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September 10, 2020

Dalia Blass
Director, Division of Investment Management
US Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *ICI Recommendations and Supporting Data for Facilitating Electronic Delivery of Information to Fund Shareholders*

Dear Dalia:

The Investment Company Institute¹ welcomes the SEC staff's interest in modernizing communications with fund shareholders. We wholeheartedly agree that the door should be opened "to allowing funds to communicate with shareholders using electronic contact information"² and, at the same time, honoring the preference of any shareholder who opts for paper delivery. ICI welcomes the opportunity to engage in dialogue and support your efforts to achieve that objective. We highlight below the key results of a July 2020 survey regarding ICI members' experience with electronically delivering, or e-delivering, regulatory and other documents to direct-at-fund shareholders.³ In total, survey respondents manage approximately \$18 trillion of mutual fund assets, representing approximately 85 percent of industry mutual fund assets at the end of June 2020.⁴

¹ The [Investment Company Institute](http://www.ici.org) (ICI) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's members manage total assets of US\$26.0 trillion in the United States, serving more than 100 million US shareholders, and US\$7.9 trillion in assets in other jurisdictions. ICI carries out its international work through [ICI Global](http://www.ici.org/global), with offices in London, Hong Kong, and Washington, DC.

² See Dalia Blass, Director, Division of Investment Management, SEC, *Speech at PLI Investment Management Institute* (July 28, 2020), available at <https://www.sec.gov/news/speech/blass-speech-qli-investment-management-institute> (also recognizing that the most recent comprehensive guidance on e-delivery is 20 years old).

³ For the purposes of the survey, regulatory documents include prospectuses, semiannual and annual shareholder reports, proxy statements, and Rule 19a-1 notices. Other documents include daily confirmation statements, quarterly account statements, and tax forms (e.g., Forms 1099-DIV, 1099-B, 1099-R). Direct-at-fund shareholder accounts are held directly on the books and records of the transfer agent where the shareholder registration is fully disclosed, and the transfer agent is responsible for all customer service, transaction processing activity, recordkeeping, and delivery of regulatory documents and statements to shareholders. This letter refers to direct-at-fund accounts and direct-held accounts interchangeably.

⁴ Investment Company Institute, *E-Delivery Key Statistics Report* (September 2020) (copy attached). In total, 79 ICI member fund complexes provided survey responses, with 73 reporting having direct-at-fund accounts.

ICI and its members long have recognized the benefits of electronic delivery.⁵ As explained in greater detail in Section I below, making electronic delivery the default method for communicating with investors (while still allowing investors to opt for paper) will:

- facilitate positive investor engagement, allowing immediate interaction to respond to the information and facilitating a layered approach to disclosure;
- enhance the effectiveness of investor communications, particularly for individuals with disabilities or for whom English is not the primary language;
- allow funds to better satisfy investor preferences;⁶ and
- reduce the environmental impact of tons of discarded paper every year.

As explained in Section II below, given the nearly universal access to the internet and broadband, the time has come for electronic delivery to be the default manner of delivery for all fund documents. In fact, data regarding the US population indicate that:

- access to broadband internet or high-speed mobile LTE services is nearly universal, regardless of urban or rural location;
- adults report high rates of internet use, across urban and rural locations;
- the federal government increasingly relies on electronic delivery for the communication of important information;
- mutual fund-owning households—the largest segment of the population investing in registered investment companies—have even higher rates of internet access; and
- high-speed or broadband internet is not necessary for downloading and viewing typical investor disclosures.

⁵ See, e.g., letter from Paul Schott Stevens, President and CEO, ICI to Brent J. Fields, Secretary, US Securities and Exchange Commission (March 14, 2016), available at https://www.ici.org/pdf/16_ici_sec_reporting_modernization_ltr.pdf; letter from David M. Abbey, Deputy General Counsel—Retirement Security, ICI and Doug Fisher, Director of Retirement Policy, American Retirement Association, to Preston Rutledge, Assistant Secretary of Employee Benefits Security Administration, Department of Labor (April 30, 2018), available at https://www.ici.org/pdf/18_ici_ara_edelivery_ltr_attachment.pdf, transmitting Peter Swire and DeBrae Kennedy-Mayo, *2018 Update to Delivering ERISA Disclosure for Defined Contribution Plans: Why the Time Has Come to Prefer Electronic Delivery*, available at <http://peterswire.net/wp-content/uploads/2018-Update-to-Delivering-ERISA-Disclosure-for-DC-Plans-002.pdf>. See also letter from David M. Abbey, Deputy General Counsel—Retirement Security, ICI and Doug Fisher, Director of Retirement Policy, American Retirement Association, to Preston Rutledge, Assistant Secretary of EBSA, Department of Labor (September 25, 2018), available at <https://www.ici.org/pdf/31411a.pdf>.

⁶ As further described in Section I.C, whether electronic delivery ultimately results in cost savings for fund shareholders depends, in great part, on whether the SEC takes action to reform New York Stock Exchange (NYSE) Rules 451 and 465, which set forth the fees intermediaries charge for forwarding fund materials to investors in intermediary-held accounts.

Finally, in Section III below, we highlight key survey results that clearly demonstrate that the time has come for the SEC to act. These data suggest an ability for fund companies and a willingness of fund shareholders to engage electronically. For example:

- the vast majority (96 percent) of fund-company respondents offer e-delivery of investor materials;
- a majority of direct-at-fund accounts with email addresses opted into e-delivery of several important documents:
 - 57 percent of direct-at-fund accounts with email addresses opted into e-delivery of prospectuses and, prospectus supplements, and 57 percent did so for annual and semi-annual shareholder reports;
 - 61 percent of direct-at-fund accounts with email addresses opted into e-delivery of account statements, 62 percent did so for daily confirmation statements, and 51 percent did so for tax forms; and
 - 24 percent of respondents reported a positive spike in requests for e-delivery from direct-at-fund accounts since the beginning of the COVID-19 pandemic with two of those experiencing an uptick of 17 percent; and
- few direct-at-fund accounts asked for paper shareholder reports in response to fund requests related to complying with rule 30e-3.

I. GENERAL BENEFITS TO INVESTORS FROM E-DELIVERY

A. Electronic delivery will facilitate positive investor engagement, allowing immediate interaction to respond to the information and facilitating a layered approach to disclosure.

1. Positive Investor Engagement

The SEC's recent disclosure reform proposal reported that in response to the SEC's 2018 Request for Comment on the Retail Investor Experience, many fund investors indicated that they visit fund websites to get information about their fund investments. Many investors also expressed a preference for receiving fund disclosure electronically, either through email, mobile application, or website availability.⁷ Evidence from the retirement savings plan arena shows that retirement plan participants are more likely to take action in response to materials provided electronically. It likely follows that facilitating e-delivery for other investors might result in those investors doing the same.⁸

When an entity delivers paper, it cannot know if a given participant actually opens or reads the materials. In contrast, plan sponsors who facilitate participant engagement with their retirement plans through

⁷ See SEC Release Nos. 33-10814; 34-89478; IC-33963 Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements at page 31 (August 5, 2020) ("Disclosure Release"), available at <https://www.sec.gov/rules/proposed/2020/33-10814.pdf>.

⁸ We do not have data for investor behavior outside of the retirement plan context.

electronic portals⁹ have the ability to track when a document is opened, how the participant navigates through the document and any linked documents or other materials, and the total time of engagement. These tracking data provide the plan sponsor and its service providers with valuable information for evaluating the effectiveness of communications.

Tracking data for retirement plan participants show that participants are more likely to take action in response to materials provided electronically. For example, these data show that those who interact with their plan online save at higher rates and tend to be more engaged. According to Fidelity, participants who have provided an email address to their plan save 72 percent more than participants without an email address on file and are three times more likely to be “on plan” with their saving and investing.¹⁰ They are 12 times more likely to go to the plan website to review an account, make changes, or explore a tool or educational content; they are four times more likely to use support tools; and they are twice as likely to attend an educational workshop, compared with participants who do not engage digitally. Similarly, T. Rowe Price’s data show that the average balance for participants who in 2017 were engaged online was \$119,000 compared with the \$49,000 average balance for participants who were not engaged online.

