. What are the risks for investors if you're working with an advisory firm of not having an investment policy statement?

Marcelo: There's a few, Keith, but just to mention some, I think the lack of clarity of your goals is no good. That's a huge risk. The increased chances that you fall for the pitfalls that we discussed in previous episodes, in particular, not having an investment philosophy, chasing performance, lack of discipline. And biggest of all for me is the stress of not knowing where you're going, not having a map, not having a guide, not having something on paper that tells you, "Here's where I'm going. Here's why I'm investing." So that's huge.

Keith: Okay. Very cool. Very cool. We're going to start to wrap the show up a bit, Marcelo. I think this has been a great episode. If I would have reflected and said, okay, how exciting can you make a show on a document? Most investors would say a document. It's just going to be a bit of a boring show. But we're passionate about it. We think it's critical, and we are trying to find ways to communicate that as best we can so that investors can see the benefits of having a policy statement and embrace the process. So what would your takeaway be, Marcelo?

Marcelo: Before we do the takeaways, I want to address something. What about the DIY investor, Keith? I guess some listeners will have that question.

Keith: Oh, great question.

Marcelo: Yeah. So what do you think?

Keith: There's a lot of Canadians out there doing it themselves. And I think this applies to them as well. Even if you're not working with a firm or an advisor, I think you must build an investment policy statement for yourself because it'll add all these things that we talked about. It'll add accountability to your process. It will add clarity, and you'll put your goals on paper, which is huge. I'm not saying it'll be the same level of accountability because just when you go to the gym alone as opposed to with a trainer, it won't be the same level of accountability, but at least you'll have some level of clarity. So I think it's even huge for do-it-yourselves.

Keith: Marcelo, I couldn't agree more. And I would go as far as saying if you are a do-it-yourself investor, I would challenge you to put this in place and make it a one-pager and go through the eight points that we've talked about. Of course, you don't have advisory firm compensation, but you definitely have to articulate the other seven points that we spoke about. And if you can't articulate those points, then I think you have to question whether you're actually doing yourself a favor by managing your money because a random portfolio with random actions and random movements is not going to serve you well over the long term.

Marcelo: No, absolutely not.

Keith: So yeah, I think putting together a one-pager would be fantastic. So Marcelo, as we wrap up, what would be your takeaways?

Marcelo: My takeaway is have accountability, have transparency. You'll be thankful at the end that you did this. That's my takeaway.

Keith: Very nice. I like your tiger story too. My takeaway would be we like maps when we travel. When we get in a car, we turn Google Maps on. When we travel to a different country, we like to have a sense as to where we're going. We should have a map for how we invest. We should have a map for how we invest today, tomorrow, and in the future. That would be my takeaway for today's investment policy statement show. Thank you all for joining us for this episode, and we look forward to seeing you in two weeks. Episode 10.

Announcer: You've been listening to the Empowered Investor Podcast, hosted by Keith Matthews. Please visit TMA-invest.com to subscribe to this podcast, learn more about how his firm helps Canadian investors, or to request a complimentary copy of The Empowered Investor. Investments and investing strategies should be evaluated based on your own objectives. Listeners of this podcast should use their best judgment and consult a financial expert prior to making any investment decisions based on the information found in this podcast.

4o