

MEMO# 2099

August 8, 1990

INSTITUTE SUBMITS REVISED PROPOSAL FOR PORTFOLIO MANAGER DISCLOSURE

August 8, 1990 TO: SEC RULES COMMITTEE NO. 42-90 CLOSED-END FUND COMMITTEE NO. 17-90 BOARD OF GOVERNORS NO. 55-90 PORTFOLIO MANAGER DISCLOSURE AD HOC COMMITTEE RE: INSTITUTE SUBMITS REVISED PROPOSAL FOR PORTFOLIO MANAGER DISCLOSURE _____

On May 24, 1990, the Institute staff met with members of the SEC's Division of Investment Management to discuss the SEC's proposed revisions to Form N-1A. One of the issues that was discussed was the SEC's proposal to require disclosure regarding "all persons who make or are expected to make significant contributions to the investment advice provided to the registrant." (The SEC has proposed the same requirement in connection with the Form N-2). At the meeting, the staff acknowledged that the SEC's proposed disclosure standard could be overly broad. However, the staff also commented that the test set forth in the Institute's comment letter (i.e., "the success of the fund may be, to a large extent, contingent upon retaining such person") was too restrictive since there could be too many instances where there would not be anyone named. In this respect, the staff stated that one problem with the Institute's proposal was that the standard focused on the fund's performance. The staff suggested that if the Institute wished to revise and resubmit its proposal, the staff would consider it when developing its final recommendations to the Commission. The Institute, with the assistance of an ad hoc committee of members, revised its proposal to take into consideration the staff's concerns expressed at the meeting. Attached is a copy of our revised proposal. We will keep you informed of any developments. Amy B. Rosenblum
Assistant General Counsel Attachment