

Investor Research Report

Submitted to: The U.S. Securities and Exchange Commission
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This study presents the findings of Siegel & Gale LLC (Siegel+Gale) and does not necessarily reflect the views of the U.S. Securities and Exchange Commission (SEC), its Commissioners, or members of the SEC's staff

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Introduction

Background

The SEC contracted with Siegel+Gale to conduct investor research and produce a report that, among other things, identifies:

- + Methods to improve the timing, content, and format of disclosures to investors, with respect to financial intermediaries, investment products, and investment services
- + The most useful and understandable relevant information that retail investors need to make informed financial decisions before engaging a financial intermediary or purchasing an investment product or service that is typically sold to retail investors, including shares of open-end companies
- + Methods to increase the transparency of expenses and conflicts of interests in transactions involving investment services and products, including shares of open-end companies

Background (continued)

The SEC commissioned Siegel+Gale to design and conduct public opinion research among U.S. investors that investigates the usability and effectiveness of certain disclosure concepts and documents. Using a combination of qualitative and quantitative research techniques, the study focused on the following:

1. Form ADV Part 2A (Brochure)
2. Trade Confirmations (Confirmations)/Account Statements
3. Mutual Fund Summary Prospectus (Summary Prospectus)
4. Point-of-Sale for Financial Intermediaries (POS)

Background (continued)

Where applicable, the research examined, among other things, the following elements of disclosure relating to financial intermediaries and certain investment products:

- + Fees/costs
- + Risk
- + Past performance
- + Conflicts of interest
- + Investment strategy and objectives
- + Format
- + Options for document delivery to investors

Background (continued)

Siegel+Gale employed a two-stage research design to examine these issues:

- + Qualitative research comprising a series of focus groups with retail investors
- + Quantitative research comprising a large national online survey among retail investors

The next section of this report consists of selected quotations from the focus group research, followed by detailed results of the quantitative research

Background (continued)—A note about the content and format of this report

- + The intent of this report is to provide factual, objective observations of decision makers in the investor population—allowing the SEC and others to draw conclusions.
- + This report intentionally contains no Executive Summary or Conclusions sections. The appropriate findings to highlight and resulting conclusions depend on the topic that the user of this information wishes to investigate.
- + To facilitate the use of the data, Siegel+Gale has utilized a “data presentation” format for this report rather than its usual presentation template.

Focus Groups

Focus Group Methodology

Focus Group Methodology

- + The focus group research was designed to better understand retail investors' reactions to various disclosure concepts and documents. Siegel+Gale developed a research protocol and methodology, including questions and exhibits provided by the SEC, to explore the application of disclosure principles and formats with respect to various financial intermediaries and investment products:

Financial Intermediaries

- + Broker-Dealers
- + Investment Advisers (including financial planners)

Investment Products

- + Mutual funds and exchange-traded funds (ETFs)
- + Variable annuities
- + Municipal bonds
- + Publicly-traded stocks

Focus Group Methodology (continued)

Twelve focus groups were conducted among retail investors between November 1–16, 2011. Locations of the groups, the primary topics discussed and general descriptions of the focus group participants are shown below:

Primary Topic	Baltimore	Atlanta	San Diego
Selecting a financial intermediary (Total of 6 groups)	Nov 1: Users of Investment Advisers (including some who also used Financial Planners)	Nov 9: Users of Investment Advisers (including some who also used Financial Planners)	Nov 15: Users of Investment Advisers (including some who also used Financial Planners)
	Nov 1: Users of Broker-Dealers	Nov 9: Users of Broker-Dealers	Nov 15: Users of Broker-Dealers
Purchasing investment products/services (Total of 6 groups)	Nov 3: Owners of mutual funds and/or ETFs	Nov 10: Owners of mutual funds and/or variable annuities	Nov 16: Owners of mutual funds and/or variable annuities
	Nov 3: Owners of stocks and/or municipal bonds	Nov 10: Owners of mutual funds and/or ETFs	Nov 16: Owners of mutual funds, stocks, variable annuities and/or municipal bonds

Focus Group Methodology (continued)

Focus group participants were comprised of individuals who met the following criteria:

- + Sole or share primary financial decision-makers for their households
- + Owned certain investment products, including stocks, municipal bonds, ETFs, variable annuities and mutual funds
- + Gender mix (40-60% male, 40-60% female)
- + Mix of ages in each group (between 21 and 64)
- + Mix of education levels
- + Excluded those who had participated in a financial-related focus group within the past 12 months

Focus Group Methodology (continued)

- + Excluded those (or a member of their household) who now work, or have worked in any of the following industries:
 - Insurance
 - Financial services
 - Federal or State financial regulator or any other Federal or State regulator of banks, insurance companies or money managers
 - Public relations, media, marketing/market research

Focus Group Selected Quotations

Disclosures—methods to improve timing

- + *“I think that before you start with them that they should be able to disclose what their conflicts are before you even start. I think requiring them to initially tell you what the conflicts are would be an easy way to solve it and have it noted.”*¹
- + *“I think at the beginning that you have a dialogue with that person, and then right at the time when you’re about to buy something.”*²

1. San Diego focus group 2 (Users of Broker-Dealers) transcript at 51 (Nov. 15, 2011)

2. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 59 (Nov. 16, 2011)

Disclosures—methods to improve timing

- + “*Once a year*” is a sufficient frequency for receipt of the ADV Brochure.³
- + “*No more than once a year*” is a sufficient frequency for receipt of the ADV Brochure.⁴
- + “*I think once every two years is probably enough*” for frequency of receipt of the ADV Brochure.⁵
- + Several focus group participants would want to receive the ADV Brochure “[p]rior to making a commitment,” “before engaging their services,” or “before any monies are handled.”⁶

3. Atlanta focus group 1 (Users of Investment Advisers) transcript at 47 (Nov. 9, 2011)

4. Atlanta focus group 1 (Users of Investment Advisers) transcript at 47 (Nov. 9, 2011)

5. Atlanta focus group 1 (Users of Investment Advisers) transcript at 47 (Nov. 9, 2011)

6. San Diego focus group 1 (Users of Investment Advisers) transcript at 38 (Nov. 15, 2011)

Disclosures—methods to improve timing

- + Some focus group participants want to receive disclosure regarding conflicts of interest *“[a]t the time of the recommendation.”*^{7,8}
- + Other focus group participants would want to receive the ADV Brochure *“[u]pfront”* or *“[b]efore the transactions even take place.”*⁹
- + There was some consensus for receiving the ADV Brochure *“[t]he same way you receive your statements. If you receive your statements by mail you get this by mail. If you receive it by email you get it by email. However you receive your statement.”*¹⁰

7. Atlanta focus group 1 (Users of Investment Advisers) transcript at 72 (Nov. 9, 2011)

8. San Diego focus group 2 (Users of Broker-Dealers) transcript at 46 (Nov. 15, 2011)

9. San Diego focus group 1 (Users of Investment Advisers) transcript at 56 (Nov. 15, 2011)

10. San Diego focus group 1 (Users of Investment Advisers) transcript at 59 (Nov. 15, 2011)

Methods to improve content

- + *“I’m with [one of the largest and most well-known mutual fund companies] and they do an excellent job of telling you what’s in a fund and the prospectus, what’s in the fund, the makeup of the fund and the fees and the whole thing. They did a great job of that.”*¹¹
- + *“Yes, and I’m going to refer again to [one of the largest and most well-known mutual fund companies]. They have great information on all of these tons of funds that they have. And they’ll have graphs and charts and pies and they’ll show you what the funds are made up of and they’re very easy to read.”*¹²
- + *“ . . . the statutory prospectus will have the pie, they’ll show you the industries or the companies that are in there and it’s all just very easy to determine if this is the kind of program you want to get into or not.”*¹³

11. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 8 (Nov. 10, 2011)

12. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 8 (Nov. 10, 2011)

13. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 14 (Nov. 10, 2011)

Methods to improve content

- + *“I want to know the background information on my broker himself.”*¹⁴
- + *“It’s like when you get a prospectus from your mutual funds—you know, it’s like a booklet, but there are only a couple of pages that I really care about where they show what the return rates and returns are.”*¹⁵
- + *“Performance in the last year. Performance over five years.”*¹⁶
- + A number of focus group participants generally agreed with the consultant’s assertion that *“in terms of the relationships of them [the financial intermediaries] buying and selling these products and informing you about them, it has been working acceptably for you then.”*¹⁷

14. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 27 (Nov. 10, 2011)

15. San Diego focus group 2 (Users of Broker-Dealers) transcript at 26 (Nov. 15, 2011)

16. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 5 (Nov. 16, 2011)

17. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 57 (Nov. 16, 2011)

Methods to improve content

- + One focus group participant read a prospectus and *“learned a few things in there that was actually very interesting that no rep would talk about . . . And then I found out there are management fees, which are deducted from the actual growth of the portfolio, which to me, at first, was bothersome because again nobody would mention it.”*¹⁸
- + *“I would like to know everything—you know, everything that I could know, every fee, every commission you’re going to get.”*¹⁹
- + *“If everybody knows that you’re supposed to get a prospectus then maybe we should also know that there is supposed to be an eight question handout given within 24 hours of speaking about a securities related product.”*²⁰

18. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 19 (Nov. 16, 2011)

19. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 62 (Nov. 16, 2011)

20. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 66 (Nov. 16, 2011)

Methods to improve format

- + *“When you have these links up on top here, then you can click on a button and go right down to the answer. So something along those lines, kind of an instant table-of-contents tab. What are the commission feed breakdowns? Click on that and then go down there and it shows you.”²¹*
- + *“Like a two-page executive summary and then to your point they have certain things bolded, you click on it, and it goes there because you want to expand it, you want to see the full table.”²²*
- + *“I mean sometimes they even have a graph or a chart—you know, that is the key to quick understandings of the whole thing.”²³*
- + *“If you receive your statements on a quarterly basis I would like to see it attached with the statement...[which] means you’re going to get it four times a years [sic].”²⁴*

21. Baltimore focus group 1 (Users of Investment Advisers) transcript at 37 (Nov. 1, 2011)

22. Baltimore focus group 1 (Users of Investment Advisers) transcript at 37 (Nov. 1, 2011)

23. Baltimore focus group 3 (Owners of mutual funds and/or ETFs) transcript at 16 (Nov. 3, 2011)

24. San Diego focus group 1 (Users of Investment Advisers) transcript at 59 (Nov. 15, 2011)

Methods to improve format

- + *“I like graphs and maybe bullet points.”*²⁵
- + *“I think when you get the annual reports it would be nice to have a summary page that summarizes everything out, because it’s like reading another language when you get those pamphlets.”*²⁶
- + *“Yes, and I’m going to refer again to [one of the largest and most well-known fund companies]. They have great information on all of these tons of funds that they have. And they’ll have graphs and charts and pies and they’ll show you what the funds are made up of and they’re very easy to read.”*²⁷
- + *“I like graphs and charts.”*^{28,29}
- + *“Bullet points.”*^{30,31}
- + *“A graph tells you everything you want to know, assuming the graph data is correct of course.”*³²

25. Baltimore focus group 3 (Owners of mutual funds and/or ETFs) transcript at 24 (Nov. 3, 2011)

26. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 31 (Nov. 3, 2011)

27. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 14 (Nov. 10, 2011)

28. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 31 (Nov. 3, 2011)

29. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 16 (Nov. 16, 2011)

30. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 31 (Nov. 3, 2011)

31. San Diego focus group 1 (Users of Investment Advisers) transcript at 42 (Nov. 15, 2011)

32. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 33 (Nov. 3, 2011)

Methods to improve format

- + *“Get the planners and financial professionals that are feeding us this information to put it in plain common ordinary language so that we understand it.”*³³
- + *“I would say if they could give us the opportunity to have access to the Form ADV Brochure would be sufficient. Don’t send it to me”*³⁴
- + *“For more information about the company and recent changes, go to this website.”*³⁵
- + *“Well I tend to be visual and so the graphs and the charts were the most useful to me.”*³⁶

33. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 34 (Nov. 3, 2011)

34. Atlanta focus group 1 (Users of Investment Advisers) transcript at 48 (Nov. 9, 2011)

35. Atlanta focus group 1 (Users of Investment Advisers) transcript at 50 (Nov. 9, 2011)

36. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 21 (Nov. 10, 2011)

Methods to improve format

- + *“... the statutory prospectus will have the pie, they’ll show you the industries or the companies that are in there and it’s all just very easy to determine if this is the kind of program you want to get into or not.”³⁷*
- + *“I mean once you look at that, there’s no need to look at the prospectus because that’s the highlights of it. That’s the way I look at the fact sheet.”³⁸*
- + *“I like the fact sheets too. They’re simple and to the point.”^{39,40}*
- + *“I received a DVD and a CD. The CD had a narrator about the product that I could listen to in my car. I thought that was interesting.”⁴¹*
- + *“Graphs and charts.”^{42,43}*

37. Baltimore focus group 4 (Owners of stocks and/or municipal bonds) transcript at 34 (Nov. 3, 2011)

38. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 18 (Nov. 10, 2011)

39. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 18 (Nov. 10, 2011)

40. San Diego focus group 2 (Users of Broker-Dealers) transcript at 31-32 (Nov. 15, 2011)

41. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 19 (Nov. 10, 2011)

42. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 20 (Nov. 10, 2011)

43. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 27 (Nov. 16, 2011)

Methods to improve format

- + *“An email or a PDF so that I can scroll through it, or even search for keywords. If you want to give me a packet of 50 papers, it’s like, ‘I don’t want it.’ I’ll scroll through it and I’ll pick out what I want in a document on my computer.”*⁴⁴
- + *“I want the paper on their letterhead.”*⁴⁵
- + *“...the ones that I’ve found the most helpful have had...these one sheet tip sheets or fact sheets and something like questions to ask...Easy, short, and sweet, but the really key points.”*^{46,47}
- + *“What I don’t want is a smaller font than this or have to search around, like, ‘Item #1 is here, but I’ve got to go through a bunch of other stuff before I could find Item #2.’*⁴⁸
- + *“If you can’t put it on a 4X5 card then I don’t want to deal with it.”*⁴⁹