T. Rowe Price’s data also show that 8.8 percent of participants engaged online in 2017 had a discretionary deferral increase compared with 0.8 percent of participants who were not engaged online. The T. Rowe Price data also show participants, specifically older participants, overwhelmingly affirm a preference for electronic engagement. In a 2016 survey conducted by T. Rowe Price, a substantial number of plan participants in all demographic groups reported a preference for accessing content on electronic platforms as opposed to print or “other.” The preference was held by 88 percent of terminated Baby Boomers, and 87 percent of active Baby Boomers as well as 93 percent of Millennials.¹¹

Other large service providers observe similar patterns of participant behavior. For example, Empower’s analysis of millions of defined contribution plan participants finds that online interaction improves outcomes.¹² Finally, Vanguard found that average balances are three times higher for digitally engaged

⁹ Such portals are typically made available by plan service providers as part of their recordkeeping arrangements.

¹⁰ The On Plan Indicator is Fidelity’s metric to help employers determine if their employees are saving enough and investing appropriately with respect to equities for their age. This indicator tracks the percentage of employees saving a total of 10 percent or more and who are invested with an age-based equity allocation. See ICI letter to Department of Labor, “Electronic Delivery of Disclosure for Workplace Retirement Plans” (September 25, 2018), available at <https://www.ici.org/pdf/31411a.pdf>.

¹¹ For purposes of this analysis, T. Rowe Price defined “engaged” participants as those who opened T. Rowe Price email concerning a plan recordkept by T. Rowe Price or engaged on T. Rowe Price’s website for its plan clients. The analysis excluded small plans recordkept by a subcontractor, and individuals with recent substantial rollovers into a plan recordkept by T. Rowe Price. A related point is that (for this purpose, individuals were Millennials if they were born between 1981 and 1996, and Baby Boomers if they were born between 1946 and 1964). See ICI letter to Department of Labor, “Electronic Delivery of Disclosure for Workplace Retirement Plans” (September 25, 2018), available at <https://www.ici.org/pdf/31411a.pdf>.

¹² Empower analyzed six years of historical data, covering the time period from December 2010 through September 2016, including nearly 7 million website visits by over 300,000 participants from 569 retirement plans that are recordkept by Empower. *Experience Matters: The Connection Between Personalized Projected Retirement Income and Retirement Readiness*, Empower Retirement (2017).

participants and that digitally engaged participants have a higher average payroll deferral rate compared to those who are not digitally engaged (an average deferral of 10.5 percent compared to 5.6 percent).¹³

2. Layered Disclosure

The Commission recently reiterated its support for funds using layered disclosure, recognizing the benefits for shareholders, stating that:

investors' preferences for concise and engaging disclosure of key information and ensur[ing] that additional information that may be of interest to some investors is available through a layered approach to disclosure...benefit[s] investors.¹⁴

Consumer testing has shown that individuals are more likely to read notices that are simple and provide key context up front.¹⁵ Electronic delivery facilitates this streamlined, “less is more” approach and the click-through/hyperlink nature of the internet allows investors to see exactly the level of information that is right for them.

B. Electronic delivery will enhance the effectiveness of investor communications, particularly for individuals with disabilities or for whom English is not the primary language.

For certain segments of the population, electronic disclosure plays an even more vital role in the investor's understanding. The federal securities laws generally do not prohibit a fund from posting a version of its disclosure documents translated into a foreign language on its website. Funds, on occasion, voluntarily will include translators and other online tools on their websites to assist non-English speaking investors and investors with disabilities to access and assess information about the fund.

The SEC facilitating electronic delivery, which funds then employ therefore may ease access to investment information for visually impaired individuals and others with disabilities.¹⁶ For example, with electronic delivery, visually impaired individuals can use software to read electronic notices to them or to increase the font size of electronic communications. If a financial services firm uses electronic delivery, individuals with disabilities could access investor communications either via electronic tools or by requesting a paper copy.

¹³ See letter from Martha G. King, Managing Director Institutional Investor Group, Vanguard, to US Department Labor, “Electronic Disclosure by Employee Benefit Plans, RIN 1210-AB90” (November 22, 2019), available at <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/public-comments/1210-AB90/00223.pdf>.

¹⁴ Disclosure Release at 35.

¹⁵ See page 14 of Peter P. Swire and Kenesa Ahmad, “Delivering ERISA Disclosure for Defined Contribution Plans—Why the Time has Come to Prefer Electronic Delivery,” available at <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB50/00074.pdf>.

¹⁶ See pages 9–10 of Peter Swire and DeBrae Kennedy-Mayo, *2018 Update to Delivering ERISA Disclosure for Defined Contribution Plans: Why the Time Has Come to Prefer Electronic Delivery*, available at <http://peterswire.net/wp-content/uploads/2018-Update-to-Delivering-ERISA-Disclosure-for-DC-Plans-002.pdf>.

Electronic notice is also better for investors who do not read English easily or who prefer to read in a language other than English. Investors have access to a number of free translation programs online. It is much easier to use these programs with an online notice than a paper notice which would require them to digitize the text before they can apply the software.¹⁷ Further, the quality of translation software also has improved greatly over the last decade: free translation software is now available to translate more than 100 languages, accounting for more than 99 percent of the online population.¹⁸

C. Electronic delivery will allow funds to better satisfy investor preferences.

Funds will be able to more easily provide shareholders with the benefits of electronic delivery if the SEC acts to make it easier for investors to receive electronically fund disclosure materials, such as shareholder reports and prospectuses (“fund materials”). Whether electronic delivery ultimately results in cost savings for fund shareholders depends, in great part, on whether the SEC takes action to reform the New York Stock Exchange’s processing fee rules.¹⁹ The Commission considered the regulatory framework for processing fees, which are the fees that intermediaries charge funds to reimburse them for distributing fund materials to investors.²⁰ In doing so, it recognized that the ICI and other industry participants had expressed concerns regarding the appropriateness of the current framework.

Intermediary omnibus positions (i.e., shareholder positions held with intermediaries such as broker-dealers) make up a significant portion of mutual fund assets. This means that fund records only identify the intermediary as the record owner, and the fund has limited information about the underlying beneficial shareholders. This system allows intermediaries to take advantage of technology and recordkeeping capabilities. It also permits intermediaries to more closely align their mutual fund and brokerage systems and more efficiently manage their customer’s entire financial portfolio across a spectrum of investments. At the same time however, it means that funds have limited information about the identity of these beneficial shareholders and thus no ability to communicate with them directly. Funds therefore must rely on intermediaries to deliver fund materials to these shareholders.

Individuals can and do purchase fund shares directly from the fund.²¹ Vendors compete to offer funds attractive pricing for delivering fund materials to direct-held accounts. In fact, a 2018 ICI member survey found that the median fund pays *five times* as much to email the same shareholder report to an intermediary-held account as compared to a direct-held account.

¹⁷ Id.

¹⁸ Id.

¹⁹ NYSE rules 451 and 465.

²⁰ See SEC Request for Comments on the Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors (October 31, 2018), available at https://www.ici.org/pdf/18_ici_processing_fees_ltr.pdf.

²¹ These accounts were the subject of the ICI’s July 2020 survey, as discussed further herein.

In that 2018 member survey, ICI compared the amount that funds pay in processing fees for shareholder report delivery per intermediary-held account against the amount per direct-held account.²² The difference is startling and raises real concern about whether the NYSE fee schedule represents “reasonable expenses” for delivery of fund materials – the legal standard that applies to intermediaries delivering materials on behalf of issuers. For intermediary-held accounts, funds pay 15 cents for each mailed shareholder report (the “processing unit” fee) and 25 cents for each “suppressed” report (the “preference management” fee plus the “processing unit” fee), where the need to mail materials in paper format has been eliminated.

“Suppression” of mailings occurs, for example, when the account holder has opted for electronic delivery, or in cases where multiple account holders share the same address and delivery of multiple copies is not required (“householding”). Funds also are charged this preference management fee for managed account records, even where funds are not legally required to forward materials.

