



Letter from the Investment Company Institute

November 18, 2025

By Electronic Transmission

The Honorable Paul S. Atkins, Chairman
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Recommendations for a Default E-Delivery Framework

Dear Chairman Atkins:

The Investment Company Institute¹ has long supported Commission rulemaking that would allow funds² to deliver documents to shareholders electronically on a default basis, rather than requiring shareholders to affirmatively opt in. This letter provides additional recommendations and data in support of such rulemaking.

I. Executive Summary

The Commission first issued guidance on the use of e-delivery in 1995,³ when the internet and electronic communications were still novel and their use was limited. In the intervening years,

¹ The [Investment Company Institute](https://www.ici.org) (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$42.5 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 120 million investors. Members manage an additional \$9.7 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

² We use "fund" or "funds" in this letter to refer broadly to mutual funds, ETFs, closed-end funds, and UITs, including variable annuity and variable insurance products. We use "fund investors" and "fund shareholders" interchangeably in this letter to broadly include investors who hold fund shares directly, through an intermediary, or through another product or platform, such as a wrap fee program or variable insurance product.

³ *Use of Electronic Media for Delivery Purposes*, SEC, 60 Fed. Reg. 53458 (Oct. 13, 1995) ("1995 E-Delivery Guidance").

this technology has become ubiquitous. While groundbreaking and appropriate for its time, this guidance now shows its age and must be modernized.

Funds have now had 30 years of experience with e-delivery, and we believe that fund investors would benefit if it were the default method of delivery. As explained in greater detail in Section II below, permitting a default electronic delivery option for funds:

- Better aligns with evolving investor preferences;
- Provides enhanced investor protection and a better investor experience;
- Results in cost savings for funds and shareholders; and
- Reduces waste and supply chain concerns.

Section II also summarizes the results of a recent ICI investor survey that demonstrate strong investor preferences for electronic delivery.⁴ We include the 2025 ICI Survey as an appendix.

Additionally, Section II includes ICI's estimates of potential cost savings from transitioning to default e-delivery. **We estimate potential annual savings ranging from \$589 million to \$797 million for funds and their shareholders, with projected cumulative savings of \$3 billion to \$4 billion over five years. While ICI's fund estimates show that default e-delivery would result in significant fund cost savings, those are only a portion of the total cost savings that could be realized for investors generally by a broad transition to default e-delivery. When all impacted industry participants and investment and account types are considered, a broad transition to default e-delivery has the potential to save investors staggering amounts of money—much more than the \$3 to \$4 billion in savings over five years that ICI has estimated for funds alone.**

We further estimate that funds pay **\$119 to \$151 million annually** on suppression fees. Consistent with our prior recommendations, the Commission should reform the NYSE processing fee framework to generate further savings for fund investors. We include a detailed breakdown of the savings estimates in another appendix.

Section III discusses the industry's operational readiness and current practices, including important existing investor protections and safeguards.

Finally, Section IV explains the limitations of the current SEC guidance and why default e-delivery requires regulatory action. We support current e-delivery legislation. Irrespective of Congressional action, however, it is time for the SEC to adopt a default e-delivery standard, and we offer recommendations to that end.

As the Commission considers default e-delivery regulation, we encourage it to recognize the potential benefits for *fund investors*, who ultimately pay for paper disclosures and may not be

⁴ Holden, Sarah, Daniel Schrass, Jason Seligman, and Michael Bogdan. 2025. *Americans' Views on E-Delivery of Financial Documents*. Washington, DC: Investment Company Institute. Available at <https://www.ici.org/system/files/2025-09/25-ici-paper-edelivery.pdf> ("2025 ICI Survey").

fully utilizing fund disclosure innovations. In doing so, the Commission must consider the benefits of default e-delivery against the appropriate baseline, i.e., today's default paper delivery system, with its unnecessary costs and inherent limitations. Approached in this way, and for all the reasons set forth below, we are confident that the Commission will conclude that default e-delivery is common sense, cost-effective, and pro-investor policy worth enacting.

II. E-Delivery Provides an Expanding Multitude of Benefits.

Electronic delivery of documents provides many benefits to funds and their shareholders. The Commission acknowledged e-delivery's benefits as far back as 1995, when it stated that it "appreciate[d] the promise of electronic distribution of information in enhancing investors' ability to access, research, and analyze information, and in facilitating the provision of information by issuers and others," and that "in many respects [electronic delivery] may be more useful to investors than paper."⁵ Five years later, the Commission recognized that "[t]he increased availability of information through the Internet has helped to promote transparency, liquidity and efficiency in our capital markets"⁶ and again noted "the significant benefits that investors can gain from the increased use of electronic media."⁷ Today, the use of electronic media has become nearly universal and constant, with most investors having 24/7 access to online information on their phones. Technological capabilities have expanded, as have their investor benefits. We discuss key benefits of e-delivery in more detail below.

A. Alignment with Investor Preferences

The Commission has recognized that "it is critical for investors to continue to receive disclosure through means that are convenient and accessible for them."⁸ ICI data shows that a substantial majority of fund shareholders prefer to receive their documents electronically and, importantly, that this preference is present across all age ranges.⁹ Fund shareholders have come to actively prefer conducting financial transactions and reviewing financial information electronically. Moving to a default e-delivery standard would allow funds to meet investors' preferences without burdening investors or sacrificing important investor protections. **And to be abundantly clear: our proposed default e-delivery framework would ensure that investors who prefer paper delivery could elect it at any time and receive paper for as long as they continue to prefer that delivery method.**

⁵ 1995 E-Delivery Guidance at 53458.

⁶ *Use of Electronic Media*, SEC, 65 Fed. Reg. 25843 (May 4, 2000).

⁷ *Id.*

⁸ *Optional Internet Availability of Investment Company Shareholder Reports*, SEC, 83 Fed. Reg. 29158, 29165 (June 22, 2018) ("Rule 30e-3 Adopting Release").

⁹ See 2025 ICI Survey at 13-14.

a. Internet Access and Use is Nearly Universal.

Successful default e-delivery requires widespread access to the internet. When the SEC issued its 1995 guidance on e-delivery, it cited a survey that found less than half of US households owned a computer and only 16% of those households subscribed to online services.¹⁰ But in November 2024, Pew Research Center reported that 96% of US adults surveyed said that they use the internet, including 90% of individuals surveyed who were age 65 and older.¹¹ For individuals age 50 to 64, the percentage was 98%, and for individuals age 18-29 and 30-49, the percentages were 99%.¹² Nearly all of the adult U.S. population uses the internet.

In the past, some critics have expressed concerns about making e-delivery the default, citing discrepancies in access to technology, particularly among individuals 65 and older.¹³ Today, however, these concerns do not reflect current realities. AARP data published in July 2025 indicates that 65% of the US population surveyed aged 50 and over reported using websites or mobile apps for handling finances.¹⁴ AARP data also shows that “[n]early all (99%) of those 50 and over own at least one of the top tech devices” and that “[a]dults 50-plus own an average of seven tech devices and report using them daily.”¹⁵ Furthermore, AARP data indicates that “[a]dults 50-plus own devices at about the same rate as those 18-49” and that 65% of adults 50 and over had used a financial app or website in the past three months.¹⁶ This data shows that older demographic groups commonly use technology, including to manage financial matters. When considering e-delivery rulemaking, therefore, the Commission should avoid making policy decisions based on inaccurate and outdated age-based generalizations and recognize that a default e-delivery option can be adopted while preserving individuals’ ability to request and receive paper documents.

ICI data further shows that a large percentage of the US population, and an even larger portion of fund investors, already uses the internet to manage financial matters and is comfortable engaging online. The 2025 ICI Survey showed that fund investors are almost universally willing

¹⁰ See 1995 E-Delivery Guidance at 53458 n. 4.

¹¹ Internet, Broadband Fact Sheet, Pew Research Center (Nov. 13, 2024), available at <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>.

¹² *Id.*

¹³ See, e.g., Letter from AARP to the SEC, *Request for Comment on Fund Retail Investor Experience and Disclosure* (Oct. 31, 2018), available at <https://www.sec.gov/comments/s7-12-18/s71218-4589500-176296.pdf>.

¹⁴ AARP Research Insights on Technology, AARP Research (published July 3, 2025), available at [https://www.aarp.org/pri/topics/technology/internet-media-devices/aarp-research-insights-technology/#:~:text=Adults%2050%2Dplus%20own%20an,%2C%20wearable%20device%20\(38%25\)](https://www.aarp.org/pri/topics/technology/internet-media-devices/aarp-research-insights-technology/#:~:text=Adults%2050%2Dplus%20own%20an,%2C%20wearable%20device%20(38%25).).

¹⁵ *Id.* The AARP reports that the most prevalent tech devices among this age group are: smartphones (91%), smart TVs (78%), laptop computers or netbooks (72%), tablets (62%), Bluetooth headset/ear buds (52%), desktop computers (50%), and wearable devices (38%). *Id.*

¹⁶ *Id.*

to make car, restaurant, hotel and plane reservations online.¹⁷ Notably, the survey also indicated that:

- 93% of fund investors with bank accounts engage in online banking;
- 81% of fund investors engage in online stock transactions; and
- 79% of fund investors engage in online mutual fund or ETF transactions.¹⁸

Furthermore, a significant majority of fund investors (at least 80% in each instance) agreed with the following statements:

- “The internet plays an important role in how [I] manage my finances;”
- “[I] save time using the internet to find investment information;” and
- “[I] like using the internet to manage [my] finances.”¹⁹

b. Investors Prefer to Receive Electronic Documents and Support Default E-Delivery.

ICI data also clearly shows that there is widespread support for an e-delivery default among the U.S. population and fund investors, including among older demographic groups and investors who currently receive paper delivery. Key survey findings include that:

- 88% of fund investors agree that “[a]s long as people can still request paper at no cost, it’s a good idea to make e-delivery the default;”
- 87% of fund investors aged 65 or older support an e-delivery default;
- 79% of fund investors who reported that they only received paper copies of financial documents also supported an e-delivery default; and
- about 70% of fund investors prefer e-delivery regardless of document type.²⁰

The 2025 ICI Survey is attached as Appendix A and is also available [here](#). ICI previously submitted the 2025 ICI Survey to the Commission,²¹ and we have included it here for completeness in the context of our broader policy recommendations.

¹⁷ 2025 ICI Survey at 1.

¹⁸ *Id.* at 9.

¹⁹ *Id.* at 10.

²⁰ *Id.* at 1.

²¹ ICI Letter to the SEC, *ICI Report on Investor Preferences for Electronically Delivered Fund Documents* (Sept. 3, 2025), available at <https://www.ici.org/system/files/2025-10/25-cl-investors-preference-electronically-delivered-fund-documents.pdf>.

B. Enhanced Investor Protections

In today's world, the potential for fraud exists everywhere, but e-delivery (compared to paper) is faster and more secure in many respects.²² Paper documents delivered by mail are susceptible to theft or mail fraud. Paper mail travels relatively slowly and is touched by numerous individuals as it moves through the system. It generally sits in a mailbox for some period of time before the intended recipient retrieves it. It then is retained (likely not under lock and key) or is disposed of, leaving it susceptible to theft or fraud. In contrast, e-delivered communications are sent instantly and directly to the intended recipient. Once the recipient receives the notification, they typically still must log in to an online account using a secure password (and, more often, multifactor authentication) to access the documents. The speed and direct nature of electronic communications, combined with the layers of security added by log-in requirements, provides greater privacy and security than paper mail.

Although the potential for an online account to be "hacked" exists, technology also exists to detect and combat this kind of activity. Funds may utilize a combination of security messages to alert investors of account access as well as back-end surveillance reports designed to detect suspicious online activity patterns. Today, multifactor authentication is a common security protocol utilized by funds to safeguard investor credentials. No such protective measures exist once a paper document is mailed.

C. Enhanced Investor Experience

Electronic document formats also have the potential to improve investors' experiences and understanding of important fund and account information. Paper documents are limited to the words and images included on their pages. In contrast, an electronic document could include embedded tools or hyperlinks to supplemental tools. We believe that investors who access documents online in the first place are more likely to use such tools. Documents also have the potential to be more engaging when they are designed natively in electronic formats. For example, online documents can use navigation aids, such as sidebars, hyperlinked tables of contents, and collapsible content so that readers aren't overwhelmed. When designing documents natively for online use, printing and paper costs are less of a concern, which may allow funds to use text features like shorter paragraphs, bullets, graphics or tables that allow readers to consume information more easily.