44. San Diego focus group 1 (Users of Investment Advisers) transcript at 16 (Nov. 15, 2011)

45. San Diego focus group 1 (Users of Investment Advisers) transcript at 16 (Nov. 15, 2011)

46. San Diego focus group 1 (Users of Investment Advisers) transcript at 26 (Nov. 15, 2011)

47. San Diego focus group 1 (Users of Investment Advisers) transcript at 43 (Nov. 15, 2011)

48. San Diego focus group 1 (Users of Investment Advisers) transcript at 44 (Nov. 15, 2011)

49. San Diego focus group 2 (Users of Broker-Dealers) transcript at 16 (Nov. 15, 2011)

Methods to improve format

- + *“I would rather get his [sic] online as an attachment to my email and open it up into an Adobe format where you can just go to the top index and you can click on any one area of the document and go right there.”⁵⁰*
- + *“I know that I get my car insurance every six months all broken down in one page – you know, it is really simple to read.”⁵¹*
- + *“I like comparison charts. It doesn’t matter whether it’s a line diagram or a bar chart, a pie chart. I like to be able to see: How did this compare to others within its category over time? And I like a lot of time. A minimum of 15, 20 years is what I consider to be worthwhile.”⁵²*

50. San Diego focus group 2 (Users of Broker-Dealers) transcript at 29 (Nov. 15, 2011)

51. San Diego focus group 2 (Users of Broker-Dealers) transcript at 31 (Nov. 15, 2011)

52. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 15 (Nov. 16, 2011)

Methods to improve format

- + *“I’d like to have it in print.”*⁵³
- + *“I like charts and graphs the best.”*⁵⁴
- + *“Spreadsheets and charts and graphs. I mean I just want to see a full breakdown of costs and fees as well as the charts and graphs.”*⁵⁵

53. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 33 (Nov. 16, 2011)

54. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 34 (Nov. 16, 2011)

55. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 27 (Nov. 16, 2011)

Most useful and understandable relevant information

- + *“Well, it may have been nice to know exactly what their fee was going to be.”*⁵⁶
- + *Some focus group participants liked “the investment factsheets that went into detail on each of the mutual funds.”*⁵⁷
- + *“I want to know the background information on my broker himself.”*⁵⁸
- + *“I want to know what he’s been doing. Is he pretty clean? Has he got something that he’s been cited for before? Has he gone according to regulations?”*⁵⁹

56. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 26 (Nov. 10, 2011)

57. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 23 (Nov. 10, 2011)

58. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 27 (Nov. 10, 2011)

59. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 28 (Nov. 10, 2011)

Most useful and understandable relevant information

- + *“Well, I guess what we’re looking for is the SEC to be able to go to their website and look up John Smith and find out what’s going on with John Smith. Just like you could go to the medical board and find out about a doctor. Their website to find out is good.”*⁶⁰
- + *“A summary prospectus.”*⁶¹
- + *“I mean I just want to see a full breakdown of costs and fees as well as the charts and graphs.”*⁶²
- + *“I mean I think that it should be something similar to that HUD-1 form where it has all the meat and potatoes that people actually care about...”*⁶³
- + *“I like the example of this checklist kind of thing, something in writing.”*⁶⁴

60. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 28 (Nov. 10, 2011)

61. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 16 (Nov. 16, 2011)

62. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 27 (Nov. 16, 2011)

63. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 51 (Nov. 16, 2011)

64. San Diego focus group 4 (Owners of mutual funds, stocks, variable annuities and/or municipal bonds) transcript at 51 (Nov. 16, 2011)

Methods to increase transparency of expenses

- + *“If I were fixing up my house, I’d get three proposals and I’d review every single line of the contract ... before I’d let him in my house. But when it comes to this, I just don’t get it. I don’t know if that’s a failing with me, at least in part it is. Or a failing with just that it’s not transparent or just complex.”*⁶⁵
- + *“I want to be able to go on the SEC’s website and all the fee structures . . . I want it to be a require [sic] that those companies have to report their fee structures to the SEC, it goes into the SEC database ... and then I can go on there and I can compare their rates for different services . . . So I would like to have one place where I can go and get that information in the event that I want to be able to do a comparison.”*⁶⁶
- + *“I think the biggest issue is full disclosure of fees. That’s the big issue and that’s where most people get defrauded or misled. I wouldn’t say defrauded, but misled.”*⁶⁷

65. Baltimore focus group 2 (Users of Broker-Dealers) transcript at 39 (Nov. 1, 2011)

66. Atlanta focus group 1 (Users of Investment Advisers) transcript at 59 (Nov. 9, 2011)

67. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 31 (Nov. 10, 2011)

Methods to increase transparency of expenses

- + *“I mean maybe this is radical thinking, but I would love to see the SEC as an unbiased regulatory party. I mean they could establish some sort of educational department . . . [t]hey could educate people on what this stuff is, and how it works, and what it means, et cetera.”*⁶⁸
- + *“It would be interesting to ask them why the fee is what it is. Is the fact that this fee is higher than this product, what is the justification for that? Why? Why are they charging such a high fee? Is there any benefit that you are going to see?”*⁶⁹
- + *“But you can have a graph or a chart on your statement also where the fees are going.”*⁷⁰
- + *“More transparency early on.”*⁷¹

68. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 38 (Nov. 10, 2011)

69. Atlanta focus group 3 (Owners of mutual funds and/or variable annuities) transcript at 52 (Nov. 10, 2011)

70. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 47 (Nov. 10, 2011)

71. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 49 (Nov. 16, 2011)

Methods to increase transparency of expenses

- + *“I think it would also be good on the graphs and charts also, the whole breakdown, every area where your fees are going. If they’re charging you \$22.95, I need to know where every dollar of that is going. That would be a good visual to look at.”*⁷²
- + *“I agree, a standard form.”*⁷³

72. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 46 (Nov. 10, 2011)

73. San Diego focus group 3 (Owners of mutual funds and/or variable annuities) (mislabeled 1) transcript at 66 (Nov. 16, 2011)

Methods to increase transparency of conflicts of interest

- + *“I don’t think it needs to be regulated so much, but I think that they need to emphasize that in offering you this fund I am receiving extra compensation or a different type of compensation or something. Just let us know that, yes, they have a little bit more incentive in giving you this as opposed to something else, so maybe you’d think twice, but I don’t think it needs to be regulated totally.”*⁷⁴
- + *“I recognize the value in informing us of these conflicts. On the other hand, there’s a bit of a diminishing value because the more that is disclosed to us, we may be less likely to pay attention to it . . . So somewhere they’ve got to decide the tipping point when people are just going to tune it out, because it looks like it’s just too onerous.”*⁷⁵

74. Baltimore focus group 1 (Users of Investment Advisers) transcript at 63 (Nov. 1, 2011)

75. Baltimore focus group 2 (Users of Broker-Dealers) transcript at 55 (Nov. 1, 2011)

Methods to increase transparency of conflicts of interest

- + Some focus group participants want to receive disclosure regarding conflicts of interest *“[a]t the time of the recommendation.”*⁷⁶
- + *“Right where I sign [the contract], I want to see, ‘I am getting an extra 20%, because this is a house account.’”*⁷⁷
- + *“I mean when you get a mortgage you sign disclosure after disclosure after disclosure. So when you’re doing this, they should be regulated just like the mortgage business in signing these disclosures and they should be given to you upfront.”*⁷⁸
- + *“And I feel like a good example is giving you the option where you can go to the website and see it [conflict of interest information] posted there . . . It’s their responsibility to make you aware of it and not your responsibility to hope you find it somewhere buried in the literature.”*⁷⁹

76. Atlanta focus group 1 (Users of Investment Advisers) transcript at 72 (Nov. 9, 2011)

77. Atlanta focus group 1 (Users of Investment Advisers) transcript at 76 (Nov. 9, 2011)

78. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 59 (Nov. 10, 2011)

79. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 60 (Nov. 10, 2011)

Methods to increase transparency of conflicts of interest

- + Some focus group participants wished to be notified of potential conflicts of interest “[e]very time” or “[e]very time I call.”⁸⁰
- + *“I personally think they should disclose it upfront. They should go over it with you, have you sign it, keep it on file. But I don’t think they should disclose it every time.”*⁸¹
- + *“Maybe on a regular basis that kind of thing should be brought out.”*⁸²
- + *“I think that before you start with them that they should be able to disclose what their conflicts are before you even start. I think requiring them to initially tell you what the conflicts are would be an easy way to solve it and have it noted.”*⁸³

80. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 62 (Nov. 10, 2011)

81. Atlanta focus group 4 (Owners of mutual funds and/or ETFs) transcript at 67 (Nov. 10, 2011)

82. San Diego focus group 2 (Users of Broker-Dealers) transcript at 44 (Nov. 15, 2011)

83. San Diego focus group 2 (Users of Broker-Dealers) transcript at 51 (Nov. 15, 2011)

Online Survey

Online Survey Methodology

Online Survey Methodology

Following the completion of the qualitative research, Siegel+Gale designed an online survey of retail investors to enable quantitative measurement of various information relating to the topics described earlier. The online survey comprised four independent sub-surveys targeting audiences for the following:

1. Form ADV Part 2A Brochure (n=1,200 online survey respondents)
2. Trade Confirmations/Account Statements (n=1,201 online survey respondents)
3. Mutual Fund Summary Prospectus (n=1,201 online survey respondents)
4. Point-of-Sale for Financial Intermediaries (n=1,200 online survey respondents)

Online Survey Methodology: Overall screening criteria

All survey respondents were required to meet a set of screening criteria in order to qualify for the survey. The following criteria were common to all four sub-surveys:

- + Neither the respondent, nor anyone in his or her household, works in the following industries: financial services, Federal or state financial regulation, media, marketing/market research, or public relations
- + Respondent must be at least 21 years of age
- + Respondent must be the sole/primary decision-maker for personal financial decisions or share in those decisions with someone else
- + Have money currently invested excluding real estate properties

Individuals who met these basic requirements are referred to in this report as “**investor decision-makers**”

In addition to meeting the screening criteria above, the sampling plan called for an approximately equal number of male and female respondents

Online Survey Methodology: ADV Brochure screening criteria

Additional screening requirements applied for qualification for the ADV Brochure sub-survey (n=1,200):

- + Have \$50,000 or more in investments (excluding investments in employer-sponsored retirement accounts)
- + Work with a financial professional (e.g., investment adviser, financial planner, etc.) *and* pay for the financial services in one of the following ways:
 - A flat fee that covers all transactions
 - A percentage of the total value of his or her assets
 - A flat fee for a financial plan
 - A combination of commissions (i.e., per transaction) and fees (i.e., flat fees or fees based on the value of one's assets)
 - A type of fee not mentioned in response options

Online Survey Methodology: Trade Confirmations screening criteria

Additional screening requirements applied for qualification for the Trade Confirmations (Confirmations)/Account Statements sub-survey (n=1,201):

- + Have investments of at least the following amount (excluding employer-sponsored retirement accounts)
 - >\$5,000 invested if under the age of 35
 - >\$10,000 invested if 35 or over

Online Survey Methodology: Mutual Fund Summary Prospectus screening criteria

Additional screening requirements applied for qualification for the Mutual Fund Summary Prospectus sub-survey (n=1,201):

- + Have current investments—across investment products or retirement accounts (individual or employer-sponsored)—that total at least:
 - >\$5,000 invested if under the age of 35
 - >\$10,000 invested if 35 or over

- + Have investments that include mutual funds, ETFs and/or money market funds
 - At least 400 respondents with these investments in employer-sponsored retirement accounts
 - At least 800 respondents with these investment products outside of employer-sponsored retirement accounts

Online Survey Methodology: POS for Financial Intermediaries screening criteria

Additional screening requirements applied for qualification for the Point-of-Sale (POS) sub-survey (n=1,200):

- + Have investments of at least the following amount (excluding employer-sponsored retirement accounts)
 - >\$5,000 invested if under the age of 35
 - >\$10,000 invested if 35 or over

- + Work with a financial professional (e.g., broker) with respect to investment decisions *and* pay for the financial services in one of the following ways:
 - A commission for each transaction
 - A combination of commissions (i.e., per transaction) and fees (i.e., flat fees or fees based on the value of one's assets)

Online Survey Methodology: Sample approach and analysis

- + The survey was conducted among U.S. retail investors using Global Market Insite Inc.'s (GMI's)* consumer panel, supplemented with panelists from online panels with which GMI partners
- + In order to locate a sufficient number of investor decision-makers who also met the requirements for one or more of the sub-surveys, 57,565 potential respondents were screened
- + Of that total, 30,631 qualified as investor decision-makers
- + Qualification levels for the various sub-surveys was as follows:
 - ADV Brochure: 3,307
 - Trade Confirmations: 15,611
 - Mutual Fund Summary Prospectus: 17,783
 - POS for Financial Intermediaries: 2,605
- + Some investor decision-makers did not qualify for any of the sub-surveys due to the limited size of their investment portfolio

*GMI is a third-party market research services provider who manages a global, online consumer panel representative of the general consumer population

Online Survey Methodology: Sample approach and analysis (continued)

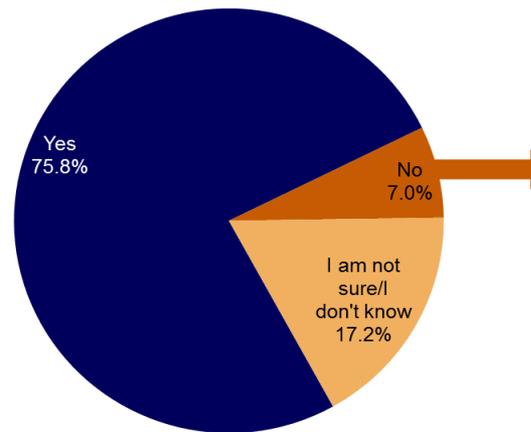
- + Because investor decision-makers could qualify for more than one sub-survey, the allocation of respondents to each sub-survey was carefully controlled to ensure they maintained a representative profile by sub-survey qualification. For example, this kept the Confirmations sub-survey from being disproportionately represented by investor decision-makers who qualified only for that branch.
- + The full sample of investor decision-makers (n=30,631) was used to estimate the demographic profile of all such individuals. Because the sample was balanced by gender while the demographics of some sub-surveys proved to be predominantly male, raw data was weighted using standard statistical methodology to ensure that each sub-survey's results were representative by:
 - Gender
 - Sub-survey qualification (see above)

A note on the figures presented in this report

- + As mentioned in the previous slide, respondents were weighted to adjust the sample to be representative of the larger population (e.g., ADV recipients). Each respondent is assigned a single weight for this purpose. For example, because the sample was intentionally balanced by gender but the results revealed that certain populations tend to be disproportionately male, the weight for a female respondent would tend to be somewhat less than 1.00 while the weight for a male respondent would tend to be somewhat greater than 1.00.

