Understanding Investor Preferences for Mutual Fund Information

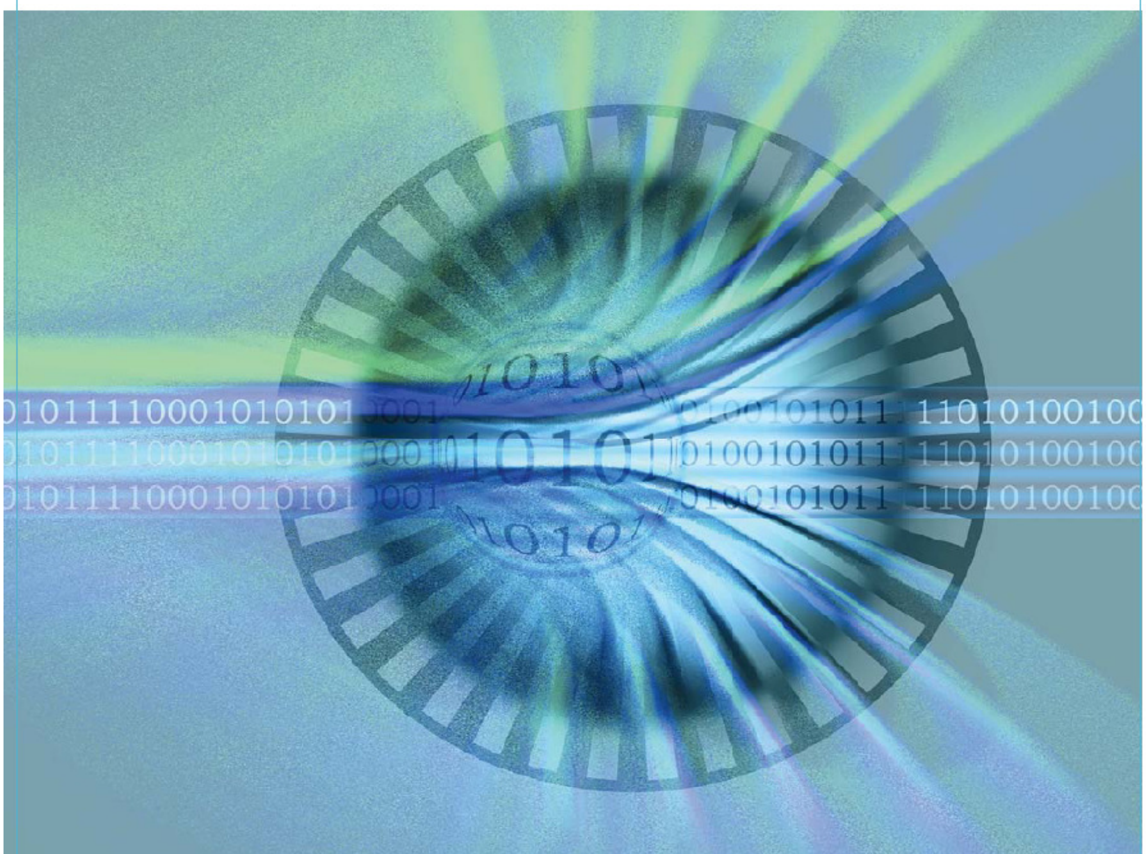

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FIGURE 1

Shareholders Typically Review a Range of Information Before and After Purchasing a Fund
Percent of recent fund investors, 2006

Information Reviewed Before a Purchase[1]	Information Reviewed After a Purchase[1]
1 Fees and expenses[2] (74 percent)	1 Performance[4] (76 percent)
2 Historical performance[2] (69 percent)	2 Account balance (73 percent)
3 Fund risks[2] (61 percent)	3 Price per share[3] (60 percent)
4 Price per share (58 percent)	4 Fees and expenses (55 percent)
5 Types of securities held by fund[2] (57 percent)	5 Portfolio holdings[3] (41 percent)
6 Minimum investment (57 percent)	6 Economic factors affecting fund performance[4] (37 percent)
7 Performance compared with index[2,4] (55 percent)	7 Fund's ranking among similar funds (35 percent)
8 Sales charge, if any[2] (52 percent)	8 Developments concerning fund management[4] (21 percent)
9 Tax consequences[2] (47 percent)	
10 Dividend and distribution information (47 percent)	
11 Company offering the fund (45 percent)	
12 Investment objectives[2] (40 percent)	
13 How to buy and sell fund shares (39 percent)	
14 Fund services (37 percent)	
15 Fund's rating from a rating service (35 percent)	
16 Portfolio turnover rate (34 percent)	
17 Portfolio manager (25 percent)	
18 Board of directors (15 percent)	
19 Proxy voting policies (15 percent)	
Mean number of items considered = 9 Median number of items considered = 8	Mean number of items monitored = 4 Median number of items monitored = 4

[1] Multiple responses are included.
[2] These items must be included in the beginning of the prospectus in the Risk/Return Summary.
3 These items must be included in semiannual and annual reports.
4 These items must be included in annual reports.

NOTE: The confidence interval for these estimates is ± 3.6 percentage points at the 95 percent confidence level.
SOURCE: Investment Company Institute

Investors' Mutual Fund Information Needs

Investors usually review a wide range of information before purchasing fund shares outside workplace retirement plans. Most often, investors want to know about a fund's fees and expenses as well as its historical performance prior to purchasing shares (Figure 1). In contrast, investors rarely review or ask questions about a fund's portfolio manager, board of directors, or proxy voting policies.