

FAS Conference

September 11-13, 2014



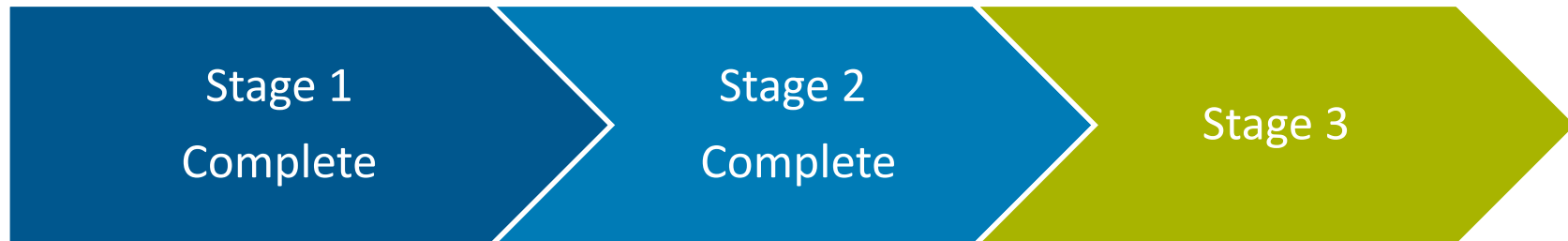
Industry Initiatives





Point of Sale (POS) Regulatory Update

- Phased implementation



- ✓ Stage 1 – production, filing, posting of Fund Facts to a fund company website, and delivery of Fund Facts under exemptive relief – since 2012
- ✓ Stage 2 – delivery of Fund Facts to satisfy current prospectus delivery requirements – since June 13, 2014
- **Stage 3 – POS delivery of Fund Facts for mutual funds and summary documents for other types of publicly offered investment funds – final rule expected in late fall 2014**



POS Stage 3: Regulatory

- Completion of Stage 3 is a priority for the CSA
- Delivery of investment documents at or before the point of sale by all distribution channels (advisor, discount brokerage, etc.)
- Integration between pre-sale and post-sale delivery processes is required for overall compliance and cost efficiencies
- Access = Delivery is **NOT** an option
- Limited Exception – Delivery with Transaction Confirmation considered only in one scenario:
 - Must be investor initiated – situation when an investor has no access to receive a Fund Facts document prior to the trade execution; trade must occur ‘now’ (implies over the phone orders)

The OSC is considering publishing the final rules by the end of the calendar year with a transition period of less than 2 years for full implementation of the proposed amendments

‘Given system integration requirements, project should begin now’



CSA Consultation Paper 54-401

Review of the Proxy Voting Infrastructure

- Background:
 - Initial request for comment was due November 13, 2013
 - CSA requested feedback from issuers, investors and other stakeholders on a proposed approach to address concerns regarding the integrity and reliability of the Proxy voting infrastructure
- Provincial securities regulators are currently conducting an issue oriented review including the processes for tabulation and execution
- Regulators selected six meetings and requested that Broadridge provide a copy of the mailing file and voting file for each meeting
- Only the voting files for each meeting were provided for our Canadian and US intermediary clients (as previously provided to the tabulators as normal meeting process)
- Intermediary investor mailing files were not provided due to Broadridge's privacy rules and confidentiality agreements
- Technical working group with industry participation meeting to discuss and review current processes



Client Relationship Model (CRM) Phase 2

- CRM2 - New Dealer Member Rules 29, 200 and 3500 (in support of National Policy 31-103)

HIGH-LEVEL REQUIREMENTS	DEADLINE
<ul style="list-style-type: none">✓ Pre-charge disclosure✓ Disclosure for debt securities on confirms	July 15, 2014
<ul style="list-style-type: none">– Market valuation of securities– Client Name processing and reporting– Book cost/original cost	July 15, 2015
<ul style="list-style-type: none">– Annual charges and compensation reporting– Performance reporting	July 15, 2016



