

April 2020

Summaries of Annual and Semiannual Shareholder Reports: Investor Testing and Cost Savings Information



Request for Comment on Fund Retail Investor Experience and Disclosure SEC File No. S7-12-18 (the “Release”)

Summary versions of annual and semiannual fund reports can make regular disclosures more reader-friendly for Main Street investors and less costly to fund companies. They provide information that mutual fund and ETF investors want in order to stay informed.

This presentation provides information from investor surveys and economic analyses, primarily from the following sources:

- December, 2019: FINRA Investor Education Foundation, “Investors in the United States 2019”
- January, 2020 survey by Forrester Consulting for Broadridge (complete report sent separately)
- January, 2020 survey by True North Market Insights for Broadridge (complete report sent separately)
- Operational and administrative data (based on Broadridge’s processing of communications for funds and ETFs held in street name)
- Economic analysis of fund report delivery scenarios (paper, postage, and fees), a 2018 study by Compass Lexecon, updated by Broadridge to include data from fiscal year 2019.

Comments on the *Release* raised the following 6 questions:

1. How do investors use shareholder reports of mutual funds and ETFs?
2. What sections of the reports do investors rate as *more important* or as *less important*?
3. How frequently do investors want to receive shareholder reports?
4. What are their preferred methods of receiving reports (mail, email, other digital delivery methods)?
5. What are the potential cost savings with use of summary reports (inclusive of paper, postage, and fees)?
6. How can technology improve the disclosure experience and further reduce costs?

Key findings

Q1: How investors use shareholder reports: Three-quarters of investors use regular fund reports to monitor their investments.⁽¹⁾ Two-thirds of investors spend anywhere from 6 minutes to 30 minutes reviewing each report.⁽²⁾ Many investors find regular reports difficult to understand. Over 60% of seniors and lower income investors find them difficult to understand.⁽³⁾ By contrast, over 90% of all investors say summary reports like the ones tested would make it easier for them to monitor their investments.⁽⁴⁾

Q2: What sections they look at: Most investors read some sections of each regular report.⁽⁵⁾ They rate the sections on performance, expenses, and portfolio holdings as *more important*.⁽⁶⁾ They rate the sections on financial statements, notes to financial statements, and the auditor's report as *less important*.⁽⁷⁾ Over 90% of investors are more likely to read summary reports than the longer regular shareholder reports.⁽⁸⁾ Investors express a strong preference for summary reports.⁽⁹⁾ Over 90% of investors say they would look favorably upon fund companies that provide summary reports.⁽¹⁰⁾

Q3: How frequently investors want to receive reports: Over 80% of investors prefer the twice-yearly frequency of report delivery.⁽¹¹⁾ When it comes to the delivery of summary reports, those who want them quarterly outnumber those who want them annually by a factor of 2 to 1.⁽¹²⁾

Q4: Investors' preferred methods of receiving reports: Investors don't want to hunt and peck to find fund reports on websites. They prefer to receive disclosures directly by email and mail.⁽¹³⁾ Delivery preferences vary by age and by the number of funds owned.⁽¹⁴⁾ Investors are more likely to read summary reports sent directly to them by email and mail.⁽¹⁵⁾

Footnotes are found in the appendix.

Key findings – continued

Q5: Potential cost savings with summary reports: The average unit cost of a fund report continues to decline, from \$0.88 in 2008 to \$0.50 in 2019 (a reduction of 43%). Notice & access will reduce the 2019 unit cost by 28% (to \$0.36). Summary reports would reduce the 2019 unit cost by 34% (to \$0.33) while providing Main Street investors with information in a reader-friendly format.

The unit cost of a summary report to the average investor is less than 1/10 of 1 basis point -- inclusive of paper, postage, and fees.

By simplifying preparation, a shorter-form semiannual report filing would reduce the costs of providing summaries (without taking away information that investors regard as *more important*). Preliminary estimates (to be confirmed) are that it could reduce the unit cost of summaries to \$0.20 - \$0.23. Broadridge is working with fund companies to quantify the added savings of streamlining semiannual report filings.

Q6: How technology can improve the disclosure experience and further reduce costs: Technologies that directly provide information digitally to investors can improve the user experience, leading to cost savings on paper and postage. For investors that use mobile devices, summary reports make key information more readable and accessible than do pdfs of regular reports.

Question 1. How do investors use shareholder reports of mutual funds and ETFs?

Most investors in funds and ETFs are long-term investors. Over 80% have owned their investments for 5 years or more. Two-thirds of them have owned their funds for at least 10 years.

Annual reports and semiannual reports work together to provide investors with updated information over the course of a year. There are meaningful changes in certain information from one reporting period to the next.

Three-quarters of investors (74%) use fund reports to monitor their investments. Many (39%) also use them when deciding to buy, sell, or own funds and ETFs.

- Over 90% of investors say summary reports like the ones tested are enough to stay informed about their mutual fund investments, as long as detailed documents are available upon request and free of charge.

Most investors read at least some sections of fund reports: 67% of investors spend anywhere from 6 minutes to 30 minutes on each report; 12% spend > 30 min.; and, 21% spend < 5 min. Few investors read all of the information (12%) and few read none of it (4%).

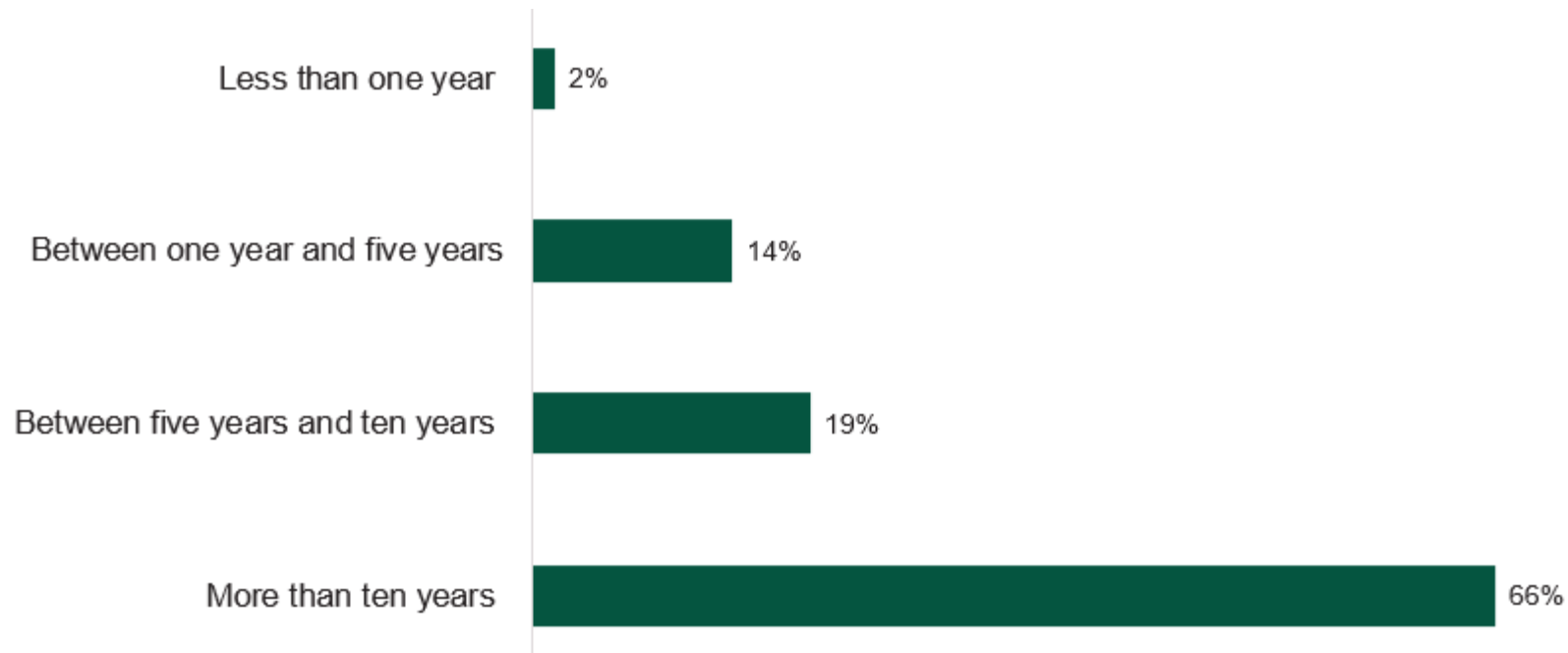
- Over 90% of investors say they would be more likely to read summary reports like the ones tested.
- Investors who read 'little or none' of each report also say they'd be more likely to read summary reports.

Over 40% of all investors find shareholder reports difficult to understand. 60% of older and lower income segments of investors find them difficult to understand. Those who find reports difficult to understand also less frequently evaluate their investments.

- Investors say that summaries such as the ones tested are easier to understand and more helpful to them in evaluating their investments.

Most fund investors are long-term investors. Two-thirds of them have had their investments for over 10 years.

Q.10: How long have you had investments in mutual funds and ETFs? (Select one)



Base: 2,000 total respondents, differences due to rounding.
Source: Forrester Consulting Survey, 2020 (p. 13)

Annual reports (AR) and semiannual reports (SAR) work together to provide updated information over the course of a year.

Content	Updated by Each Report	Comments
President's Letter	Yes	Not required in either AR or SAR, but many funds include a letter.
Performance	Yes	Required in AR, not SAR. Many funds include in both. Reflects the most recent semiannual period and previous periods (i.e., 1, 5, 10 years).
Portfolio Commentary	Yes	Covers results for the most recent six months.
Fund Characteristics	Yes	Top holdings, asset allocation, industry allocations. Updated at the semiannual period end, based on holdings.
Expenses (Fee Example)	Yes	Reflects the most recent expense ratio for the related share class.
Summary or Full Schedule of Investments	Yes	Based upon the most recent portfolio holdings at the period end.
Statements of Financial Conditions/Operations	Yes	Asset & Liabilities (period end); Operations (for the 6-mos. ended); Statement of Changes (for the 6-mos. ended, together with most recent fiscal year end).
Notes to Financial Statements	Yes	For/at the period end and the most recent fiscal year end.
Financial Highlights	Yes	Most recent six month period and preceding 5 fiscal years. Expense ratio annualized (but not return or portfolio turnover)
Report of Independent Auditors	No	Semiannual financial statements are not required to be audited.
Management	No	Directors and officers
Approval of Management Agreement	In AR or SAR	Timing of disclosure based upon approval of investment management agreement. Either in annual or semiannual report but not in both.
Other Information	No	Funds typically include other information, such as information related to the fund's proxy voting policies and procedures.

Form N1A, Item 27 and related rules and regulations.

Annual and semiannual reports work together over the course of a year. Based on a sample, there are meaningful changes from one reporting period to the next.*

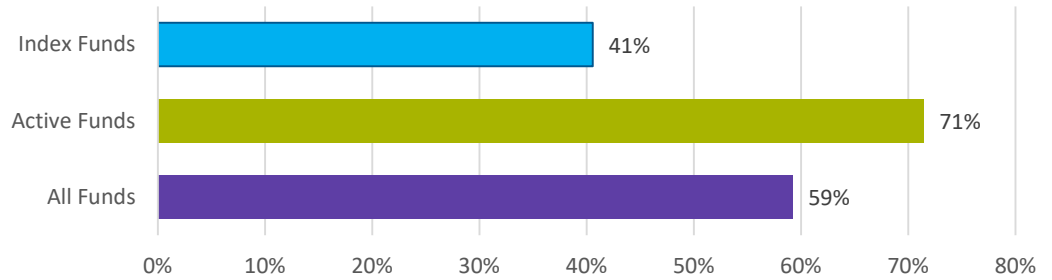
Expense Ratios changed 59% of the time between reports:

- Average change was 2 bps.
- Largest change was 28 bps.

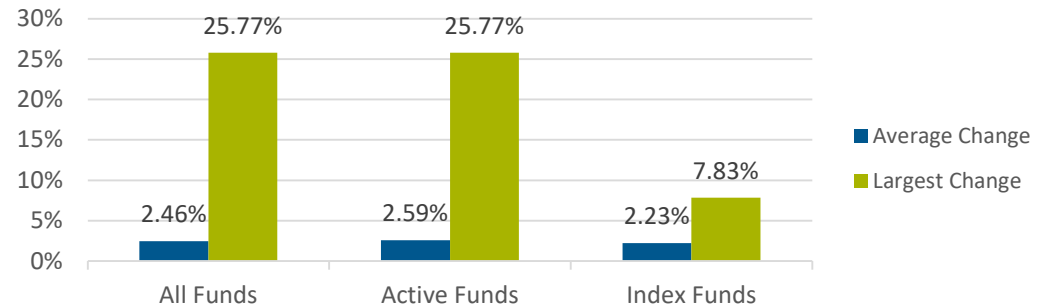
5-Year Historic Returns changed 100% of the time between reports:**

- Average change was 2.46%.
- Largest change was 25.77%.

Expense Ratio Rate of Change Across Reporting Periods



5 Year Return Change Across Reporting Periods



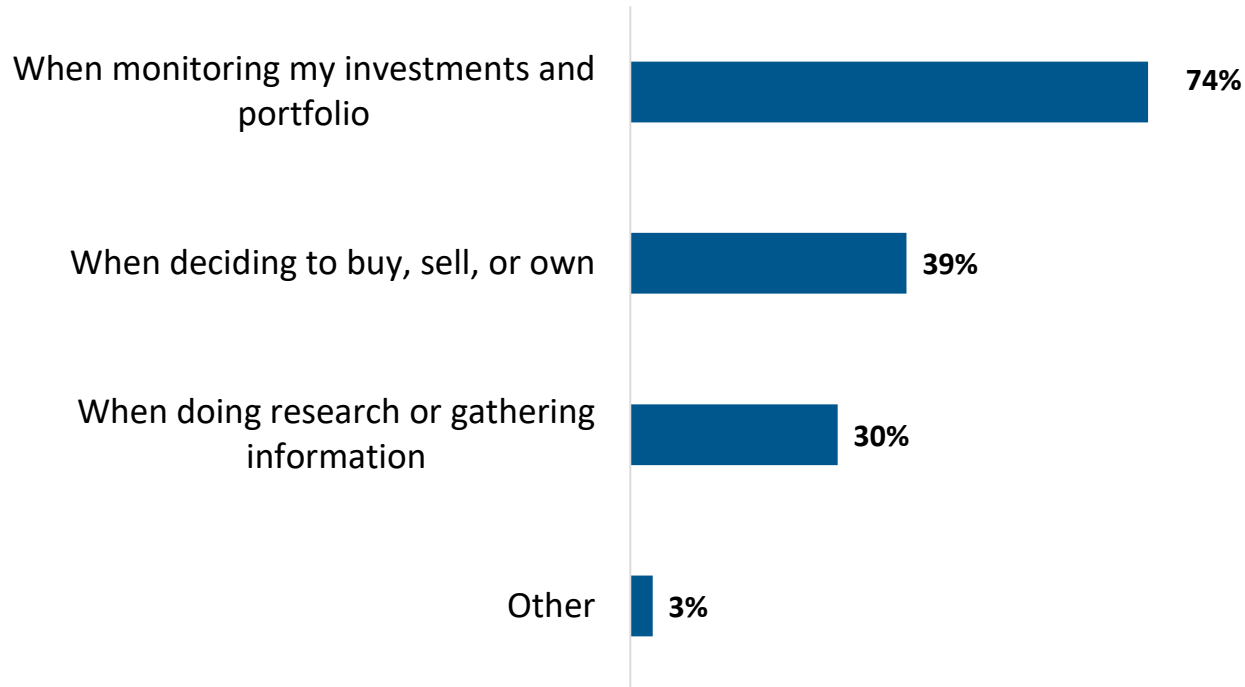
Portfolio Holdings: Continual changes in top holdings were noted from one report to the next.

* Source: Broadridge's review of changes in key metrics across shareholder reports spanning 7 continuous reporting periods, ending in 2019. A total of 25 well-known funds were selected (15 actively managed and 10 index funds). Funds had trading depth, and included funds with some of the highest levels of assets under management.

** Based on the 16 funds (out of 25) that reported 5-year returns (10 active, 6 index).

Three-quarters of investors (74%) use regular shareholder reports to monitor their investments. Many investors use them to make decisions and to gather information.

Q.11: How do you use mutual funds and/or ETF shareholder reports? (Select all that apply)



Base: 1,837 investors out of 2,000 said they open the reports.
Source: Forrester Consulting Survey, 2020 (p. 14)

Summaries of shareholder reports can make information more accessible.
Over 90% of investors say summaries like the one tested are sufficient to stay informed.

Q.14: Please rate the extent to which you agree or disagree with each of the following statements. (Percentage of respondents who “somewhat” or “strongly” agree)

Summary documents like this are enough for investors who want to stay informed about their mutual fund investments, as long as the longer and more detailed documents are available upon request free of charge

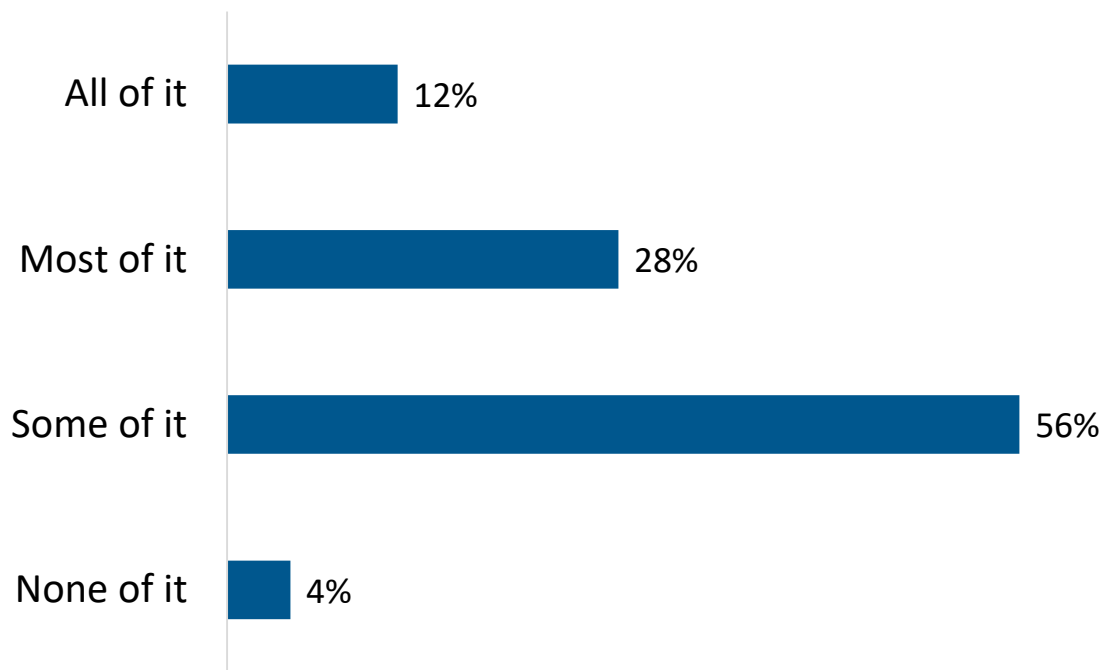


Base: 2,000 total respondents
Source: Forrester Consulting Survey, 2020 (p. 30)

Note: GFK Survey, 2018, 95% of mutual fund owners strongly or somewhat agreed that “Summary documents like this are enough for investors who want to stay informed about their mutual fund investments, as long as the longer and more detailed documents are available upon request free of charge.” (p. 15)

Most investors read at least some sections of each regular shareholder report. Few investors read all of the information (12%), and fewer still read none of it (4%).

Q.3: How much of each mutual fund or ETF shareholder report do you read or review?

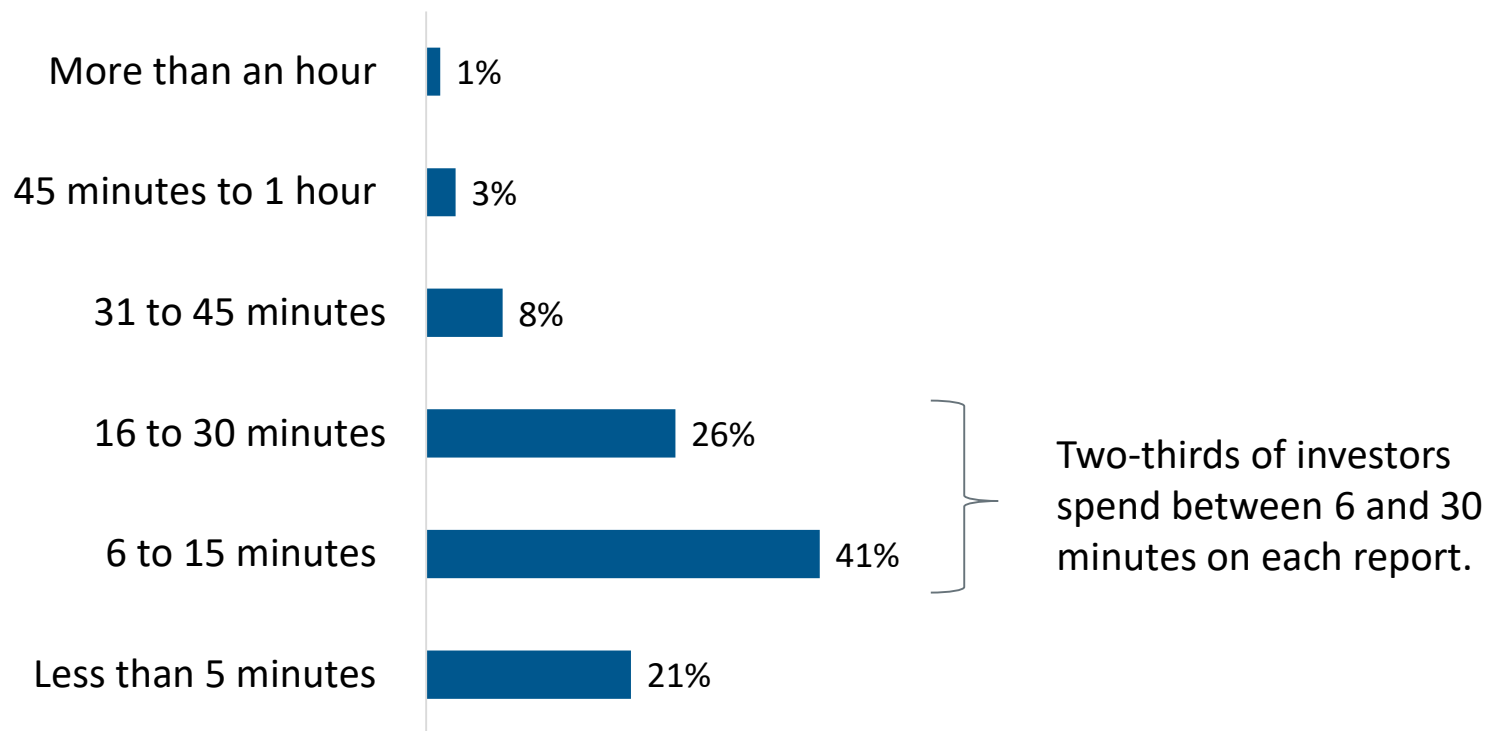


Base: 1,837 who said they open reports.

Source: Forrester Consulting Survey, 2020 (p. 18)

Investors vary in how much time they spend on each report. 67% of them spend 6 to 30 minutes on each report. 12% spend > 30 minutes, and 21% spend < 5 minutes.

Q.4: How much time do you typically spend reviewing each mutual fund and/or ETF shareholder report?



Base: 1,837 who said they open reports.

Source: Forrester Consulting Survey, 2020 (p. 19)

Summary reports can better inform and engage all investors. 94% of investors who read “some” of each regular report are more likely to read summary reports.*

Q.14: Please rate the extent to which you agree or disagree with each of the following statements. (Percentage who “somewhat” or “strongly” agree)



(Base: 1,027 respondents who read or review “some” of it.)

Note: Showing top 2, from a 4-point scale where 1=“strongly disagree” and 4=“strongly agree.”

Source: Forrester Consulting Survey, 2020 (p. 32)

*GFK Group Survey, 2018, 92% of mutual fund owners strongly or somewhat agreed that “I am more likely to read a summary document like this than the longer and more detailed shareholder report”

Summary reports can better inform and engage all investors. 91% of those who read “very little” or “none” of the regular reports are more likely to read summary reports.

Q.14: Please rate the extent to which you agree or disagree with each of the following statements. (Percentage who “somewhat” or “strongly” agree)



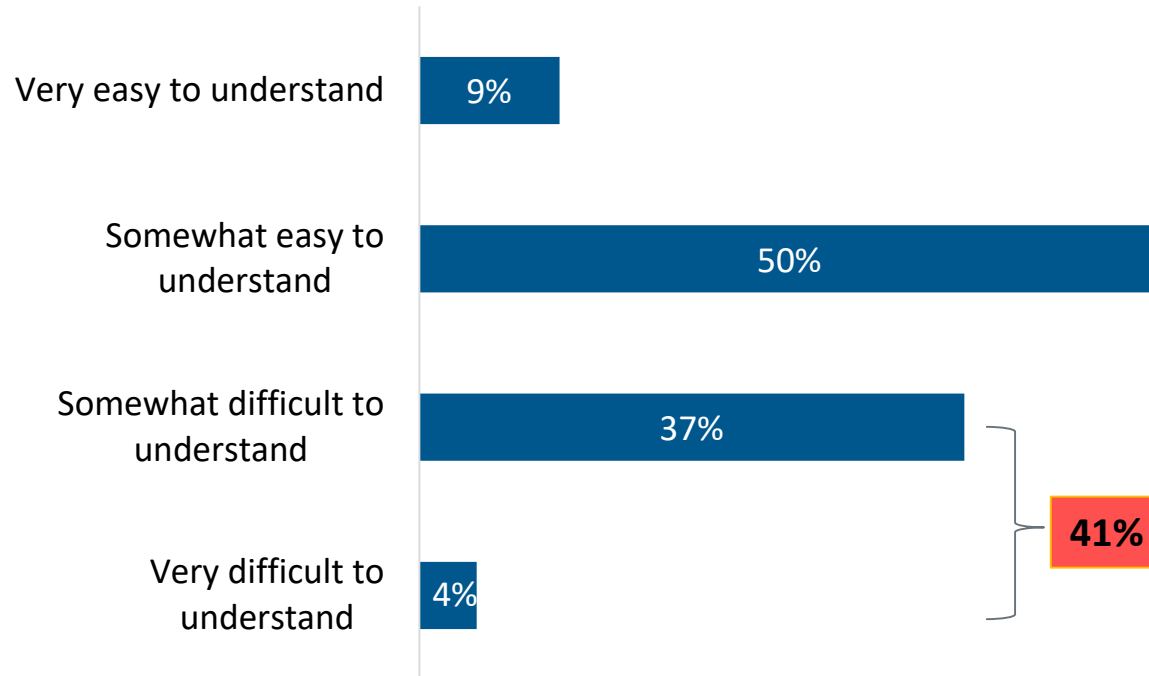
(Base: 245 non-readers who say they read or review “very little” of it and “none” of it.)

Note: Showing top 2 from a 4-point scale where 1=“strongly disagree” and 4=“strongly agree.”

Source: Forrester Consulting Survey, 2020 (p. 31)

Over 40% of investors find regular shareholder reports “somewhat” or “very” difficult to understand.

Q.10: How easy or difficult is it to understand the information contained in mutual fund and/or ETF shareholder reports? Are they...”



Base: 1,755 readers (those who say they read “Some,” “Most,” or “All” of each report.

Source: Forrester Consulting Survey, 2020 (p. 15)

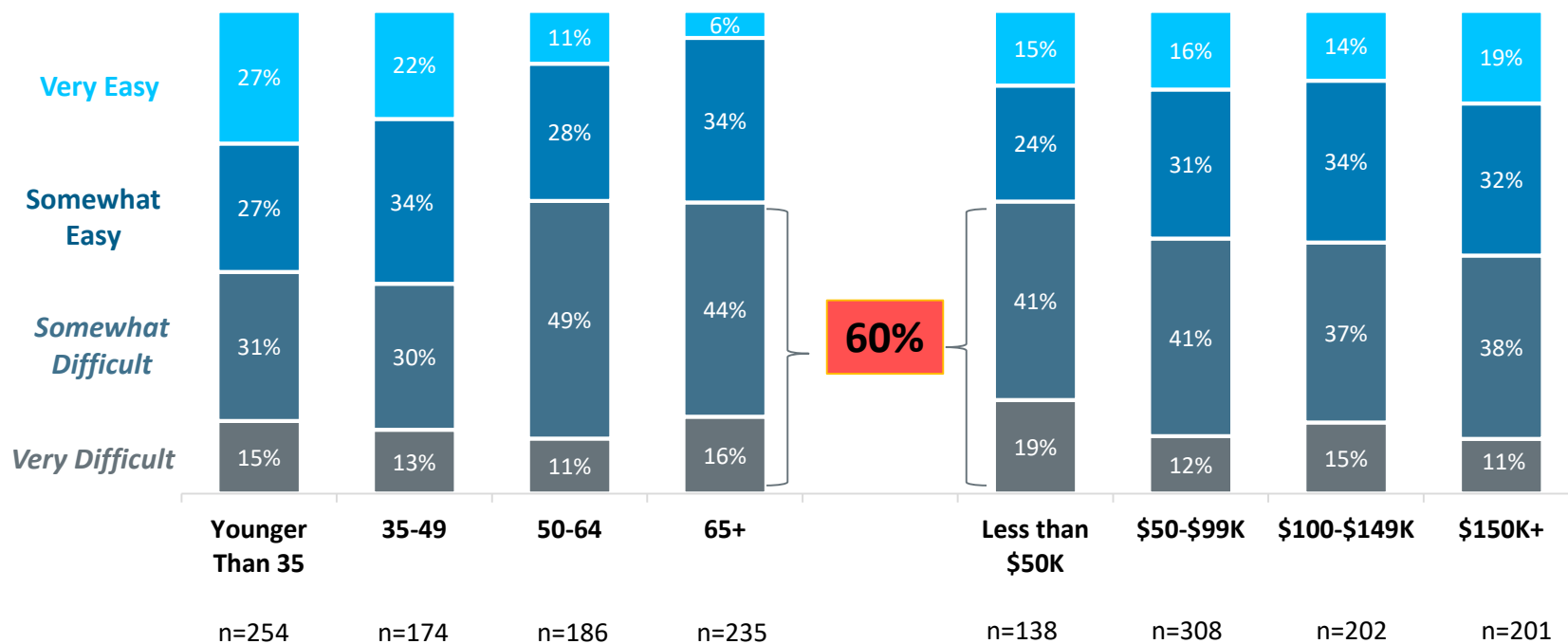
60% of both older and lower income segments of investors find regular shareholder reports “somewhat” or “very” difficult to understand.

Question: “How easy or difficult is the information to understand?”

Very Easy Somewhat Easy Somewhat Difficult Very Difficult

Understanding Based on Age

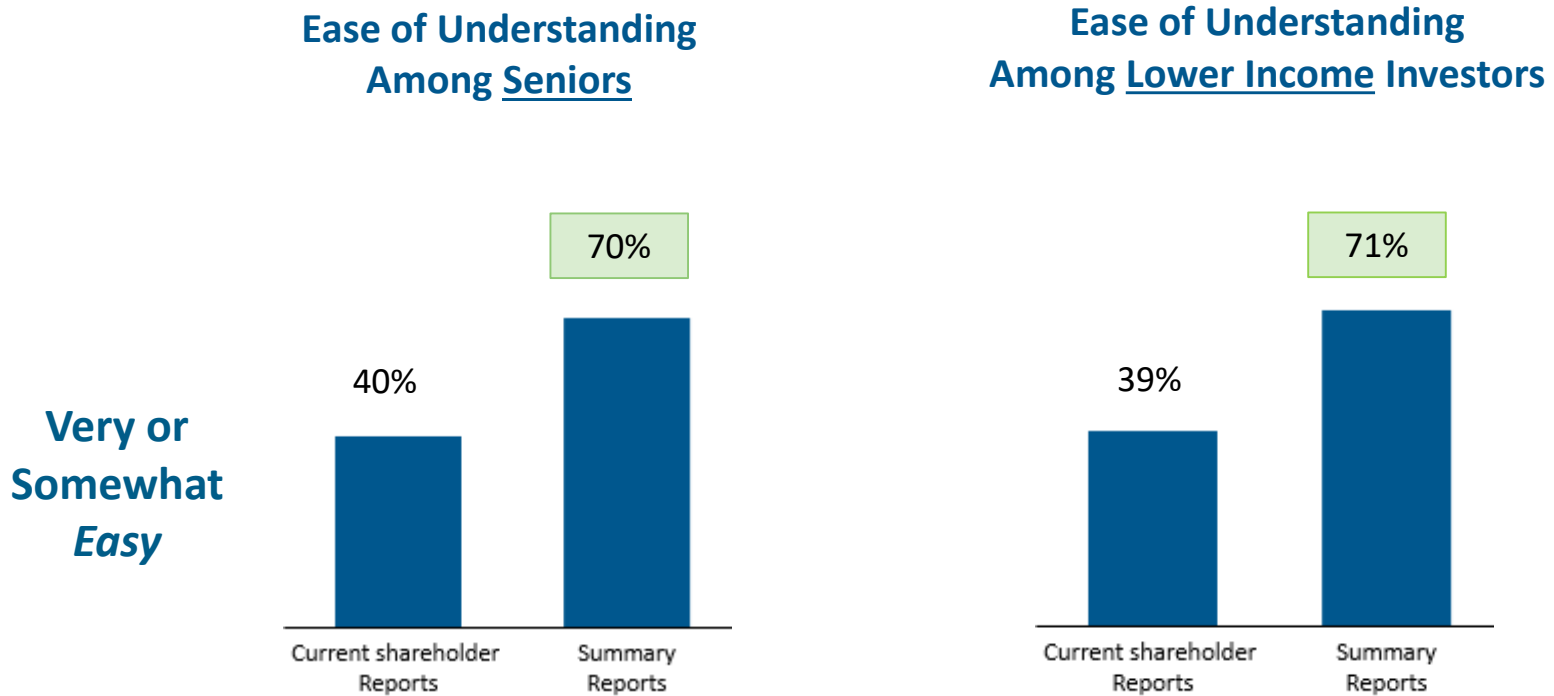
Understanding Based on Income



Base: 84% of Mutual Fund and ETF investors that recall receiving Shareholder Reports (n=849)

Source: True North Survey, 2020. (p. 9)

By comparison, over 70% of older and lower income segments of investors find the prototype summary reports “very” or “somewhat” easy to understand.



