

PAPERWORK REDUCTION ACT
SUPPORTING STATEMENT

RULE 498

A. JUSTIFICATION

1. Necessity for the Information Collection

Section 5(b)(2) of the Securities Act of 1933 (“Securities Act”)¹ makes it unlawful for any person, directly or indirectly, to carry or cause to be carried through the mails or in interstate commerce securities for the purpose of sale or for delivery after sale, unless accompanied or preceded by a prospectus meeting the requirements of Section 10 of the Securities Act.² Section 10(a) of the Securities Act describes the type of information required to be included in a prospectus.³ Additionally, sections 10(b) of the Securities Act and 24(g) of the Investment Company Act of 1940⁴ permit the Commission to allow the use of a prospectus that omits or summarizes information required by section 10(a). Under such authority, the Commission originally adopted rule 498 of the Securities Act.⁵ In November 2008, under the Commission’s exemptive authority under Section 28 of the Securities Act, the Commission adopted new rule 498. Under new rule 498, key information will be sent or given to investors in the form of a summary prospectus (“Summary Prospectus”), and the statutory prospectus will be provided on an Internet Web site. Upon an investor’s request, funds will also be required to send the statutory prospectus to the investor.

¹ 15 U.S.C. 77e(b)(2).

² 15 U.S.C. 77j. A “prospectus,” as defined by the Securities Act, is any prospectus, notice, circular, advertisement, letter, or communication, written or by radio or television, which offers any security for sale or confirms the sale of any security, with certain exceptions. 15 U.S.C. 77b(a)(10).

³ 15 U.S.C. 77j.

⁴ 15 U.S.C. 80a-24(g).

⁵ 17 CFR § 230.498.

Millions of individual Americans invest in shares of open-end management investment companies (“mutual funds” or “funds”),⁶ relying on them for their retirement, their children’s education, and their other basic financial needs.⁷ These investors face a difficult task in choosing among the more than 8,000 available mutual funds.⁸ Fund prospectuses, which have been criticized by investor advocates, representatives of the fund industry, and others as being too long and complicated, often prove difficult for investors to use efficiently in comparing their many choices.⁹ Current Commission rules require mutual fund prospectuses to contain key information about investment objectives, risks, and expenses that, while important to investors, can be difficult for investors to extract. Prospectuses are often long, both because they contain a wealth of detailed information, which our rules require, and because prospectuses for multiple funds are often combined in a single document. Too frequently, the language of prospectuses is complex and legalistic, and the presentation formats make little use of graphic design

⁶ An open-end management investment company is an investment company, other than a unit investment trust or face-amount certificate company, that offers for sale or has outstanding any redeemable security of which it is the issuer. See Sections 4 and 5(a)(1) of the Investment Company Act [15 U.S.C. 80a-4 and 80a-5(a)(1)].

⁷ Investment Company Institute, 2008 Investment Company Fact Book, at 70 (2008) (“2008 ICI Fact Book”), available at http://www.ici.org/pdf/2008_factbook.pdf (88 million individual investors own mutual funds).

⁸ Id. at 15 (in 2007, there were 8,752 mutual funds).

⁹ See, e.g., Don Phillips, Managing Director, Morningstar, Inc., Transcript of U.S. Securities and Exchange Commission Interactive Data Roundtable, at 26 (June 12, 2006), available at <http://www.sec.gov/spotlight/xbrl/xbrlofficialtranscript0606.pdf> (“June 12 Roundtable Transcript”) (stating that current prospectus is “bombarding investors with way more information than they can handle and that they can intelligently assimilate”). A Webcast archive of the June 12 Interactive Data Roundtable is available at <http://www.connectlive.com/events/secxbrl/>. See also Investment Company Institute, Understanding Preferences for Mutual Fund Information, at 8 (Aug. 2006), available at http://ici.org/pdf/rpt_06_inv_prefs_summary.pdf (“ICI Investor Preferences Study”) (noting that sixty percent of recent fund investors describe mutual fund prospectuses as very or somewhat difficult to understand, and two-thirds say prospectuses contain too much information); Associated Press Online, Experts: Investors Face Excess Information (May 25, 2005) (“There is broad agreement . . . that prospectuses have too much information . . . to be useful.” (quoting Mercer Bullard, President, Fund Democracy, Inc.)); Thomas P. Lemke and Gerald T. Lins, The “Gift” of Disclosure: A Suggested Approach for Managed Investments, The Investment Lawyer, at 19 (Jan. 2001) (stating that the fund prospectus “typically contains more information than the average investor needs”).

techniques that would contribute to readability.