Industry Initiatives

- FATCA – commenced July 2014, first reporting due March 31, 2015
 - The Canadian Inter-Governmental Agreement (IGA) on recordkeeping and processes
 - What will this look like?
 - When will it be published?
- Government Changes (CRA, QRA & IRS)
 - Continued changes for forms and files for tax reporting particularly Quebec
- FundSERV
 - ESG 24 XML changes – September 19th 2014

Industry Trends





Transitioning to Electronic Delivery Continues

- Canadian Experience
 - 2.5 million proxy notifications sent by e-delivery, a decline of 20% from the previous year due to multiple large issuers not mailing in proxy season
 - Number of issuers using electronic delivery has increased 15% to 804 Issuers over the previous year
 - Supports Corporate Responsibility initiatives
- U.S. Experience
 - 52 million positions received proxy notifications sent by e-delivery, a record high through this channel with a 68% increase from the previous year
- Mobile
 - Over 1.5 million positions were voted through Mobile ProxyVote.com, representing a 70% increase over the previous year

(June 2013 – June 2014)



Smarter Communications-Notice and Access (N&A)

- 2nd Annual Broadridge educational roadshows were held in Vancouver, Calgary and Toronto in late 2013 to focus on the results from the 2013 proxy season for N&A
 - 3rd Issuer Roadshow to be held October 2014
- The 2014 proxy season saw over 400 issuers use the N&A delivery model, a 250% increase from the previous year
- 43 issuers incorporated under the CBCA, despite the restrictions under section 153, utilized Notice and Access
- Broadridge's micro-site "noticeandaccess.ca" was updated to provide a savings calculator for issuers to assess the amount of savings that could be realized by using N&A



Vote Transparency

End to End ('E2E') Vote Confirmation Summary

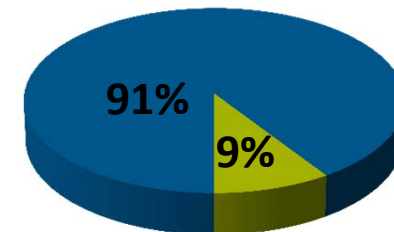
- E2E Communication Tool activated in February 2014 for Canada & U.S.
- Allows the primary client (Custodian) to contact the tabulator for adjustments to their votable positions and confirm final voting entitlements (Respondent may also communicate with Custodian)

Key E2E Statistics for the 2014 Proxy Season

- Total of 26 issuers (with 2 Canadian Issuers) represented by all major tabulators
- Total of 174 requests for share adjustments
 - Other depository; Multiple DTCC #'s;
 - Registered Shares; Borrowed Shares
- 72% of the requests for adjustment were accepted
- Over 490,000 accounts received vote confirmation
- Nominal amount of shares (.11%) were not provided with proper entitlement and therefore not issued