For direct-held accounts, our 2018 survey found that half of reporting funds pay 5 cents or less per report.²³ This includes both mailed and emailed shareholder reports. For mailed shareholder reports, the NYSE processing fee charge of 15 cents is three times as much as the median cost from our survey to mail that same shareholder report to a direct-held account. For emailed shareholder reports, the NYSE processing fee charge of 25 cents is five times as much. Twenty-five percent of reporting funds indicated that they paid no processing fees at all for shareholder report delivery to direct-held accounts.²⁴ In addition to the processing and preference management fees described above, the NYSE rules provide for reimbursement for actual postage costs and the actual cost of envelopes unless they are provided by the fund.²⁵

We therefore strongly encourage the SEC to rationalize the cost associated with emailing documents to intermediary held accounts. One discrete, and immediate step, that the SEC could take would be to permit intermediaries to charge the preference management fee only once, when an investor selects e-delivery. The recommended approach would replace the current practice of intermediaries charging a preference management fee each time they e-deliver a document to a fund shareholder. In doing so, the Commission

²² We received data from 1,704 mutual funds from 50 ICI members. Collectively, these members have 2,901 mutual funds that total \$7.3 trillion in assets under management as of August 2018.

²³ Median is based on funds that mailed or “suppressed” at least 100 shareholder reports for their direct accounts.

²⁴ For example, some fund complexes handle delivery of fund materials or the creation of mail files in-house and do not charge processing fees to the funds.

²⁵ See Letter from Susan Olson, General Counsel, Investment Company Institute to Brent J. Fields, Secretary, US Securities and Exchange Commission, *SEC Request for Comments on the Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors* at pages 12-15 (October 31, 2018) (ICI Processing Fee Letter) (which comprehensively explains the flaws with the current system, including the disconnect between the cost and the job performed, the processing unit fee is charged for materials that are not delivered, and there are multiple charges for single reports), available at https://www.ici.org/pdf/18_ici_processing_fees_ltr.pdf.

should recharacterize the preference management fee as a one-time charge for the processing work involved in setting and tracking the shareholder's initial preferred method of delivery.²⁶

Funds with shareholders in direct-held accounts will realize cost savings with respect to those accounts if the SEC makes e-delivery the default for delivery of fund materials. Funds also will realize cost savings with respect to their intermediary-held accounts if the SEC acts to reform the flawed and unreasonable fee schedule. In either case, the ICI supports the SEC switching to a regime where e-delivery is the assumed investor preference, or default, because this manner of delivery better meets investor preferences and provides the benefits described above.²⁷

D. Electronic delivery will reduce the environmental impact of tons of discarded paper every year.

The environmental impact of moving toward greater use of electronic communications and away from paper by reducing reliance on paper reduces pollution of our air, water and land. Paper manufacturing emits nitrogen dioxide, sulfur dioxide, and carbon dioxide, contributing to acid rain and greenhouse gas effects. Paper mills discharge wastewater that may contain heavy metals, chlorine, alcohols, and other materials that can severely harm the ecology of our waterways. A significant portion of the paper produced through this ecologically harmful process results in paper waste. The US Environmental Protection Agency (EPA) reports that paper waste accounted for 25 percent of total municipal solid waste in the United States in 2017.²⁸

²⁶ See the ICI Processing Fee Letter for a more detailed explanation of how processing fees work, the applicable legal standards, and the ICI's recommended reforms.

²⁷ Additional information about processing fees appears on the ICI's Processing Fees Resource Center, available at <https://www.ici.org/pfrc>.

²⁸ See US Environmental Protection Agency, "National Overview: Facts and Figures on Materials, Wastes and Recycling," available at <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/national-overview-facts-and-figures-materials>.

II. INTERNET ACCESS IS NEARLY UNIVERSAL

A. Access to broadband internet or high-speed mobile LTE services is nearly universal, regardless of urban or rural location.

In April 2020, the Federal Communications Commission (FCC) released its *2020 Broadband Deployment Report*, which contained information on the US population's broadband and high-speed mobile LTE access (regardless of whether they purchased such service) for year-end 2018.²⁹ The FCC's definition of high-speed, broadband internet service (or "fixed advanced telecommunications capability"), is fixed-terrestrial access that meets the speed benchmark of 25 megabits per second for downloads and 3 megabits per second for uploads (25 Mbps/3 Mbps). Additionally, they determine availability of mobile LTE with a minimum advertised speed of 5 Mbps/1 Mbps, and also examine access to mobile LTE in areas with a median speed of 10 Mbps/3 Mbps.

Nearly all of the US population, whether rural or urban, has access to advanced communication capability or mobile LTE services (measured by minimum advertised speed of 5 Mbps/1 Mbps), regardless of whether one includes access to satellite services or not. Using the FCC's alternate measurement of mobile access—requiring that an area have a median on-the-ground speed of 10 Mbps/3 Mbps—only reduces rural access slightly, to about 95 percent of rural individuals in 2018.³⁰ If satellite service is included, rural access to such high-speed services increases to 99.9 percent.³¹

B. US adults report high rates of internet use across urban and rural locations.

Pew Research Center finds that, in January–February 2019, 90 percent of all US adults report that they use the internet, including 86 percent who report mobile usage.³² Urban and suburban adults had the highest rate of internet use—more than nine in 10—and 85 percent of rural adults reported internet use. When asked about broadband subscriptions at home, 73 percent of American adults have broadband internet service at home, compared with 63 percent of Americans in rural areas.

²⁹ See Federal Communications Commission (FCC), *2020 Broadband Deployment Report*, available at <https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2020-broadband-deployment-report>.

³⁰ Page 22, Figure 3d. Id.

³¹ Page 190, Appendix 8 . Id.

³² See Pew Research Center, "Internet/Broadband Fact Sheet," (June 12, 2019), available at <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>. The topline questionnaire from the January–February 2019 survey is available at https://www.pewresearch.org/internet/wp-content/uploads/sites/9/2019/06/PI_2019.06.13_Mobile-Technology-and-Home-Broadband_TOPLINE.pdf. When considering these data, it is important to note that Pew Research Center uses a significantly different definition of "broadband" than the FCC's definition. Pew Research Center defines broadband to include DSL, cable, and fiber optic services, citing no speed minimums (in other words, all non-mobile internet access other than traditional dial-up). Because, as evidenced here, policymakers and advocates referring to "broadband" access can associate widely different meanings to the term, it is important to level-set in such policy discussions to understand the precise concern being raised.

In its analysis of internet use, Pew Research Center also has sought to examine the use of traditional dial-up internet service and the reasons explaining its continued (though extremely rare) use. The Pew Internet Survey data for January–February 2019 indicate that only 2 percent of American adults connect to the internet at home via dial-up, with rural, urban, and suburban adults all rarely using dial-up to connect to the internet.³³

C. The federal government increasingly relies on electronic delivery for the communication of important information.

Other federal agencies, themselves, have modernized their communication methodologies. For example, many years ago, the IRS stopped automatically mailing tax forms and instructions needed for filing, due to the rise in e-filing and the ability to access forms online. Now, the IRS mails paper forms only upon request. And, in fiscal year 2019, 89 percent of individual tax returns (137.2 million out of 154.1 million) were filed electronically.³⁴ Similarly, the Social Security Administration now delivers its statements electronically for most people.³⁵

Significantly and most recently, the US Department of Labor released a final rule³⁶ that creates a new safe harbor, using a “notice and access” structure. The new safe harbor allows retirement plans to use electronic delivery as the default for notices sent to participants and beneficiaries (while still allowing participants and beneficiaries to opt for paper). If an individual has provided an email address (or the employer has

³³ Id. The 2019 Pew Internet Survey asked individuals not subscribing to broadband at home their reasons for not subscribing to broadband at home. Cost weighed on the minds of many of them: half of non-broadband users indicated the subscription cost being too expensive as a reason for not subscribing, and 21 percent indicated it was the primary reason for not subscribing (down from 33 percent in 2015). Cost of a computer being too expensive was a reason for non-subscription for 31 percent of non-broadband users, and the main reason for 6 percent (compared with 10 percent in 2015). But, interestingly, nearly half (43 percent) of non-broadband users indicated they had other options for internet access outside of home, with 11 percent saying this other access was their primary reason for not subscribing (compared with 10 percent in 2015). Another 23 percent said the primary reason they didn’t need a broadband subscription at home was because their smartphone does everything online that they need to do (compared with 12 percent in 2015), with 45 percent saying this was a reason for not subscribing. While there is no doubt that dial-up internet is slower than other types of access, the fact that some (although very few) are using dial-up for email and general browsing despite the availability of faster services suggests that even dial-up provides sufficient bandwidth, depending on preferences.

