October 31, 2018

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

RE: Fund Retail Investor Experience and Disclosure, File No. S7-12-18

Dear Mr. Fields:

On behalf of XBRL US and its members, I am writing to respond to the SEC Request for Information on Fund Retail Investor Experience and Disclosure. XBRL US is a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL, a free and open data standard widely used around the world for reporting by public and private companies as well as government agencies. XBRL US members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

We support the goals of the Commission to enhance disclosures by mutual funds, exchange-traded funds (“ETFs”), and other types of investment funds to improve the investor experience and to help investors make more informed investment decisions.

Financial data standards are critical tools to facilitate better communication between investors and the companies in which they invest. Standards make data computer-readable, and thus more timely, transparent, and easily understood. Computer-readable data can be processed automatically, without the need for manual intervention and review, which reduces the cost of data processing, and makes analysis less expensive for investors.

This letter responds to specific questions raised in the SEC RFI, and addresses how data standards can be successfully employed to improve the investor experience.

How financial data standards support investors

Financial data standards are an important tool to give investors access to decision-making data that is timely, accurate, consistent, unambiguous, and affordable. XBRL is an open, nonproprietary, software-agnostic data standard, designed specifically to handle the characteristics of financial data. To understand information in a financial statement, such as the balance sheet depicted below, requires the investor to know the time period, units (for example, currency, e.g., dollar, yen, euro), definition, decimals, and, if applicable, dimensionality, of a
reported value. The value “304” as shown below can be understood by a retail investor reading the rows and columns on this financial statement.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$304</td>
<td>9,757</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>304</td>
<td>304</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>304</td>
<td>304</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>8,798</td>
<td>9,757</td>
</tr>
<tr>
<td>Due to related party</td>
<td>5,603</td>
<td>5,603</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>12,785</td>
<td></td>
</tr>
<tr>
<td>Promissory notes payable</td>
<td>49,351</td>
<td></td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>78,517</td>
<td>15,370</td>
</tr>
<tr>
<td>Long Term Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible notes payable, net of discount amortization of $0</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Total Long Term Liabilities</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>88,517</td>
<td>15,370</td>
</tr>
<tr>
<td>STOCKHOLDERS' DEFICIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock, $0.001 par value, 75,000,000 shares authorized; 27,270,241 shares and 270,241 shares issued and outstanding as of June 30, 2018 and June 30, 2017</td>
<td>27,270</td>
<td>270</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>23,050,491</td>
<td>117,491</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(23,163,974)</td>
<td>(133,131)</td>
</tr>
<tr>
<td>Total stockholders' deficit</td>
<td>(88,213)</td>
<td>(15,370)</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</td>
<td>$304</td>
<td></td>
</tr>
</tbody>
</table>

If the facts reported in this statement were prepared in XBRL format, the metadata associated with each fact would be embedded in the value itself. The fact “304” would carry with it, information explaining that it is in millions of dollars, was reported for the time period June 30, 2018, represents an instant period type, and signifies Cash and Cash Equivalents. A computer designed to extract that value could interpret the value without the need for human translation.

When the values in a report are machine-readable, the statement can be processed automatically, which reduces the cost of data and analysis for investors, and makes data available faster. Since data is easier and more affordable, analysts can collect more information within the same timeframe and with the same resources as they could with non-standardized data. Because they can analyze a greater number of companies, and collect more information on each company, their analysis, and the decisions made based on that analysis, are likely to be better. In addition, data that is not available in structured format, must be scraped by data providers and then reviewed, which increases the possibility of introducing errors into the final dataset.

While few retail investors will directly access financial data in XBRL format, the benefits of computer-readable data (XBRL) also benefit retail investors, in the form of more timely and affordable data from commercial data aggregator and analytical tool providers. Many retail
investors obtain information they use to inform investment decisions through online, investment-related web sites, like Yahoo!Finance and commercial trading sites. The availability of structured data, which can be used by these commercial tools, means that retail investors will have faster access to data about more companies or investment funds, with reported information potentially at a more granular level.