Shares

- Total Outstanding Shares
- Shares Confirmed



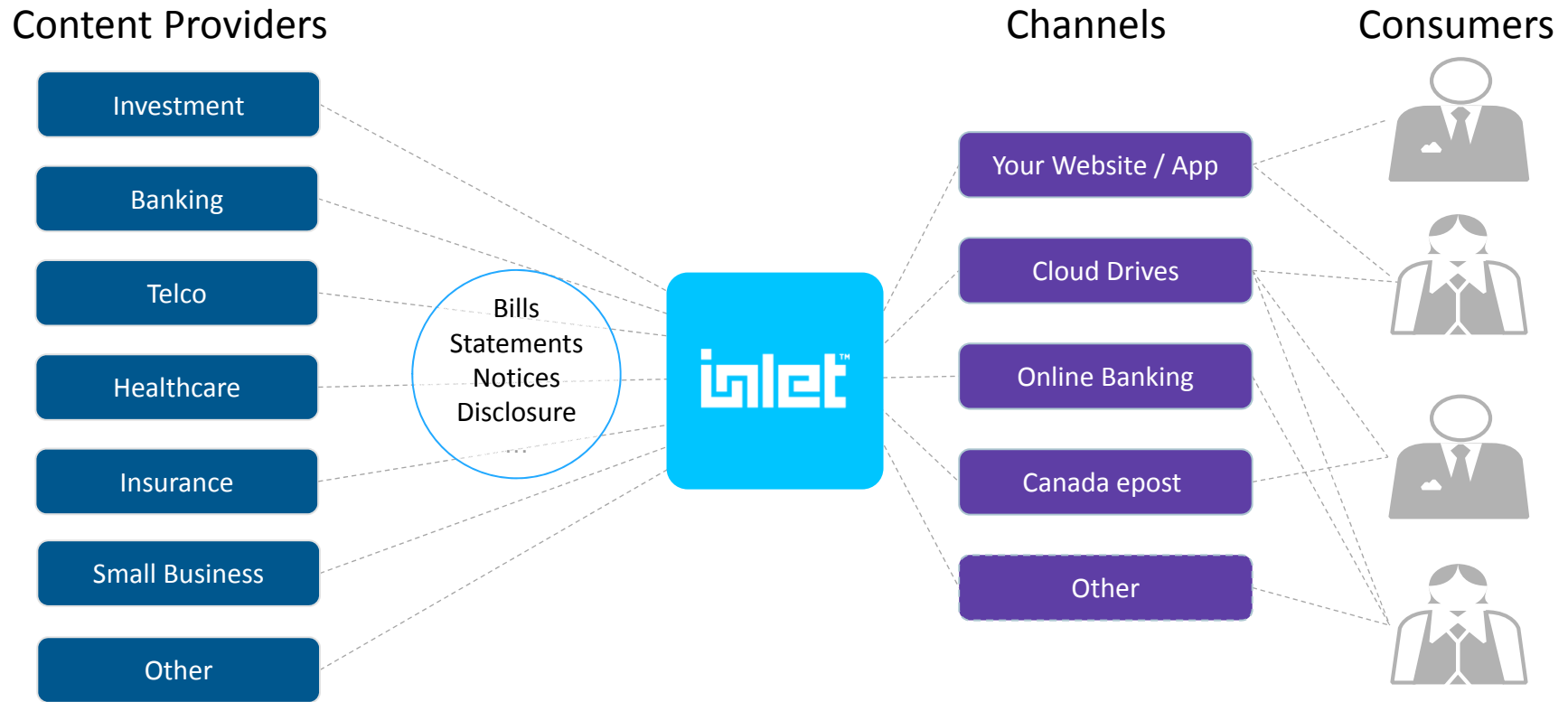
Innovative Solutions





Digital Delivery




Inlet: a Digital Distribution Network
Fluent: the technology behind the Network





Inlet Cloud Suite Partners

“Anytime, anywhere” access is driving consumers to aggressively adopt cloud storage services

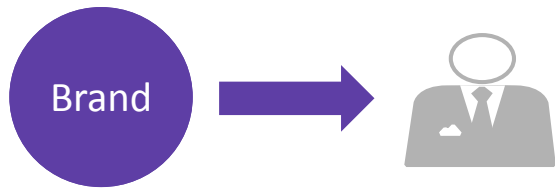
	 Evernote	 Dropbox	 Amazon
User base	100 million+	200 million+	Not released
Mobile Downloads	51 mil Android 35 mil iOS	180 mil Android 12.6 mil iOS	110 mil Android 23 mil iOS
Description	Productivity app with UI support for viewing and annotating PDFs and other media	File-based, format-agnostic cloud storage	Cloud-based file and document management with sharing