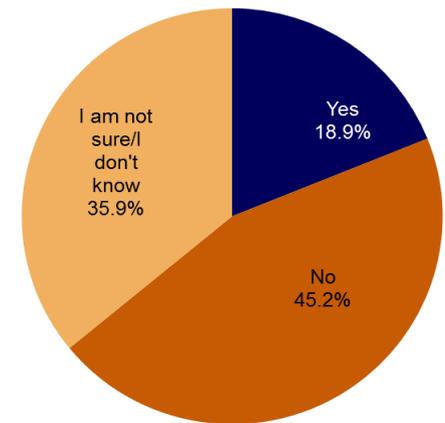
- + All percentages shown in this report are based on weighted results. For example, in the first pie chart shown to the right, 43 respondents out of 600 answered “No” to question A51. The sum of the weights for these 43 individuals represented 7.0% of the sum of the weights of all 600 respondents. Hence, the unweighted base of the second pie chart—which reflects a question only asked of individuals who answered “No” to question A23—is 43.

A51: After reading both documents, are you satisfied with the disclosure provided to you about each adviser's potential conflicts of interest?



n=600

A52: Is there something you would like to see disclosed in either document that is not currently provided?



n=43

Sample comprised of respondents who were not satisfied with the disclosures provided in the Conflicts of Interest exhibits in A51

- + A detailed calculation of this question can be found on the next page

An example calculation of the figures presented in this report

- + Per the methodology noted in the previous two slides, below is an example calculation of the results for a specific survey question. In this particular example (A52), only a subset of respondents were asked the question, based on their response to A51.

A52: Is there something you would like to see disclosed in either document that is not currently provided?

n (unweighted count of respondents who answered this question) = 43

Individual respondent weights by response selected:

Response	Weight
Yes	1.285
Yes	0.659
Yes	0.659
Yes	1.285
Yes	0.659
Yes	0.659
Yes	0.659
Yes	1.285
Yes	0.659
Yes	0.659
TOTAL WEIGHT=	7.809
No	1.285
No	1.991
No	1.285
No	0.915
No	0.659
No	0.659
No	0.659
No	1.285
No	0.659
No	0.659
No	0.659
No	0.590
No	0.659
No	0.659
No	1.285
No	0.659
No	0.915
No	0.659
No	0.590
No	1.285
No	1.285
No	0.659
TOTAL WEIGHT=	18.642
I don't know	1.285
I don't know	0.659
I don't know	1.285
I don't know	1.285
I don't know	0.659
I don't know	1.991
I don't know	1.182
I don't know	1.285
I don't know	0.659
I don't know	1.285
I don't know	1.285
TOTAL WEIGHT=	14.837

Un-weighted count=9 (for Yes)

Un-weighted count=20 (for No)

Un-weighted count=14 (for I don't know)

Results calculation:

Responses	Total Weights	Weighted Percentage
Yes	7.81	18.9%
No	18.64	45.2%
I don't know	14.84	35.9%
TOTAL	41.29	100.0%

Data bases created in this research

- + The survey results provided the basis for two different data bases:
- + A data base of 30,631 respondents that is representative of all investment decision makers in the United States regardless of amount invested (as long as it is at least \$1). This data base can be used to examine the demographics of and types of investments held by investment decision makers.
- + A data base of 4,802 respondents that represents four distinct subsamples of size 1,201 or 1,200. The aggregate sample of 4,802 represents a contrived combination of the four subgroups and therefore has little value in the aggregate. However, the four subgroups represent the attitudes and opinions of distinct groups of investment decision makers:
 - The target audience for the Form ADV Part 2A Brochure (n=1,200)
 - The target audience for Trade Confirmations/Account Statements (n=1,201)
 - The target audience for the Mutual Fund Summary Prospectus (n=1,201)
 - The target audience for Point-of-Sale documents (n=1,200)

Online Survey Methodology: Margin of Error

- + All percentages derived from the sample in this report are subject to sampling error. For an observed percentage p , we can be 95% confident that the value of P —the actual percentage among everyone in the universe of interest—would be in the interval $p \pm 1.96 * \text{sqrt} [p * (100 - p) / n]$, where n is the size of the sample from which p is derived.
- + The maximum confidence interval occurs at 50% ($p = 50$) and gets smaller as p gets either smaller or larger. The 95% confidence interval for different percentages based on various sample sizes is shown on the next page.
- + The sampling error increases by a factor of 1.41 when comparing two percentages from different samples of the same size (e.g., percent of respondents finding one exhibit easy to understand versus respondents who viewed a different exhibit).[†]

[†] Tables displaying results for different exhibits have statistical significance indicated on the table.

Online Survey Methodology: Margin of Error (95% level of confidence)

Sample Size	Observed Percentage (p)				
	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
n = 1,201 or 1,200	± 1.70%	± 2.26%	± 2.59%	± 2.77%	± 2.83%
n = 601 or 600	± 2.40%	± 3.20%	± 3.67%	± 3.92%	± 4.00%
n = 401 or 400	± 2.94%	± 3.92%	± 4.49%	± 4.80%	± 4.90%

- + The sampling error shown above increases by a factor of 1.41 when comparing two percentages from different samples of the same size (e.g., percent of respondents finding one exhibit easy to understand versus respondents who viewed a different exhibit).

Online Survey Methodology: Demographic profiles

A profile of investor decision-makers (as estimated from the screened respondents) reflects a population that is close to that of the US population (age 21+)

Age	US Population (Age 21+)	Investor Decision-makers
21-34	26.4%	26.1%
35-44	18.6%	19.2%
45-54	20.4%	20.6%
55-61	11.9%	15.0%
62-72	12.4%	15.1%
73 and over	10.4%	4.0%

Gender	US Population (Age 21+)	Investor Decision-makers
Male	48.4%	52.5%
Female	51.6%	47.5%

Note: Gender figures for US population (age 21+) are from the 2010 Census. All other US population (age 21+) are estimates as of April 2009 from the US Census Bureau. Estimates for Hispanic investor decision-makers may be understated because survey was conducted in English language only.

Race	US Population (Age 21+)	Investor Decision-makers
American Indian/Alaskan Native alone	0.9%	0.8%
Asian alone	4.6%	5.1%
Black/African American alone	12.0%	5.6%
Native Hawaiian/Other Pacific Islander alone	0.2%	0.3%
White alone	81.1%	86.6%
2+ races	1.2%	1.6%

Ethnicity	US Population (Age 21+)	Investor Decision-makers
Hispanic	13.4%	6.3%
Non-Hispanic	86.6%	93.7%

Form ADV Part 2A Brochure

Selecting an Investment Adviser

At the beginning of the online survey, respondents were shown the information below and asked to answer a series of questions related to it

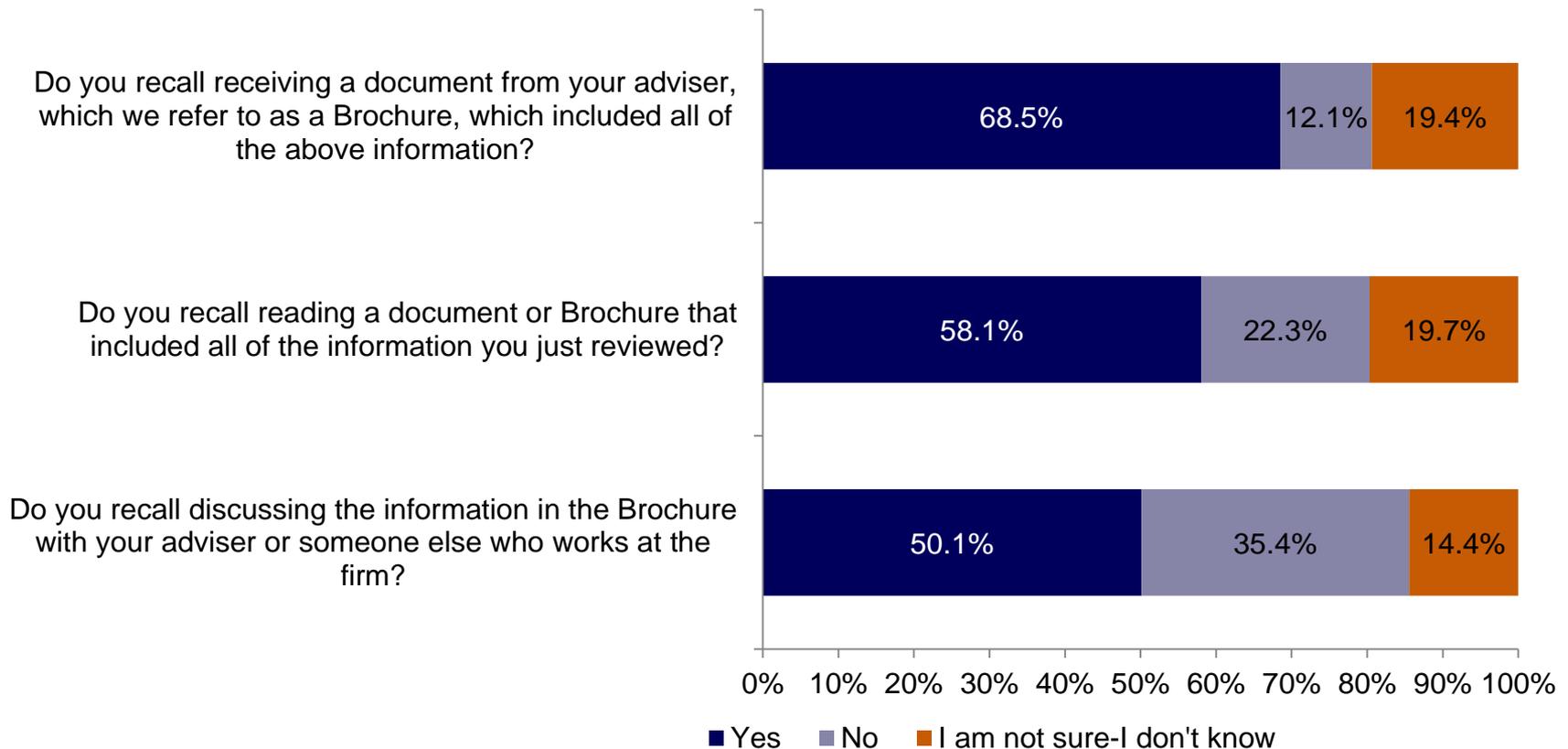
Your investment adviser must provide you with a document, called a “Brochure,” in which the adviser discloses information about his or her firm. This can be separate from the introductory materials provided to you about the adviser’s firm which the adviser may not be obligated to provide to you. Therefore, throughout this exercise, when we refer to “Brochure” we are referring to the document the adviser is required to provide you and which includes 18 types of information (see below). This document may also be called or labeled the “ADV Part 2.”

The adviser is required to disclose information on a minimum of 18 items, listed below, and that disclosure must be made to each of the adviser’s clients before or at the time the adviser enters into an advisory agreement with the client. While disclosure of the items below are mandatory, they may not necessarily apply to your adviser’s activities and as such, the adviser may indicate on the Brochure that particular items do not apply to their advisory business. The Brochure must be written in a comprehensible manner taking into account the level of financial sophistication of the adviser’s clients. This Brochure must be filed electronically with the SEC and can be retrieved by the public through www.adviserinfo.sec.gov.

