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Alberta Securities Commission
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Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission, New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities,
Superintendent of Securities, Nunavut

Attention:

The Secretary
Ontario Securities Commission
20 Queen Street West
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M^e Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
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Place de la Cité, tour Cominar
2640, Boulevard Laurier, bureau 400
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Re: Proposed Amendments to National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Investment Funds, National Instrument 81-106 Investment Fund Continuous Disclosure, National Instrument 81-107 Independent Review Committee for Investment Funds; and Related Proposed Consequential Amendments and Changes; Modernization of the Continuous Disclosure Regime for Investment Funds (“N.I. Proposed Amendments”)

Dear Madam/Sir:

Broadridge Financial Solutions, Inc. (“Broadridge”)¹ appreciates the opportunity to comment on the Canadian Securities Administrators (“CSA”) N.I. Proposed Amendments and on National Instrument 81-106 Investment Fund Continuous Disclosure (“Proposed Amendments” or “proposed amendments”).

Broadridge is aligned with regulators, investor advocates and fund companies on the goal of making investment fund disclosures more understandable and accessible to Canadian investors, at low cost to fund companies. A wide range of investor testing confirm and amplify findings from the CSA’s own recent investor research (highlights of which are summarized below). Notably, the testing shows that the proposed enhancements to the Management Report of Fund Performance (“MRFP”) can improve financial literacy and investors’ understanding of important information. We believe minor enhancements to the proposed amendments can further simplify the new fund report (“Fund Report” or “Report”) at lower cost to the industry, as outlined below. Moreover, experience in markets outside of Canada demonstrates that filing disclosures in structured data formats would benefit Canadian capital markets overall.

Finally, it is axiomatic that the goals of the proposed disclosure framework cannot be fully realized if the new Fund Reports are not viewed by investors. The investor testing results we summarize below show how investors can be made aware of Fund Reports each time a new one is available and be furnished with effective access to them. The CSA received many comments and much data in related consultations showing that an “access-based” approach does not provide effective delivery. By contrast, the direct delivery of Fund Reports to investors through digital methods (e.g., email and “push” notifications through mobile apps) will ensure they receive the information and engage with it at low cost to the industry. We provide below an example of how market solutions can foster greater enrollment in electronic delivery.

Our comments are organized into the following three sections:

1. Investor Testing Shows that the CSA’s Proposed Summary Disclosure Framework Would Improve Investors’ Understanding of Their Investment Funds.

¹ Broadridge Investor Communications Corporation is a wholly owned indirect subsidiary of Broadridge (a global fintech leader with over \$6 billion in revenues) and an industry leader in the Canadian Fintech marketplace providing critical infrastructure that powers investing, corporate governance and communications to enable better financial outcomes for individuals and institutions.

2. Minor Enhancements to the Proposed Fund Reports Would Further Simplify Their Design and Usage, at Low Cost to the Industry.
3. Digital Disclosure Modernization

Section 1. Investor Testing Shows that the CSA’s Proposed Summary Disclosure Framework Would Improve Investors’ Understanding of Their Investment Funds.

Based on the CSA’s investor testing of the proposed Fund Report,² and our investor testing of MRFPs,³ we believe that the CSA’s goals to increase retail investor engagement at low cost to the industry can be achieved through the new Fund Report disclosure framework.⁴

A. Results of widespread investor testing indicate that the proposed Fund Reports would be more useful to investors, easier to understand, and more accessible when delivered directly to them.

The key features of the proposed Fund Report are solidly grounded in investor testing and research, including empirical experience with what works in Canada and other markets. These features include: (1) the use of summary content, (2) the online availability of more detailed information to which the summaries point, (3) use of plain language and visual aids (instead of jargon and legalese), and (4) delivery of the information directly to investors on a regular basis.

Investors themselves have stated that the information in continuous disclosures is important,⁵ that summary information in plain language is easier to understand,⁶ and that they want the information

² CSA Proposed Amendments (September 19, 2024).

³ See Broadridge’s December 23, 2022 comment letter (and True North survey results) to the *CSA Notice and Request for Comment - Proposed Amendments and Proposed Changes to Implement an Access-Based Model for Investment Fund Reporting Issuers*, (Sept 27, 2022), https://www.osc.ca/sites/default/files/2023-01/com_20221223_81-106_moenm-revised.pdf

⁴ CSA Proposed Amendments (September 19, 2024) at p. 7 (“As substantiated by the investor testing carried out by the Consultant, we are of the view that, as compared to the MRFP, the proposed Fund Report is easier to read and understand, is more likely to be read, is easier to use in making decisions, is more likely to be seen as containing an appropriate amount of information, and is easier to navigate. We are also of the view that the streamlined document will be significantly less burdensome for IFMs to prepare.”)

⁵ The OSC Investor Office Survey: *Information and the Investor Experience* (May 19, 2021), https://www.osc.ca/sites/default/files/2021-05/inv_research_20210519_investor-experience.pdf

⁶ *Id.*

sent to them automatically without having to check to see when new information is available or undertake a treasure hunt to find it (see data below).

We provide an overview of these surveys below, noting that the findings are largely consistent with the investor testing and research undertaken by Behavioural Insights Team (“BIT”) on behalf of the CSA.⁷

1. True North Market Insights Survey (2021)⁸

True North surveyed 2,000 Canadian retail investors across all provinces and territories.⁹ The survey was administered in both English and French. Survey participants were shown sample disclosure documents and asked a series of questions about them. A report on the findings was provided in the attachment to Broadridge’s September 21, 2021 comment letter and can be found in the link below.¹⁰ The responses are summarized as follows:

Investors say certain information in mutual fund and ETF continuous disclosure documents is important, yet 34% of investors are not aware of these documents and, when they are aware, nearly half (49%) say they do not find the current presentation format useful.

- When shown examples of the MRFP and Financial Statements, most investors say that information on fees, performance, risks, holdings, and financial highlights is especially important. Moreover, over 70% say that knowledge of material changes is important.
- However, 42% of investors find the format of the documents difficult to understand.
- By contrast, 88% of investors are aware of the Fund Facts and ETF Facts documents because they are sent directly to them. And 86% say they are helpful when comparing investments.

94% of investors want continuous disclosures to be sent to them automatically, or to receive a digital notification each time a new one is available.

⁷ See the BIT’s Final Report: *Investment Fund Continuous Disclosure Modernization* (September 18, 2024), https://www.osc.ca/sites/default/files/2024-09/report_20240919_investment-fund-continuous-disclosure-modernization.pdf

⁸ True North Market Insights (“True North”) is an independent, market research boutique comprised of individuals with many years of experience in fielding surveys of consumers and individual investors.

⁹ Responses were profiled based on self-reported demographic information (e.g., gender, age, income, level of educational attainment, and household assets) to understand how views on disclosure usefulness and delivery preferences vary by group. True North conducted the research between May 11 and May 20, 2021.

¹⁰ See Broadridge’s 2021 comment letter (and True North Survey Results) to the *CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (Jan 9, 2020), https://www.osc.ca/sites/default/files/2021-09/com_20210917_51-102_broadridge.pdf

- An “access-based” approach is not popular with individual investors. Two-thirds of them say they want to be notified by email. Expecting investors to be aware without notification, and to search for them online, would not be popular with them.