Funds can, and do, provide a variety of tools as part of an enhanced online investor experience. This can include tools that increase accessibility to the information in the documents, such as document readers, text-to-speech tools and the ability to make text larger for shareholders that

²² See, e.g., "Tips to Avoid Mail Theft-Related Check Fraud," FINRA (Sept. 25, 2025), available at <https://www.finra.org/investors/insights/mail-theft-check-fraud#:~:text=Since%202021%2C%20the%20U.S.%20Postal,including%20banks%20and%20brokerage%20firms> (encouraging people to opt into electronic payment and banking services and citing U.S. Postal Inspection Service data showing a "nearly 400 percent increase in mail theft-related fraud overall" since 2021).

might rely on such technology. Funds also include investor education tools, such as embedded links to educational, definitional or explanatory materials. Investors can use these tools to deepen their understanding of the materials and investing in general. Electronic document formats may also provide investors with the ability to use third-party electronic tools to aid their experience and understanding of the materials. For example, text from a fund prospectus could be copied and pasted into an online translator or an AI tool to assist shareholders with summarizing or comprehending content. Electronic documents are also much easier to search for particular words or key terms that an investor might want to focus on. Collectively, these features enhance the investor experience far beyond what paper disclosure formats permit.

Importantly, electronic access to documents also helps to ensure that investors are consistently referencing the most up-to-date versions of documents. Even though updated paper documents are mailed to shareholders, paper places a greater organizational burden on shareholders (e.g., determining which documents are most current and tracking periodic disclosure updates (e.g., prospectus “stickers”). In contrast, fund websites and investor online accounts either make only the most current documents available, alongside any supplemental information or documents, or keep older documents organized for investors.

As noted above, the current default paper delivery standard has significant limitations with respect to investor protection and investor engagement. Notwithstanding these limitations, remaining critics of e-delivery may claim that fewer people will read documents when delivered electronically. However, there is no way to determine how many people currently read paper documents, so claims of reduced investor engagement would be pure conjecture. In fact, as discussed above, e-delivery would better align with investor preferences, and it stands to reason that investors are more likely to engage with documents delivered in their preferred format with enhanced functionality.

In addition, some critics of e-delivery may claim that e-delivery simply shifts the burden of printing to the shareholder. Here too, we are not aware of reliable evidence that shareholders who receive documents electronically have a strong propensity to print them. And in any event, under a default e-delivery standard, an investor could simply request continued paper delivery to avoid the personal cost and burden of printing.

a. Existing Web Posting Requirements

The SEC staff issued guidance regarding existing website posting requirements in January 2025.²³ We understand that the Commission and staff have observed certain instances of noncompliance with website posting requirements, including missing or broken links (both in tables of contents and between documents).

²³ ADI 2025-15 – Website posting requirements, SEC Division of Investment Management Disclosure Review and Accounting Office (Jan. 16, 2025) (“staff ADI”), <https://www.sec.gov/about/divisions-offices/division-investment-management/accounting-disclosure-information/adi-2025-15-website-posting-requirements>.

Current e-delivery guidance requires that notifications of the availability of electronic documents include the web address of the relevant documents such that shareholders are either directed to the document's exact location or to a landing page from which the document can be accessed with one "click."²⁴ We recognize the importance of complying with web posting and formatting requirements and maintaining good electronic hygiene generally. We agree that investors must be able to easily find relevant documents, whether they are directed to the documents through an e-delivery notification or access a fund's website on their own. We therefore appreciate the staff ADI, which reminds funds of these important requirements and provides funds with an opportunity to reassess—and if necessary improve—their current practices. ICI has amplified the staff ADI's message through memos to members and discussions in appropriate committee meetings.

Our members also recognize that their websites are important marketing and investor communication tools, and they are therefore incentivized to maintain user-friendly websites. Members have reported that certain aspects of current website posting requirements are sometimes challenging because they may result in websites that are not user-friendly in the context of, for example, mobile devices. This demonstrates the need for funds to remain vigilant in complying with electronic requirements, while continuing to engage with the Commission about whether those requirements remain appropriate in light of evolving technology and investor preferences.

D. Default E-Delivery Would Generate Significant Cost Savings for Funds and Their Shareholders.

A default e-delivery standard would generate significant cost savings for funds and their shareholders, and we have included estimated cost savings in Appendix B to this letter. ICI's analysis focuses on key document types—proxy voting materials, shareholder reports, account statements, trade confirmations, prospectuses, and tax documentation—and applies good faith estimates of print and mail costs, paper suppression rates, and numbers of mutual fund and ETF accounts to provide a range-based estimate of total savings. **The result is estimated annual savings ranging from \$589 million to \$797 million for funds and their shareholders, with projected cumulative savings of \$3 billion to \$4 billion over five years.**

Importantly, investors generally hold a variety of other investments and accounts (with and without funds) subject to their own regulatory delivery requirements (e.g., brokerage accounts). **While ICI's fund estimates show that default e-delivery would result in significant fund cost savings, those are only a portion of the total cost savings that could be realized for**

²⁴ See 1995 E-Delivery Guidance at 53460 & n. 23 (explaining that the use of a particular medium should not be unduly burdensome and that "if an investor must proceed through a confusing series of ever-changing menus to access a required document so that it is not reasonable to expect that access would generally occur, this procedure would likely be viewed as unduly burdensome"). For examples of acceptable scenarios see examples 15 and 16, *id.* at 53463. See *also* Rule 30e-3 Adopting Release at 29170 (stating "an investor must be able to navigate from the landing page to each of the required documents with a single click or tap").

investors generally by a broad transition to default e-delivery. When all impacted industry participants and investment and account types are considered, a broad transition to default e-delivery has the potential to save investors staggering amounts of money—much more than the \$3 to \$4 billion in savings over five years that ICI has estimated for funds alone.

E. Reforming Processing Fees Would Unlock Significantly More Cost Savings.

While default e-delivery by itself is low-hanging fruit, the SEC could generate far more substantial cost savings for investors by reforming the New York Stock Exchange's (NYSE) processing fee rules. Our cost savings estimates in the section above incorporate the additional processing fees, referred to as suppression fees or preference management fees (discussed further below), charged by intermediaries under NYSE rules when paper mailings of proxy statements, prospectuses and shareholder reports are suppressed. We estimate that these suppression fees would reduce potential cost savings for funds and their shareholders from transitioning to default e-delivery by approximately **\$11 to 25 million annually**. Additionally, and importantly, a percentage of fund shareholders has already opted into e-delivery, and funds already pay suppression fees to e-deliver documents to those shareholders. We estimate that, if suppression fees were removed entirely, funds could save an **additional \$119 to \$151 million annually on suppression fee costs—a projected half billion dollars over five years**.

The current NYSE processing fee framework has long been controversial,²⁵ and the SEC's Investor Advisory Committee has raised concerns with the status quo.²⁶ ICI has repeatedly—and in great detail—objected to this framework as it applies to funds and has offered multiple reform recommendations.²⁷ We again strongly encourage the Commission to reform the

²⁵ See, e.g., *Concept Release on the U.S. Proxy System*, SEC, 75 Fed. Reg. 42982 (July 22, 2010) (“In summary, many issues have been raised about [processing] fees, focusing mostly on whether the current fee structure for delivering proxy materials to beneficial owners reflects reasonable rates of reimbursement.”).

²⁶ *Recommendation of the SEC Investor Advisory Committee (IAC), Proxy Plumbing* (Sept. 5, 2019), available at <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-recommendation-proxy-plumbing.pdf> (“[T]he SEC nevertheless could continue to review its own rules and practices (as well as those of the stock exchanges) to ensure that they are not impeding technological improvements or creating unnecessary barriers to competitive entry. Those rules include those requiring companies to reimburse DTC and intermediaries for their costs in carrying out their roles in the proxy system, which may reduce the incentive of the companies entitled to reimbursements to invest in or find ways to invest in improving the system or to cut costs.”).

²⁷ See, e.g., ICI Letter to the SEC, *Supplemental Comments on Investment Company Reporting Modernization* (File No. S7-08-15) (Mar. 14, 2016), available at https://www.ici.org/system/files/attachments/16_ici_sec_reporting_modernization_ltr.pdf; ICI Letter to the SEC, *SEC Request for Comments on the Processing Fees Charged by Intermediaries for Distributing Materials Other Than Proxy Materials to Fund Investors* (File No. S7-13-18) (Oct. 31, 2018), available at https://www.ici.org/system/files/attachments/18_ici_processing_fees_ltr.pdf (“Oct. 2018 ICI Letter”); ICI Letter to Dalia Blass, *ICI Recommendations and Supporting Data for Facilitating Electronic Delivery of Information to Fund Shareholders* (Sept. 10, 2020), available at https://www.ici.org/system/files/attachments/20_ltr_edelivery.pdf (“Sept. 2020 ICI Letter”); ICI Letter to the SEC, *Order Instituting Proceedings to Determine Whether to Approve or*

current processing fee framework to rationalize the costs associated with delivering documents electronically to intermediary-held accounts.

Under NYSE rules, NYSE member organizations (e.g., broker-dealers) must deliver disclosure materials to beneficial owners, including fund shareholders, that hold shares in nominee name through an intermediary. Funds must then reimburse NYSE member organizations for out-of-pocket, reasonable, clerical, postage, and other expenses, according to the NYSE fee schedule. While the NYSE fee schedule was originally intended to ensure a fair and reasonable allocation of costs, it has failed in practice. Intermediaries—which rely on third parties to meet this delivery obligation—have no incentive to negotiate lower rates with those third parties. The parties that pay the bills—funds—are cut out of this process and have little ability to lower these expenses for the benefit of their shareholders. Furthermore, the NYSE fee schedule includes a “preference management fee” (or “suppression fee”) which effectively charges a per-account fee to suppress paper mailings for shareholders who have opted into e-delivery. Because this fee is charged in perpetuity, it has consistently limited the cost savings that e-delivery provides to fund shareholders.

Fund and investor cost savings from e-delivery could be significantly higher if paired with processing fee reform. We continue to believe that the NYSE fee framework is ill-suited to the distribution of fund materials and that the process of reimbursing intermediaries for forwarding fund materials creates perverse incentives and inhibits market competition.

ICI has previously recommended that the Commission permit funds to negotiate with vendors and eliminate the need for a fee schedule by either:

- making clear that Section 14 rules under the Securities and Exchange Act of 1934²⁸ permit funds to choose how to deliver fund regulatory materials and require intermediaries to provide to funds or their selected agent (i.e., vendor), upon request, a data file with only the shareholder information necessary for delivering these materials; or

Disapprove a Proposed Rule Change to Amend its Rules Establishing Maximum Fees Rates to Be Charged by Member Organizations for Forwarding Proxy and Other Materials to Beneficial Owners (File No. SR-NYSE-2020-96) (May 13, 2021), available at <https://www.sec.gov/comments/sr-nyse-2020-96/srnyse202096-8795140-237861.pdf> (“May 2021 ICI Letter”).

²⁸ Exchange Act Rules 14b-1 and 14b-2 require broker-dealers and banks (i.e., intermediaries) to deliver fund documents to intermediary-held accounts. An intermediary does not need to forward these materials, however, unless the fund provides assurance of reimbursement of the intermediary’s reasonable expenses, both direct and indirect, incurred in connection with delivering the materials. Exchange Act Rule 14b-1(c)(2)(i). For additional background and detail on this recommendation, see Oct. 2018 ICI Letter.

- allowing funds to choose how to deliver fund regulatory materials by not applying the objecting beneficial owner (OBO)/non-objecting beneficial owner (NOBO) distinction for the purpose of distributing fund regulatory materials.²⁹

Permitting funds to negotiate the fees that they pay would facilitate greater competition and lower fees. If the Commission is unwilling to act on either of the above recommendations, ICI has also recommended that the SEC itself reform and take control of the fee schedule.³⁰ But again, our preferred recommendations above would remove any entity—NYSE or SEC—from the rate-setting thicket.

We also encourage the Commission to consider other measures that would decrease processing fees. For example, the Commission could permit a form of “access equals delivery,”³¹ which would avoid the imposition of processing fees on applicable documents altogether, as it would obviate the need for mailings. The Commission could require “notice and access” delivery for some documents, while permitting “access equals delivery” for others, consistent with a more cost-effective and layered disclosure framework. Absent actual processing fee reform, reducing the number of documents and notices delivered and subject to processing fees is the only way to realize more cost savings from e-delivery.

Although we strongly encourage the Commission to simultaneously reform the processing fee framework as it applies to funds, we believe that the SEC could pursue e-delivery alone. For most funds, printing and mailing costs are still sizable fund expenses, ultimately borne by shareholders. Still, addressing e-delivery alone would be a major missed opportunity, as investors stand to realize the greatest cost savings when e-delivery is coupled with processing fee reform.