- Item 1. Cover Page
- Item 2. Material Changes
- Item 3. Table of Contents
- Item 4. Advisory Business
- Item 5. Fees and Compensation
- Item 6. Performance-Based Fees and Side-by-Side Management
- Item 7. Types of Clients
- Item 8. Methods of Analysis, Investment Strategies and Risk of Loss
- Item 9. Disciplinary Information
- Item 10. Other Financial Industry Activities and Affiliations
- Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- Item 12. Brokerage Practices
- Item 13. Review of Accounts
- Item 14. Client Referrals and Other Compensation
- Item 15. Custody
- Item 16. Investment Discretion
- Item 17. Voting Client Securities
- Item 18. Financial Information

While over two-thirds of online survey respondents (68.5%) recalled receiving a Brochure, only half (50.1%) remembered discussing the information with their adviser

A1-A3

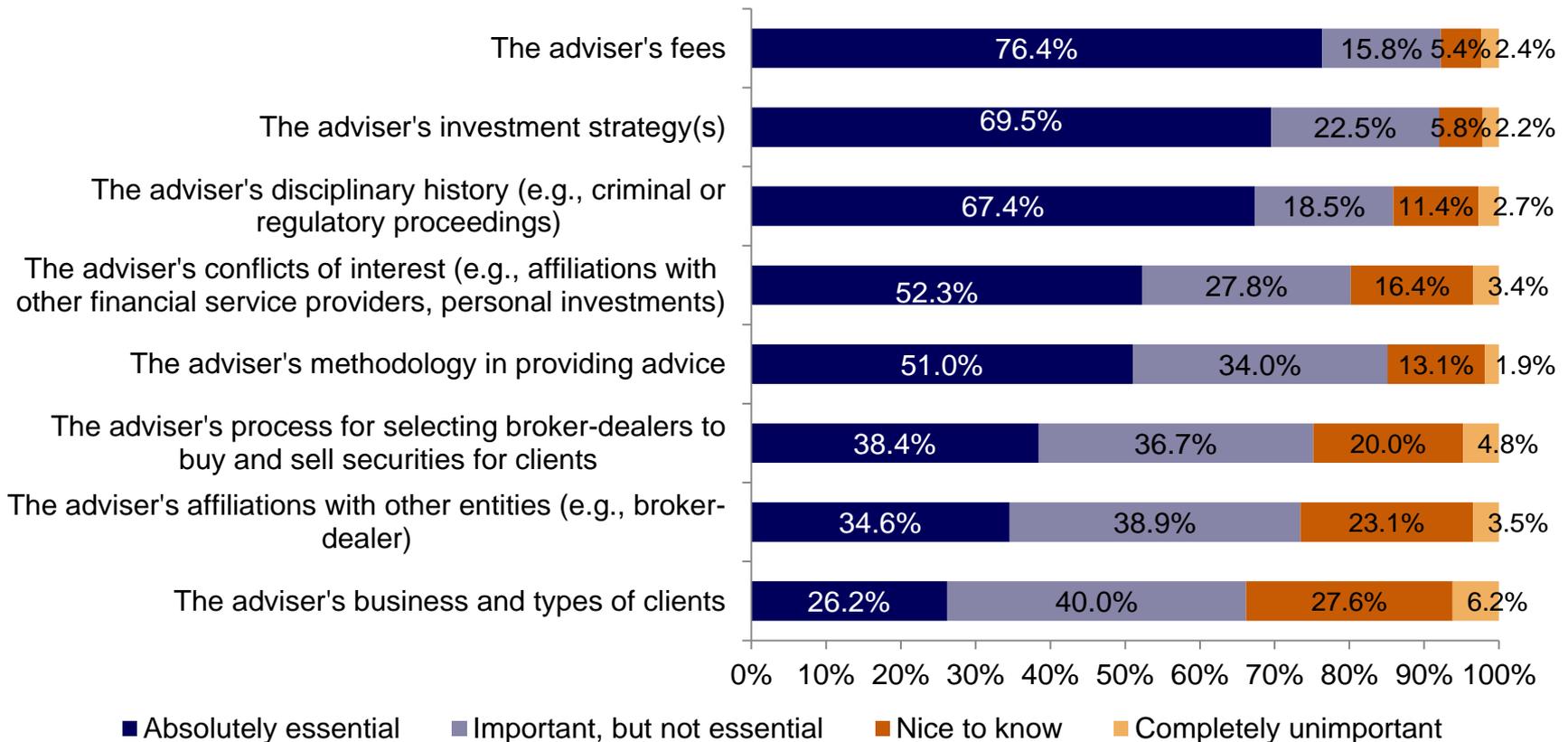


n=1,200

Note: Figures may not add to 100% due to rounding

Fees, investment strategy(s) and disciplinary history were the most important information that online survey respondents sought about advisers (“absolutely essential” for 76.4%, 69.5% and 67.4%, respectively), while the types of clients and affiliations were secondary

A4: Using the scale shown below, please indicate how important it is to you to have the following information about your adviser.

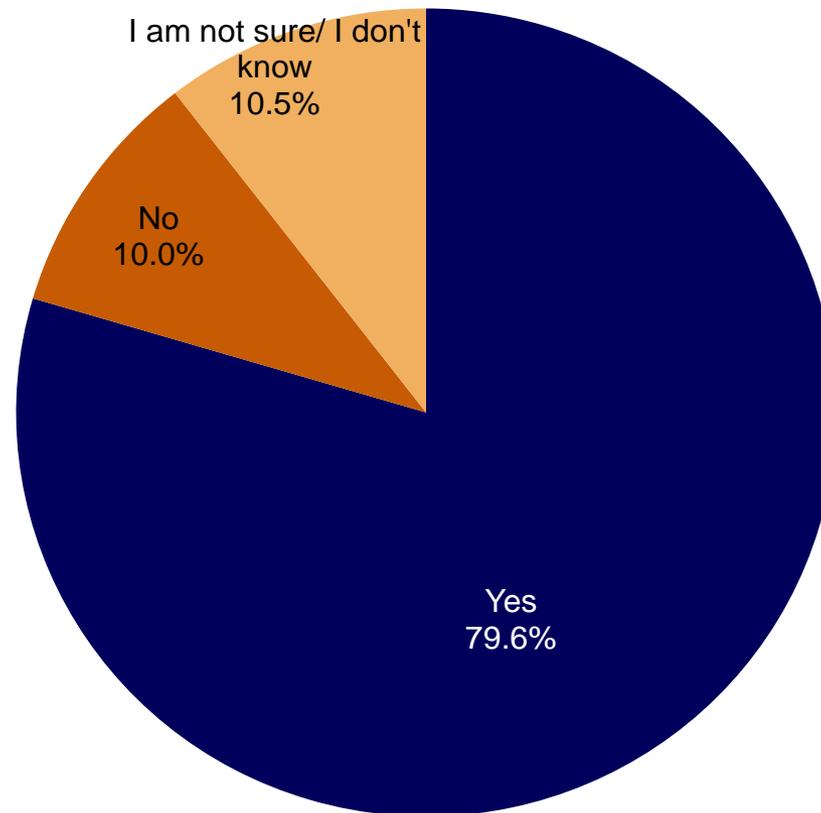


n=1,200

Note: Figures may not add to 100% due to rounding

The majority of online survey respondents (79.6%) reported that receiving a summary of the adviser's answers to the items in the Brochure would be helpful

A5: Advisers' Brochures vary in length, but in many cases they may be 20 to 40 pages long. Would you find it helpful to receive a summary of the adviser's answers to the items in the Brochure assuming this summary would be about 5 to 10 pages long but would include less content regarding the disclosures an adviser is currently required to make in its Brochure?

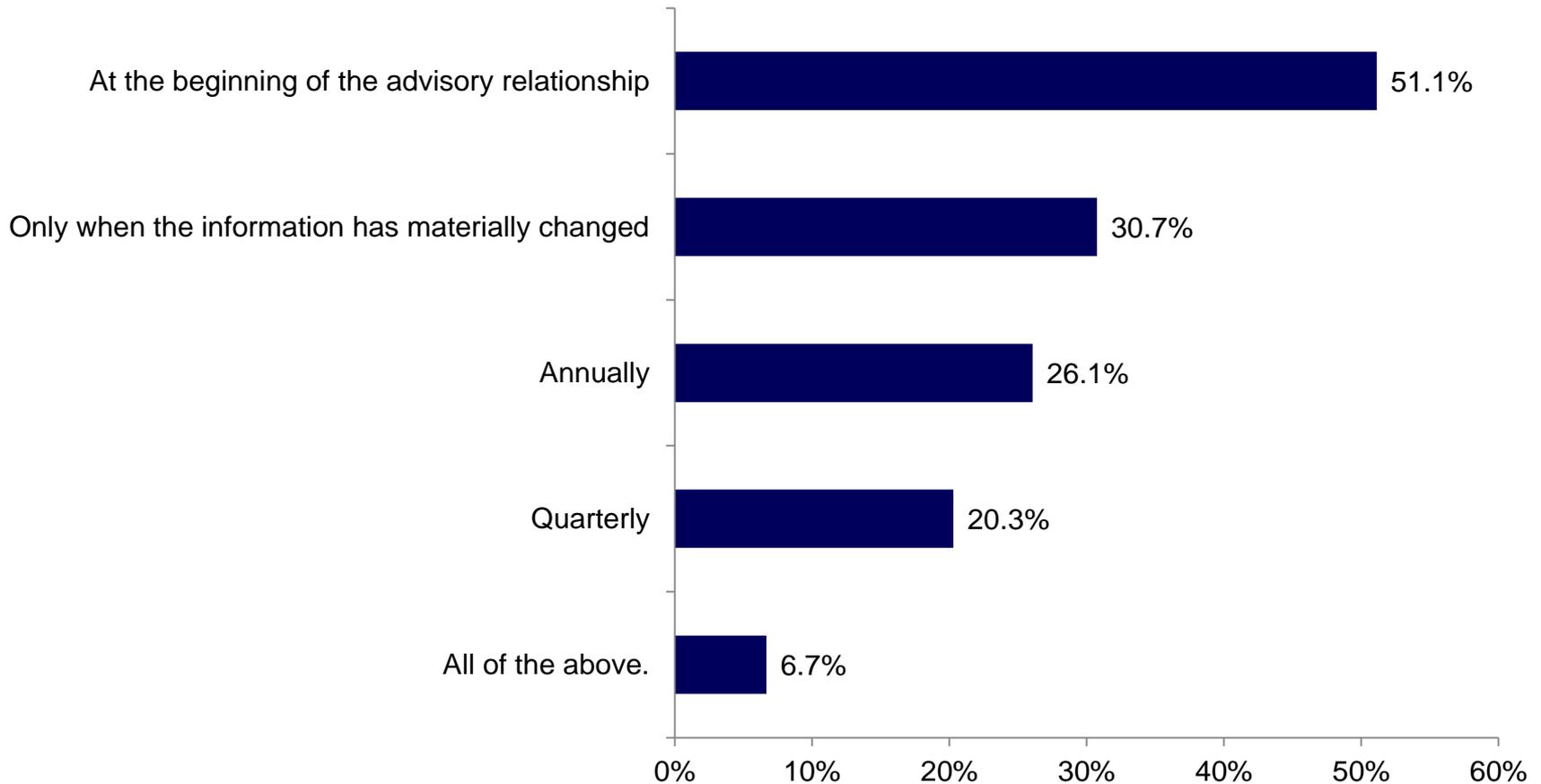


n=1,200

Note: Figures do not add to 100% due to rounding

Among online survey respondents who thought the summary would be helpful, some desired information at different points in time, though about half (51.1%) would like to receive it at the beginning of the advisory relationship

A6: When would you like to receive this summary? Check all that apply.

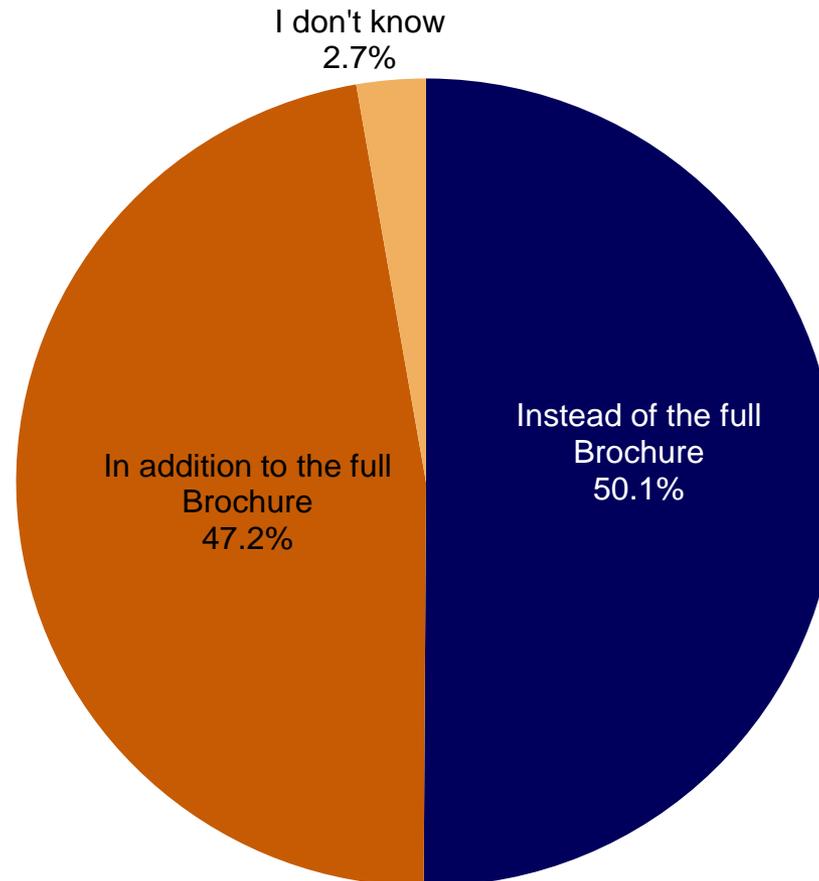


n=954. Sample comprised of individuals who indicated a summary would be helpful in A5.

Note: Figures do not add to 100% due to multiple responses

Among online survey respondents who indicated receiving a summary would be helpful, there was little consensus about whether the summary could supplant the full Brochure; 50.1% would like to receive it instead of the full Brochure while 47.2% would like to receive it in addition to the full Brochure

A7: Would you like to receive this summary instead of the full Brochure or in addition to the full Brochure?

