

MEMORANDUM

TO: File Number S7-08-15

FROM: Andrew J. Donohue
Chief of Staff

RE: Investment Company Reporting Modernization: Release Number IC-31610

DATE: December 15, 2015

On December 10, 2015 Andrew J. Donohue, Chief of Staff, and Tamara Brightwell, Senior Advisor to Chair White, met with Roel Campos, Partner at Locke Lord LLP, Robert Schifellite, President, Investor Communication Solutions, Broadridge Financial Solutions, Inc., Robert T. Krugman, Head of Digital Strategy, Broadridge Financial Solutions, Inc., and Charles V. Callan, Senior Vice President, Regulatory Affairs, Broadridge Financial Solutions, Inc.

The purpose of the meeting was to discuss "Digital Trends & Transformation" (attached to this Memorandum) and Release Number IC-31610.

Dec
2015

DIGITAL TRENDS & TRANSFORMATION

The Changing Consumer Experience

1995

Email distribution
of financial
documents begins

2015

Use of email is
ubiquitous but investor
opt-in is far below 100%

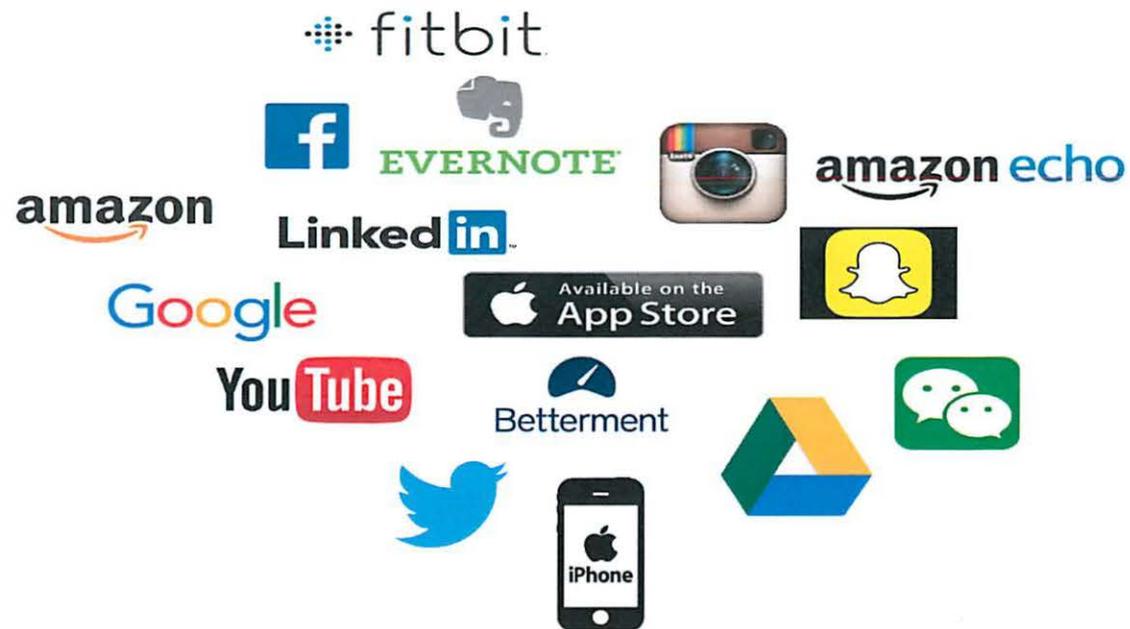
The Changing Consumer Experience

1995

Email distribution of financial documents begins

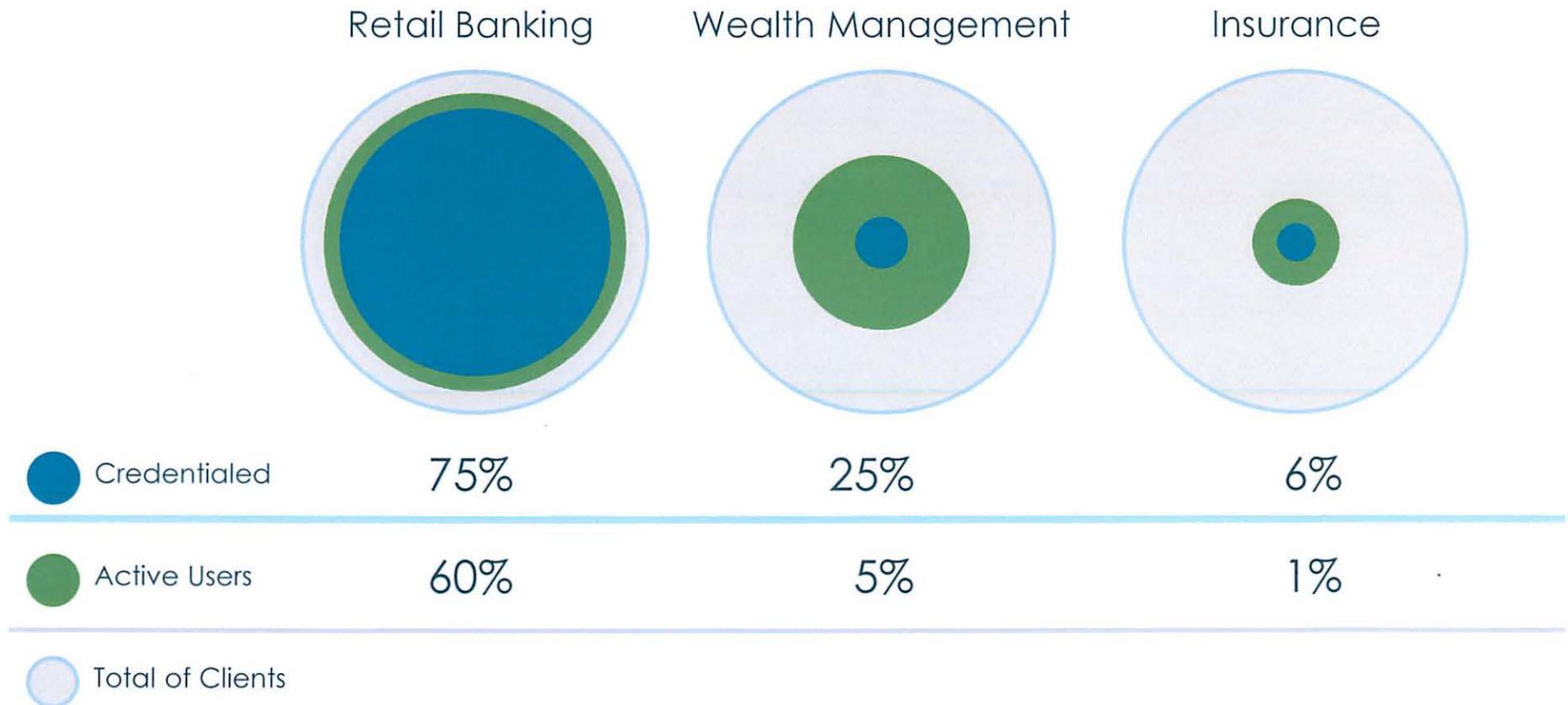
2015

Use of email is ubiquitous but investor opt-in is far below 100%



Investors May Not Be Digital With You

With the exception of online banking, financial firms have been largely unsuccessful in establishing digital relationships

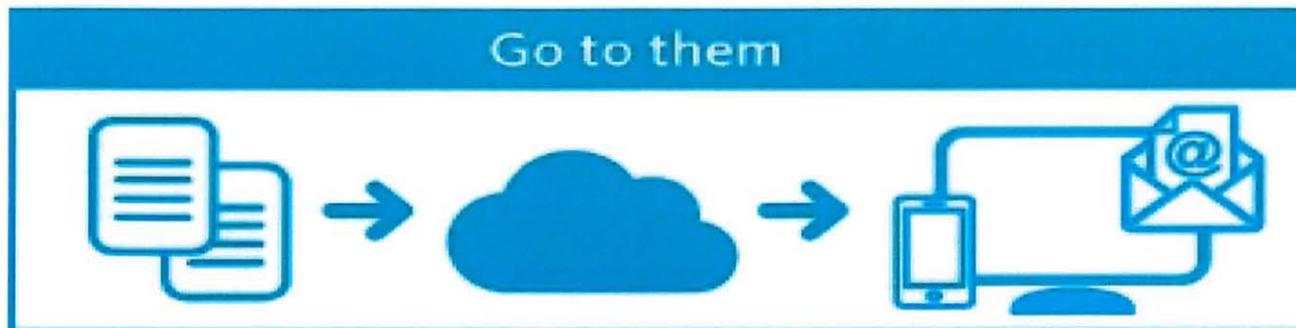


Sources: Broadridge Data Analysis and Quantcast

A New Dynamic Emerges



and



Consumers Are Solving Their Own Pain Points

	Self-Service / Online only	Full Service
Respondents from online survey	269	231
Have signed up for electronic delivery and turned off paper statements ¹	40%	33%
Get paper statements but also review online ²	32%	49%
Store personal documents in the cloud ³	67%	60%

Broadridge conducted an online survey conducted in September 2014. n= 500 investors. Age range 30 – 65+. Income \$75k - \$500k+. Education: any. Employment: any.