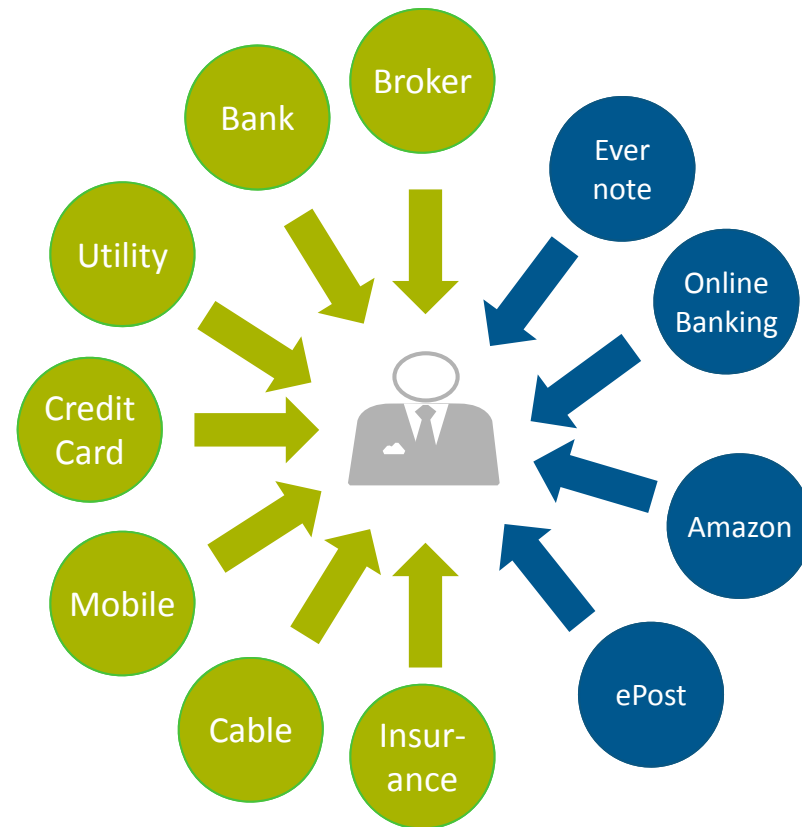
Powerful Network Effect

With Inlet all channels and brands work to drive adoption across all consumer relationships

Today



With Inlet



Everyone Promotes, Everyone Benefits



New Solutions

- Inlet – Launching the First Digital channel in Canada
 - Integrate delivery of all document types via all digital channels
 - Integration to epost first channel
 - Consumers notified and consent via epost accounts
 - Consumers notified by brokers of new channel and consent
 - launching with Beneficial Proxy and Smart Document Fulfillment documents (early 2015)
- 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 POS Stage 3 compliance reporting and analytics
 - Utilizes Smart Library & Private Library capabilities
 - Documents are available for delivery without the need of a confirm or trade details
 - Integration between Smart Advisor and Smart Document Fulfillment to deal with ‘exception’ to rule
 - Integration to desktop solutions (Dataphile, Aspire, third party solutions) and trading systems for efficient processing via API technology



Smart Statements

- Smart Statements – Innovative Messaging
 - New offering – partnership with Doxim
 - Innovative monthly, quarterly, annual statements with client defined messaging (client controlled and executed)
 - CRM2 applicability (statements and reporting)
 - Out-sourced or in-sourced models

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YOUR INVESTMENT PORTFOLIO
For the period ending September 30, 2013

Portfolio value on September 30, 2013 **\$703,092.12**
Portfolio value on August 31, 2013 **\$678,215.09**

Portfolio by account

Non Registered	ZR1-89008-Canadian Cash Account
Registered	ZR1-89656-RRSP Account

MESSAGE BOARD

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SUMMARY OF PORTFOLIO BY ACCOUNT
for the period ending September 30, 2013

Non-Registered ZR1-89008-Canadian Cash Account	Portfolio value on September 30, 2013: \$306,688.87 Portfolio value on August 31, 2013: \$285,771.76 Your deposits less withdrawals: \$20,917.11	Investment Objective A - Aggressive Growth
Registered ZR1-89656-RRSP Account	Portfolio value on September 30, 2013: \$396,403.25 Portfolio value on August 31, 2013: \$392,443.33 Your deposits less withdrawals: \$3,959.92	Investment Objective A - Low Risk

Investment Objective
A - Aggressive Growth: This primary investment objective is to maximize the long-term appreciation of the portfolio. It is a high risk portfolio and may experience significant volatility in value. It is not suitable for investors who require the preservation of capital or a regular stream of income.