³⁴ See Internal Revenue Service, “Returns Filed, Taxes Collected & Refunds Issued” (last updated June 30, 2020), available at <https://www.irs.gov/statistics/returns-filed-taxes-collected-and-refunds-issued>.

³⁵ SSA mails paper statements only to those who meet three criteria—they are at least age 60, they are not yet receiving benefits and they do not have a “my Social Security account.” See Doug Walker, “Finding Value—and my Social Security—in light of Budget Cuts,” *Social Security Matters* (January 9, 2017), available at <https://blog.ssa.gov/finding-value-and-my-social-security-in-light-of-budget-cuts/>.

³⁶ See Department of Labor, Employee Benefits Security Administration, 29 CFR Parts 2520 and 2560, RIN 1210–AB90, Default Electronic Disclosure by Employee Pension Benefit Plans Under ERISA, 85 Fed. Reg. at 31884 (May 27, 2020), available at <https://www.govinfo.gov/content/pkg/FR-2020-05-27/pdf/2020-10951.pdf>.

assigned an email address to an employee), then once the plan has sent an initial notice to alert the participant to the delivery change, the plan can begin using the new safe harbor for that participant.³⁷

And, as you know, the Commission's rule 30e-3 also was an important step toward increasing funds' use of electronic communications.³⁸ The Commission is currently contemplating withdrawing that rule, as part of proposed disclosure reform. This prospect underscores the need for the Commission to take immediate action to facilitate the ability of fund shareholders to receive documents electronically. We urge the Commission to do so by modernizing the guidance it issued over 20 years ago.³⁹

D. Mutual fund–owning households—the largest segment of the population investing in registered investment companies—have even higher rates of internet access.

An overwhelming majority of mutual fund–owning households have internet access. In 2019, 94 percent of US households owning mutual funds had internet access (Figure 1), up from 68 percent in 2000.⁴⁰ Altogether, 55.0 million mutual fund–owning households had internet access in 2019.

Internet access traditionally has been greatest among younger people—in both mutual fund–owning households and the general population. Increasing access among older households, however, has narrowed the gap considerably. Although younger households were more likely to report internet access, 86 percent of mutual fund–owning households with a household head aged 65 or older had internet access in 2019 (Figure 1). Internet access among mutual fund–owning household heads

³⁷ On the new rule, the Department of Labor has released a Fact Sheet (“Electronic Disclosure Safe Harbor for Retirement Plans,” available at <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/electronic-disclosure-safe-harbor-for-retirement-plans>) and a News Release (“US Department of Labor Announces Rule to Better Deliver Retirement Plan Information Options, While Saving Billions of Dollars for Plans,” available at <https://www.dol.gov/newsroom/releases/ebsa/ebsa20200521>).

³⁸ SEC's rule 30e-3 creates an optional “notice and access” method for delivering shareholder reports. With this new option, a fund may deliver its shareholder reports by sending investors a paper notice of each report's availability online by mail. Investors who prefer to receive the full report in paper may—at any time—request a paper report free of charge. In the release, the SEC expresses its belief that in addition to the benefit of cost reduction, “the rule may facilitate investor review of periodic information by increasing its overall accessibility.” See Optional Internet Availability of Investment Company Shareholder Reports Release Nos. 33-10506; 34-83380; IC-33115 at page 109 (June 5, 2018), available at <https://www.sec.gov/rules/final/2018/33-10506.pdf>.

³⁹ See SEC Interpretation: Use of Electronic Media, Investment Company Act Release No. 24426 (April 28, 2000), available at <https://www.sec.gov/rules/interp/34-42728.htm>; Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information; Additional Examples under the Securities Act of 1933, Securities Exchange Act of 1934, and Investment Company Act of 1940, Securities Act Release No. 7288 (May 9, 1996), available at <https://www.sec.gov/rules/interp/33-7288.txt>; and Use of Electronic Media for Delivery Purposes, Securities Act Release No. 7233 (October 6, 1995), available at <https://www.sec.gov/rules/interp/33-7233.txt>.

⁴⁰ See Figure 15 in Sarah Holden, Daniel Schrass, and Michael Bogdan, “Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2019,” *ICI Research Perspective* 25, no. 8 (October 2019), available at <https://www.ici.org/pdf/per25-08.pdf>.

younger than 65 was essentially universal, with 95 to 97 percent reporting internet access. The majority of mutual fund–owning households in each income group had internet access in 2019. Eighty-one percent of households with annual incomes less than \$50,000 had internet access in 2019, up substantially from 47 percent in 2000. Households with incomes of \$50,000 or more had nearly universal internet access in 2019.

Figure 1

Internet Access Is Nearly Universal Among Mutual Fund–Owning Households

Percentage of US households with internet access, 2019

	All US households	Mutual fund–owning households
Age of head of household¹		
Younger than 35	93	97
35 to 49	88	97
50 to 64	82	95
65 or older	65	86
Education level¹		
High school diploma or less	65	86
Some college or associate’s degree	86	93
College or postgraduate degree	93	97
Household income²		
Less than \$50,000	65	81
\$50,000 to \$99,999	89	93
\$100,000 to \$149,999	96	98
\$150,000 or more	95	97
Total	81	94

¹ Age or education level is based on the sole or co-decisionmaker for household saving and investing.

² Total reported is household income before taxes in 2018.

Note: Internet access includes access to the internet at home, work, or some other location.

Source: ICI Annual Mutual Fund Shareholder Tracking Survey; see “Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2019,” *ICI Research Perspective*, available at <https://www.ici.org/pdf/per25-08.pdf> and *2020 Investment Company Fact Book*, available at <https://www.icifactbook.org/>

E. High-speed or broadband internet is not necessary for downloading and viewing typical investor disclosures.

It is simply not necessary to have broadband internet to view the types of documents required to be provided to fund investors. Additionally, in any event, an e-delivery default preserves the ability to receive paper notices for any individual who prefers it—whether that preference is due to slow internet access, no internet access, or simply a preference to review documents in paper.

It is well acknowledged by the FCC that many Americans do not need download speeds associated with broadband internet. In its Broadband Speed Guide, the FCC shows the recommended minimum download speed needed for various activities. For general web browsing and email, the FCC recommends a minimum download speed of 1 Mbps—far lower than the 25 Mbps necessary to be considered broadband for the FCC’s purposes.⁴¹

Certain online activities—such as streaming videos or movies, video teleconferencing, and gaming—require more bandwidth, and individuals who use the internet for these activities will benefit greatly from having greater broadband access, but the FCC notes that even these activities require far less bandwidth than that provided by high-speed internet. Rather, the need for bandwidth is primarily a function of the number of internet users simultaneously using the household’s internet. Put another way, the greater the number of users in one household who are accessing the internet simultaneously, the greater the bandwidth needed by that household.

The type of webpage accessed also affects download speed. For example, simpler, text-only pages—which are typical of most investor disclosures—download faster and require less bandwidth than web pages with graphics, animations, or auto-playing videos, but, again, a lack of broadband does not limit internet uses to text-only pages. Consequently, even those without broadband can access videos or other interactive tools and graphics made available by financial services firms on investor-focused websites.

⁴¹ See the FCC’s “Broadband Speed Guide” (last updated February 5, 2020), available at <https://www.fcc.gov/consumers/guides/broadband-speed-guide>. Further, the FCC data indicate that access to broadband internet or high-speed mobile LTE services is nearly universal, *supra* footnote 29.

III. ICI MEMBER SURVEY ON ELECTRONIC ENGAGEMENT WITH DIRECT-AT-FUND ACCOUNT SHAREHOLDERS

A. Vast majority of fund-company respondents offer e-delivery of investor materials.

Finally, we note that fund companies are already highly engaged with shareholders electronically. During July 2020, ICI gathered information from more than 70 fund companies, representing a range of fund sizes, to understand their level of engagement with direct-at-fund shareholders. Collectively, survey respondents had 61.5 million direct-at-fund accounts holding \$5.6 trillion in assets. The survey finds that 96 percent of respondents offer e-delivery of investor materials. In aggregate among respondents, 60 percent of direct-at-fund accounts have emails associated with them.