1. Survey Response: I turned off the paper and I only get statements electronically

2. Survey Response: I get the paper statement in the mail, but review them online as well

3. Survey Question: Have you ever uploaded a document or PDF to a cloud drive solution like Dropbox, Onedrive, Google Drive or Evernote?

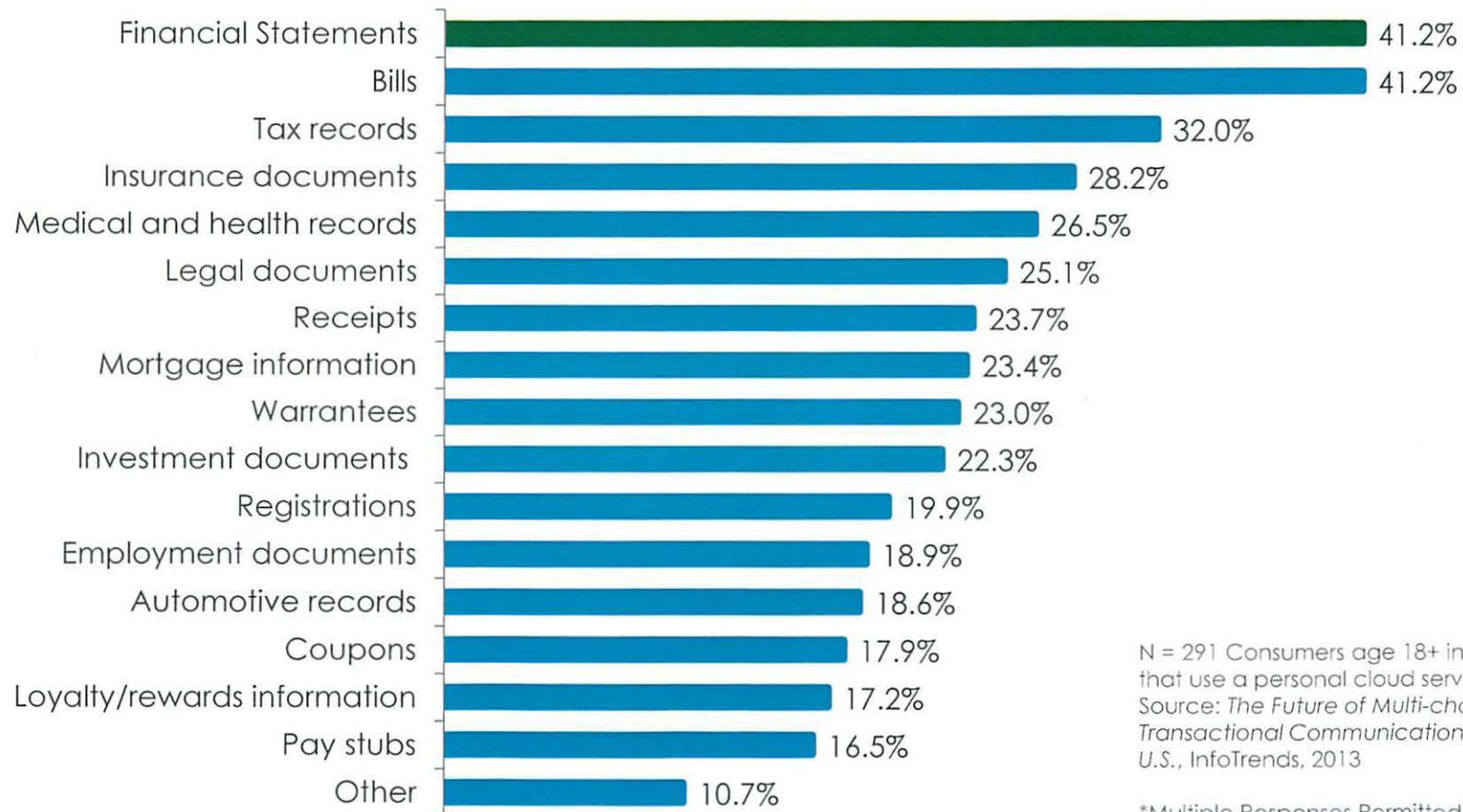
Personal Cloud Storage Adoption

“Anytime, Anywhere” access is driving consumers to aggressively adopt cloud storage services