82% of retail investors are either not aware of SEDAR or don’t use it. Without direct delivery of continuous disclosure information, few investors would see the enhanced content in the proposed Fund Reports.

- Low levels of awareness of SEDAR are especially the case among the most vulnerable segments of investors, e.g., those with *lower levels of income, wealth, and educational attainment, and older investors.*

2. True North Market Insights Survey (2022)

True North again surveyed 2,000 Canadian retail investors residing in all provinces and territories.¹¹ The survey was provided in English and French.¹² Respondents were profiled based on their financial literacy, as measured through standard testing (Lusardi-Mitchell test). Respondents were split randomly into two groups of equal size: 1,000 participants were shown a sample MRFP, and the other 1,000 were shown a hypothetical summary disclosure *similar to the CSA’s proposed Fund Report*. Participants were asked a series of questions about the two documents and given a quiz to assess the effectiveness of each disclosure type in conveying important information on fees, performance, and material changes.

The report on findings was provided in the attachment to Broadridge’s December 23, 2022 comment letter, a link to which is provided below.¹³ The findings are summarized as follows:

Those who viewed the summary disclosure were more able to find information on fees, performance and material changes. They were also more able to accurately answer questions about the information.

¹¹ See Broadridge’s December 23, 2022 comment letter (and True North survey results) to the *CSA Notice and Request for Comment - Proposed Amendments and Proposed Changes to Implement an Access-Based Model for Investment Fund Reporting Issuers*, (Sept 27, 2022), https://www.osc.ca/sites/default/files/2023-01/com_20221223_81-106_moenm-revised.pdf

¹² Responses were profiled based on self-reported demographic information (e.g., gender, age, income, level of educational attainment, and household assets) to understand how views on disclosure usefulness and delivery preferences vary by group. True North conducted the research in November and December of 2022.

¹³ Broadridge’s December 23, 2022 comment letter, *supra n.11*.

- The level of understanding was over 60% greater overall among those who viewed the summary disclosure than it was among those who viewed the full documents (as measured by the number of correct responses).
- There were meaningful improvements in access and understanding across all segments of investors, including segments considered more vulnerable, such as investors with lower income, lower wealth, and less education, as well as older investors.

A summary disclosure designed along the lines of the CSA’s proposed Fund Report makes it easier for investors to accurately locate key information on expenses, performance, and material changes:

- Those who reviewed the summary disclosure could locate the information three times faster than those who viewed the typical MRFP.
- Investors say the summary disclosure makes it easier to find key information (a 79% improvement over the MRFP), easier to understand the information (a 54% improvement over the MRFP), and is more useful to them (a 58% improvement over the MRFP).
- All segments of investors, including the most vulnerable, say the summary disclosure is easier to use, easier to understand, and more useful to them in monitoring and evaluating their investments.

82% of investors prefer to receive annual disclosures automatically by email:

- 82% of investors prefer to receive annual disclosure information or notices automatically, most by email.
- Only 12% of investors prefer the proposed “access-based” method.

3. OSC Surveys

The findings of two surveys conducted by the Ontario Securities Commission (“OSC”) in 2021 are consistent with the CSA and True North survey findings:

- Retail investors say annual reports and continuous disclosure documents are as important to them as are Fund Facts and ETF Facts.¹⁴
- For Do-it-Yourself (“DIY”) investors (a growing segment of the retail investor universe), continuous disclosure documents were rated as the most important source of information. Summary disclosures, such as Fund Facts and ETF Facts, are also highly valued by DIY investors,

¹⁴ OSC Investor Office Survey: *Self-Directed Investors: Insights and Experiences* (April 21, 2021), https://www.osc.ca/sites/default/files/2021-04/inv_research_20210421_self-directed-investor-survey.pdf

who reference them as the second most important source of information on their investments.¹⁵

- Investors want to have clear, understandable sources of information.¹⁶

4. SEC Feedback Flyer Survey (2020)

When the U.S. Securities and Exchange Commission (“SEC” or “Commission”) proposed a streamlined model for annual and semi-annual reports of mutual funds and ETFs (“Tailored Shareholder Reports” or “TSRs”), it solicited comments directly from individual investors through a “Feedback Flier.” To obtain responses that are representative of U.S. investors overall, Broadridge asked True North to launch the Feedback Flier to 2,000+ mutual fund and/or ETF investors, and to collate the responses. Survey participants were shown the SEC’s 3-page hypothetical streamlined shareholder reports and asked questions about them. A report on findings was provided in the attachment to our January 4, 2021 comment letter to the SEC and is found in the link below.¹⁷ The key findings are:

The streamlined annual and semi-annual reports would prove to be very popular with ordinary investors.

- Over 91% of respondents said they would be helpful in monitoring their investments.
- They say that the proposed summaries are about the right length.
- They said they want to receive them each time a new one is filed.

5. Forrester Consulting Survey

To support effective rulemaking on Tailored Shareholder Reports, Broadridge commissioned Forrester Consulting¹⁸ to design and field a survey to determine investor preferences related to fund reports. The survey included responses from 2,000 U.S.-based investors who own mutual funds or ETFs.¹⁹ The

¹⁵ OSC Investor Office Survey: *Information and the Investor Experience* (May 19, 2021), https://www.osc.ca/sites/default/files/2021-05/inv_research_20210519_investor-experience.pdf

¹⁶ *Id.*

¹⁷ See the survey result in Broadridge’s Jan 4, 2021 comment letter to the SEC [File No. s7-09-20], (In fielding the Feedback Flier to a commonly used, commercially-sourced panel of individual investors, the researchers included several questions that were posed in the Release but not included in the version of the Feedback Flier found on the SEC’s website. For example, investors were asked how frequently they prefer to receive streamlined shareholder reports, and whether they would prefer to continue to receive updated prospectuses annually.), <https://www.sec.gov/comments/s7-09-20/s70920-8204380-227517.pdf>

¹⁸ Forrester Consulting is a globally recognized leading research and consulting firm.

¹⁹ Forrester set up survey quotas for age, gender, household income, and education level based on Forrester’s Consumer Technographics data to ensure the sample frame for this project was representative of US fund investors.

findings were provided in an attachment to our April 23, 2020 comment letter to the SEC, found in the link below.²⁰ The key findings are:

Fund reports are valued by investors and can be made more useful.

- About three-quarters of investors use fund reports to monitor their investments. But 40% of investors find them difficult to understand.
- Investors say fund performance, expense information, details on fund holdings, and performance highlights are the most important sections of fund reports.

Investor are interested in summary versions of fund shareholder reports.

- Over 90% of investors said summaries, like the one tested, would be enough to stay informed as long as complete reports are also made available online.
- Over 90% said they would be more likely to read a summary report than a complete shareholder report.
- In terms of frequency of receipt, 56% of investors would like to receive summary reports twice a year, 27% want them quarterly, and 17% want them annually. Only 1% do not want them.
- Summary reports have the potential to increase engagement among both those who read reports and those who don't.
- Older investors are more likely to read summary reports sent to them by mail. Younger investors are more likely to read summary reports sent to them by email.

