

Comment Letter on Profile Prospectus Research to SEC, May 1996

May 20, 1996

The Honorable Arthur J. Levitt, Jr.
Chairman
U.S. Securities and Exchange Commission
450 5th Street, N.W.
Washington, D.C. 20549

Re: Profile Prospectuses

Dear Chairman Levitt:

The Investment Company Institute is pleased to submit for your consideration the Institute's [research findings and recommendations](#) concerning the profile prospectus. As you know, in August 1995, the Commission approved use on a one-year trial basis of prototype versions of a profile prospectus. At your request, the Institute and various of its members participating in the project agreed at that time to undertake substantial research with respect to the profile and to report the results to the Commission.

The research of the Institute and the fund complexes that participated in the profile project provide strong evidence that the profile prospectus serves as a model for effective disclosure. Nevertheless, after consulting with Institute members and outside experts on mutual fund disclosure and related issues, the Institute and the participating fund groups determined that the disclosures contained in the profile prospectus could be improved still further. Consequently, we are submitting a regulatory proposal to the Commission that would provide substantial modifications to the prototype profile prospectus and would allow the use of the profile as a stand-alone document.

The Institute hopes that you will agree that our recommendations are in keeping with your important objectives of providing mutual fund investors with the information that they need, in a format that they will use. We look forward to working with the Commission as it considers this important regulatory initiative.

Sincerely,

Matthew P. Fink

Enclosures
cc: Barry Barbash
Director, Division of Investment Management