	 Evernote	 Dropbox	 Amazon	 Microsoft	 Google
User base	100 million+	300 million	Not released	250 million	~ 600m +
Mobile Downloads	51 mil Android 35 mil iOS	180 mil Android 12.6 mil iOS	110 mil Android 23 mil iOS	10 mil Android 2 mil iOS	Native on Android Devices,
Description	Productivity app with UI support for viewing and annotating PDFs and other media	File-based, format-agnostic cloud storage	Cloud-based file and document management with sharing	Default file storage option for Office365 and Hotmail/Outlook	Integrated with Android, Gmail (1b+ users), and Google Docs

What Documents Consumers Store in the Cloud

A recent Infotrends survey shows that consumers are using cloud services as a personal archive for their most important financial documents

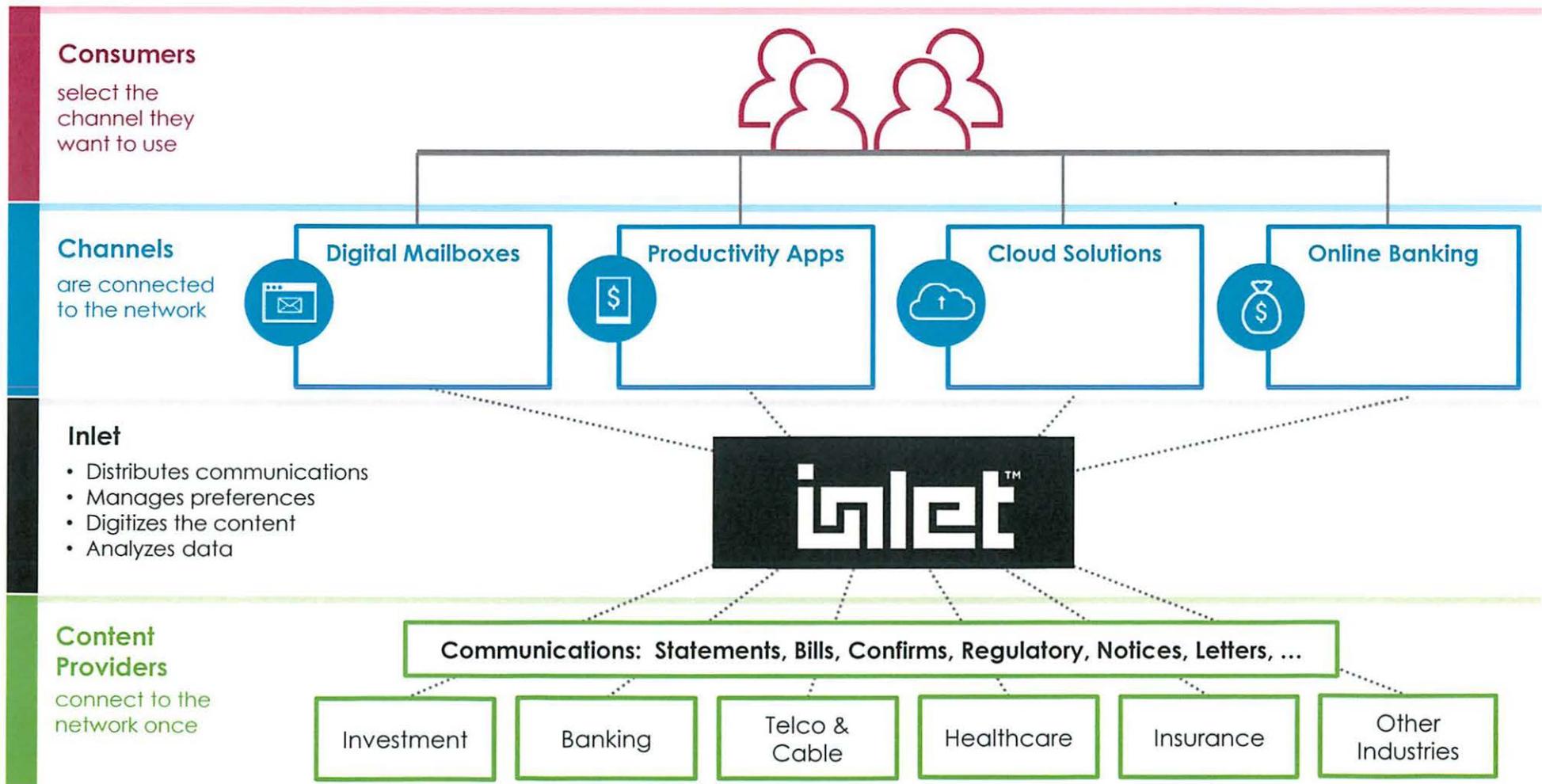


N = 291 Consumers age 18+ in the U.S. that use a personal cloud service
Source: *The Future of Multi-channel Transactional Communications in the U.S.*, InfoTrends, 2013