Numerous commentators have suggested that investment information that is key to an investment decision should be provided in a streamlined document with other more detailed information provided elsewhere.¹⁰ Furthermore, recent investor surveys indicate that investors prefer to receive information in concise, user-friendly formats.¹¹

¹⁰ See, e.g., Charles A. Jaffe, Improving Disclosure of Funds Can Be Done, The Fort Worth Star-Telegram (May 7, 2006) (“Bring back the profile prospectus, and make its use mandatory. . . . A two page-summary of [the] key points [in the profile] – at the front of the prospectus – would give investors the bare minimum of what they should know out of the paperwork.”); Experts: Investors Face Excess Information, *supra* note Error: Reference source not found (stating “a possible middle ground in the disclosure debate is to rely more heavily on so-called profile documents which provide a two-page synopsis of a fund” (attributing statement to Mercer Bullard, President, Fund Democracy, Inc.)); Mutual Funds: A Review of the Regulatory Landscape, Hearing Before the Subcomm. on Capital Markets, Insurance and Government Sponsored Enterprises of the Comm. on Financial Services, U.S. House of Representatives, 109th Cong. (May 10, 2005), at 24 (“To my mind, a new and enhanced mutual fund prospectus should have two core components. It should be short, addressing only the most important factors about which typical fund investors care in making investment decisions, and it should be supplemented by additional information available electronically, specifically through the Internet, unless an investor chooses to receive additional information through other means.” (Testimony of Barry P. Barbash, then Partner, Shearman & Sterling LLP)); Thomas P. Lemke and Gerald T. Lins, The “Gift” of Disclosure: A Suggested Approach for Managed Investments, *supra* note Error: Reference source not found, at 19 (information that is important to investors includes goals and investment policies, risks, costs, performance, and the identity and background of the manager).

In addition, a mutual fund task force organized by the National Association of Securities Dealers, Inc. (“NASD”) supported the use of a “profile plus” document, on the Internet, that would include, among other things, basic information about a fund’s investment strategies, risks, and total costs, with hyperlinks to additional information in the prospectus. See NASD Mutual Fund Task Force, Report of the Mutual Fund Task Force: Mutual Fund Distribution (Mar. 2005), available at http://www.finra.org/web/groups/rules_regs/documents/rules_regs/p013690.pdf (“NASD Mutual Fund Task Force Report”). The name of NASD has been changed to the Financial Industry Regulatory Authority, Inc. (“FINRA”).

¹¹ See ICI Investor Preferences Study, *supra* note Error: Reference source not found, at 29 (“Nearly nine in 10 recent fund investors say they prefer a summary of the information they want to know before buying fund shares, either alone or along with a detailed document Just 13 percent prefer to receive only a detailed document.”); Barbara Roper and Stephen Brobeck, Consumer Federation of America, Mutual Fund Purchase Practices, at 13-14 (June 2006), available at http://www.consumerfed.org/pdfs/mutual_fund_survey_report.pdf (survey respondents

Similar opinions were voiced at a roundtable held by the Commission in June 2006, at which representatives from investor groups, the mutual fund industry, analysts, and others discussed how the Commission could change the mutual fund disclosure framework so that investors would be provided with better information. Significant discussion at the roundtable concerned the importance of providing mutual fund investors with access to key fund data in a shorter, more easily understandable format.¹² The participants focused on the importance of providing mutual fund investors with shorter disclosure documents, containing key information, with more detailed disclosure documents available to investors and others who choose to review additional information.¹³ There was consensus among the roundtable participants that the key information that investors need to make an investment decision includes information about a mutual fund's investment objectives and strategies, risks, costs, and performance.¹⁴

more likely to consult a fund summary document rather than a prospectus or other written materials).

¹² See, e.g., Henry H. Hopkins, Vice President and Chief Legal Counsel, T. Rowe Price Group, Inc., June 12 Roundtable Transcript, supra note Error: Reference source not found, at 31 (“[S]hareholders prefer receiving a concise summary of fund information before buying.”).