Base: All Mutual Fund and ETF investors, (n=1010) . “Seniors” are in the 65+ age range and “lower income” investors have income of \$50k or less.

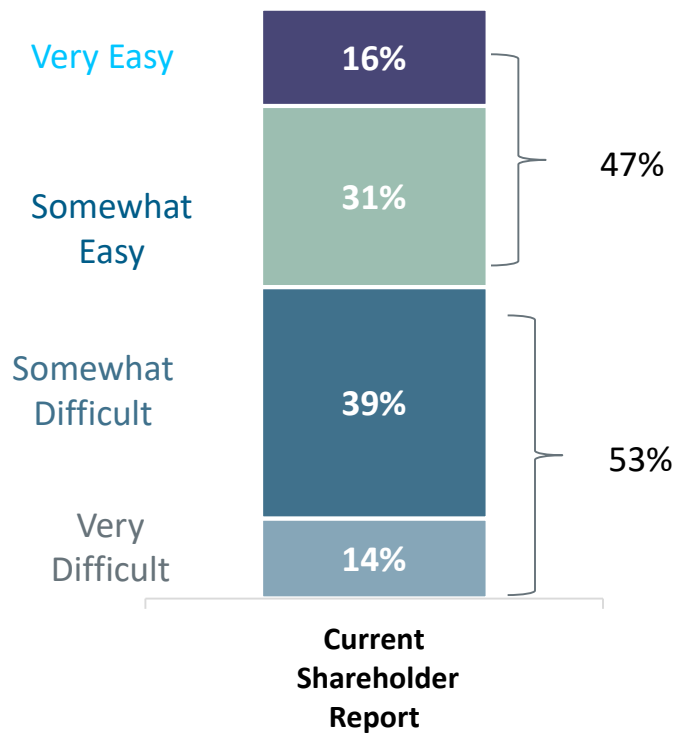
Source: True North Survey, 2020. (p. 13)

Please rate your experience reading this Summary Shareholder report. How easy or difficult is the information to understand? Are they...?

What is your age? What is your household’s total annual income from all sources before taxes?

Those who find the regular shareholder reports difficult to understand less frequently evaluate their investments.

Question: "How easy or difficult is the information to understand?"



	How Often Evaluate Investments			
	Once Per Year or Less	2 Times Per Year	3-4 Times Per Year	More than 4 Times Per Year
Base	160	202	358	290
Very / Somewhat Easy	34%	38%	48%	58%
Very / Somewhat Difficult	66%	62%	52%	42%

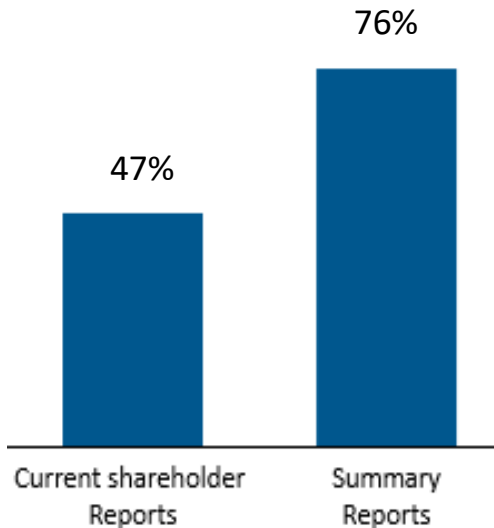
Base: 84% of Mutual Fund and ETF investors that recall receiving Shareholder Reports (n=849)

Source: True North Survey, 2020 (p. 8)

Summaries would assist investors in evaluating their investments.

Question: “Please rate your experience reading this Summary Shareholder report. How easy or difficult is the information to understand?”

Very or Somewhat Easy to Understand



73% of those who less frequently evaluate their investments find the summary report easy to understand.

Summary Shareholder Reports...	How Often Evaluate Investments			
	Once Per Year or Less	2 Times Per Year	3-4 Times Per Year	More than 4 Times Per Year
Very / Somewhat Easy	73%	71%	76%	79%
Very / Somewhat Difficult	27%	29%	24%	21%

Base: 84% of Mutual Fund and ETF investors that recall receiving current Shareholder Reports (n=849).

Prototype base n=1,010, all investors.

Source: True North Survey, 2020. (p. 12)

Question 2. What sections of the regular reports do investors rate as *more important* or as *less important*?

Investors are consistent in their ratings of which sections of the annual and semiannual reports are *more important* and which sections are *less important*. The ratings do not vary by age or by the number of funds an investor owns.

Annual Reports: Investors rate the sections of information on performance, expenses, and portfolio holdings as *more important*. They rate the sections on financial statements, notes to financial statements, and the auditor's report as *less important*.

Semiannual Reports: Investors rate the sections of information on expenses and portfolio holdings as *more important*. They rate the sections on unaudited financial statements and notes to financial statements as *less important*.

The prototype that was tested contains information that investors rate as more important.

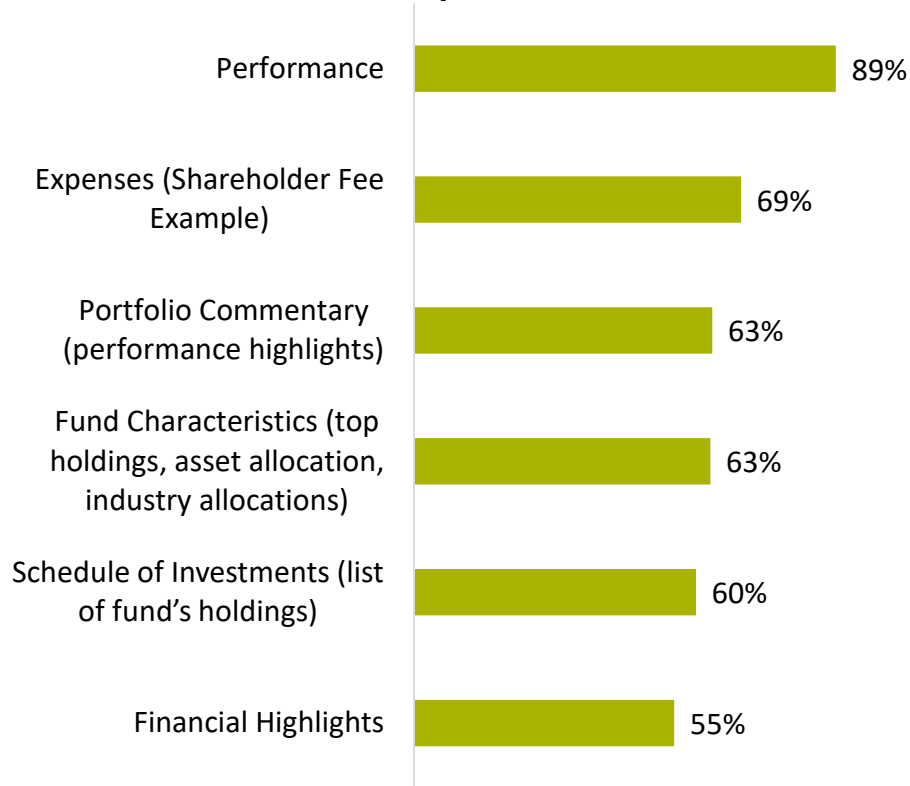
Investors have a strong preference for summaries over regular shareholder reports. Summaries are easier to read and make it easier for investors to compare funds. Over 90% of investors say they would look favorably on fund companies that provide summary reports.

Annual Report Contents Ratings:

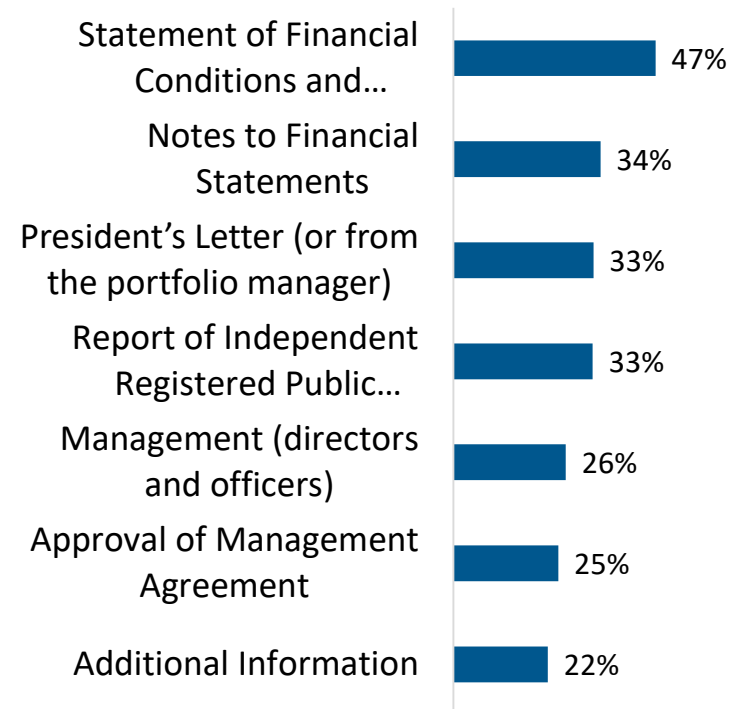
Investors rate six sections of the annual report as more important.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports.

More important sections of annual reports



Less important sections of annual reports



Base: 1,755 readers (those who say they read "Some," "Most," or "All" of each report.)

Source: Forrester Consulting Survey, 2020 (p. 20)

Annual Report Contents Ratings: Investors' ratings are consistent across age groups.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports. Top 2 from a 5-point scale where 1 = "Not important" and 5 = "Very important"

	≤ 34 yrs. old	35 to 49	50 to 64	≥ 65 yrs. old
Performance	82%	90%	90%	90%
Expenses (Shareholder Fee Example)	68%	74%	69%	65%
Financial Highlights	66%	59%	56%	48%
Fund Characteristics (top holdings, asset allocation, industry allocations)	65%	68%	62%	58%
Schedule of Investments (list of fund's holdings)	63%	63%	59%	57%
Portfolio Commentary (performance highlights)	61%	67%	65%	58%
Statement of Financial Conditions and Operations (audited)	48%	49%	48%	44%
Report of Independent Registered Public Accounting Firm	41%	39%	28%	32%
Notes to Financial Statements	40%	42%	33%	29%
President's Letter (or from the portfolio manager)	34%	37%	32%	30%
Management (directors and officers)	32%	34%	24%	22%
Additional Information	31%	32%	18%	16%
Approval of Management Agreement	29%	31%	23%	20%

Base: Readers. 746 investors that own 1-3 mutual funds and ETFs; 496 that own 4-6 mutual funds and ETFs; 255 that own 7-10 mutual funds and ETFs; and 258 that own more than 10 mutual funds and ETFs

Source: Forrester Consulting Survey, 2020 (p. 21)

Annual Report Contents Ratings: Investors' ratings are consistent across the number of funds owned.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports. Top 2 from a 5-point scale where 1 = "Not important" and 5 = "Very important"

	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Performance	86%	89%	94%	94%
Expenses (Shareholder Fee Example)	65%	69%	76%	75%
Portfolio Commentary (performance highlights)	61%	62%	70%	64%
Fund Characteristics (top holdings, asset allocation, industry allocations)	60%	63%	69%	65%
Financial Highlights	57%	55%	56%	49%
Schedule of Investments (list of fund's holdings)	56%	59%	66%	65%
Statement of Financial Conditions and Operations (audited)	48%	47%	45%	49%
Notes to Financial Statements	34%	36%	36%	32%
Report of Independent Registered Public Accounting Firm	31%	37%	33%	29%
President's Letter (or from the portfolio manager)	29%	38%	35%	31%
Management (directors and officers)	26%	29%	25%	23%
Approval of Management Agreement	25%	26%	23%	22%
Additional Information	22%	25%	23%	16%

Base: Readers; 746 that own 1-3 mutual funds and ETFs; 496 that own 4-6 mutual funds and ETFs; 255 that own 7-10 mutual funds and ETFs; and 258 that own more than 10 mutual funds and ETFs

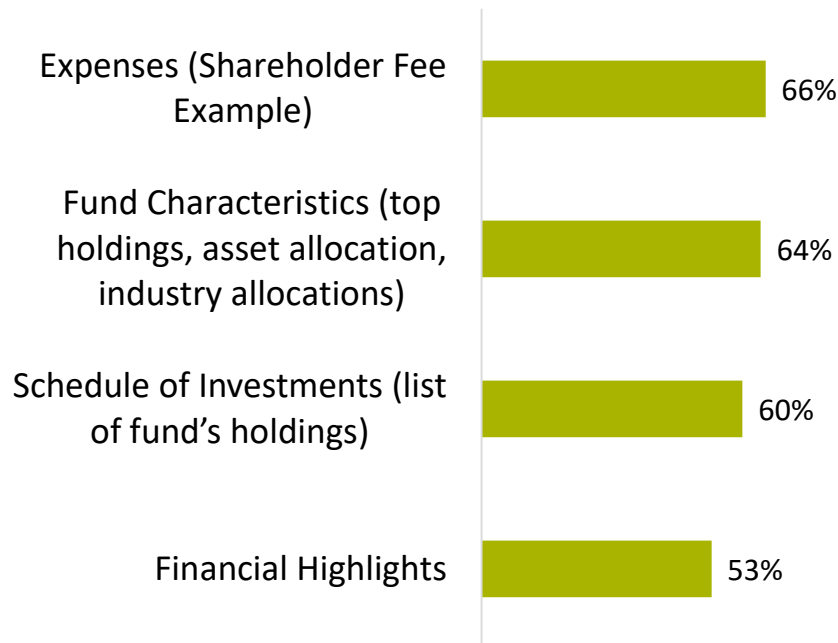
Source: Forrester Consulting Survey, 2020 (p. 22)

Semiannual Report Contents Ratings:

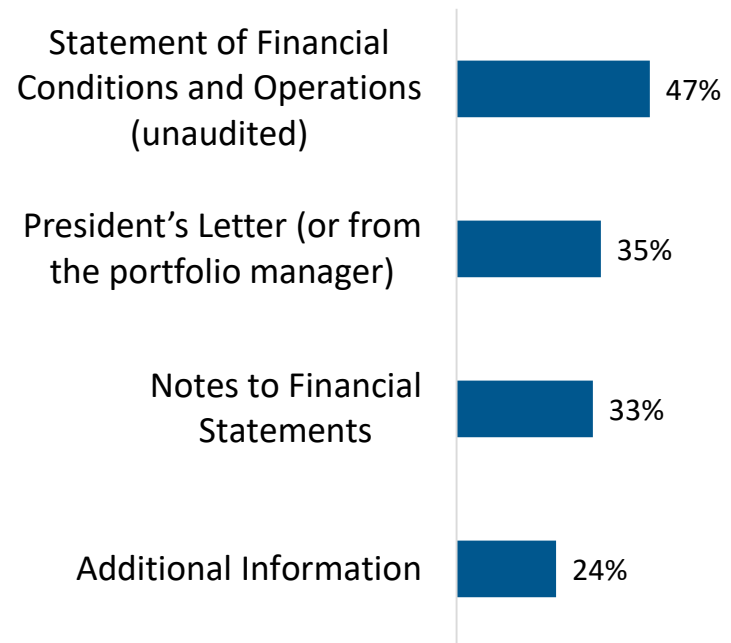
Investors rate four sections of the semiannual report as more important.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports.

More important sections of semiannual reports



Less important sections of semiannual reports



Base: 1,755 readers (those who say they read "Some," "Most," or "All" of each report. Source: Forrester Consulting Survey, 2020 (p. 23)

Note: investors were not asked to rate certain sections that are not required to be filed in semiannual reports.

Semiannual Report Contents Ratings: Investors' ratings are consistent across age groups.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports. Top 2 from a 5-point scale where 1 = "Not important" and 5 = "Very important"

	≤ 34 yrs. old	35 to 49	50 to 64	≥ 65 yrs. old
Fund Characteristics (top holdings, asset allocation, industry allocations)	67%	66%	66%	60%
Expenses (Shareholder Fee Example)	65%	71%	66%	60%
Financial Highlights	63%	59%	52%	47%
Schedule of Investments (list of fund's holdings)	59%	67%	60%	55%
Statement of Financial Conditions and Operations (unaudited)	50%	53%	47%	42%
Notes to Financial Statements	39%	45%	31%	24%
President's Letter (or from the portfolio manager)	37%	40%	33%	33%
Additional Information	33%	35%	21%	17%

Base: Readers; 746 that own 1-3 mutual funds/ETFs; 496 that own 4-6 mutual funds/ETFs; 255 that own 7-10 mutual funds/ETFs; 258 that own More than 10 mutual funds/ETFs

Source: Forrester Consulting Survey, 2020 (p. 25)

Semiannual Report Contents Ratings: Investors' ratings are consistent across the number of funds owned.

Q.8: Please indicate the level of importance to you of each of the following sections found in shareholder reports. Top 2 from a 5-point scale where 1 = "Not important" and 5 = "Very important"

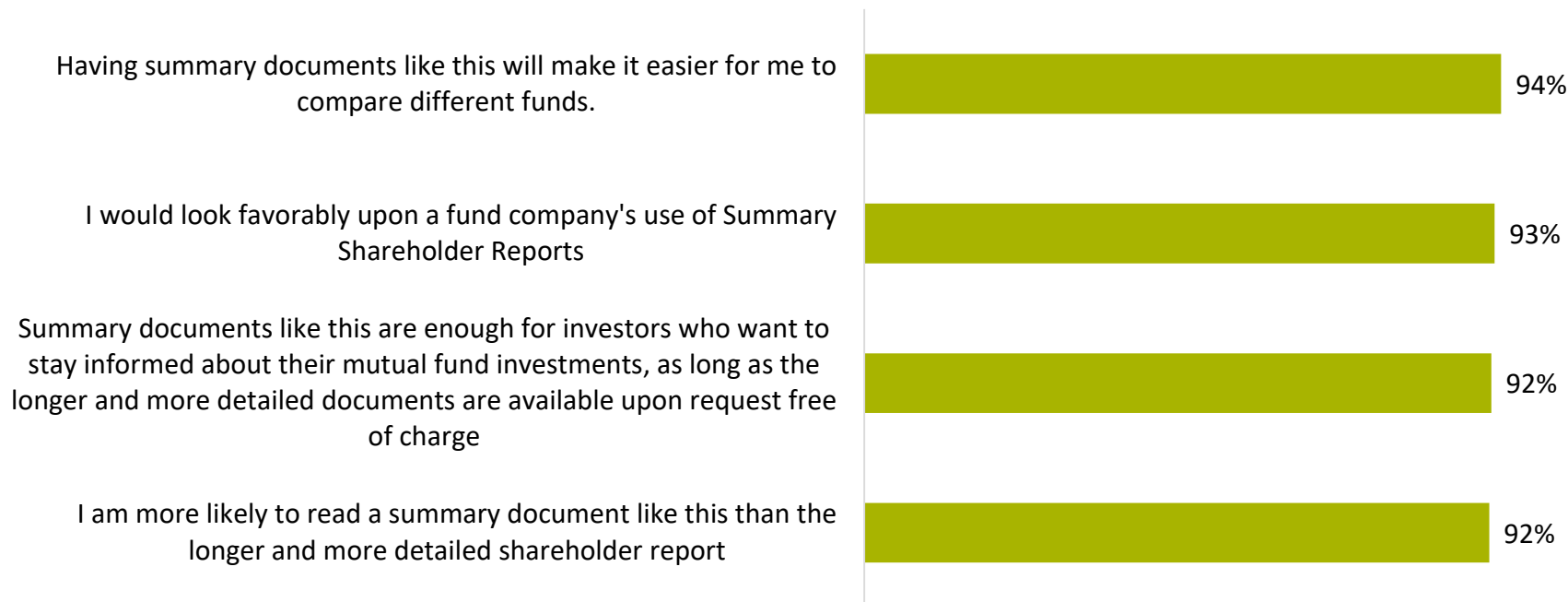
	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Expenses (Shareholder Fee Example)	65%	65%	71%	65%
Fund Characteristics (top holdings, asset allocation, industry allocations)	62%	67%	68%	64%
Schedule of Investments (list of fund's holdings)	58%	62%	61%	63%
Financial Highlights	53%	55%	55%	47%
Statement of Financial Conditions and Operations (unaudited)	47%	49%	47%	42%
Notes to Financial Statements	33%	35%	31%	31%
President's Letter (or from the portfolio manager)	30%	40%	39%	36%
Additional Information	24%	25%	27%	21%

Base: Readers; 746 owning 1-3 mutual funds/ETFs; 496 owning 4-6 mutual funds/ETFs; 255 owning 7-10 mutual funds/ETFs; 258 owning more than 10 mutual funds/ETFs

Source: Forrester Consulting Survey, 2020 (p. 24)

The summary report prototype that was tested contains sections that investors rate as “more important.” Investors have a strong preference for summaries.

Q.14: Please rate the extent to which you agree or disagree with each of the following statements (Showing the percentage who “somewhat” or “strongly” agree)



Base: 2,000 total respondents

Source: Forrester Consulting Survey, 2020 (p. 30)

The findings are consistent across the GfK and True North studies.

Question 3. How frequently do investors want to receive shareholder reports?

Main Street investors are not over-burdened by receiving fund reports. 60% of investors own just 1-3 funds and/or ETFs in their brokerage accounts.

E-delivery (as a percentage of all distributions) has grown by over 300% in the past decade. Notice & access rules will replace 95% of regular reports with mailed notices, beginning January 1, 2021.

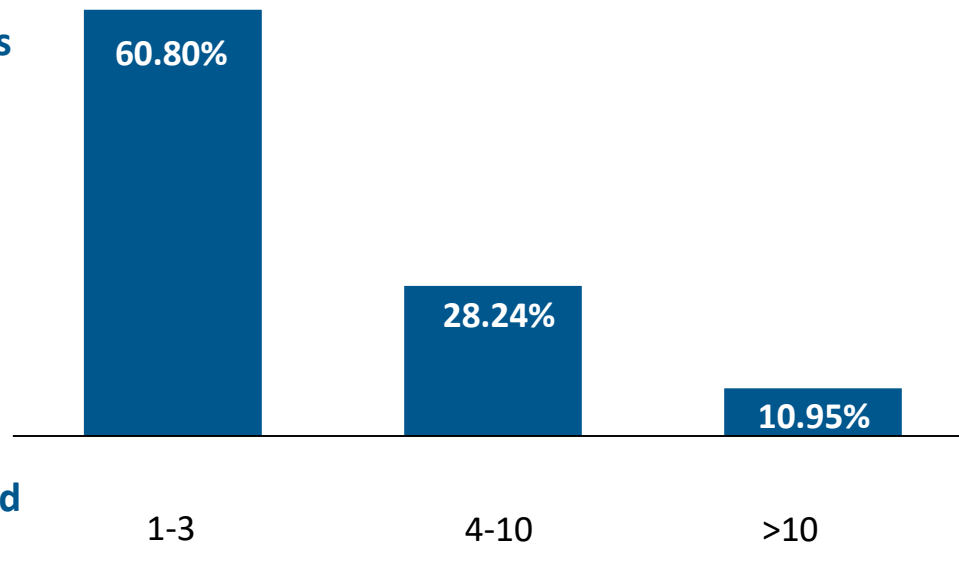
Over 80% of investors feel the twice-yearly frequency of each report delivery is about right. (Forrester Consulting 86%; True North 83%).

Over 80% of investors would like to receive summary reports at least twice a year. (Forrester Consulting 83%; True North 86%) Those who want summaries to be sent quarterly outnumber, by a factor of 2 to 1, those who want them sent once a year.

Frequency preferences do not vary much based on the number of funds an investor owns.

A majority of investors hold between 1 and 3 funds and/or ETFs in their brokerage account. Main Street investors are not over-burdened by receiving fund reports.

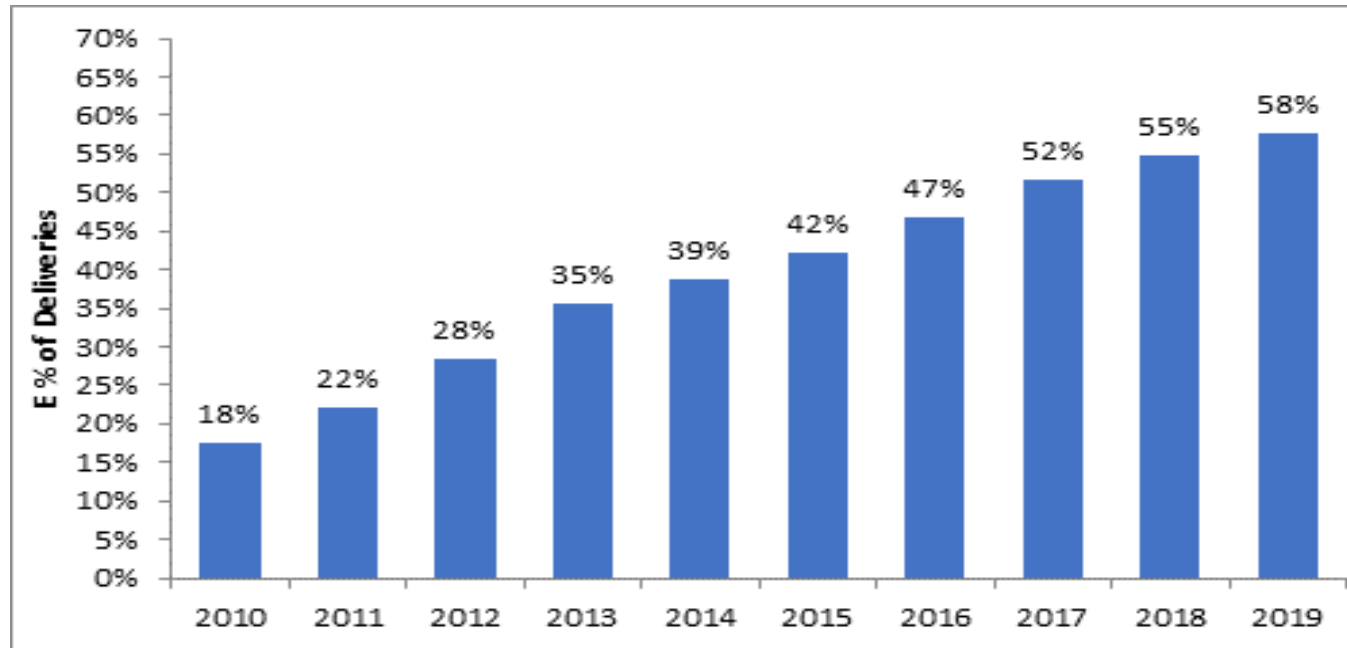
Percentage of fund investors owning each range of funds in their brokerage account



- 60% of investors receive between a couple of reports a year, to one every other month.
- 58% of all distributed reports were e-delivered in FY19. For funds held in street name.
- Investors owning greater numbers of funds are more likely to receive reports by e-delivery.
- Notice & access rules are set to replace 95% of regular reports with mailed notices, beginning January 1, 2021. (Broadridge estimate based on funds that provided early notifications to investors.)

Source: Broadridge data FY17, for funds and ETFs held in street name.

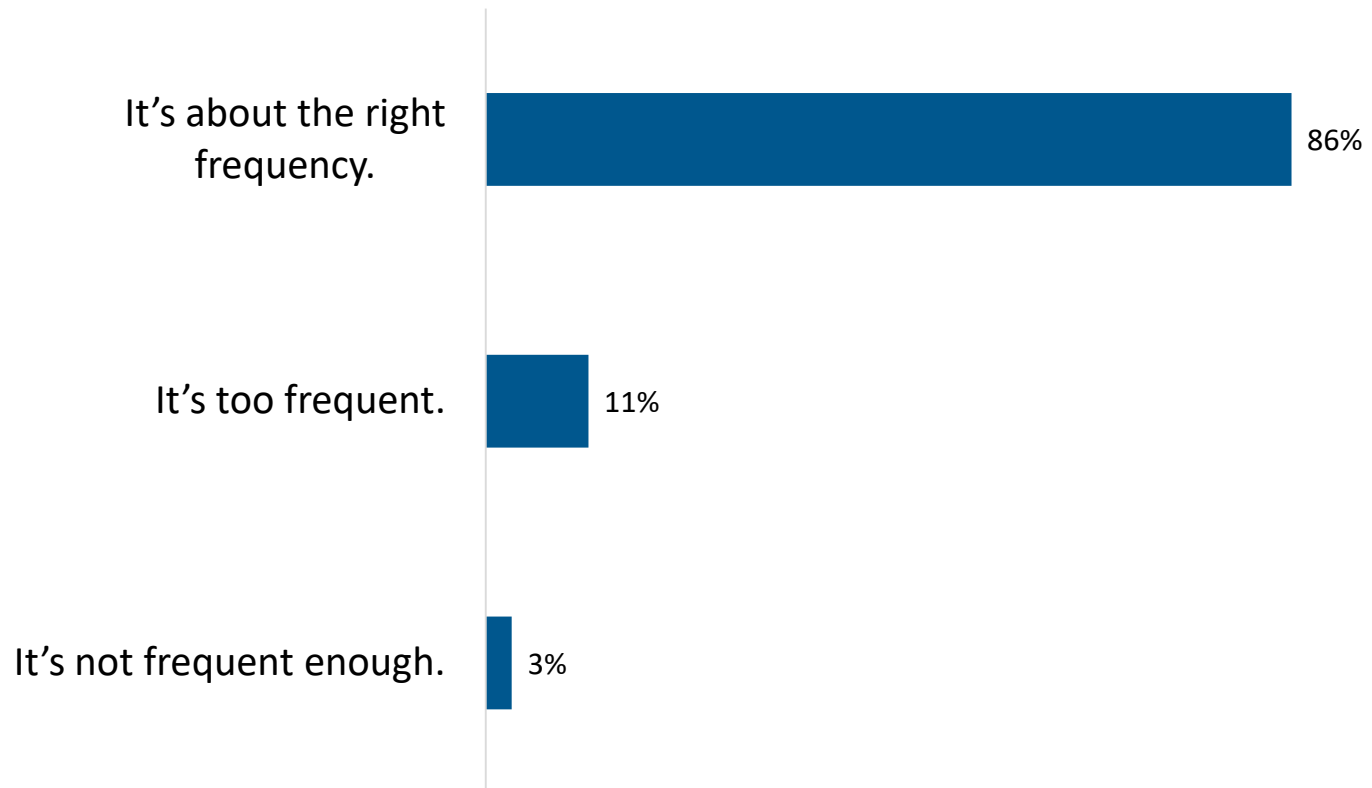
As a percentage of all distributions (mail and email), e-delivery has grown by over 300% from 2010 to 2019.



- Under the SEC’s current guidance for electronic delivery and NYSE incentive fees for delivery “preference management.”
- Based on Broadridge’s technologies and processing for householding, e-delivery, and managed account consolidation (provided with and on behalf of broker-dealer clients).
- For funds and ETFs held in street name, June 30 fiscal year end.