Thus, making the data that retail investors need available in structured, standardized format, even if the individuals do not directly access that structured data from the SEC EDGAR system, will benefit retail investors who use the data downstream.

**Responses to the SEC Request for Information:**

**SEC RFI Question 50. How can technology enhance the usefulness of summary disclosure for investors? Should electronic versions of summary documents provide the ability to more easily access additional, detailed information by clicking on a piece of information?**

Data from the Risk/Return Summary portion of the fund prospectus, today is available in standardized (XBRL) format. On June 28, 2018, the SEC mandated the use of Inline XBRL for mutual funds. Compliance for funds will be phased in for large funds in two years; for all other funds, in three years. Inline XBRL is an offshoot of conventional XBRL. It combines an HTML and XBRL document, rendering the single document both human-readable (HTML) and computer-readable (XBRL).

The diagram below shows an example of an Inline XBRL filing in a viewer created by the SEC. Viewers can click on the value “344,682” to bring up metadata associated with that value, including label and definition, time period, currency (US dollars), scale, and balance type. The SEC viewer code is open source so that commercial entities can adapt it to work with their own products.
This open source code has been successfully adapted by commercial providers like idaciti,\(^1\) an online tool to analyze financial and non-financial data, to provide additional explanatory information about financial statement data such as disclosure checklists and validation data\(^2\).

Once funds begin filing Risk/Return Summary information using Inline XBRL, they could create similar tools using the open source code provided by the SEC, to provide more detailed performance information to retail clients. Fund data aggregators can provide this capability in comparative documents to allow retail investors to more easily compare summary data for multiple funds.

\textit{Page 36:}

59. \textit{Is there additional mutual fund or ETF information that we should require in a structured disclosure format? If so, what information?}

We strongly believe that all financial disclosures for funds should be required to be reported in a single, structured format. If the data is important enough to disclose, it should be easy and affordable to access for institutional and retail investors.

We applaud the efforts of the Commission to move towards more standardization in disclosure requirements. But we are concerned that the Commission has not opted for a single financial data standard for all disclosures by all reporting entities. \textbf{Only by selecting a single reporting standard will regulators, data consumers (both retail and institutional), and data preparers, recognize the great efficiencies that standardization brings.}

Today, fund information is required to be reported in multiple formats - some disclosures use a custom XML schema, some disclosures use XBRL, some disclosures are not reported in structured format.

The use of multiple formats reduces the ability of users of fund data to efficiently and cost-effectively, automate their processes. Where the SEC has opted for custom XML schema, it’s important to note that \textit{each XML schema} requires its own unique data collection system to be built to support the extraction and analysis of that data. Any type of data that is prepared in XBRL format can be extracted using a single data collection system.

For example, a system that collects XBRL-formatted operating company data for foreign private issuers or U.S. based entities, can also be used to collect fund Risk/Return data, and credit rating agency data, as illustrated in the diagram below. That’s because all of these standards implementations require the XBRL standard for disclosures. Organizations that collect this data include data aggregators, investment companies, and the SEC itself.

---

\(^1\) Idaciti: https://hello.idaciti.com/

\(^2\) XBRL US Webinar from Oct 17, 2018 illustrates how this tool can be adapted: https://xbrl.us/events/20181017/
Fund Data in XBRL
Data from the Risk/Return Summary portion of the fund prospectus, today is available in standardized (XBRL) format. As noted earlier, the Commission finalized a rule that will require funds to transition to the use of Inline XBRL to replace conventional XBRL. In that same rule, the SEC eliminated the 15-day grace period for funds. The 15-day delay effectively rendered the XBRL data much less valuable.

In an interview with representatives from Morningstar, they explained that their goal is to collect data within three days of the filing being submitted. Because of the 15-day lag, Morningstar is unable to use XBRL-formatted Risk/Return data. When the rule goes into effect, Morningstar indicated that they are more likely to use the XBRL-formatted data because it will be much easier and more timely to process.

Fund Data in Custom XML
The Commission has created separate custom XML schemas for disclosure requirements for different types of funds.

