

## Securities and Exchange Commission

The SEC and Siegel+Gale have worked together numerous times as part of the SEC's mission to encourage financial services providers to clarify and simplify disclosure documents for consumers.

### **Mutual Fund Fee and Conflict of Interest Disclosures**

In late 2004, the SEC asked Siegel+Gale to develop plain English forms and a report of findings on how best to disclose conflicts of interest and mutual fund transaction fees at the point-of-sale to consumers.

Siegel+Gale and our research partner, Gelb Consulting, worked with the SEC to develop disclosure forms and to structure and field market research to rapidly refine form content and design to achieve the highest degree of end-user satisfaction, clarity, and understanding.

### **A Plain English Handbook**

In 1998, the SEC asked Siegel+Gale to create writing and design guidelines that would help companies comply with disclosure regulations.

Siegel+Gale wrote and designed the *SEC Plain English Handbook*, which now helps companies produce documents that make investors more aware of options, risks, and rewards. Informed investors will make better decisions—and appreciate companies' straightforwardness.

*"Companies that successfully communicate with their investors form stronger relationships with them."* — former SEC Chairman, Arthur Levitt, Jr.

The SEC has indicated that it will likely issue a new rule based in part on our Proposed Mutual Fund Sales Fee and Conflict of Interest Disclosure Forms Report to the Securities and Exchange Commission (referenced below). Findings from this project may be found at:

+ <http://www.sec.gov/rules/proposed/s70604/sup-rep010705.pdf>

### **Profile Prospectuses**

In addition to creating guidelines, we also created model profile prospectuses to serve as samples for the SEC to envision the possibilities from a communications perspective of providing summary-level mutual fund disclosure. We analyzed different types of funds, distilled key content, wrote highlights in plain English, formatted it to be visually inviting and submitted the prototypes to the SEC. The purpose was to see what a communications expert would propose and then have the investment community modify it based on technical capabilities, operational constraints, marketing objectives, etc. This back and forth approach worked well and the mutual fund industry responded with variations on the theme of simplicity, creating profiles for families of mutual funds as well as stand-alone funds.

## Sales fees and our conflicts of interest

### AAA Equity Fund – Class A shares

#### Ask before you buy

We are required to tell you about sales fees and conflicts of interest that may affect your decision to buy shares of this fund. Ask us to fill in the blanks below for details about the sales fees for your investment amount.

#### Volume discount

You may qualify for fee discounts if you or your family hold other shares from this fund family, or if you agree to make additional purchases. Ask us for more information about these discounts.

### Sales fees

#### You pay when you buy

You pay a sales fee for Class A shares up front when you purchase your shares. The amount you pay is based on the value of your contribution.

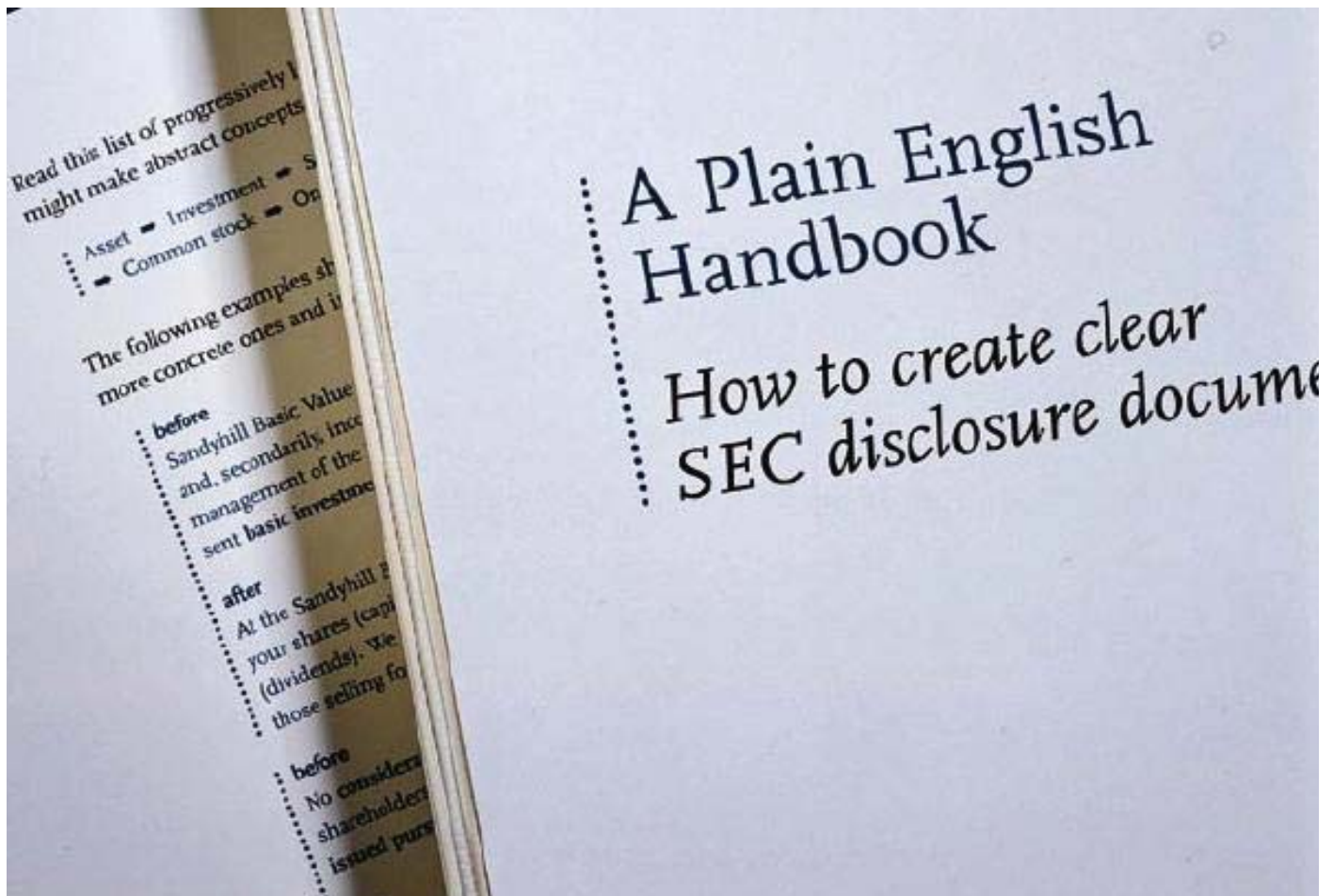
#### Do you want us to fill in the blanks for you?

We must write in amounts for your investment at your request.

Contribution amount	Up front fee you pay	Your net invest. value	Up front fee %
\$	\$	\$	%
\$1,000.00	\$61.01	\$938.99	6.10%
\$50,000.00	\$2,356.02	\$47,643.98	4.71%
\$100,000.00	\$3,626.95	\$96,313.05	3.63%

ABOVE: form POS A – SEC Report  
Appendix A: Forms Developed after Testing

BELOW: A Plain English Handbook: How to Create Clear SEC Disclosure Documents



BELOW: Profile Prospectuses

