

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Comments on Investment Company Reporting Modernization
File No. S7-08-15

Dear Mr. Fields:

I am an independent trustee of two open-end registered investment company complexes. I am writing to express my strong support for proposed rule 30e-3 under the Investment Company Act of 1940, to permit funds to deliver shareholder reports by posting them online and mailing a notice to shareholders, rather than by delivering printed reports to shareholders through the U.S. mail. I believe that proposed rule 30e-3 would deliver clear and significant benefits to fund shareholders, without impeding investor protections.

The most obvious benefit of online delivery of shareholder reports is the potential cost savings for funds and, ultimately, their shareholders. Fund shareholders bear the costs of shareholder report production and delivery; they are expenses of the fund, and therefore fund shareholders—not the fund's investment adviser. We understand that funds currently spend over \$300 million each year to print and mail shareholder reports. A reduction in that expense, therefore, would greatly benefit fund shareholders. In addition, as the Commission notes, many investors would prefer enhanced availability of fund information on the Internet.

Those shareholders who prefer to receive written reports in the mail can still do so, and the proposed rule includes appropriate notices and other safeguards for those shareholders.

As a fund trustee who oversees fund expenses, I am very aware of the effect that expenses have on a fund's performance and its returns to shareholders. Proposed rule 30e-3's enhanced method of communication and cost savings make the rule a clear benefit for fund shareholders. Accordingly, I urge the Commission to adopt the rule as soon as possible.

Sincerely,

Steven J. Paggioli