¹³ See, e.g., Don Phillips, Managing Director, Morningstar, Inc., id. at 27 (stating that mutual fund investors need two different documents, including a simplified print document and a tagged electronic document); Paul Schott Stevens, President and Chief Executive Officer, Investment Company Institute, id. at 72-73 (urging the Commission to consider permitting mutual funds to “deliver a clear concise disclosure document . . . much like the profile prospectus” with a statement that additional disclosure is available on the funds’ Web site or upon request in paper).

¹⁴ See, e.g., Barbara Roper, Director of Investor Protection, Consumer Federation of America, id. at 20 (noting that there is “agreement to the point of near unanimity about the basic factors that investors should consider when selecting a mutual fund. These closely track the content of the original fund profile with highest priority given to investment objectives and strategies, risks, costs, and past performance particularly as it relates to the volatility of past returns.”). See also Paul G. Haaga, Jr., Executive Vice President, Capital Research and Management Company, id. at 90 (stating that the Commission should “specify some minimum amounts of information” to provide investors with “something along the lines of the [fund] profile”); Henry H. Hopkins, Vice President and Chief Legal Counsel, T. Rowe Price Group, Inc., id. at 31 (“The profile is

The roundtable participants also discussed the potential benefits of increased Internet availability of fund disclosure documents, which include, among other things, facilitating comparisons among funds and replacing “one-size-fits-all” disclosure with disclosure that each investor can tailor to his or her own needs.¹⁵ In recent years, access to the Internet has greatly expanded,¹⁶ and significant strides have been made in the speed and quality of Internet connections.¹⁷ As suggested by the participants at the June 2006 roundtable, advances in technology also offer a promising means to address the length and complexity of mutual fund prospectuses by streamlining the key information that is

an excellent well organized disclosure document whose content requirements were substantiated by SEC-sponsored focus groups and an industry pilot program.”)

¹⁵ See, e.g., Paul Schott Stevens, President and Chief Executive Officer, Investment Company Institute, *id.* at 70-71 (stating that the Internet can serve as “far more than a stand-in for paper documents It can . . . put investors in control when it comes to information about their investments.”); Don Phillips, Managing Director, Morningstar, Inc., *id.* at 49 (discussing “the ability to use the Internet as a tool for comparative shopping”).

¹⁶ Recent surveys show that Internet use among adults is at an all time high with approximately three quarters of Americans having access to the Internet. See A Typology of Information and Technology Users, Pew Internet & American Life Project, at 2 (May 2007), available at http://www.pewinternet.org/pdfs/PIP_ICT_Typology.pdf; Internet Penetration and Impact, Pew Internet & American Life Project, at 3 (Apr. 2006), available at http://www.pewinternet.org/pdfs/PIP_Internet_Impact.pdf. Further, while some have noted a “digital divide” for certain groups, see, e.g., Susannah Fox, Digital Divisions, Pew Internet & American Life Project, at 1 (Oct. 5, 2005) (noting that certain groups lag behind in Internet usage, including Americans age 65 and older, African-Americans, and those with less education), others have noted that this divide may be diminishing for those groups. See, e.g., Mutual Fund Shareholders’ Use of the Internet, 2006, Investment Company Institute, Research Fundamentals, at 7 (Oct. 2006), available at <http://www.ici.org/stats/res/fm-v15n6.pdf> (“Recent increases in Internet access among older shareholders . . . have narrowed the generational gap considerably. Today, shareholders age 65 or older are more than twice as likely to have Internet access than in 2000.”); Michel Marriott, Blacks Turn to Internet Highway, And Digital Divide Starts to Close, THE NEW YORK TIMES (Mar. 31, 2006), available at: <http://www.nytimes.com/2006/03/31/us/31divide.html?ex=1301461200&en=6fd4e942aaaa04ad&ei=5088> (“African-Americans are steadily gaining access to and ease with the Internet, signaling a remarkable closing of the ‘digital divide’ that many experts had worried would be a crippling disadvantage in achieving success.”).

