

**MEMO# 5964**

June 14, 1994

## **REQUEST FOR MARKET SURVEY RESEARCH**

June 14, 1994 TO: RESEARCH COMMITTEE NO. 18-94 SEC RULES COMMITTEE NO. 62-94 SHAREHOLDER COMMUNICATIONS COMMITTEE NO. 13-94 RE: REQUEST FOR MARKET SURVEY RESEARCH \_\_\_\_\_ The North American Securities Administrators Association recently formed the Disclosure Reform Committee ("Committee") to develop recommendations to improve existing disclosure requirements and practices in the securities industry. The primary goal of the Committee is to produce a report by the end of the year that identifies and describes reform measures necessary to increase the readability and adequacy of disclosure documents. The Committee and its Advisory Group, which includes the Institute, recently met to discuss the Committee's projects and possible methods to accomplish these projects. The Committee determined that basic information about the "average investor" and the financial literacy of the "average investor" is necessary in order for the Committee to make informed recommendations on ways to improve disclosure. The Institute has been asked to gather market survey research from its members to share with the Committee. Of particular interest to the Committee is research relating to the type of information investors rely upon in making investment decisions, and the financial literacy of the average investor. Also, if your fund complex has simplified the language in disclosure materials provided to investors (e.g., annual reports, prospectuses), we would be interested in receiving information on the effectiveness of these changes. A copy of the Committee's request for information to the Institute is attached. If you or anyone within your firm has any information or recommendations on the foregoing, please provide them to me by Friday, July 1, 1994. Given the sensitive nature of this type of information, the Committee has assured the Institute that any information provided to it will be kept confidential. If you have any questions, please contact Patricia Louie, Associate Counsel (202/326-5821), or Sandy West, Director of Marketing Research (202/326-5912). Paul Schott Stevens General Counsel  
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