F. Reducing Waste and Mitigating Supply Chain Concerns

Electronic delivery reduces the waste and environmental impact associated with printing, mailing, and discarding tons of paper fund documents. Environmental Protection Agency data published in March 2025 indicates that paper makes up 35% of municipal solid waste (by weight) and that the pulp and paper industry is the fifth largest consumer of energy, accounting for 4% of worldwide energy use.³² Additionally, a 2020 Report published by the Office of the Inspector General for the U.S. Postal Service found that a majority of U.S.

²⁹ See, e.g., May 2021 ICI Letter and Oct. 2018 ICI Letter.

³⁰ For more concrete suggestions around this, see *id.*

³¹ Under an “access equals delivery” framework, a fund could, for example, deliver its prospectus at the time of purchase and prominently disclose where investors can access updated prospectuses in the future. A fund would not be required to deliver its prospectus to that investor annually beyond simply posting the updated prospectus at the website as disclosed to the investor.

³² Identifying Greener Paper, Environmental Protection Agency (Mar. 14, 2025), available at <https://www.epa.gov/greenerproducts/identifying-greener-paper>.

customers surveyed were concerned about the environmental impacts of deliveries.³³ Reduced paper mandates would reduce these impacts. The percentage of fund investors that currently receives paper documents—often without a stated preference for them—still represents tens of millions of individual investors, necessitating the printing and mailing of hundreds of millions of documents every year. The related benefits of moving even a portion of those shareholders to e-delivery would be meaningful.

Additionally, paper delivery requires members to source a large volume of paper, which can be challenging for large fund complexes delivering multiple documents at one time (e.g., end-of-quarter or end-of-fiscal year documents) or for very large funds with diversified shareholder bases. Any disruption in the chain of delivery, from vendor failures to postal service delays, can lead to mailing delays, a risk that could continue to grow. Moving even a portion of shareholders that currently receive paper to electronic delivery would meaningfully mitigate these challenges.

III. Funds are Operationally Ready to Implement E-Delivery as the Default Delivery Method.

The fund industry has more than 30 years of experience facilitating electronic delivery of regulatory documents in an opt-in environment, and funds and intermediaries have the necessary technology in place to track delivery preferences and facilitate e-delivery. Funds also already employ a variety of safeguards and processes to protect investors, and below we discuss common existing processes and their benefits compared to paper delivery.

Funds today have systems in place to allow shareholders to (i) elect e-delivery, either by document type or universal election,³⁴ and (ii) change their minds and elect paper at any time.³⁵ In the event that a shareholder who receives e-delivery requests a paper copy of a document, funds have specific, highly effective processes in place to handle those requests. These processes include: training of fund company representatives, routing the requests to the appropriate internal or external party, and monitoring the requests to ensure compliance with applicable timeliness requirements. For fund literature that does not have a specific legal

³³ Sustainability and the Postal Service: Creating a Greener Future Through Product Innovation, Office of Inspector General, U.S. Postal Service (Aug. 5, 2020), available at <https://www.uspsoig.gov/sites/default/files/reports/2023-01/RISC-WP-20-005.pdf>.

³⁴ Funds currently employ a variety of practices with respect to investor elections. Some funds may allow investors to elect e-delivery on a document-by-document basis, while others may offer the ability to elect e-delivery on a universal basis. Further, some may currently offer “universal” e-delivery elections but may allow investors to make different elections for certain categories of documents (e.g., account-specific documents or proxy statements).

³⁵ Funds may prompt investors when accessing their account online that e-delivery options are available. These prompts can take the form of a pop-up message at login or while viewing the actual document online. Similarly, funds may include messaging on mailings to investors reminding them of the availability of e-delivery.

timeliness obligation, our members often set a standard turnaround time and track fulfillment performance against this standard.

If a shareholder has paper delivery today and a fund receives returned mail (i.e., the paper delivery has failed), the fund will typically make another attempt to mail either the original paper document, or the fund may send a notice alerting the investor to the unsuccessful delivery attempt. The fund may also attempt to contact the investor to confirm their physical mailing address. The fund's awareness of the failed paper delivery, as well as the speed with which the fund can attempt to redeliver the document, is entirely dependent on the postal system and the relatively slow pace that physical mail travels.³⁶ In contrast, when an electronic delivery fails, a fund will typically know almost instantaneously when it receives a bounce-back email or other electronic delivery failure notification. The fund then can act quickly to resolve the delivery issue. We understand that fund practices today commonly include re-attempting to e-deliver (to the same electronic address and/or to a back-up electronic method on file) and/or switching the shareholder to paper delivery. Often, a fund then also attempts to contact the shareholder to re-validate the shareholder's contact details. Funds also often have mechanisms built into their websites or online investor accounts to periodically prompt shareholders to confirm or update their contact information and/or to provide back-up contact information. For example, a fund may have a window that pops up upon an investor logging into their account and asks the investor to confirm their information.

We understand that some critics of e-delivery may be concerned about sensitive personal information being sent to the wrong email address, but this concern can be mitigated with the use of best practices and safeguards. First, as previously discussed, a fund's electronic communications, such as account statements and tax forms, are not sent directly to a shareholder (i.e., they are not email attachments). Rather, a fund's transfer agent sends an email or other electronic notification that includes a link to a website where the statement or tax form can be accessed only with secure log-in credentials. Even if an email were sent to a wrong or outdated electronic address, the unintended recipient would not be able to access the secure document without the log-in credentials. We further note that it is not unheard of for a paper document to get misdirected or arrive at the wrong physical address, where it is much easier for an unintended recipient to open it. No method is entirely without risk, but in this respect, electronic delivery is significantly more secure than paper delivery.

In addition, virtually no funds print a shareholder's Social Security Number or date of birth on an account statement. Funds generally ask for this information in connection with opening an account and are required to independently verify the information as part of their customer identification program. After that, the information will not appear on materials delivered to shareholders. On tax forms, all or a portion of the Social Security Number is redacted. Many

³⁶ Members also report that the postal service frequently returns mail in error despite the shareholder's address being accurate in the first place.

funds also redact some or all of the account number on printed materials. These protocols have been in place for many years and are common practice.

Funds and advisers have also invested significant resources into educating investors regarding the availability of online documents and effective habits for protecting themselves against fraud. Funds continuously update their websites, investor communications, and security protocols in support of evolving security safeguards and investor protection, including investor alerts focused on protecting personal information from mail or online fraud, or education tailored towards protecting older investors from the risks of elder fraud.

IV. The Time is Right for Default E-Delivery, Irrespective of Congressional Action.

In this section, we discuss the need for regulatory change and express support for Congress's current e-delivery legislation. Even if that legislation is not enacted this year, the Commission should adopt default e-delivery, and we offer recommendations to that end.

A. Regulatory Change is Needed to Facilitate E-Delivery.

The use and availability of technology and the internet has exploded since the SEC last updated its guidance on e-delivery, especially with respect to how investors can, and prefer to, engage with their financial services firms. While we believe that the existing SEC guidance on e-delivery sets forth a generally workable and appropriate e-delivery framework, it should be updated to permit e-delivery as the default mechanism for the reasons provided above.³⁷ Moreover, an updated framework should be consistent with the current technological environment and remain evergreen as technology and investor preferences continue to evolve in the future.

Funds have tried a variety of methods to educate shareholders about delivery options and encourage them to affirmatively elect either electronic or paper delivery, in accordance with their actual preferences. Over the years, the percentage of investors electing e-delivery has grown, and ICI research shows that, today, approximately 84% of fund investors surveyed have opted into e-delivery for at least some of their documents.³⁸

Critics of electronic delivery may claim that the remaining 16% of fund investors must therefore prefer paper, but the data does not support this claim. Instead, ICI data shows that 38% of fund investors surveyed who currently receive paper documents have either

³⁷ For clarity, current guidance states that the "evidence to show delivery" prong of delivery may be satisfied for e-delivered documents if a fund has obtained informed consent from an investor to receive the information through a particular electronic medium and has provided appropriate notice and access to the document. 1995 E-Delivery Guidance at 53461. We request that the Commission clarify that "evidence to show delivery" for electronic documents no longer requires that an investor provide affirmative consent to e-delivery. Instead, investors would provide implied or negative consent to e-delivery by choosing not to elect paper.

³⁸ 2025 ICI Survey at 8.

unsuccessfully tried to elect e-delivery or have not tried to sign up for e-delivery because they believe it takes too much time.³⁹ Default e-delivery would directly help these investors receive their documents in their preferred format. **Importantly, shareholders who actually prefer paper can continue to receive it.** We strongly believe that it is appropriate for the regulatory default to reflect the delivery preferences of the vast majority of shareholders, while still providing an option for the minority of shareholders who want paper.

Finally, opt-in rates have not risen over the years solely by investor choice. ICI members report that they have spent significant resources to implement various shareholder education efforts and to contact and encourage investors to actively consider their delivery preferences and, if appropriate, affirmatively opt into e-delivery. SEC action permitting default e-delivery would accelerate its adoption without requiring funds to continue to spend resources to achieve it.

B. ICI Supports Current E-Delivery Legislation.

ICI supports the e-delivery bill that is currently being considered by both the House of Representatives and the Senate.⁴⁰ It would establish a feasible framework that appropriately balances important investor protections and operational efficiencies. As discussed further below, we believe that the bill's definitions and provisions provide funds with the flexibility to design and implement their e-delivery processes in a way that is appropriately risk-based and tailored to the funds' businesses.

a. Redefining Key Terms

In its 1995 E-Delivery Guidance, the Commission defined "electronic" to mean "media such as audiotapes, videotapes, facsimiles, CD-ROM, electronic mail, bulletin boards, Internet Web sites and computer networks . . . to provide documents required by the federal securities laws to investors, security holders, and offerees."⁴¹ With the exceptions of e-mail and internet websites, all of the other technologies listed are obsolete. Today, this outdated definition perfectly illustrates why a regulatory definition of "electronic" must be flexible, principles-based and evergreen to keep pace with the latest technological developments. The 1995 definition also illustrates why the concept of "delivery" must be flexible. In 1995, certain documents may have been physically delivered in electronic format, such as on a CD-ROM. Today, electronic delivery is usually accomplished by providing notification that a document is available and providing access to that document in electronic format.

We strongly recommend that "electronic delivery" be agnostic with respect to the type of electronic communication or technology. Technology has changed dramatically since 1995,

³⁹ *Id.* at 11.

⁴⁰ ICI Applauds Re-Introduction of Legislation to Advance E-Delivery for Investors (Apr. 1, 2025), available at <https://www.ici.org/news-release/25-reintroduction-edelivery-legislation>.

⁴¹ 1995 E-Delivery Guidance at 53458 n.9.

and it will continue to change in ways that we cannot predict today. Although common forms of electronic delivery today include e-mail, texting, and various smart phone apps, those may not remain popular in the future. The Commission should not attempt to specify certain methods of electronic communication, and funds should not be limited to using technologies that may quickly become obsolete.

Flexibility will also allow funds to better serve investors and satisfy their preferences by offering them a variety of e-delivery methods. For example, some investors may prefer to receive e-delivery through app notifications or texts on their phones, while others may prefer to engage with materials on a computer and receive e-delivery via email. Funds should have flexibility to do either.

Current Congressional legislation would define “electronic delivery” of regulatory documents to include:

- (A) the direct delivery of such regulatory document to an electronic address of an investor;
- (B) the posting of such regulatory document to a website and direct electronic delivery of an appropriate notice of the availability of the regulatory document to the investor; and
- (C) an electronic method reasonably designed to ensure receipt of such regulatory document by the investor.⁴²

We support this broad and flexible definition, which the Commission should maintain in any rulemaking.

We also appreciate that the definition above does not specify a particular delivery method. The definition would permit the direct delivery of a document in electronic format to an electronic address (e.g., attaching a prospectus to an email sent directly to a shareholder’s email address), but it would also permit the posting of a document to a fund website coupled with notification of the document’s availability (i.e., “notice and access” delivery). Flexibility to deliver documents through some form of “notice and access” is extremely important not only because it provides greater privacy and other protections (as discussed above), but also because most funds efficiently e-deliver documents this way today.⁴³ Any e-delivery rules must retain this flexibility.

⁴² S. 1877, Improving Disclosure for Investors Act of 2025, at § 2(3) (“IDIA 2025”).

⁴³ Again, funds are not, in most cases, directly sending electronic documents to shareholders. Instead, they are sending notice to the shareholders (e.g., via email, app notification or text message) that their documents are available on the funds’ websites and/or through a shareholder’s online account or portal.

