

Expand your perspective

UNCOVER DEEPER INSIGHT INTO 15(C) RESULTS AND RANKINGS

- Identify funds most likely to raise regulatory and business concerns.
- Obtain a credible outside opinion on claims made.
- Gain valuable insight into the impact of expense and performance trends.

THE DEVIL IS IN THE DETAILS

The 15(c) process is rigorous work. Independent directors are charged with interpreting results and rankings. They're expected to explain performance and expenses. This requires a clear understanding of market and competitive details.

SEE BEYOND THE RANKINGS

Broadridge 15(c) Qualitative Insights help directors to make the most of the information they have before them. These insights complement the quantitative reports 15(c) requires. By delving into fee breakdowns and performance drivers, they help boards to glean a clearer perspective on causes for concern.

UNDERSTAND PEER GROUPS

Gain perspective on the available peer-group universe and uncover the parameters behind peer selection. With greater clarification on how peer groups are developed, boards become better equipped to support decisions based on ratings and rankings.



PUT RANKINGS IN CONTEXT

With a clearer view of the details behind fund rankings, it's easier to see what really matters. Broadridge 15(c) Qualitative Insights help boards to:

- Understand how scale, market conditions and distribution practices impact expenses.
- Obtain concise accounts of fee discrepancies.
- Uncover the effects of scale and flows on breakpoint schedules.
- Understand performance through a spectrum: Compare returns to the universe and benchmark, considering volatility, consistency and style.

GAIN THE 15(C) PERSPECTIVE YOU REQUIRE

Reports and rankings don't always tell the full story. Sometimes variations between peer-group funds are minimal. Other times these variations are dramatic, and cause for concern. Broadridge brings decades of experience to the analysis of fund expense structures, pricing trends, fee schedules and performance, providing 15(c) Qualitative Insights to help boards to understand what peer-group rankings represent. Taking the form of an executive summary, a memo or an in-depth analysis, these insights are specially prepared to fit a board's situation and needs.

GET A VALUABLE OUTSIDE OPINION

As an independent third party with experience in investment analysis and attribution, Broadridge offers an independent voice next to the advisors' analyses. Our 15(c) Qualitative Insights help directors understand factors including growth, asset allocation and credit quality. These insights can cover both standard and non-standard periods, to reflect events such as a manager change or market shift. They help determine returns restrained by a fund's risk parameters and performance relative to specific peers. Boards can gauge performance relative to primary, secondary or custom benchmarks, and better determine when, where and why further inquiries may be required.

CHOOSE BROADRIDGE

To get the insights you need, turn to the leader in foundational solutions for the industry. With a 30-year history of driving innovation, Broadridge seamlessly adapts to change and delivers a singular level of customer service.

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Broadridge, a global fintech leader with over \$4 billion in revenue and part of the S&P 500 Index, provides communications, technology, data and analytics. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

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**The challenge**

Concerned about funds that ranked in the bottom quintile for expenses and performance, a board sought “to distinguish between cases.” They wanted to understand variations from the peer-group median: Which were extreme? Which were de minimis? They also wanted to separate issues related to contractual-management fees from issues related to operational and distribution fees.

The solution

The board engaged Broadridge to construct a “watch list” of funds that posed the greatest concern. These funds had a combination of higher than normal expenses, below-average performance and relatively low asset levels, making them worthy of further scrutiny. These watch-list funds were isolated in a “red zone”. Broadridge qualitative commentary outlined the duration and extent of performance, expense and fund-size issues. This commentary considered absolute distance between the funds' effective expenses and performance relative to peer group medians. It also detailed the factors driving fund expense and performance issues. As a result, the board was better able to systematically manage expense and performance issues at the firm level, and to better focus its time.

The outcome

The board continues to use Broadridge 15(c) Qualitative Insights, and each subsequent watch-list report gives the board a benchmark to measure its own progress. Analyses of this watch list and the “red zone” funds it contains are now part of the annual expense and performance review, contract review, waiver and profitability analysis. They're also included in discussions with management. Now the board has insight into how peer groups were chosen, any input the advisor had in the process, and the criteria used to exclude potential peers from the list. When asset growth, investment mandates and/or other factors drive changes, the board is informed of their potential to impact year-over-year expense, performance and rankings.

Ready for Next

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