

Broadridge

FAS Conference 2012



Broadridge[®]

Driving Efficiency, Equity & Engagement

Industry Initiatives

Industry Trends

Innovative Solutions



Industry Initiatives - Regulatory Updates

Point of Sale (POS) Regulatory Update

- 3-stage phased implementation
 - Stage 1 - production, filing, and posting of the Fund Facts to a fund company website – In force January 1, 2012
 - Stage 2 - delivery of the Fund Facts to satisfy current prospectus delivery requirements
 - Second round of comments expected in June to address content disclosure regarding Fund Fact risk
 - Stage 3 - Delivery of Fund Facts for mutual funds and possibly other types of publicly offered investment funds

Point of Sale (POS) Regulatory Update

Exemptive Relief – Early Use of Fund Facts (currently in place)

- Key requirements (granted to ~48 Fund Companies):
 - Inclusion of the Right of Withdrawal & the Right of Rescission notice
 - Form of Acknowledgement must be signed between each fund company and each selling dealer
 - Termination Provision – 6 months from any notice by the CSA or coming into force of any legislation or rule relating to delivery of the Fund Facts
- Smart Document Fulfillment product development complete
 - Smart Prospectus will transition to Fund Facts fulfillment
 - Broadridge can assist with the co-ordination of acknowledgments between our dealer clients and an agent representing fund managers
 - “Notice”, as formulated in the Decision, will be placed on the composed cover page preceding Fund Facts
 - Broadridge is ready to implement interested clients

Exchange Traded Funds (ETF) - Document Fulfillment

- Broadridge is developing an industry solution to distribute the disclosure documents associated with ETF securities (pending regulatory approval)
- Key benefits of Smart Document Fulfillment will be leveraged for this solution
 - Solution build to be completed for Fall 2012; Client implementations to follow
 - Load documents into the Smart /Private Library
 - Cross reference table to identify ETF trades in non-mutual fund trade file
 - Document and history verification; reduces operational costs
 - Automated delivery of most current document provided
 - Will engage ETF manufacturers for Print Rebate program
- STATUS:
 - Base product development is underway; Broadridge is working with clients while awaiting final regulatory ruling

Smart Document Fulfillment Confirm Changes

- IIROC Fair Pricing Rule – Regulatory Due Date Sept 4, 2012
 - Affects non-mutual fund confirms
 - New requirements relating to Yield Disclosure and the Remuneration Disclosure Statement for retail clients
 - Targeting deployment for affected clients by end of August, 2012

Client Relationship Model (CRM)

Four objectives:

- Finalized:
 - Relationship Disclosure (pre-sale)
 - Conflict of Interest Disclosure/Management (pre-sale)
 - Suitability Assessment (pre-sale)
- Under Review:
 - Account Performance Reporting (post-sale)
- Broadridge will attend the IRROC-IIAC Educational Symposium on Client Relationship Model on Friday June 22, 2012

Notice & Access (Beneficial Shareholders)

- New delivery model where Issuers can elect to send “notice” packages in place of typical full set proxy packages. Notice package will contain a voteable VIF, a Notice, and Explanation of Notice only
- Securityholders have the option to request from the issuer a full set package which would include a proxy Information Circular along with the standard notice package contents
- Voluntary model
- Purpose to simplify the process for a beneficial owner or their appointee to attend and vote at the meeting
- Considering additional educational material to address sectors: retail shareholders, venture/small issuers, small retail focused intermediaries
- Standard educational pieces in plain language
- Ready for 2013 proxy season



Industry Trends

Transitioning to Electronic Delivery

Canadian Experience

- 1.9 million proxy notifications sent by e-delivery, up from 1.7 million the year before
- Supports Corporate Responsibility initiatives

U.S. Experience

- 31.4 million proxy notifications sent by e-delivery, up from 26.8 million from the prior year

Transitioning to Electronic Delivery

Energy Sector e-Delivery Campaign

- Simple Direct Mail messages:
 - Reduce waste
 - Increase convenience
 - Enhance privacy
- Call to action: Switch to e-delivery now
- Industry initiative with 14 issuers
- 613,152 records sent
- 52,765 accounts switched to e-delivery
- 8.72% response rate

Shareholder White Paper

- Gauge shareholder acceptance, preferences and attitudes towards the Internet as a medium to access shareholder information and vote proxies, in anticipation of Canadian Notice and Access in 2013
 - Ipsos-Reid surveying 1,000 Canadian shareholders
 - Lessons learned from the Energy Sector Campaign
 - U.S. experience with N&A since 2007
 - Canadian and U.S. Investor Communication Trends & Statistics
- Publication: Fall 2012