86% of investors say the customary frequency of report delivery is “about right.” (Forrester Consulting)

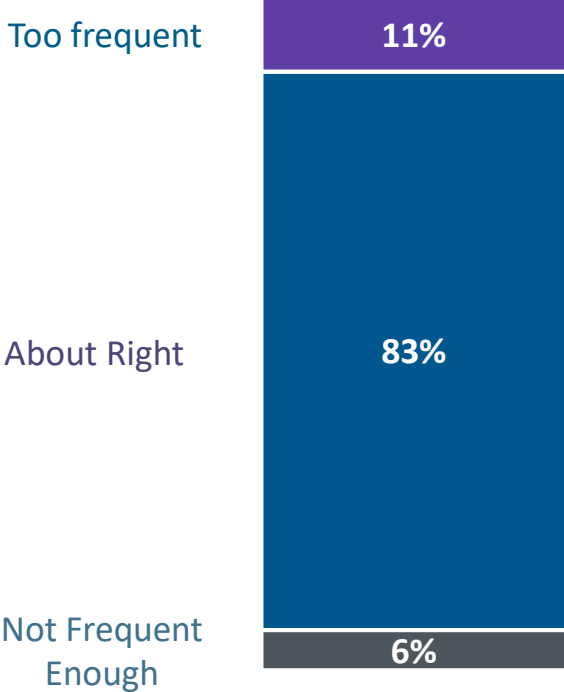
Q.13: Today, shareholder reports are provided twice a year for each of the mutual funds and ETFs you own. How do you feel about the frequency by which reports are provided?



Base: 2,000 total respondents;
Source: Forrester Consulting Survey, 2020 (p. 27)

83% of respondents to the True North survey say the customary frequency of receiving shareholder reports is "about right."

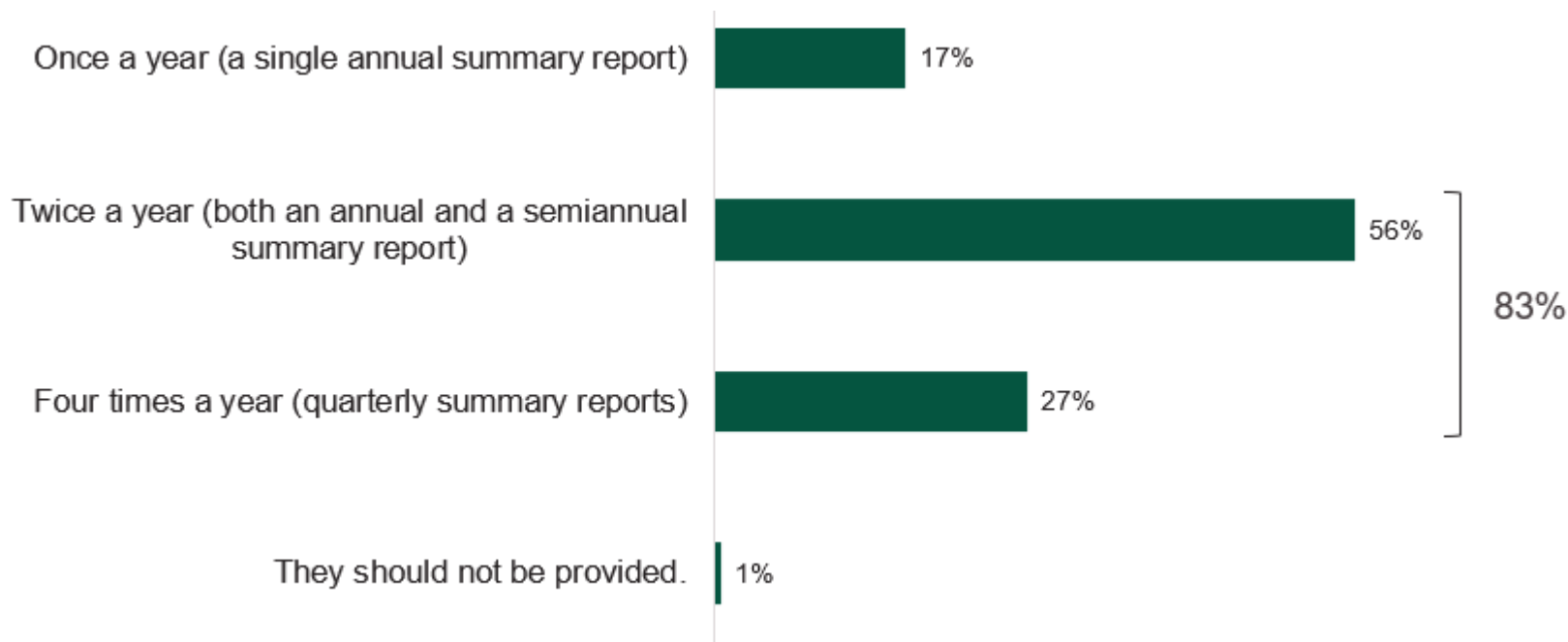
Question: "Mutual funds and ETFs provide two shareholder reports per year (an annual report at year-end, and a semiannual report at mid year). How would you rate the frequency with which the reports are provided?"



Base: 84% of Mutual Fund and ETF investors that recall receiving Shareholder Reports (n=849)
Source: True North Survey, 2020 (p. 10)

83% of investors want summary reports to be provided either twice a year or quarterly. (Forrester Consulting)

Q. 15: How frequently should Summary Shareholder Reports be provided?



Base: 2,000 total respondents;

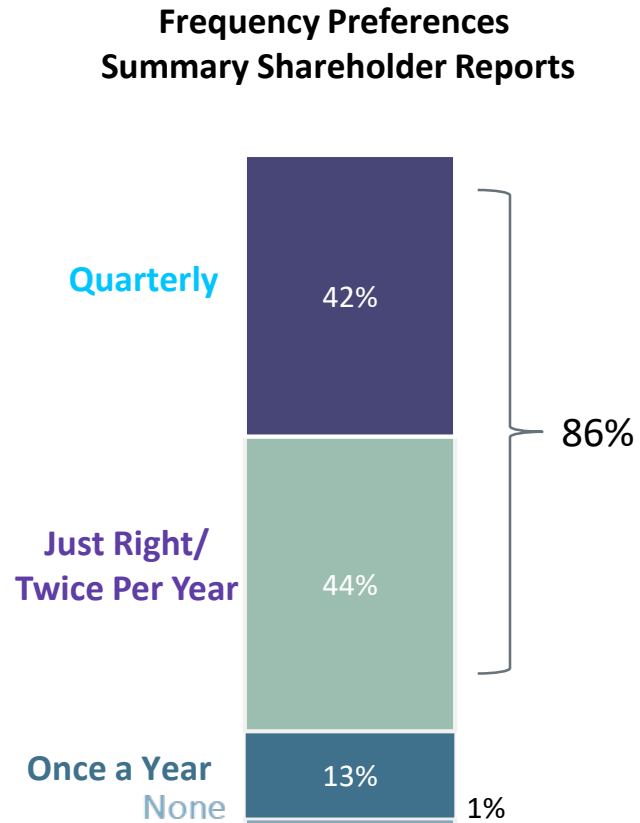
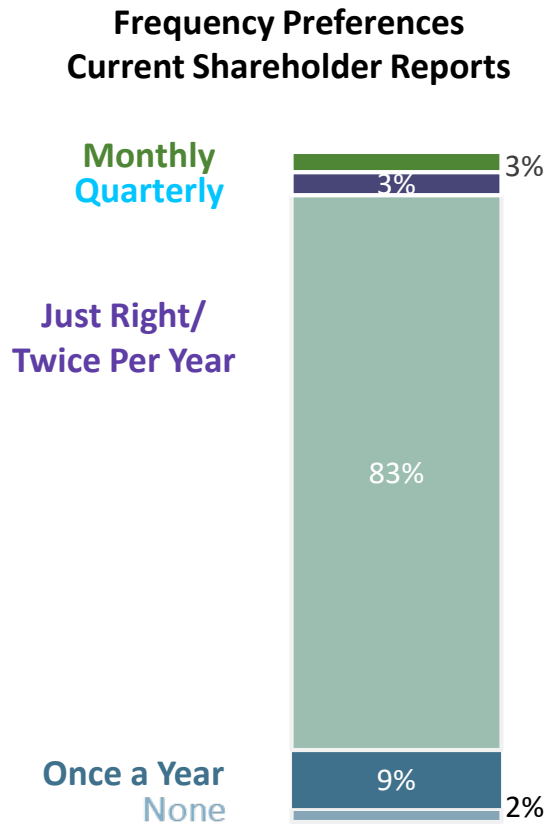
Source: Forrester Consulting Survey, 2020 (p. 28)

Because investors prefer summaries to regular reports, over a quarter of them say they want to receive them more frequently.

86% of respondents to the True North survey say they want to receive summary reports at least twice a year. 42% of investors want to receive them quarterly.

Question: "How would you rate the frequency with which the (current) reports are provided?"

Question: "How frequently should these Summary Shareholder Reports be provided?"



Current and Summary asked in different questions; Current question series combined for this analysis. Base: 84% of Mutual Fund and ETF investors that recall receiving current Shareholder Reports (n=849). Prototype Base: All Mutual Fund and ETF investors (n=1,010) True North Survey, 2020 (p.16)

Regardless of the number of funds an investor owns, at least 80% of investors say they want summary reports to be provided at least twice a year. (Forrester Consulting)

Q.15: How frequently should Summary Shareholder Reports be provided?

FREQUENCY PREFERENCES BASED ON THE NUMBER OF FUNDS AND/OR ETFS AN INVESTOR OWNS

	1-3 mutual funds and ETfs	4-6 mutual funds and ETfs	7-10 mutual funds and ETfs	> 10 mutual funds and ETfs
Once a year (a single annual summary report)	16%	16%	17%	19%
Twice a year (both an annual and a semiannual summary report)	57%	57%	52%	52%
Four times a year (quarterly summary reports)	27%	26%	30%	28%
They should not be provided	0%	1%	0%	1%

Base: 2,000 total respondents; 848 own 1-3 mutual funds and ETfs; 576 own 4-6 mutual funds and ETfs; 282 own 7-10 mutual funds and ETfs; and 294 own > 10 mutual funds and ETfs

Source: Forrester Consulting Survey, 2020 (p. 29)

Question 4. What are their preferred methods of receiving reports (mail, email, other digital delivery methods)?

Main Street investors don't want to hunt and peck to find fund reports on websites. Based on surveys by FINRA (2019), SEC (2018), and Forrester Consulting (2018 and 2020), investors prefer to receive disclosures and summaries directly by mail and email.

Delivery preferences vary somewhat by age, with older investors preferring mail and younger investors email.

Investors' delivery preferences also vary somewhat by how many funds an investor owns. Those with fewer funds prefer to receive summaries by mail, and those with more funds prefer to receive summaries by email.

Overall, investors are more likely to read summaries that are sent to them by the delivery methods they prefer.

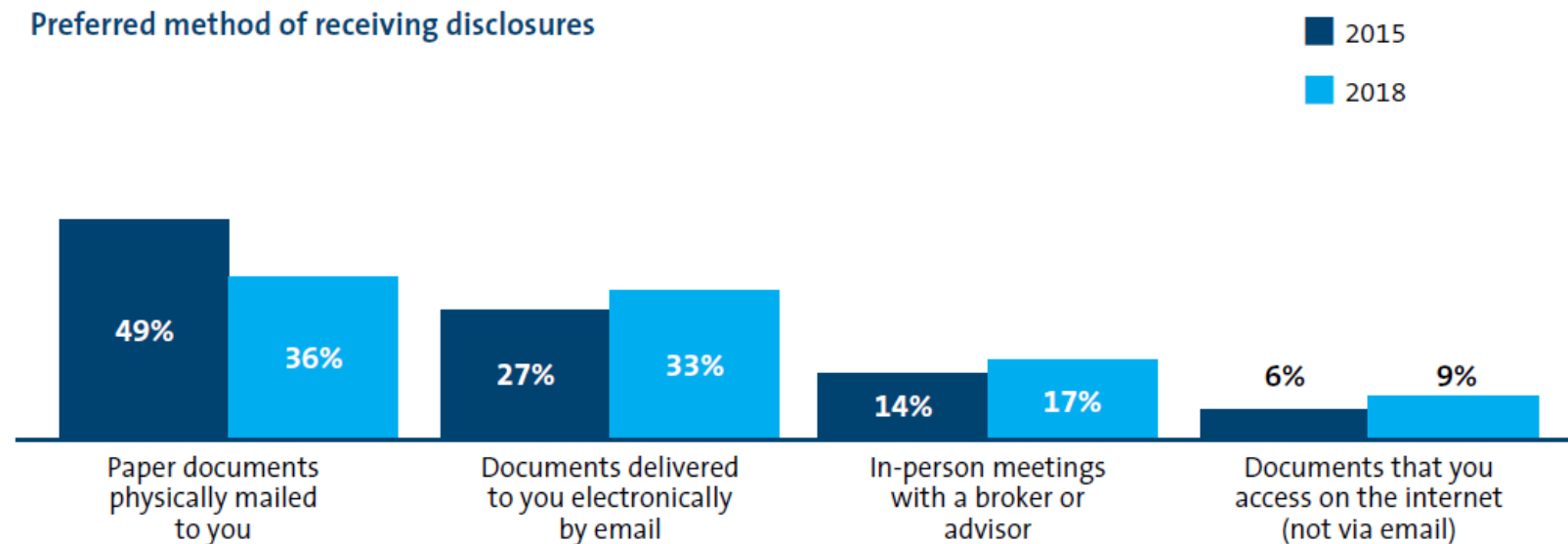
Providing summaries by mail and email makes reports more accessible to all investors.

Note: Survey respondents' stated delivery preferences are generally consistent with operational data on the actual deliveries made. In FY19, 58% of the fund report deliveries to investors holding funds in street name were by email. Rates of e-delivery for investors holding funds directly with fund companies are typically lower.

Investors prefer to receive disclosures directly by mail and email.

FINRA Investor Education Foundation Survey 2019

Question: How would [you] prefer to receive disclosures?



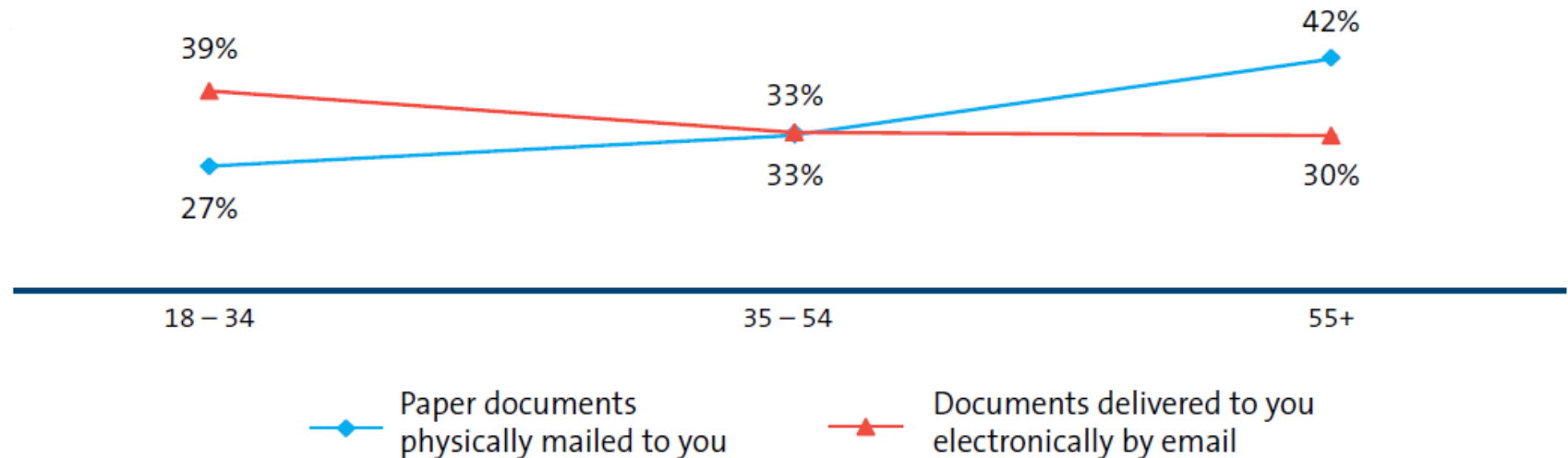
Base: An online survey of 2,003 Americans who have investments outside of retirement accounts.

Source: FINRA Investor Education Foundation, "Investors in the United States 2019," December 2019, p. 17, available at https://www.usfinancialcapability.org/downloads/NFCS_2018_Inv_Survey_Full_Report.pdf

Investor preferences vary somewhat by age, with older investors preferring mail and younger investors email. (FINRA Investor Education Foundation)

Question: How would [you] prefer to receive disclosures? (by age range in years)

Preferred method of receiving disclosures



Base: An online survey of 2,003 Americans who have investments outside of retirement accounts.

Source: FINRA Investor Education Foundation, "Investors in the United States 2019," December 2019, p. 17, available at https://www.usfinancialcapability.org/downloads/NFCS_2018_Inv_Survey_Full_Report.pdf

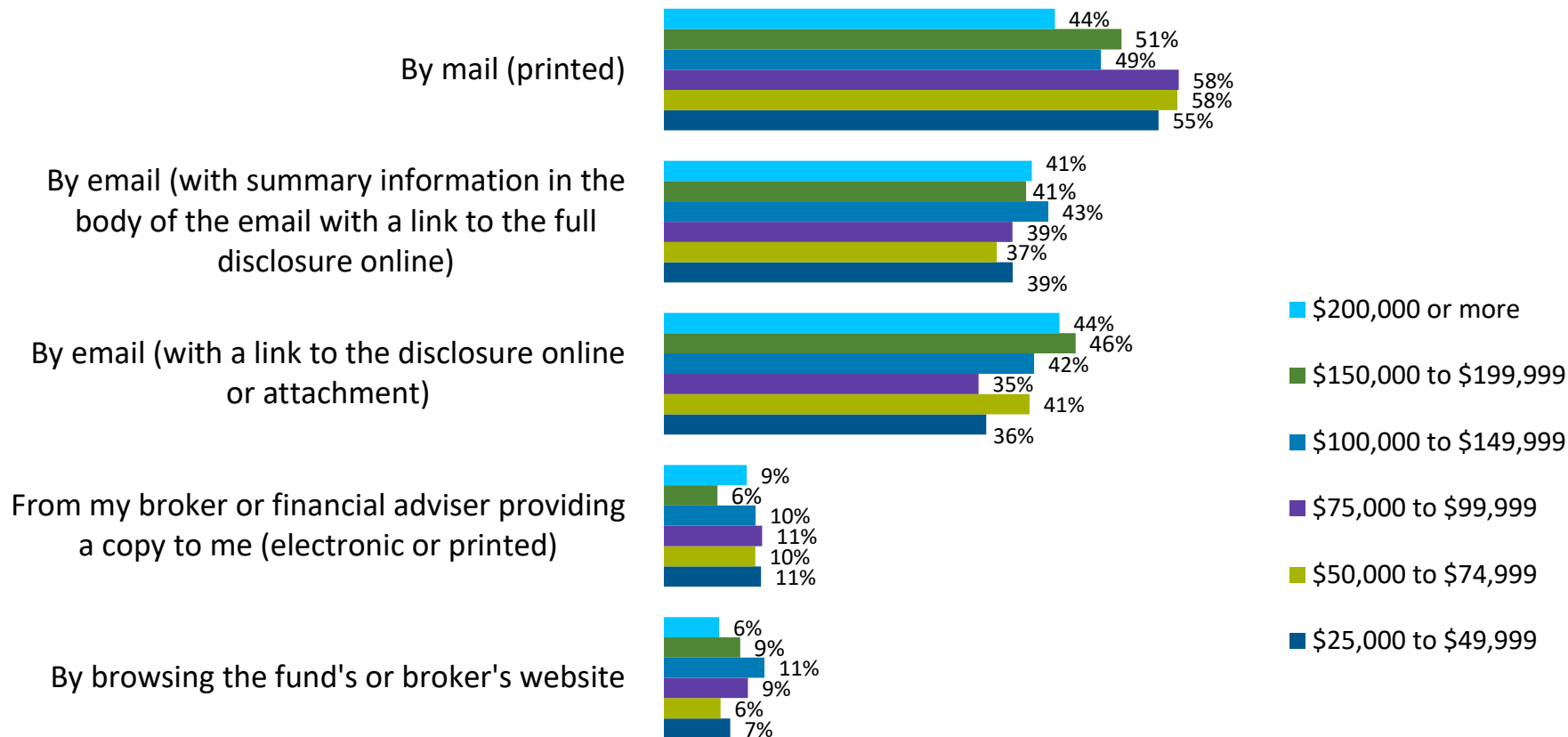
Investors prefer to receive summary disclosures directly by email and mail with additional information available online or upon request. (SEC Disclosure Survey, 2018)

Questions	Responses
<p><i>Q 5. How do you prefer to receive communications about fund investments?</i></p>	<ul style="list-style-type: none"> • 39% prefer delivery by email (19) • 18% prefer delivery by mail (9) • 18% prefer delivery by mail or email (9) • 22% prefer a combination of digital delivery methods (email/website availability, mobile application) (11) • 2% prefer website availability (1)
<p><i>Q 9. Do you prefer to receive shorter 'Summary' disclosures with additional information available online or upon request?</i></p>	<ul style="list-style-type: none"> • 40 respondents prefer to receive summary disclosures with additional information online or upon request. • 3 respondents prefer to receive full disclosure documents.
<p><i>Q 14. Aside from this questionnaire, are there other ways the SEC can engage with investors, like you, on key topics? Is there anything else you would like to tell us?</i></p>	<ul style="list-style-type: none"> • Most common responses: <ul style="list-style-type: none"> ○ In favor of summary reports (7) ○ Right to continue to receive paper documents (7) • Other common responses: <ul style="list-style-type: none"> ○ Opt-out should be in place for paper delivery (not opt-in) (3) ○ Disclosures should be tested with investors before use (3) ○ Simplify all fund disclosures (2) ○ Paper is easier to read, especially for seniors (2)

Source: Analysis of the 80 responses to the *SEC Fund Disclosure Feedback Flier, 2018 (SEC File No. s7-12-18)*. Note: some participants provided responses to some but not all questions contained in the SEC survey.

Browsing for reports on websites is the least preferred method of receiving reports by investors in nearly all income segments. (Forrester Consulting, 2018)

How do you want to receive or get mutual fund and/or ETF disclosures?



Note: 2,091 total respondents. Top 5 responses shown. Base varies from 194 to 506 respondents, depending on segment.

Source: Refer to Broadridge's October 31, 2018 comment letter to SEC file no. S7-12-18 and report by Forrester Consulting, "2018 Disclosures Survey Report," October 12, 2018 (Q18)

Investors prefer to receive summary reports directly by mail or email. Their delivery preferences vary by age. (Forrester Consulting, 2020)

Investors overall prefer to receive summary reports by mail or email. Older investors prefer them by mail, and younger investors prefer them by email. Eighteen percent of younger investors expressed a preference for notification through investment apps.

Q. 16: How would you like to receive these Summary Shareholder Reports? (Select all that apply)

	Age groups				
	Total	34 and under	35 to 49	50 to 64	65 and up
By mail	47%	40%	42%	47%	51%
By email, with the summary report in the body of the email	34%	42%	41%	34%	26%
By email, with an attachment or a link to the summary report online	44%	57%	51%	42%	37%
By text message, with a link to the summary report online	3%	8%	5%	2%	1%
By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	2%	8%	3%	0%	0%
By notification through an investment app with a link to the summary report online	10%	18%	16%	7%	7%
None of the above	1%	2%	1%	1%	1%

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
Source: Forrester Consulting Survey, 2020 (p. 35)

Investors owning fewer funds prefer to receive summaries by mail, and investors owning more funds prefer to receive them by email. (Forrester Consulting, 2020)

Q. 16: How would you like to receive these Summary Shareholder Reports? (Select all that apply)

		Mutual funds and/or ETFs owned				
		Total	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
	By mail	47%	51%	45%	46%	39%
	By email, with the summary report in the body of the email	34%	31%	40%	34%	35%
	By email, with an attachment or a link to the summary report online	44%	42%	43%	47%	48%
	By text message, with a link to the summary report online	3%	2%	3%	4%	4%
	By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	2%	1%	2%	3%	2%
	By notification through an investment app with a link to the summary report online	10%	9%	11%	12%	9%
	None of the above	1%	1%	1%	0%	1%

Base: 2,000 total respondents; 848 1-3 mutual funds and ETFs; 576 4-6 mutual funds and ETFs; 282 7-10 mutual funds and ETFs; 294 more than 10 mutual funds and ETFs

Source: Forrester Consulting Survey, 2020 (p. 36)

Overall, investors are more likely to read summary reports sent to them by the methods they prefer. (Forrester Consulting, 2020)

Q. 17: Which method of receiving Summary Shareholder Reports would make you most likely to read or review them? (Select one)

	Total	Age groups			
		34 and under	35 to 49	50 to 64	65 and up
By mail	41%	22%	34%	43%	49%
By email, with the summary report in the body of the email	24%	27%	25%	26%	19%
By email, with an attachment or a link to the summary report online	28%	38%	31%	26%	27%
By text message, with a link to the summary report online	1%	4%	2%	0%	0%
By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	1%	3%	2%	0%	0%
By notification through an investment app with a link to the summary report online	3%	5%	4%	2%	3%
None of the above	1%	2%	1%	1%	1%

Older investors (65+) are most likely to read Summary Reports sent by mail.

Younger investors (34 and under) are most likely to read Summary Reports sent by email.

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
Source: Forrester Consulting Survey, 2020 (p. 37)

Question 5. What are the potential cost savings with use of summary reports (inclusive of paper, postage, and fees)?*

The average unit cost of providing fund reports decreased from \$0.88 in 2008 to \$0.50 in 2019 (a reduction of 43%). Every 5 percentage point *increase* in e-delivery *reduces* the average unit cost by another \$0.03 (under current rules).

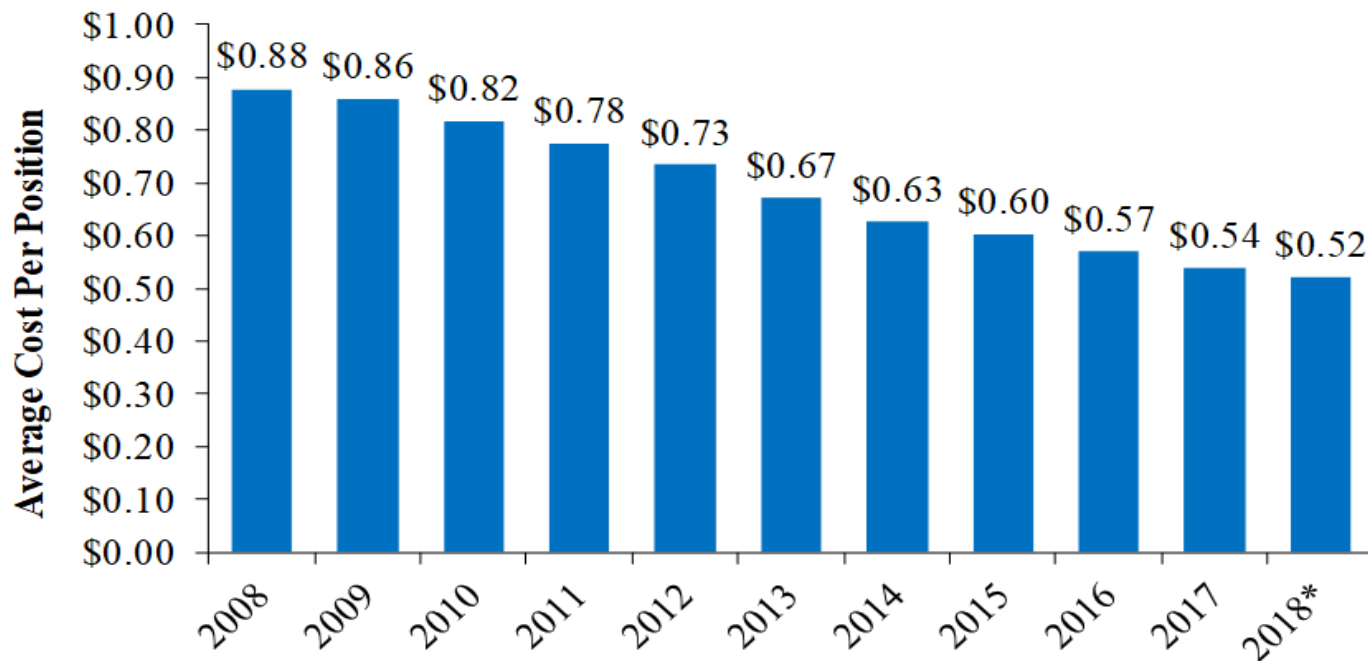
The notice & access delivery option will reduce the average unit cost from \$0.50 to \$0.36. E-delivery further reduces the costs of otherwise mailing notices.

Summaries of annual and semiannual reports would reduce the average unit cost to \$0.33. To the average investor, the unit cost of a summary report is less than 1/10 of 1 bps -- inclusive of paper, postage, and fees.

A shorter-form semiannual report filing could further reduce the costs of providing summaries without taking away information that investors regard as *more important*. Preliminary estimates (to be confirmed) are that it could reduce the unit cost to \$0.20 - \$0.23. Broadridge is working with fund companies to quantify the added savings of streamlining the semiannual report filing.

* Based on Broadridge's processing for funds and ETFs held in street name, and economic analysis of fund report delivery scenarios (paper, postage, and fees) by Compass Lexecon (2018), updated to include fiscal year 2019.

The average unit cost of providing fund reports declined from \$0.88 in 2008 to \$0.50 in 2019, a decrease of over 43%. ⁽¹⁾



Average unit cost declined to \$0.50 in 2019.

Source: Broadridge internal data.

* Figures for 2018 based on data for the period May 1, 2017 through April 30, 2018.

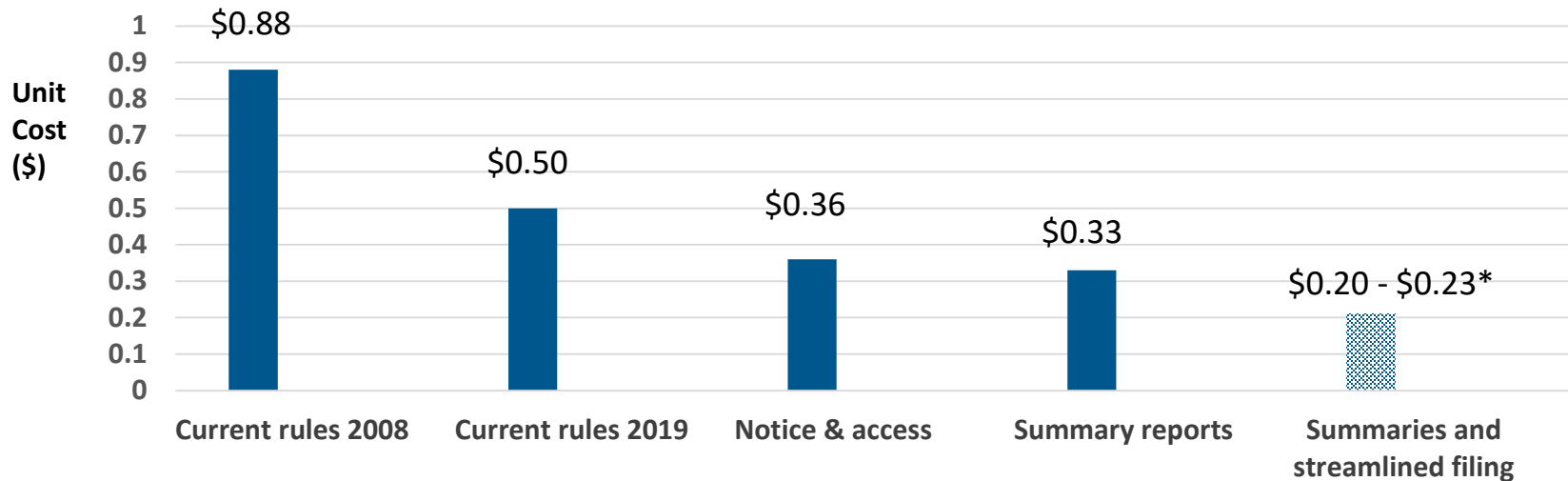
Note, this analysis assumes that the average cost of printing, postage, and envelopes is constant at the level observed in the data for the 12-month period ending April 30, 2018.

The average unit cost is reduced by another \$0.03 for every 5 per. pt. increase in e-delivery.

(1) NYSE regulated fees for “preference management” include householding, electronic delivery, and managed account consolidation.

Summary reports would reduce the 2019 unit cost by 34% (to \$0.33) while providing Main Street investors with information in a reader-friendly format.

The average unit cost of fund reports is continually reduced, from \$0.88 in 2008 to \$0.50 in 2019, a decrease of 43%. Notice & access will reduce the 2019 unit cost by 28% (to \$0.36). Use of summary reports would reduce 2019 unit costs by 34% (to \$0.33) while providing Main Street investors with a reader-friendly format.



Source: 2018 study by Compass Lexecon, “An Analysis of Interim Report Delivery Services for Beneficial Owners of Mutual Fund Shares, October 31, 2018.” See Broadridge’s October 31, 2018 comments on *Request for Comment on the Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors*, SEC file no. S7-13-18. Updated by Broadridge to reflect fiscal year 2019. Estimates for notices and summaries are based on 2019 data.

