

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

### INTRODUCTION

DALBAR'S Trends and Best Practices in Investor Statements 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 industry sector:
  - ➔ Brokerage
  - ➔ Defined Contribution
  - ➔ High Net Worth
  - ➔ Managed Portfolio
  - ➔ Mutual Fund
  - ➔ Segregated Fund
  - ➔ Universal Life
- Describes qualities of leadership that distinguish the top ranked statements
- Ranks statements
- Documents criteria used to evaluate statements

## NEXT STEPS: STATEMENT SUBMISSION

DALBAR offers firms the opportunity to submit a statement electronically 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 **February 1<sup>st</sup>** of the year the study is released 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
- ▶ Provide the last six months of rotating and custom messaging that appeared on your statement
- ▶ Provide a statement brochure that describes unique features
- ▶ Use DALBAR'S online Statement Submission Checklist to guide your submission

## 2012 PRODUCT DESCRIPTION

### 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

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 and understandability of the statement, such as charts, color, font size and style.

### TIMELINE

Industry Sector	Deadline for Submission	Report Delivery
Mutual Fund	February 1, 2012	Q2, 2012
Managed Portfolio	February 1, 2012	Q3, 2012
Brokerage	February 1, 2012	Q4, 2012
Defined Contribution	February 1, 2012	Q4, 2012
Segregated Fund	February 1, 2013	Q2, 2013
Universal Life	February 1, 2013	Q3, 2013
High Net Worth	February 1, 2013	Q4, 2013

**2012 PRODUCT DESCRIPTION**
**COSTS**

Description	Early Bird Cost <u>BEFORE</u> December 16, 2011	Cost <u>AFTER</u> December 16, 2011
<p><b>Trends and Best Practices in Investor Statements - Industry Report*</b></p> <ul style="list-style-type: none"> <li>➤ High-level overview of industry</li> <li>➤ Ranking and industry benchmark</li> <li>➤ "Best In Class" examples</li> <li>➤ Trending patterns</li> </ul> <p><i>*This report is completed only once every two years.</i></p>	<b>\$4,000</b>	<b>\$5,000</b>
<p><b>Customized Statement Analysis- LEVEL 1</b></p> <p>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.</p> <p>DALBAR's Customized Statement Analysis provides a detailed assessment of your statement that is designed to:</p> <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 and results from investor perception study deems most critical</li> </ul> <p><b>NEW:</b> Customized alternate statement formats will be included in the completed Customized Statement Analysis</p>	<b>\$6,500</b>	<b>\$7,500</b>



**2012 PRODUCT DESCRIPTION**

Description	Early Bird Cost <u>BEFORE</u> December 16, 2011	Cost <u>AFTER</u> December 16, 2011
<p><b>Customized Statement Analysis- LEVEL 2</b></p> <p>In addition to the Customized Statement Analysis (Level 1) DALBAR will perform a set of user testing studies to determine how well the newly designed concept statement meets the needs of the client, advisors and consultants.</p> <p>Features that enhance or detract from the statement will be identified.</p> <p>By conducting usability interviews, DALBAR can help you gain critical insight into:</p> <ul style="list-style-type: none"> <li>➤ What is important to your audience</li> <li>➤ How they might use your product</li> <li>➤ Why they would not use your product</li> <li>➤ Provides a list of key features, tasks, goals and needs</li> <li>➤ Summary and recommendations: an overview of the key points of data gleaned from the interviews; as well as recommendations for amendments to the current design of the statement</li> </ul>	<p><b>From \$15,000</b></p>	<p><b>From \$16,000</b></p>
<p><b>Customized Statement Analysis &amp; Design Solution</b></p> <p><b>DALBAR and <i>Simplified Communications Group</i> integrated service</b></p> <p><b>NEW:</b> This year, for firms planning to introduce a new statement design, this service combines DALBAR's research with Simplified's discovery and design solution service.</p> <ul style="list-style-type: none"> <li>&gt; A single process, from analysis of your current statement to a concept design for your new statement.</li> <li>&gt; Discovery includes stakeholder interviews of your business processes affecting customer reporting, corporate identity and branding standards, web site, systems, software and data relating to statements, marketing materials, and compliance requirements relating to statement reporting.</li> <li>&gt; Design solution includes approach to format, structure, organization, branding, layout and typography, messaging, plain language writing, and how color charts and other graphic devices should be used. Design solution validated by DALBAR.</li> </ul>	<p><b>From \$80,000 to \$100,000, depending on the industry sector and product complexity</b></p>	

**2012 PRODUCT DESCRIPTION**

Description	Cost
<p><b>Formal Presentation</b></p> <p>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 Group &amp; T-Base Communications).</p>	<p><b>\$3,000 + travel costs</b></p>
<p><b>Communication Seal</b></p> <p>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.</p>	<p><b>\$1,500 for the annual rights to use the seal (if earned)</b></p>
<p><b>Communication Seal Diagnostic</b></p> <p>The DALBAR Communications Seal Diagnostic can assist organizations celebrate their commitment to producing clear, concise and factual investor communication. DALBAR will conduct a seal diagnostic evaluation that will contain the following:</p> <ul style="list-style-type: none"> <li>➤ Score and Ranking of the statement in conjunction with the recent statement evaluation results</li> <li>➤ Key industry best practices</li> <li>➤ Breakdown of how the firm scored in each of our broad categories</li> </ul>	<p><b>\$3,500</b></p>

**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.