

**MEMO# 8976**

June 10, 1997

## **INSTITUTE COMMENTS ON SEC'S PROPOSED FUND PROFILE**

June 10, 1997 TO: PENSION COMMITTEE No. 20-97 RE: INSTITUTE COMMENTS ON SEC'S  
PROPOSED FUND PROFILE

\_\_\_\_\_ The Securities and Exchange Commission has proposed significant changes to the disclosure requirements applicable to mutual funds. The proposals would (1) allow funds to use a simplified "fund profile," which would provide investors with the option of purchasing fund shares or requesting the long-form prospectus, (2) substantially revise Form N-1A and (3) increase the "name test" investment requirement from 65% to 80% (which would apply to all investment companies). On June 9, 1997, the Institute submitted comment letters on each of these proposals. Of particular relevance to the retirement plans market is the SEC's "fund profile" proposal. The Institute's comment letter on this proposal, which was previously circulated to you in draft form, is attached. The Institute's letter strongly supports the Commission's proposal to authorize the use of fund profiles and urges the Commission to act expeditiously in adopting a final profile rule. The Institute's letter is very supportive of the Commission's efforts to permit funds to tailor a fund profile for retirement plan participants and specifically supports permitting funds to omit purchase and redemption information, distribution and taxation information and information regarding fund services from profiles provided only to retirement plan investors. Russell G. Galer  
Assistant Counsel - Pension Attachment (in .pdf format)

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