Under existing guidance, a paper document is considered “delivered” when the fund or intermediary (or service provider) mails the document.⁴⁴ Electronic documents should be treated consistently and should not be held to a higher standard than paper documents.⁴⁵ Accordingly, any e-delivery rules should apply an analogous standard. For example, if a fund’s shareholder has provided an e-mail address, the fund’s prospectus (posted on the fund’s website) should be deemed to be delivered when the fund or its service provider sends an e-mail to the provided email address notifying the shareholder of the prospectus’s availability.

b. Making E-Delivery Broadly Applicable

By statute and regulation, funds must deliver a variety of documents to shareholders and/or prospective investors, including:

- fund prospectuses (including summary prospectuses) and, if requested, statements of additional information;
- annual and semi-annual shareholder reports;
- proxy statements;
- Section 19(a) notices; and
- privacy notices.

Funds may choose to deliver other documents to shareholders, such as shareholder letters. Fund shareholders also receive other documents related to their fund holdings, including trade confirmations, quarterly and annual account statements and tax forms from broker-dealers through which they hold their fund shares. To the extent a shareholder holds his or her shares directly with the fund, the fund itself, through its transfer agent, would also deliver these documents.

In our view, default e-delivery rules should apply to all the above documents and any documents that the Commission’s rules may require to be delivered in the future, as the current e-delivery legislation contemplates.⁴⁶ We support this broad Congressional definition,

⁴⁴ The Commission has explained that “when a document is delivered through the postal mail, a recipient generally is provided with access to the required disclosure,” satisfying the “access” prong of delivery, and that “[p]roviding information through postal mail provides reasonable assurance that the delivery requirement is satisfied,” satisfying the “evidence to show delivery” prong of delivery. 1995 E-Delivery Guidance at 53460-61.

⁴⁵ The Commission has previously acknowledged the numerous potential benefits of e-delivery and has stated that “its use should not be disfavored” and it “should be at least an equal alternative to the use of paper-based media.” *Id.* at 53458-59. Holding e-delivery to a higher standard than paper delivery would disfavor the use of e-delivery, hindering funds’ ability to best serve investors.

⁴⁶ That legislation is written broadly to include all of these documents, as well as “all other regulatory documents required to be delivered by covered entities to investors under the securities laws and the rules and regulations of the Commission and the self-regulatory organizations.” IDIA 2025 at § 2(4).

and we encourage the Commission staff to work across divisions and offices to coordinate on the adoption of consistent and integrated default e-delivery rules.

c. Principles-Based Investor Protection Requirements

The current bill would require the Commission to promulgate implementing rules to, among other things:

- provide a mechanism for investors to opt out of electronic delivery at any time;
- require measures reasonably designed to identify and remediate failed electronic deliveries; and
- set forth minimum requirements regarding readability and retainability for regulatory documents that are delivered electronically.⁴⁷

If the bill becomes law, we strongly encourage the Commission to implement these requirements in a flexible, principles-based manner. The Commission's rules should take into account funds' existing sound, diverse, and evolving practices and should not attach new conditions or require funds to satisfy a new, higher standard than is currently required for electronic or paper documents. For example, the Commission should not require funds to adopt *specific measures* that the Commission believes are "reasonably designed to identify and remediate failed electronic deliveries." Rather, the Commission should permit funds to determine, based on their particular facts and circumstances (as well as on existing technologies, which will inevitably evolve over time), measures that funds believe are reasonably designed to identify and remediate failed electronic deliveries. This flexibility is important to avoid unnecessary regulatory burdens and to maintain evergreen regulatory requirements that can evolve with technology.

C. ICI's Recommended Default E-Delivery Framework

Whether or not the legislation is ultimately enacted, Commission rulemaking should keep in mind the following key principles:

1. The permitted means of electronic delivery should be flexible, technology neutral, and evergreen.
2. Investors must have the ability to elect paper delivery, or change their delivery elections, at any time. Funds should clearly disclose how investors can change their delivery elections, while maintaining the flexibility to choose the best means of doing so (e.g., designing their websites or other public communications based on their own particular business practices and circumstances). Funds should have discretion to determine whether to allow investors to elect to receive certain documents in paper "a la carte," or

⁴⁷ *Id.* at § 2(b)(4)-(6).

whether to offer only “universal” paper delivery for those who elect paper (or some combination of the two).

3. Funds should not be *required* to use e-delivery as the default delivery method. Rather, any e-delivery rulemaking should *permit* it as the default delivery method.⁴⁸ Furthermore, a fund should not be precluded from delivering any communication via traditional mail to accounts that previously opted for e-delivery if the fund believes it is necessary or appropriate.
4. Funds should have flexibility to develop their own internal, risk-based processes and procedures to address failed electronic deliveries and to ensure that documents are readable, accessible and retainable in electronic form.⁴⁹
5. Funds delivering electronic documents should not be held to a higher standard than funds delivering paper documents. Once a fund sends an electronic document or notification, the fund’s delivery obligation should be satisfied, consistent with standards for paper delivery. Furthermore, delivery timeframes for electronically delivered documents should be based on the statutory or regulatory delivery requirements, as applicable, consistent with paper delivery timeframes.⁵⁰

ICI previously recommended a framework for transitioning from default paper delivery to default e-delivery in 2020,⁵¹ and we substantially reiterate those core concepts below:

- **Existing Investors Who Currently Elect E-Delivery.** These investors would continue to receive documents to the same extent and in the same manner as they have received them in the past. There would be no change for these investors.

⁴⁸ The Commission has previously acknowledged that a fund is best positioned to determine whether to rely on e-delivery rules “after considering the costs and benefits . . . including consideration of the needs and preferences of the fund’s particular investors.” Rule 30e-3 Adopting Release at 29165.

⁴⁹ Portions of Rule 30e-3 illustrate how this could work in the context of default e-delivery rules. For example, Rule 30e-3 provides simply that materials “must be presented on the website in a format, or formats, that are convenient for both reading online and printing on paper” and that people “must be able to retain permanently, free of charge, an electronic version of such materials.” Rule 30e-3(b)(3)-(4). This framing provides appropriate principles-based investor protections but also gives flexibility to determine how best to satisfy those principles. We also think a provision analogous to the safe harbor in Rule 30e-3(b)(5) is appropriate and necessary to avoid technical rule violations in the event of circumstances outside of a fund’s control (e.g., internet/system outages). *Id.*

⁵⁰ Electronic documents should not be subject to faster, more aggressive delivery timelines simply because they do not have to be printed.

⁵¹ Sept. 2020 ICI Letter.

- **Existing Investors Who Have Provided an Electronic Address⁵² but Who Currently Receive Paper Delivery.** These investors would automatically begin receiving documents electronically at the end of the transition period (unless they affirmatively request paper during the transition period) following a notice or series of notices informing the investor of their anticipated enrollment.
- **Existing Investors Who Have Not Provided an Electronic Address and Who Currently Receive Paper Delivery.** These investors would experience no change unless and until they provide an electronic address. Funds should have discretion with respect to whether, and if so how, to notify these investors of the new default method of delivery and to request an electronic address. If a fund seeks electronic addresses from these investors, the fund would inform them that the electronic address provided would be used unless the investor elects otherwise. If such an investor provides an electronic address and does not affirmatively request paper, the investor would automatically begin receiving documents electronically at the end of the transition period.
- **New Investors.** As of the adoption of any default e-delivery rulemaking, funds will have the option to notify⁵³ all new investors, including investors who open new accounts on paper applications, that they will be enrolled automatically in e-delivery to the contact information provided, unless they affirmatively elect paper delivery.⁵⁴ If a new investor affirmatively elects paper delivery or does not provide an electronic address, they would receive paper documents.

D. Transition Period and Notification of Existing Investors who Currently Receive Paper

The current legislation would mandate a six-month transition period, followed by a two-year period during which funds would be required to notify shareholders annually (on paper) of the option to elect paper delivery.⁵⁵ If the legislation is enacted, we believe that this transition and notification period is operationally feasible. However, we do not believe that the two-year

⁵² Such electronic address could be explicitly provided for the purpose of receiving e-delivery or it could be an electronic address that a fund or intermediary otherwise obtains and reasonably believes to be associated with the investor. For example, an investor could have provided an email address in connection with opening their account but may not have previously opted into e-delivery. A fund or intermediary should be permitted to use that email address for the purpose of e-delivery once default e-delivery rules take effect.

⁵³ While we recommend a period of no more than one year to transition existing investors to e-delivery (discussed further below), we believe that funds should be permitted to automatically enroll new investors in e-delivery (as described in this paragraph) immediately upon any default e-delivery rules being adopted. In other words, funds should not have to wait a year to automatically enroll new investors in e-delivery.

⁵⁴ Account opening documents would likely request an e-delivery address, although funds should have flexibility in this regard, as default e-delivery should be permitted but not required.

⁵⁵ IDIA 2025 at § 3(b)(1).

notification period (as described in the legislation) is necessary, and we believe that removing this requirement would avoid costs associated with additional paper mailings.

If the current legislation is not enacted and the Commission has discretion to design the transition period, ICI recommends a mandatory transition period of no more than one year to notify investors who currently receive paper delivery of the change to e-delivery. This notification would also inform investors how they can provide an electronic address to facilitate e-delivery and how they can affirmatively elect paper. We believe that one year is sufficient and appropriately balances regulatory burdens and costs with investor protection.

During any transition period (whether or not mandated by legislation), funds should have flexibility to determine, based on their own circumstances, how to notify shareholders of the upcoming change to the delivery method.⁵⁶ Funds could notify their shareholders of the upcoming change in many reasonable ways, and any Commission rulemaking should not prescribe a certain format or frequency of the notifications.⁵⁷

⁵⁶ Funds may wish to consider a variety of factors, such as: the relative effectiveness of various notification methods; their investors' practices and preferences; how their investors hold fund shares; and the number of investors.

⁵⁷ For example, funds could do a special mailing to explain the upcoming change and provide instructions for opting into paper. Alternatively, funds could follow Rule 30e-3's approach. See *generally* Rule 30e-3 Adopting Release. While some ICI members indicated that the Rule 30e-3 legend requirements were relatively straightforward to operationalize, other members reported that there were burdensome costs associated with printing the legend on large numbers of documents. Some members also raised concerns about whether the inclusion of a legend would be logistically feasible on the cover of now-much-shorter tailored shareholder reports. Funds are best positioned to choose a notification method that balances investor protections with regulatory costs and burdens (taking into account specific operational and logistical considerations) for their particular funds and shareholders.

ICI appreciates the opportunity to offer these comments and data in support of electronic delivery of fund documents. We encourage the Commission to expand the use of electronic delivery for investors and would be happy to assist the Commission as it moves forward. If you have any questions or would like to discuss any of this content in detail, please contact us (eric.pan@ici.org or paul.cellupica@ici.org) or Erica Evans, Assistant General Counsel (erica.evans@ici.org), Kelly O'Donnell, Senior Director, Operations and Transfer Agency (kelly.odonnell@ici.org), or Shelly Antoniewicz, Chief Economist (rantoniewicz@ici.org).

Sincerely,

/s/ Eric J. Pan
Eric J. Pan
President & CEO

/s/ Paul G. Cellupica
Paul G. Cellupica
General Counsel

cc: The Honorable Caroline A. Crenshaw
The Honorable Hester M. Peirce
The Honorable Mark T. Uyeda

Brian Daly, Director
Sarah ten Siethoff, Associate Director
Division of Investment Management



Americans' Views on
**E-Delivery of
Financial Documents**

September 2025



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The Investment Company Institute (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

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Americans' Views on E-Delivery of Financial Documents

More than half of US households own mutual funds or exchange-traded funds (ETFs), and they regularly receive account statements, trade confirmations, prospectuses, shareholder reports, and other regulatory disclosure documents. In July 2025, the Investment Company Institute (ICI) conducted a survey to understand the views of Americans generally, and fund investors in particular, on the electronic delivery, or e-delivery, of financial documents and their general comfort using the internet for financial transactions. The key takeaways from the survey are:

Widespread Support for an E-Delivery Default

88% of fund investors agree that “as long as people can still request paper at no cost, it’s a good idea to make e-delivery the default.”

87% of fund investors aged 65 or older support an e-delivery default.

79% of fund investors who report only receiving paper copies of financial documents also support an e-delivery default.

About **70%** of fund investors prefer e-delivery regardless of document type.

The Majority of Americans Receive Documents Electronically, Engage Online

84% of fund investors receive at least some of their financial documents electronically.

38% of fund investors receiving paper could benefit from an e-delivery default.

96% of fund investors make car, restaurant, hotel, or plane reservations online.

93% of fund investors engage in online banking.

