

MEMO# 8400

November 15, 1996

INSTITUTE TASK FORCE FORMED: REVIEW OF METHOD OF SALES DATA

November 15, 1996 TO: SALES FORCE MARKETING COMMITTEE No. 41-96 RE: INSTITUTE TASK FORCE FORMED: REVIEW OF METHOD OF SALES DATA

_____ As reported at the September 26, 1996 Sales Force Marketing Committee meeting and in an October 17, 1996 memorandum sent to this Committee, a task force consisting of members of the Institutes Industry Statistics and Research Committees has been formed. This task force is reviewing the process used by the Institute to classify and report data by Method of Sales. After its review, the task force will make recommendations for improvements to the Method of Sales (MOS) categories and evaluate the feasibility of other methods of tracking data by sales channel. Background: The Institute currently categorizes each fund by its primary sales channel as described in the prospectus. Once a fund is categorized, all statistics for that fund are reported under the assigned MOS even though some of the funds sales may have come from other sales channels. While this system works well for the timely release of aggregate routine statistics, the broadness of the categories obscures the variety of outlets being utilized. As new distribution channels are created and funds expand the number of channels they use, there is concern that the current system produces an inaccurate picture of the industry. Your Recommendations Are Welcome: An update about the task forces progress will be provided at the January 15, 1997 Sales Force Marketing Committee meeting in Scottsdale, Arizona. Meanwhile, if you have any recommendations that you would like to make concerning how the Institute tracks and reports data by sales channel, please call me at 202/326-5883 (electronic mail: brenner@ici.com) and I will forward your suggestions to the task force. I look forward to seeing you in Scottsdale. Linda Brenner
Director, Sales Force Marketing and Financial Planning Services