In Figure 1 we compare the key findings on retail investor disclosure preferences. The findings are largely consistent with investor testing and research undertaken by BIT on behalf of the CSA.

²⁰ See Forrester Consulting Survey commissioned by Broadridge, "Quantifying Investor Preferences For Shareholder Reports" (Feb. 2020) (along with additional research) in Broadridge's April 23, 2020 letter to the SEC [File No. S7-12-18], <https://www.sec.gov/comments/s7-12-18/s71218-7124539-216090.pdf>

Figure 1. Canadian and U.S. Surveys Identify and Confirm Key Features of Effective Disclosures for Retail Investors.

Surveys	Summary Information	Details Online	Visual Aids	Plain Language	Delivered Directly
CSA's BIT Survey	✓	✓	✓	✓	N/A
True North 2021 & 2022 Surveys	✓	✓	✓	✓	✓
OSC Survey's	✓	✓	✓	✓	N/A
SEC Feedback Flyer	✓	✓	✓	✓	✓
Forrester US Survey	✓	✓	✓	✓	✓

B. Successful implementation of Tailored Shareholder Reports in the U.S. provides a roadmap for modernizing disclosures in Canada.

Canadian regulators can benefit from the experiences of the SEC in enabling more user-friendly and engaging summary fund reports. The SEC's effort to modernize fund continuous disclosures led to the adoption in 2018 of SEC Rule 30e-3. This permitted funds to replace lengthy shareholder reports with a postcard notice of their availability on the internet and instructions on how to access them. Although fund companies realized cost savings by sending a postcard instead of a fund "book," investors were less likely to view or access key information from the notice-based approach. Viewing was greatly reduced because postcard notices did not contain key content from the reports, and the process introduced steps to find the information. As a result, the rule was rescinded in 2022 following public consultations, and the SEC adopted by unanimous approval rule amendments emphasizing concise, visually engaging TSRs. The new rules require funds to deliver TSRs directly to investors when they are filed, ensuring they see them. An 18-month transition period culminated in the mandatory delivery of TSRs starting July 2024.

This progression toward user-friendly summary reports highlights the SEC's commitment to enhancing investor literacy and engagement, while reducing industry costs through increased adoption of electronic delivery. See Attachment 1 for a detailed description of the SEC's investment disclosure journey.

The CSA roadmap to modernize and streamline fund disclosures could be modeled along the same lines in the following ways:

- Adopt the new Fund Report amendments to provide streamlined disclosures that help retail investors monitor their investments.

- Rescind the Annual Instruction option in Section 5.3 in NI 81-106, which has failed to engage or inform retail investors.²¹
- Provide a sufficient transition period to enable the industry to adjust current processes to include the creation of the new Fund Reports. During this time, funds and brokers can foster adoption of digital delivery to reduce outlays on paper and postage. (See Section 3 for a discussion of an industry solution to increase electronic delivery adoption for investment fund continuous disclosures.)

C. Burden on investment funds managers to create proposed Fund Reports.

Based on our review of the content of MRFPs and other fund disclosures, the information included in the proposed Fund Report can be assembled with little additional burden using current processes because much of it is already required to be filed. See Figure 2 for a chart with a comparison of the information in the MRFP, Fund Report and Prospectus.

Figure 2. Comparison of Information in the MRFP and Prospectus to the Fund Report.

	<i>MRFP</i>	<i>Fund Report</i>	<i>Prospectus</i>
Purpose of document	✓	✓	
Past performance	✓	✓	
Fees and expenses	✓	✓	
Holdings and asset allocation	✓	✓	
Tax information	✓	✓	
Contact information	✓	✓	
Investment objectives and strategies		✓	✓
Risks		✓	✓
Liquidity	✓	✓	✓

²¹ Less than 2% of investors request investment fund continuous disclosure materials. (Based on Broadridge's processing of MRFPs and Financial Statements on behalf of mutual funds and ETFs held in street name.)

Section 2. Minor Enhancements to the Proposed Fund Reports Would Further Simplify Their Design and Usage, at Low Cost to the Industry.

We submit the following recommendations in response to CSA's request for comment on further enhancing the content and format of the proposed Fund Report.²²

A. Allow interactive content

Investor testing shows that the use of interactive features, such as visual aids (e.g., fee meters, calculators and video) help to better engage and educate investors.²³ Real-time dashboards, personalized alerts, and performance analytics can empower investors to better monitor their investment funds. Such tools can provide immediate access to critical information, enabling investors to make informed decisions and respond promptly to market changes. By leveraging interactive content, investors can maintain a comprehensive understanding of their mutual fund portfolios, leading to more informed investment decision making.

Other types of visual aids, such as distribution fee charts, have been shown to enhance investors' decision-making by making complex financial information more accessible and comprehensible. A study by the SEC found that incorporating visual representations of mutual fund fees led to a 27% reduction in total fees paid by investors, indicating more cost-effective investment choices.²⁴ Visual tools help investors better understand and prioritize critical factors like fees, which are often overlooked despite their significant impact on long-term investment returns.

We suggest that the CSA's final rulemaking allow and encourage investment funds to include interactive features and visual aids to educate investors and better enable them to monitor their fund investments.

B. Require or encourage linking and layering

"Linking and layering" refers to a delivery method that provides key summary information directly to investors (i.e., by mail or digitally) and makes additional detailed information accessible online through embedded links. This delivery approach helps investors to quickly grasp essential data while retaining

²² The suggestions in this section are responsive to Questions 14 and 16 of the CSA's *Specific Questions for Comment Relating to the Proposed Amendments and Proposed Changes*.

²³ See the SEC's Office of the Investor Advocate Study: *Investor Testing on Registered Investment Company Fee Meters*, (September 2024), <https://www.sec.gov/files/ric-fees-report.pdf>

²⁴ SEC Office of the Investor Advocate Study: *A Picture Is Worth A Thousand Dollars: Using Visual Aids to Help Investors Make Decisions*, (April 2024), <https://www.sec.gov/files/oiad-research-brief-using-visual-aids-help-investors-make-decisions.pdf>

the option to delve deeper into specific areas as needed. The SEC adopted a layered disclosure framework for fund shareholder reports, aiming to provide investors with concise, easy-to-understand information to better assess their ongoing investments.²⁵ By facilitating efficient access to both summary and detailed information, a linking and layering approach helps investors make informed decisions and maintain a comprehensive understanding of their mutual fund portfolios while minimizing costs to fund companies.

The CSA's Fund Report disclosure method could require or encourage investment funds to send summary information that links to other related disclosures that investors use to monitor their funds, including prospectuses, Fund Facts, ETF Facts, AIF, annual and interim financial statements, and quarterly holdings.

C. Limiting to a single share class

There are trade-offs in whether to require Fund Reports to pertain to multiple share classes, all share classes, or a single share class.²⁶ For example, while a single share class Report may be more straightforward for some investors, a multi share class Report may assist others in comparing them. We note that the existing MRFP takes a multi share class approach while Fund Facts are provided for each share class. The SEC also considered whether to require single or multi share class reports in connection with adopting the new TSR regime,²⁷ but ultimately decided to take a single share class approach that helped to reduce the length of the TSRs to 2-4 pages.²⁸

²⁵ SEC TSR Adopting Release (October 26, 2022), pp. 109-110, <https://www.sec.gov/files/rules/final/2022/33-11125.pdf>

²⁶ The discussion in this section is responsive to Question 8 of the CSA's *Specific Questions for Comment Relating to the Proposed Amendments and Proposed Changes*.

