



April 17, 2018

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549-9303

Re: Support for Proposed Rule 30e-3

Dear Chairman Clayton:

I am writing on behalf of T. Rowe Price to urge you to adopt proposed rule 30e-3 under the Investment Company Act, which would modernize the way shareholder reports can be delivered to mutual fund investors. The rule, which was proposed in 2015 as part of the SEC's investment company reporting modernization rules, remains on the SEC's regulatory flexibility agenda as a near-term priority.¹

This rule is good for savers. Printing and mailing fund shareholder reports is a cost paid for solely by fund shareholders, and Rule 30e-3 would allow funds to default to electronic delivery, while still allowing shareholders to opt-in to receive paper at any time. This modernized approach to delivery would create direct and material cost savings for fund investors—estimated by the Investment Company Institute (ICI) to be close to \$2 billion over the next 10 years—while still preserving shareholder's rights to choose whether to continue receiving paper.

The T. Rowe Price funds, in the aggregate, spend approximately \$3.8 million annually to print and mail shareholder reports to direct fund investors. For our direct investors, we estimate a savings of approximately 50 percent if we could provide shareholders with electronic access to the same paper information. We would expect additional savings for our shareholders who invest through a financial intermediary.

Rule 30e-3 is also consistent with investor trends favoring the use of digital technology. For example, in 2017, 87 percent of our interactions with personal and workplace investors took place digitally via mobile applications or the Web. We have seen a dramatic increase in mobile interactions, which grew from 19 percent of our client interactions in 2016 to 28 percent in 2017. More broadly, ICI research has shown that 95 percent of U.S. households who own mutual funds readily have access to the internet.

¹ Investment Company Reporting Modernization, SEC Release 33-9776 (May 20, 2015). Our comments on the proposal, with specific recommendations for modest improvements to rule 30e-3, are available at <https://www.sec.gov/comments/s7-08-15/s70815-324.pdf>.

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Fund investors should not have to bear the cost of an outdated, paper-based system when those who prefer paper shareholder reports represent an increasingly smaller share of the investor population. Adopting this rule and modernizing shareholder report delivery would preserve investor choice while providing substantial cost savings to 100 million U.S. fund shareholders, including those who choose to invest in T. Rowe Price funds.

Thank you for your leadership and support for this important shareholder initiative.

Sincerely,



Edward C. Bernard
Vice Chairman

cc: The Honorable Kara M. Stein
The Honorable Michael S. Piwowar
The Honorable Robert J. Jackson Jr.
The Honorable Hester M. Peirce
Dalia Blass, Director, Division of Investment Management