* A shorter-form semiannual report filing could further reduce the costs of providing summaries without taking away information that investors regard as *more important*. Preliminary estimates (to be confirmed) are that it could reduce the unit cost to \$0.20 - \$0.23. Broadridge is working with fund companies to quantify the added savings of streamlining the semiannual report filing.

Components of the marginal costs to fund companies under three regulatory scenarios (inclusive of paper, postage, and NYSE fees, net of savings)

Marginal Costs (for each additional unit provided)	Three Regulatory Scenarios		
	Current Rules	Notice & Access Rules	Summary Report Option
Paper	\$0.10	\$0.01	\$0.02
Postage	\$0.17	\$0.09	\$0.09
NYSE Regulated Fees	\$0.22	\$0.26	\$0.22
<i>Total</i>	<i>\$0.50*</i>	<i>\$0.36</i>	<i>\$0.33</i>

- **Current Rules:** As a result of e-delivery, householding, and manage account consolidation, fund companies need to send a report by mail to only 3 out of every 10 funds investors own.
- **Notice & Access Rules:** The marginal costs of paper and postage decline to \$0.01 and \$0.09, respectively, from \$0.10 and \$0.17, respectively, under current rules. The ave. NYSE regulated fee increases by \$0.04.
- **Summary Report Delivery Option:** Eliminates the NYSE regulated fee associated with mailing notices.
- Baseline for all scenarios covers 10,498 funds and ETFs (12 mos. ending 6/30/19).
- Based on Broadridge’s processing of shares held beneficially in street name.
- “Paper” includes paper, printing, and forms costs.
- E-delivery will continue to reduce the unit costs of communications for funds held in street name, under all three scenarios.

* Difference due to rounding

The average unit cost of a summary report to the average investor is less than 1/10 of 1 basis point (for funds held beneficially in street name).

Based on an average fund investment of \$37,500*



* 2019 ICI Fact Book estimates a median investment of approx. \$150k held across four funds. Broadridge analysis.

Question 6. How can technology improve the disclosure experience and further reduce costs?

For investors that use mobile devices, summary reports make key information more readable and accessible than do pdfs of regular reports.

Technologies that directly provide the information digitally to investors can improve the user experience, leading to cost savings on paper and postage. They can provide an interactive, layered experience.

Innovation in how information is digitally conveyed would be encouraged by specifying what sections of information the summary reports are required to provide and what sections can be “layered.”

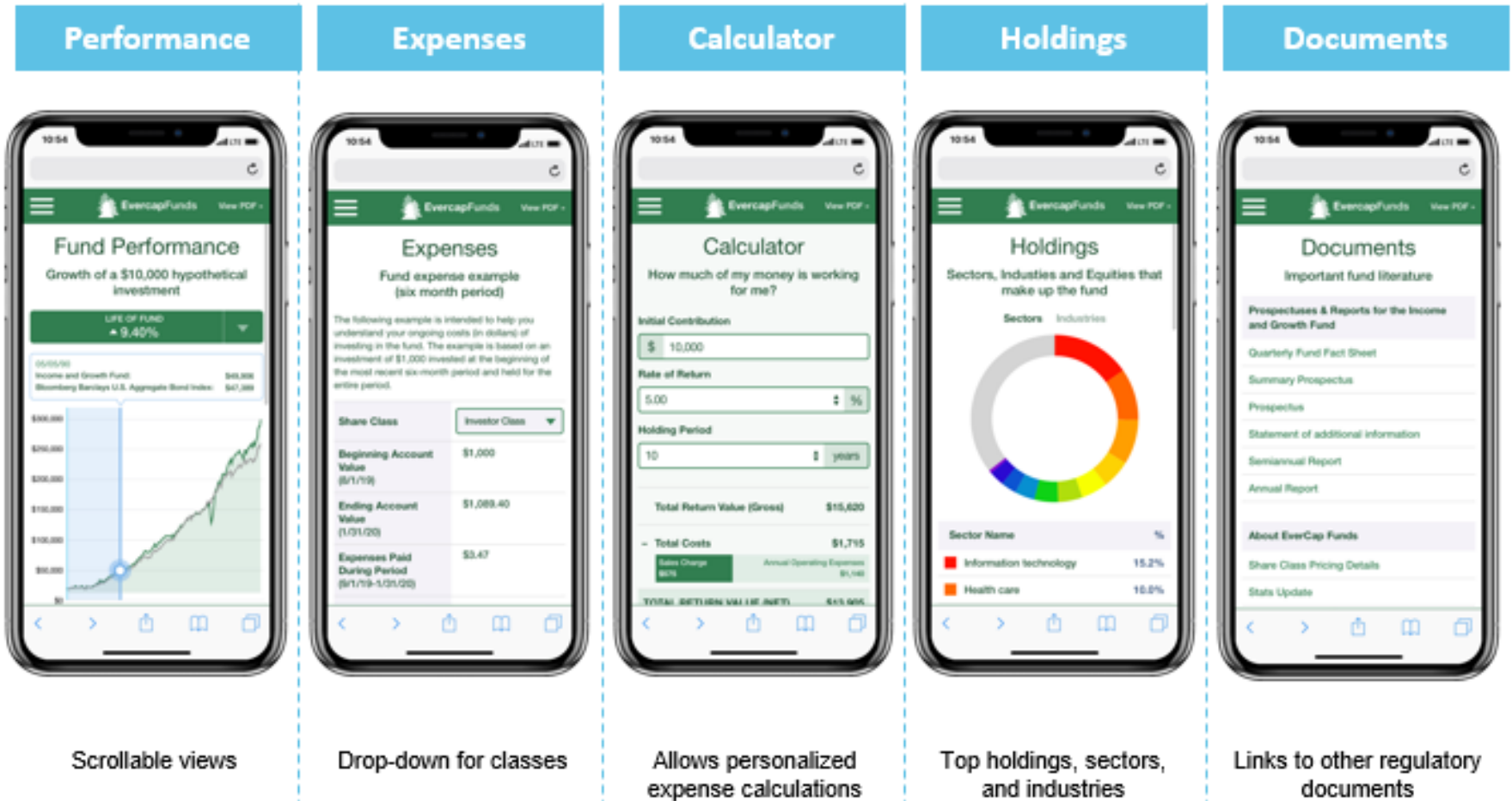
Illustrations of how technology can improve the user experience with funds reports include the following, among others:

- Mobile ‘friendly’ presentment of an interactive summary semiannual report
- Notifications through multi-channels (with links to summary semiannual reports)
- Mobile ‘friendly’ email message with link to a mobile-responsive summary semiannual report
- Mailed summary semiannual report (with QR code)

These methods provide a smooth path to higher levels of e-delivery and engagement.

Illustrations

Mobile 'friendly' interactive summary semiannual report



Illustrations - continued

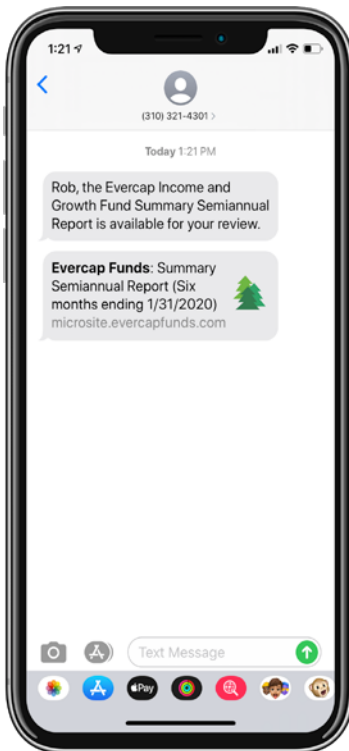
Notifications through multi-channels (with links to summary semiannual reports)

Enriched Email



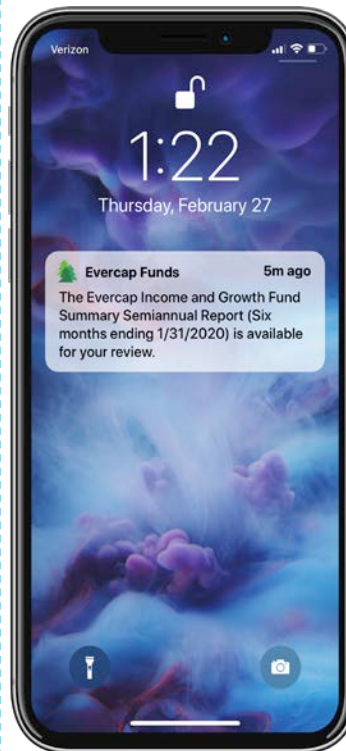
Gmail, Outlook.com, Yahoo, Apple, ...

SMS



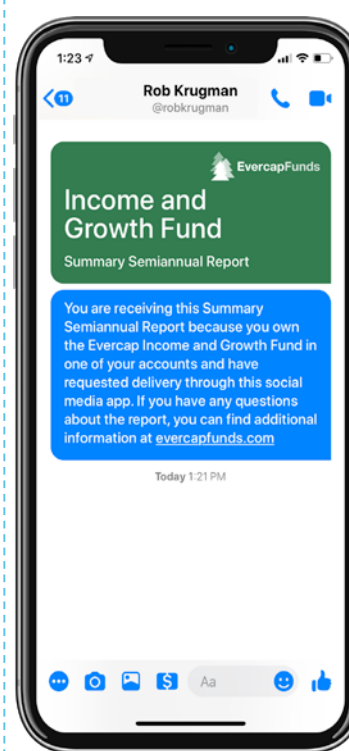
iOS Messenger, Android, SMS, ...

Mobile Apps



Broker, Fund and Industry Apps

Social/Messenger



Twitter DM, Facebook Messenger, WhatsApp, ...

Audio & IOT

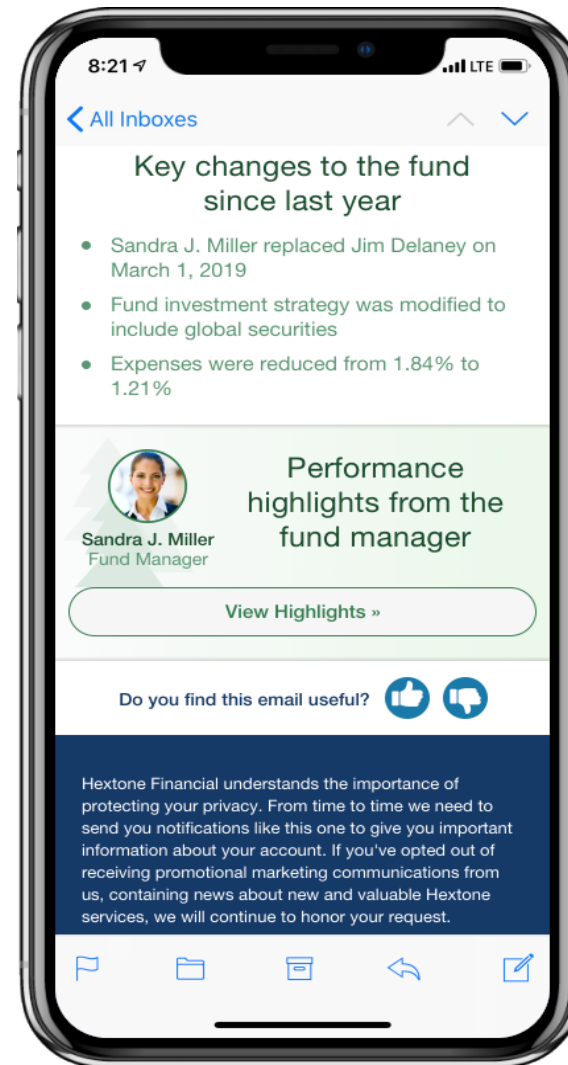
Jane, the Evercap Income and Growth Fund Summary Semiannual Report has been delivered to Google Drive as per your Instruction.



Alexa, Google Home, Siri, IOT

Illustrations - continued

Mobile 'friendly' email with link to mobile-responsive summary semiannual report



Illustrations -- continued

Mailed summary semiannual report (with QR Code to Interactive report)



Summary Semiannual Shareholder Report
JANUARY 31, 2020

Income & Growth Fund
INVESTOR CLASS (EVEIX)
CLASS A (EVEAX)
CLASS R (EVEAR)

This summary semiannual report contains important information about Evercap Income and Growth Fund, including performance, expenses, and portfolio holdings.


You may want to review the fund's full shareholder report which contains more detailed information about the fund's financial condition, and other items as of the fund's fiscal year end.

You may want to review the fund's most recent full schedule of portfolio holdings online at evercapfunds.com or in the fund's N-PORT filing at sec.gov.

You can obtain the fund's full shareholder report online at evercapfunds.com or by mail at no cost by calling (800) 123-4567. The fund's full shareholder report for the period ended July 31, 2019 is incorporated by reference.



To view additional information in this summary report, aim the camera of your iPhone or Android here



Summary Semiannual Shareholder Report
JANUARY 31, 2020

UPDATED FUND EXPENSE INFORMATION

TOTAL RETURN* AND EXPENSES (FINANCIAL HIGHLIGHTS)
Six Month Period Ended January 31, 2020

Investor Class: 17.4%

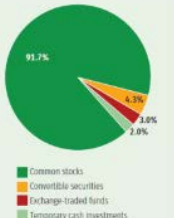
Bloomberg Barclays U.S. Aggregate Bond Index: 22.2%

Expense Ratio*: 0.67%
Expense Ratio Rating: C
Industry Avg Growth and Income Expense Ratio: 0.65%¹

FUND EXPENSE EXAMPLE (SIX MONTH PERIOD)
The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

Investor Class	Beginning Account Value 8/1/19	Ending Account Value 1/31/20	Expenses Paid During Period 1/31/20	Expense Ratio ²
Investor Class	\$1,000	\$1,089.40	\$3.47	0.67%
Class A (without sales charge)	\$1,000	\$1,088.20	\$4.76	0.92%
Class R	\$1,000	\$1,086.60	\$6.05	1.17%

ASSET ALLOCATION
Percent of Net Assets, 1/31/2020




INDUSTRY ALLOCATION
Percent of Net Assets, 1/31/2020

Information technology	15.2%
Health Care	10.0%
Financials	8.7%
Industrials	5.6%
Communication Services	5.1%
Consumer Staples	4.7%
Consumer Discretionary	4.6%
Energy	3.9%
Materials	3.0%
Other	39.2%
Total	100%

TEN LARGEST HOLDINGS
Percent of Net Assets, 1/31/2020

Microsoft	4.8%
UnitedHealth Group	3.1%
Berndt-Hofmayr	2.4%
TSMC	2.0%
SPADCOM INC	1.8%
Philip Morris International	1.6%
Horus Depot	1.5%
Bosung	1.5%
Intel	1.3%
Cigna	1.3%
Other	78.7%
Total	100%

PAGE 1



Summary Semiannual Shareholder Report
JANUARY 31, 2020

UPDATED FUND PERFORMANCE INFORMATION (OPTIONAL CONTENT)

PERFORMANCE HIGHLIGHTS
Six Month Period Ended January 31, 2020

The combination of accelerating global growth and robust corporate earnings fueled substantial gains for equity investors in the six-month period ended January 31, 2020.

Evercap Income and Growth Fund Investor Class returned 32.4% during the period, compared with the 29.7% return of its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index.

The fund's overweight positions in information technology and healthcare relative to the benchmark benefited fund performance. The fund's overweight positions in consumer discretionary detracted from fund performance.

Leading individual contributors to fund performance included Alphabet, Microsoft, Intel and UnitedHealth Group.

Among the largest contributors to fund performance were Home Depot, Boeing, and Philip Morris International.

AVERAGE ANNUAL COMPOUND TOTAL RETURN*
Six Month Period Ended January 31, 2020

Investor Class	1 Year		5 Years		10 Years	
	without sales charge	with sales charge	without sales charge	with sales charge	without sales charge	with sales charge
Investor Class	17.99%	N/A	12.96%	N/A	6.22%	N/A
Class A	17.71%	10.95%	12.68%	11.35%	5.96%	5.34%
Class R	17.37%	N/A	12.39%	N/A	5.69%	N/A
Bloomberg Barclays U.S. Aggregate Bond Index	17.90%	N/A	14.62%	N/A	7.18%	N/A

*Assumes reinvestment of all distributions and payment of the maximum applicable sales charge. Investment results reflect applicable fees and expenses, where applicable. Investment results reflect expense waivers, without which results would have been lower.

Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Updated performance information is available through evercapfunds.com.

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To view additional information in this summary report, aim the camera of your iPhone or Android here

QR codes can provide a smooth transition to a digital experience.



Appendix

- **Sampling parameters utilized in three recent surveys: comparison to benchmark census data**
- **Definitions of report *sections* provided to investors to rate importance (Forrester Consulting)**
- **Mobile/scrollable version of the summary report prototype**
- **Bibliography of investor surveys and studies**
- **Footnotes to Key Findings (page 3, above)**

Sampling parameters used by three recent surveys

Comparison to benchmark census data

- Broadridge commissioned Forrester Consulting and True North Market Insights to expand upon a 2018 GfK survey commissioned by ICI. The Forrester Consulting and True North surveys added questions on how frequently investors want to receive reports, their preferred methods of delivery, and how they use fund reports.
- Forrester Consulting asked investors to rate the importance of different sections of fund reports.
- Forrester Consulting and True North clarified questions on how much of the reports investors read.
- Forrester Consulting and True North provided a mobile-responsive version of the desktop summary prototype that GfK tested because many participants took the surveys on a mobile device.

Sampling parameters used by three recent surveys Comparison to benchmark census data - continued

- True North utilized the same quotas as ICI (GfK), mirroring the general U.S. population census data for adults age 18+.
- Forrester Consulting matched participants to its proprietary Consumer Technographics census data which profiles fund investors specifically within the U.S. population.
- All three surveys used reliable panels (Dynata and KnowledgePanel).
- For comparison purposes, Broadridge has direct-measured data on the demographics of brokerage account holders (“direct-measured aggregates”). The chart below shows how the surveys compare to the direct-measured aggregates and to the U.S. census (based on age and income).

Study Methodology Scorecard					
	<i>Direct-Measured</i>				
	<i>Survey</i>	<i>Aggregates</i>	<i>Survey</i>	<i>Survey</i>	
Age	Forrester	Broadridge	True North	ICI	All US*
Under 34	7%	8%	21%	21%	28%
35-64	66%	56%	58%	58%	52%
65+	28%	36%	21%	21%	20%
Income					
<\$50,000	9%	22%	15%	15%	34%
<\$75,000	24%	47%	32%	32%	51%

* All US represents Census population

Forrester Consulting survey provided investors with the following descriptions of the content sections they were asked to rate.

Content	Description
Presidents Letter	Introductory remarks with a description of the financial markets and how the markets impacted the fund the previous year.
Performance	A discussion of how the fund performed. A line graph comparing the fund's 10-year performance (on a hypothetical \$10,000 investment) to a benchmark. Includes a table showing the fund's investment returns over a 1, 5, and 10-year period
Portfolio Commentary	Discussion of the fund's performance during the fiscal year, considering market conditions and other factors. Can include impact of specific portfolio holdings on investment returns.
Fund Characteristics (top holdings, asset allocation, industry allocations)	Tables, charts, or graphs on the fund's top portfolio holdings by category (for example, by type of security, industry sector, geographic region, credit quality, or maturity).
Expenses (Shareholder Fee Example)	Shows the cost of owning the fund over a 6-month period, for a hypothetical \$1,000 investment
Summary or Full Schedule of Investments	Either a complete list or a summary of the fund's holdings. If only a summary of the holdings is included, the full list is in the fund's public SEC filings.
Statement of Financial Conditions and Operations	Provides detailed financial statements on assets and liabilities and changes in the fund's operations. Shows whether the fund made or lost money from dividend payments, interest income, fees, expenses, and investment gains or losses
Notes to Financial Statements	Notes contain additional details about the fund's financial statements, such as whether there are any pending lawsuits or other contingencies that could affect the fund's performance or the operation of the fund.
Financial Highlights	Table listing changes in Net Asset Value, total return, and portfolio turnover ratios over the past five years
Report of Ind Reg Public Accounting Firm	A letter from the fund's independent auditor containing an opinion on whether the financial statements comply with generally accepted accounting principles
Management (directors and officers)	Information about the fund's directors and officers, including their names, ages, length of time at the fund, their principal occupations over the past five years, and their responsibilities
Approval of Management Agreement	A statement regarding the fund board's approval of the investment advisory contract and the reasons the board approved the contract with the fund's advisor
Other Information	Information related to the fund's proxy voting policies and procedures, service providers and where other SEC filing information may be obtained

Summary Shareholder Report Prototype (page 1 – mobile scrollable)



PERFORMANCE HIGHLIGHTS

- The combination of accelerating global growth and robust corporate earnings fueled substantial gains for equity markets in the annual period ended December 31, 2019.
- ABC Equity Fund Investor Class returned 17.99% during the period, compared with the 17.90% return of its benchmark, the S&P 500 Index.
- The fund's overweight positions in information technology and healthcare relative to the benchmark benefited fund performance. The fund's overweight positions in consumer discretionary detracted from fund performance.
- Leading individual contributors to fund performance included Alphabet, Microsoft, Intel and UnitedHealth Group.
- Among the largest detractors to fund performance were Nike, McDonalds, and Williams-Sonoma.

TOTAL RETURN¹ AND EXPENSES

Year ended December 31, 2019

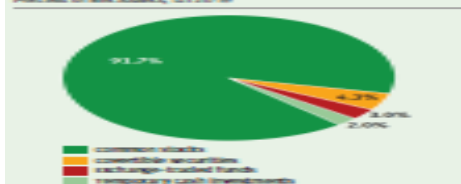


Expense Ratio² 0.67%

Performance and expense information for other share classes is available in the "Average Annual Compound Total Return" and "Fund Expense Example" tables below.

TOTAL RETURN¹ AND EXPENSES

Percent of Net Assets, 12/31/19



INDUSTRY ALLOCATION

Percent of Net Assets, 12/31/19

Information technology	12.2%
Consumer discretionary	11.3
Biotechnology	10.4
Healthcare	9.5
Financials	8.6
Energy	7.8
Manufacturing	6.9
Consumer durables	5.2
Media and entertainment	4.3
Other	23.8
Total	100.0%

TEN LARGEST HOLDINGS

Percent of Net Assets, 12/31/19

Alphabet	3.3%
Apple	2.9
Microsoft	2.7
Amazon	2.6
Visa	2.3
UnitedHealth Group	2.1
Danaher	1.9
Intel	1.8
Cisco	1.7
Bank of America	1.4%



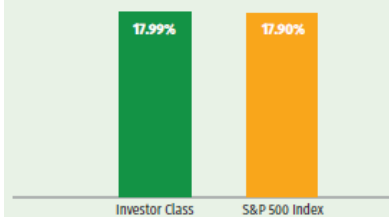
Summary Shareholder Report DECEMBER 31, 2019

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TOTAL RETURN¹ AND EXPENSES

Year Ended December 31, 2019



Expense Ratio² 0.67%

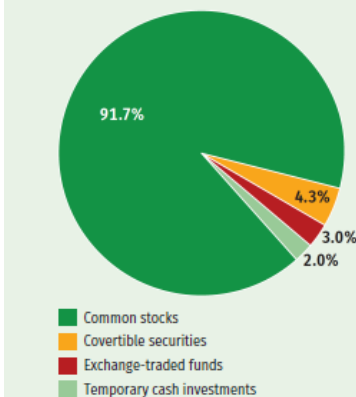
Performance and expense information for other share classes is available in the "Average Annual Compound Total Return" and "Fund Expense Example" tables below.

¹ Total return reflects the rate that an investor would have earned on an investment in the fund during each period, excluding the effects of any sales charges and assuming reinvestment of all distributions.

² The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.

TOTAL RETURN¹ AND EXPENSES

Percent of Net Assets, 12/31/19



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TEN LARGEST HOLDINGS

Percent of Net Assets, 12/31/19

Alphabet	3.3%
Apple	2.9
Microsoft	2.7
Amazon	2.6
Visa	2.3
UnitedHealth Group	2.1
Danaher	1.9
Intel	1.8
Cisco	1.7
Bank of America	1.4%

Summary Shareholder Report Prototype (page 2 - mobile scrollable)

AVERAGE ANNUAL COMPOUND TOTAL RETURN*

Period Ended December 31, 2019

	1 Year	
	without sales charge	with sales charge
Investor Class	12.99%	N/A
Class A	12.71	10.95%
Class R	12.37	N/A
S&P 500 Index	12.90	N/A
	5 Years	
	without sales charge	with sales charge
Investor Class	12.96%	N/A
Class A	12.68	11.35%
Class R	12.39	N/A
S&P 500 Index	14.62	N/A
	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

*Assumes reinvestment of all distributions and payment of the maximum applicable sales charge. Investment results reflect applicable fees and expenses. When applicable, investment results reflect expense waivers, without which results would have been lower.

Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Updated performance information is available through abc-funds.com.

FUND EXPENSE EXAMPLE

The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

	Beginning Account Value 1/01/19	Ending Account Value 12/31/19
Investor Class	\$1,000.00	\$1,089.40
Class A (without sales charge)	1,000.00	1,088.20
Class R	1,000.00	1,088.60
	Expenses Paid During Period ¹ 1/01/19 to 12/31/19	Annualized Expense Ratio ²
Investor Class	\$3.47	0.67%
Class A (without sales charge)	4.76	0.92
Class R	6.05	1.17

¹Expenses shown in the table highlight only ongoing costs and do not reflect any transaction costs, such as redemption fees or sales charges. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

²Expenses are equal to the class's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.

³The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.

Summary Shareholder Report

DECEMBER 31, 2019

AVERAGE ANNUAL COMPOUND TOTAL RETURN*

Period Ended December 31, 2019

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Bibliography of investor surveys and studies

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- “Channel Factors That Block (Psychologically) Effective Access: Unforeseen Risks of the Proposal on “Internet Availability of Proxy Materials,” Daylian M. Cain and Sendhil Mullainathan, Harvard University, 2006
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Footnotes to Key Findings (page 3, above)

1. Refer to: “Quantifying Investor Preferences for Shareholder Reports, February 19, 2020, a commissioned study conducted by Forrester Consulting on behalf of Broadridge (hereafter, “Forrester Consulting”), p. 14.
2. Forrester Consulting, p. 19.
3. Refer to reports by Forrester Consulting, p. 15; “Investor Preferences for Shareholder Reports, February, 2020, True North Market Insights/Broadridge” (hereafter, “True North”), pp.8-9; and, “Mutual Fund Investors’ Views of Shareholder Reports: Reactions to a Summary Shareholder Report Prototype, October, 2018, GfK/ICI” (hereafter, “GfK”), pp. 6 and 8. Forrester Consulting and True North surveys generally replicated and updated the GfK survey that ICI commissioned in 2018. The new surveys provided questions on *frequency* and *delivery* methods, and on rating the *importance of different sections* of the annual and semiannual shareholder reports.
4. Forrester Consulting, pp. 30-32, 48-49; True North, p.17; GfK, pp. 15-16.
5. Forrester Consulting, p. 18; True North, p. 7.
6. Forrester Consulting, pp. 20-25; GfK, pp. 9-13.
7. Forrester Consulting, pp. 20-25.
8. Forrester Consulting, pp. 30-32 and 48-49; True North, pp. 17; and GfK, pp. 14-16.
9. Refer to reports by Forrester Consulting, pp. 30-32 and 48-49; True North, pp. 17; and GfK, pp. 14-16; Main Street investors’ preferences for summaries have been noted in studies by the SEC and others. For example, respondents to the SEC’s recent survey on disclosure effectiveness expressed a strong preference for summaries. When asked (Q.9), “Do you prefer to receive shorter ‘Summary’ disclosures, with additional information available online or upon request?,” 40 out of 43 respondents to the SEC’s survey said they prefer summaries, and only 3 out of 43 respondents said they prefer full reports. Refer to comments on SEC File No. s7-12-18.
10. Forrester Consulting, pp. 30-32 and 48-49; True North, pp. 17 and 20.
11. Forrester Consulting, p. 27; True North, pp. 10 and 16.
12. Forrester Consulting, pp. 28-29; True North, pp. 15-16.
13. “Investors in the United States 2019,” December 2019, FINRA Investor Education Foundation, p. 17, available at https://www.usfinancialcapability.org/downloads/NFCS_2018_Inv_Survey_Full_Report.pdf; Forrester Consulting, p. 34.
14. FINRA Investor Education Foundation, p. 17; Forrester Consulting, pp. 35-36.
15. Forrester Consulting, p. 37, True North, pp. 14 and 21.

FORRESTER®

Quantifying Investor Preferences For Shareholder Reports

Forrester Research Report For Broadridge Financial Solutions

Vijay Raghavan, Senior Analyst
Clare Garberg, Analytics Consultant
Nick Squires, Senior Analytics Consultant
Marc Jacobson, Principal Analytics Consultant – Director

February 19, 2020



Broadridge®

Agenda

- Project background and methodology
- Executive summary
- Experience and behavior with current shareholder reports
- Frequency preferences with current and summary shareholder reports
- Delivery preferences with current and summary shareholder reports
- Appendices

Project background and methodology

Engagement objectives

1. **Determine *overall* consumer preferences for fund reporting.** Do they prefer the full annual and semiannual reports or summary reports?
2. **Identify investor preferences for the frequency and method of delivery for fund reports.** How frequently do investors prefer to receive fund reports, and do they prefer to receive them by mail, email, or other methods?
3. **Analyze investor preferences by demographic and investment variables.** How do results vary by the number of funds owned, age, and income?

Survey methodology and sample design

- Forrester designed and fielded a survey to determine and analyze investor preferences around fund reports.
- 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 is representative of US fund investors.
- The survey was fielded to N = 2,000 US-based consumers who hold mutual funds and/or exchange-traded funds (ETFs) in at least one of the following accounts
 - Discount direct brokerage accounts.
 - Advisor-based brokerage accounts.
 - IRAs
 - Mutual fund accounts.
- We excluded those with only a 401(k) or a 529a college savings account since those account types are not typically furnished annual and semiannual report disclosures.
- The survey was fielded from January 20 – 29, 2020.

Executive summary

Key insights and recommendations

Summary of findings

- Most investors read "some" (56%) or "most" (28%) of each report. Investors vary in how much time they spend reviewing reports: 67% of investors spend anywhere from 6 minutes to 30 minutes on each report, 12% spend more than 30 minutes, and 21% spend less than 5 minutes.
- Annual and semiannual reports are valued by investors but could be made more useful. About three-quarters of investors use fund reports to monitor their investments. About 40% of investors find them difficult to understand. Investors identified fund performance, expense information, details on fund holdings, and performance highlights as the most important sections of fund reports.
- Investors are interested in summary versions of the shareholder reports. Over 90% of investors said summaries, like the one tested, would be enough to stay informed as long as complete reports are available. Over 90% said they would be more likely to read a summary report than a complete shareholder report. In terms of frequency, 56% of investors would like to receive summary reports twice a year, 27% want them quarterly, 17% want them annually, and 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 most likely to read summary reports sent to them by mail. Younger investors are most likely to read summary report sent to them by email.

What the research reveals

Awareness and engagement

- Ninety-four percent of investors recall receiving fund shareholder reports in the past 12 months.
- They open 92% of the reports they receive by mail and email.
- Most investors read "some" (56%) or "most" (28%) of each report. About one in 10 investors reads "all" of it, and about one in 20 reads "none" of it.
- Investors vary in how much time they spend reviewing reports: 67% of investors spend anywhere from 6 minutes to 30 minutes on each report, 12% spend more than 30 minutes, and 21% spend less than 5 minutes.
- Three-quarters of investors use fund reports to monitor their investments.
- Over 40% find them difficult to understand.

What the research reveals (continued)

Content

- Investors rated the importance of each of the sections of the annual and the semiannual reports. Fund performance, expense information, details on fund holdings, and performance highlights are rated *more important* and financial statements and accountants' reports are rated *less important*.
- In annual reports, investors rated performance, expense information, performance highlights, fund characteristics, full holdings, and financial highlights as *more important*. Investors rated Statement of Financial Conditions and Operations (audited), Notes to Financial Statement, President's Letter, Report of Independent Registered Public Accounting Firm, Approval of Management Agreement, and additional information as *less important*.
- In semiannual reports, investors rated expense information, fund characteristics, detailed fund holdings, and financial highlights as *more important*. Investors rated Statement of Financial Conditions and Operations (unaudited), President's Letter, Notes to Financial Statement, and additional information as *less important*.

Frequency

- Approximately 4 out of 10 investors own 1 to 3 funds, 3 out of 10 investors own 4 to 6 funds, and another 3 out of 10 own more than 7 funds.
- Eighty-six percent of investors say the current frequency of report delivery is "about right." About 1 in 10 says it is "too frequent," and 3% say it's not frequent enough.