²⁷ SEC TSR Adopting Release, at pp. 41-42 ("After considering the statements of support as well as the concerns raised by commenters, we have determined to require that a shareholder report cover a single class of a multiple-class fund. We agree with commenters that including all share classes of a multiple class fund could result in lengthy and complex disclosure, particularly when a fund has a large number of share classes. The length and complexity that would result by including all classes of multiple class fund would make it more difficult for a shareholder to identify information, such as fees and performance, that may differ based on the share class in which the shareholder invested. Further, such lengthy and complex shareholder reports would be inconsistent with our goal of creating concise shareholder report disclosure so shareholders can more easily use the reports to assess and monitor their ongoing fund investments.")

²⁸ *Id.* at p. 14 ("The ability to include multiple series, and multiple share classes of each series, in a single report also increases these reports' length and complexity.")

On average, MRFPs are 10 pages in length. The proposed 6-page Fund Report would use less paper than the average MRFP because it is shorter in length. We believe the CSA's proposed report could be further reduced from 6 pages to 4 by limiting each report to a single share class, eliminating some of the unused white space without compromising visual clarity, and further streamlining the design. This would further reduce the amount of paper and provide cost savings.

Existing technology allows for a single distribution to an investor for the funds and series / classes that they hold. For mail delivery, this is called "pick and pack." For digital delivery, technology can insert customized URLs into an email for more than one single share class fund. The CSA should review the holistic investor experience and decide upon the framework best for investors, while balancing that with industry burden.

D. Fund Report Mock-Up

We have included a sample mock-up as Attachment 2, which includes all the features outlined above: interactive content, linking and layering of content, single share class, less and better use of white space, and in a format that can be filed using structured data.

Section 3. Digital Disclosure Modernization.

The goals of the proposed disclosure framework cannot be fully realized if the new Fund Reports are not viewed by investors. It is widely understood that "access-based" approaches do not provide effective delivery of regulatory communications to retail investors. By contrast, direct delivery by mail, email, or other methods would ensure that retail investors are made aware each time a new Fund Report is available, and can view them without having to jump through hoops to request them or go on a treasure hunt to find them.²⁹ With direct delivery by digital methods instead of mail, Fund Reports can be provided more effectively at relatively low cost.

Moreover, investors (retail and institutional) around the globe are demanding and using data in machine readable formats, and regulators are increasingly requiring it. Markets that do not facilitate data tagging of regulatory filings run the risk of falling behind. In this section we describe how the CSA can leverage existing technology to modernize and digitize investment fund continuous disclosures.

²⁹ However, research indicates that older investors are more likely than younger investors to prefer mail, but a majority of them also prefer e-mail, *supra* n. 10.

A. Direct Digital Delivery: An industry solution to increase electronic delivery adoption, and lower continuous disclosure production and delivery costs.

The CSA should require direct delivery of the proposed Fund Report and revoke the Annual Instruction notice (Section 5.3 of NI 81-106).³⁰ Because the content and format of the Fund Report have been designed with retail investors in mind, it should also be delivered based on their preferences. 94% of investors want continuous disclosures to be sent to them automatically, or to receive a digital notification that a new one is available.³¹ In the U.S., summary reports and prospectuses are delivered directly to all shareholders.³²

Opportunities to foster widespread adoption of electronic delivery of investment fund continuous disclosures can be realized and are being pursued. For example, an industry solution, known as the Universal Consent Electronic Delivery Program looks to leverage broker-dealers' existing relationships with their customers without compromising their privacy or unduly exposing personal information to cybersecurity risks and data breaches.³³ (See Attachment 3 for an overview of the program.) The idea is similar to a program used successfully in the U.S.³⁴

B. Canadian securities markets can be made more modern with greater use of structured data.

Although corporate filings in structured data formats are not required in Canada, the CSA has considered implementing such requirements in the past.³⁵ We believe it is time. Investors the world

³⁰ See the OSC Investor Advisory Panel July 24, 2023 comment letter to the CSA's *Notice and Request for Comment - Proposed Amendments and Proposed Changes to Implement an Access-Based Model for Investment Fund Reporting Issuers*, (The Panel evaluated an "access-based" method and concluded it would not be fit for ordinary investors. The Panel's findings were provided along with recommendations for direct delivery.), https://www.osc.ca/sites/default/files/2023-07/com_20230724_iap_aed.pdf

³¹ See True North 2021 Survey, *supra* n. 10.

³² See SEC TSR Adopting Release at p. 164, ("Providing information in shareholder reports directly to shareholders—as opposed to providing a notice of these reports' availability—will best effectuate the goals of the streamlined shareholder report.")

³³ As part of this effort, Broadridge asked independent, third-party attorneys to develop a universal form of consent that financial firms could use to obtain consents.

³⁴ SEC Approval Order [Release No. 34-70720; File No. SR-NYSE-2013-07] (October 18, 2013), <https://www.federalregister.gov/documents/2013/10/24/2013-24920/self-regulatory-organizations-new-york-stock-exchange-llc-order-granting-approval-to-proposed-rule>.

³⁵ In 2006, the CSA launched a survey "to help us understand the level of awareness of Extensible Business Reporting Language (XBRL) in our marketplace and assess the need for information in this format." (CSA Notice 52-

over are demanding and using data in machine readable formats, and markets that do not facilitate data tagging of regulatory filings run the risk of falling behind. See Attachment 4 for a discussion of how other jurisdictions are using and benefitting from structured data.

Structured data provides benefits to investors, investment funds, regulators, and capital markets. Investors (directly and through third-party aggregators) more easily monitor investments and facilitate analysis and comparisons of disclosures against other funds and time-periods. For investment funds, structured data enhances the efficiency of oversight of disclosure and improves the quality of data because data validation is automated.³⁶ Structured data allows regulators to analyze information more efficiently using automated tools.³⁷ When all stakeholders can view, analyze and compare data across all issuers, confidence and efficiency are improved.³⁸

In 2024, all open-end mutual funds and ETFs in the U.S. began filing TSRs in a structured data format. The SEC utilized a phased-in approach, first requiring large firms to file their disclosures in a tagged format, giving small companies additional time to transition. The CSA's proposed Fund Reports provides

314, Securities Regulators Want Your Feedback on XBRL), <https://www.osc.ca/en/securities-law/instruments-rules-policies/5/52-314/csa-notice-52-314-securities-regulators-want-your-feedback-xbrl>; In 2007, the CSA established a voluntary XBRL filing program for reporting issuers filing financial statements: "The purpose of the voluntary program is to help the Canadian marketplace gain practical knowledge and experience in preparing, filing and using XBRL information. It will also help the CSA assess the usefulness of XBRL as it considers whether to make filing in this format a requirement." (CSA 51-323 XBRL filing program and request for volunteers), <https://www.osc.ca/en/securities-law/instruments-rules-policies/5/51-323>.