Investor Education Presentation Initiative

- “Understanding the Proxy Process: What Every Investor Should Know”
 - Designed to help an investor understand their rights as a shareholder
 - The proxy voting process
 - Understanding the Voting Instruction Form (VIF)
 - NOBO vs. OBO
 - Appointee process
 - Options available on how to vote (internet, mobile, paper)

End-to-End Vote Confirmation Initiative

- Provide additional transparency to the marketplace
- Industry, Shareholder and Issuer interest
 - RBC Dexia Shareholder voting symposium (June 2011)
 - Broadridge has reviewed concept with various Canadian issuers
 - University of Delaware recommendations from U.S. participants across all constituencies (August 2011)
 - Broadridge US completed a pilot project conducted for United Health Group (2011)

What is a Vote Confirmation?

- Vote Received by the tabulator
- Vote Accepted and processed by the tabulator
- Vote Certified as counted at the meeting

ProxyVote Confirmation site

ProxyVote™ Confirmation

Accurate | Dependable | Efficient

Simply enter your 12 digit control number in the box below. This control number can be found in several places depending on the type of notification you received.

- [Vote Instruction Form](#) and [Proxy Card](#) recipients can find the control number next to the label **Control No.** or in the box next to the arrow.
- [Email Notification](#) recipients can find the control number next to the label Control Number.

Enter Control Number

Login

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Shareholder Confirmation

ProxyVote Confirmation

Accurate | Dependable | Efficient

Control# 275178075031

Issuer Name

2012 Annual Meeting of Shareholders
 Meeting Date
 Record Date
 Cusip: XXXXXXXX
 Shares: 5000

PROXY BALLOT

Thank you for voting your shares, below is the most recent voting instructions we have for your account. Please note that voting instructions require 24 hours to be reflected, thus instructions received within the last 24hrs may not yet appear.

	Proposal(s)	Your Vote
01	DIRECTOR 1) DIRECTOR 1 2) DIRECTOR 2 3) DIRECTOR 3 4) DIRECTOR 4 5) DIRECTOR 5 6) DIRECTOR 6 7) DIRECTOR 7	1) DIRECTOR 1 : For 2) DIRECTOR 2 : Withhold 3) DIRECTOR 3 : For 4) DIRECTOR 4 : For 5) DIRECTOR 5 : Withhold 6) DIRECTOR 6 : For 7) DIRECTOR 7 : For
02	PROPOSAL 1: AUDITORS	For
03	PROPOSAL 2: CONSULTANTS	For
04	PROPOSAL 3: NEW MANAGEMENT INITIATIVE	For
05	PROPOSAL 4: NEW MANAGEMENT INITIATIVE 2	For
06	PROPOSAL 5: GO GREEN INITIATIVE OF GOING PAPERLESS	For
07	PROPOSAL 6: GO GREEN INITIATIVE OF SOLAR ENERGY IN THE BUILDING	Against
08	PROPOSAL 7: DONATIONS TO NEW CHARITY	For
09	PROPOSAL 8: SAY ON PAY FOR BOARD	For
10	PROPOSAL 9: SAY WHEN ON PAY PROPOSAL FOR 1,2,3.A OPTION	3 Years
11	PROPOSAL 10: SHAREHOLDER PROPOSAL FOR SAY ON NOMINATION OF DIRECTORS	Abstain
12	PROPOSAL 11: SHAREHOLDER PROPOSAL FOR NEW BUSINESS INVESTMENT	Abstain
13	PROPOSAL 12: SHAREHOLDER PROPOSAL FOR EMPLOYEE HEALTH CONCERNS	Abstain
14	PROPOSAL 13: MANADATORY RETIREMENT AGE OF 65 FOR BOARD MEMBERS	Against
15	PROPOSAL 14: INCREASE DISCLOSURE OF EXECUTIVE COMPENSATION	Against
16	PROPOSAL 15: SHAREHOLDER ENVIRONMENT INITIATIVE	For

You may vote and change your voting instructions via phone or internet 8:59 pm PDT until May 22, 2011, using the instructions on the notice of internet availability, voting card or email you received. If you plan to vote at the meeting, please note that some companies have requirements to gain admittance. Refer to the Proxy Statement for specific instructions. Also, all Beneficial shareholders are required to contact their broker to obtain a Legal Proxy in order to vote at the Annual Meeting. The last vote recorded prior to polls closing will be counted. Availability of your vote confirmation is subject to change until meeting tabulation is final.