B. A majority of direct-at-fund accounts with email addresses opted into e-delivery of several important documents.

When asked to report shareholder adoption of e-delivery of different disclosure documents, respondents indicated that a majority of direct-at-fund accounts with email addresses had opted into e-delivery of several important documents. Specifically, 57 percent of direct-at-fund accounts with email addresses opted into e-delivery of prospectuses, prospectus supplements, 57 percent did so for annual and semi-annual shareholder reports; 61 percent did so for e-delivery of account statements, 62 percent did so for daily confirmation statements, and 51 percent did so for tax forms. Twenty-four percent of respondents reported a positive spike in requests for e-delivery from direct-at-fund accounts since the beginning of the COVID-19 pandemic, with two of those experiencing an uptick of 17 percent.

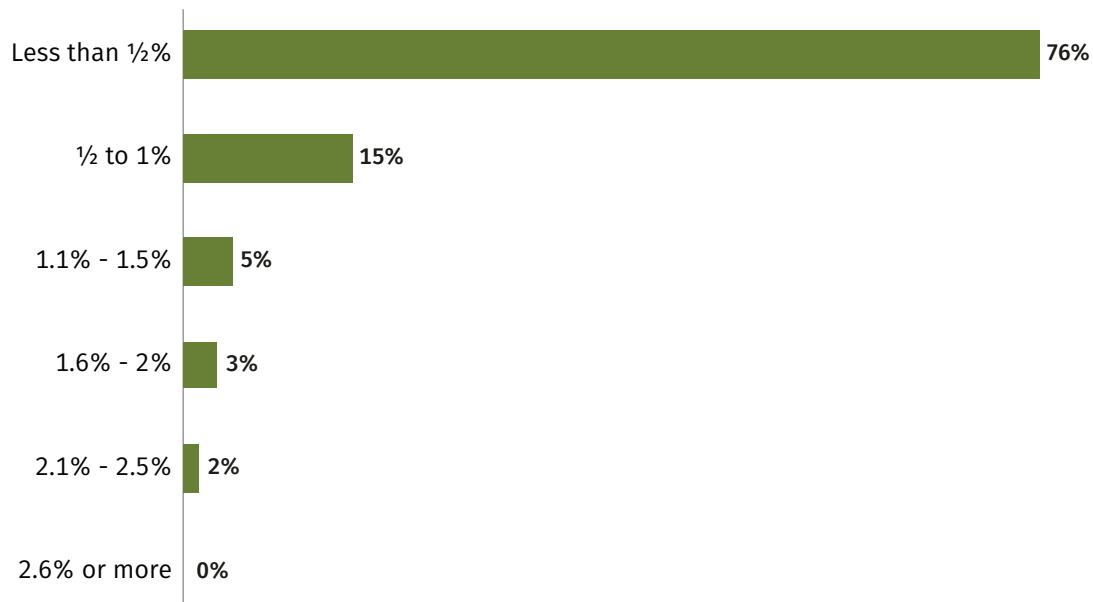
C. Few direct-at-fund accounts requested paper shareholder reports in response to rule 30e-3.

ICI additionally asked whether many fund shareholders had requested paper copies in response to rule 30e-3, and found that typically, less than ½ percent of direct-at-fund shareholders have opted to receive paper shareholder reports. Specifically, 76 percent of respondents indicated that less than ½ percent of direct-at-fund shareholders had opted to receive paper shareholder reports in response to rule 30e-3, another 15 percent indicated that between ½ percent and 1 percent had opted for paper (Figure 2).⁴²

⁴² For ease of reference, we have attached a list of the survey's key findings to this letter.

Figure 2

What Percentage of Direct-at-Fund Shareholders Have Opted to Receive Paper Shareholder Reports in Response to Rule 30e-3



Note: Figure reports percentage of respondents; percentages do not add to 100 percent because of rounding.
Source: ICI Member Survey, July 2020

* * *

ICI appreciates the opportunity to offer this material in support of electronic delivery of investor disclosures. We support the Commission's efforts to expand the use of electronic delivery for investors and stand ready to assist the Commission as it moves forward.

If you have any questions or would like to discuss any of this content in detail, please feel free to contact Dorothy Donohue (ddonohue@ici.org), Sarah Holden (sarah.holden@ici.org), or Joanne Kane (joanne.kane@ici.org).

Sincerely,

/s/ Dorothy Donohue

Dorothy Donohue, Deputy General Counsel, Securities Regulation

/s/ Sarah Holden

Sarah Holden, Senior Director, Retirement & Investor Research

/s/ Joanne Kane

Joanne Kane, Senior Director, Operations & Transfer Agency

Ms. Dalia Blass, Director, Division of Investment Management
US Securities and Exchange Commission
September 10, 2020
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cc: The Honorable Jay Clayton
 The Honorable Hester Peirce
 The Honorable Elad Roisman
 The Honorable Allison Herren Lee
 The Honorable Caroline Crenshaw

Attachments

Attachment 1
Key Results of ICI's July 2020 E-Delivery Key Statistics Survey

- Respondents hold in aggregate 61.5 million direct-at-fund accounts with \$5.6 trillion in assets.
- 96 percent of respondents offer e-delivery of investor materials.
- 77 percent of respondents allow shareholders to select specific documents to be delivered via e-delivery.
- The share of direct-at-fund accounts with email addresses on file varies by fund company with, in aggregate, among survey respondents, 60 percent of direct-at-fund accounts having email addresses on file.
- 57 percent of direct-at-fund accounts with email addresses opted into e-delivery of prospectuses, prospectus supplements, and 57 percent did so for annual and semi-annual shareholder reports.
- 61 percent of direct-at-fund accounts with email addresses opted into e-delivery of account statements, 62 percent did so for daily confirmation statements, and 51 percent did so for tax forms.
- 24 percent of respondents reported a positive spike in requests for e-delivery from direct-at-fund accounts since the beginning of the COVID-19 pandemic, with two of those experiencing an uptick of 17 percent.
- For 76 percent of respondents, less than 0.5 percent of direct-at fund shareholders have opted in to receive paper shareholder reports in response to rule 30e-3 notices.
- Among respondents who could identify accounts' phone number types, 61 percent have the ability to communicate with their direct-at-fund shareholders via text messaging.
- Among all respondents with direct-at-fund accounts, 77 percent would be interested in using text messaging with their direct-at-fund shareholders if the SEC were to allow the use of text messaging to deliver a notice of availability of regulatory or other documents.

Attachment 2
ICI's Proposed Framework for Delivering Fund Materials

To better serve investors' preferences, we recommend that the SEC change the default for e-delivery of fund materials from opt-in to opt-out and describe our recommendations more fully below.

- ***Existing Investors Who Currently Elect E-Delivery.*** Investors who currently receive e-delivery would continue to receive their disclosure documents in the same manner as they have received them in the past. There would be no change for these investors.
- ***Existing Investors Who Currently Elect Paper Delivery and an E-Delivery Address Is Available.*** Existing investors who currently receive paper but previously have provided their email address or smartphone contact information, would automatically begin receiving communications through e-delivery at the end of the transition period unless they have affirmatively requested paper.¹
- ***Existing Investors Who Currently Elect Paper Delivery and an E-Delivery Address Is Not Available.*** Existing investors who currently receive paper and have not previously provided their email address or smartphone contact information would receive notification during the transition period of the new electronic delivery method and a request to provide at least one e-delivery address. The investor would be informed that if he or she provides an e-delivery address, the fund will use that address to send all future disclosure documents to the investor unless the investor elects otherwise. An investor who does not request paper delivery and does not provide an e-delivery address would continue to receive disclosure documents via paper delivery.
- ***Flexible Delivery Method.*** The SEC would not mandate that the information be conveyed in a “notice.” Rather, funds would be free to choose the manner of informing shareholders, similar to the SEC’s approach in the August 2020 disclosure reform proposal.²
- ***New Investors.*** All new investors, including investors who open new accounts on paper applications, would be informed that they will be enrolled automatically in e-delivery when they provide an e-delivery address. The account opening statement would request an e-delivery address. The account opening statement also would include a field permitting fund investors to

¹ Consistent with a recent staff statement, *Staff Statement Regarding Temporary International Mail Service Suspensions to Certain Jurisdictions Related to the COVID-19 Pandemic* (June 24, 2020), available at <https://www.sec.gov/tm/temporary-international-mail-service-suspension>, we recommend that funds be provided the flexibility to use reasonable best efforts to timely deliver documents electronically using contact information for the shareholder (e.g., an email address) that the fund has a reasonable basis to believe is current and, in the transmittal message, explain why the fund is delivering such documents electronically.

