

A proactive approach to garnering shareholder support for controversial issues



ACTION TAKEN:

CONTROL THE NARRATIVE

Faced with potentially divisive issues, funds must be mindful of proxy advisory firms' impact on the vote. Broadridge provides guidance that can help you present your proposals in the clearest, best possible light.

OPTIMIZE DELIVERY TO MINIMIZE EXPENSE

Broadridge analyzed and segmented shareholders according to number of shares owned and delivery preference. Traditional proxy packages were mailed to a select few large shareholders, as well as those who requested a full package, while the remainder received an electronic notification or Notice of Internet Availability of Proxy Materials. The result was a significant reduction in printing and postage costs.

ENGAGE AND EDUCATE STAKEHOLDERS

No one should be caught by surprise. Broadridge works to identify and reach the right constituents, including internal audiences and advisors. Involving key stakeholders early allows you to educate them in the issues to make a quick decision once proxy materials are delivered.

LEARN MORE

For information about our mutual fund proxy services, visit us at [broadridge.com](https://www.broadridge.com) or call **+1(866) 359-0456**.

THE CHALLENGE: GAINING SUPPORT FOR POTENTIALLY CONTENTIOUS PROPOSALS

A mid-sized mutual fund complex was facing a challenging proxy campaign comprised of 33 Money Market funds, 98 CUSIPS and 3.8 million positions, including 381,000 e-deliveries. Proposals included trustee election as well as three amendments to the Declaration of Trust, in response to changes in SEC regulations. Two of these proposals were viewed as more contentious and in the past tended to receive negative recommendations, so they needed a smart approach.

Broadridge made recommendations regarding content and language in the proxy statements — engaging voters in ways that increased understanding and comfort with the overall intent of the proposals. A strategic, targeted approach to communications ensured that more votes were cast, while minimizing overall spend. As a result, proxy advisory firms recommended in favor of the contentious proposals, and all four proposals were passed.

CORE BENEFITS

- Collaborative customer experience through single point of contact
- Strategic insight, advice and project planning
- A database of proxy outcomes
- Shareholder analysis and segmentation
- E-delivery expertise
- Expense management

A PROACTIVE STRATEGY

In response to regulatory changes under Rule 2a-7 of the Investment Act of 1940, the mutual fund needed to adopt amendments to its Declaration of Trust in order to restructure a number of its money market funds. This placed the client in the unenviable position of making changes to the portfolio composition of many of their funds, and instituting new rules for how the funds would operate. While the regulation in question was intended to improve liquidity, resilience and transparency, the required changes could potentially make certain funds less attractive to some investors. Broadridge advisors engaged with the fund's management to examine the voting implications for both retail and institutional investors.

ADDRESS THE CONCERNS OF PROXY ADVISORS

Based on decades of experience, Broadridge was able to accurately forecast how proxy advisors were likely to view the proposals and tailor an approach accordingly. Historically, large proxy advisory firms have tended to recommend against two of the proposals. Broadridge advised the client to include language in the proxy statement that would help voting agents better understand the thinking behind the amendments, and increase their comfort level with the proposals. The language clearly resonated with its intended audience, and both proxy advisory firms issued recommendations supporting the proposals. Importantly, their support was directly related to the content that Broadridge had suggested.

MAXIMIZE SHARES VOTED

Recognizing that large institutional shareholders and high net worth individuals often vote in accordance with the recommendations of proxy advisor firms, Broadridge utilized a hybrid strategy that resulted in significant cost savings.

THE OUTCOME

All four proposals passed, positioning the funds for successful operation for the next several years.

Broadridge, a global fintech leader with \$4 billion in revenue, provides communications, technology, data and analytics solutions. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

broadridge.com



A winning proxy process

Broadridge provides a unique, end-to-end solution that delivers greater operational efficiency, cost control and optimal results for mutual fund proxy campaigns.

In-depth analysis

Understand how shares are distributed, who your shareholders are, and how they are likely to vote on your proposals.

Strategic execution

Create a detailed strategic plan on how to reach every voting entity, maximize response and drive successful outcomes.

Effective communication

Deliver engaging, multichannel communications — including visually appealing proxy statements, targeted messaging and branded notifications and reminders.

Convenient voting

Let shareholders cast their votes any time, anywhere, via the device of their choice.

Real-time insight

Monitor and analyze voting in real time, and respond strategically. Eliminate the need for reminders and solicitation calls.

Successful outcomes

Engage and inform all stakeholders to gain the support you need to achieve your corporate goals.

Ready for Next

Communications
Technology
Data and Analytics