End to End Vote Confirmation Services

- Broadridge US continues to discuss new service with Issuers
 - 4 US issuers participated in the service for 2012 Proxy season
- Continues to be a strategic initiative for Broadridge Canada and US

Business Process Outsourcing (BPO)

- The Financial Services industry has entered an era in which success is measured not just by streamlining business processes but also by 'operational expertise'
- A significant number of firms are undertaking outsourcing partnerships
- Firms are demanding more from outsourcing arrangements
 - A balance of flexible solutions, leveraging advantages of the outsourcing partner and client in software, labor, or data-driven intelligence or delivering thought leadership
- BPO is no longer a simple cost saving move but one that can result in achieving business goals beyond the cost side of the equation



Innovative Solutions

Electronic Delivery Enrollment Initiatives

Broadridge ICS strategy

- Drive Investor preferences to electronic delivery by offering products and services that support “e” delivery

Transactional Services

- E-SP Lite – electronic delivery of mutual fund prospectus and trade confirmations
- E-Smart Kits – account opening and CRM

Proxy Services

- Issuer e-encouragement direct mail campaign mailing
 - Security holder media piece promoting the use of electronic delivery

Electronic Delivery Enrollment Initiatives

- Quick Response (QR) Codes
 - 2 D bar code for use with smart mobile devices to allow direct internet site access
 - ProxyVote.com
 - Smart Disclosure
 - Broadridge Financial Requests
- Mobile Proxy Vote
 - Access to ProxyVote.com through a smart mobile device
 - Introduced in March 2011 – 100,000 security holders used it in 2011 proxy season. Over 1% of votes returned were cast through a mobile device
 - March 2012 - Proxy season 2012 - 6% of the votes returned have been cast through a mobile device. Usage has increases five fold
- Volly
 - Pitney Bowes partnership for Digital Mail box service

Tax Form Plus - e-Tax

- In relation to Broadridge's Tax Form Plus system, new investor preference offered
- Tax form is dynamically drawn from PDF content from the document repository (Client or PostEdge)
- Tax documents can be viewed online, emailed or printed on a local user printer
- Separate URL created for each tax form so that each form is presented separately

Smart Advisor

- A tool which allows Advisors to electronically send and track receipt of any document based on client preference.
- Incorporates robust document delivery tracking for compliance reporting and analytics reporting.
- Utilizes Smart Library & Private Library capabilities including:
 - Point of Sale (POS) documentation such as Fund Facts and ETF Facts
 - IPO documents
 - Marketing documents
 - On Boarding documents
 - Client Relationship Model (CRM) required documents
- Documents are available for delivery without the need of a confirm or trade details

Library

Home **Library** Contacts Results Resources

Send documents and articles from the Broadridge library

Search
Use the dropdowns below to search our extensive database for the documents & media you need.

FUND FACT SHEETS
PDF
FUND COMPANY

Enter text here **SEARCH**

Use the options below to filter your search results.
 Top Picks Alphabetical
 My Favourites

Send List
Drag and drop items here

REMOVE

Search returned **212** items. Roll over items to show more options

<p>FUND FACT</p> <p>BMO Guardian Funds</p> <p>BMO Asset Allocation Fund - BMO Guardian Asset Allocation Fund Advisor Series September 20, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>BMO Guardian Funds</p> <p>BMO Bond Fund - BMO Guardian Bond Fund Advisor Series September 20, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>BMO Guardian Funds</p> <p>BMO Emerging Markets Fund - BMO Guardian Emerging Markets Fund Advisor Series September 20, 2011</p> <p>☆ ↓ +</p>
<p>FUND FACT</p> <p>RBC Global Asset Management</p> <p>RBC Canadian Dividend Fund - Series A June 29, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>Scotia Asset Management</p> <p>Scotia International Value Fund - Class A May 25, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>RBC Global Asset Management</p> <p>RBC Bond Fund - Series A June 29, 2011</p> <p>☆ ↓ +</p>
<p>FUND FACT</p> <p>Scotia Asset Management</p> <p>Scotia Canadian Bond Index Fund - Class A May 25, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>RBC Global Asset Management</p> <p>RBC Monthly Income Fund - Series A June 29, 2011</p> <p>☆ ↓ +</p>	<p>FUND FACT</p> <p>CIBC</p> <p>CIBC Canadian Bond Fund - Class A units July 28, 2011</p> <p>☆ ↓ +</p>

CONTINUE DELIVERY

Over Reporting Prevention Service (ORPS)

Intermediaries are able to:

- Compare the record date position to the CDS/DTC record date position
- Receive an “early warning” alert when there is a potential over reporting condition or position imbalance
- Review votable/depository position totals in order to reconcile if necessary
- Review potential over votes which are held in a pending status until investigated and cleared
- Key solution in relation to End-to-End Vote Confirmation

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Questions?

Thank you.