March 14, 2007

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington DC 20549-1090

Re: File No. S7-05-07: Extension of Interactive Data Voluntary Reporting Program on the EDGAR system to Include Mutual Fund Risk/Return Summary Information

Dear Ms. Morris:

We appreciate the opportunity to comment on the proposed rule amendments to extend the current Interactive Data Voluntary Reporting Program to enable mutual funds to submit supplemental tagged information in the risk/return summary section of a prospectus. We believe the Commission's proposal is reasonable and will help both the Commission and the industry evaluate the usefulness of tagging mutual fund information—as it applies to investors, third-party analysts, registrants, the Commission, and the data tagging marketplace.

In this letter, we comment on the following points related to the data set and taxonomy.

- Automating the risk/return data to create interactive data can have an impact in ensuring the accuracy of the industry data for all end users, including shareholders, brokers, third-party data providers, and even the investment companies, themselves.

- Based on industry research cited by the Investment Company Institute, we agree that the correct data set has been chosen for the voluntary reporting program.

- Topic taxonomy extensions should not be encouraged until the proposed taxonomy is enhanced with further definition. These extensions will cause additional complexity without introducing any real benefit to end users.

- Participation can be improved by keeping the taxonomy simple and by allowing voluntary filers to submit amendments to Form N-1A filings at their convenience.

Confluence Overview

Confluence provides a range of product and service offerings, all of which are built on a fund administration platform. At present, our applications are used by more than 60 percent of U.S. mutual funds. Our platform allows fund administrators to create and leverage the following.

- Shareholder reports
- Board reports
- Marketing materials
- Standardized mutual fund calculations

Automation and Interactive Data

Confluence agrees that interactive data will provide an opportunity to automate information throughout the business cycle. An automated environment ensures accuracy and saves tremendous amounts of time and money. However, introducing eXtensible Business Reporting Language (XBRL) does not guarantee automation. Many of the data tagging programs that exist today only introduce a manual data tagging process. Additional software tools will need to be introduced in order to allow data to be identified and tagged at its source, thereby automating the complete processing of the risk/return data via EDGAR filing, and making it accurate and available to the public, the industry, and the Commission.

Beginning with Risk/Return Data

We agree that the risk/return summary section of the mutual fund prospectus is the appropriate place to begin evaluating the tagging of non-financial information. The Investment Company Institute's August 2006 study entitled *Understanding Investor Preferences for Mutual Fund Information* states that investors "consider a wide range of information before purchasing mutual fund shares. They most frequently review or ask questions about a fund's fees and expenses and its historical performance." We agree that it is valuable to incorporate the data in which shareholders are most interested as a first step in tagging data and making it available to the public. Actual use of the tagged data by the public will expose the strengths and weaknesses of XBRL as a method to create more user-friendly access to key information. We do not favor at this time encouraging or including any other data as XBRL submissions. The extra information would create the need for complicated extensions to the Investment Company Institute (ICI) taxonomy, thus making the process of preparing XBRL filings more difficult without providing offsetting benefits to the public.

Concerns Related to the Risk/Return Summary Taxonomy

Encouraging extensions to the approved taxonomy would be inappropriate with regard to the risk/return summary information. The extensions that allow a user to create Topic Taxonomies for creating new investment objectives, strategies, and risks seem especially inappropriate because these extensions would introduce complexity without providing benefit. Unless the added topic taxonomy extensions were all created in the same format, the data in them could not be mined effectively. We believe that those extensions would not prove valuable to users of the data *until* the accepted taxonomy has been enhanced with definitions on how they should be included.

Encouraging Participation

The Commission has asked for guidance on the possible steps to be taken to encourage mutual funds to participate in the expanded voluntary program. We believe there are several contributing decisions in the Commission's proposal that encourage fund participation.

In our view, the most important step to encourage participation is to clearly articulate that tagged risk/return summary information may be submitted based on the filer's convenience—by amending a previously accepted N-1A filing. This would provide investment companies the opportunity to send the tagged risk/return summary information without deadline pressure.

Additionally, keeping the taxonomy simple will allow increased participation. In order to keep the taxonomy simple, we recommend that the Commission not permit the filing of additional information such as topic taxonomy extensions and financial highlights at this time. The initial interactive data goals will be achieved more easily by limiting the complexity associated with making filings, and utilizing the data that is filed.

Conclusion

In conclusion, we believe the Commission's proposed rule amendments are reasonable. The proposed data extension to the current voluntary reporting program will enable mutual funds to voluntarily submit supplemental tagged information contained in the risk/return summary section of their prospectuses. The resulting interactive risk/return information will be well defined, more accurate, and more widely available than in the past. The defined data set will then be more beneficial to investors, third-party analysts, registrants, the Commission, and the data tagging marketplace.

We greatly appreciate the opportunity to offer comment on the proposed rule. If you have any questions, or if we may be of any assistance during your review of these issues, please contact me at 412.802.8632.

Sincerely,

Kirk Botula
EVP and Chief Operating Officer
Confluence