*Multiple Responses Permitted

Inlet is a robust digital network

Inlet enables you to communicate with consumers through the digital channels they select



Transforming communications

Delivering improved documents directly to the investor's cloud drive or digital location of choice

Original Document

ABC Financial
1234 Main Street, Anytown, USA 12345
Phone: 1-800-555-1234

Your Financial Advisor
2000 Street
Anytown, USA
Phone: 1-800-555-1234

ACCOUNT STATEMENT

ABC Client
1234 Main Street, Anytown, USA 12345
Your Account Number: 123-456789
Account Type: Non-Registered
Statement Date: March 31, 2012

Account Summary

Category	February 28, 2012	March 31, 2012
Net Asset Value	\$100,000.00	\$102,100.00
Cash Balance	\$10,000.00	\$10,000.00
Expenses	\$1,000.00	\$1,000.00
Dividend and Cash Income	\$1,000.00	\$1,000.00
Change in Net Asset Value	\$0.00	\$2,100.00

Portfolio Summary

Category	March 31, 2012 Market Value	% of Total Assets
Cash	\$10,000	9.79%
Total Stocks	\$78,000	76.41%
Bonds	\$10,000	9.79%
Money Market Funds	\$10,000	9.79%
Foreign Securities	\$10,000	9.79%
Total	\$100,000	100.00%

Top 10 Holdings

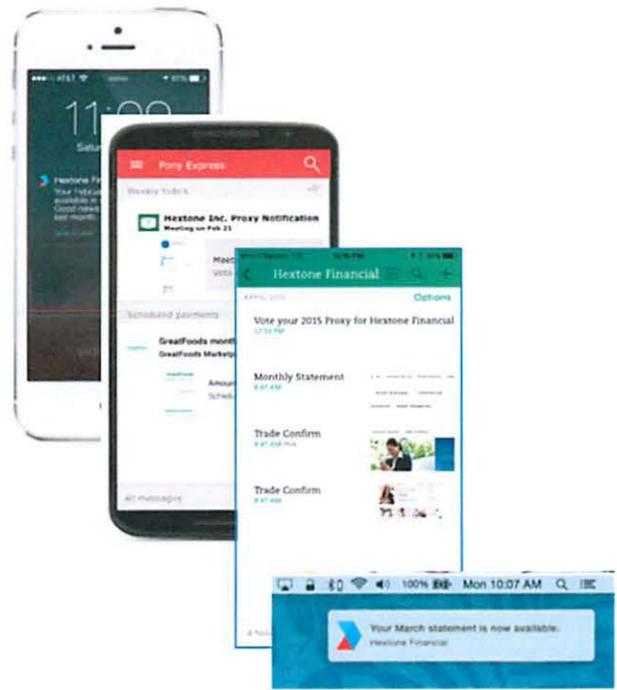
Security Name	Quantity	Adjusted Per Cost	Market Price	Market Value	Market %
ABC Financial Bond	100	10.000	10.000	1,000.00	0.99%
XYZ Global Growth Fund	50	15.424	15.424	771.20	0.76%
Total Value of Fixed Income				1,771.20	1.75%
Stock Equity				76,228.80	74.51%
DEF Growth Stock	100	76.229	76.229	7,622.90	7.42%
GHI Technology	50	152.458	152.458	7,622.90	7.42%
Total Value of Stock Equity				15,245.80	14.94%
Total Value of All Securities				32,967.00	32.73%

Foreign Securities

Security Name	Quantity	Adjusted Per Cost	Market Price	Market Value	Market %
JKL Global Fund	100	10.000	10.000	1,000.00	0.99%
MNO International	50	20.000	20.000	1,000.00	0.99%
Total Value of All Securities				2,000.00	1.96%

Transformed

Electronic Delivery
To the channel and device
the investor chooses



Communications
Are now interactive and digital



Key Takeaways

- 1 We must support consumer choice
- 2 Omni-channel is a reality
- 3 “Go to them” does not mean a loss of control
- 4 Every communication is a consumer touch-point