

**MEMO# 6453**

December 12, 1994

## **SEC CONCEPT RELEASE ON DISCLOSURE OF FORWARD-LOOKING INFORMATION**

December 12, 1994 TO: SEC RULES COMMITTEE No. 132-94 CLOSED-END FUND  
COMMITTEE No. 35-94 UNIT INVESTMENT TRUST COMMITTEE No. 83-94 RE: SEC CONCEPT  
RELEASE ON DISCLOSURE OF FORWARD-LOOKING INFORMATION

As we previously informed you, the Securities and Exchange Commission has issued a concept release soliciting comment on current practices relating to disclosure of forward-looking information. (See Memorandum to Closed-End Fund Members No. 37-94, SEC Rules Members No. 79-94 and Unit Investment Trust Members No. 41-94, dated October 31, 1994.) In particular, the SEC solicited comment on the current effectiveness of the safe harbor provisions for forward-looking statements set forth in Rules 175 under the Securities Act and 3b-6 under the Exchange Act. In its release, the SEC solicited comment on whether the safe harbors should be extended to cover forward-looking information issued by investment companies. Attached is the relevant section from the SEC's release dealing with investment companies. In 1978 when the SEC first proposed the safe harbors, the Institute filed a comment letter recommending that investment companies be able to rely on them. We stated that there was no policy justification for treating investment companies differently from other issuers. More recently, however, we opposed measures used to facilitate the use of mutual fund ratings in prospectuses based, in part, upon the fact that the SEC and NASD generally prohibit the use of forward-looking performance disclosure with respect to mutual funds. Comments on the SEC's concept release are due on January 11, 1995. Please provide me with any comments that you have on the release and, specifically, on the investment company issues on which the SEC has solicited comment by December 20, 1994. I am particularly interested in your views on whether we should take the same position expressed in our 1978 comment letter. My direct number is 202/326-5824. Amy B.R. Lancellotta Associate Counsel Attachment