Money market funds must report data using a custom XML schema on Form N-MFP. A review of the N-MFP submission\(^3\) from RBC Funds Trust (see diagram below) shows that the N-MFP contains financial data such as net assets, shares outstanding, subscriptions, and redemptions.

Many of these concepts (cash, assets, shares outstanding) are already available, and in use in the US GAAP Financial Reporting Taxonomy, which is maintained by the Financial Accounting Standards Board (FASB). Rather than create a custom schema, the SEC could leverage the elements already available in the US GAAP Taxonomy. Weekly and daily data can be depicted using the XBRL standard.

---

\(^3\) RBC Funds Trust N-MFP, 9/28/18:
https://www.sec.gov/Archives/edgar/data/1272950/000114554918007159/xslN-MFP2_X01/primary_doc.xml
Investment companies must report using a different custom XML schema for forms N-CEN and N-PORT.

On October 13, 2016, the SEC finalized the Investment Company Modernization Rule which requires investment companies to file these two new forms. The Commission considered XBRL versus XML, and ultimately opted for an XML schema.

One of the first N-CEN reports filed was by Meridian Fund Inc. A review of this submission (see portions of the form in the diagram below) shows that it includes financial information as well as a significant amount of dimensional data. For example, the form requires the fund to list the ten brokers that received the largest dollar amount of brokerage commissions by virtue of direct or indirect participation in the Fund’s portfolio transactions. For each broker, the fund must include gross commissions paid, CRD number, LEI, and other information. The XBRL standard has an efficient method of handling dimensional data which reduces the burden on the preparer of the data (the fund), as well as on the user of the data (regulators, data aggregators, investors).

The form also requires the listing of principal transactions with aggregate value of purchases, aggregate value of principle purchases, along with CRD, LEI, and other information. Financial data and entity identifiers are easily handled by XBRL and in some cases, already available in the US GAAP Taxonomy.

---

4 Meridian Fund Inc N-CEN filing:
https://www.sec.gov/Archives/edgar/data/745467/000114554918005124/xslFormN-CEN_X01/primary_doc.xml
Fund Data Not in Structured Format

Other data reported by funds, for example, proxy statements, are not required to be reported in XBRL format.

The diagram below illustrates how these four different disclosure requirements require different collection systems. The “Custom Data Collection Systems” must be built and implemented not only by the SEC but by every data provider that seeks to consume these different types of data.
**Recommended Format for Fund Data**

XBRL is the only standard that contains the structure to easily handle financial data as well as the complexities of dimensional information, which would reduce the preparation burden on issuers. With XBRL, data consumers would be able to more easily and cost-effectively use XBRL data because so much financial data is already in XBRL format (public company data, risk/return summary information for funds, credit rating data, bank call reports), and XBRL-enabled analytical tools can work with any XBRL dataset.

A tool that is used today to extract corporate financial data can also extract bank financial data, or investment company data, without re-engineering. The fact that some investment company data is in XBRL format, and some is in a custom XML format means that any organization pulling data from investment companies must build multiple separate data collection processes. **That means more expensive systems that result in higher costs for the retail investors that use them.**

To meet the SEC goal of improving the investor experience, we strongly recommend requiring all investment fund disclosures of a financial nature, to be reported in XBRL format. Requiring that data be made available in a single, structured, computer-readable format, leveraging consistent, agreed-upon terms and definitions (in a single taxonomy) will:

- Make it easier and less expensive, for aggregators of fund data (such as Morningstar, Lipper Analytics, Bloomberg, MarketWatch) to extract and provide this information on a timely basis.
- Give data consumers, including retail and institutional investors, as well as regulators, the confidence that they can easily compare information about funds. Plus the savings from automatable databasing that will be recognized by data providers is likely to filter down to the end customer, the investor.

