

**MEMO# 2559**

February 27, 1991

## **TWO NEW FUND DATABASE SERVICES AVAILABLE FROM ICI**

1 February 27, 1991 TO: MEMBERS - ONE PER COMPLEX NO. 8-91 OPERATIONS COMMITTEE NO. 6-91 RESEARCH COMMITTEE NO. 5-91 INDUSTRY STATISTICS COMMITTEE NO. 1-91 RE: TWO NEW FUND DATABASE SERVICES AVAILABLE FROM ICI

The Investment Company Institute is developing a new data collection and dissemination service for members. Ultimately, this service will have three main components: 1. Universal data collection. In addition to data currently collected, the Institute will collect a wide variety of other data of public interest about individual funds from funds themselves and from other reliable sources, e.g. the NASD daily fund pricing service. This data will include, among other things, the information needed to compute fund investment performance, i.e. NAVs, amount and date of dividends and capital gains distributions, date of reinvestment, reinvestment price, splits, etc. 2. Universal data dissemination. The Institute will disseminate both the data it collects and historical raw performance data it has obtained under license to members and, eventually, to interested non-members. This information will be accessed via the FUNDS system. The information supplied directly by the Institute will be limited to primary data. Calculated fund performance information will not be available from the Institute. 3. Access via FUNDS to data, reports, and analyses prepared by outside service providers. External service providers have been invited to make their products and services available in electronic format via FUNDS. It is expected that some of these services would for a fee provide their fund performance rankings, competitive analyses and other data related products. Some of these products may include software that would allow integration of service provider data with other data available directly from the Institute via FUNDS.

**TWO NEW SERVICES AVAILABLE NOW** As a first step in the development of the data dissemination services described above, the Institute will make available to members by subscription two new electronic database services: (1) open-end fund information needed to compute investment performance and (2) closed-end fund price and net asset value data. The open-end fund service is based on historical information compiled by Investment Company Data, Inc. on more than 2,500 funds dating back to the later of 1962 or the initiation of the fund. The database consists of month-end NAV, the amount and date of distributions, splits and reinvestment prices. This data is cross referenced to other data already in the ICI maintained Individual Fund File currently accessible on the FUNDS system. This referencing will allow the data to be sorted against a wide variety of criteria, e.g. performance data can be extracted for all funds with aggressive growth as investment objective, assets less than \$100 million, distribution through a sales force, and no 12b-1 plan. Members who subscribe to the Institute's performance database service will need their own software to compute total returns and to integrate performance data with sales or asset data and other information available via FUNDS. This data service may be used for

sales support and internal purposes but the data may not be resold nor may the Institute be cited as a source for individual performance rankings. The closed-end fund database, also available by subscription, will contain weekly NAV and price history on all closed-end funds using the Institute's weekly price quotation service, dating back to October 1987. Currently, data is included for 159 funds of which 19 are diversified funds, 80 are specialized equity funds, 6 are flexible portfolio funds, 50 are bond funds, and 4 are loan participation funds. This database does not include information on closed-end funds dividends and capital gains distributions. A technical description of these databases is attached. 3License fees for these databases are as follows: Open-end fund data Member groups with aggregate assets > \$10 billion = \$6,000 per annum " " " " " > \$2 bil. < \$10 bil. = \$5,000 per annum " " " " " > \$1 bil. < \$2 bil. = \$4,000 per annum " " " " " > \$.5 bil. < \$1 bil. = \$3,000 per annum " " " " " > \$.1 bil. < \$.5 bil. = \$2,000 per annum " " " " " < \$1 bil. = \$1,000 per annum Closed-end fund data Perpetual license to use historical data compiled to date = \$200. Annual update (weekly data) = \$144. Both historical datafiles will be conveyed to members on diskettes. Periodic data updates will be via electronic files accessible by FUNDS subscribers only. Use of these new databases will be governed by a new comprehensive FUNDS system license. This is necessitated by conditions attached to the license to the historical open-end data obtained from Investment Company Data Inc. TO SUBSCRIBE To subscribe to either of these new data services, please complete the attached information form and return it to the Institute. You will soon receive a packet containing software license agreements and additional technical information. Should you have immediate questions regarding this service, please call Mike Halbrook at the Institute at (202) 955-3553. C. Richard Pogue Senior Vice President - Management Enclosures

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