³⁶ SEC 2024 Semi-Annual Report to Congress, <https://www.sec.gov/files/2024-fdta-machine-readable-data-report.pdf> (The Report notes that issuers have gained from decreased audit fees and increased timeliness of audit, as well as "... higher liquidity; lower cost of capital; higher return on investment; and improved performance benchmarking and acquisition analysis.")

³⁷ *Id.* at p.4. ("machine-readable disclosures have facilitated the [SEC's] investor protection efforts, enabling staff to analyze large quantities of information in support of risk assessment, rulemaking, and enforcement activities, including as part of its internally developed structured data applications.")

³⁸ *Id.* ("[M]aking corporate disclosures machine-readable has decreased information asymmetry between firms and investors by reducing information processing costs, making stock prices more informative (i.e., more reflective of firm-specific information), and reducing market inefficiencies and risks. Machine-readability has enhanced market competition by, for example, reducing insider advantages relative to non-insiders and local investor advantages relative to non-locals. The reduction in information processing costs has heightened monitoring of issuers by investors and other external parties (e.g., financial analysts, press) which often helps to inform investors and markets. Greater monitoring has driven firms to provide more quantitative disclosure and report earnings in a more consistent manner.")

an opportunity for Canada to align with international standards, ensuring that the Canadian capital markets remain competitive and efficient in a global context. The new proposed Fund Reports could be a starting point. Canadian regulators can apply the learnings from other jurisdictions and begin the process by reviewing how the XBRL Taxonomy developed by the SEC (called the Open-End Fund (OEF) Taxonomy) could be adapted for Canadian purposes. This could bypass the longer journey taken in the US and other jurisdictions.

Conclusion

Broadridge is aligned with the CSA on the goals of making investment fund disclosure regulations more effective for Canadian investors and more efficient for fund companies. The results of a wide range of investor testing show that the CSA's proposed Fund Reports will improve financial literacy and investors' understanding of important information. Minor enhancements to the proposed amendments (interactive features, linking and layering, customization of share class information, and structured data) can further simplify disclosures for investors, provide cost savings, and enable Canadian capital markets to remain competitive with other markets.

Digital delivery encourages more active and effective engagement between investors and issuers, at reduced costs. The Universal Consent Electronic Delivery Program will help support this transition to a fully digital experience.

The CSA is to be commended for its work on this proposal. We appreciate the opportunity to submit comments and welcome any question you may have.

Sincerely,



Mike Donowitz
Vice President, Regulatory Affairs



Robert Lombardo
General Manager, Investor Communications Solutions, Canada

Attachments:

Attachment 1 – SEC Retail Investment Fund Disclosure Journey

Attachment 2 – Fund Report Mock-Up

Attachment 3 – Overview of the Universal Consent Electronic Delivery Program

Attachment 4 – How Other Jurisdiction Are Using and Benefitting from Structured Data.

Attachment 1

SEC Retail Investment Fund Disclosure Journey

- **May 20, 2015**
 - Rule 30e-3 was proposed. This rule permitted funds to replace lengthy shareholder reports with a postcard notice of their availability on the internet and instructions on how to access them.

- **June 5, 2018**
 - *The SEC adopted Rule 30e-3. (It was rescinded in 2022.)*
 - This allowed mutual funds and ETFs to use a Notice and Access Model for the delivery of mutual fund and ETF continuous disclosures.³⁹ This optional delivery method required firms to continue to produce and file their long and complex continuous disclosures, but only deliver them upon request, or via standing instructions. They were also required to post the documents on a website, in addition to the SEC's EDGAR website.
 - The multi-year transition period required firms to include transition language (including a means to opt-out) in their continuous disclosures for two years prior to implementing the Notice and Access delivery model.
 - Although the rule allowed the mailed notice to include summary content from the disclosures, this was not widely utilized.
 - As a result, this rule allowed the industry to reduce their print and delivery costs, but did not summarize or otherwise modernize the disclosure itself.
 - Nearly 100% of fund firms adopted the optional Notice and Access model [even though an additional notice fee was required under the NYSE Fee Schedule.⁴⁰]
 - *The SEC released a consultation to improve the retail fund experience and disclosure.*
 - On the same day the SEC adopted Rule 30e-3, they also issued a consultation to seek input on how to enhance disclosures to help investors make more informed investment decisions:

³⁹ SEC Rule 30e-3 Adopting Release, (June 5, 2018), <https://www.federalregister.gov/documents/2018/06/22/2018-12423/optional-internet-availability-of-investment-company-shareholder-reports>

⁴⁰ See NYSE Rule 451.9(5), <https://nyseguide.srorules.com/rules/09013e2c855b2571>

“The Securities and Exchange Commission (“Commission”) is seeking public comment from individual investors and other interested parties on enhancing 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. Specifically, we are seeking comment to learn how investors, like you, use these disclosures and how you believe funds can improve disclosures to help you make investment decisions. We are particularly interested in your input on the delivery, design, and content of fund disclosures. In addition to or in place of responses to questions in this release, investors seeking to comment on the investor experience and improving fund disclosure may want to submit a short Feedback Flier on Improving Fund Disclosure.”⁴¹

- **August 5, 2020**

- *The SEC proposed rule amendments to streamline and modernize fund disclosure.*
 - Based on the public comments the SEC received on their 2018 request for information,⁴² the SEC proposed a visually engaging summary disclosure document to “Improve the Retail Investor Experience through Modernized Fund Shareholder Reports and Disclosures:”⁴³

“The Securities and Exchange Commission today proposed comprehensive modifications to the mutual fund and exchange-traded fund disclosure framework to better serve the needs of retail investors. The proposed disclosure framework would feature concise and visually engaging shareholder reports that would highlight information that is particularly important for retail investors to assess and monitor their fund investments. The proposal is a central component of the Commission’s investor experience initiative and responds to comments the Commission received in response to a 2018 request for comment on retail investors’ experience with fund disclosure.

‘The Commission is committed to improving the Main Street investor experience and modernizing information content and delivery,’ said SEC Chairman Jay Clayton. ‘By

⁴¹ SEC Request for Comment on Fund Retail Investor Experience and Disclosure (“Fund Retail Disclosure RFI”) (June 5, 2018), <https://www.sec.gov/files/rules/other/2018/33-10503.pdf>

⁴² See SEC Comment File to the Fund Retail Disclosure RFI, <https://www.sec.gov/comments/s7-12-18/s71218.htm>

⁴³ SEC Tailored Shareholder Reports Proposing Release (August 5, 2020), <https://www.sec.gov/files/rules/proposed/2020/33-10814.pdf>

encouraging fund disclosures that use modern communication techniques to emphasize clearly and concisely the information investors find most useful, today's proposal should facilitate better-informed decision making.”⁴⁴

