

Schedule 1 Bank Leverages Automated Publishing for 'Fund Facts' Disclosure Documents

The Client

Our client is one of Canada's Five Big Banks, with \$655 billion in assets and serving approximately 20 million customers in key businesses in Canada and the U.S., including wealth management, personal and commercial banking. The Financial Institution (FI) approached InvestorCOM to provide an efficient, automated solution to produce and update 950 mutual fund and segregated fund disclosure documents on an ongoing basis.

The Challenge

Canada's mutual fund companies faced a strict July 8, 2011 deadline from regulators to create and post mutual fund point-of-sale documents, known as Fund Facts, to their individual websites as part of Stage 1 of the POS regulation. Regulators mandated the key information provided in these plain language Fund Facts, which must be available for each mutual fund and series of fund in both English and French languages. They must be updated annually and whenever there is a material change to the underlying mutual fund. This represented a huge challenge to both larger mutual fund companies responsible for hundreds and even thousands of disclosure documents, but also the smaller fund companies without the IT infrastructure, staff or budgets to afford the additional compliance activity.

Rather than using the traditional model of using an outside typesetting service provider or hiring more staff to handle the workload, this financial institution decided that it wanted more control over the creation of its Fund Facts because of the tight timeline, sheer volume of work and potential for manual error. Key to the FI's need was a solution that would allow the documents to be tracked, or 'blacklined' – a labour-intensive activity when it comes to the mandated charts and graphs in the new documents. As well, the FI wanted a system that would allow various contributors to collaborate by entering information and managing their documents through an approval workflow. In addition, while all the Fund Facts are very similar looking, there are many nuances that differentiate the documents and there was the danger that mistakes could filter throughout all the Fund Facts.

“Our French translators are 50% faster when using Publisher to translate documents.”

Sr. Manager Product Design and Regulatory Disclosure
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The Solution

InvestorCOM recommended its hosted, Software as a Service (SaaS) solution, Publisher™, to automate the FI's Fund Facts creation process. This module allows fund companies to manage standard and custom content on web-based custom templates and then approve, schedule publication and file documents through SEDAR, the mandatory document filing and retrieval system for Canadian public companies. Most importantly for this FI, Publisher™ provides 'blacklining' capabilities for filing comparisons (including charts and graphs) and an approval workflow with varying permissions by groups or users. Publisher™ also prepopulates the documents through a data feed process, reducing manual involvement and potential errors. It archives previously published versions of Fund Facts and provides the capability of publishing in a number of languages.

Implementing this solution took only six weeks. This was a considerably shorter period than it would have taken an external design firm or to create an in-house system or process. This also allowed the FI to review and update the documents online in real time, on a 24/7 basis, rather than waiting for new document versions to be returned from the typesetter and sent back with updates. In fact, the FI realized these benefits at the first filing when lawyers came back with changes to all 950 documents the day before the filing deadline. The FI staff went online to make the changes, publish the documents and file on time – an impossible turnaround and in the client's words, “a non-starter”, under their former typesetting arrangement. Greater time and cost benefits have accrued to the FI in successive years, with configuration complete and only data updates necessary.

InvestorCOM also created a website repository and point-of-sale document delivery solution, www.InvestorPOS.com, which is integrated with SEDAR and contains the complete universe of approved Fund Facts documents from all fund companies in Canada. This not only allows the latest version of each filed and receipted Fund Facts document to be automatically uploaded to both the client's website (company-specific content only) or housed collectively in the industry repository (all companies' Fund Facts content), but enables dealers and their advisors to draw from the repository to deliver Fund Facts documents electronically or printed and mailed, at or prior to the point-of-sale. As Stages 2 and 3 of the POS regulation are rolled out, dealers are taking advantage of this technology by accessing the InvestorPOS repository and sending Fund Facts to their investors in lieu of the prospectus document.

case study

“The Bank was our first client on the platform and allowed us to become innovators in the industry.”

Anthony Boright, President and Co-founder, **InvestorCOM**

The Benefits

InvestorCOM Publisher™ makes the process of creating and updating Fund Facts more efficient, faster, less expensive in terms of the personnel that would have been required to design the templates, and cuts back on potential errors by using a data feed process. The FI (and other fund companies) can group Fund Facts into separate batches for filing purposes. Contributors, including translators, legal and compliance are able to go into the system and work on updates anytime, dramatically reducing deadline crunches and bypassing traditionally busy quarter and year-end periods. Calendar year returns and other data can be updated regularly and do not have to wait for a specific time. The solution is flexible and supports many document types like the prospectus, MRFP, Financial Statements, Annual Information Form and other data-heavy, structured documents.

About InvestorCOM Inc.

InvestorCOM (www.investorcom.com) is a leader in providing financial technology and outsourcing services to banks, asset managers, insurance companies and investment dealers. We have developed an innovative suite of FinTech solutions in response to increasing regulation and demand for more effective communication and disclosure from the financial services industry. Our solutions address the document composition, delivery, compliance, marketing, reporting and analytics needs of our clients.

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