

January 4, 2021

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

ssga.com

Submitted via email: rule-comments@sec.gov

Re: SEC Proposal on Tailored Shareholder Reports, Treatment of Annual Prospectus Updates for Existing Investors, and Improved Fee and Risk Disclosure for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements (File No. S7-09-20)

Dear Ms. Countryman:

State Street Global Advisors, the investment management arm of State Street Corporation¹, welcomes the opportunity to respond to the Securities and Exchange Commission's (the "Commission") request for comments on the Proposal on Tailored Shareholder Reports.² Specifically, the Commission seeks to modernize shareholder reports so they provide greater value to investors. The proposed rule and form changes (together, the "Proposals") include amendments to Investment Company Act Rule 30e-3, which was adopted by the Commission on June 5, 2018.

With \$3.14 trillion assets under management³, State Street Global Advisors is the world's third-largest asset manager and the issuer of the SPDR family of exchange-traded funds ("ETFs"). State Street Global Advisors appreciates the Commission's initiative to modernize the disclosure regulatory regime, and we commend its efforts to develop a streamlined shareholder report that provides for concise information, including key financial data and investment-related risk disclosure to shareholders. However, we focus below on one key aspect of the Proposals, electronic delivery ("e-delivery"), as we believe the Proposals may reverse the benefits to investors of receiving information electronically. State Street Global Advisors recommends that the Commission prescribe e-delivery as the default method for delivery of

¹ Headquartered in Boston, Massachusetts, State Street Corporation is a global custodian bank which specializes in the provision of financial services to institutional investor clients. This includes the provision of investment servicing, investment management, data and analytics, and investment research and trading. With \$36.643 trillion in assets under custody and administration, and approximately \$3.14 trillion of assets under management, State Street operates in more than 100 geographic markets globally as of September 30, 2020. State Street is organized as a United States bank holding company, with operations conducted through several entities, primarily its wholly-owned state-chartered IDI, State Street Bank and Trust Company.

² Available at <https://www.govinfo.gov/content/pkg/FR-2020-11-05/pdf/2020-17449.pdf>

³ As of September 30, 2020. Assets under management includes approximately \$81 billion of assets with respect to which State Street Global Advisors Funds Distributors, LLC ("SSGA FD") serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

shareholder documents, subject to permitting investors to opt out and receive paper delivery at any time, while also maintaining the current scope of Rule 30e-3.

Recommend E-Delivery as the Default Delivery Method and Maintain the Scope of Rule 30e-3

State Street Global Advisors strongly recommends e-delivery as the default method of delivery for shareholder documents. E-delivery is an effective and efficient means of communication with investors. First, by sending shareholder documents electronically, investors are provided a more interactive experience and access to disclosure information through hyperlinks. Second, given the accessibility of the internet, e-delivery enables investors to receive and view information effectively. Not only is e-delivery reflective of trending investor preferences, but it is more environmentally sustainable and significantly reduces the amount of waste created by mailing paper documents. Further, e-delivery reduces printing and mailing costs. Investors are already familiar with receiving information electronically, and it is believed that most would generally prefer e-delivery.

Additionally, current Rule 30e-3 provides mutual funds and ETFs registered on Form N-1A the option of satisfying their obligations to transmit shareholder reports by making such reports and other materials accessible at a public website specified in a notice to investors, unless an investor chooses to opt out and requests paper delivery. If adopted as drafted, the Proposals would amend the scope of Rule 30e-3 to exclude mutual funds and ETFs, thereby withdrawing notice and electronic access delivery for shareholder reports.

We strongly recommend that the Commission not amend Rule 30e-3 to exclude mutual funds and ETFs from relying on Rule 30e-3. Many fund complexes, including State Street Global Advisors, have included the required Rule 30e-3 disclosures in fund prospectuses and shareholder reports since January 2019 in order to rely on Rule 30e-3 beginning January 2021. Accordingly, this month, investor notifications will be issued regarding fund shareholder reports being available electronically. Amending Rule 30e-3 to remove the ability of mutual funds and ETFs to rely on the notice and electronic access for delivery of shareholder reports will confuse investors who have received several such notices by the time any Proposals are fully implemented. Reversing course to require mailing shareholder reports seems contrary to the Commission's overall goal of making important disclosure information more readily accessible to investors.

Furthermore, while we acknowledge that the use of e-delivery may not align with certain investors' preferences for paper delivery of shareholder documents, we believe that allowing such investors to opt out of e-delivery addresses this concern. For these reasons, we recommend that the Commission establish e-delivery as the

default delivery method of shareholder communications and also retain the inclusion of mutual funds and ETFs under Rule 30e-3.

Conclusion

State Street Global Advisors would once again like to thank the Commission for the opportunity to provide comments on the Proposals.

Please feel free to contact me at [REDACTED] should you wish to discuss State Street Global Advisors' submission in further detail.

Sincerely,



Katherine S. McKinley
Senior Vice President and General Counsel
State Street Global Advisors