Background

More than half of US households own mutual funds, exchange-traded funds (ETFs), or closed-end funds,¹ and they regularly receive account statements, trade confirmations, prospectuses, shareholder reports, and other regulatory disclosure documents.² The Securities and Exchange Commission (SEC) has invested substantial time and resources to improve fund disclosure and the fund industry also has been an active participant in these efforts.³ This is not the first time that ICI has looked into e-delivery.⁴ ICI and its members long have recognized the benefits of e-delivery.⁵

ICI's prior research focusing on e-delivery has documented several benefits tied to this delivery format.⁶ Establishing electronic delivery as the default method for communicating with investors (while still allowing investors to opt for paper) will: improve the searchability of documents, so investors can be better informed; facilitate positive engagement using a layered approach to disclosure, so investors can go from a simple summary to a fuller reporting, combining the benefits of a broad overview and the ability to see details they care about; enhance the accessibility of investor communications; enhance investors' protections when compared to postal delivery of mail; and eliminate the environmental impact of tons of discarded paper every year.

Given essentially universal access to the internet in the United States,⁷ ICI's research shifted focus from documenting access to directly asking respondents their views about e-delivery as the default delivery mode for financial documents.

To understand fund investors' mode of delivery of financial documents, views on e-delivery, and financial engagement online, ICI fielded a nationally representative survey of Americans aged 18 or older in July 2025. The survey was designed by ICI research staff and administered by NORC at the University of Chicago using the AmeriSpeak® probability-based panel.⁸ This report presents survey results that reflect individuals' responses collected from July 25–27, 2025.⁹

Widespread Support for E-Delivery Default

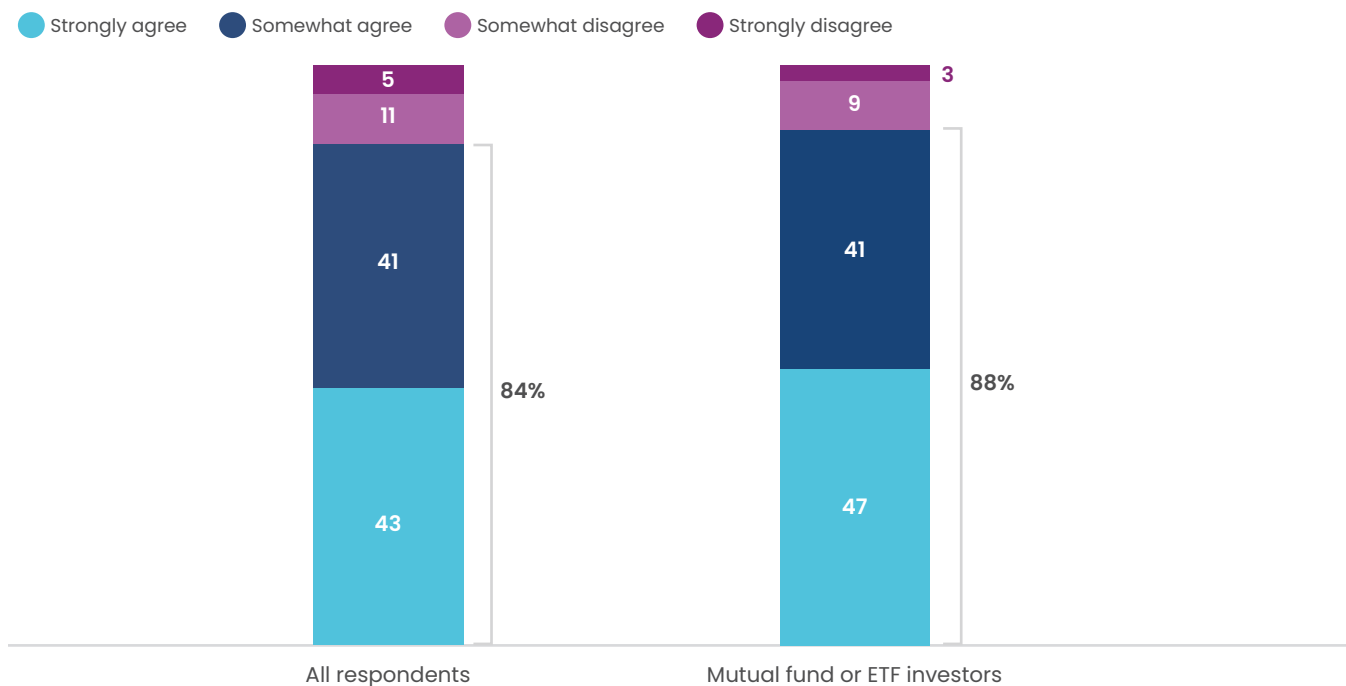
The survey sought to ascertain whether Americans generally, and fund investors in particular, think that e-delivery as the default delivery mode is a good idea. Eighty-four percent of Americans agreed that “as long as people can still request paper at no cost, it’s a good idea to make e-delivery the default” (Figure 1).¹⁰ Fund investors showed even higher support for an e-delivery default: nearly nine-in-10 (88 percent) mutual fund or ETF investors agreed that an e-delivery default was a good idea.

FIGURE 1

Vast Majority of Americans Agree an E-Delivery Default Is a Good Idea

Percentage of US individuals who recall receiving financial documents, 2025

Agreement or disagreement with the statement: “As long as people can still request paper at no cost, it’s a good idea to make e-delivery the default.”



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

The Majority of Older Americans Support the Potential Policy Change

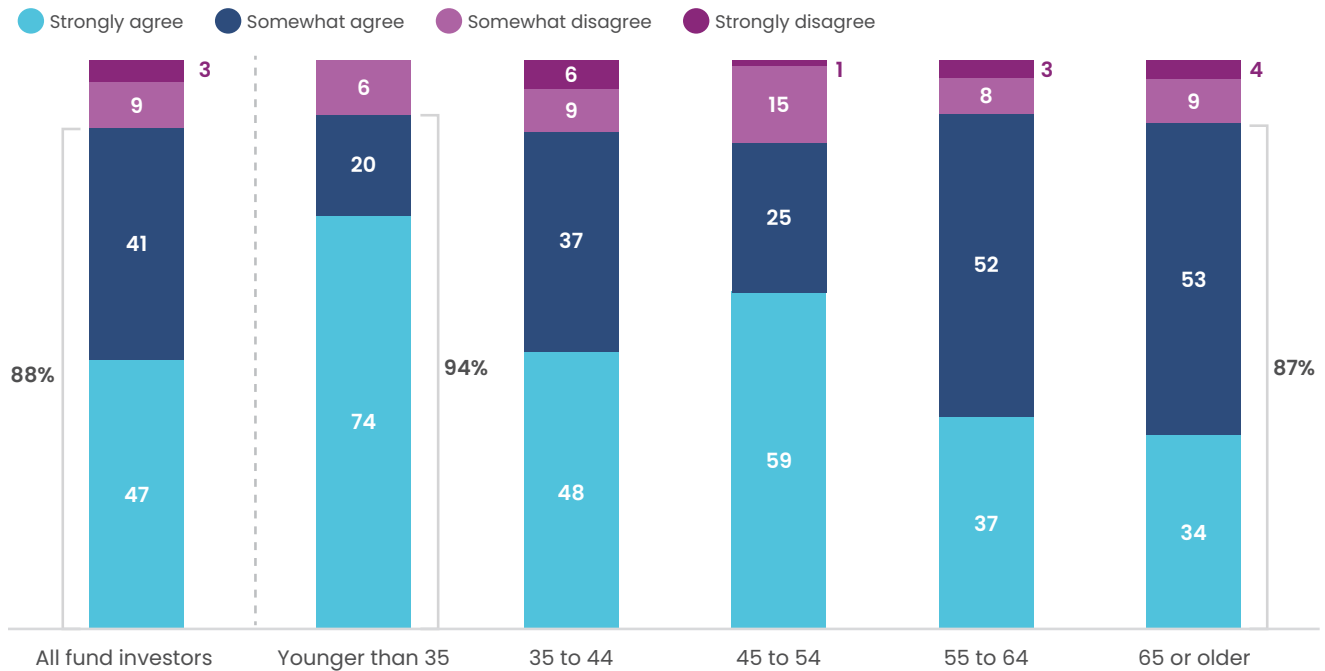
Support for an e-delivery default runs high even among older investors. Even as older fund investors are more likely to report at least some paper delivery,¹¹ the vast majority also support an e-delivery default: 87 percent of fund investors aged 65 or older agreed with the statement (Figure 2). Younger fund investors showed the highest support for an e-delivery default, at 94 percent, and the highest use of e-delivery.

FIGURE 2

Fund Investors of All Ages Support an E-Delivery Default

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents by age, 2025

Agreement or disagreement with the statement: “As long as people can still request paper at no cost, it’s a good idea to make e-delivery the default.”



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Even People Who Receive Paper Disclosures Support an E-Delivery Default

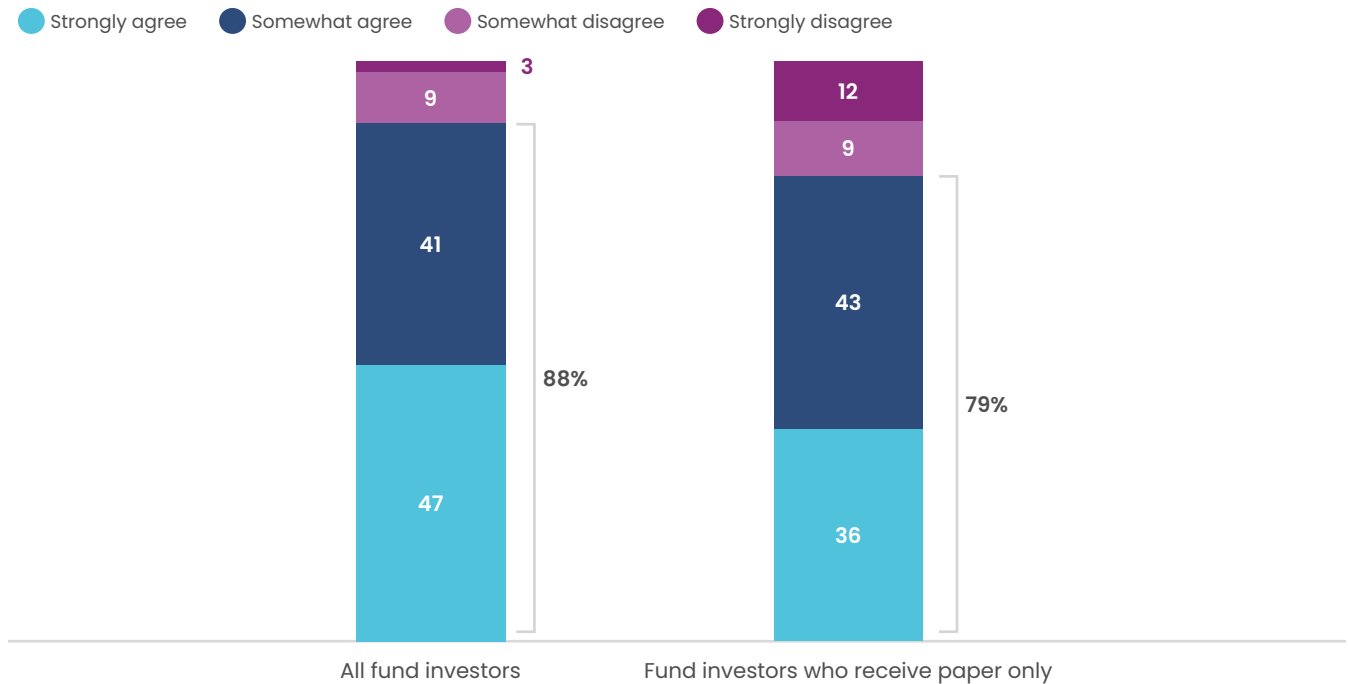
Among fund investors reporting that they only received paper copies of financial documents, about eight-in-10 (79 percent) agreed that “as long as people can still request paper at no cost, it’s a good idea to make e-delivery the default” (Figure 3).

FIGURE 3

About 8-in-10 Fund Investors Who Only Receive Paper Agree with an E-Delivery Default

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents, 2025

Agreement or disagreement with the statement: “As long as people can still request paper at no cost, it’s a good idea to make e-delivery the default.”



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Features Supported by E-Delivery

E-delivery is often selected as the preferred mode of delivery due to the variety of features it offers. Among the respondents, the most important consideration was the eco-friendliness of e-delivery: 80 percent of fund investors indicated that e-delivery is more environmentally friendly, and an additional 10 percent indicated no preference between e-delivery and paper when thinking about the environment (Figure 4). Fund investors also gave e-delivery high marks for ease of delivery during an address change and being more user friendly and searchable.