¹⁷ See John B. Horrigan, Home Broadband Adoption 2007, Pew Internet & American Life Project, at 1 (June 2007), available at http://www.pewinternet.org/pdfs/PIP_Broadband%202007.pdf (47% of all adult Americans had a broadband connection at home as of early 2007).

provided to investors, ensuring that access to the full wealth of information about a fund is immediately and easily accessible, and providing the means to present all information about a fund online in an interactive format that facilitates comparisons of key information, such as expenses, across different funds and different share classes of the same fund.¹⁸ Technology has the potential to replace the current one-size-fits-all mutual fund prospectus with an approach that allows investors, their financial intermediaries, third-party analysts, and others to tailor the wealth of available information to their particular needs and circumstances.

In November 2007, the Commission proposed an improved mutual fund disclosure framework that was intended to address the concerns that have been raised about mutual fund prospectuses and to make use of technological advances to enhance the provision of information to mutual fund investors.¹⁹ The Commission has since adopted this new disclosure framework in November 2008, which includes a new option for satisfying prospectus delivery obligations with respect to mutual fund securities under the Securities Act. Under the option, key information will be sent or given to investors in the form of a Summary Prospectus, and the statutory prospectus will be provided on an Internet Web site. Upon an investor's request, funds will also be required to send the statutory prospectus to the investor. The Commission's intent in providing this option is that funds take full advantage of the Internet's search and retrieval capabilities in order to enhance the provision of information to mutual fund investors.

¹⁸ A mutual fund may issue more than one class of shares that represent interests in the same portfolio of securities with each class, among other things, having a different arrangement for shareholder services or the distribution of securities, or both. See rule 18f-3 under the Investment Company Act [17 CFR 270.18f-3].

¹⁹ Investment Company Act Release No. 28064 (Nov. 21, 2007) [72 FR 67790 (Nov. 30, 2007)] ("Proposing Release").

The disclosure framework that we have adopted has the potential to revolutionize the provision of information to the millions of investors who rely on mutual funds for their most basic financial needs. It is intended to help investors who are overwhelmed by the choices among thousands of available funds described in lengthy and legalistic documents to access readily key information that is important to an informed investment decision. At the same time, by harnessing the power of technology to deliver information in better, more useable formats, the disclosure framework can help those investors, their intermediaries, third-party analysts, the financial press, and others to locate and compare facts and data from the wealth of more detailed disclosures that are available.

2. Purpose of the Information Collection

The purpose of new rule 498 is to enable funds to provide investors with a Summary Prospectus containing key information necessary to evaluate an investment in the fund. Unlike many other federal information collections, which are primarily for the use and benefit of the collecting agency, this information collection is primarily for the use and benefit of investors. The information filed with the Commission also permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information.

3. Role of Improved Information Technology

The Commission's electronic filing system (Electronic Data Gathering, Analysis and Retrieval or "EDGAR") is designed to automate the filing, processing and dissemination of full disclosure filings. The system permits persons to transmit filings to the Commission electronically. This automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets.

Pursuant to new rule 497(k), all Summary Prospectuses permitted under rule 498 would be required to be filed with the Commission electronically on EDGAR. The public may access filings on EDGAR through the Commission's Internet website (<http://www.sec.gov>) or at EDGAR terminals located at the Commission's public reference rooms. Summary Prospectuses are permitted to be sent to investors by electronic means so long as the fund meets certain requirements.²⁰ The Commission currently has no information concerning the percentage of such documents that will be sent electronically.

In addition, under new rule 498, a person that relies on the rule to meet its statutory prospectus delivery obligations must make available, free of charge, the fund's current Summary Prospectus, statutory prospectus, SAI, and most recent reports to shareholders at the Web site address specified in the Summary Prospectus legend.

4. Efforts to Identify Duplication

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication, and reevaluates them whenever it proposes a rule or a change in a rule. New rule 498 replaces current rule 498 and we are asking that a new collection of information for rule 498 be created.

5. Effect on Small Entities

The disclosure requirements for Summary Prospectuses that comply with rule 498 would not distinguish between small entities and other funds. The burden on smaller

²⁰ See Securities Act Release No. 7233 (Oct. 6, 1995) [[60 FR 53458 \(Oct. 13, 1995\)](#)]; Securities Act Release No. 7856 (Apr. 28, 2000) [[65 FR 25843 \(May 4, 2000\)](#)].

funds, however, to prepare and file Summary Prospectuses may be greater than for larger funds. This burden includes the cost of producing, printing, filing, and disseminating the Summary Prospectuses. The Commission believes at the present time that special compliance or reporting requirements for small entities, or an exemption from coverage for small entities, would not be appropriate or consistent with investor protection.

