

MEMO# 31460

October 30, 2018

IDC Files Comment Letter on SEC's Investor Experience Release

[31460]

October 30, 2018 TO: ICI Members

Investment Company Directors SUBJECTS: Disclosure

Fund Governance RE: IDC Files Comment Letter on SEC's Investor Experience Release

IDC filed the attached letter in response to the SEC's request for comment on ways to enhance disclosures by mutual funds, exchange-traded funds, and closed-end funds to improve the investor experience and to help investors make more informed investment decisions. IDC's letter focuses on the questions relating to those topics that are of particular interest to fund directors. The letter states that, in general, IDC supports efforts to modernize disclosure requirements that help investors to focus on and understand key information about their funds and that also reduce costs to funds, which are ultimately borne by shareholders.

IDC's letter:

- Strongly urges the SEC to adopt a "notice and access" method for the delivery of prospectuses, as it recently did for the delivery of shareholder reports;
- Supports summary shareholder reports, following the model for the summary prospectus;
- Objects to requiring funds to disclose a standardized risk measure or risk rating because investment risk is multi-faceted and different concepts of risk cannot be captured in a single risk measure;
- Objects to requiring funds to provide investors with customized fee information because funds do not maintain this type of information and it would be logistically challenging and costly to do so;
- States that additional soft dollars disclosure is not warranted, given the current disclosure requirements relating to brokerage practices and board oversight of soft dollars arrangements; and
- Does not support requiring funds to include comparisons of fund performance or fees to that of a peer group of funds in prospectuses.

Annette Capretta
Deputy Managing Director

[Attachment](#)

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