Security of personal information appears to be an area where understanding of the merits of e-delivery is currently less clear for some investors. While the highest percentage (44 percent) consider e-delivery more secure, 28 percent view paper and e-delivery as equally secure, and 28 percent indicate paper is preferable. Security protocols used by financial services providers mitigate risks compared with paper delivery, where documents can get lost or stolen.¹² Financial institutions employ various tools and policies to safeguard investors from the risks of unauthorized access to their electronic communications. A common process employed by asset managers is to deliver a notice or electronic communication to the investor, alerting them to the availability of fund materials and/or investor statements online.¹³ Another common e-delivery process is to embed multi-factor authentication within the delivery of a message, where materials may be attached.¹⁴

While fraudsters are always seeking opportunities to thwart even the most sound security, investors are far more likely to experience a stolen piece of physical mail from an unsecure mailbox, or have their mail intentionally diverted or lost in transit, than to encounter a breach while utilizing secure electronic communications from reputable financial institutions.¹⁵ These communication mechanisms are often audit-tested and contain multiple security layers, as well as being subject to various state and federal privacy safeguard statutes.

FIGURE 4
Preferred Mode by a Variety of Considerations

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents, 2025

	E-delivery	No preference between e-delivery or paper documents	Paper documents
More environmentally friendly	80	10	10
Ease of continued delivery, if you need to change your physical address	70	13	17
More user-friendly and searchable	65	14	21
Ease of use given the length of some documents	63	13	24
Flexibility to read the documents wherever and whenever you want	60	14	26
Reliability of delivery	58	20	22
Helps you stay more organized	53	17	30
Keeps your personal information more secure	44	28	28

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

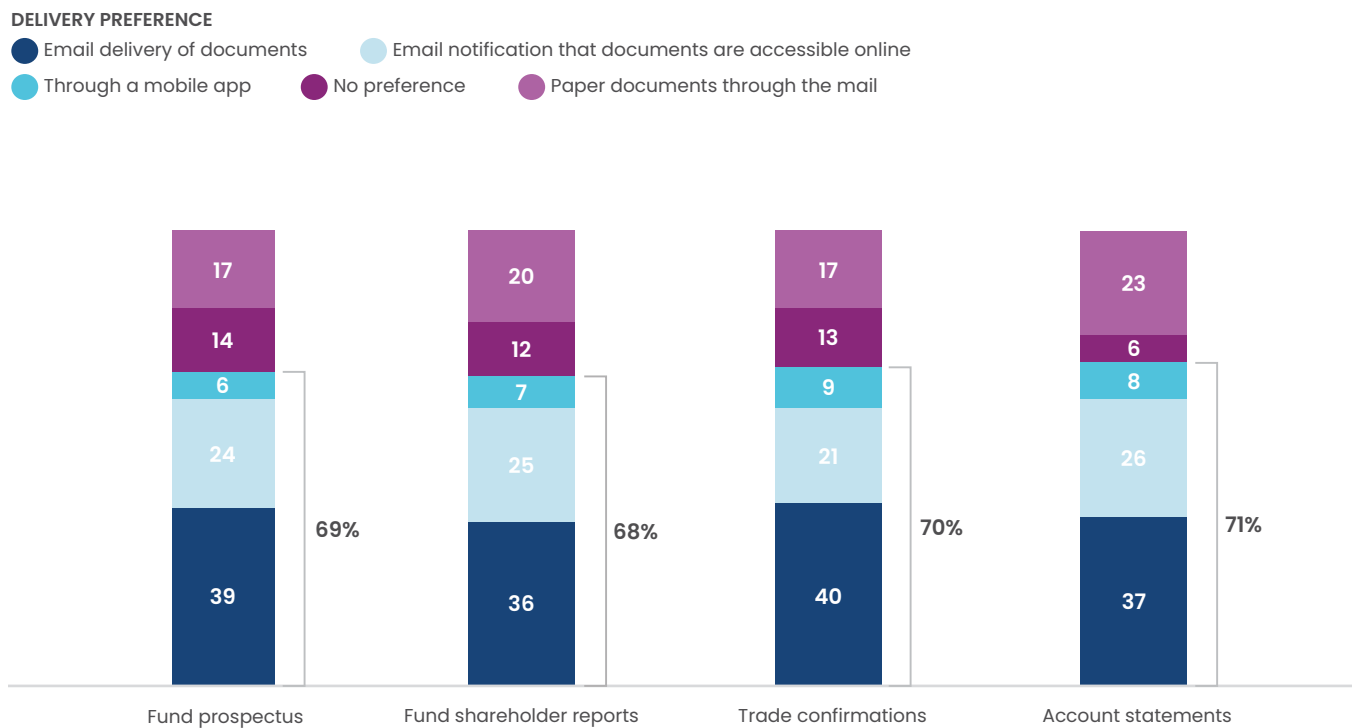
Fund Investors Prefer E-Delivery Regardless of Document Type

One might expect that fund investors viewed documents with personal financial information differently than regulatory fund disclosures, but fund investors displayed similar delivery preferences across financial documents. About seven-in-10 fund investors preferred electronic delivery and access to their documents, whether a fund prospectus, fund shareholder report, trade confirmation, or account statement (Figure 5). Taking into account fund investors with no preference between electronic and paper delivery, eight-in-10 said they are comfortable with electronic delivery regardless of document type.

FIGURE 5

Fund Investors Have Similar Delivery Preferences Across Different Disclosures

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents, 2025



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

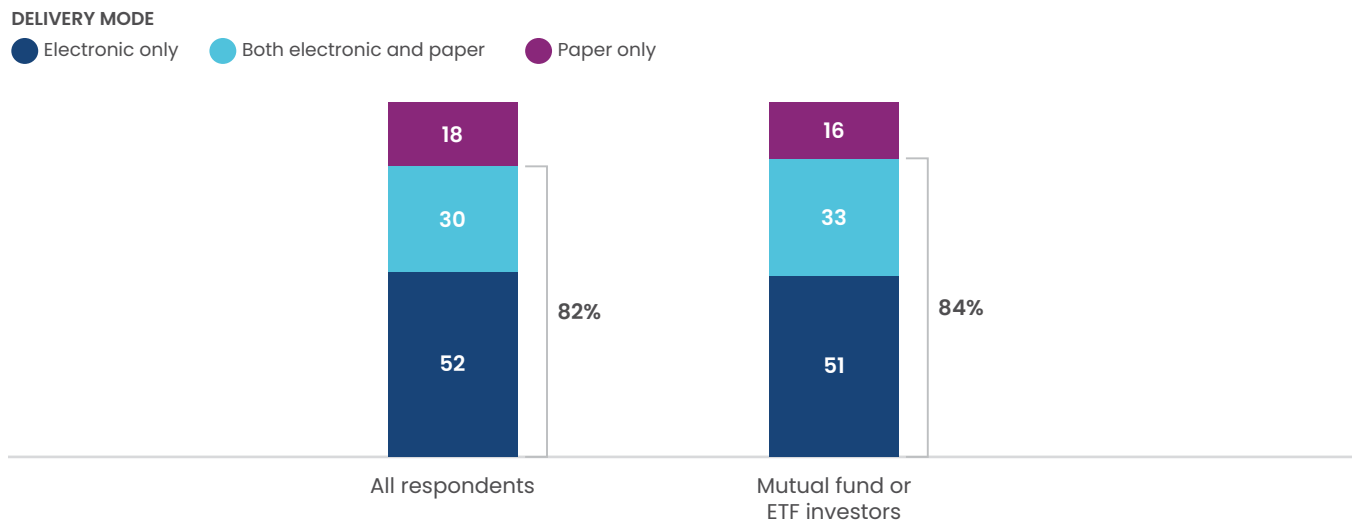
The Majority of Americans Receive Documents Electronically, Engage Online

The survey also determined how Americans typically receive communications about financial accounts and found the majority receive financial documents electronically. Overall, 82 percent of Americans who recall receiving financial account communications have them delivered electronically (Figure 6). E-delivery is more prevalent among fund investors with 84 percent indicating they receive at least some of their documents electronically.¹⁶

FIGURE 6

The Majority of Americans Receive Financial Documents Electronically

Percentage of US individuals who recall receiving communications about financial documents, 2025



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Fund Investors Are Comfortable Engaging Online

To understand fund investors' comfort with electronic communications, ICI also asked whether fund investors conduct a range of financial activities online. Fund investors' willingness to make car, restaurant, hotel, and plane reservations online, or to buy clothes online, is nearly universal among those engaging in those activities (Figure 7). Additionally, 93 percent of fund investors with bank accounts indicate they engage in online banking. About eight-in-10 fund investors engage in online stock transactions and mutual fund or ETF transactions.

FIGURE 7

Fund Investors Are Comfortable Using the Internet for Personal Business

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents using the internet for each of the following, conditional on transacting, 2025

	Use of internet to transact		
	Always/Frequently	Sometimes	Never
Plane reservations	79	17	4
Banking	77	16	7
Car, restaurant, hotel reservations	73	23	4
401(k) transactions	64	21	15
Clothes, etc.	58	39	3
Brokerage transactions	58	27	15
Mutual fund or ETF transactions	56	23	21
Stock transactions	53	28	19

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

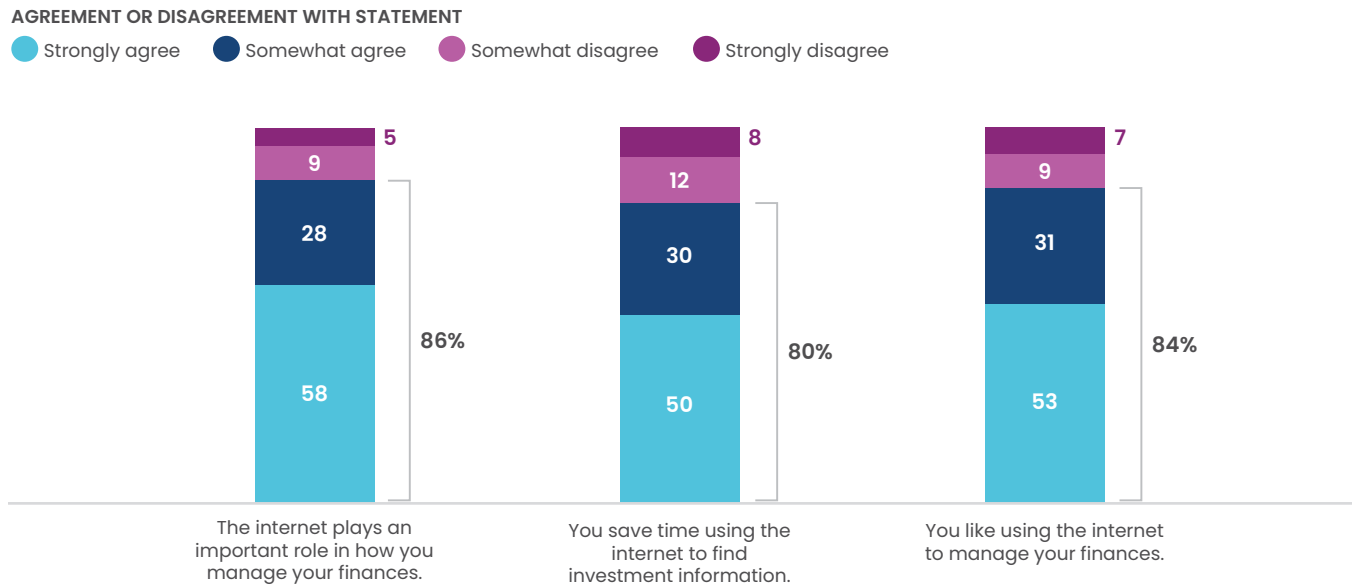
Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

The majority of fund investors indicate that the internet plays an important role in how they manage their investments and helps them save time when looking for investment information (Figure 8). Additionally, 84 percent of fund investors agree that they like using the internet to manage their finances.

