

Inform intelligent pricing

UNCOVER THE INSIGHTS THAT DRIVE EFFECTIVE MUTUAL FUND PRICING STRATEGIES



Assess fee components



Anticipate trends



Identify inconsistencies



Understand dependencies



Evaluate breakpoints



Establish best practices

STEP UP TO PRICING CHALLENGES

Legal issues, competition, distribution, profitability and economies-of-scale all affect mutual fund pricing. Funds may be priced differently due to mergers, acquisitions and product launches. These cumulative factors are challenging for boards. They can also cause inconsistencies of the sort often seized upon by regulators and litigators. Detailed insight is required to help boards ensure that these factors don't negatively affect shareholder service, transfer agency and sub-transfer agency costs, fees, waivers and more.

GAIN CONTROL OF YOUR DATA

Broadridge Investment Pricing Insights enable boards and management to analyze existing pricing structures and assess competitive pressures, flows and profitability. These insights provide context for strategy discussions and business planning at both the fund and firm level.

IDENTIFY OPPORTUNITIES

Working with Broadridge, boards can:

- Evaluate series and complex-level pricing approaches.
- Compare pricing on a fund-versus-fund level.
- Assess individual fee components.
- Uncover class-specific pricing concerns.
- Identify inconsistencies between asset classes, product types and the implementation of non-management fees.
- Analyze the complex relationships between pricing, performance and distribution—and the effects of pricing on ratings, flows and market share.
- Examine the effects AUM, average account size and investor characteristics have on fees.

BENEFIT FROM AN ITERATIVE APPROACH

Drawing on current and historical data, Broadridge can go through multiple iterations and scenarios to get to the 'right' price, then deliver a new fund report for board approval. This type of iterative approach also helps compensate for outflows and market turbulence. As boards assess and reassess breakpoints, multiple scenarios provide perspective that is far more nuanced than simple straight-line planning.

PRICE WITH CONFIDENCE

Whether pricing a new fund, re-evaluating breakpoints or considering the future impact of different share classes, Broadridge provides the perspective boards require for better decision-making. For example, issues with non-management fees usually affect multiple funds in a family. Broadridge can help identify these issues and provide comparative analytics to help boards address outlying expenses for transfer agency, sub-transfer agency, non-12b-1 distribution and other operational and services fees.

Assessments and multiple scenarios can provide perspective that is far more nuanced than simple straight-line planning.

KEEP LOOKING FORWARD

Boards are accountable to both current and future shareholders. So, Broadridge helps boards to design/redesign reports that recognize potential market effects on each share class and expected fee trends. These reports can also home in on the share classes expected to garner the greatest portion of new assets.

CHOOSE BROADRIDGE

To get the insights you need for a competitive edge, 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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CASE STUDY: CONTRACTUAL-MANAGEMENT FEE BREAKPOINT STUDIES

The challenge

Due to the timing of each launch, different fund series within a fund family had varying breakpoint schedules. Different series also had different policies for adding or adjusting breakpoints in response to asset growth, competitive factors and profitability concerns. Looking to streamline analysis and optimize its pricing strategy, the board turned to Broadridge.

The solution

Broadridge performed an independent, third-party analysis of the different contractual management-fee breakpoints and schedules. In this report, Broadridge detailed the pricing approach behind each series and created a set of peers to which each series could be compared. This report also established a framework for making breakpoints more consistent across the firm.

The outcome

Using the Broadridge framework, the board now has a consistent process for receiving proposals for, and potentially approving, new contractual management fee schedules and breakpoints. This framework is now fully integrated into the firm's own contract review and profitability measures as part of the 15(c) report.

Ready for Next

Communications
Technology
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