

MEMO# 6577

January 18, 1995

PROFILES OF FIRST-TIME MUTUAL FUND BUYERS

January 18, 1995 TO: BOARD OF GOVERNORS No. 12-95 BROKER/DEALER ASSOCIATE MEMBERS No. 2-95 DIRECT MARKETING COMMITTEE No. 5-95 INDUSTRY STATISTICS COMMITTEE No. 3-95 MARKETING POLICY COMMITTEE No. 6-95 MEMBERS - ONE PER COMPLEX No. 7-95 PUBLIC INFORMATION COMMITTEE No. 4-95 RESEARCH COMMITTEE No. 4-95 SALES FORCE MARKETING COMMITTEE No. 5-95 SHAREHOLDER COMMUNICATIONS COMMITTEE No. 5-95 SMALL FUNDS COMMITTEE No. 3-95 RE: Profiles of First-time Mutual Fund Buyers _____

Enclosed is a copy of Profiles of First-time Mutual Fund Buyers. Based on telephone interviews with shareholders who purchased their initial mutual fund between January 1992 and April 1994, this report provides a detailed profile of first-time fund buyers. The study compared first-time buyers with shareholders who purchased their first fund before January 1992. The report also examines first-time buyers according to the distribution channel used to purchase their first fund, the type of fund initially purchased, age, income, and gender. Profiles of First-time Mutual Fund Buyers will be a valuable resource to fund management across the industry because it identifies in one place the key demographic and financial characteristics of this very important segment of shareholders. The report will serve as both an informational and education tool for the industry. Extra copies of this report will be available to members for \$10.00 each. For comments or questions about this report, please contact Vicky Leonard-Chambers at (202) 326-5918. Sandra J. West Director, Marketing Research

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