FIGURE 8

Fund Investors Are Comfortable Managing Their Finances Online

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents, 2025



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Sizeable Share of Fund Investors Receiving Paper Could Benefit from an E-Delivery Default

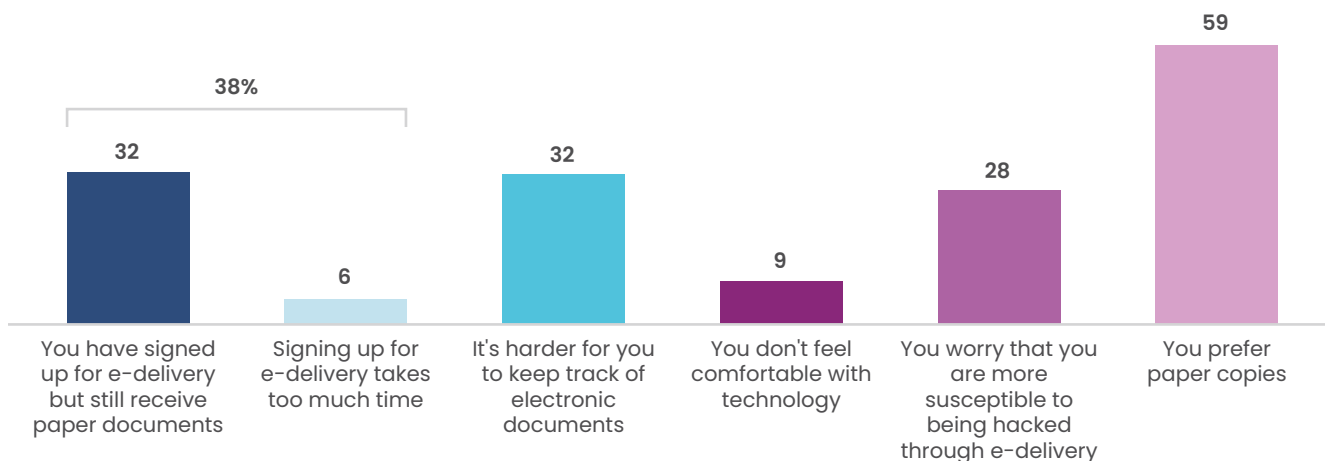
To better understand the reasons that individuals still receive paper documents, the survey asked those individuals to select all of the reasons that applied. Nearly one-third of fund investors still receiving at least some paper documents report that they signed up for e-delivery but were still receiving paper documents (Figure 9). Another 6 percent of fund investors indicate that signing up for e-delivery took too much time, which suggests that they want e-delivery but did not have time to sign up for it. An e-delivery default can overcome these frictions and benefit nearly four-in-10 fund investors currently receiving at least some paper documents.¹⁷

FIGURE 9

Nearly One-Third of Fund Investors Receiving Paper Wanted E-Delivery; 4-in-10 Could Benefit from an E-Delivery Default

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents, 2025

“Why do you currently receive some of your financial communications as paper documents?”



Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Appendix: Additional Survey Results

This survey is based on the NORC AmeriSpeak® panel.¹⁸ Respondents represent a full range of ages, incomes, and education levels (Figure A1). Figures A.2 to A.4 provide some additional details.

FIGURE A.1

Fund Investors Represent All Age, Income, and Education Groups

Percentage of US individuals or mutual fund or ETF investors, 2025

	All respondents	Mutual fund or ETF investors
Respondent age		
Younger than 35	28	16
35 to 44	17	19
45 to 54	12	13
55 to 64	19	22
65 to 74	13	16
75 or older	11	14
Household income		
Less than \$30,000	23	10
\$30,000 to under \$60,000	26	16
\$60,000 to under \$100,000	21	24
\$100,000 or more	30	50
Respondent education		
High school diploma or less	37	14
Some college or associate's degree	26	22
Completed four years of college	23	37
Completed graduate school	14	27
<i>Number of respondents:</i>	<i>1,132</i>	<i>400</i>

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

FIGURE A.2**Support for an E-Delivery Default Is High Across All Age Groups and Delivery Preferences**

Percentage of all US individuals who recall receiving communications about financial documents, 2025

“As long as people can still request paper at no cost, it’s a good idea to make e-delivery the default.”

	All respondents	Respondent age				
		Younger than 35	35 to 44	45 to 54	55 to 64	65 or older
Strongly agree	43	58	43	46	36	35
Somewhat agree	41	32	38	33	52	47
Somewhat disagree	11	9	13	16	9	10
Strongly disagree	5	1	6	5	3	8
<i>Number of respondents:</i>	912	220	167	119	174	232

	All respondents	Delivery preference		
		Electronic only	Both electronic and paper	Paper only
Strongly agree	43	53	34	31
Somewhat agree	41	35	51	44
Somewhat disagree	11	9	12	14
Strongly disagree	5	3	3	11
<i>Number of respondents:</i>	912	476	274	162

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

FIGURE A.3**Fund Investors of All Ages Receive Financial Documents Electronically**

Percentage of US mutual fund or ETF investors who recall receiving communications about financial documents by age, 2025

Delivery mode	Mutual fund or ETF investors	Respondent age				
		Younger than 35	35 to 44	45 to 54	55 to 64	65 or older
Electronic only	51	83	64	59	46	30
Both electronic and paper	33	10	33	25	34	46
Paper only	16	7	3	16	20	24
<i>Number of respondents:</i>	<i>389</i>	<i>58</i>	<i>73</i>	<i>53</i>	<i>85</i>	<i>120</i>

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

FIGURE A.4**Reasons for Receiving Some Financial Communications as Paper Documents**

Percentage of US individuals or mutual fund or ETF investors who recall receiving communications about financial documents by age, 2025

“Why do you currently receive some of your financial communications as paper documents?”

	All respondents	Mutual fund or ETF investors
You have signed up for e-delivery but still receive paper documents	29	32
Signing up for e-delivery takes too much time	7	6
It's harder for you to keep track of electronic documents	34	32
You don't feel comfortable with technology	15	9
You worry that you are more susceptible to being hacked through e-delivery	31	28
You prefer paper copies	61	59

Note: The July 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals, including 400 fund investors).

Source: ICI tabulation of NORC AmeriSpeak® survey data (July 2025)

Notes

- ¹ See Holden, Schrass, and Bogdan 2024.
- ² Prior ICI research explored mutual fund owners' views on summary shareholder report receipt and content, and on summary prospectus content. See Holden, Seligman, and Schrass 2018 and Sabelhaus 2008.
- ³ For example, see Investment Company Institute 1996; West and Leonard-Chambers 2006; Sabelhaus 2008; Holden, Seligman, and Schrass 2018.
- ⁴ ICI is not the only organization to research this issue. For example, see Securities Industry and Financial Markets Association 2022 and Callan 2025.
- ⁵ See Pan 2020; note 5 in Donohue, Holden, and Kane 2020; and Swire and Kennedy-Mayo 2018.
- ⁶ See note 5 in Donohue, Holden, and Kane 2020.
- ⁷ Internet access is essentially universal across the United States, see Holden, Schrass, and Bogdan 2021 and Swire and Kennedy-Mayo 2018.
- ⁸ The July 2025 survey was conducted using the AmeriSpeak[®] research panel, a probability-based panel designed and operated by NORC at the University of Chicago. The AmeriSpeak[®] panel is designed to be representative of individuals aged 18 or older in the United States. Randomly selected US households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by US mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97 percent of the US household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak[®] households participate in surveys by web, non-internet households can participate in AmeriSpeak[®] surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak[®] surveys by web. AmeriSpeak[®] panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.
- ⁹ Specifically, the July 2025 survey includes 1,060 surveys completed online and 72 surveys conducted over the phone (total sample of 1,132 US individuals). The sample includes 400 mutual fund or ETF investors ("fund investors").
- ¹⁰ Under current guidance, funds may deliver regulatory documents to shareholders electronically only if certain conditions are met, including that the issuer must have "evidence to show delivery." Funds generally satisfy this requirement by first obtaining informed investor consent to e-delivery. Defaulting to e-delivery would mean that funds could automatically e-deliver documents to an electronic address provided by a shareholder (i.e., without having to first obtain affirmative investor consent), but shareholders would be able to elect to receive paper documents at any time. See Securities and Exchange Commission 1995.
- ¹¹ See Figure A.3 in the appendix.
- ¹² See Office of Inspector General, United States Postal Service 2021.
- ¹³ For public materials, a link may bring an investor to the fund's website to view an annual report or prospectus. For investor-specific forms that contain non-public information, the notice informs investors their statement or tax form is available. Investors are then free to log into their account, using pre-existing authentication credentials (often multi-factor), to retrieve their personalized content. Not unlike banks and credit card companies, the electronic notice serves to inform investors, while guarding against an unauthorized party accessing the content associated with the message. Even in instances where a link brings investors directly to a login page, the investor must authenticate prior to viewing confidential materials.
- ¹⁴ In this instance, investors click a link, which will trigger delivery of a secure message, requiring they authenticate with a pre-existing credential. This may take the form of an SMS code to a known mobile phone number or email prior to unlocking the document.
- ¹⁵ See "Exhibit 5: Number of Filings by Type of Suspicious Activity from Securities/Futures Industry," in US Department of the Treasury, Financial Crimes Enforcement Network 2025. See also, Federal Bureau of Investigation and US Postal Inspection Service 2025.
- ¹⁶ Figure 6 is rebased to exclude respondents who didn't recall receiving communications about financial documents or didn't have financial accounts (and therefore wouldn't receive financial documents). Across all Americans, 20 percent indicated that they didn't recall receiving financial documents or didn't have financial accounts. Among fund investors, 3 percent did not recall receiving financial documents.
- ¹⁷ See Figure A.4 for these results across all Americans who recall receiving communications about financial documents.
- ¹⁸ See endnote 8, supra.

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Appendix B: Fund Cost Savings Estimation for Default E-Delivery

1. Overview

This appendix describes the methodology used to estimate the potential cost savings associated with the default use of electronic delivery (“e-delivery”) for fund shareholder communications. The analysis focuses on estimating cost savings from the elimination of print and mail as the default mode for shareholder communications. All calculations are intended as good faith, indicative estimates based on available industry data, published fee schedules, and suppression rates. Actual costs and savings may vary depending on fund practices and investor behavior.¹

Our cost savings analysis estimates annual ongoing savings of default electronic delivery **in the range of \$589 million to \$797 million for funds and their shareholders**, or \$3 billion to \$4 billion over five years.²

2. Eligible Documents

For the purposes of this analysis, the following categories of documents have been identified as eligible for default e-delivery:

- **Proxy voting materials:** Statements, notices, and ballots related to shareholder meetings and voting events.
- **Tailored shareholder reports:** Annual and semi-annual reports, which include information about fund performance and holdings.
- **Account statements:** Regular statements detailing account holdings, transactions, and balances.

¹ The cost savings estimates presented here apply only to the fund industry. However, the cost savings of a broad transition to default e-delivery extend beyond funds. Additional savings will accrue as e-delivery adoption impacts brokerage accounts and separately managed accounts (SMAs). Moreover, this analysis does not account for resource substitution effects. For example, employees currently dedicated to encouraging clients to adopt e-delivery could be redeployed to other business areas, creating further efficiencies.

² See Tables below for calculation and cost breakdown. Our print and mailing analysis estimates that costs for accounts currently receiving physical mail is between \$600 million and \$822 million each year. In addition, we incorporate the additional NYSE processing fees incurred for these accounts if default e-delivery were adopted. This additional cost is estimated at \$11 to \$25 million, which reduces the overall estimated cost savings from default e-delivery.

- **Trade confirmations:** Notifications of executed trades and related account activity.
- **Prospectuses and summary prospectuses:** Disclosure documents provided to investors at the time of purchase and at least annually thereafter.
- **Tax documentation:** Year-end tax forms, including Forms 1099, cost basis statements, and other required tax reporting.

These document types represent the core mandated communications that fund shareholders periodically receive. Each is eligible for e-delivery under current regulatory frameworks, provided that investors have consented to it. And each would be eligible for default e-delivery under current proposed House of Representatives and Senate legislation.

a. Bottom-Up Approach

The identification of eligible documents, along with their current suppression rates³ and estimate of the number of fund shareholder accounts, provides a baseline for sizing the current volume of physical mailings. For each document type, the analysis applies estimated unit costs for printing and mailing net of any additional applicable preference management fees. This approach enables an assessment of cost savings by isolating the impact of default e-delivery on each category of mandated shareholder communication.

3. Account Universe and Number of Notices

Total number of accounts: The analysis begins with an estimated universe of 544.3 million fund shareholder accounts, based on Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey data. This figure is an approximation, calculated by multiplying the average number of mutual fund and ETF holdings per household by the total number of households participating in the market.⁴ To ensure

³ A suppression rate represents the proportion of accounts that do not receive a physical mailing either because the account is a managed account (usually a 401(k) plan) or the account holder has opted for e-delivery.