The statement also noted that “if the email bounces back for some reason, the Commission should permit the fund to use reasonable best efforts to obtain current contact information for electronic delivery of such documents to the shareholder (e.g., through commercially available resources).” ICI members are not aware of any such available resources.

² See Disclosure Reform Release at page 248.

indicate their consent to receive information directly from the funds even when fund shares are held in a brokerage account.

- ***Ongoing Changes to Delivery Elections.*** An investor would be permitted to change delivery elections at any time for all disclosure documents or for certain disclosure documents. The available methods to change elections could include changes via an electronic platform of the fund, or by contacting the fund telephonically by calling their firm's representative, or a toll-free number.
- ***Transition Period.*** The SEC should provide funds a transition period of one year to notify investors who currently receive paper delivery of the change to the new e-delivery method.

E-Delivery Key Statistics Survey

FINAL REPORT TO PARTICIPANTS

SEPTEMBER 2020

Contents

- 1** Introduction
- 1** Survey Notes
- 2** Profile of Survey Respondents
- 3** E-Delivery Information
- 6** Rule 30e-3 Opt Out Statistics
- 7** Phone Data

The Investment Company Institute (ICI) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's members manage total assets of US\$26.0 trillion in the United States, serving more than 100 million US shareholders, and US\$7.9 trillion in assets in other jurisdictions. ICI carries out its international work through ICI Global, with offices in London, Hong Kong, and Washington, DC.

E-Delivery Key Statistics Survey

FINAL REPORT TO PARTICIPANTS

Introduction

The Investment Company Institute (ICI) conducted a survey in July 2020 to gain an understanding of member's interest in and use of e-delivery of regulatory and other documents for their direct-at-fund population. For the purposes of the survey, regulatory documents include prospectuses, semiannual and annual shareholder reports, proxy statements, and 19a-1 notices. Other documents include daily confirmation statements, quarterly account statements, and tax forms (e.g., Form 1099-DIV, 1099-B, 1099-R). Direct-at-fund accounts are accounts held directly on the books and records of the transfer agent where the shareholder registration is fully disclosed, and the transfer agent is responsible for all customer service, transaction processing activity, recordkeeping, and delivery of regulatory documents and statements to shareholders. This report outlines the results of the survey.

In total, 79 ICI member fund complexes provided survey responses, with 73 reporting having direct-at-fund accounts. In total, the participating fund complexes manage approximately \$18 trillion of mutual fund assets, representing approximately 85 percent of industry mutual fund assets at the end of June 2020.

Survey Notes

Where survey respondents provided additional comments in response to a question, those comments are summarized and included with the reported results. Sample sizes for each question within the survey are reported for each answer below.

Profile of Survey Respondents

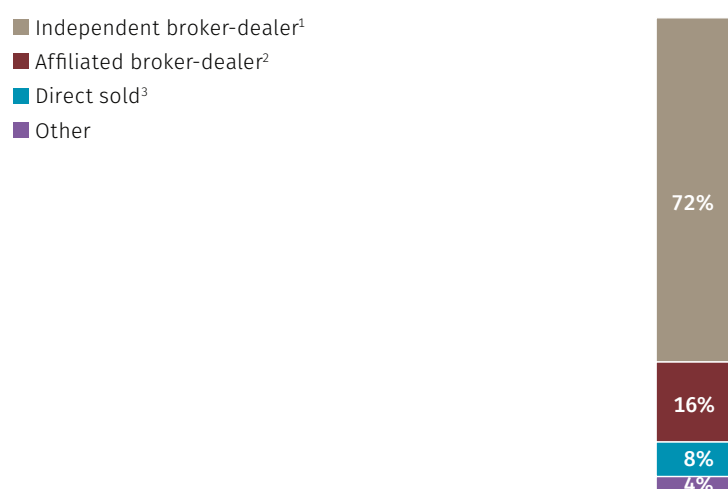
1. Assets under management ('40 Act mutual funds only, excludes ETFs) as of June 30, 2020



Percentage of respondents by size

Note: Sample is 79 survey respondents. Components do not add to 100 percent because of rounding.

2. Please select the **primary** distribution model for your fund complex. Please select one.



Percentage of respondents by primary distribution model

¹ Investors purchase shares through intermediaries (e.g., financial advisers, broker-dealers, platforms, third-party administrators) that are independent from the fund sponsor.

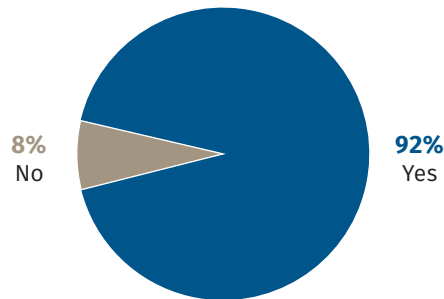
² Investors purchase fund shares through an intermediary that is either an affiliated or captive sales force of the fund sponsor.

³ Investors deal directly with the fund's transfer agent when purchasing shares.

Note: Sample is 79 survey respondents.

The survey respondents who selected *other* generally noted that they are service providers whose clients distribute their funds through all channels above. No survey respondents indicated that defined contribution investment only (DCIO) was their primary distribution method.

3. Does your fund complex hold direct-at-fund accounts on its books and records?



Note: Sample is 79 survey respondents; of which, 73 indicated having direct-at-fund accounts.

4. How many open (with assets) direct-at-fund accounts are on your books and records and are serviced directly by your transfer agent?

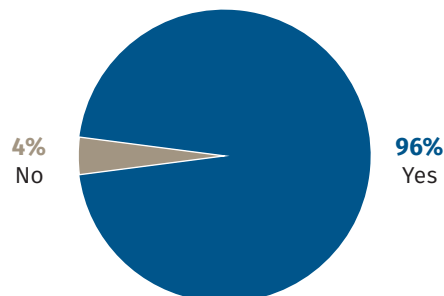
The 72 survey respondents who answered this question indicated that they hold in aggregate 61.5 million direct-at-fund accounts.

5. Please provide an estimate of overall assets held by direct-at-fund accounts on your books and records that are serviced directly by your transfer agent?

The 73 survey respondents who answered this question reported in aggregate \$5.6 trillion in assets held in direct-at-fund accounts.

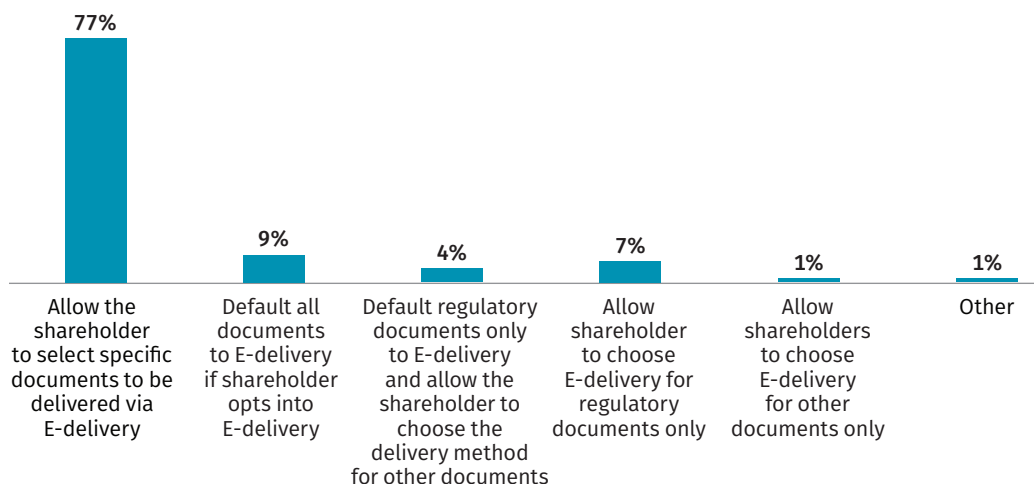
E-Delivery Information

6. Do you offer e-delivery as an option for direct-at-fund shareholders to receive certain regulatory documents or account statements?



Note: Sample is the 73 survey respondents who hold direct-at-fund accounts.