- **October 26, 2022**

- *The SEC adopted Tailored Shareholder Reports and rescinded the use of simple notices (Rule 30e-3).*
 - The SEC adopted rule changes to enhance their fund continuous disclosure model. As part of the rulemaking, the SEC revoked rule 30e-3 for open-end mutual funds and ETFs. **They said the Notice and Access model would not allow investors to realize the benefits of the new summary disclosure because it was not directly delivered:** *“After considering commenters’ input, we are adopting the amendments to rule 30e-3 substantially as proposed, with certain technical changes. As noted in the proposal, the new approach to funds’ shareholder reports reflects the Commission’s continuing efforts to search for better ways of providing investors with the disclosure that they need. **Rather than allowing fund managers to determine the transmission method for shareholder reports, the final rule ensures that all investors will receive the anticipated benefits of streamlined shareholder reports. We continue to believe that the new disclosure approach for shareholder reports represents a more-effective means of improving investors’ ability to access and use fund information, and of preserving much of the expected cost savings to funds and investors that funds would experience by choosing to rely on rule 30e-3.”⁴⁵[Emphasis added]***
 - The final amendments require funds to file their Tailored Shareholder Reports (“TSRs”) in a structured data format (XBRL), which helps both retail and institutional investors: *“After considering these comments, we are requiring the contents of the shareholder report to be tagged using Inline XBRL. We believe the information in these reports is particularly salient to funds’ largely retail shareholder base, and the benefits of tagging*

⁴⁴ SEC Tailored Shareholder Report Press Release (August 5, 2020), <https://www.sec.gov/newsroom/press-releases/2020-172>

⁴⁵ SEC TSR Adopting Release (October 26, 2022), pp. 162-3, <https://www.sec.gov/files/rules/final/2022/33-11125.pdf>

this information likewise will be beneficial in helping these investors, as well as other market participants, understand funds' performance and operations.”⁴⁶

- The SEC provided the industry an 18-month period to transition to Tailored Shareholder Reports:
“We are adopting a [18-month] transition period after the effective date of the amendments as proposed in order to allow funds adequate time to adjust their shareholder report disclosure and transmission practices, as the final rules will require.”⁴⁷
- **July 24, 2024**
 - *Funds began sending Tailored Shareholders Reports to all shareholders.*
 - All mutual funds and most ETFs began sending TSRs to all shareholders based on their preferred delivery model (mail, or by email with consent).

⁴⁶ *Id.* at 278.

⁴⁷ *Id.* at 196.

Attachment 2
Fund Report Mock-Up

ABC CANADIAN EQUITY FUND

ANNUAL FUND REPORT



March 31, 2022

PURPOSE AND CONTENT

Who should review this information: all investors

Purpose: to monitor the fund and to assess if you should continue to hold it.

Table of Contents

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| 1. Costs | 4. Investment Objectives and Strategies | 7. Liquidity Profile |
| 2. Performance | 5. Statistics | 8. Borrowing and Leverage |
| 3. Portfolio Holdings | 6. Risk Profile | 9. Other Material Information |
| | | 10. Additional Resources |

1. COSTS (Information is provided as of March 31, 2022)

Change in expense ratio

The fund expense ratio for Series A (the series with the highest fund expense ratio) was 2.57%. The fund expense ratio of Series A increased by 0.01% as compared to the year prior.

Did you know...

- A fund's management expense ratio ("MER") is the total of the fund's management fee (which includes the trailing commission) and operating expenses.
- A fund's trading expense ratio ("TER") represents the fund's trading costs.
- Fund expenses reduce the return on your investment. A fund expense ratio ("FER") is the total of the fund's MER and TER.
- Each investment fund can have different classes or series of securities and each class or series can have different costs and therefore different returns – make sure you know which class or series you hold.

	Series A	Fund expenses (\$)	Series A
MER(%) ¹	2.50	Per \$1,000 invested	26
TER(%)	0.07	Per \$10,000 invested	260
FER(%)	2.57	Per \$50,000 invested	1,300

2. PERFORMANCE

Performance of the Series A units (+26.2%) was lower than the fund's benchmark, the S&P/TSX Composite Total Return Index (+27.5%) over the period covered by the report.

Did you know...

A benchmark is typically a market or sector index against which the performance of an investment fund can be measured. By comparing a fund to an appropriate benchmark, you can see how the investments held by the fund performed compared to the market or sector in general.

Important:

Performance of the series of securities that you hold may not be presented in this Fund Report. Information is only presented in respect of the series with the highest management fee (Series A).

Returns provided are after expenses have been deducted. These expenses reduce the fund's returns and they negatively compound over time since the money used to pay expenses is not able to grow.

Past performance of the fund does not necessarily indicate how the fund will perform in the future. For example, strong past performance may not be repeated.

The benchmark of the fund is the S&P/TSX Composite Total Return Index. The S&P/TSX Composite Total Return Index is a market capitalization-weighted index of securities of the largest and most liquid companies on the Toronto Stock Exchange.

Performance against benchmark

- Last year performance of the benchmark was 1.3% higher than that of Series A of the fund.

Contributors

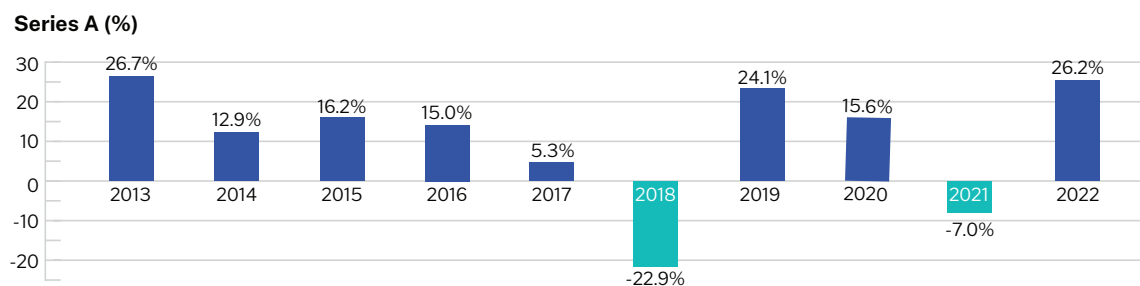
- ↑ Overweight allocation to the financials sector
- ↑ Exposure to stocks in the information technology sector

Detractors

- ↓ Investments in certain stocks in the materials sector
- ↓ Under allocation to the communication service sector

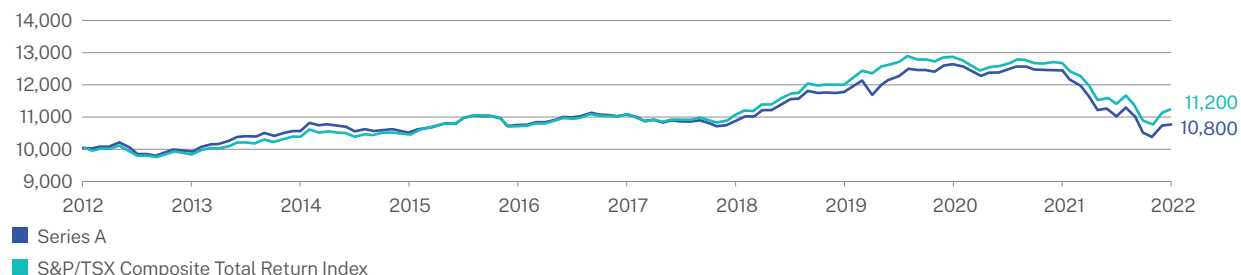
A) YEAR-BY-YEAR RETURNS

The following bar chart shows the fund's annual performance for each of the financial years shown.