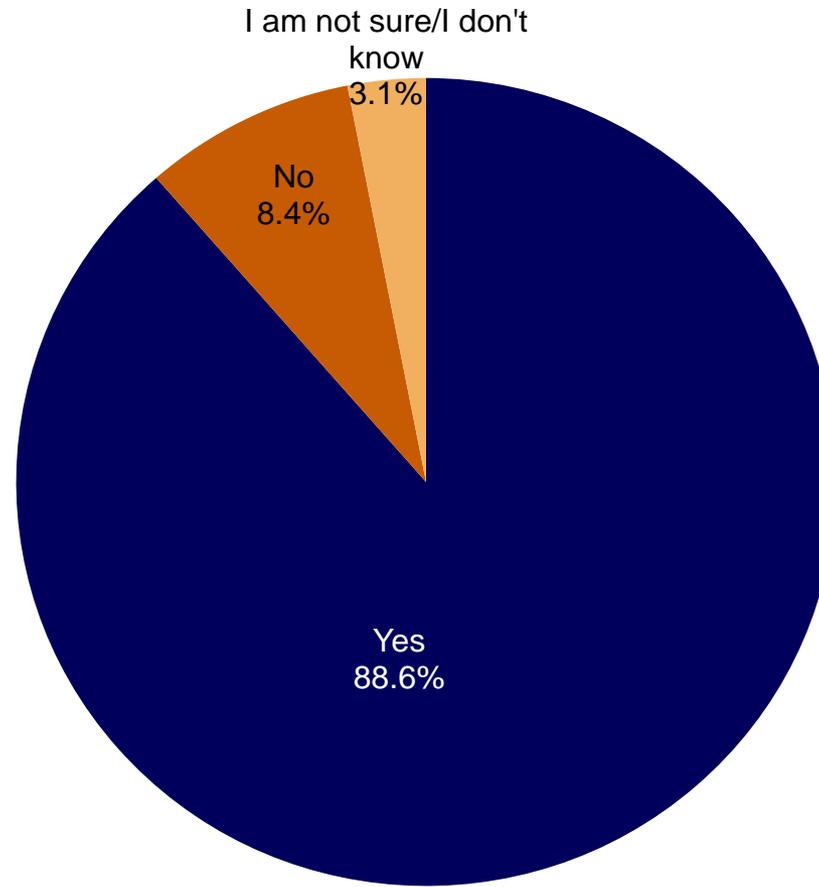


n=954

Sample comprised of respondents who indicated a summary would be helpful in A5

Of the online survey respondents who reported wanting to receive both the full Brochure and summary, most (88.6%) desired receiving both at the same time

A8: Would you like to receive this summary at the same time you receive the full Brochure?



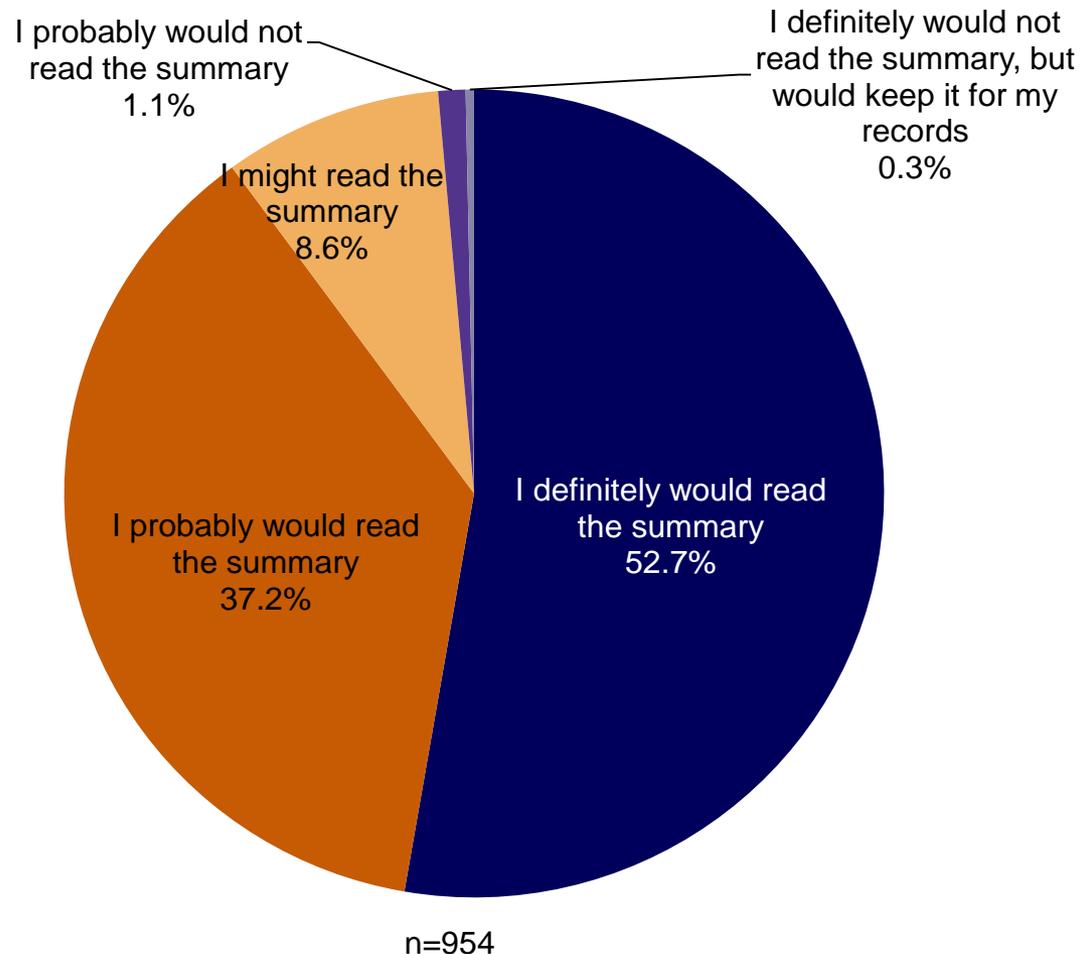
n=449

Sample comprised of respondents who indicated a summary would be helpful in A5 and preferred it "in addition to the full Brochure" in A6

Note: Figures do not add to 100% due to rounding

Among online survey respondents who indicated that a summary would be helpful, the majority reported that they would either definitely read (52.7%) or probably read (37.2%) the summary

A9: How likely would you be to read the type of summary described earlier?

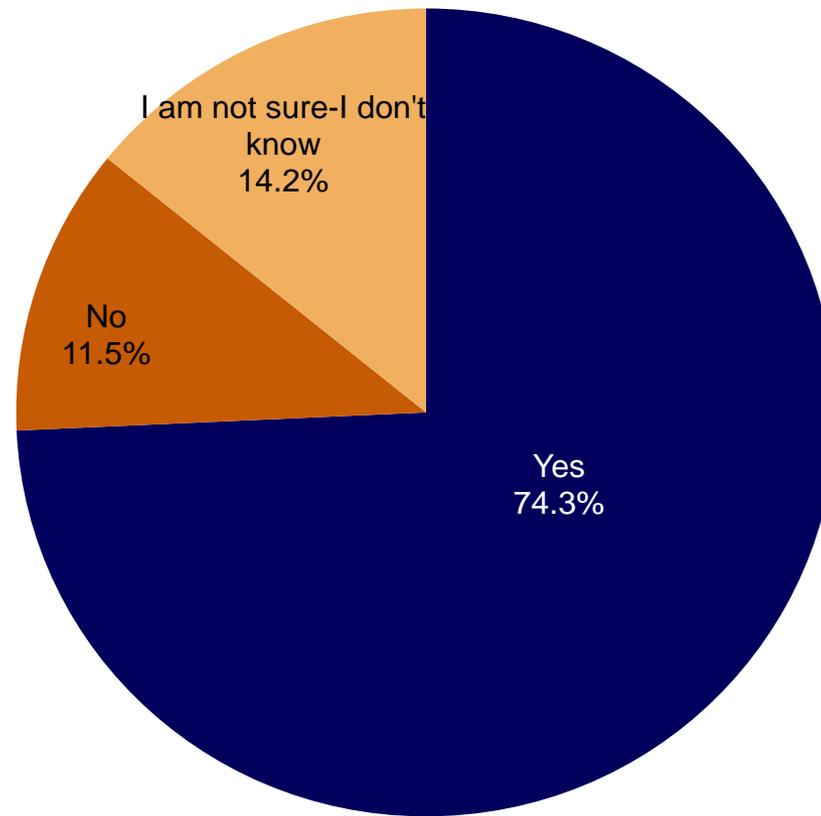


Sample comprised of respondents who indicated a summary would be helpful in A5

Note: Figures do not add to 100% due to rounding

Approximately 74.3% of online survey respondents reported that their current adviser provided them a document with information about fees that would be charged to their account

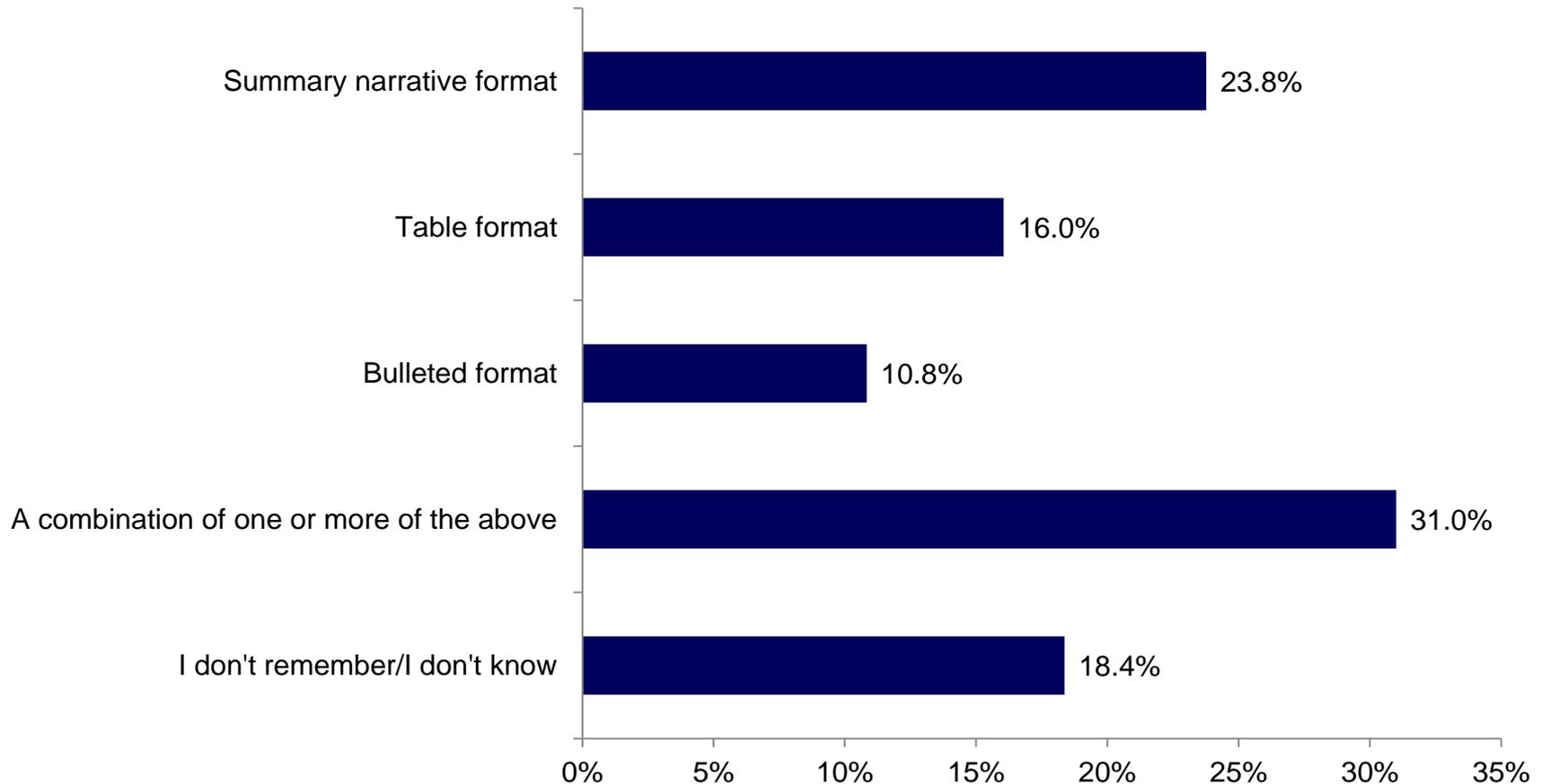
A10: Did your current adviser provide you with a document detailing the fees that would be charged to your account?



n=1,200

Online survey respondents reported receiving documentation about fees in varying formats

A11: Which of the following best describes the format of the document you were given that describes the fees that would be charged to your account?



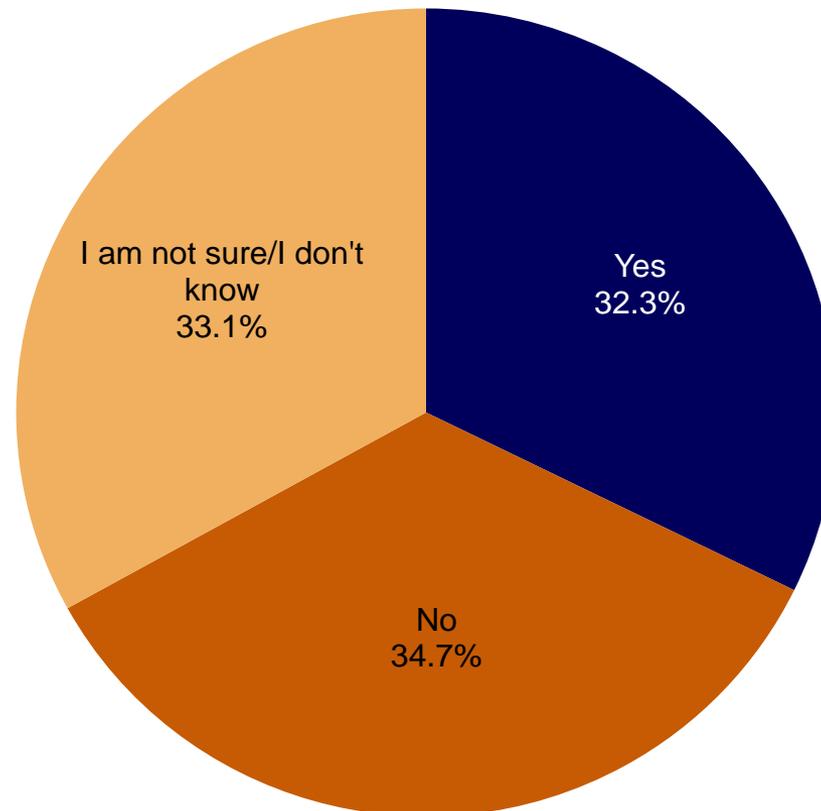
n=870. Sample comprised of individuals who indicated they were provided with a document detailing fees in A11.