What the research reveals (continued)

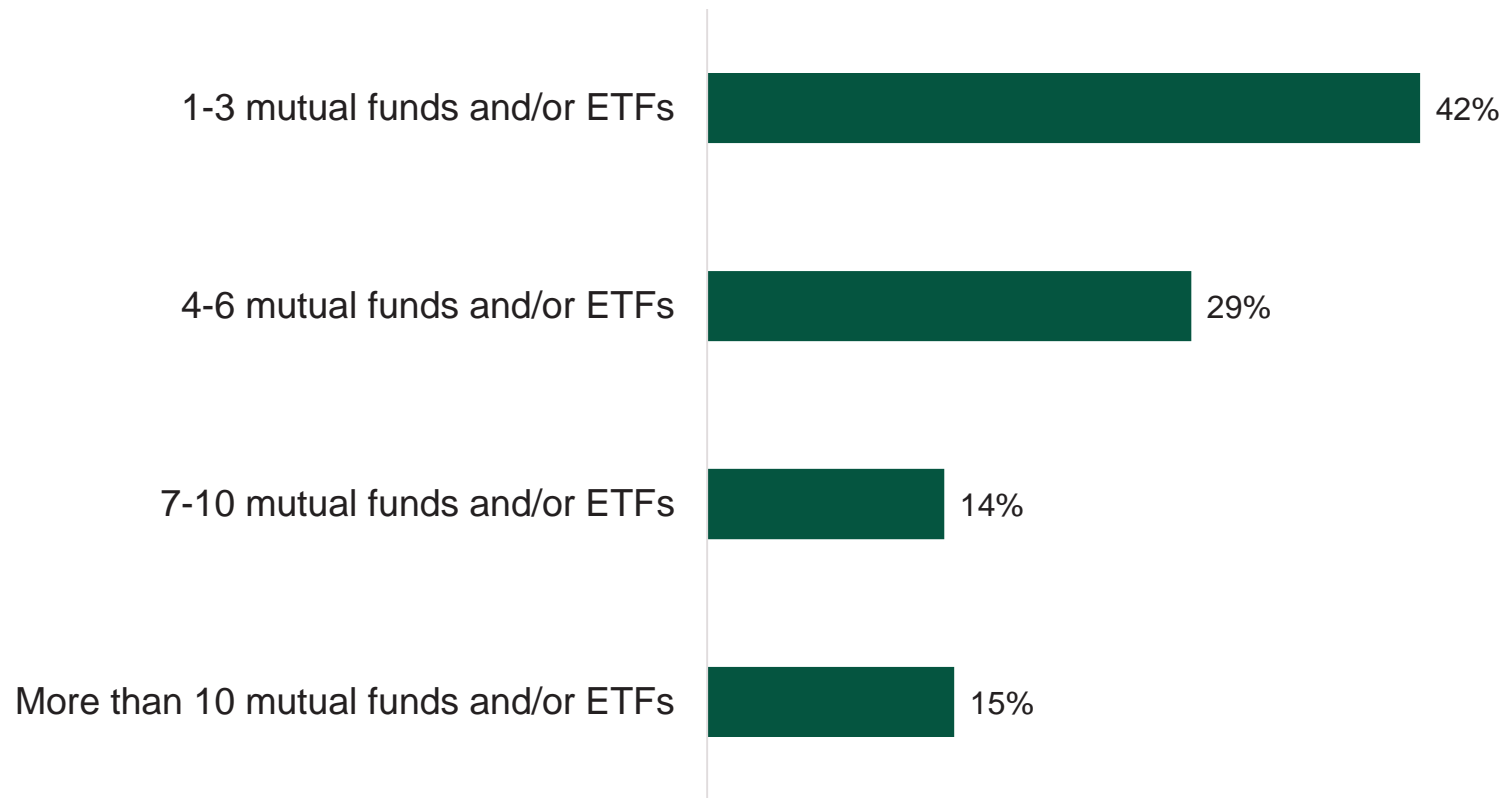
Summary reports

- A summary report prototype disclosure was viewed favorably by investors.
- Over 90% of investors said summaries like the one tested would be enough to stay informed as long as complete reports are available.
- Over 90% said they'd be more likely to read a summary report than a complete shareholder report. Over 90% said they would look favorably on fund companies that provide summaries.
- Eighty-three percent of investors would like to receive summary reports at least twice a year. Fifty-six percent want them semiannually, 27% want them quarterly, 17% want them once a year, and 1% do not want them. Frequency preferences do not vary across the number of funds owned.
- Investors overall prefer to receive reports by mail or email.
- Preferences for mail and email delivery vary to some extent by age and by the number of funds owned. Eighteen percent of younger investors expressed a preference for notification through investment apps. Investors with more than 10 funds were more likely to want the summaries sent by email with a link or attachment.

Experience and behavior with current shareholder reports

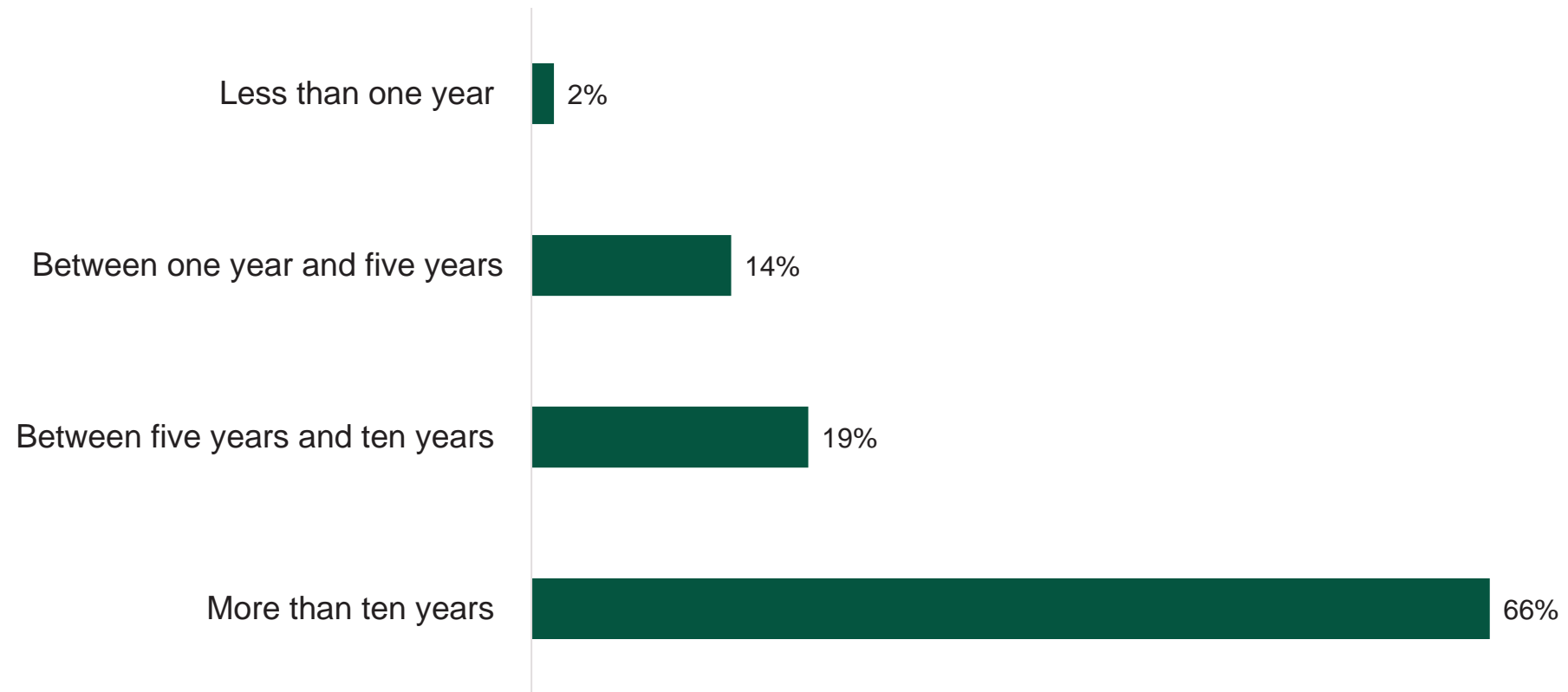
Most respondents own 6 or fewer mutual funds and/or ETFs

“How many mutual funds and ETFs do you own?”



The majority of respondents have held their mutual funds/ETFs for more than 10 years

“How long have you had investments in mutual funds and/or ETFs?”

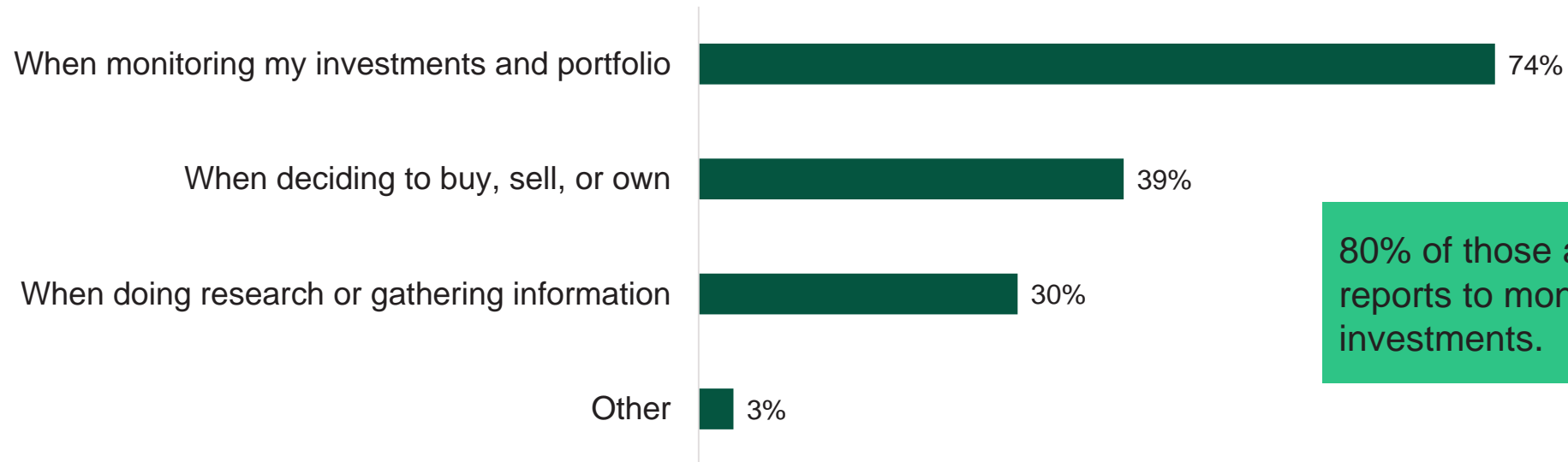


Base: 2,000 total respondents
Source: Broadridge/Forrester Custom Survey, 2020

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Almost three-quarters (74%) of those who open shareholder reports, use them to monitor their investment portfolio

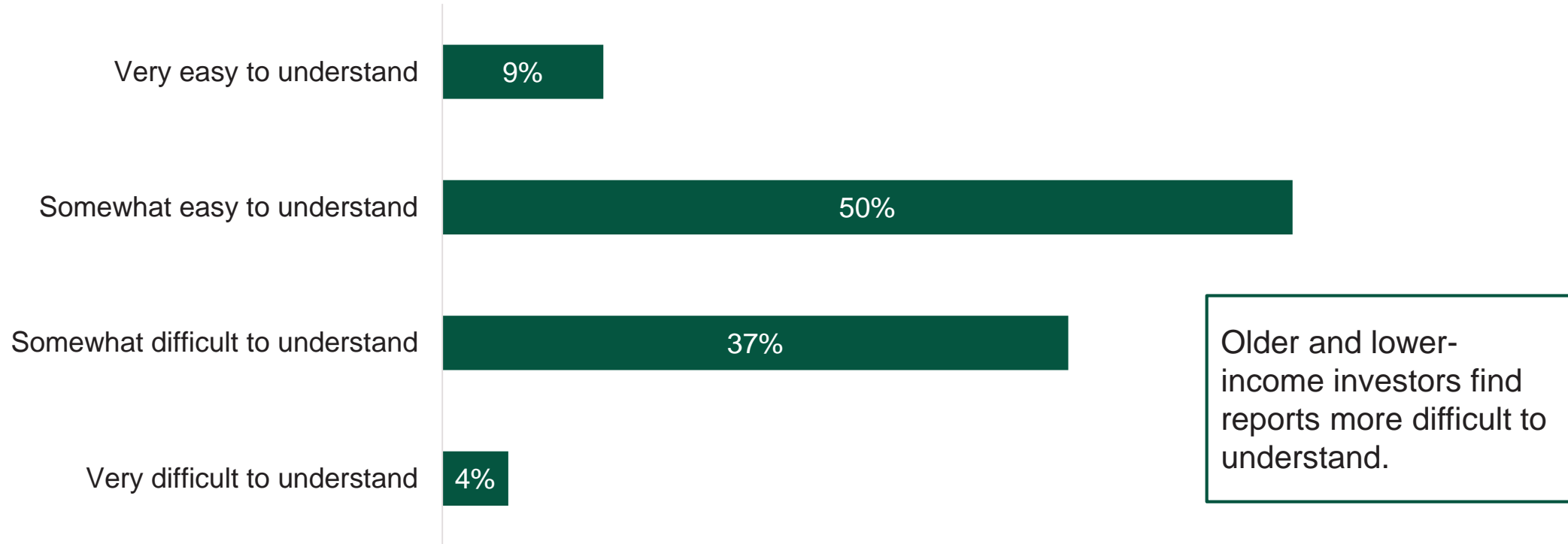
“How do you use mutual fund and/or ETF shareholder reports?”



80% of those aged 65+ use reports to monitor their investments.

41% of investors say that shareholder reports are difficult to understand

“How easy or difficult is it to understand the information contained in mutual fund and/or ETF shareholder reports? Are they...?”

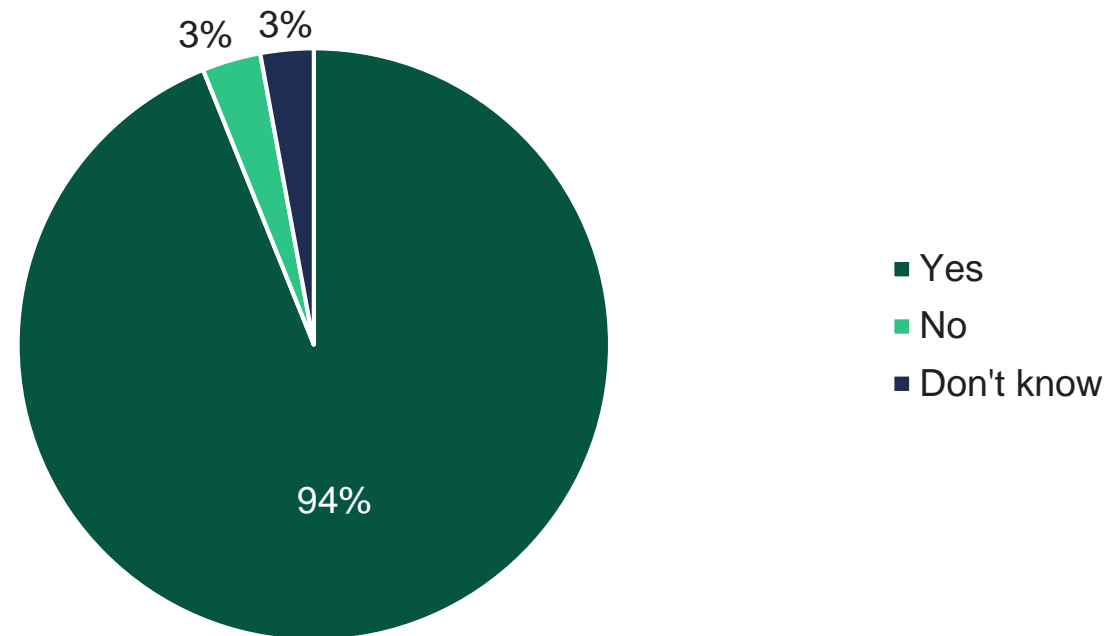


Base: 1,755 readers
Source: Broadridge/Forrester Custom Survey, 2020

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94% of mutual fund and ETF investors recall receiving a shareholder report in the past 12 months

“Do you recall receiving mutual fund and/or ETF shareholder reports in the past 12 months?”

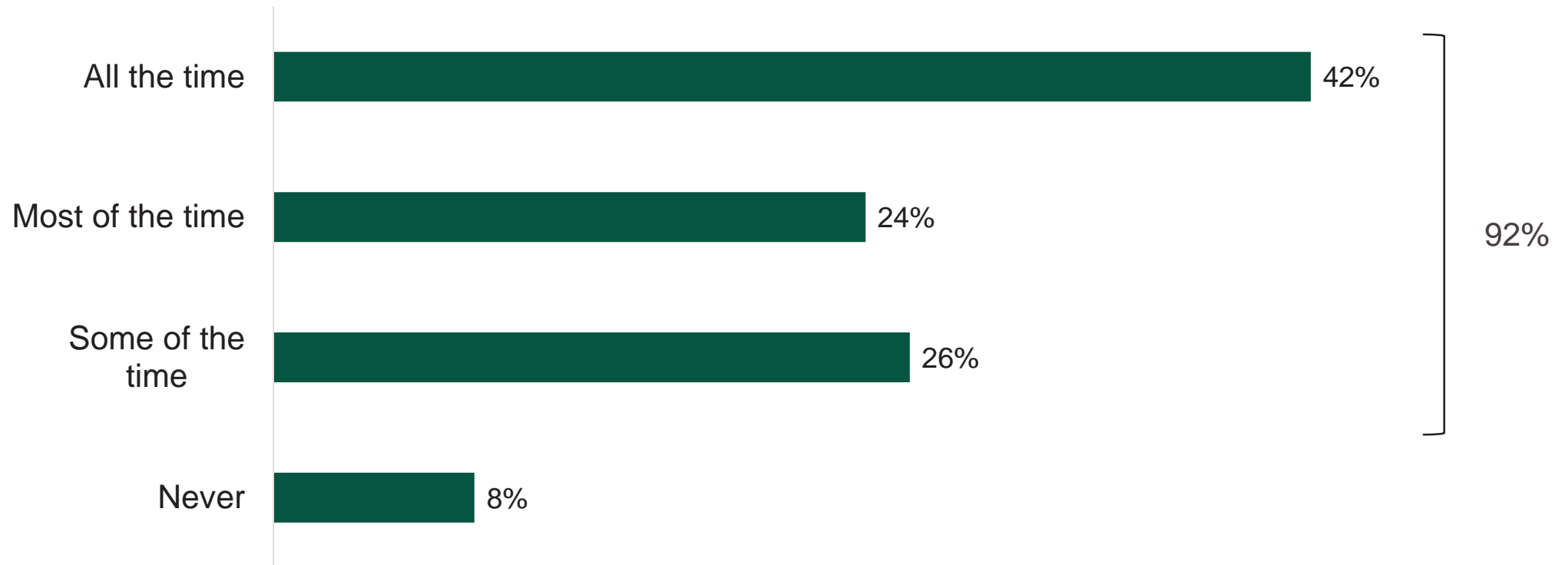


Base: 2,000 total respondents; excludes investors who only own mutual funds and ETFs in 401k and 529 accounts
Source: Broadridge/Forrester Custom Survey, 2020

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92% of investors open the shareholder reports they receive some/most/all of the time

“When you receive mutual fund or ETF shareholder reports, how often do you open them?”

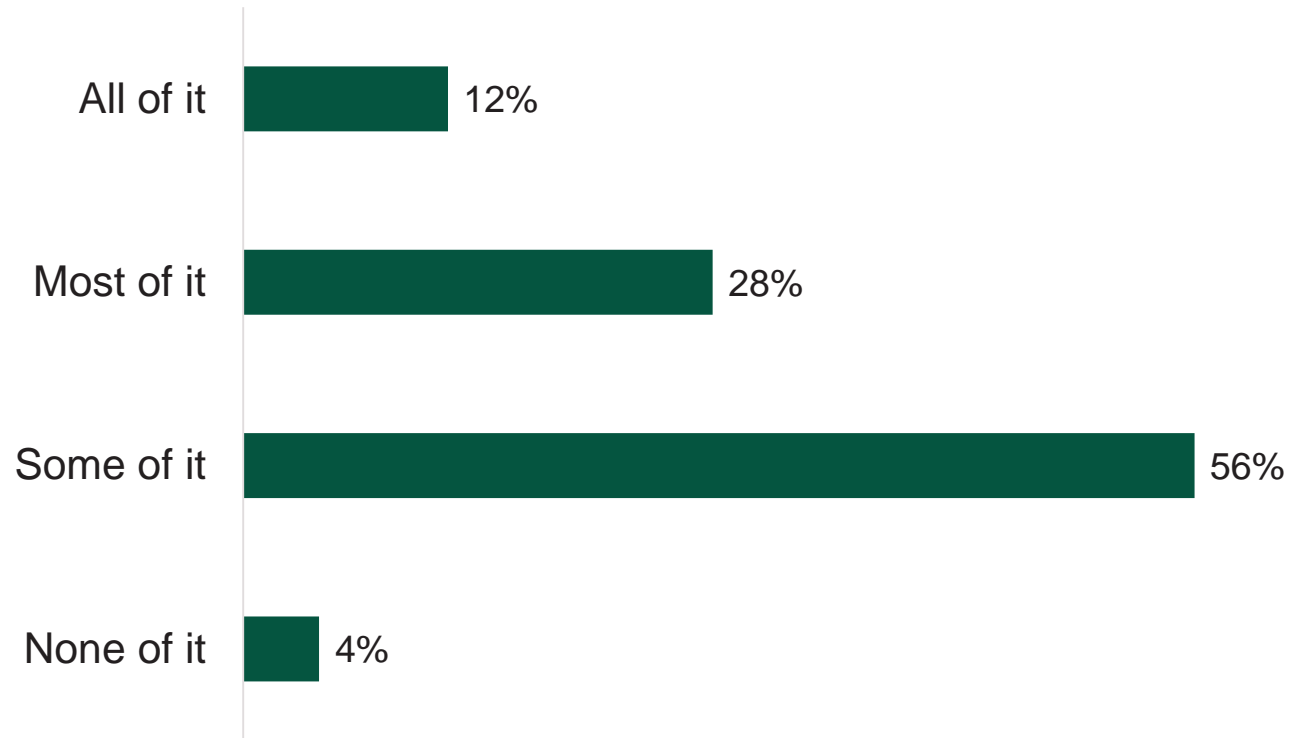


Base: 2,000 total respondents
Source: Broadridge/Forrester Custom Survey, 2020

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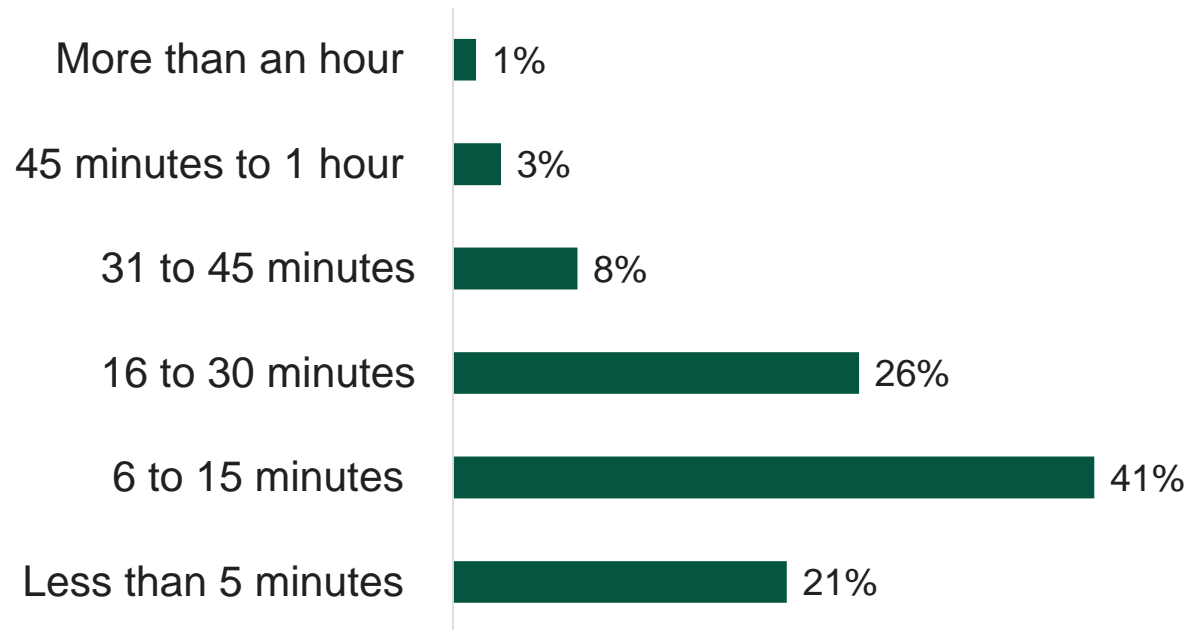
Most investors (56%) read some of the report; 40% read all or most of it

“How much of each mutual fund or ETF shareholder report do you read or review?”



About 60% of investors spend less than 15 minutes reviewing reports and 40% of investors spend more than 15 minutes

“How much time do you typically spend reviewing each mutual fund and/or ETF shareholder report?”

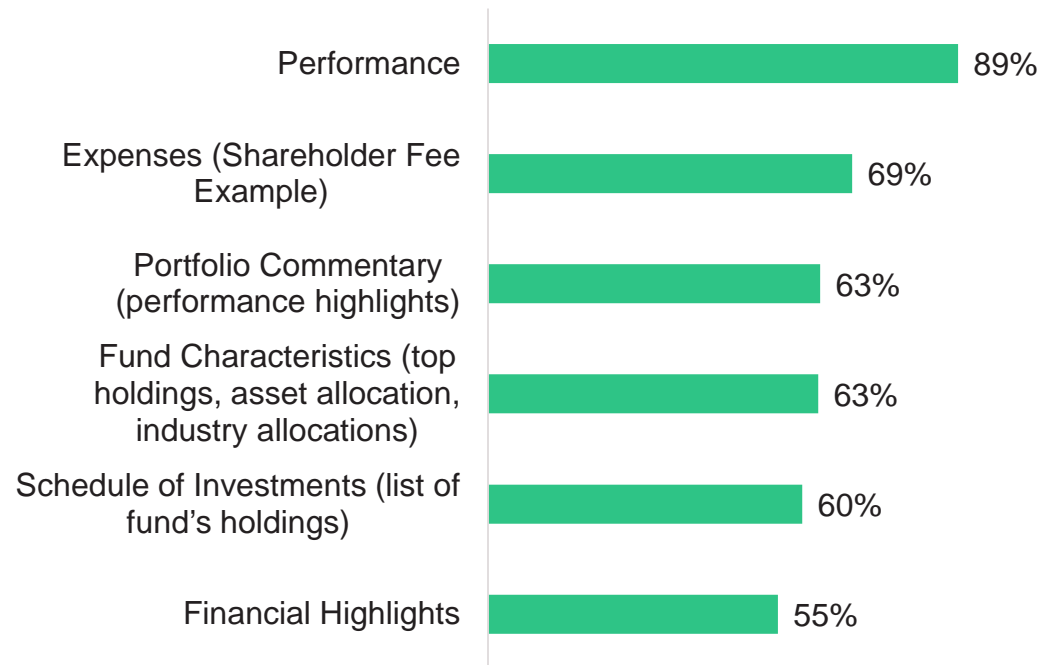


Six sections of annual reports are rated as important by a majority of investors

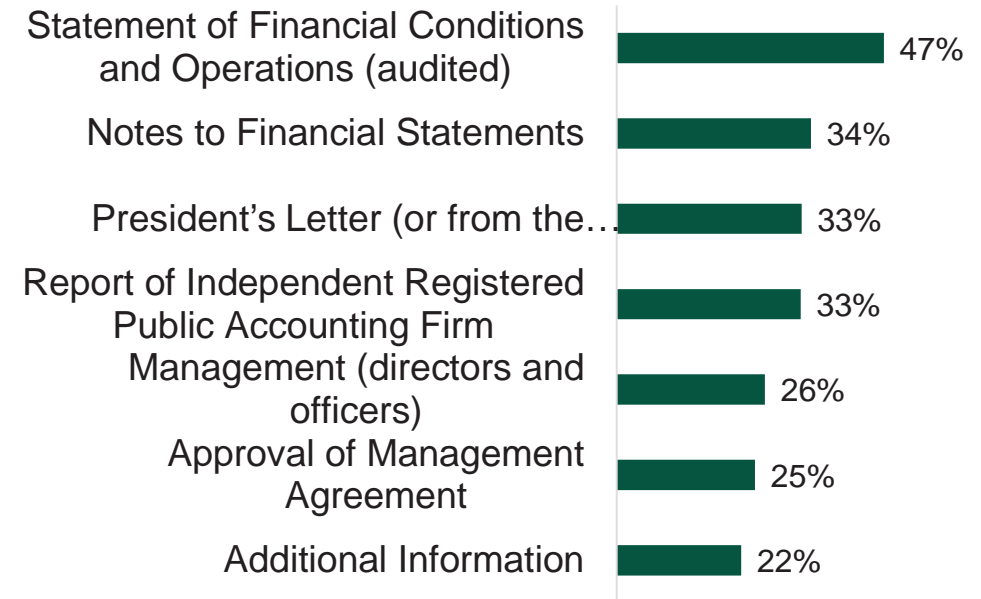
“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”

Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

More important sections of annual reports



Less important sections of annual reports



Investors' ratings of the importance of annual report content are consistent across number of funds owned

“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”
Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

Annual reports	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Performance	86%	89%	94%	94%
Expenses (Shareholder Fee Example)	65%	69%	76%	75%
Portfolio Commentary (performance highlights)	61%	62%	70%	64%
Fund Characteristics (top holdings, asset allocation, industry allocations)	60%	63%	69%	65%
Financial Highlights	57%	55%	56%	49%
Schedule of Investments (list of fund's holdings)	56%	59%	66%	65%
Statement of Financial Conditions and Operations (audited)	48%	47%	45%	49%
Notes to Financial Statements	34%	36%	36%	32%
Report of Independent Registered Public Accounting Firm	31%	37%	33%	29%
President's Letter (or from the portfolio manager)	29%	38%	35%	31%
Management (directors and officers)	26%	29%	25%	23%
Approval of Management Agreement	25%	26%	23%	22%
Additional Information	22%	25%	23%	16%

Base: Readers; 746 1-3 mutual funds and ETFs; 496 4-6 mutual funds and ETFs; 255 7-10 mutual funds and ETFs; 258 more than 10 mutual funds and ETFs
 Source: Broadridge/Forrester Custom Survey, 2020

Investors' ratings of the importance of annual report content are consistent across ages

“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”

Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

Annual reports

	34 and under	35 to 49	50 to 64	65 and up
Performance	82%	90%	90%	90%
Expenses (Shareholder Fee Example)	68%	74%	69%	65%
Financial Highlights	66%	59%	56%	48%
Fund Characteristics (top holdings, asset allocation, industry allocations)	65%	68%	62%	58%
Schedule of Investments (list of fund's holdings)	63%	63%	59%	57%
Portfolio Commentary (performance highlights)	61%	67%	65%	58%
Statement of Financial Conditions and Operations (audited)	48%	49%	48%	44%
Report of Independent Registered Public Accounting Firm	41%	39%	28%	32%
Notes to Financial Statements	40%	42%	33%	29%
President's Letter (or from the portfolio manager)	34%	37%	32%	30%
Management (directors and officers)	32%	34%	24%	22%
Additional Information	31%	32%	18%	16%
Approval of Management Agreement	29%	31%	23%	20%

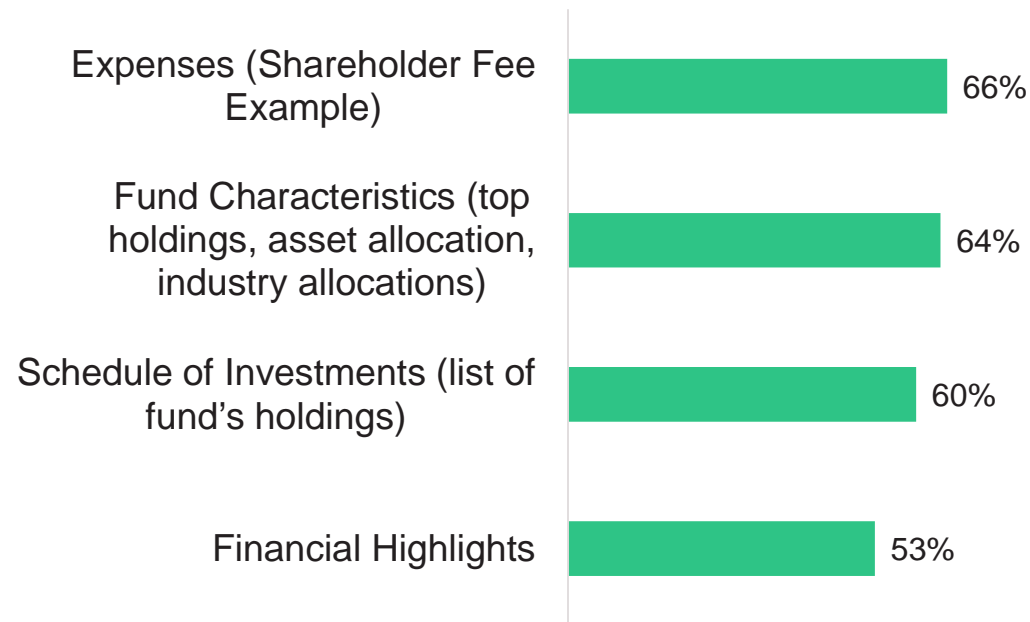
Base: Readers; 746 1-3 mutual funds and ETFs; 496 4-6 mutual funds and ETFs; 255 7-10 mutual funds and ETFs; 258 more than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

Four sections of the semiannual report are rated as important by a majority of investors

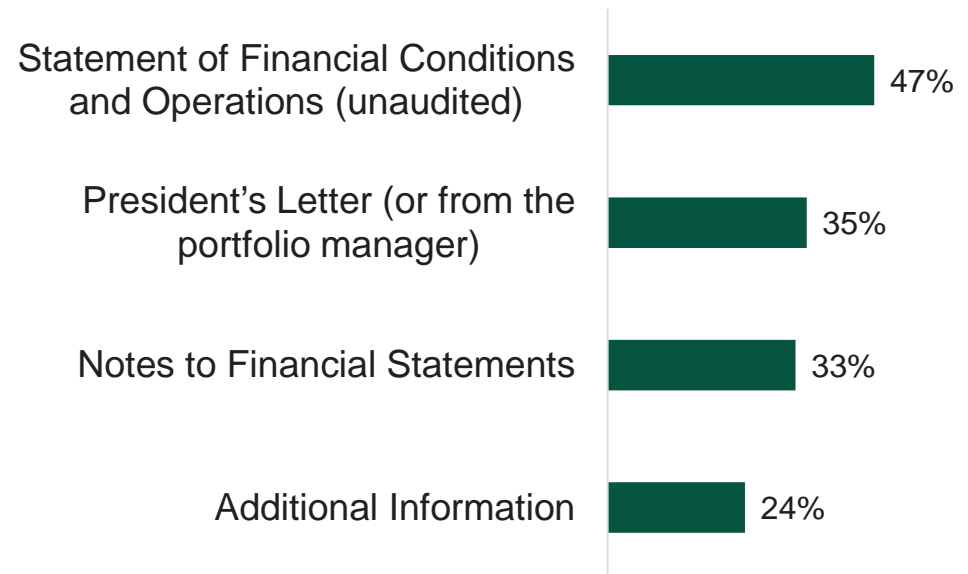
“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”

Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

More important sections of semiannual reports



Less important sections of semiannual reports



Investors' ratings of the importance of semiannual report content are consistent across number of funds owned

“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”

Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

Semiannual reports

	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Expenses (Shareholder Fee Example)	65%	65%	71%	65%
Fund Characteristics (top holdings, asset allocation, industry allocations)	62%	67%	68%	64%
Schedule of Investments (list of fund's holdings)	58%	62%	61%	63%
Financial Highlights	53%	55%	55%	47%
Statement of Financial Conditions and Operations (unaudited)	47%	49%	47%	42%
Notes to Financial Statements	33%	35%	31%	31%
President's Letter (or from the portfolio manager)	30%	40%	39%	36%
Additional Information	24%	25%	27%	21%

Base: Readers; 746 1-3 mutual funds and ETFs; 496 4-6 mutual funds and ETFs; 255 7-10 mutual funds and ETFs; 258 more than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

Investors' ratings of the importance of semiannual report content are consistent across age groups

“Please indicate the level of importance to you of each of the following sections found in shareholder reports.”