7. What e-delivery options do you allow shareholders to select?

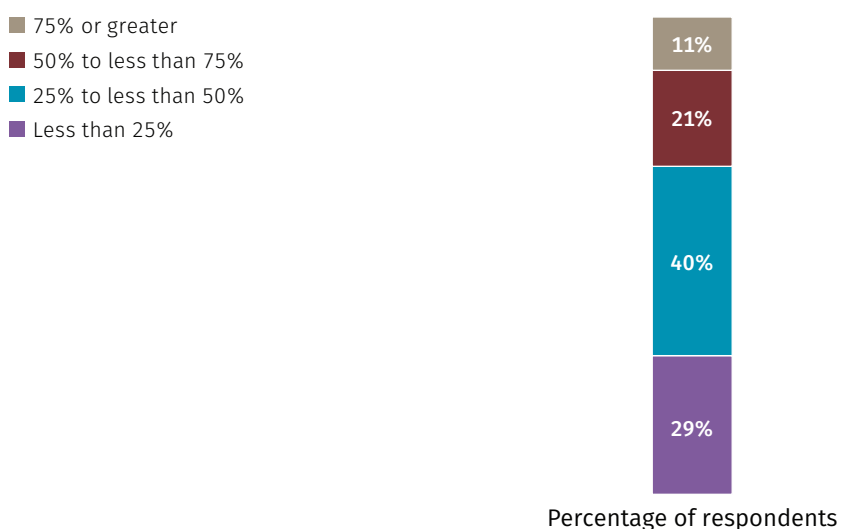


Note: Sample is 70 survey respondents answering this question.

The one survey respondent who selected *other* generally noted that they offer two different e-delivery options: 1) statements and notifications (e.g., transactions confirmations, quarterly statements, regulatory documents) and 2) tax documents.

8. What percentage of your direct-at-fund accounts have an email address on file?

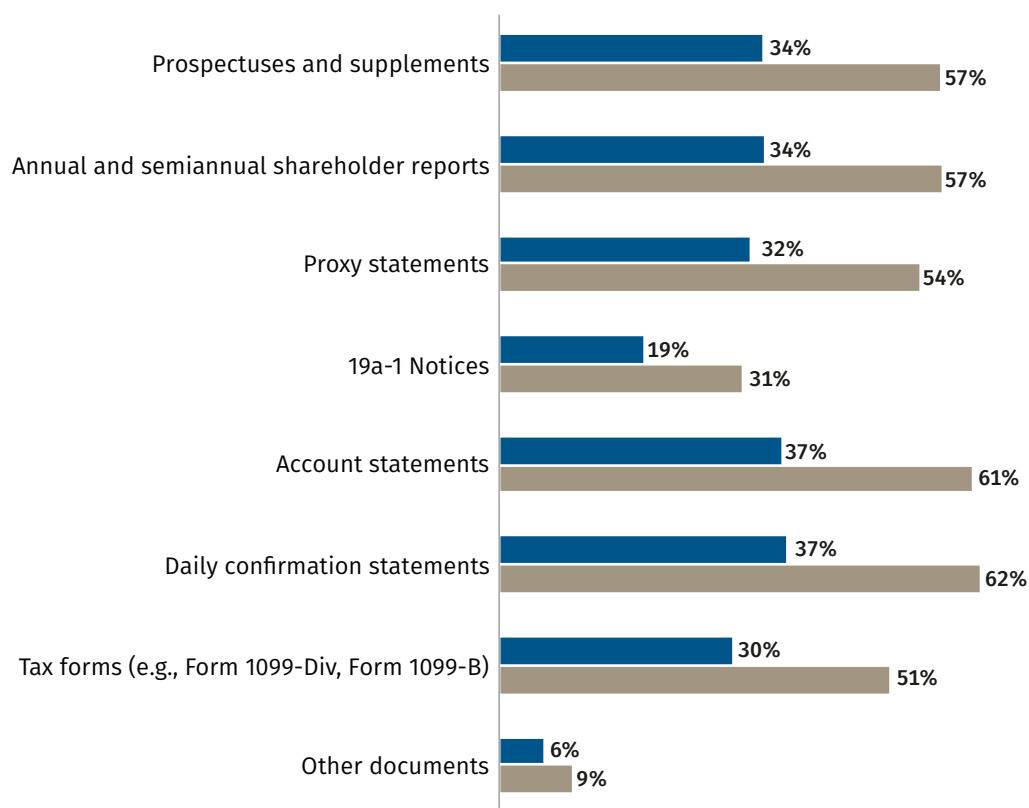
In aggregate, among survey respondents, 60 percent of direct-at-fund accounts have email addresses on file. The share of direct-at-fund accounts with email addresses on file varies by fund company: 29 percent of respondents had email addresses on file for less than one-quarter of their direct-at-fund accounts, 40 percent had email addresses on file for 25 percent to less than half of their direct-at-fund accounts, 21 percent had email addresses on file for at least half to less than 75 percent of their direct-at-fund accounts, and 11 percent had email addresses on file for 75 percent or more of their direct-at-fund accounts (figure below).



Note: Sample is 73 survey respondents who hold direct-at-fund accounts answering this question. Components do not add to 100 percent because of rounding.

9. What percentage of your direct-at-fund accounts have opted into e-delivery for the following documents?

- Percentage of direct-at-fund accounts
- Percentage of direct-at-fund accounts with email



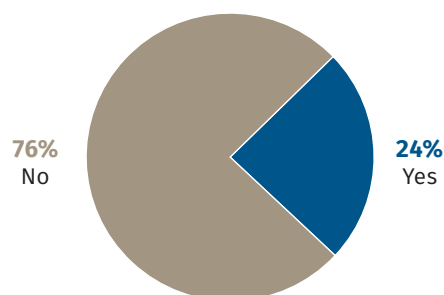
Note: Sample is 70 survey respondents answering this question. Fund complexes may not offer e-delivery for each document indicated.

Respondents indicated percentages of direct-at-fund accounts that have opted for e-delivery, and these percentages were applied to their number of direct-at-fund accounts and aggregated to produce the percentages reported. Some respondents indicated that e-delivery was not offered for certain documents, those responses are counted as having not opted for e-delivery in the figure.

10. You reported “other documents” as part of a response to question 9, please explain.

The 11 survey respondents who selected *other documents* in response to question 9 generally indicated that they also offer e-delivery for, among other things, general fund notifications/alerts, select marketing materials, and product change communications.

- 11.** Have you experienced any uptick or positive spike in requests for e-delivery from your direct-at-fund accounts since the beginning of the COVID-19 pandemic?



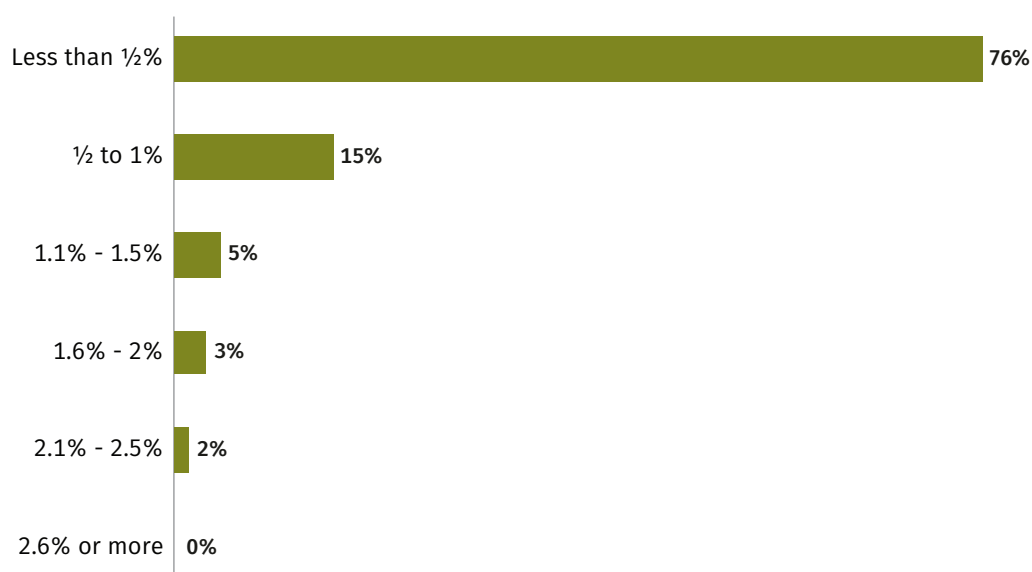
Note: Sample is 70 survey respondents answering this question.