Note: Figures do not add to 100% due to multiple responses

Sample comprised of respondents who indicated receiving a document detailing fees in A10

Approximately 32.3% of online survey respondents reported receiving documentation on their current adviser's potential conflicts of interest; slightly more (33.1%) were unsure whether they'd received such a document

A12: Did your current adviser provide you with a document detailing potential conflicts of interest that may exist when providing advice to you?

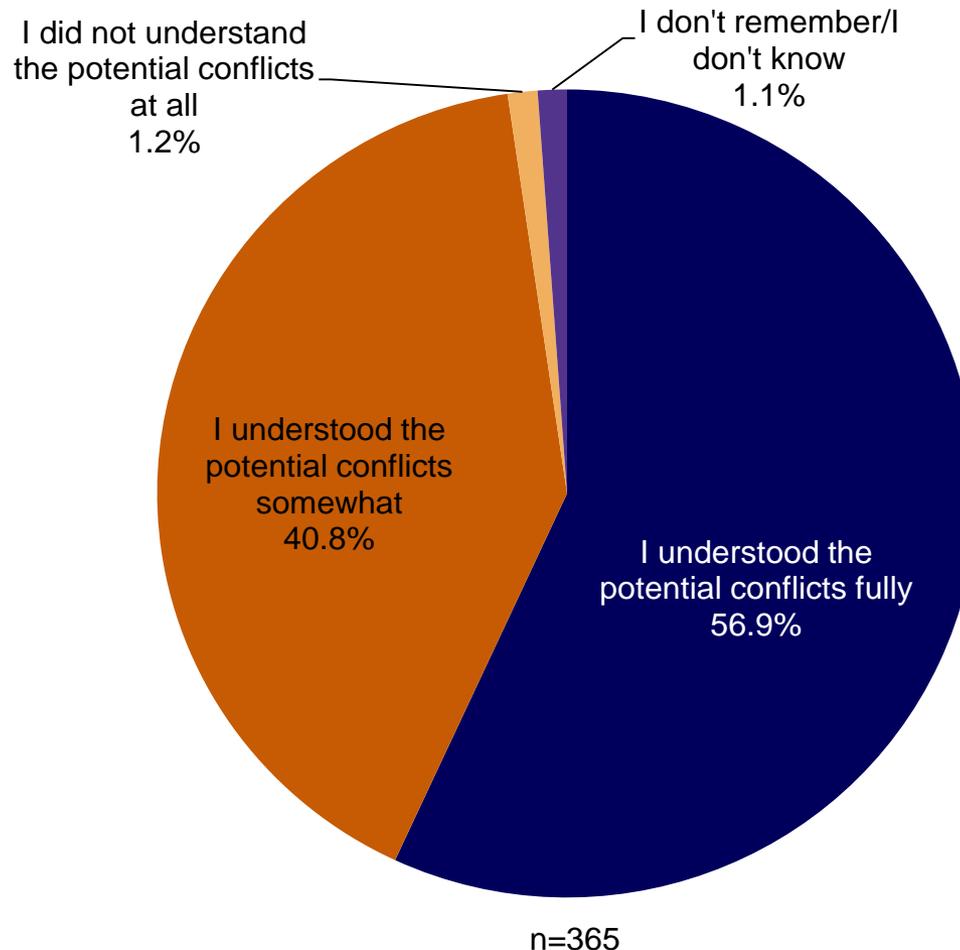


n=1,200

Note: Figures do not add to 100% due to rounding

Among online survey respondents who recalled receiving a conflicts of interest disclosure, more than half (56.9%) reported that they fully understood the potential impact on their advisory relationship

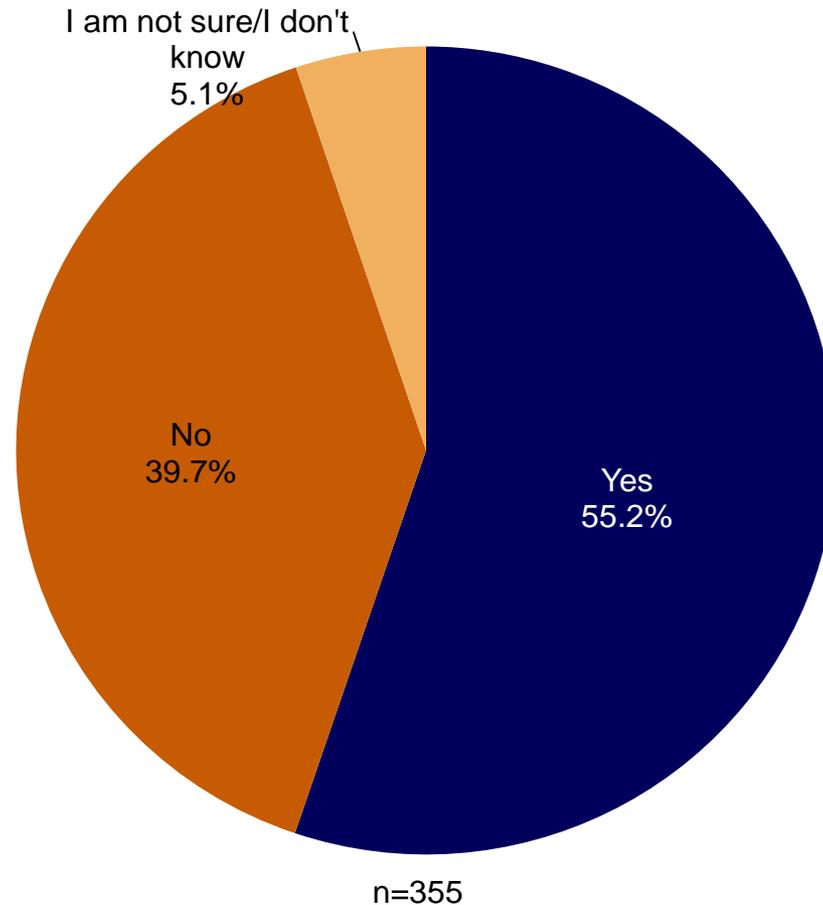
A13: How well would you say you understood the conflicts of interest and the potential impact they might have on your adviser's relationship with you?



Sample comprised of respondents who reported receiving a conflicts of interest disclosure in A12

More than half (55.2%) of online survey respondents who understood the conflicts of interest fully or somewhat actually took action to protect their interests

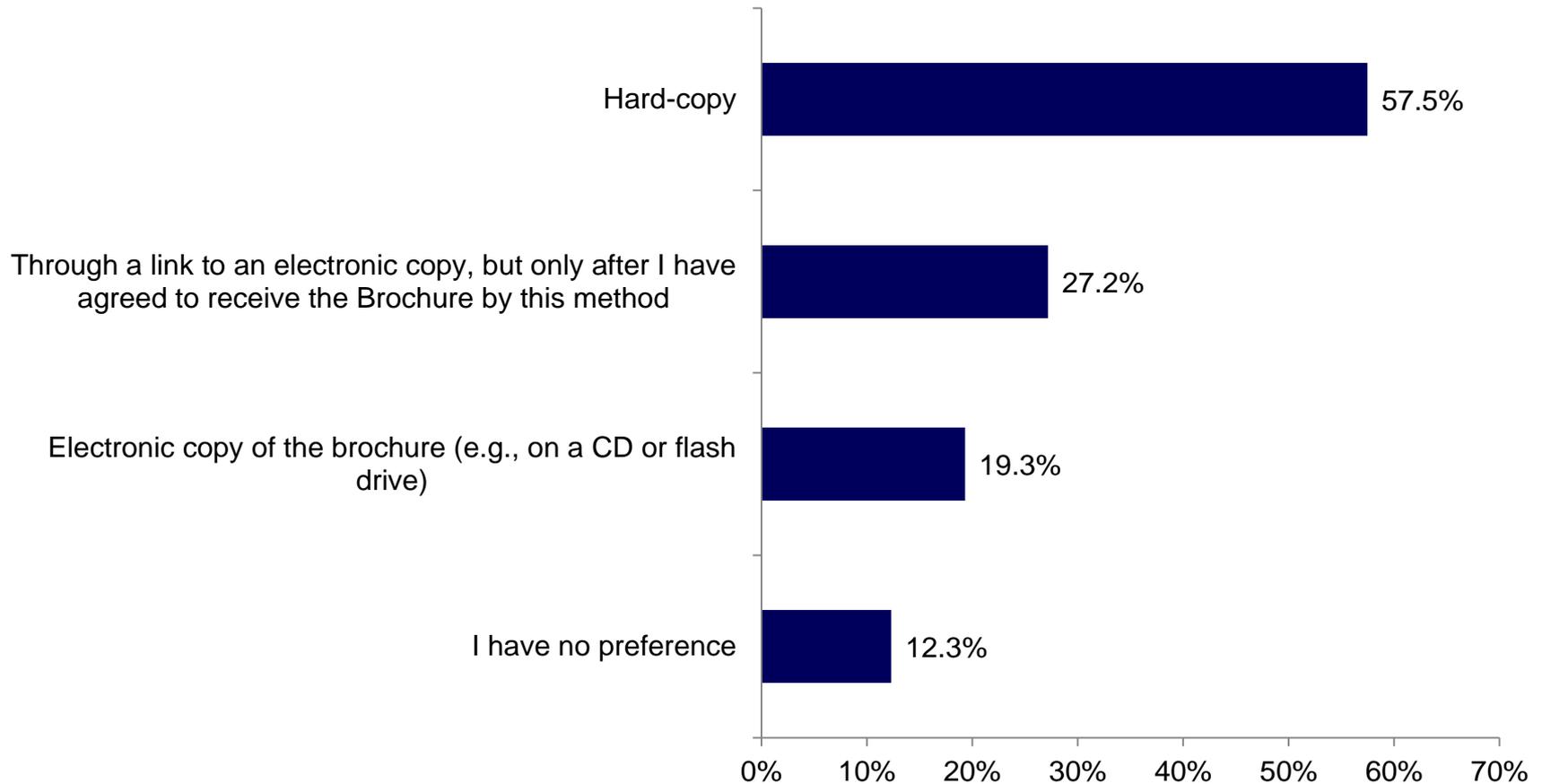
A14: Did you take, or try to take, any actions to protect your interests?



Sample comprised of respondents who reported receiving a conflicts of interest disclosure in A12 and reported having “fully” or “somewhat understood” the conflicts of interest in A13

The majority of online survey respondents (57.5%) reported preferring a hard copy of the Brochure to other formats

A15: By which of the following methods would you prefer to receive the Brochure from your adviser?
Check all that apply.

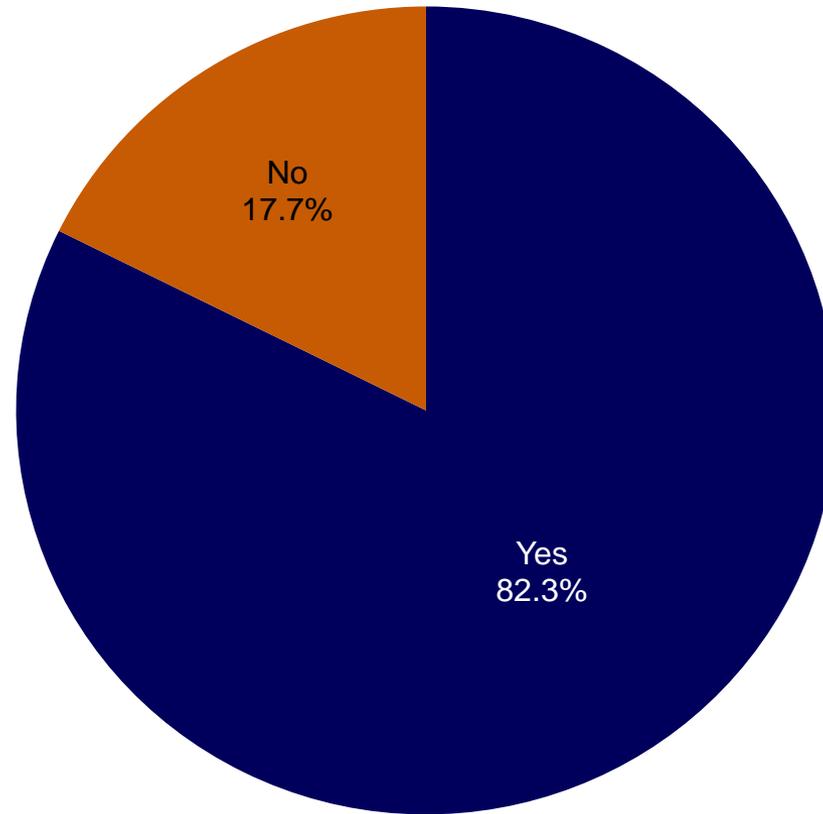


n=1,200

Note: Figures do not add to 100% due to multiple responses

The vast majority of online survey respondents (82.3%) reported that they prefer an adviser discuss the information contained in the Brochure with them in addition to receiving the document itself

