

## DALBAR'S TRENDS AND BEST PRACTICES IN INVESTOR STATEMENTS

### INTRODUCTION

DALBAR'S Trends and Best Practices in Investor Statements annual program guides financial services firms in delivering statements that meet the needs of consumers and financial professionals while minimizing costs and maximizing effectiveness. The results show the ranking of statements, analysis of emerging trends in statement content and production, and industry best practices.

### USES

- ✓ Determine if your statement meets customer needs
- ✓ Reduce production costs or other related expenses such as the call centre
- ✓ Determine features that your firm must incorporate into your statement to remain competitive
- ✓ Make the case internally to redesign or update the statement
- ✓ Promote your success when applicable

### DELIVERABLES

#### ➔ *Trends and Best Practices in Investor Statements - Industry Report:*

- Addresses current trends and time-sensitive challenges in statement design and content and includes relevant recommendations and industry best practices. Distinct evaluations are conducted for the following statement types:
  - ➔ *Brokerage*
  - ➔ *Defined Contribution*
  - ➔ *Mutual Funds*
  - ➔ *Segregated Funds*
  - ➔ *Managed Portfolios*
  - ➔ *Universal Life*
- Describes qualities of leadership that distinguish the top ranked statements
- Ranks statements
- Documents criteria used to evaluate statements

## PRODUCT DESCRIPTION

### NEXT STEPS: STATEMENT SUBMISSION

DALBAR offers firms the opportunity to submit a statement and its supporting materials to be included in the ranking. Submitting a statement allows you to ensure that we evaluate your full statement capabilities and identify all of the features offered.

The following are ***tips for your submission***. They are not requirements but do offer guidelines on what to submit:

- ▶ Submit your statement to DALBAR by submission deadline dates (outlined on page 3) to ensure we have the most recent version
- ▶ Outline any customization capabilities that your statement maintains, including:
  - ✓ Consolidation or House-holding
  - ✓ Optional Segments and Modules
  - ✓ Consumer or Financial Professional Customization
  - ✓ Alternate Formats (Braille, Large Print, Audio)
- ▶ Provide the last six months of rotating and custom messaging that appeared on your statement
- ▶ Provide a statement brochure that describes unique features
- ▶ Use the Statement Submission Checklist to guide your submission

### METHODOLOGY

Statements are evaluated and rated against DALBAR's Evaluation Criteria. The Evaluation Criteria are developed from:

- ✓ Consumer Preference
- ✓ Technological Innovations
- ✓ Regulatory Requirements
- ✓ Industry Practice

## PRODUCT DESCRIPTION

Each statement is rated in four categories:

- **Calculated to Be Understood:** Determines whether the most critical content is presented in a manner that can be easily understood by investors.
- **Primary Content:** Basic requirements of the statement, such as identifying the document and showing the value of holdings, etc.
- **Secondary Content:** Features that investors value, but are not basic. These include specifying actions that should be taken with the document, commenting on investment results, etc.
- **Design & Layout:** Elements that enhance the readability, accessibility and understandability of the statement, such as charts, color, and font size and style.

## TIMELINE

Industry Sector	Deadline for Statement Submission	Report Delivery
Managed Portfolio	February 3 <sup>rd</sup> , 2010	Quarter 2, 2010
Mutual Funds	May 3 <sup>rd</sup> , 2010	Quarter 3, 2010
Brokerage	May 3 <sup>rd</sup> , 2010	Quarter 3, 2010
Defined Contribution	August 3 <sup>rd</sup> , 2010	Quarter 4, 2010
Universal Life	November 3 <sup>rd</sup> , 2010	Quarter 1, 2011
Segregated Funds	November 3 <sup>rd</sup> , 2010	Quarter 1, 2011

**PRODUCT DESCRIPTION**
**COSTS**

<b>Description</b>	<b>Purchased <u>Before</u> January 1<sup>st</sup>, 2010</b>	<b>Purchased <u>On or After</u> January 1<sup>st</sup>, 2010</b>
<b>Trends and Best Practices in Investor Statements -Industry Report</b>	<b>\$3,500</b>	<b>\$4,500</b>
<b>Customized Statement Analysis</b> DALBAR takes a critical look at your statement in the context of DALBAR's customer driven measurements and our inventory of related communications pieces in order to recommend the most practical approach to make improvements within the constraint of your firm's goals and budget.  DALBAR's Customized Statement Analysis provides a detailed assessment of your statement that is designed to: <ul style="list-style-type: none"> <li>✓ Identify current weaknesses</li> <li>✓ Outline opportunities for improvement</li> <li>✓ Prioritize those opportunities for improvement that DALBAR deems most critical</li> </ul>	<b>\$5,000</b>	<b>\$6,000</b>
<b>Formal Presentation</b> DALBAR will conduct a formal in-person presentation sharing your firm's results, illustrating best practices, and outlining recommendations for improvement. Stakeholders that are responsible for the transformation of the statement will find tremendous value in leveraging DALBAR's expertise at this session. Input will also be given by DALBAR's Strategic Partners (Simplified Communications & T-Base Communications)	<b>\$2000 + travel costs</b>	<b>\$2500 + travel costs</b>
<b>Communication Seal</b> The DALBAR Communications Seal is used to differentiate those organizations that recognize the importance of customer communications and that have developed high quality solutions to meet their customers needs and preferences. The Seal is the third party endorsement of written and electronic communications that establishes an organization as an industry leader in this critical area.	<b>\$1,500 for the rights to use the seal (if earned)</b>	

## PRODUCT DESCRIPTION

**NOTE:** This is a product description that is intended to illustrate a product that will be delivered to a subscriber. This is not a proposal and is subject to revision without notice. Until an invoice is issued and paid, DALBAR is under no obligation to produce the goods or services as described here.