With respect to the new rule, the Commission considered special requirements for small entities. Different disclosure requirements for small entities may create the risk that investors in these funds would be less able to evaluate funds and less able to compare different funds, thereby lessening the ability of investors to make informed choices among funds. We believe it is important for the disclosure that is required by rule 498 to be provided to investors in all funds, not just funds that are not considered small entities. Furthermore, because the rule is optional, an exemption from the rule for small entities would deprive small entities of the potential benefits of the rule.

We review all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

6. Consequences of Less Frequent Collection

Section 5(b)(2) of the Securities Act of 1933²¹ makes it unlawful for any person, directly or indirectly, to carry or cause to be carried through the mails or in interstate commerce securities for the purpose of sale or for delivery after sale, unless accompanied or preceded by a prospectus meeting the requirements of Section 10 of the Securities Act.²² Section 10(a)(3) of the Securities Act generally requires that when a prospectus is

²¹ See supra note Error: Reference source not found.

²² See supra note Error: Reference source not found.

used more than nine months after the effective date of the registration statement, the information in the prospectus must be as of a date not more than sixteen months prior to such use.²³ The effect of this provision is to require mutual funds to update their statutory prospectuses annually to reflect current cost, performance, and other financial information. This legal requirement prevents the Commission from specifying less frequent distribution of the Summary Prospectus, which is deemed a prospectus, to investors when offering securities for sale.

The requirement that funds that use a Summary Prospectus must respond to an investor's request for additional information within three business days ensures that investors who wish to review additional information before making an investment decision will be able to do so.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not Applicable.

8. Consultation Outside the Agency

Comments are generally received from registrants, trade associations, the legal and accounting professions, investor and consumer groups and other interested parties. In addition, the Commission and staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and informal exchanges. The Commission solicited and considered comment on proposed rule 498 to enhance the disclosures that are provided to mutual fund investors, and on the collection of information that would be imposed by the proposed rule.²⁴ We received approximately

²³ See 15 U.S.C. 77j(a)(3).

²⁴ See Proposing Release, 72 FR at 67809.

155 comment submissions regarding the proposed rule, four of which addressed rule 498 collection of information requirements specifically. Based on the comments we received, we increased our estimate of the burden of initial compliance with new rule 498 from 0 to 23 burden hours per portfolio. In addition, based on comments we received, we eliminated the proposed quarterly updating requirement from the final rule and therefore eliminated any burden hours associated with updating the Summary Prospectus. In addition, because we eliminated the proposed quarterly updating requirement from the final rule, we reduced our estimates of the time necessary to comply with requirements to post fund documents to an Internet Web Site from four hours annually (or one hour per quarter) to one hour annually. Finally, based on comments we received, we now estimate that 80% of funds, rather than 75% of funds, will choose to send or give a Summary Prospectus.

9. Payment of Gift to Respondents

Not Applicable.

10. Assurance of Confidentiality

Not Applicable.

11. Sensitive Questions

Not Applicable.

12. Estimate of Hour Burden

New rule 498 contains collection of information requirements. The likely respondents to this information collection are open-end management investment companies registered or registering with the Commission. Under new rule 498, use of the Summary Prospectus is voluntary, but the rule's requirements regarding provision of the

statutory prospectus are mandatory upon investor request for funds that elect to send or give a Summary Prospectus in reliance upon rule 498. The information provided under rule 498 will not be kept confidential.

New rule 498 permits the obligation under the Securities Act to deliver a statutory prospectus with respect to mutual fund securities to be satisfied by sending or giving a Summary Prospectus and providing the statutory prospectus online. In addition, the new rule requires a fund to send the statutory prospectus in paper or by e-mail upon investor request.

We estimate that for those funds that choose to use the Summary Prospectus, initial compliance with the requirements for the Summary Prospectus will require approximately 23 burden hours per portfolio. In addition to initial compliance, we estimate that rule 498 will impose a ½ hour burden per portfolio annually associated with the compilation of the additional information required on a cover page or at the beginning of the Summary Prospectus. Rule 498 also imposes annual hour burdens associated with the posting of a fund's Summary Prospectus, statutory prospectus, SAI, and most recent report to shareholders on an Internet Web site. We estimate that the average hour burden for one portfolio to comply with the Internet Web site posting requirements will be approximately one hour annually.