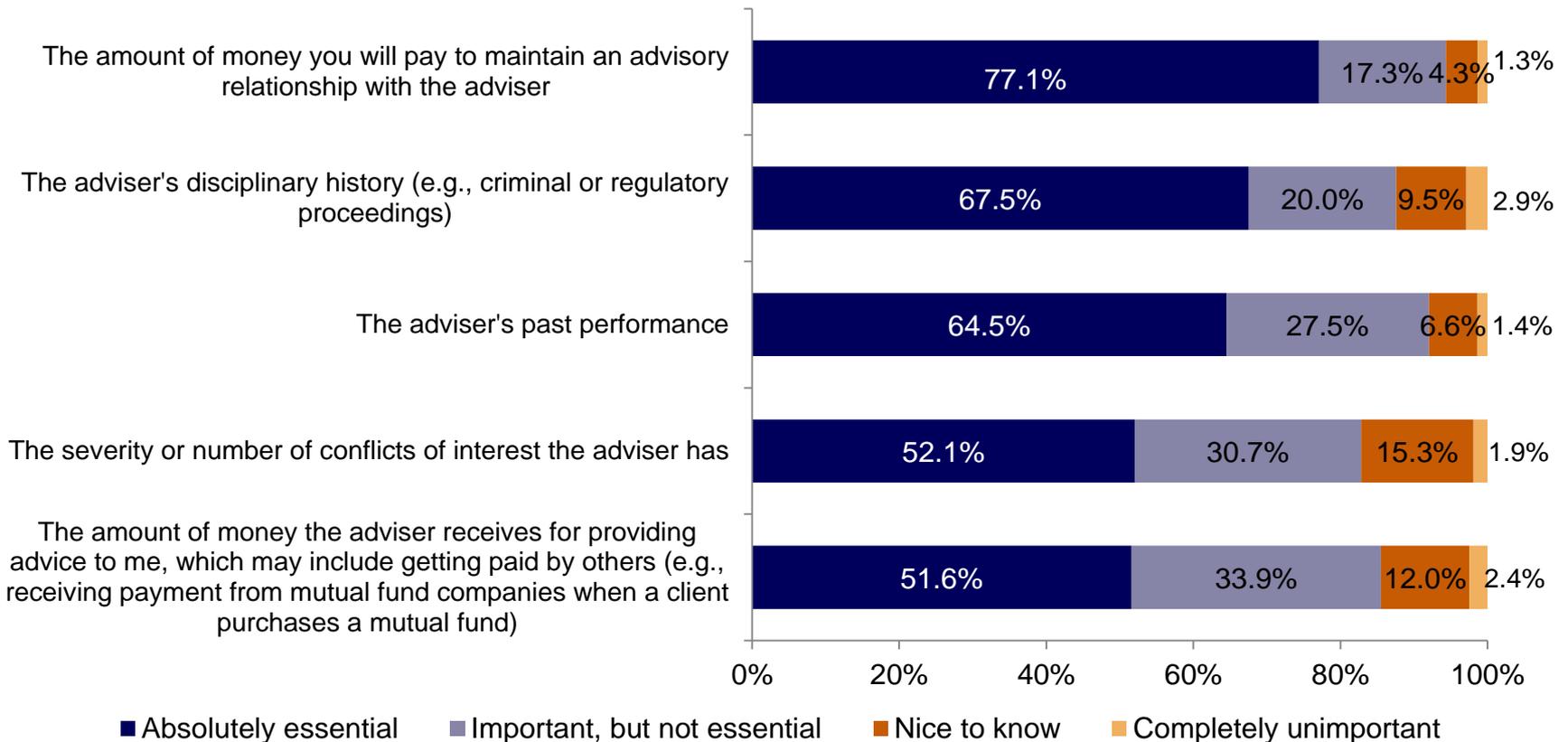
A16: In addition to receiving the Brochure, would you prefer an investment adviser discuss with you orally the information contained in it?



n=1,200

The amount of money that one would pay an adviser to maintain their relationship was selected by 77.1% of online survey respondents as an “absolutely essential” factor

A17: Using the scale shown below, please indicate how important each of the following factors is to you when choosing a investment adviser.

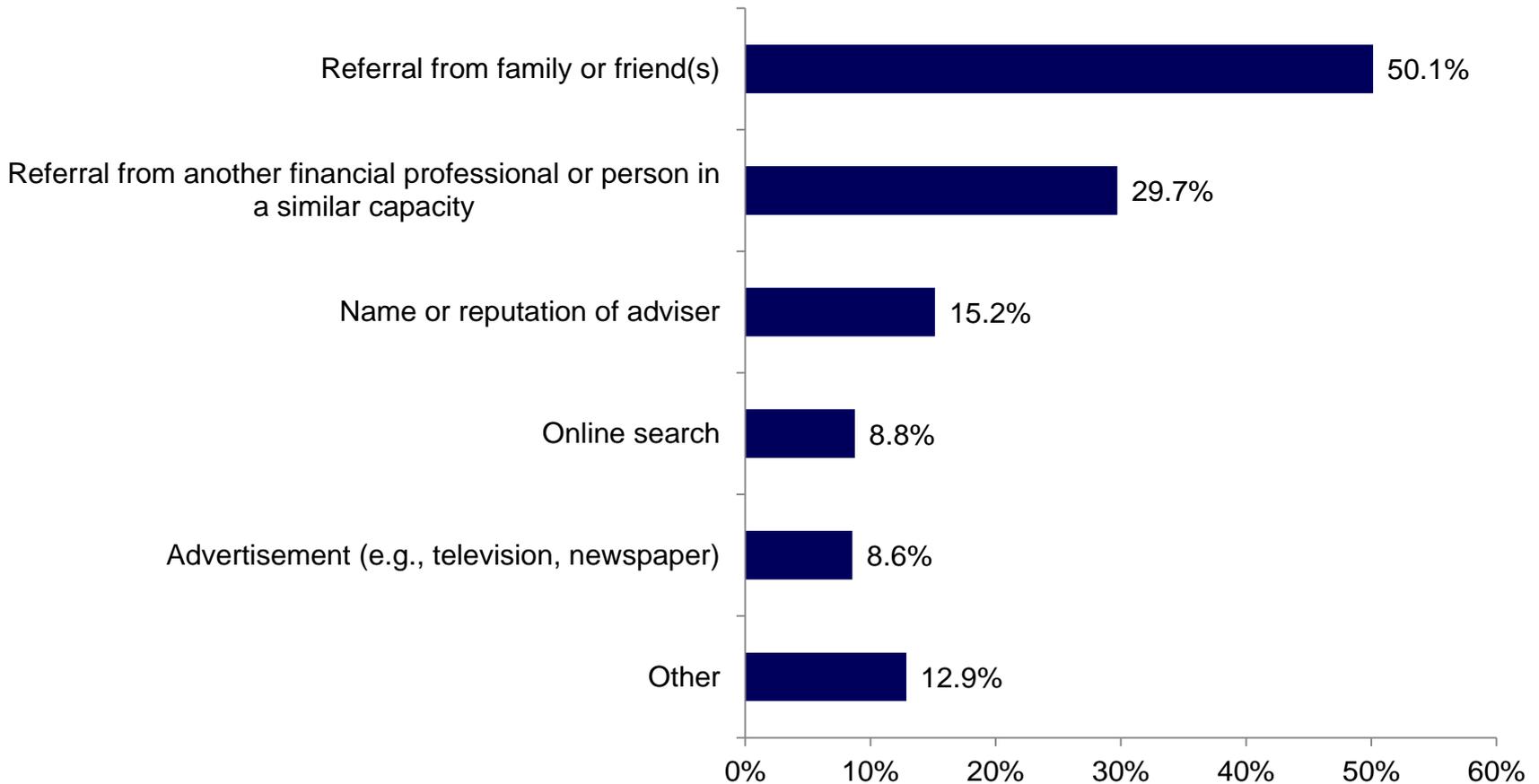


n=1,200

Note: Figures may not add to 100% due to rounding

Approximately 50.1% of online survey respondents found their current adviser via referral from a friend or family member, while approximately 29.7% found theirs by referral from another financial professional

A18: How did you find your current adviser? Check all that apply.



n=1,200

Note: Figures do not add to 100% due to multiple responses

Comments from online survey respondents about how they found their current adviser

A18: How did you find your current adviser?

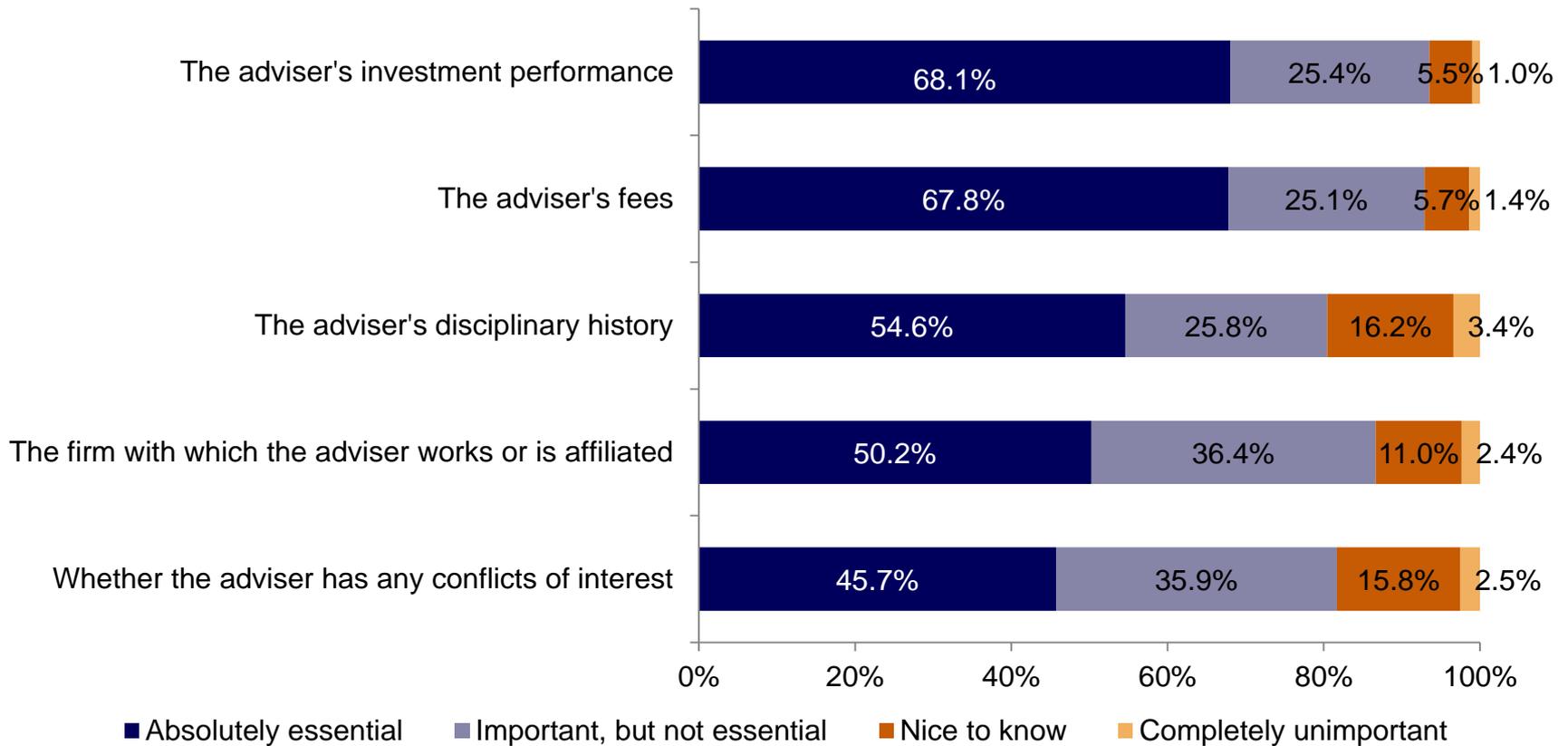
- + Friend or family
 - *“Advisor is a family friend.”*
 - *“Is a personal friend.”*
 - *“Brother in law.”*
- + Seminar/course
 - *“Invitation to a financial seminar.”*
 - *“Attended a seminar he offered.”*
 - *“Community college course.”*
- + Bank
 - *“At my bank.”*
 - *“I bank at the branch where he is an advisor.”*
- + Work-related
 - *“Business associate.”*
 - *“From my previous workplace—they managed the 401k.”*
 - *“Recommended through prior employer.”*
- + Company affiliation
 - *“Employed at my financial investment firm.”*
 - *“Replaced my previous adviser.”*
 - *“Same company we had in another state.”*

n=159

Sample comprised of respondents who selected “Other” in A18

Fees and performance were reported as the most important factors in choosing their current adviser, each selected by approximately 68% of online survey respondents

A19: How important was each of the following factors in choosing your current adviser?

