

MEMO# 2003

July 2, 1990

INSTITUTE LETTER TO SEC STAFF CONCERNING PROSPECTUS REFORM

July 2, 1990 TO: BOARD OF GOVERNORS NO. 47-90 SEC RULES MEMBERS NO. 47-90
PROSPECTUS REFORM AD HOC COMMITTEE RE: INSTITUTE LETTER TO SEC STAFF
CONCERNING PROSPECTUS REFORM

As you know, the Institute has expressed its concern to the SEC and the staff of the Division of Investment Management about "disclosure creep" and the resultant increased length of prospectuses. (See Memorandum to Board of Governors No. 78-89 and SEC Rules Members No. 74-89, dated January 11, 1990.) In response, the staff recommended that registrants review their prospectuses to identify specific areas of disclosure that could be deleted, reduced or redistributed between the prospectus and the Statement of Additional Information. Attached is a letter submitted by the Institute to the staff recommending specific areas of prospectus disclosure that should be reduced, eliminated or moved to the SAI. The letter, which was prepared with the assistance of the Institute's Prospectus Reform Ad Hoc Committee, recommends that the following areas of disclosure be streamlined: disclosure of yield and total return calculations, foreign securities, investment in securities which will not constitute the portfolio emphasis, additional fee table items, shareholder voting rights, exchange offers and telephone redemption. We will keep you informed of developments on this matter. Amy B. Rosenblum Assistant General Counsel Attachment

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