



The text below is an excerpt from the ICI Mutual risk management study *Shareholder Authentication: Managing the Risk of Fraudulent Transactions*. The full study may be accessed at www.icimutual.com/ShareholderAuthentication.

Means of Transmission of Transaction Requests

Historically, fund shareholder transaction requests were typically transmitted by traditional means (e.g., letter, facsimile, automated telephone systems, voice over the telephone). In recent years, transaction requests have increasingly been transmitted online (e.g., over the Internet), including through the use of mobile devices and mobile apps. The fund groups consulted for this study report that voice and online transactions together comprise a substantial percentage of fund transactions, and predict that online transactions will eventually become the predominant means of effecting shareholder transactions. The once-common use of facsimile transmissions or automated telephone systems appears to have correspondingly declined in recent years.

Means of Transmitting Transactions

- Letter
- Facsimile transmission
- Automated phone systems
- **Voice over the telephone***
- **Online (web or mobile apps)***

* Focus of this study

The various means of transmitting transactions may differ with respect to the level of risk presented to the fund groups. And fund groups may accordingly impose different restrictions on transactions based on the means of transmitting the transaction request.

About ICI Mutual: ICI Mutual is the predominant provider of D&O/E&O liability insurance and fidelity bonding for the U.S. mutual fund industry. Its insureds represent more than 60% of the industry's managed assets. As the mutual fund industry's dedicated insurance company, ICI Mutual is owned and operated by and for its insureds.