

**MEMO# 1732**

February 21, 1990

## **DRAFT COMMENT LETTER ON PROPOSED REVISIONS TO FORM N-1A**

February 21, 1990 TO: SEC RULES COMMITTEE NO. 14-90 ACCOUNTING/TREASURERS  
COMMITTEE NO. 6-90 OPERATIONS COMMITTEE NO. 4-90 ADVERTISING SUBCOMMITTEE RE:  
DRAFT COMMENT LETTER ON PROPOSED REVISIONS TO FORM N-1A

Attached is a copy of the Institute's draft comment letter on the proposed revisions to Form N-1A. The Institute's comments on the proposals are summarized on pages 2-4 of the attached draft. As you know, the Commission has proposed significant disclosure items for mutual fund prospectuses such as disclosure of the fund's past investment performance and of the fund's portfolio managers. We believe that in this instance the industry would have a greater impact if the Commission received letters from individual fund groups. We therefore encourage you to file your own letters on these proposals and, where appropriate, to include detailed examples of the potential problems the proposals create for your funds (e.g., picking an "appropriate securities index" for comparison with your fund's performance, disclosure of portfolio managers where a "team" approach is used). The comment period for the proposed revisions ends on March 12, 1990. It is therefore essential that I receive any comments that you may have on the attached draft by March 2, 1990. My direct line is 202/955-3523. Amy B. Rosenblum Assistant General Counsel Attachment

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