- 12.** Please describe the uptick you experienced including any percentage increase (if available) and other information (anecdotal or otherwise) to provide helpful context for ICI.

Of the 17 survey respondents who selected “Yes” in response to question 11, the majority indicated that they experienced a slight increase in e-delivery requests (e.g., less than 1 percent) in March and April, two indicated that they experienced an uptick of 17 percent, another indicated that they experienced an uptick of one to two percent and another experienced an uptick of six percent.

Rule 30e-3 Opt Out Statistics

- 13.** What percentage of direct-at-fund shareholders have opted to receive paper shareholder reports in response to Rule 30e-3?

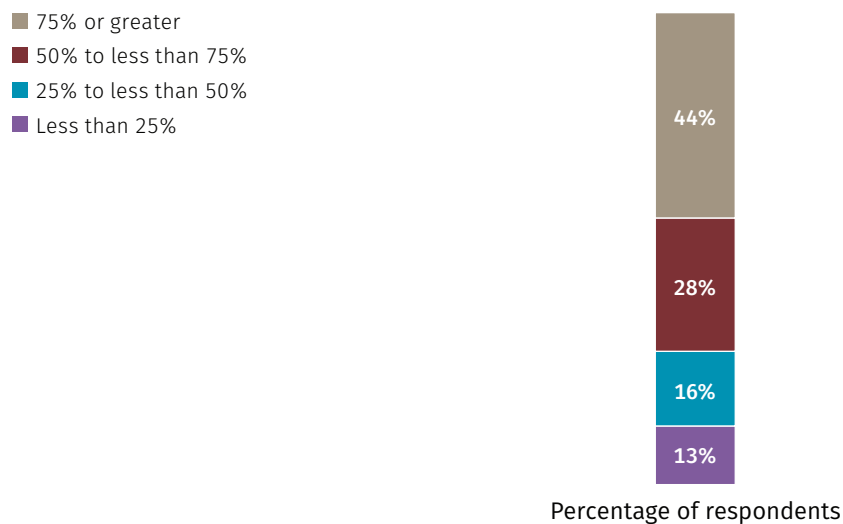


Note: Sample is 66 survey respondents answering this question. Figure reports percentage of respondents; percentages do not add to 100 percent because of rounding.

Phone Data

14. What percentage of your direct-at-fund accounts have a telephone number on file?

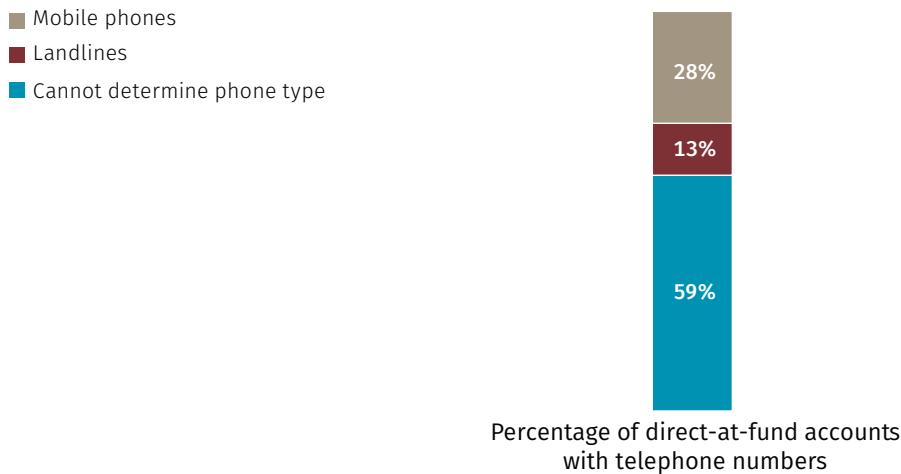
In aggregate, among survey respondents, 50 percent of direct-at-fund accounts had telephone numbers on file. The share of direct-at-fund accounts with telephone numbers on file varies by fund company: 13 percent of respondents had telephone numbers on file for less than one-quarter of their direct-at-fund accounts, 16 percent had telephone numbers on file for 25 percent to less than half of their direct-at-fund accounts, 28 percent had telephone numbers on file for at least half to less than 75 percent of their direct-at-fund accounts, and 44 percent had telephone numbers on file for 75 percent or more of their direct-at-fund accounts (figure below).



Note: Sample is 64 survey respondents answering this question. Components do not add to 100 percent because of rounding.

15. Of those direct-at-fund-accounts that have a telephone number on file, can you differentiate between mobile phone numbers and other (e.g., landline) numbers?

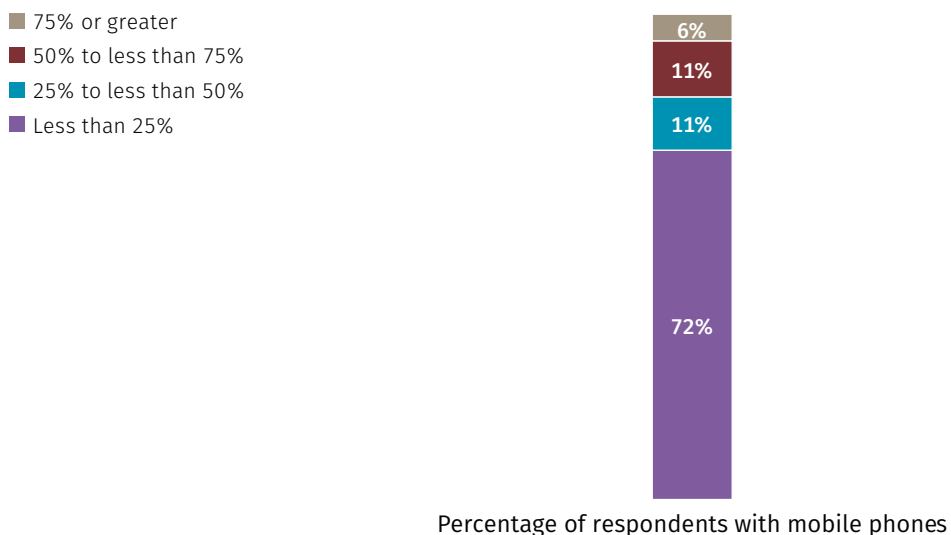
In aggregate, among direct-at-fund accounts with phone numbers, 59 percent had phone numbers of indeterminate type, 13 percent had landline numbers, and 28 percent had mobile phone numbers (figure below).



Note: Sample is 73 survey respondents answering this question.

16. What percentage of those direct-at-fund-accounts with a telephone number on file, are mobile phones?

In aggregate, among survey respondents, 28 percent of direct-at-fund accounts with telephone numbers on file were accounts with mobile phone numbers. The share of direct-at-fund accounts with telephone numbers on file that were mobile phones varies by fund company: the majority (72 percent) of respondents had mobile phone numbers for less than one-quarter of their direct-at-fund accounts that had telephone numbers on file (figure below).



Note: Sample is 18 survey respondents who were able to identify direct-at-fund account phone types.

17. Do you currently have the ability to communicate with your direct-at-fund shareholders via text messaging (e.g., as part of a dual authentication process or for other reasons)?

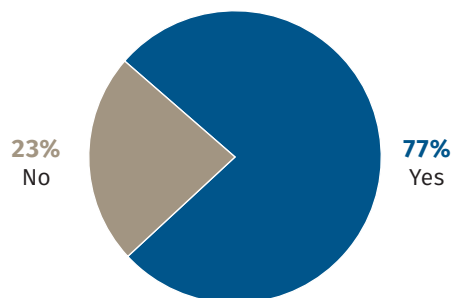
- Yes
- No, but are considering implementing
- No



Percentage of respondents

Note: Sample is 18 survey respondents who were able to identify direct-at-fund account phone types.

18. If the SEC were to allow the use of text messaging to deliver a notice of availability of regulatory or other documents, would you be interested in using such a mechanism with your direct-at-fund shareholders?



Note: Sample is 73 survey respondents with direct-at-fund accounts.



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