The diagram below illustrates how standardization could allow data users to leverage a single data collection system. Today’s multiple reporting methods, forces data consumers to use four separate systems to collect the same data for forms N-MFP, N-PORT and N-Cen, Risk/Return summary data.
SEC RFI Question 60. Are there other formats for structuring disclosures that would make disclosures more accessible or useful to you and other data users? Are other standards, besides XBRL and XML, becoming more widely used or otherwise superior to these formats in allowing you and other data users to easily retrieve, aggregate, and analyze fund data? If so, what are those standards? What would be the advantages and drawbacks of these formats to investors, funds, and other data users, compared to XBRL or XML?

Many software applications today are opting for JSON over XML as a standard format. JSON is considered more lightweight and less word-intensive than XML. JSON software is considered faster than XML software.

XBRL, however, is not in the same category as CSV, JSON, or XML. **CSV, JSON, and XML are formats - they are not financial data standards.** XBRL is a financial data standard that is built on top of a format. Because of this distinction, there is a version of XBRL for XML, and a separate version of XBRL for JSON. XBRL International, the nonprofit entity responsible for managing the technical XBRL specification, is building a version of XBRL based on CSV as well. The diagram below illustrates the structure of XBRL.

XBRL starts with a format, such as JSON, XML or CSV, and adds a second layer of structure to capture the complexities of the information about the reported fact, such as time period, currency, definition, balance type, and scale. Then it adds a third layer of identifiers to unambiguously identify the reporting entity. XBRL is the only open, nonproprietary data standard uniquely designed to handle the complexities of financial data.
Some arguments have been made that the XBRL standard is too complex for certain financial data reporting needs. This is not a valid argument because financial data, by its nature, is complex. Every financial datapoint must have an associated time period, scale, units, and other features - without this descriptive information about each reported value, it is impossible to accurately understand the meaning of the value.

Most importantly, XBRL is designed to expand and grow with changing technologies. XBRL documents created using the US GAAP Taxonomy can be prepared today based on an XML or a JSON format. As new formatting technologies emerge, the XBRL standard will expand to meet the requirements of our rapidly changing technologies. The need to meet these future changes also confirms the need for a proactive, nonprofit, standards body supporting the standard like XBRL International\(^5\) with its active, industry-led technical working groups.

**SEC RFI Question 61.** To what extent is the information currently provided in a structured disclosure format readily available through other sources, such as third-party data aggregators (like Morningstar and Lipper)? If you use third parties, do you pay for the information? Do you access structured disclosure directly from EDGAR or from fund websites for a significant number of funds without using third-party data aggregators? Has the availability of structured disclosure reduced your dependence on, or the costs associated with, using data aggregators?

In the absence of structured, standardized data, organizations like Morningstar must manually extract or scrape financial data about funds, then typically normalize the data to make it comparable from fund to fund. The availability of structured Risk/Return summary data has not been successful so far because of the 15-day grace period that funds can leverage. As noted earlier, when the SEC requirement eliminating the 15-day grace period becomes effective, fund data aggregators can begin leveraging the XBRL data, which will make their offerings to investors more timely and efficient.

Morningstar’s Director of Equity Data Methodology, Jo Guo, stated, “Once the 15-day waiting period is eliminated, Morningstar will be able to use the XBRL data to update our database much faster, and much more efficiently. Our goal is to update the database within three days of the filing - with XBRL, we can do it even faster.”

**Conclusion**

Improving the experience for retail investors requires using data standards to reduce the cost of data and analysis. The SEC needs to continue leveraging the XBRL standard for disclosure requirements for funds and should be consistent in its approach to all disclosure requirements for all funds.

---

\(^5\) XBRL International: [https://xbrl.org](https://xbrl.org)
When new disclosure requirements are promulgated, or existing disclosure requirements are being revised, the SEC should always carefully consider whether requiring that disclosure in XBRL format is feasible. If the requirement involves financial data, then existing standards such as the concepts in the US GAAP Taxonomy should be re-used and not recreated. Any new XBRL requirement can leverage the existing data collection infrastructure that the Commission has in place for public company reporting.

We appreciate the opportunity to provide our recommendations and are available to respond to any questions the Commission may have. I can be reached at [redacted] or [redacted].

Sincerely,

[Signature]

Campbell Pryde,
President and CEO, XBRL US, Inc.