B) CUMULATIVE PERFORMANCE

Initial investment of \$10,000



C) ANNUAL COMPOUND RETURNS

How to Read this Information:

- This table shows the fund's annual compound total returns for the periods indicated, compared with its benchmark.
- All benchmark returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.
- Benchmarks are not investable, and benchmark returns do not reflect transaction costs associated with making actual investments.

Percentage Return	1 Yr	3 Yr	5 Yr	10 Yr
Series A	26.2	8.3	13.9	11.3
S&P/TSX Composite Total Return Index	27.5	9.4	15.9	13.3

(1) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.

3. PORTFOLIO HOLDINGS

The Fund invests primarily in a diversified portfolio of dividend paying Canadian equities. The Fund may invest up to 30% of its assets in foreign securities.

Increased exposure

↑ Energy

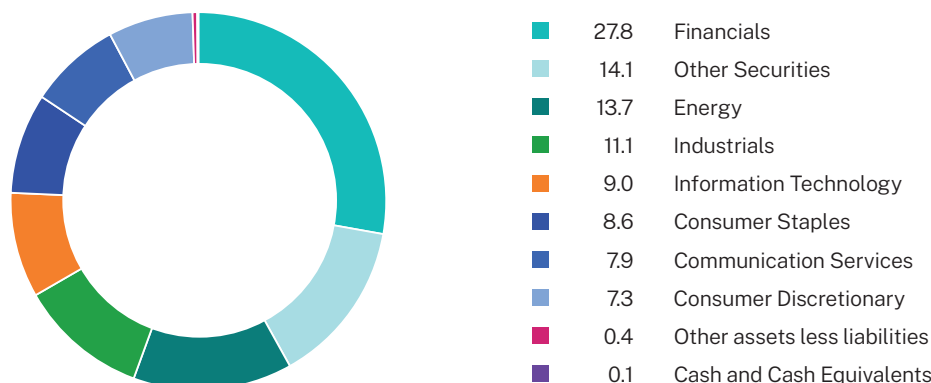
Decreased exposure

↓ Industrials

Top 10 investments (March 31, 2022)

1	Royal Bank of Canada	7.7%
2	Enbridge, Inc.	5.4%
3	Sun Life Financial, Inc.	5.1%
4	Suncor Energy, Inc.	4.2%
5	Canadian Natural Resources Ltd.	3.8%
6	The Toronto-Dominion Bank	3.7%
7	Canadian National Railway Co.	3.6%
8	National Bank of Canada	3.5%
9	Fortis, Inc.	3.3%
10	TELUS Corp.	3.2%
Total percentage of top 10 investments		43.5%
Total number of investments		41

Investment mix (%) as of March 31, 2022



4. INVESTMENT OBJECTIVES AND STRATEGIES

Summary of fund's investment objectives and investment strategies

- This fund aims to increase the value of your investment by investing in a broad range of equity securities of Canadian companies of any size and from any industry.
- Equities are selected that trade below their intrinsic value, demonstrate superior earnings growth and positive price momentum.

Fund's satisfaction of its investment objectives and use of investment strategies during the last 12 months

- During the period, the net asset value of the fund increased from \$1.05 billion to \$1.2 billion due to positive performance, partially offset by net redemptions.

Factors that may impact the fund's satisfaction of its investment objectives and use of investment strategies going forward

- While long-term prospects for Canadian equities are positive, strong equity market performance in the period covered by this Fund Report, coupled with full valuation levels across most sectors, is likely to lead to more modest returns.
- Equity markets and the global economy may be challenged by high inflation levels, continued supply-chain issues, geopolitical uncertainty and rising interest rates.
- Risk related to U.S. Federal Reserve policy could slow growth by raising interest rates too quickly or could fail to contain inflation by raising them too slowly, leading to larger rate increases.

ⓘ IMPORTANT:

This Annual Fund Report may contain forward-looking statements that reflect current forecasts of future events. Due to many factors, such as general economic and political conditions in Canada and internationally, actual events may differ materially from those expressed in, or implied by, these forward-looking statements. Do not overly rely on forward-looking statements to make investment decisions.

5. STATISTICS (Information is provided as of March 31, 2022)

💡 Did you know...

- A fund's portfolio turnover rate represents how frequently the portfolio manager buys and sells securities.
- A fund's distributions can consist of dividends, interest, capital gains, return of capital or other income the fund earns on its investments.
- A fund's distribution rate represents its distributions as a percentage of its net asset value per unit.

	Series A
Portfolio turnover rate (%)	39.97
Total distributions (\$)	0.88
Portion of distributions that is return of capital (\$)	0.00
Distribution rate (%)	6.50

6. RISK PROFILE (since the last Fund Report dated September 30, 2021)

During the period covered, there were no changes to the fund that materially affected the overall risk level associated with an investment in the fund.

Did you know...

- A mutual fund's risk rating is based on how much the fund's returns have changed from year to year. If the fund's returns vary a lot, the fund may be considered higher risk because its performance can change quickly up or down. The rating can change over time.
- Monitoring the rating can help you make decisions about whether this fund continues to be appropriate for you.

Risk rating change

No change

Added or removed risks

No new risks identified and no existing risks removed

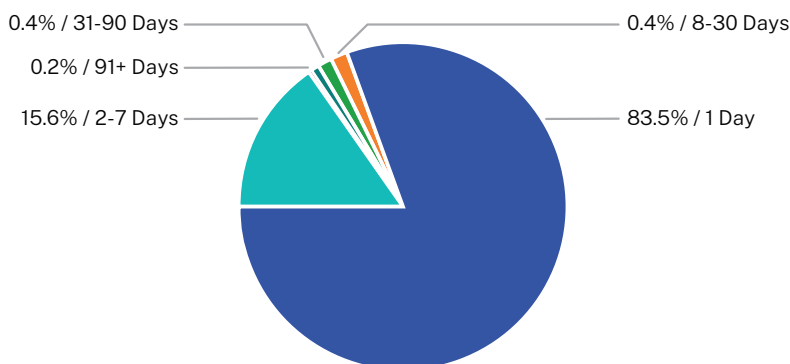
7. LIQUIDITY PROFILE (Information is provided as of March 31, 2022)

The fund could sell (for cash) 83.5% of its holdings within one day, and 99.1% within one week. The fund did not face any liquidity challenges during the reporting period.

There were no material liquidity issues during the reporting period.

The following pie chart illustrates the number of days needed to convert the fund's portfolio holdings into cash under normal market conditions. The more of a fund's portfolio holdings that can be converted into cash within a short timeframe, the more liquid it is and the easier it will be to sell your holdings at a fair price. This can be particularly important during periods of greater than usual market volatility. Decide whether you are comfortable with the liquidity of your fund's portfolio holdings.

Liquidity of the Investment Portfolio of Your Investment Fund



8. BORROWING AND LEVERAGE

This fund does not engage in any borrowing or use leverage.

9. OTHER MATERIAL INFORMATION

The investment fund manager waived or absorbed some of the fund's expenses. Had the investment fund manager not done so, the MER would have been higher. MER without waivers or absorptions for Series D was 1.07% for the year ended March 31, 2022.

