

**MEMO# 3297**

November 26, 1991

## **LETTER TO STAFF ON COMPARATIVE ADVERTISEMENTS**

November 26, 1991 TO: SUBCOMMITTEE ON ADVERTISING NO. 6-91 RE: LETTER TO STAFF  
ON COMPARATIVE ADVERTISEMENTS

\_\_\_\_\_. Attached is the Institute's letter to the staff of the Division of Investment Management concerning advertisements for income funds that compare their performance to that of money market funds. (A draft of the letter was previously circulated to you. See Memorandum to Subcommittee on Advertising No. 2-91, dated November 7, 1991.) The letter, which was submitted in draft form, recommends that any misleading or unbalanced comparisons be addressed on a case-by-case basis rather than by prohibiting, or requiring substantial "boilerplate" disclosure in the case of, advertisements that contain such comparisons. Specifically, the letter recommends that such advertisements disclose the greater likelihood and magnitude of principal fluctuations on the part of an income fund, as opposed to a money market fund. The nature and prominence of the disclosure would depend on the manner in which the performance comparison is presented, as well as on the type of income fund in question. Craig S. Tyle Deputy General Counsel Attachment

---

**Source URL:** <https://icinew-stage.ici.org/memo-3297>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.