Investment Objective
A - Low Risk: This primary investment objective is to seek capital appreciation with a low level of risk. It is a low risk portfolio and may experience significant volatility in value. It is not suitable for investors who require the preservation of capital or a regular stream of income.

Beneficiary: John Smith
Risk Type: C - Aggressive Growth

Beneficiary: Mary Thompson
Risk Type: A - Low Risk

SUMMARY OF PORTFOLIO BY INVESTMENT TYPE

Investment Type	Cost (\$)	Portfolio Value on Aug 31, 2013	Portfolio Value on Sept 30, 2013	% of portfolio on Sept 30, 2013
A Cash and cash equivalents	44,549.89	44,549.89	54,578.90	7.76%
B Common stock and bonds	154,758.40	276,490.77	294,438.80	41.88%
C Canadian mutual funds and managed products	70,000.00	320,241.43	237,695.00	40.05%
D Other investments	16,433.00	16,433.00	16,378.88	2.33%

Legend:
■ A - Cash and cash equivalents
■ B - Common stock and bonds
■ C - Canadian mutual funds and managed products
■ D - Other investments

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VALUE SUMMARY

Investments have increased by **\$484,215.12** since you opened the account
Investments have increased by **\$66,503.00** during the past year

Just invested since you opened the account on January 1, 2008: **\$208,877.00**
Market value of your account on September 30, 2013: **\$703,092.12**

GET IN THE VALUE OF YOUR ACCOUNT

A summary of the activity in your account. It shows how the value of your account has changed based on type of activity.

	Past year	Since you opened your account
Opening market value	\$624,789.12	\$125,200.00
Deposits	\$60,000.00	\$172,000.00
Withdrawals	(\$48,200.00)	(\$88,323.00)
Change in the market value of your account	\$56,503.00	\$494,215.12
Closing market value	\$703,092.12	\$703,092.12

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Business Process Outsourcing (BPO)

- The Financial Services industry has embraced BPO for 4 primary reasons in the past year:
 - Cost savings
 - Operational transformation
 - Ability to enter new markets and expand capabilities
 - Reduce up-front investment and accelerate implementation time
- Need for both discrete functions (e.g. reconciliations) and entire back office support models
- Ability to onshore (i.e. Toronto) and offshore functions



Enhancements – BPS

- Realized Gain/loss Reporting
- Option Expiry and Assignment tool
- CRM2 changes: pre-trade and post-trade disclosures
- Dollar weighted average capabilities in Performance Reporting
- DTCC re-engineering
- CDCC Phase 2
- DTC ID confirms
- Tax Reporting Forms & Output
- Change to the T5013 Tax Form to meet CRA requirements (regulatory)



Enhancements – BPS Continued

- FATCA withholding and reporting
- Account Transfer capabilities in branch workflow tool CARS
- MFDA functionality in core BPS
- Upgraded Transit System to new platform
- Global Corporate Actions System
- XML converter and filing tool
- Account Freeze – Phase I
- Margin screen enhancements in 3270 and BPS connect (GUI base)
- Trading summaries in TFP
- FinancePro integration with BPS
- Integration to Smart Advisory (for regulatory deadline) for Aspire



Enhancements – Dataphile

- Portfolio Management Module Enhancements
- System changes to support FATCA
- Bridge Messaging Enhancements (ability to view tasks by Account/Client/Household sorting, etc.)
- Year End changes to be compliant with new tax regulations
- Added ability for users to schedule ad-hoc queries in OpenView to be run in Overnight cycle
- Significant enhancements to KYC module
- Integration of Smart Advisor (for regulatory deadline)



New Canadian Solutions – Brokerage

- Aspire Performance Reporting
- Global Corporate Actions
- FinancePro
- ClearancePro
- PROActive Reconciliations
- Portfolio Risk Management
- MFDA Back Office Trade Processing and Web Desktop
- Bonaire Fee and Expense Management
- CollateralPro

Questions