Top 2 from a 5-point scale where 1 = “Not important” and 5 = “Very important”

Semiannual reports

	34 and under	35 to 49	50 to 64	65 and up
Fund Characteristics (top holdings, asset allocation, industry allocations)	67%	66%	66%	60%
Expenses (Shareholder Fee Example)	65%	71%	66%	60%
Financial Highlights	63%	59%	52%	47%
Schedule of Investments (list of fund's holdings)	59%	67%	60%	55%
Statement of Financial Conditions and Operations (unaudited)	50%	53%	47%	42%
Notes to Financial Statements	39%	45%	31%	24%
President's Letter (or from the portfolio manager)	37%	40%	33%	33%
Additional Information	33%	35%	21%	17%

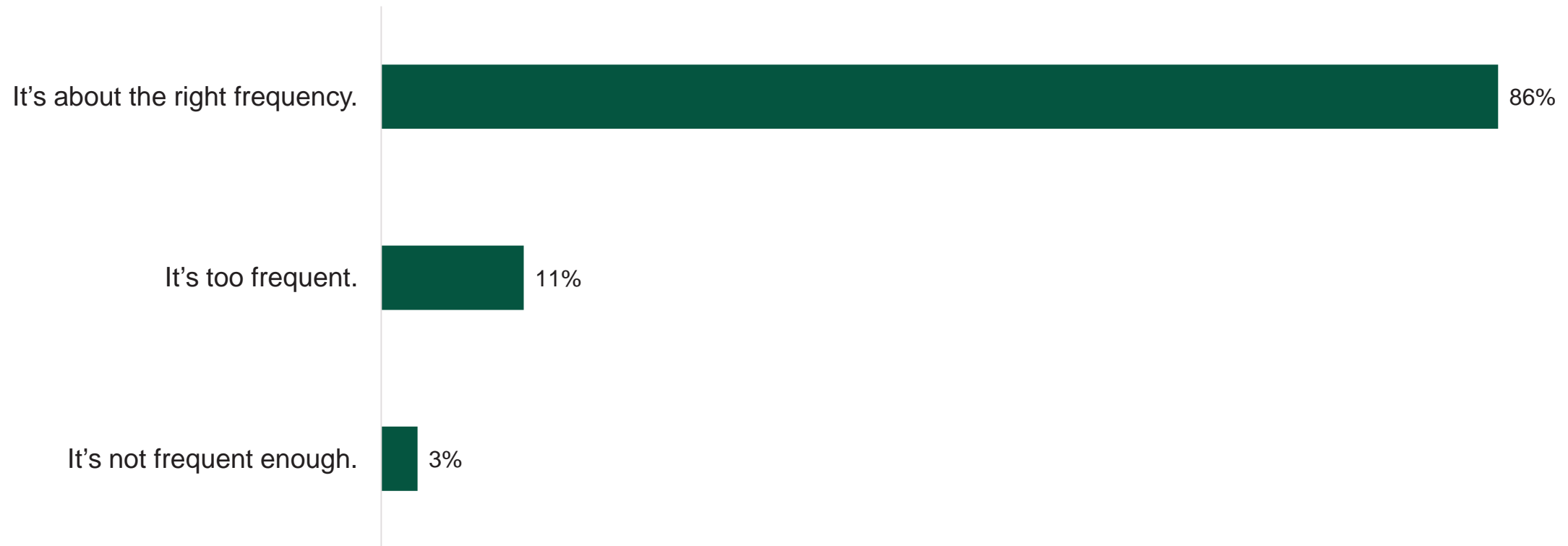
Base: Readers; 746 1-3 mutual funds and ETFs; 496 4-6 mutual funds and ETFs; 255 7-10 mutual funds and ETFs; 258 more than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

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Frequency preferences with current and summary shareholder reports

86% of respondents feel that current shareholder reports are provided at the right frequency

“Today, shareholder reports are provided twice a year for each of the mutual funds and ETFs you own. How do you feel about the frequency by which reports are provided?”

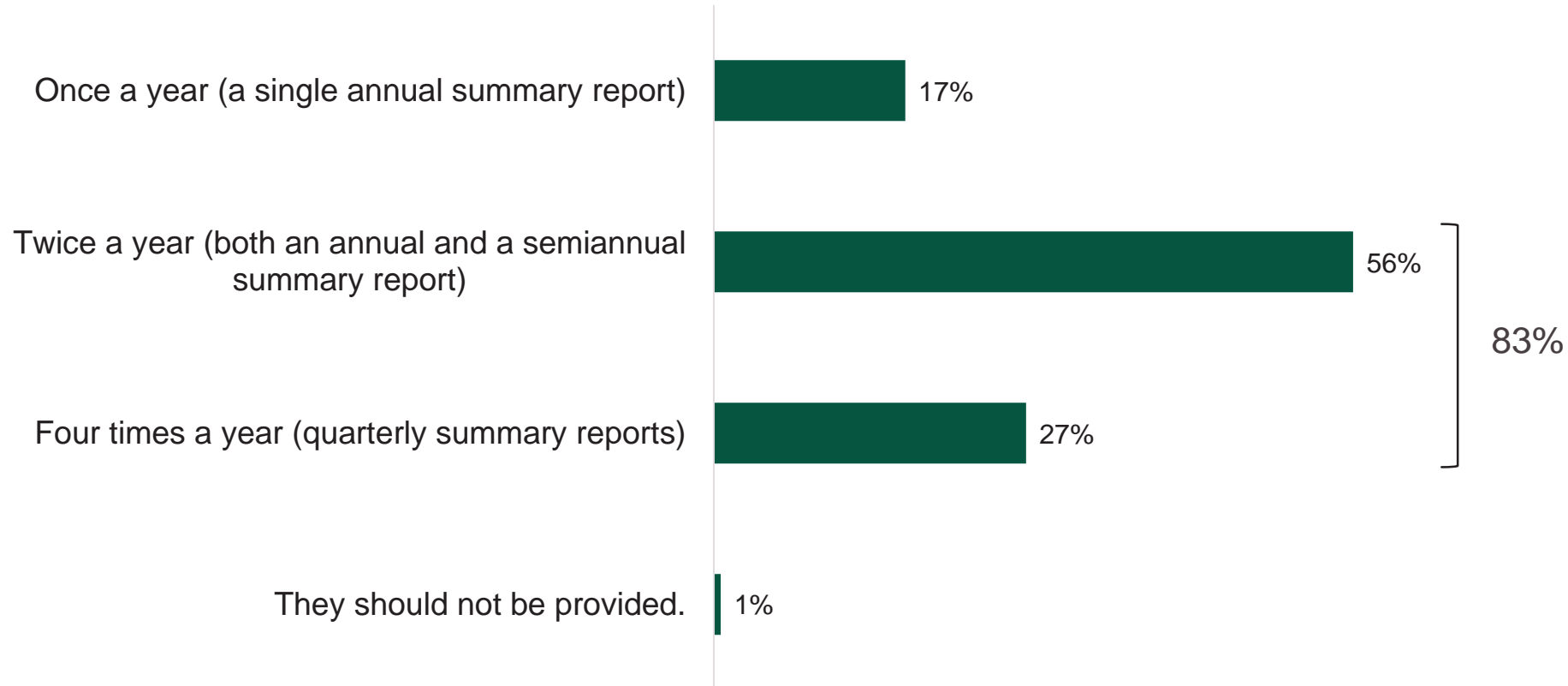


Base: 2,000 total respondents
Source: Broadridge/Forrester Custom Survey, 2020

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83% of investors want Summary Shareholder Reports to be provided twice a year or quarterly; 17% want them once a year

“How frequently should Summary Shareholder Reports be provided?”



Regardless of the number of funds an investor owns, over 80% say they want summary reports to be provided at least twice a year

“How frequently should Summary Shareholder Reports be provided?”

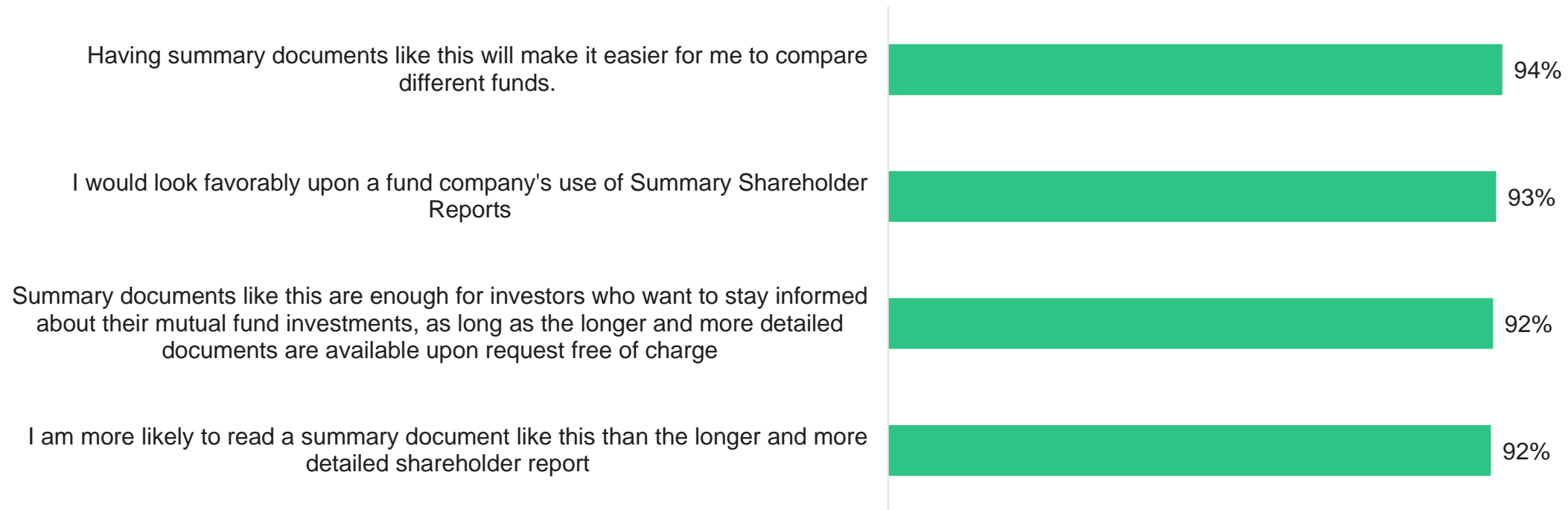
MUTUAL FUNDS AND/OR ETFs OWNED

	Total	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Once a year (a single annual summary report)	17%	16%	16%	17%	19%
Twice a year (both an annual and a semiannual summary report)	56%	57%	57%	52%	52%
Four times a year (quarterly summary reports)	27%	27%	26%	30%	28%
They should not be provided	1%	0%	1%	0%	1%

Base: 2,000 total respondents; 848 1-3 mutual funds and ETFs; 576 4-6 mutual funds and ETFs; 282 7-10 mutual funds and ETFs; 294 more than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

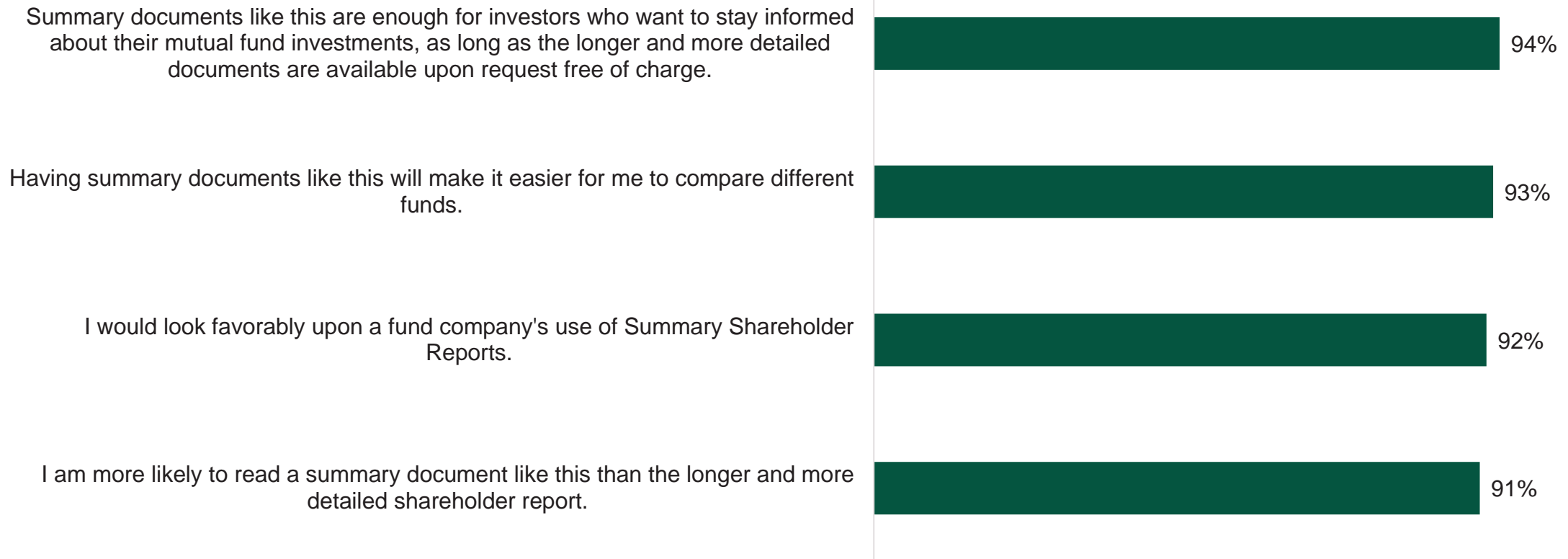
92% of investors agree that they are more likely to read a summary document than a more detailed report

“Please rate the extent to which you agree or disagree with each of the following statements.”
(Showing the percentage of respondents who “somewhat” and “strongly” agree with the following statements)



91% of those who do not read shareholder reports say they would be more likely to read a summary report

“Please rate the extent to which you agree or disagree with each of the following statements.”



Note: Showing top 2 from a 4-point scale where 1 = “Strongly disagree” and 4 = “Strongly agree”

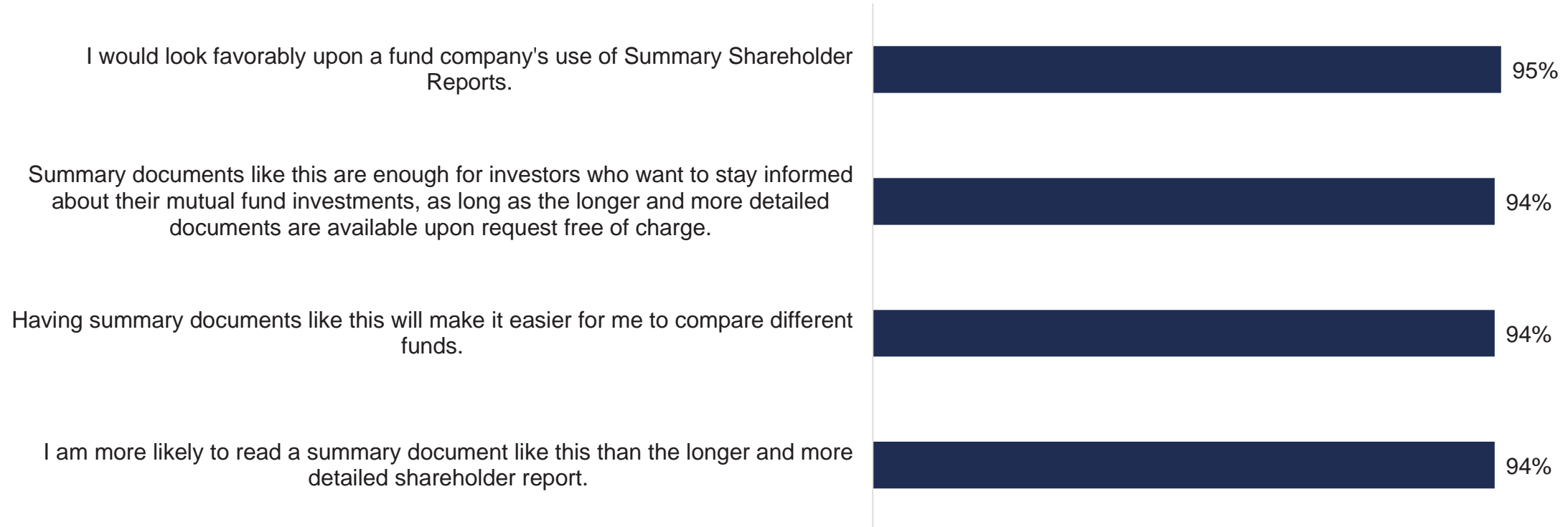
Base: 245 nonreaders

Source: Broadridge/Forrester Custom Survey, 2020

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And 94% of those who only read some of their shareholder reports say they would be more likely to read a summary report

“Please rate the extent to which you agree or disagree with each of the following statements.”



Note: Showing top 2 from a 4-point scale where 1 = “Strongly disagree” and 4 = “Strongly agree”

Base: 1,027 respondents who only review some of their shareholder reports

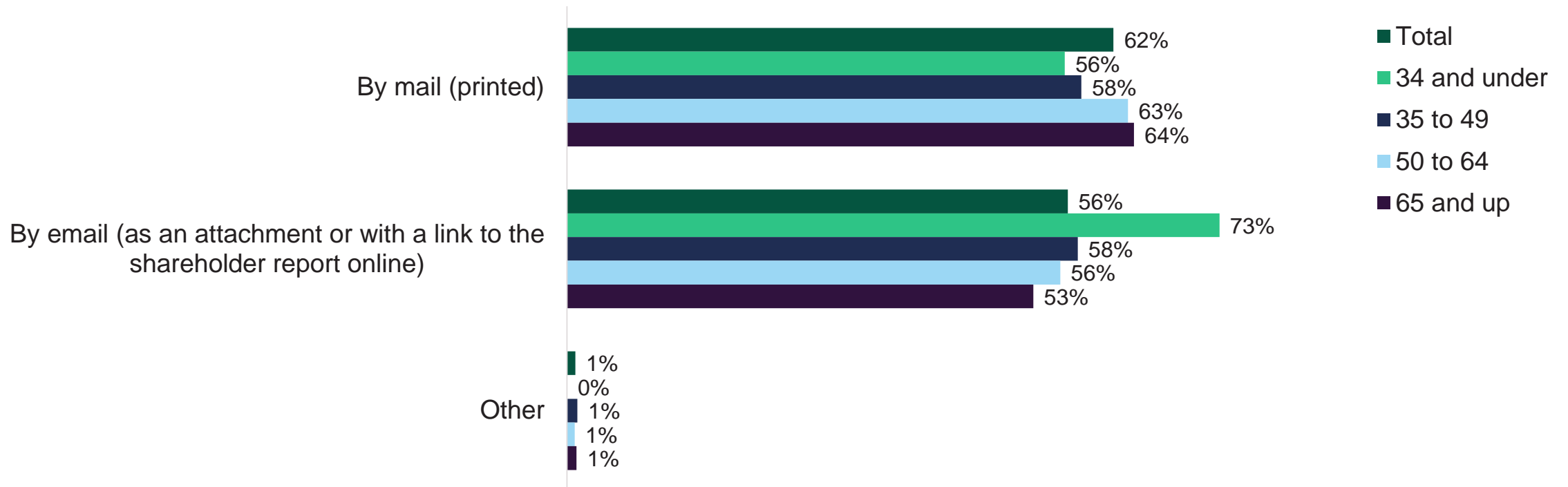
Source: Broadridge/Forrester Custom Survey, 2020

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Delivery preferences with current and summary shareholder reports

Mail and email delivery are nearly evenly split; younger investors lean more toward email and older investors lean more towards mail

“How do you currently receive mutual fund and/or ETF shareholder reports?”



Base: 2,000 total respondents; 132 34 and under; 511 35 to 49; 801 50 to 64; 556 65 and up
Source: Broadridge/Forrester Custom Survey, 2020

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Younger investors would like to receive summary reports by email; older investors would like to receive them by mail

How would you like to receive these Summary Shareholder Reports?

(Select all that apply)

Notification by an investment app shows potential.

	Total	Age groups			
		34 and under	35 to 49	50 to 64	65 and up
By mail	47%	40%	42%	47%	51%
By email, with the summary report in the body of the email	34%	42%	41%	34%	26%
By email, with an attachment or a link to the summary report online	44%	57%	51%	42%	37%
By text message, with a link to the summary report online	3%	8%	5%	2%	1%
By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	2%	8%	3%	0%	0%
By notification through an investment app with a link to the summary report online	10%	18%	16%	7%	7%
None of the above	1%	2%	1%	1%	1%

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
 Source: Broadridge/Forrester Custom Survey, 2020

Investors owning fewer funds would prefer to receive summary reports by mail and investors owning more funds would prefer to receive them by email

“How would you like to receive these Summary Shareholder Reports?”

Mutual funds and/or ETFs owned

	Total	1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
By mail	47%	51%	45%	46%	39%
By email, with the summary report in the body of the email	34%	31%	40%	34%	35%
By email, with an attachment or a link to the summary report online	44%	42%	43%	47%	48%
By text message, with a link to the summary report online	3%	2%	3%	4%	4%
By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	2%	1%	2%	3%	2%
By notification through an investment app with a link to the summary report online	10%	9%	11%	12%	9%
None of the above	1%	1%	1%	0%	1%

Base: 2,000 total respondents; 848 1-3 mutual funds and ETFs; 576 4-6 mutual funds and ETFs; 282 7-10 mutual funds and ETFs; 294 more than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

Investors are most likely to read Summary Reports sent to them by mail or email

*“Which method of receiving Summary Shareholder Reports would make you most likely to read or review them?”
(Select one)*

Age groups

	Total	34 and under	35 to 49	50 to 64	65 and up
By mail	41%	22%	34%	43%	49%
By email, with the summary report in the body of the email	24%	27%	25%	26%	19%
By email, with an attachment or a link to the summary report online	28%	38%	31%	26%	27%
By text message, with a link to the summary report online	1%	4%	2%	0%	0%
By social media, as a notification in my social media account (e.g., Instagram, Facebook, Twitter) with a link to the summary report	1%	3%	2%	0%	0%
By notification through an investment app with a link to the summary report online	3%	5%	4%	2%	3%
None of the above	1%	2%	1%	1%	1%

Older investors (65+) are most likely to read Summary Reports sent by mail.

Younger investors (34 and under) are most likely to read Summary Reports sent by email.

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
Source: Broadridge/Forrester Custom Survey, 2020

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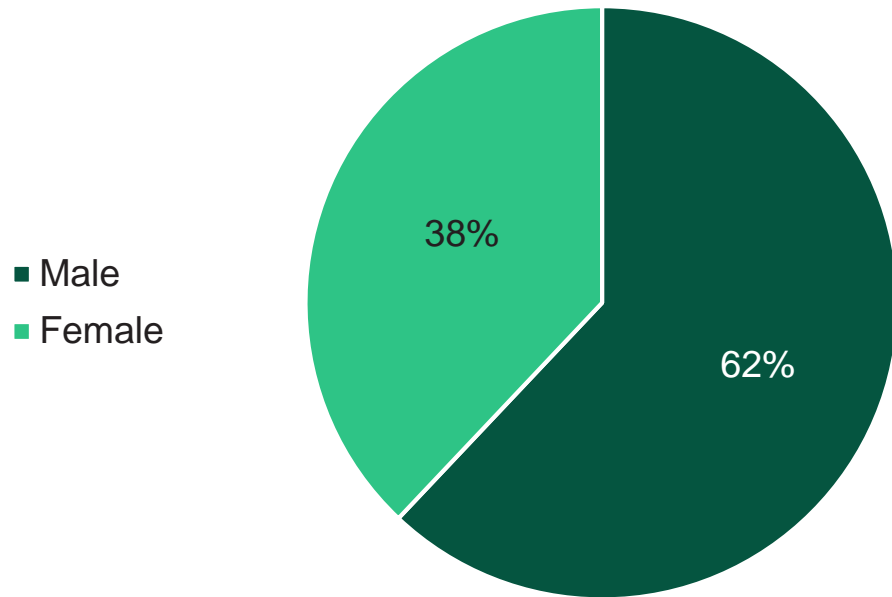
Thank You.

Appendix I

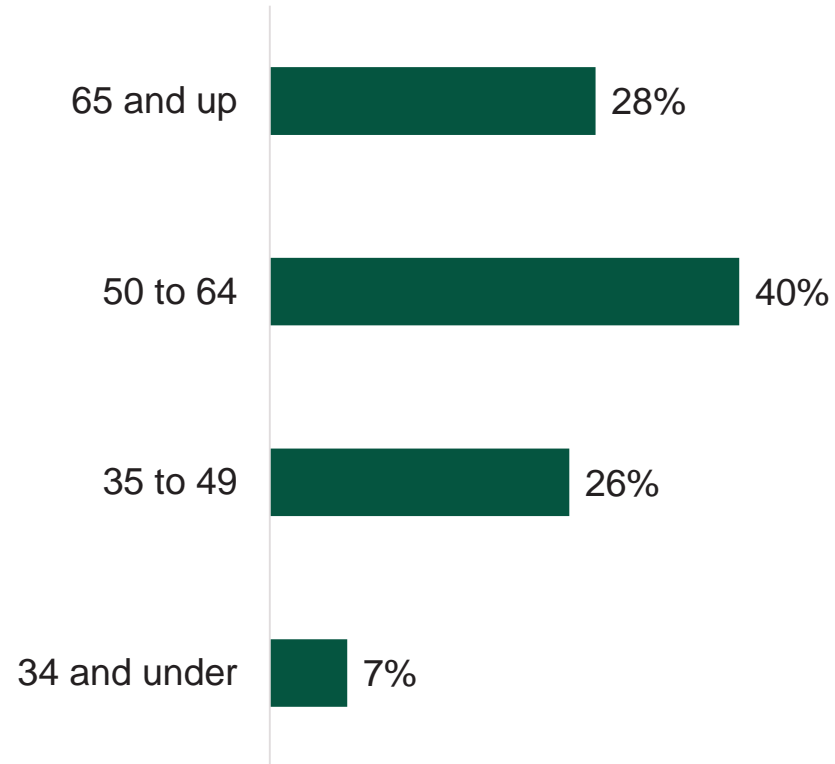
Demographics

Most respondents overall are male and are 50 years old or older

“What is your gender?”

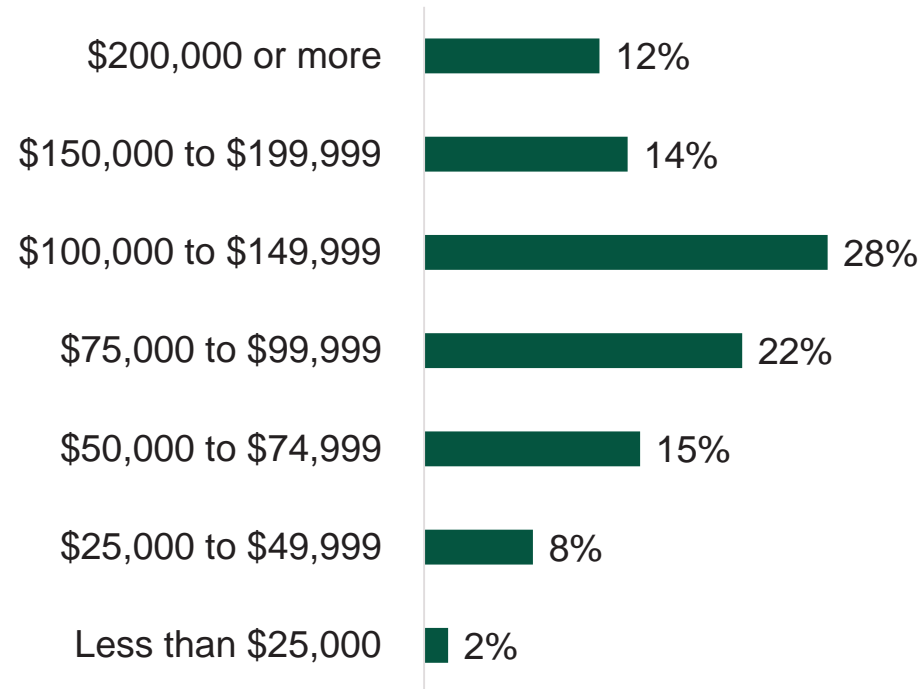


“What is your age?”



54% of respondents have a combined household income of \$100,000 or more

“What range best describes the total combined annual income of all the members of your household?”



Base: 2,000 total respondents
Source: Broadridge/Forrester Custom Survey, 2020

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Appendix II

Additional data cuts

Fewer of those 65+ have researched mutual funds/ETFs or read company annual reports online

“Which of the following activities have you performed on the internet in the past month?”

