Trusted Insight for Independent Oversight

September 21, 2026

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Electronic Delivery of Information Under the Federal Securities Laws (File No. S7-2026-25; Release Nos. 33-11430, 34-105921, 39-2564, IA-6980 and IC-36252

Dear Ms. Countryman:

MFDF[1] welcomes the opportunity to comment on the Securities and Exchange Commission's ("Commission") recent rule proposal on Electronic Delivery of Information under the Federal Securities Laws.[2] Our members, the independent directors and trustees of registered investment companies of all types, have a distinct interest in disclosure that is both effective and efficient, and we therefore welcome this proposal.

MFDF is an independent association for the independent directors of mutual funds, ETFs, closed-end funds and other registered investment companies. MFDF helps independent directors navigate an evolving regulatory environment and steward shareholders' investments. MFDF provides tailored educational resources and facilitates peer-to-peer networking among directors, with offerings that include webinars, white papers and interactive conferences.

As we discuss below, we believe that an expanded approach to electronic disclosure is long overdue. The Commission's proposal also importantly provides for the ability for fund shareholders who wish to continue to receive disclosure materials in a traditional paper format to do so. We believe that the proposed approach will improve the efficacy of disclosure while at the same time allowing funds to achieve notable cost savings. We therefore support the Commission's proposed approach.

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Over five years ago, in our comment letter on Tailored Shareholder Reports, we noted that "the vast majority of fund shareholders not only prefer to receive disclosure electronically, but also find electronic

1 MFDF's current membership includes over 1059 independent directors representing 141 fund groups. Each member group selects a representative to serve on MFDF's Steering Committee. This comment letter has been reviewed by the Steering Committee and approved by MFDF's Board of Directors. It does not, however, necessarily represent the views of all members in every respect.

2 *See* Electronic Delivery of Information under the Federal Securities Laws, File No. S7-2026-25, Release Nos. 33-11430, 34-105921, 39-2564, IA-6980 and IC-36252, 91 Fed. Reg. 45884 (July 21, 2026).

disclosure more useable and accessible."[3] Our letter encouraged the Commission to "reconsider its approach in this area" and broaden the ability of funds, particularly open-end funds, to rely increasingly on electronic disclosure.[4] We therefore welcome this proposal, which would permit funds to choose to communicate virtually all disclosure materials to their shareholders electronically, absent the affirmative choice of a shareholder to opt out of electronic disclosure and instead receive materials in the traditional paper format.

Facilitating this shift will achieve a number of important goals:

- Shareholders will more easily be able to access, retain and use disclosure documents. When disclosure documents are available electronically, shareholders can locate and use disclosure materials at their own convenience. No longer will fund shareholders need to search for paper materials that they received by mail from their fund days, weeks or even months ago.
- Electronic disclosures also will allow shareholders to more easily navigate within and search for specific items than is possible in traditional paper formats. In addition, shareholders can benefit from layered disclosure, allowing individual shareholders to determine the level of detail they want to explore on their investments.
- Providing disclosure via electronic means can result in significant cost savings to funds, primarily through reduced costs for printing and postage. To the extent that these savings are shared, they may also result in significant financial benefits for fund shareholders.
- Shifting to electronic delivery will also result in other benefits that although unrelated to the goals of the securities laws, will nonetheless result in notable benefits. For example, the reduction of printing and mailing of disclosure documents will have a favorable environmental impact, that while perhaps not relevant to the rulemaking, is still worth noting.

While these benefits are significant, they need to be balanced against the desire of some fund shareholders to continue to receive traditional, paper-based disclosure. It is important that shareholders be able to shift their individual preferences between electronic and paper disclosure at any time and as seamlessly as possible. Hence, whether through rule text, interpretive guidance or otherwise, we encourage the Commission to make clear that the ability to shift preferences be easily accessible from the appropriate website or through the use of a toll-free telephone number.

Fund directors are uniquely suited to oversee funds in the best interest of their shareholders. Oversight of ongoing compliance with the securities laws is an important piece of effective board oversight of registered funds. Oversight may be more challenging during times of regulatory transition. As a result, MFDF encourages the Commission to provide guidance to fund boards regarding any areas it considers

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[3] Letter from David B. Smith Jr., General Counsel, MFDF to Vanessa Contryman, Secretary, United States Securities and Exchange Commission re: Tailored Shareholder Reports at 5 (Jan. 4, 2021) (*available at* https://www.mfdf.org/home/news---resources/news/2021/01/04/forum-comment-letter-tailored-shareholder-reports).

[4] *Id.*

critical to board oversight of electronic document delivery.[5] Any such guidance should allow fund boards to rely on reasonably designed oversight processes tailored to a particular fund complex's specific characteristics, including size and complexity, rather than overly prescriptive operational requirements.

To the extent the proposal is understood to shift delivery-failure risk from the covered entity to individual investors who fail to update contact information, we recommend that the Commission confirm, in the adopting release, the standard by which a fund will be deemed to have satisfied its delivery obligations notwithstanding isolated delivery failures outside the fund's reasonable control — for example, stale email addresses or spam-filtering by third-party email providers. Clear safe-harbor language here would reduce ambiguity for directors evaluating whether the fund's compliance program is functioning as intended.

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MFDF believes broadly permitting electronic delivery of disclosure information will strongly benefit both fund shareholders, funds themselves and the industry as a whole and strongly supports the Commission's proposal. We also offer ways in which the Commission could improve the effectiveness of its proposal as well as better enable fund directors to oversee its implementation and management. We commend the Commission for taking significant steps to address this issue.

We would welcome the opportunity to further discuss our comments with you. Please feel free to contact either Carolyn McPhillips, the MFDF's President, at 202-507-4493 or David Smith, the MFDF's General Counsel, at 202-507-4491 at any time.

Sincerely,

David B. Smith, Jr.

General Counsel

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[5] In this context, we note that the Release does not specifically address the role or responsibilities of the fund board with respect to electronic disclosure. This may be because the release is addressed to virtually all registrants under the securities laws, not just investment companies registered under the Investment Company Act. However, because of the unique role that fund directors play in the oversight of registered funds, including their oversight of the fund's compliance with the securities laws, we believe that the Commission may wish to address the role of fund directors more explicitly to the extent that the Commission has identified any areas unique to registered funds.