

Chairman Roisman & Commissioners:

I am in favor of many element of your rulemaking to improve and tailor fund disclosures. Below are areas I both agree and disagree with as well as reactions to other commenters.

Agree with:

- I support the streamlined shareholder report. I think it contains the relevant information and would be more useful to investors that the current annual report. I recommend 3 changes:
 1. Remove performance information from the cost presentation. Performance and cost are 2 different considerations. Given how sensitive the cost presentation performance is to performance and because funds with different fiscal year ends will have different performance, I suggest removing performance from the cost presentation. This will also simplify the cost presentation.
 2. The costs should be calculated using the same methodology as the prospectus and include acquired fund fees and expenses. To omit this information gives investor and incomplete picture of a fund's expenses (particularly when they are not going to be delivered a prospectus).
 3. The liquidity disclosure is not useful to investor and will be boilerplate. Either remove it, or only require it for less liquid funds.
- I support the simplified fee table. I think it is long overdue and a welcome change.
- I support listing risks in order of importance. I also support the 10% risk threshold, but think it should be recast as a guideline rather than a requirement.
- I strongly support the marketing rules and the requirement to disclose maximum loads and gross expenses.
- I support rescinding rule 30e-3 for funds.
- I agree their should be one annual report per fund/series. This will reduce length and complexity and make t easier for an investor to find relevant information. Some comments argue that target date funds and certain other funds should be allowed to be grouped. This exception should not be allowed. A 40 year old investor in a 2045 fund need not see info on a 2015, 2020 or 2025 fund.

Disagree With:

- I disagree with excluding certain acquired fund fees and expenses (such as 10% in underlying funds and any investment in money market funds) from fee presentations. Excluding these fees gives investors an incomplete picture. It is analogous to quoting the price of car but leaving off the cost of tires and upholstery. Also, footnotes will not be picked up under your proposed marketing rules. Do not let the industry hide fees from investors.
- I think a shareholder report should only be prepared and delivered once per year so long as updated performance and unaudited financials are posted online.

Responses to the industry:

- The industry appears to want all communication to be posted online without any actual delivery. This is ridiculous and the industry simply wants to avoid costs. It reminds me of a quote from a famous villain:

[From this day forth, you put your faith... in me. - Lord Voldemort \(Harry Potter and the Deathly Hallows: Part 2 \(2011\)\)](#)

Funds need to periodically ping investors to let them know what is going on with the fund and let them know of any significant changes.

Thank you.

-Lisa Barker