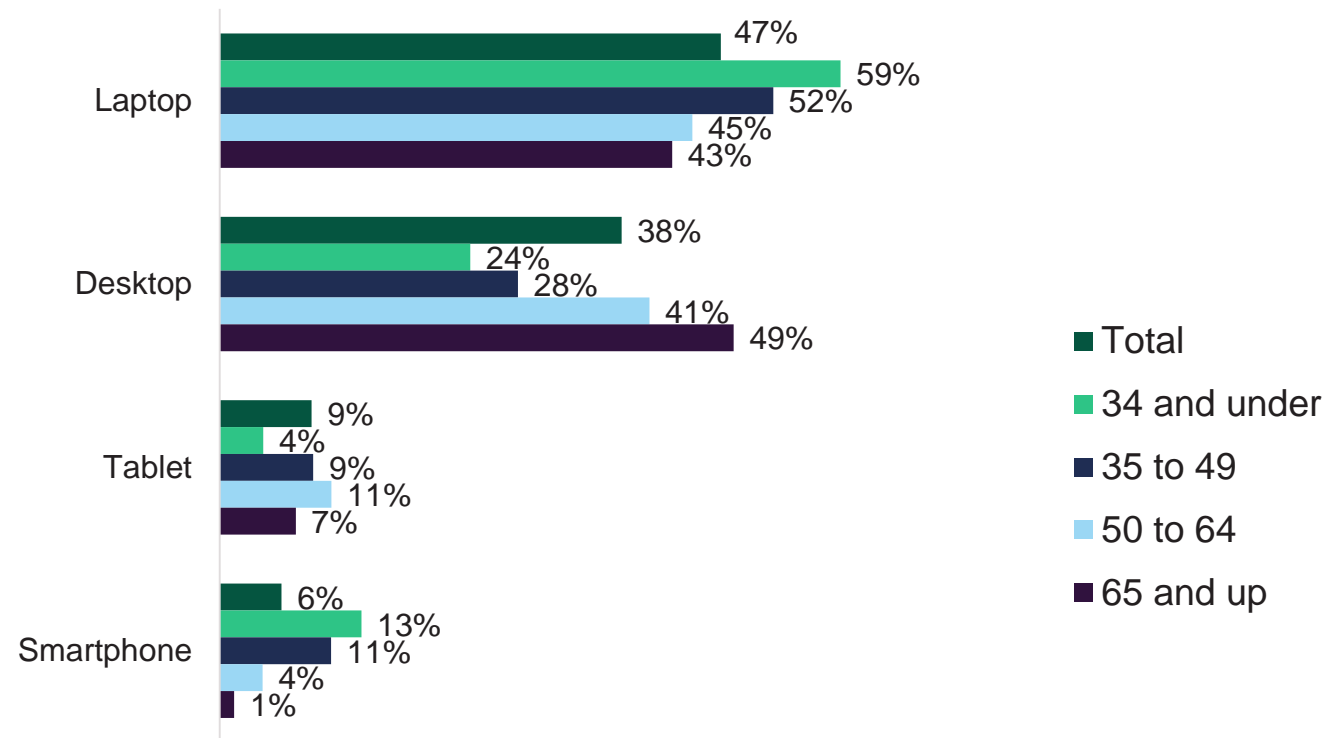
	Total	34 and under	35 to 49	50 to 64	65 and up
Checked news/sports/weather	87%	71%	82%	89%	91%
Managed a bank account	85%	82%	85%	86%	85%
Paid bills	78%	70%	77%	80%	79%
Purchased consumer goods	78%	74%	78%	79%	77%
Planned vacations and made travel arrangements	64%	49%	61%	65%	70%
Accessed social networking sites (e.g., Facebook, Twitter)	62%	72%	67%	63%	53%
Watched television or movies	46%	70%	58%	45%	29%
Researched mutual funds and ETFs on fund or brokerage firm's website	37%	47%	41%	37%	32%
Purchased stock, mutual fund or ETF	37%	44%	39%	37%	32%
Researched companies I am interested investing in	31%	38%	35%	30%	24%
Researched mutual funds and other investing topics on another website (e.g., Morningstar)	27%	35%	33%	27%	20%
Read company annual reports	26%	37%	29%	25%	22%
Took online classes, seminars, or webinars	13%	17%	17%	13%	7%
None of these	1%	2%	1%	0%	0%

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
Source: Broadridge/Forrester Custom Survey, 2020

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Laptops and smartphones are a much more popular way to receive shareholder reports among the younger age groups

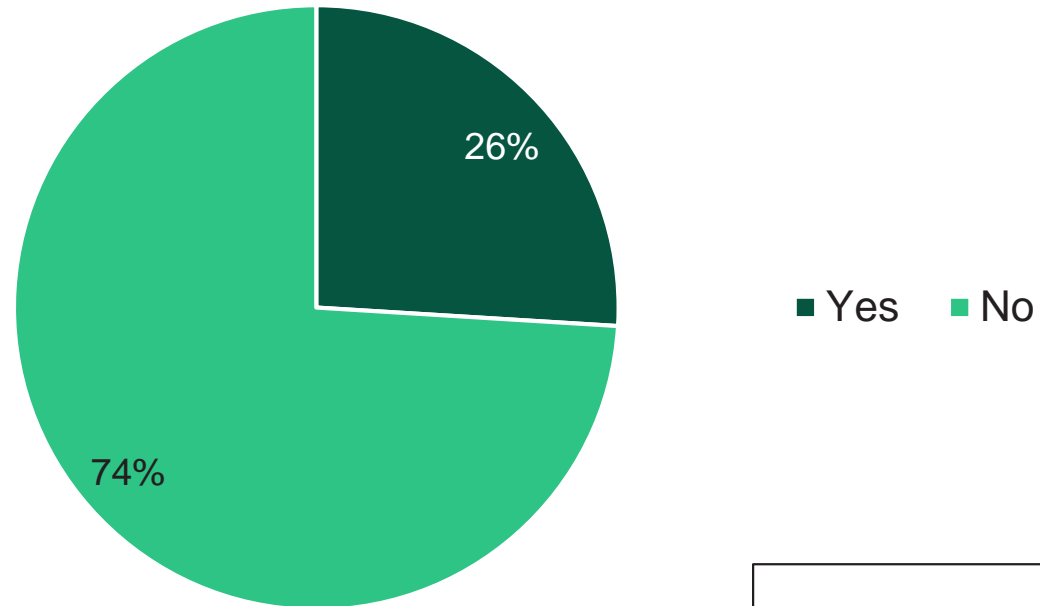
“Which of the following devices do you primarily use to receive shareholder reports?”



Base: 1,128 respondents who receive reports via email; 97 34 and under; 294 35 to 49; 445 50 to 64; 292 65 and up
Source: Broadridge/Forrester Custom Survey, 2020

Almost three-quarters (74%) of those who receive reports via email do not have security concerns with opening the link

“Are you reluctant to open an attachment or click on a link to shareholder reports because of cybersecurity issues?”



Even fewer of non-openers are concerned with security (17%).

Lack of interest and difficulty of understanding are main drivers for not opening Shareholder reports

“Which of the following best describes why you do not open mutual fund and/or ETF shareholder reports you receive?”

	Total	Age groups			
		34 and under	35 to 49	50 to 64	65 and up
I am not interested in them	58%	86%	58%	52%	61%
They are difficult to understand	37%	29%	45%	34%	34%
I rely on my financial advisor	13%	0%	4%	15%	26%
They are not relevant	12%	0%	15%	12%	8%
I prefer to get this information in a different way than I do now	9%	14%	15%	5%	8%
Other	6%	0%	4%	8%	8%

Base: 163 non-openers; 7 age 34 and under; 53 age 35 to 49; 65 age 50 to 64; 38 age 65 and up
 Source: Broadridge/Forrester Custom Survey, 2020
 *n < 30

35% of those who share investment decision-making do not open reports because they rely on a financial advisor

“Which of the following best describes why you do not open mutual fund and/or ETF shareholder reports you receive?”

Individual role in the mutual funds and ETFs that are bought, sold, or owned

	Total	I decide which ones to buy, sell, or own	I share investment decision making with others (e.g., with a spouse or family member) on what to buy, sell, or own
I am not interested in them	58%	58%	57%
They are difficult to understand	37%	36%	41%
I rely on my financial advisor	13%	5%	35%
They are not relevant	12%	15%	4%
I prefer to get this information in a different way than I do now	9%	11%	4%
Other	6%	7%	4%

Base: 163 non-openers; 117 who decide which ones to buy, sell, or own; 46 who share investment decision making with others (e.g., with a spouse or family member) on what to buy, sell, or own
 Source: Broadridge/Forrester Custom Survey, 2020

The summary report scored high with all age groups

*“Please rate the extent to which you agree or disagree with each of the following statements.”
Showing top 2 from a 4-point scale where 1 = “Strongly disagree” and 4 = “Strongly agree”*

	Age groups				
	Total	34 and under	35 to 49	50 to 64	65 and up
Having summary documents like this will make it easier for me to compare different funds.	94%	93%	93%	95%	93%
I would look favorably upon a fund company's use of Summary Shareholder Reports	93%	93%	92%	93%	92%
Summary documents like this are enough for investors who want to stay informed about their mutual fund investments, as long as the longer and more detailed documents are available upon request free of charge	92%	89%	93%	92%	92%
I am more likely to read a summary document like this than the longer and more detailed shareholder report	92%	94%	91%	92%	91%

Base: 2,000 total respondents; 132 age 34 and under; 511 age 35 to 49; 801 age 50 to 64; 556 age 65 and up
Source: Broadridge/Forrester Custom Survey, 2020

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The summary report scored high across the number of funds held

“Please rate the extent to which you agree or disagree with each of the following statements.”
Showing top 2 from a 4-point scale where 1 = “Strongly disagree” and 4 = “Strongly agree”

	Total	Mutual funds and/or ETFs owned			
		1-3 mutual funds and ETFs	4-6 mutual funds and ETFs	7-10 mutual funds and ETFs	More than 10 mutual funds and ETFs
Having summary documents like this will make it easier for me to compare different funds.	94%	93%	94%	95%	93%
I would look favorably upon a fund company's use of Summary Shareholder Reports	93%	93%	90%	98%	93%
Summary documents like this are enough for investors who want to stay informed about their mutual fund investments, as long as the longer and more detailed documents are available upon request free of charge	92%	91%	93%	93%	92%
I am more likely to read a summary document like this than the longer and more detailed shareholder report	92%	92%	89%	95%	94%

Base: 2,000 total respondents; 848 1-3 mutual funds and ETFs; 576 4-6 mutual funds and ETFs; 282 7-10 mutual funds and ETFs; 294 More than 10 mutual funds and ETFs
Source: Broadridge/Forrester Custom Survey, 2020

Investor Preferences for Shareholder Reports



Broadridge[®]

Research Findings

February 2020

Background

“In an ongoing effort to improve fund disclosure content and investor understanding, the Securities and Exchange Commission (SEC) issued a request in June 2018 for comment on enhancing disclosures by funds. The SEC described the request as the first major step in a long-term initiative to improve the investor experience by updating the design, delivery, and content of fund disclosure for the benefit of individual investors.”

Recently, the SEC's Reg Flex Agenda indicated that the Commission will propose rules this fall for a "streamlined shareholder report." A mutual fund industry trade association, Investment Company Institute (“ICI”), designed a prototype Summary Report with its members and conducted limited testing with mutual fund investors. The results were submitted to the SEC in October 2018. The testing did not indicate how frequently investors wish to receive Summary Reports or their preferred methods of delivery.

Broadridge commissioned True North Market Insights to determine if industry findings could be replicated in 2020, and to provide information on investors’ preferences for frequency and delivery. True North’s sample eliminates investors who don’t receive shareholder reports because their funds are held only in 401(k) plans or 529a college savings plans (that are not typically furnished to them). In addition, our testing evaluated a “mobile responsive” version of the Summary Report so that investors who took the survey on a mobile phone would be evaluating a more approximate look and feel.



Key Findings

- A high proportion of mutual fund and ETF investors recall receiving a shareholder report in the past year (84%).
- A high proportion of investors read at least some of the shareholder report (73% Some/Most/All of it; 27% Very Little/None of it).
- About half find shareholder reports difficult to understand (39% Somewhat Difficult; 14% Very Difficult). Older investors and those with lower incomes are more likely to find current shareholder reports difficult to understand.
- By contrast, three-quarters of investors found the prototype Summary Shareholder Report easy to understand (46% Somewhat Easy and 30% Very Easy).
- Nearly 90% of investors said they would be more likely to read the prototype Summary Shareholder Report.
- Over 80% of investors would like to receive Summary Shareholder Reports at least twice a year by mail or email. Those who want to receive them quarterly outnumber those who want them annually by a factor of 3 to 1.
- Eight in ten investors would be most likely to read Summary Shareholder Reports if pushed to them by mail or email. Forty-five percent of investors 65+ years would be most likely to read Summary Shareholder Reports if sent by mail.

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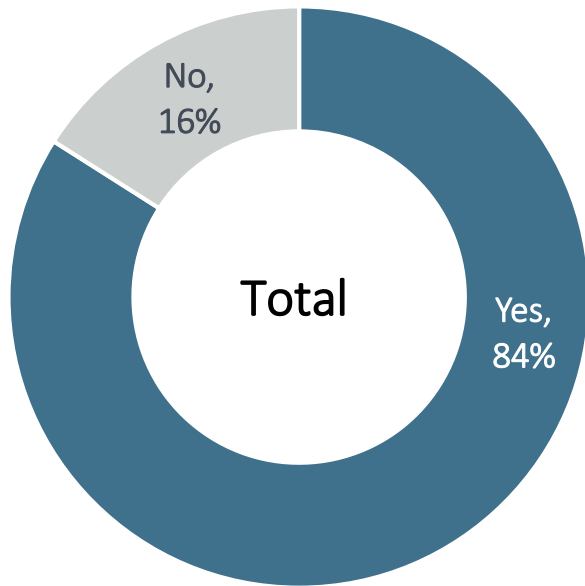
Key Findings Current Shareholder Reports

01

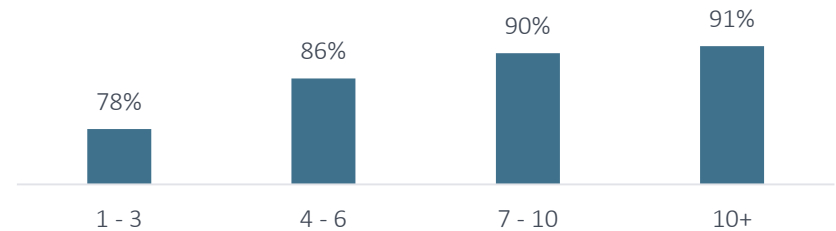
84% of mutual fund and ETF investors recall receiving shareholder reports.

Question: “Do you recall receiving a shareholder report for any of your mutual funds and/or ETFs in the past 12 months?”

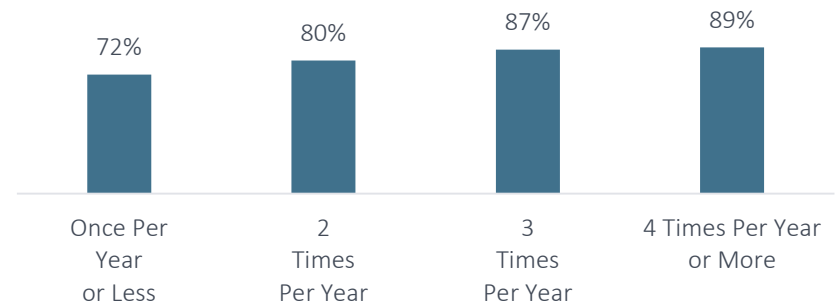
- Recall is greater among those who own more mutual funds and among those who evaluate their investments more frequently.



Recall by Number of Mutual Funds/ETFs Owned



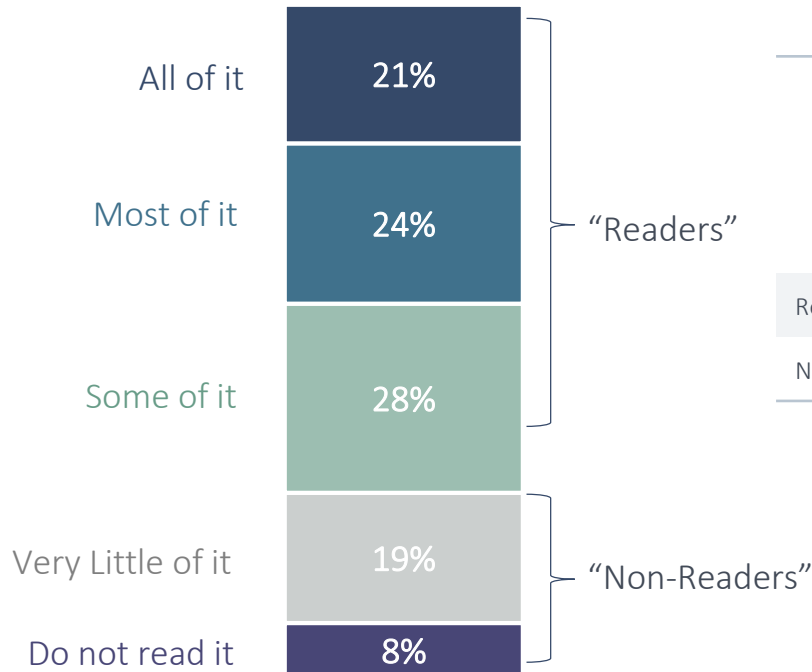
Recall by How Often Evaluate Investments



A majority of investors read at least some of the current shareholder report.

Question: “When you receive a shareholder report, how much of it do you read?”

- 73% of mutual fund and ETF investors read at least some of the shareholder report (“Readers”). The rest (“Non-Readers”) read very little (19%) or none of it (8%).



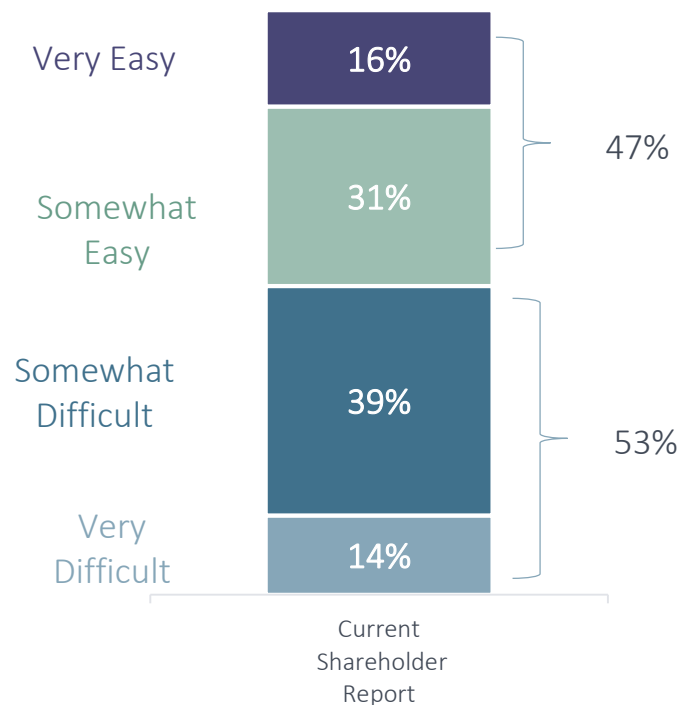
	How Often Evaluate Investments			
	Once Per Year or Less	2 Times Per Year	3 Times Per Year	More than 3 Times Per Year
Base	116	163	312	258
Readers	46% ▼	63% ▼	82%	80%
Non-Readers	54% ▲	37%	18% ▼	20% ▼

▲ ▼ Significantly higher/lower than Other Group(s) at 90% confidence level.

Half of all investors find current shareholder reports difficult to understand.

Question: “How easy or difficult is the information to understand?”

- Those who more frequently evaluate their investments find the current shareholder reports easier to understand than those who evaluate their investments less frequently.

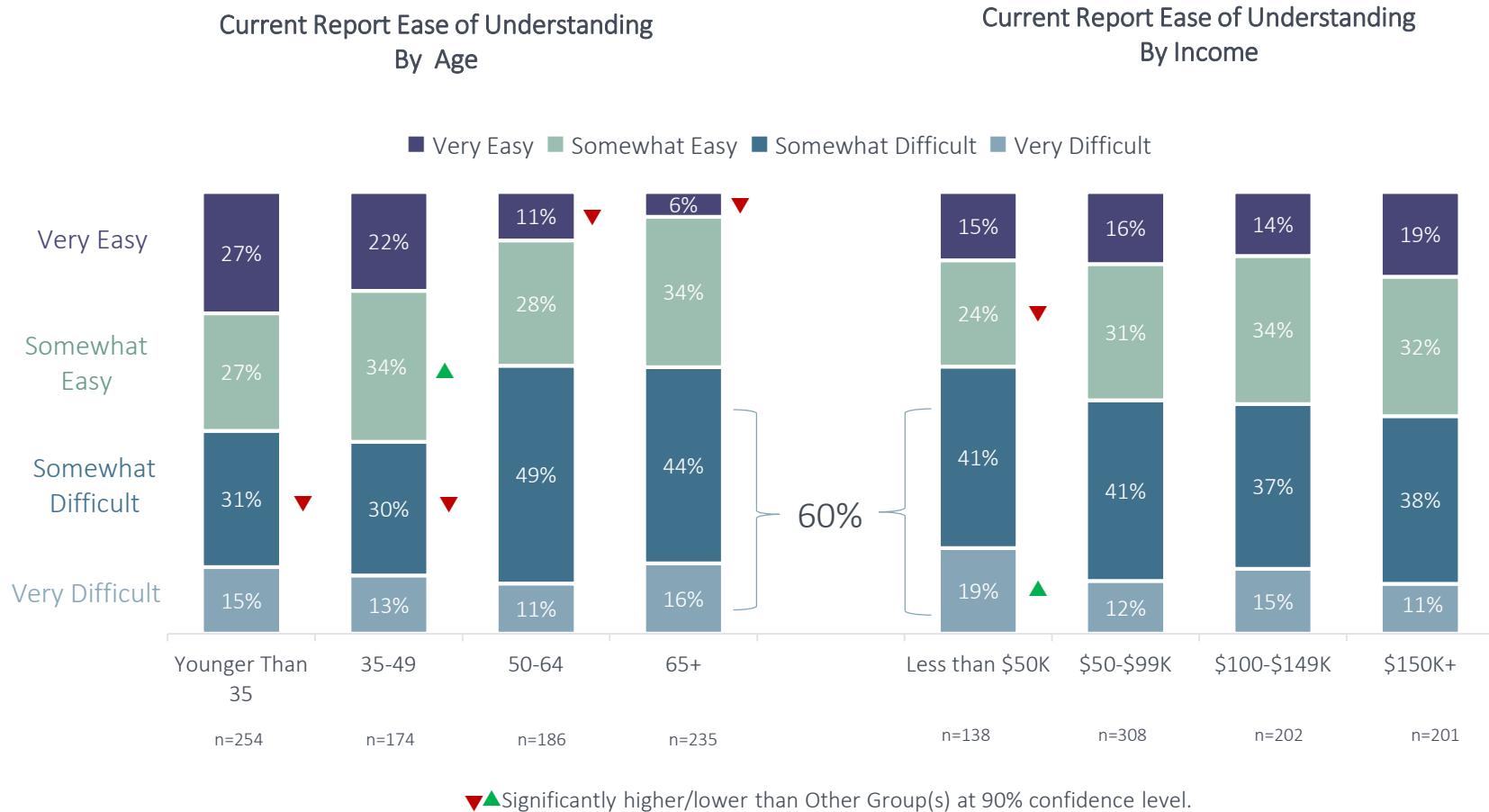


	Once Per Year or Less	2 Times Per Year	3-4 Times Per Year	More than 4 Times Per Year
Base	160	202	358	290
Very / Somewhat Easy	34%	38%	48% ▲	58% ▲
Very / Somewhat Difficult	66% ▲	62% ▲	52%	42%

▲ ▼ Significantly higher/lower than Other Group(s) at 90% confidence level.

Older investors and those with lower incomes are more likely to find current shareholder reports difficult to understand. 60% of each group find them Very Difficult or Somewhat Difficult.

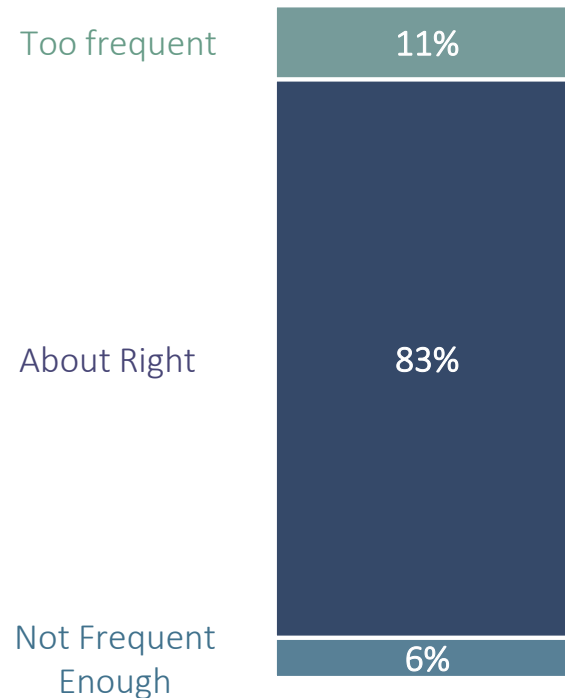
Question: "How easy or difficult is the information to understand?"



Over 80% of respondents say the frequency of receiving current Shareholder Reports is "about right."

Question: "Mutual funds and ETFs provide two shareholder reports per year (an annual report at year-end, and a semiannual report at mid year). How would you rate the frequency with which the reports are provided?"

- Over eight in ten mutual fund and ETF investors say that getting an annual and a semi-annual report is the right frequency of delivery.



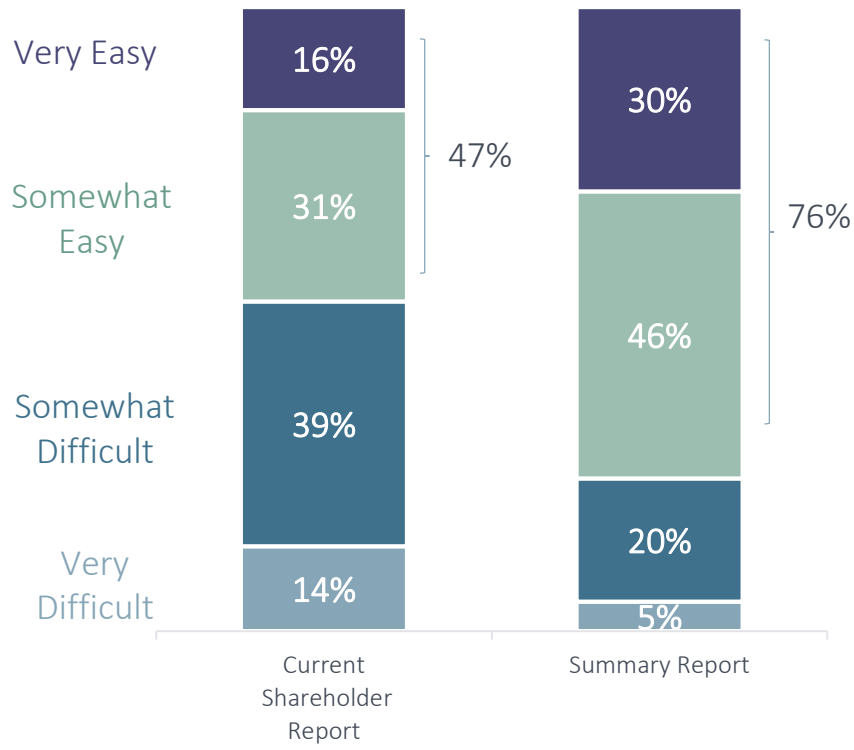
Key Findings
Prototype Summary
Shareholder Reports

02

Investors find the prototype Summary Shareholder Report easier to understand than the current shareholder report.

Question: "How easy or difficult is the information to understand?"

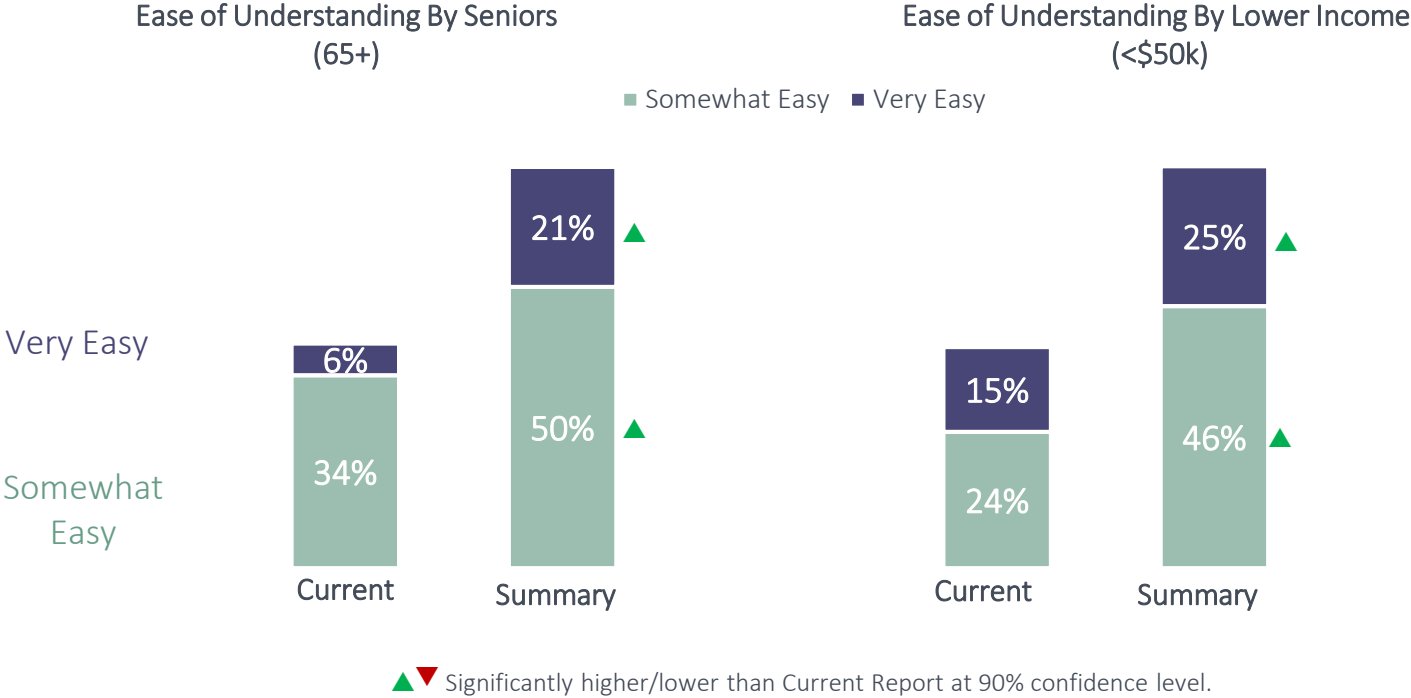
- About three-fourths of mutual fund and ETF investors consider the prototype to be Very Easy (30%) or Somewhat Easy (46%) to understand.
- This is much higher than the 47% of investors who consider current shareholder reports to be Very Easy or Somewhat Easy to understand.



Ratings of the Summary Shareholder Reports, among mobile phone participants, were similar to those viewing the Summary Shareholder Reports on a computer.

Seniors and lower income investors found the prototype Summary Shareholder Reports easier to understand than the current shareholder report.

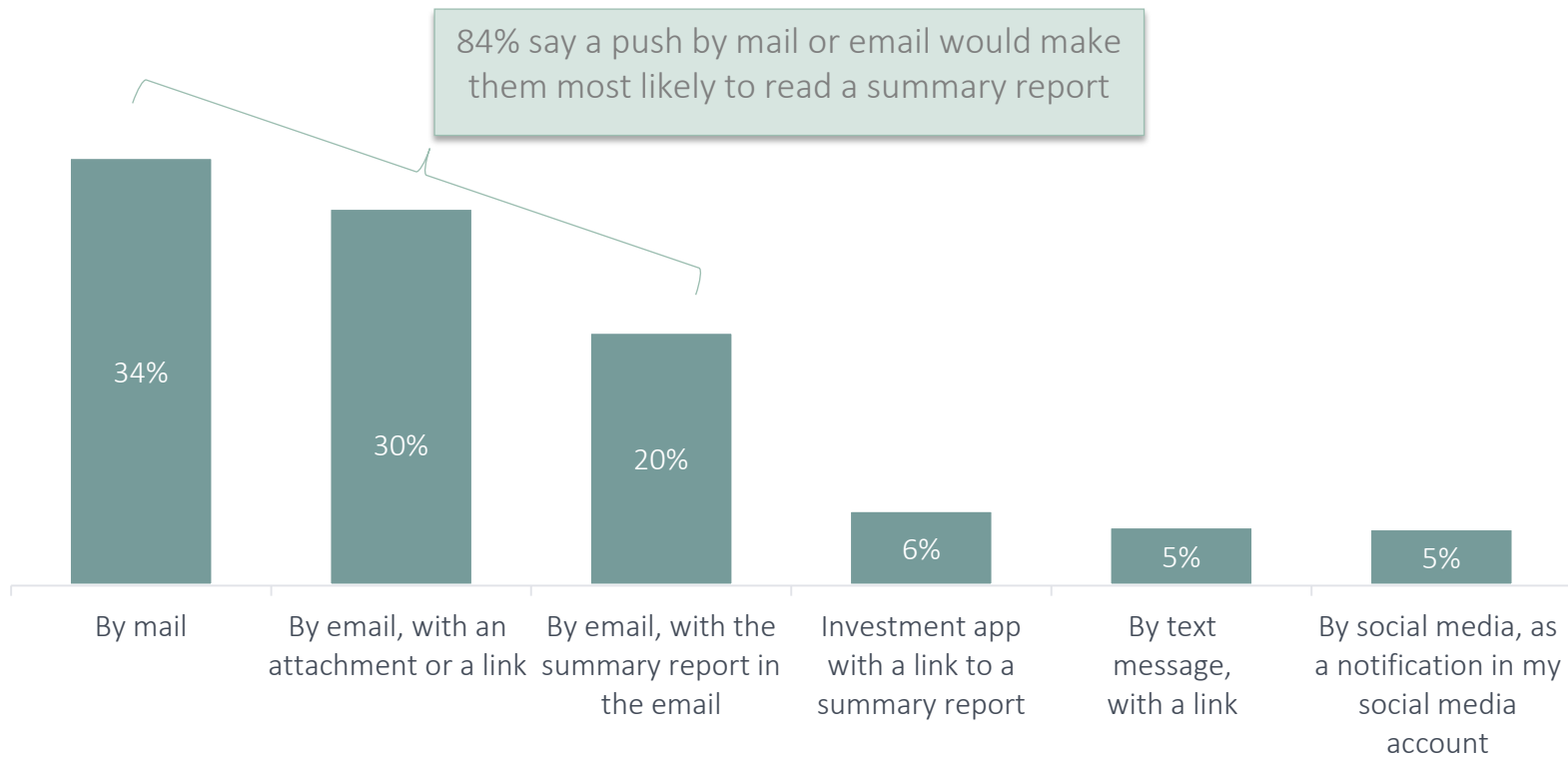
Question: "How easy or difficult is the information to understand?"