Because the PRA estimates represent the average burden over a three-year period, we estimate the average hour burden for one portfolio to comply with the new rule to be approximately 9 hours.²⁵ The Summary Prospectus is voluntary, so the percentage of funds that will choose to provide it is uncertain. We estimate that 8,752 portfolios file

²⁵ (23 hours in the first year + 1.5 hours in the second year + 1.5 hours in the third year) ÷ 3 years = approximately 9 hours.

initial registration statements and post-effective amendments on Form N-1A and therefore may choose to use the Summary Prospectus. Given the potential benefits of the new rule to funds, we assume that 80% of all funds will choose to send or give the Summary Prospectus. Assuming 80% of all funds file a Summary Prospectus, the total annual hour burden for filing and updating Summary Prospectuses and posting the required disclosure documents to an Internet Web site pursuant to rule 498 will be approximately 63,014 hours.²⁶

Based on the estimated wage rate, the total cost to the fund industry of the hour burden for complying rule 498 is approximately \$18 million.²⁷

13. Estimate of Total Annualized Cost Burden

Cost burden is the cost of goods and services purchased to prepare and update Summary Prospectuses pursuant to rule 498, such as for printing and mailing costs and the services of independent auditors and outside counsel. The cost burden does not include the hour burden discussed in Item 12. Estimates are based on the Commission's experience with the filing of registration forms and on information from commenters.

We estimate that the external costs for printing and mailing of the Summary Prospectus will be approximately \$106,200,000²⁸ or approximately \$12,134 per

²⁶ 9 hours x 8,752 portfolios x .80.

²⁷ This cost is estimated by multiplying the total annual hour burden (63,014 hours) by the rounded estimated hourly wage rate of \$280. The estimated wage figure is based on published rates for compliance attorneys and senior programmers, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, yielding effective hourly rates of \$270 and \$289, respectively. See Securities Industry and Financial Markets Association's Report on Management & Professional Earnings in the Securities Industry 2007. The estimated wage rate is further based on the estimate that attorneys and programmers would divide time equally, resulting in a rounded weighted wage rate of \$280 (((\$270 x .50) + (\$289 x .50)).

²⁸ This estimate assumes printing and postage costs for annual fulfillment of \$0.08 and \$0.255 per unit respectively and printing and postage costs for purchase fulfillment of \$0.08 and \$0.42 per unit respectively. Our estimate is derived as follows: ((\$0.08 to

portfolio.²⁹ There may also be external costs connected with the review of the required disclosure by outside counsel; however, we expect those costs to be minimal given that most of the information required in the Summary Prospectus is already required in a fund's prospectus.

14. Estimate of Cost to the Federal Government

The annual cost of reviewing and processing new registration statements and post-effective amendments of investment companies amounted to approximately \$20.8 million in fiscal year 2007, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Explanation of Changes in Burden

We are asking that the collection of information for current rule 498 be eliminated and a new collection of information for new rule 498 be created. As a result of new rule 498, the hour burden for preparing and filing Summary Prospectuses will be 63,014 hours, and the cost burden will be \$106,200,000.

16. Information Collection Planned for Statistical Purposes

offset print a Summary Prospectus + \$0.255 for bulk mail) x 300,000,000 Summary Prospectuses estimated to be sent out annually) + ((\$0.08 to offset print a Summary Prospectus + \$0.42 for first class mail) x 64,500,000 prospectuses estimated to be sent out in response to a fund purchase) x 80% of funds. The \$0.08 estimate for offset printing represents a blend of color and black and white.

²⁹ \$106,200,000 ÷ 8,752.

Although we believe that not all funds will choose to use the Summary Prospectus, we believe it is appropriate to estimate the new rule's effect across the entire mutual fund industry. Therefore, we have estimated the average external costs per portfolio industry-wide rather than estimate the costs per portfolio only for those portfolios using the Summary Prospectus.

Not Applicable.

17. Approval to Not Display Expiration Date

Not Applicable.

18. Exceptions to Certification Statement

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.