⁴ The total number of investment accounts (including both taxable and tax-exempt) is estimated at 544.3 million. This is calculated by summing:

- **Mutual fund accounts:** 71 million US households hold mutual funds, with an average of 6 funds per household, totaling 426 million accounts.
- **ETF accounts:** 16.9 million US households hold ETFs, averaging 7 ETFs per household, totaling 118.3 million accounts.

accuracy for each document type, this baseline is adjusted downward where appropriate. For example, in our lower bound estimate, it is assumed that 40.6 million households receive two consolidated account statements each quarter covering all their investment holdings. In our upper bound estimate, we assume households receive four consolidated statements each quarter.⁵ In addition, for account statements, trade confirmations, and tax documents, the estimate only considers taxable accounts.⁶ Many tax-deferred plans subject to ERISA, such as 401(k) plans, are permitted to use default electronic delivery for required disclosures. For the purposes of our estimation, we assume 100 percent e-delivery take-up in tax-deferred accounts.⁷

Suppression rate: Suppression rates represent the proportion of shareholder accounts that do not receive a physical mailing because the account is a managed account (like a 401(k) plan) or the shareholder has already opted into e-delivery. For this analysis (in both our base case and upper bound estimate), document-specific suppression rates have been applied as follows: 88% for proxy voting materials, 82% for shareholder reports, 92% for prospectuses and summary prospectuses,⁸ 71% for account

All data are sourced from the *Investment Company Institute 2024 Annual Mutual Fund Shareholder Tracking Survey*.

⁵ Effectively, we assume that households do *not* hold shares of each fund at separate intermediaries or fund sponsors, i.e., there is some consolidation of fund holdings at intermediaries or fund sponsors.

⁶ Taxable accounts are estimated at 307.9 million. Taxable accounts include:

- **ETF holdings:** 16.9 million U.S. households hold taxable ETF accounts, with an average of 7 ETFs per household, totaling 118.3 million ETF accounts.
- **Mutual fund holdings:** 23.7 million U.S. households hold taxable mutual fund accounts, averaging 8 mutual funds per household, totaling 189.6 million mutual fund accounts.

Together, these taxable accounts amount to 307.9 million. Subtracting this from the total account count yields the estimated 236.4 million tax-exempt accounts.

All data are sourced from the *Investment Company Institute 2024 Annual Mutual Fund Shareholder Tracking Survey*.

⁷ While the Department of Labor's 2020 Safe Harbor Rule permits default electronic delivery for ERISA-covered retirement plans, actual adoption rates vary and are not comprehensively tracked. Anecdotal evidence suggests widespread uptake, particularly among large plan sponsors, but, to our knowledge, no adoption rate has been published. Note that the Internal Revenue Service has separate rules that apply to qualified retirement plans' electronic delivery of notices under its jurisdiction, using an "effective ability to access" test.

⁸ See Broadridge Comment letter to FINRA for take-up of e-delivery for each document type <https://www.finra.org/sites/default/files/NoticeComment/Broadridge%20Comment%20Letter%20to%20FINRA%20-%202007-14-2025.pdf>.

statements, 83% for trade confirmations, and 58% for tax documentation.⁹ These rates reflect industry practices and publicly available survey data, and are used to estimate the number of physical documents currently mailed for each category. The use of these document-specific suppression rates helps provide a more indicative estimate of potential cost savings associated with default e-delivery.

Frequency of each communication type: The frequency of mailings depends on the type of document and applicable regulatory requirements. Proxy voting materials are typically distributed in connection with shareholder meetings. However, recognizing that not all funds have annual shareholder meetings, we apply a conservative frequency factor of 0.5, representing an estimated average of one proxy campaign with two solicitations (initial and one follow-up) every four years across the fund account universe. In practice, multiple solicitations are often required for funds to achieve quorum.

Shareholder reports are sent semi-annually, so we assume two distributions per year.

Account statements are generally issued quarterly, providing regular updates on account activity and holdings. Trade confirmations are sent following each transaction, with the analysis assuming a conservative two trade confirmations per account annually.

Prospectuses and summary prospectuses are provided at the time of initial purchase and typically annually thereafter, with the model assuming one distribution per account per year. Tax documentation, including year-end forms such as Form 1099, is distributed annually to applicable accounts.

These frequencies are applied in the cost model to estimate the total number of physical mailings generated for each document type, aiming to plausibly reflect investor choices, operational practices, and regulatory obligations.

Number of mailings: The number of physical mailings sent is determined by multiplying the number of accounts by the frequency of each communication type and adjusting for the applicable suppression rate (Table 1).

⁹ See Forrester's Q4 2024 Investor Preference Survey.

Table 1**Estimation of the Number of Physical Documents Funds Currently Send to Shareholders Annually**

Document type	Number of accounts (millions)	Suppression rate¹	Frequency²	Number of mailings³ (millions)
Proxy voting materials	544.3	88%	0.5	32.7
Shareholder reports	544.3	82%	2	196
Account statements ⁴	81.2 to 162.4	71%	4	94.2 to 188.4
Trade confirmations	307.9	83%	2	104.7
Prospectuses/ Summary Prospectuses	544.3	92%	1	43.5
Tax documentation	307.9	58%	1	129.3

Total estimated number of physical mailings: 600 to 695 million

¹A suppression rate represents the proportion of accounts that do not receive a physical mailing either because the account is a managed account (usually a 401(k) plan) or the account holder has opted for e-delivery.

²The frequency factor represents how often a specific document type is mailed to shareholders. For example, a frequency factor of one means that a document is mailed to shareholders once per year.

³The number of mailings = number of accounts * the frequency factor * (1- the suppression rate).

⁴The number of accounts that receive account statements has a lower and upper bound. We assume each household receives 2 consolidated account statements (lower bound) and 4 consolidated accounts (upper bound) each quarter. Source: ICI calculations

4. Print and Mailing Cost Calculation

Unit costs: Print and mailing costs are applied per mailing and vary by document type. Estimated print costs are based on feedback from select ICI members.¹⁰ Mailing costs are differentiated by document type: for proxy voting materials, the lower-bound estimate assumes USPS bulk commercial rates of \$0.23 per notice, while the upper-bound estimate applies the commercial first-class rate of \$0.593—reflecting a divergence in how funds mail these materials.¹¹ Whereas, general practice in the fund

¹⁰ Printing costs for proxy voting materials are significantly higher than other shareholder document types. Because fund proxy voting campaigns do not happen with the same frequency as distribution of other shareholder information, such materials do not benefit from economies of scale and volume discounts.

¹¹ All USPS services charges cited can be found [here](#).

industry is to mail shareholder reports and prospectuses bulk commercial and account statements, trade confirmations, and tax documents first class.

For these first-class mailings, we provide a lower-bound estimate for pre-sorted commercial first class of \$0.593 and an upper-bound estimate for non-machinable, non-automation commercial first class of \$0.813, accounting for the possibility that smaller firms may not benefit from economies of scale or discounted mailing rates.

Subtotal calculation: For each document type, the estimated total cost is calculated as follows:

$$\text{Total Cost} = (\text{Number of mailings}) \times (\text{Unit print cost} + \text{Unit postage rate})$$

The total estimated cost for printing and mailing is conservatively projected to be between **\$600 and \$822 million** (Table 2).

Table 2
Estimation of Cost Savings of Moving to Default E-Delivery

Document type	Number of mailings (millions)	Print unit cost¹ (dollars)	Mail unit cost (dollars)	Total cost to print and mail (\$ millions)
Proxy voting materials	32.7	\$1.93	\$0.23 to \$0.593	\$71 to 82
Shareholder reports	196	0.57	0.23	157
Account statements	94.2 to 188.4	0.65	0.593 to 0.813	117 to 276
Trade confirmations ²	104.7	0.50	0.593 to 0.813	114 to 137
Prospectuses/ Summary Prospectuses	43.5	0.25	0.23	21
Tax documentation	129.3	0.34	0.593 to 0.813	121 to 149
Total annual estimated cost to print and mail:				\$600 to \$822 million

¹Print unit costs are calculated based on feedback from select ICI members.

²Feedback from select ICI members indicates that mailing costs of the first trade confirmation for newly opened accounts are significantly higher as it includes both the trade confirmation and a prospectus, as required by regulation. For this analysis, our cost estimate for trade confirmations excludes this additional expense, making the estimate a conservative lower bound.

Source: ICI calculations

5. Application of “Suppressed” Accounts Fee

Table 3 shows the additional estimated costs associated with preference management (or “suppression” of paper mailings) under current NYSE processing fee rules for electronically delivered shareholder communications. Under these rules, intermediaries are entitled to charge funds an ongoing—not one-time—suppression fee for electronic delivery of proxies, prospectuses, and shareholder reports.

For each document type, the table below shows the estimated number of mailings, the percentage of intermediated accounts (which we estimate as ranging from 67 percent to 85 percent)¹² and the applicable suppression fee per mailing per account. The suppression fees range from \$0.10 to \$0.16 per suppressed account, and are applicable to proxy voting materials, shareholder reports and prospectuses only.¹³

The resulting NYSE processing costs are calculated by multiplying the number of mailings by the percentage of accounts that are intermediated and the relevant fee. The total estimated cost across all applicable document types for preference management with respect to mailings for intermediated accounts that would be expected to transition from paper to e-delivery under a default e-delivery framework is approximately between **\$11 to \$25 million annually**, representing an additional ongoing expense under a default e-delivery model.

¹² Only accounts held through an intermediary are subject to NYSE processing fees. To calculate a range estimate of costs, the percentage of intermediated accounts is derived from two sources. Our lower bound estimates of 67% is sourced from the [2025 ICI Factbook](#). Our upper bound estimate of 85% is sourced from a survey of select ICI members.

¹³ These rates are from the [SEC’s Rule 576 – Processing and transmission of Proxy Material to Customers](#). See Section 4 on page 9.

Table 3
Estimation of Additional Suppression Fees Under Default E-Delivery

Document type	Number of mailings (millions)	Percentage of intermediated accounts ¹	Suppression fee (preference management fee) ² (dollars)	NYSE processing cost (\$ millions)
Proxy voting materials	32.7	67% to 85%	\$0.16	\$3.5 to 4.4
Shareholder reports	196	67% to 85%	0.10	6 to 17
Prospectuses/ Summary Prospectuses	43.5	67% to 85%	0.10	1 to 4

Total preference management fee cost: (\$11 to \$25 million)

¹Our lower bound and upper bound estimates for the percentage of intermediated accounts are taken from: a) the 2025 ICI Factbook, which estimates 67 percent of households owning mutual funds outside employer-sponsored retirement plans owned funds through investment professionals (intermediaries); and b) feedback from select ICI members, who estimate that 85 percent of accounts are held through intermediaries.

² The suppression fee is the per-account cost intermediaries are entitled to charge funds for delivering their documents electronically. For purposes of ICI's cost estimates, these fees are only applicable to proxy materials, shareholder reports and prospectuses. Account statements, trade confirmations, and tax documentation are not subject to NYSE processing fees.

Source: ICI calculations

Total cost calculation: Based on the methodology outlined above, the total annual cost savings from transitioning to electronic delivery are estimated by subtracting the projected increased NYSE processing costs from the projected total print and mail costs. Specifically, the print and mail costs are estimated to range from \$600 million to \$822 million per year, while NYSE processing costs for preference management fees are estimated to be approximately \$11 to \$25 million annually. After accounting for these ongoing processing fees, **the net annual cost savings from transitioning to default e-delivery are projected to fall within a range of approximately \$589 million to \$797 million.** These figures should be viewed as indicative, reflecting both the potential reduction in physical delivery expenses and the continued costs associated with electronic preference management under current regulatory frameworks.

6. Additional Potential Savings from Removal of Existing NYSE Preference Management Fees

The removal of NYSE preference management fees would deliver substantial additional cost savings to investors. Again, the analysis covers 544.3 million accounts across three document types—proxy voting materials, shareholder reports, and prospectuses—with suppression rates ranging from 82% to 92%. To estimate the number of current suppressed deliveries, we apply the same frequency factors used to determine the number of mailings (Table 1) and the percentage of intermediated accounts (Table 3). Suppression fees, which reflect the cost of managing investor preferences to opt out of physical mailings, range from \$0.10 to \$0.16 per account. By applying these fees to the suppressed portion of each document type, **we estimate the total current preference management fees to range from approximately \$119 to \$151 million annually** (Table 4)—fees that funds currently pay in perpetuity. Eliminating these fees would result in ongoing annual savings of well over \$100 million for the direct benefit of fund investors.

Table 4
Estimation of Cost Savings From Removing Preference Management Fees

Document type	Number of accounts (millions)	Intermediated accounts	Suppression rate	Suppression fee (preference management fee) (dollars)	Frequency factor	NYSE processing cost (\$ millions)
Proxy voting materials	544.3	67% to 85%	88%	\$0.16	0.5	\$26 to \$33
Shareholder reports	544.3	67% to 85%	82%	0.10	2	60 to 76
Prospectuses/ Summary Prospectuses	544.3	67% to 85%	92%	0.10	1	34 to 43

Total preference management fee cost: \$119 to \$151 million

Source: ICI calculations