Eight in ten investors would be most likely to read Summary Shareholder Reports if pushed to them by mail or email.

Question: “Which method of receiving Summary Shareholder Reports would make you most likely to read or review them? (Choose one).”

- 45% of investors 65+ years say they would be most likely to read Summary Reports if sent by mail.

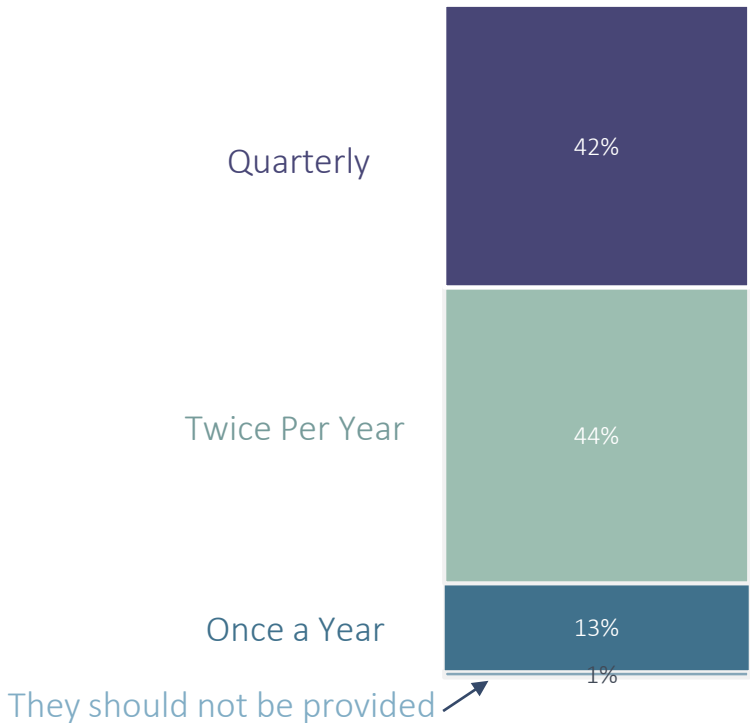


Most want to review Summary Shareholder Reports either quarterly or twice per year

Question: "How frequently should these Summary Shareholder Reports be provided?"

- Those who evaluate their investments more than four times per year are most likely to want Summary Shareholder Reports quarterly (60%). Those evaluating their investments less than 4 times per year are most likely to want Summary Shareholder Reports twice a year.
- The more funds owned, the more frequently investors want to review summary reports.

■ Quarterly ■ Twice Per Year ■ Once Per Year ■ Should Not Be Provided



How Often Evaluate Investments

	Once Per Year or Less	2 Times Per Year	3-4 Times Per Year	More than 4 Times Per Year
Base	160	202	358	290
Quarterly	27%	31%	42% ▲	60% ▲
Twice a year	41%	55%	50%	30% ▼
Once a year	31% ▲	12%	8%	10%
They should not be provided	1%	2%	0%	1%

Number of Mutual Funds

	1 - 3	4 - 6	7 - 9	10+
Base	425	336	139	110
Quarterly	36% ▼	43%	48%	57% ▲
Twice a year	47%	44%	40%	34% ▼
Once a year	16%	12%	12%	9% ▼
They should not be provided	1%	0%	1%	1%

Base: All Mutual Fund and ETF investors, (n=1010)

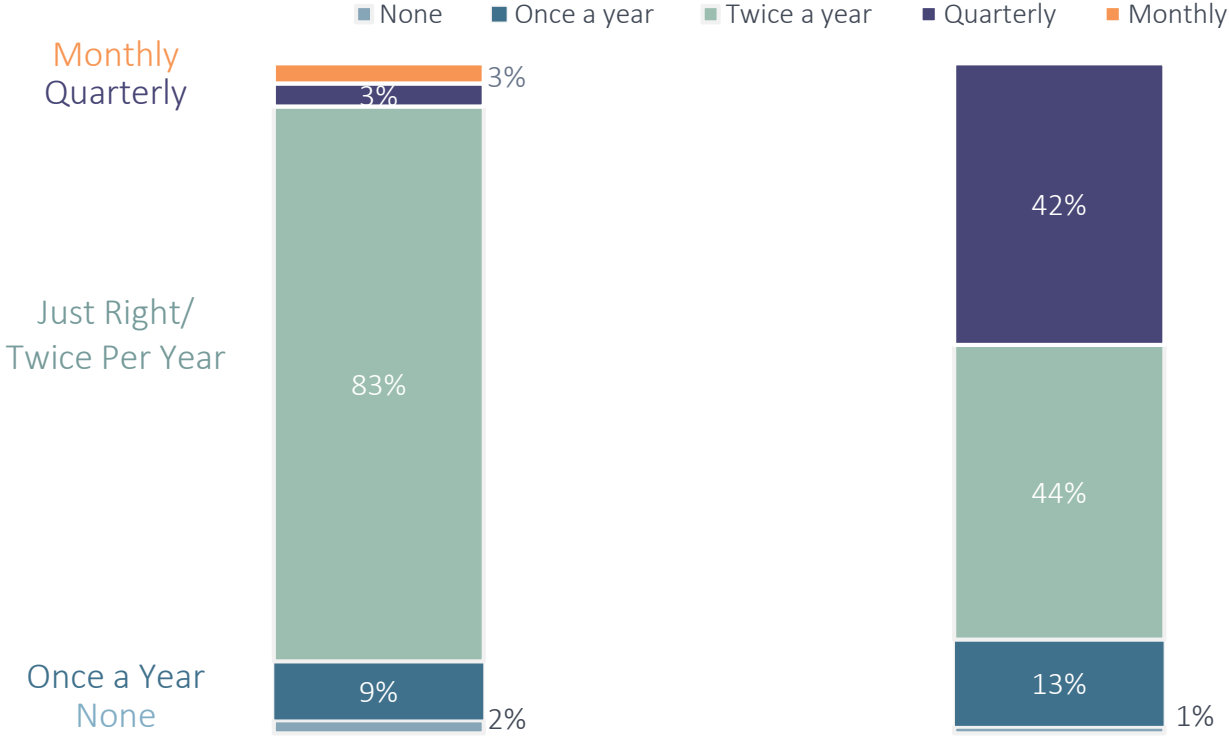
▲ ▼ Significantly higher/lower than Other Group(s) at 90% confidence level.

86% of investors want to receive a prototype Summary Shareholder Report at least twice a year. Nearly half of this group say they'd like to receive it quarterly.

Question: "How would you rate the frequency with which the reports are provided?"
 Question: "How frequently should these Summary Shareholder Reports be provided?"

Frequency Prefer Current Shareholder Reports*

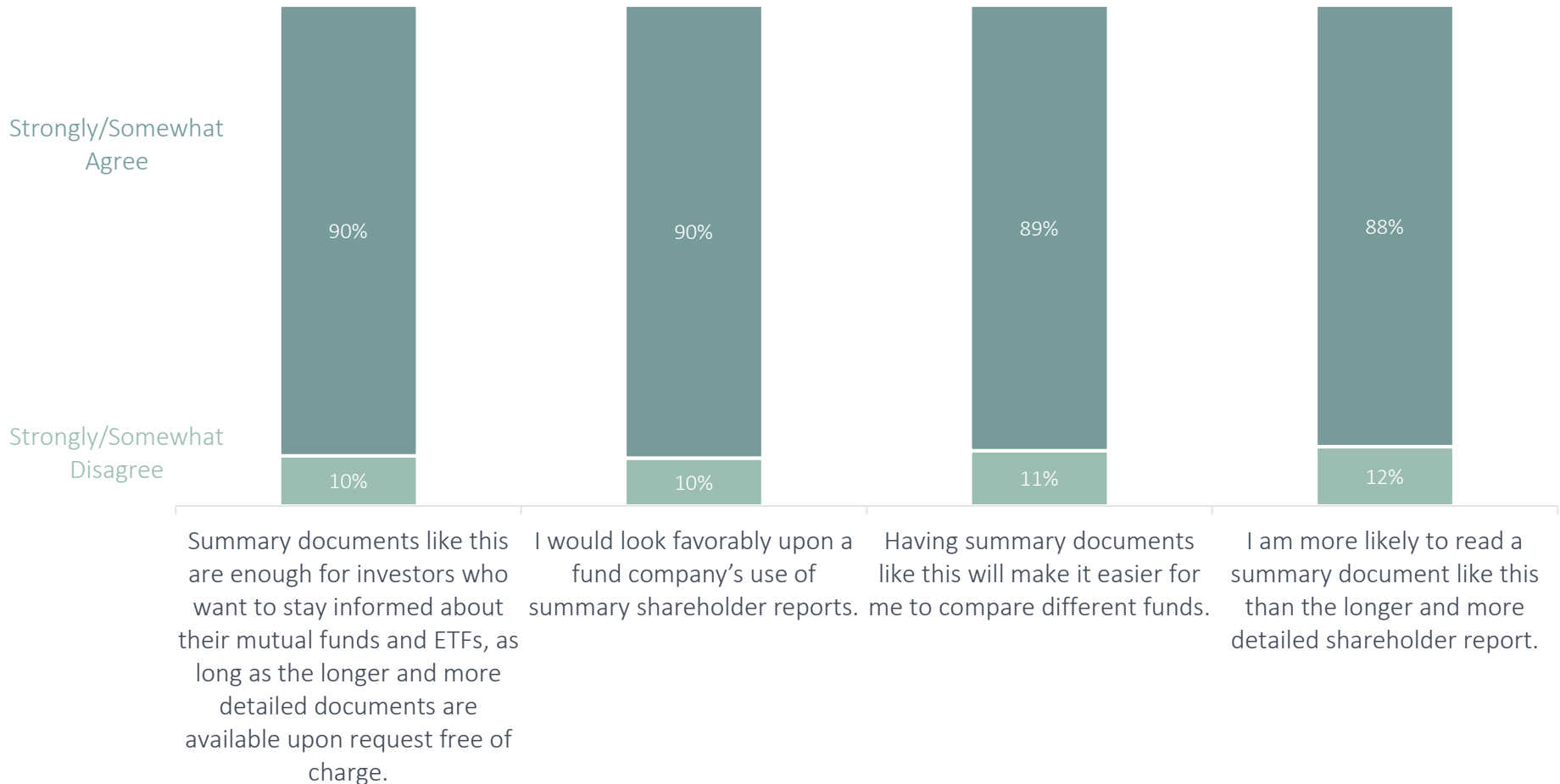
Frequency Prefer Summary Shareholder Reports



*Current and Summary asked in different questions; Current question series combined for this analysis

Responses on other dimensions were similar to ICI's survey. In addition, 90% of investors say they would look favorably upon a fund company's use of Summary Shareholder Reports.

Question: "Please rate the extent to which you agree or disagree with each of the following statements."





Demographics

03

Young and less affluent investors, overall, own fewer mutual funds and/ or ETFs

Implications of demographic differences on improving experience with fund reports

- Three fourths of those younger than 35 years have six mutual fund or ETFs or less (78%). This is fairly comparable to those 35-49 years (76%) and 50-64 years (78%). Those 65+ years are more likely to have more mutual funds or ETFs with only 69% having less than six and 31% having seven mutual funds or ETFs or more.
- Less affluent investors own fewer mutual funds and ETFs. About half of those with income less than \$50K (57%) and income \$50K-\$99K (45%) own only 1-3 mutual funds or ETFs.

	Total	Age				Income			
		Younger 35	35-49	50-64	65+	Less than \$50K	\$50-\$99K	\$100-\$150K	\$150K+
Base	1010	287	204	227	292	163	373	237	237
Number of Mutual Funds and ETFs Own									
1 - 3	43%	35%	44%	48%	42%	57%	45%	39%	36%
4 - 6	32%	43%	32%	30%	27%	33%	34%	34%	28%
7 - 9	13%	14%	15%	9%	18%	5%	13%	14%	16%
10+	11%	8%	9%	14%	13%	5%	8%	12%	19%
Number of Times Evaluate Investments Each Year									
More than 4 times per year	29%	29%	29%	30%	28%	29%	24%	30%	35%
3-4 times per year	35%	49%	36%	32%	24%	33%	41%	32%	31%
2 times per year	20%	18%	20%	21%	21%	24%	21%	20%	17%
1 time per year	10%	3%	8%	12%	16%	10%	8%	10%	10%
Less than once per year	6%	2%	8%	5%	12%	4%	6%	8%	7%

■ Significantly higher/lower than Other Group(s) at 90% confidence level.

There are few differences in overall perceptions of the Summary Shareholder Reports

Implications of demographic differences on improving experience with fund reports

- Those with income greater than \$150K are more likely (84%) to view the Summary Shareholder Reports as Easy or Somewhat Easy to Understand.
- There are very few substantial differences by age and income.

	Age				Income			
	Younger 35	35-49	50-64	65+	Less than \$50K	\$50-\$99K	\$100-\$150K	\$150K+
Base	287	204	227	292	163	373	237	237
Ease of Understanding Summary Shareholder Reports								
Very / Somewhat Easy to Understand	76%	75%	79%	71%	71%	75%	70%	84%
Very / Somewhat Difficult to Understand	24%	25%	21%	29%	29%	25%	30%	16%
Agreement with Statement About Summary Shareholder Reports (Top 2 Box)								
Summary documents like this are enough for investors who want to stay informed about their mutual funds...	85%	91%	91%	92%	87%	90%	90%	92%
I am more likely to read a summary document like this than the longer and more detailed shareholder report.	83%	92%	89%	89%	81%	92%	86%	89%
Having summary documents like this will make it easier for me to compare different funds.	89%	91%	88%	87%	88%	89%	89%	89%
I would look favorably upon a fund company's use of summary shareholder reports.	86%	91%	92%	92%	87%	92%	90%	92%

■ Significantly higher/lower than Other Group(s) at 90% confidence level.

Base: All Mutual Fund and ETF investors, (n=1,010)

Please rate your experience reading this Summary Shareholder Report. How easy or difficult is the information to understand? Are they...?

Please rate the extent to which you agree or disagree with each of the following statements. SUMMARY TOP 2 BOX

Younger ages are more open to alternative methods of delivery such as text, apps and social media

Implications of demographic differences on improving experience with fund reports

- Those younger than 35 are more likely than older groups to prefer text (10%), apps (10%) or social media (13%) as a delivery method for the Summary Shareholder Reports.
- There are very few substantial differences by income.

	Age				Income			
	Younger 35	35-49	50-64	65+	Less than \$50K	\$50-\$99K	\$100-\$150K	\$150K+
Base	287	204	227	292	163	373	237	237
Frequency of Summary Shareholder Reports								
Quarterly	47%	48%	39%	36%	37%	41%	44%	45%
Twice a year	45%	41%	44%	44%	51%	45%	39%	42%
Once a year	7%	10%	15%	19%	10%	13%	16%	13%
They should not be provided	1%	0%	1%	1%	2%	1%	1%	0%
Method Most Likely to Read								
By mail	20%	30%	39%	45%	32%	38%	33%	32%
By email, with an attachment or a link	30%	27%	33%	29%	27%	30%	30%	32%
By email, with the summary report in the body of the email	17%	25%	19%	19%	19%	18%	23%	21%
By text message, with a link	10%	5%	3%	2%	9%	4%	3%	4%
An investment app with a link	10%	7%	4%	4%	8%	6%	5%	6%
By social media, as a notification in my account	13%	6%	1%	0%	5%	4%	5%	4%

■ Significantly higher/lower than Other Group(s) at 90% confidence level.

Base: All Mutual Fund and ETF investors, (n=1,010)

How frequently should these Summary Shareholder Reports be provided?

Which method of receiving Summary Shareholder Reports would make you most likely to read or review them?

Survey Methodology

Methodology
Sample Source

04

Methodology

A total of 1,010 five-minute online surveys were completed among mutual fund and ETF investors from January 20 – 23, 2020. The margin of error for this sample is +/- 3%.

Respondent Qualifications:

All respondents currently hold mutual funds or ETFs outside of employer-sponsored retirement and 529 plans. Also, respondents screening included:

- At least 18 years of age.
- Primary or shared investment decisions in the household.
- Excluded those who had only employer retirement plans or 529 College Saving Plans.

Sampling Methodology:

In order to provide a representative sample, this study was balanced as follows:

- Initial outbound invitations deployed balanced to the census on gender, age and income.
- The survey starts were balanced to the census on gender, age and income.
- Final sample was weighted to ensure it was representative of the ICI study.
 - The completed surveys were weighted to represent the distribution of age and income found in the study “*Mutual Fund Investors’ Views on Shareholder Reports*” completed by the Investment Company Institute in October 2018.

Initial Outbound Sample and Survey Starts Balanced to Census			
Gender	Age		Income
Males 49%	18-34	30%	Less than \$25K 20%
Females 51%	35-44	16%	\$25K - <\$50K 21%
	45-54	16%	\$50K - <\$75K 17%
	55-64	17%	\$75K - <\$99K 13%
	65+	21%	\$100K - <\$150K 15%
			\$150K - <\$200K 7%
			\$200K+ 8%

Completed Surveys Weighted to Investor Distribution in the ICI 2018 Study*			
Age		Income	
18-34	21%	Less than \$25K	4%
35-44	19%	\$25K - <\$50K	11%
45-54	16%	\$50K - <\$75K	17%
55-64	23%	\$75K - <\$99K	16%
65+	21%	\$100K - <\$150K	25%
		\$150K+	27%

*Source: Investment Company Institute. October 2018. *Mutual Funds Investors’ Views on Shareholder Reports: Reactions to a Summary Shareholder Report Prototype*.

Sample Source

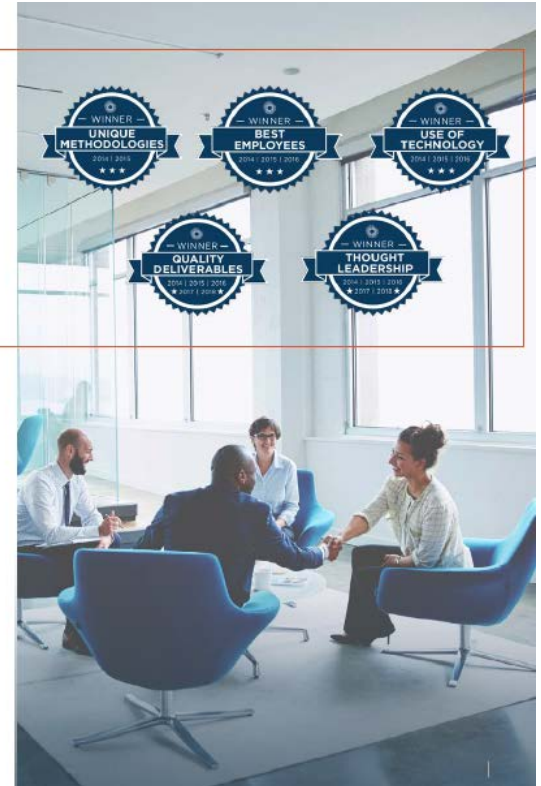
Dynata National Online Panel

Dynata is one of the world's leading providers of first-party data contributed by consumers and business professionals.

- Dynata serves nearly 6,000 market research agencies, media and advertising agencies, consulting & investment firms and healthcare and corporate customers in North America, South America, Europe, and Asia-Pacific.
- Dynata works to optimally blend our proprietary sample sources by conducting comparability tests and modeling the blend that will achieve the closest match to census and social benchmarks.
- As part of the Total Research Quality system, Dynata monitors the quality of the data through various quality checks such as participation limits, screening questions, digital fingerprinting, random and illogical responding, capturing and removing flatliners and speeders.

We are the only market research online sample supplier evaluated by MarketResearchCareers.com (MRC) to win an award for four consecutive years, with 2018 marking the fifth year as the combined company Research Now SSI, now known as Dynata. We also topped its nearest competitor in the "Best Quality Deliverables" category by over 20% in the 2018 survey.

Dynata ranked #5 in the 2018 GreenBook Research Industry Trends (GRIT) Top 50 Most Innovative Suppliers in Market Research. This industry recognition acknowledges our efforts to lead the market research industry in innovation based on our ongoing commitment to developing solutions that give our clients a competitive edge.



Summary Report Prototype

05

Computer Prototype

Mobile Optimized
Prototype

Summary Shareholder Report Prototype

Desktop/Laptop Version – Cover and Page 1



Summary Shareholder Report
DECEMBER 31, 2019



INVESTOR CLASS (ABCIX)
CLASS A (ABCAX)
CLASS R (ABCRX)

This summary shareholder report contains important information about ABC Equity Fund, including performance, expenses, and portfolio holdings. You may want to review the fund's annual shareholder report which contains more detailed information about the fund's portfolio holdings, financial statements, and other items.

You can obtain the fund's shareholder report online at abcfunds.com or by mail at no cost by calling (800) 123-4567. The fund's annual shareholder report for the period ended December 31, 2019 is incorporated by reference.



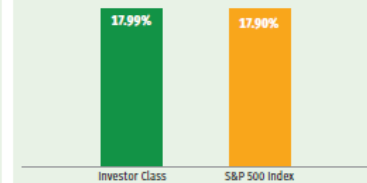
Summary Shareholder Report
DECEMBER 31, 2019

PERFORMANCE HIGHLIGHTS

- The combination of accelerating global growth and robust corporate earnings fueled substantial gains for equity markets in the annual period ended December 31, 2019.
- ABC Equity Fund Investor Class returned 17.99% during the period, compared with the 17.90% return of its benchmark, the S&P 500 Index.
- The fund's overweight positions in information technology and healthcare relative to the benchmark benefited fund performance. The fund's overweight positions in consumer discretionary detracted from fund performance.
- Leading individual contributors to fund performance included Alphabet, Microsoft, Intel and UnitedHealth Group.
- Among the largest detractors to fund performance were Nike, McDonald's, and Williams-Sonoma.

TOTAL RETURN¹ AND EXPENSES

Year Ended December 31, 2019



Expense Ratio² 0.67%

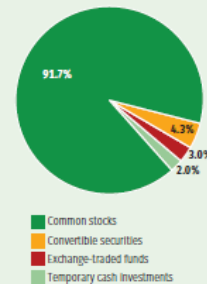
Performance and expense information for other share classes is available in the "Average Annual Compound Total Return" and "Fund Expense Example" tables below.

¹Total return reflects the rate that an investor would have earned on an investment in the fund during each period, excluding the effects of any sales charges and assuming reinvestment of all distributions.

²The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.

ASSET ALLOCATION

Percent of Net Assets, 12/31/19



INDUSTRY ALLOCATION

Percent of Net Assets, 12/31/19

Information technology	12.2%
Consumer discretionary	11.3
Biotechnology	10.4
Healthcare	9.5
Financials	8.6
Energy	7.8
Manufacturing	6.9
Consumer durables	5.2
Media and entertainment	4.3
Other	23.8
Total	100.0%

TEN LARGEST HOLDINGS

Percent of Net Assets, 12/31/19

Alphabet	3.3%
Apple	2.9
Microsoft	2.7
Amazon	2.6
Visa	2.3
UnitedHealth Group	2.1
Danaher	1.9
Intel	1.8
Cisco	1.7
Bank of America	1.4

Summary Shareholder Report Prototype

Desktop/Laptop Version – Page 2



Summary Shareholder Report
DECEMBER 31, 2019

AVERAGE ANNUAL COMPOUND TOTAL RETURN*

Period Ended December 31, 2019

	1 Year		5 Years		10 Years	
	without sales charge	with sales charge	without sales charge	with sales charge	without sales charge	with sales charge
Investor Class	17.99%	N/A	12.96%	N/A	6.22%	N/A
Class A	17.71	10.95%	12.68	11.35%	5.96	5.34%
Class R	17.37	N/A	12.39	N/A	5.69	N/A
S&P 500 Index	17.90	N/A	14.62	N/A	7.18	N/A

*Assumes reinvestment of all distributions and payment of the maximum applicable sales charge. Investment results reflect applicable fees and expenses. When applicable, investment results reflect expense waivers, without which results would have been lower.

Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Updated performance information is available through abc-funds.com.

FUND EXPENSE EXAMPLE

The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund.¹ The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

	Beginning Account Value 1/01/19	Ending Account Value 12/31/19	Expenses Paid During Period ² 1/01/19 to 12/31/19	Annualized Expense Ratio ³
Investor Class	\$1,000.00	\$1,089.40	\$3.47	0.67%
Class A (without sales charge)	1,000.00	1,088.20	4.76	0.92
Class R	1,000.00	1,086.60	6.05	1.17

¹ Expenses shown in the table highlight only ongoing costs and do not reflect any transaction costs, such as redemption fees or sales charges. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

² Expenses are equal to the class's annualized expense ratio for the 6-month period, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (181), and divided by the days in the year (365) to reflect the half-year period.

³ The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.

Summary Shareholder Report Prototype

Mobile Version - Cover

Continuous Scroll



Summary Shareholder Report
DECEMBER 31, 2019



INVESTOR CLASS (ABCIX)
CLASS A (ABCAX)
CLASS R (ABCRX)

This summary shareholder report contains important information about ABC Equity Fund, including performance, expenses, and portfolio holdings. You may want to review the fund's annual shareholder report which contains more detailed information about the fund's portfolio holdings, financial statements, and other items.

You can obtain the fund's shareholder report online at abcfunds.com or by mail at no cost by calling (800) 123-4567. The fund's annual shareholder report for the period ended December 31, 2019 is incorporated by reference.

Summary Shareholder Report Prototype

Mobile Version - Page 1

Continuous Scroll

ABC equity fund
summary shareholder report
DECEMBER 31, 2019

PERFORMANCE HIGHLIGHTS

- The combination of accelerating global growth and robust corporate earnings fueled substantial gains for equity markets in the annual period ended December 31, 2019.
- ABC Equity Fund Investor Class returned 17.99% during the period, compared with the 17.90% return of its benchmark, the S&P 500 Index.
- The fund's overweight positions in information technology and healthcare relative to the benchmark benefited fund performance. The fund's overweight positions in consumer discretionary detracted from fund performance.
- Leading individual contributors to fund performance included Alphabet, Microsoft, Intel and UnitedHealth Group.
- Among the largest detractors to fund performance were Nike, McDonalds, and Williams-Sonoma.

TOTAL RETURN AND EXPENSES
Year ended December 31, 2019

Expense Ratio¹ 0.67%

Performance and expense information for other share classes is available in the "Average Annual Compound Total Return" and "Fund Expense Example" tables below.

TOTAL RETURN AND EXPENSES
Percent of Net Assets, 12/31/19

INDUSTRY ALLOCATION
Percent of Net Assets, 12/31/19

Information technology	12.2%
Consumer discretionary	11.3
Biotechnology	10.4
Healthcare	9.5
Financials	8.6
Energy	7.8
Manufacturing	6.9
Consumer durables	5.2
Media and entertainment	4.3
Other	23.8
Total	100.0%

TEN LARGEST HOLDINGS
Percent of Net Assets, 12/31/19

Alphabet	3.3%
Apple	2.9
Microsoft	2.7
Amazon	2.6
Visa	2.3
UnitedHealth Group	2.1
Danaher	1.9
Intel	1.8
Cisco	1.7
Bank of America	1.4%



Summary Shareholder Report DECEMBER 31, 2019

PERFORMANCE HIGHLIGHTS

- The combination of accelerating global growth and robust corporate earnings fueled substantial gains for equity markets in the annual period ended December 31, 2019.
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TOTAL RETURN¹ AND EXPENSES

Year Ended December 31, 2019

17.99%

17.90%

Investor Class

S&P 500 Index

Expense Ratio² 0.67%

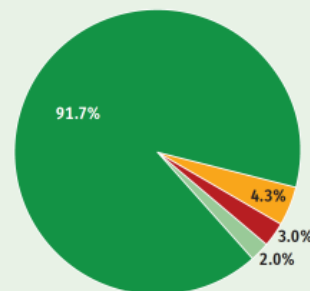
Performance and expense information for other share classes is available in the "Average Annual Compound Total Return" and "Fund Expense Example" tables below.

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² The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.

TOTAL RETURN¹ AND EXPENSES

Percent of Net Assets, 12/31/19



- Common stocks
- Convertible securities
- Exchange-traded funds
- Temporary cash investments

Summary Shareholder Report Prototype

Mobile Version- Page 2

Continuous Scroll



Summary Shareholder Report DECEMBER 31, 2019

AVERAGE ANNUAL COMPOUND TOTAL RETURN*

Period Ended December 31, 2019

	1 Year	
	without sales charge	with sales charge
Investor Class	17.99%	N/A
Class A	17.71	10.95%
Class R	17.37	N/A
S&P 500 Index	17.90	N/A

	5 Years	
	without sales charge	with sales charge
Investor Class	12.96%	N/A
Class A	12.68	11.35%
Class R	12.39	N/A
S&P 500 Index	14.62	N/A

	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

*Assumes reinvestment of all distributions and payment of the maximum applicable sales charge. Investment results reflect applicable fees and expenses. When applicable, investment results reflect expense waivers, without which results would have been lower.
Returns do not reflect taxes that the shareholder may pay on fund distributions or the redemption of fund shares. Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Updated performance information is available through abc-funds.com.

FUND EXPENSE EXAMPLE

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	Beginning Account Value 1/01/19	Ending Account Value 12/31/19
Investor Class	\$1,000.00	\$1,089.40
Class A (without sales charge)	1,000.00	1,088.20
Class R	1,000.00	1,088.60

	Expenses Paid During Period ¹ 1/01/19 to 12/31/19	Annualized Expense Ratio ³
Investor Class	\$3.47	0.67%
Class A (without sales charge)	4.76	0.92
Class R	6.05	1.17

¹ Expenses shown in the table highlight only ongoing costs and do not reflect any transaction costs, such as redemption fees or sales charges. To the extent a fund charges transaction costs, however, the total cost of owning that fund is higher.

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³ The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.



Summary Shareholder Report DECEMBER 31, 2019

AVERAGE ANNUAL COMPOUND TOTAL RETURN*

Period Ended December 31, 2019

	1 Year	
	without sales charge	with sales charge
Investor Class	17.99%	N/A
Class A	17.71	10.95%
Class R	17.37	N/A
S&P 500 Index	17.90	N/A

	5 Years	
	without sales charge	with sales charge
Investor Class	12.96%	N/A
Class A	12.68	11.35%
Class R	12.39	N/A
S&P 500 Index	14.62	N/A

	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

	10 Years	
	without sales charge	with sales charge
Investor Class	6.22%	N/A
Class A	5.96	5.34%
Class R	5.69	N/A
S&P 500 Index	7.18	N/A

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The following example is intended to help you understand your ongoing costs (in dollars) of investing in the fund. The example is based on an investment of \$1,000 invested at the beginning of the most recent six-month period and held for the entire period.

	Beginning Account Value 1/01/19	Ending Account Value 12/31/19
Investor Class	\$1,000.00	\$1,089.40
Class A (without sales charge)	1,000.00	1,088.20
Class R	1,000.00	1,088.60

	Expenses Paid During Period ¹ 1/01/19 to 12/31/19	Annualized Expense Ratio ³
Investor Class	\$3.47	0.67%
Class A (without sales charge)	4.76	0.92
Class R	6.05	1.17

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³ The expense ratio is the annual percentage of average net assets used to pay fund expenses. The expense ratio reflects expense limitations, if any, and expenses may vary.