More fund information

Additional information is available at www.abcfunds.com

Portfolio Holdings

Cost

Performance

Risk Profile



Scan here for
Electronic Delivery

Attachment 3

Overview of the Universal Consent Electronic Delivery Program

- *Components of the Program:*
 - *Consent Agreement & Collection.* Broker-dealers would utilize the new “Universal Consent Agreement” with their existing customers and it could be incorporated into the account opening process for new customers.
 - *Covered entities.* This consent agreement covers investment funds, as well as ETFs, corporate issuers, banks, broker-dealers, and advisors.
 - *Covered disclosures.* All regulatory and transactions disclosures from all covered entities.
 - *Consent Storage.* A designated third-party vendor (such as Broadridge) would store the delivery preferences in a database acting as agent for broker-dealers.
 - *Delivery process.* When a continuous disclosure (or other regulatory disclosure) needs to be delivered, mutual funds and ETFs (and reporting issuers) would communicate to the third-party vendor to facilitate delivery. It would apply each customers’ delivery preferences and deliver the disclosure accordingly.
 - *Privacy.* Because the third-party vendor would be service provider for the broker-dealer, their customer’s personal information is not shared with the mutual funds, ETFs, and other issuers. This minimizes the potential for cybersecurity incidents and data breaches as can occur when personal information is widely disseminated.
 - *Incentives.* Broker-dealers would be compensated for their costs of implementing the Program. A one-time incentive fee, structured along the lines of the U.S. Enhanced Broker Internet Platform (“EBIP”) pilot program, could be applied to encourage brokers-dealers to re-consent existing customers. The incentive fee could be structured in such a way that it would provide a payback to funds and issuers within the first year.
- *Benefits to:*
 - *Investment Funds (mutual funds and ETFs).*
 - Investments funds would be able to deliver their continuous disclosures by email reducing paper, print and postage costs.
 - *Reporting Issuers.* Same benefits as funds. This would also apply to proxy events for shareholder meetings.
 - *Broker-Dealers.*
 - Remain single point of contact with their customers.

- Limited sharing of customer personal information (only with their service providers).
- Reimbursed to reconent their customers.
- Better customer experience (a customer would not be able to receive all documents by their preferred delivery method).
- *Investors.*
 - Personal information is protected.
 - Consistent delivery experience for all their materials.
 - Allows for a single point of contact for both investment advice and disclosure delivery.
 - Due to lower cost of delivery, firms could invest to create improved electronic delivery experience (e.g., interactive features, linking and layering, videos, etc.)

Attachment 4

How Other Jurisdiction Are Using and Benefitting from Structured Data.

Globally, data tagging has been adopted in a growing number of jurisdictions, with over 60 countries requiring XBRL.⁴⁸ Beginning in 2009, in the U.S., the SEC has required public operating companies, mutual funds and exchange-traded funds (ETFs) to tag financial data. Data tagging has become commonplace since then in new and amended rulemakings. In 2018, the SEC transitioned to requiring iXBRL data tagging given the greater efficiencies. See Figure 3 for a timeline of the SEC’s journey to implement structured data filings.

Figure 3. Evolution of SEC Data Tagging in the United States

Public Operating Companies	
2009	XBRL tagging of 10Ks/Qs (3-year phased-in approach based on company size) and posting on websites. The data tagging (Interactive Data Files) were separate files from the HTML filing of the 10-K/10-Q:
	First Year of Tagging – All numbers in financial statements and text block tagging of notes to financial statements
	Second Year of Tagging – Text block tagging of accounting polices and tables, and detail tagging of all values contained in the notes to financial statements
2018	Foreign private issuers (no phase in)
2019	inline XBRL (iXBRL) tagging of 10Ks/Qs and cover page of all 8K filings

⁴⁸ In June 2023, the SEC released its first Semi-Annual Report to Congress Regarding Public and Internal Use of Machine-Readable Data for Corporate Disclosures showing strong evidence that the availability of machine-readable data has been beneficial to reporting issuers, investors and the public, <https://www.sec.gov/files/2023-fdta-report.pdf>

2023	Executive Compensation Disclosures in proxy statements
2024	iXBRL for cybersecurity breaches (8Ks), and policies (10Ks), and for foreign issuers (20-Fs and 6-Ks)
2024	iXBRL tagging of fee exhibits for registration statements (phased-in approach)
Mutual Funds/ETFs	
2009	Risk/Return prospectus information in XBRL and posting on websites
2019	iXBRL replaces XBRL
2022	Adopted Tailored Shareholder Reports rule - must be iXBRL tagged starting in 2024
2024	iXBRL tagging of fee exhibits for registration statements (phased-in approach)

Requiring filings in a structured data format benefits retail and institutional investors, as well as regulators, academics and other stakeholders.⁴⁹

Studies suggest XBRL requirements increase the information content of prices, reduce the informational advantages held by insiders over public investors, heighten the relevance, understandability, and comparability of financial information for non-professional investors, and enhance the reports and recommendations published by financial analysts,

⁴⁹ SEC TSR Adopting Release “The use of Inline XBRL will allow retail investors and other market participants to use automated analytical tools to extract the information sought wherever it may be located within a filing.”

*thereby indirectly benefitting retail investors for whom such analysts represent a significant source of investment information*⁵⁰

The European Securities and Markets Authority (ESMA) mandated digital financial reporting in 2020 for all EU-listed firms and the UK Financial Reporting Council recently published a discussion paper for public comment on opportunities for future UK digital reporting.⁵¹ A recent study by Deloitte Access Economics found that by 2030, the Australian economy would be roughly AUD\$7.7 billion larger per year if all large businesses in that country adopted digital reporting of financial disclosures and that the economic benefit could be even greater if digital reporting is extended to sustainability and climate disclosures.⁵²

⁵⁰ *Id.* at n.570 (“The Commission has an open source Inline XBRL Viewer that allows the user to make an Inline XBRL data human-readable and allows filers to more readily filter and identify errors. Anyone with a recent standard internet browser can view any Inline XBRL filing on EDGAR at no cost. More information about the Commission’s Inline XBRL Viewer is available at <https://www.sec.gov/structureddata/osd-inline-xbrl.html>. Studies suggest XBRL requirements increase the information content of prices, reduce the informational advantages held by insiders over public investors, heighten the relevance, understandability, and comparability of financial information for non-professional investors, and enhance the reports and recommendations published by financial analysts, thereby indirectly benefitting retail investors for whom such analysts represent a significant source of investment information. See Proposing Release, *supra* footnote 8, at n.852.”)

⁵¹ Financial Reporting Council, Opportunities for future UK digital reporting (August 2024), <https://www.frc.org.uk/consultations/discussion-paper-opportunities-for-the-future-of-digital-reporting/>

⁵² Deloitte Report: *Embracing the power of digital corporate reporting – A mandate for change* (2023), https://images.content.deloitte.com.au/Web/DELOITTEAUSTRALIA/%7Bead78b2d-d844-4661-87b4-a95e41e878a5%7D_au-audit-embracing-power-of-digital-reporting-2023-report.pdf?_ga=2.18707069.577816908.1737559506-1389159567.1737559506