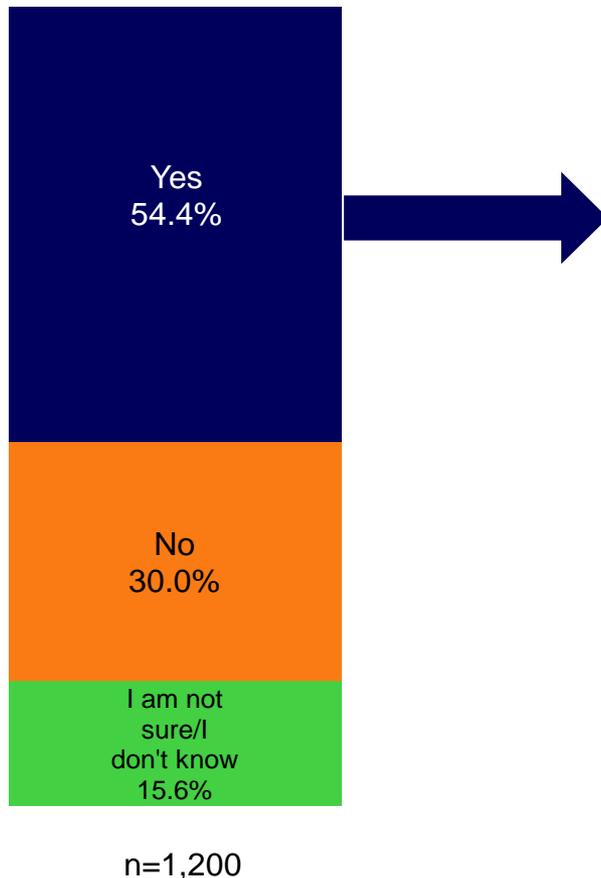


n=1,200

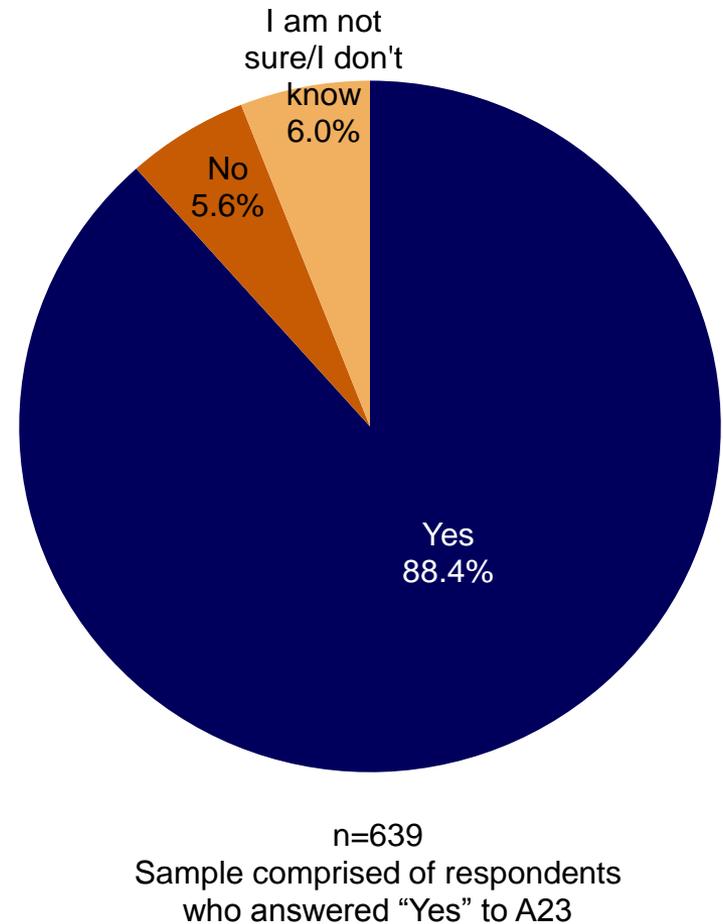
Note: Figures may not add to 100% due to rounding

More than half of online survey respondents (54.4%) thought information about multiple advisers would have been helpful in selecting their current adviser; the majority who thought it helpful (88.4%) would have liked to compare among advisers on the information in the Brochure

A23: In selecting your current adviser, would it have been helpful to have information concerning multiple advisers available to you before you made your decision to select the adviser?

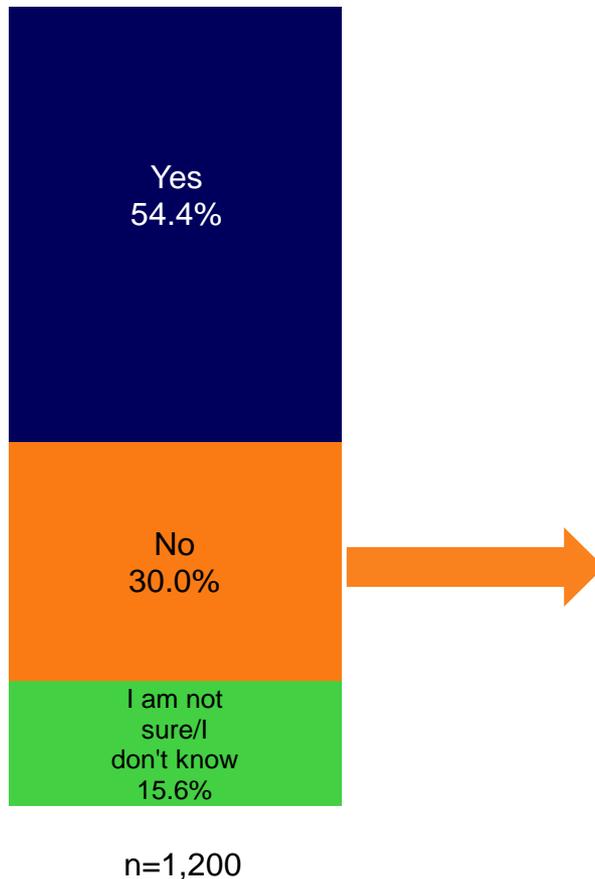


A24: Would it have been helpful to be able to compare among advisers on the information in the Brochures before selecting your current adviser?

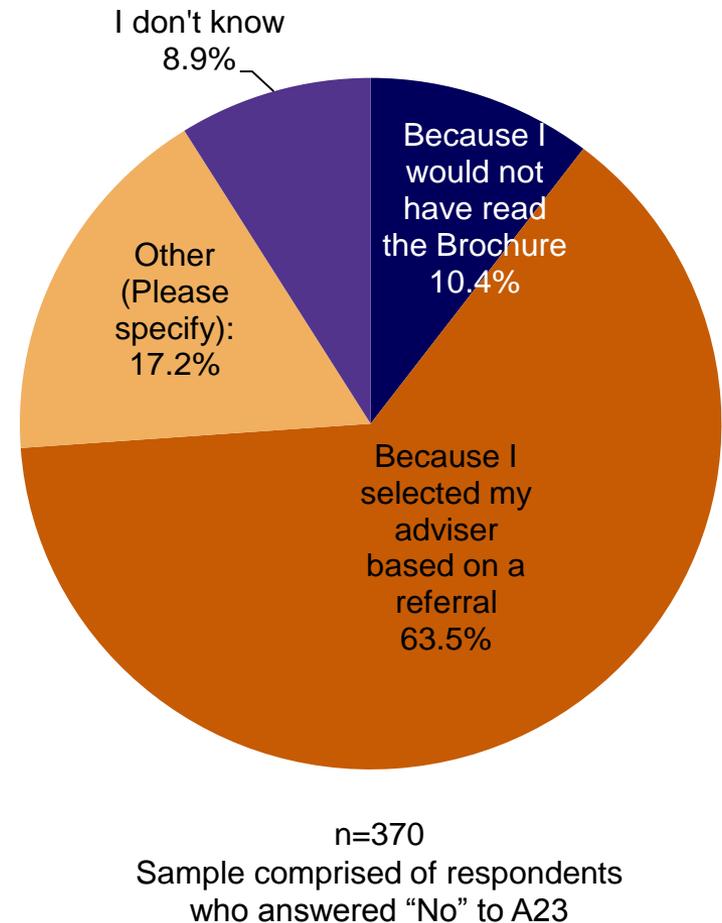


Of those online survey respondents who did not think having information on multiple advisers would have been helpful, most (63.5%) reported it was because they found their adviser from a referral

A23: In selecting your current adviser, would it have been helpful to have information concerning multiple advisers available to you before you made your decision to select the adviser?



A25: What are the primary reason(s) you think that receiving the information before you made your decision would not have been helpful?



After reviewing a screenshot from the SEC's IAPD website as a point of reference, a large majority of online survey respondents (76.5%) indicated they did not use an SEC-sponsored website to find information about their adviser

A26: In selecting your current adviser, did you use an SEC-sponsored website to find information about your adviser? Click the example below for reference.

Example shown:

IAPD - Investment Adviser : x

www.adviserinfo.sec.gov/(S(55zzaje3lstnc2mfj2lx20rh))/IAPD/Content/Search/iapd_Search.aspx

Investment Adviser Public Disclosure

State Regulation

Investment Adviser Search

IAPD Main

Return to the SEC
Return to SEC IARD Page
Return to Sitemap
Investment Adviser Search

Investment Adviser Public Disclosure (IAPD) provides information about current and former Investment Adviser Representatives (IARs), Investment Adviser firms registered with the SEC and/or state securities regulators, and Exempt Reporting Advisers that file reports with the SEC and/or state securities regulators.

In addition to providing information about IARs currently registered with a state securities regulator, IAPD also includes individuals who:

- have been registered with a state securities regulator within the last ten years, or
- (1) have ever been the subject of a final regulatory event, (2) convicted of or pled guilty to or no contest to a crime, (3) have been the subject of a civil injunction or civil court finding involving a violation of any investment-related statute(s) or regulation(s), or (4) have been a respondent or defendant or the subject of an arbitration or civil litigation which resulted in an award, decision, or judgment for a customer that has been reported on a registration form.

To search for an IAR or a firm, select one of the radio buttons below. If you are having problems with your search, please refine your search criteria or call 240-386-4848 for technical assistance.

Special Note: Through March 30, 2012, SEC-registered investment advisers will transition to a revised Form ADV that was implemented in November 2011. State-registered advisers will also be transitioning to the revised Form ADV in 2012. As a result of the changes to Form ADV and the transition periods for advisers to file the revised Form ADV, the form displayed in IAPD may not include answers to all of the questions of the revised Form ADV. A Form ADV containing answers to all of the revised questions should be available when the transition periods end.

To begin your search, choose:

Investment Adviser Representative (IAR)
 Investment Adviser Firm

You have chosen to search for a firm. Please refine your search using the fields below.

Firm Name: Go

Type of Firm Search:
 Starts With
 Contains
 Sounds Like

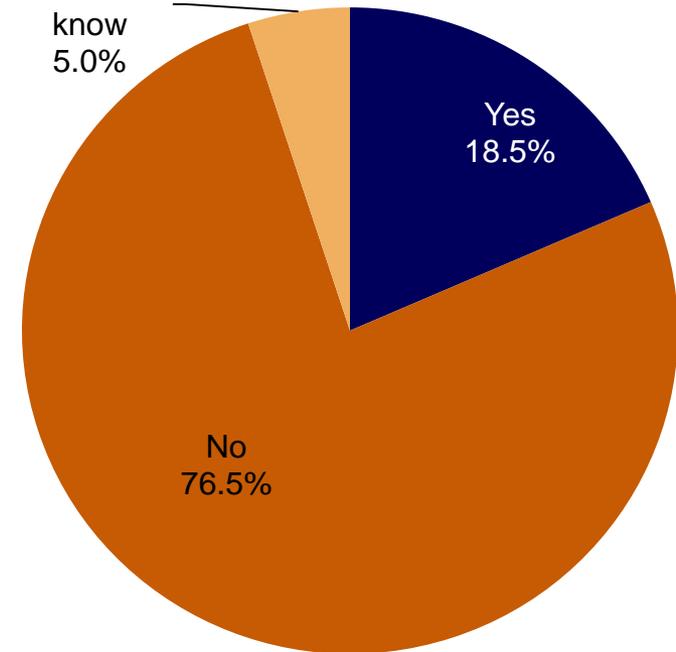
Firm IARD/CRD Number: Go

Firm SEC Number: 801/802 Go

Back to Top

IAPD Main
Return to the SEC | Return to SEC IARD Page | Return to Sitemap | Investment Adviser Search

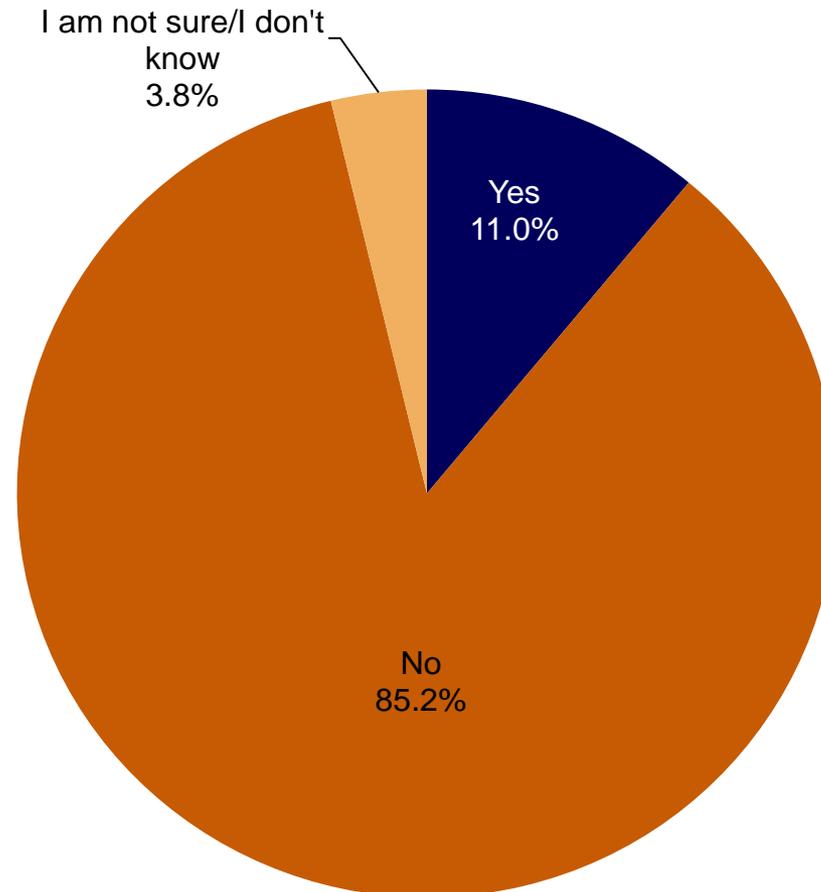
I am not
sure/I don't
know
5.0%



n=1,200

Of those online survey respondents who did not use an SEC-sponsored website, most (85.2%) indicated they were not aware of one

A27: Did you know an SEC-sponsored website is available for this purpose?

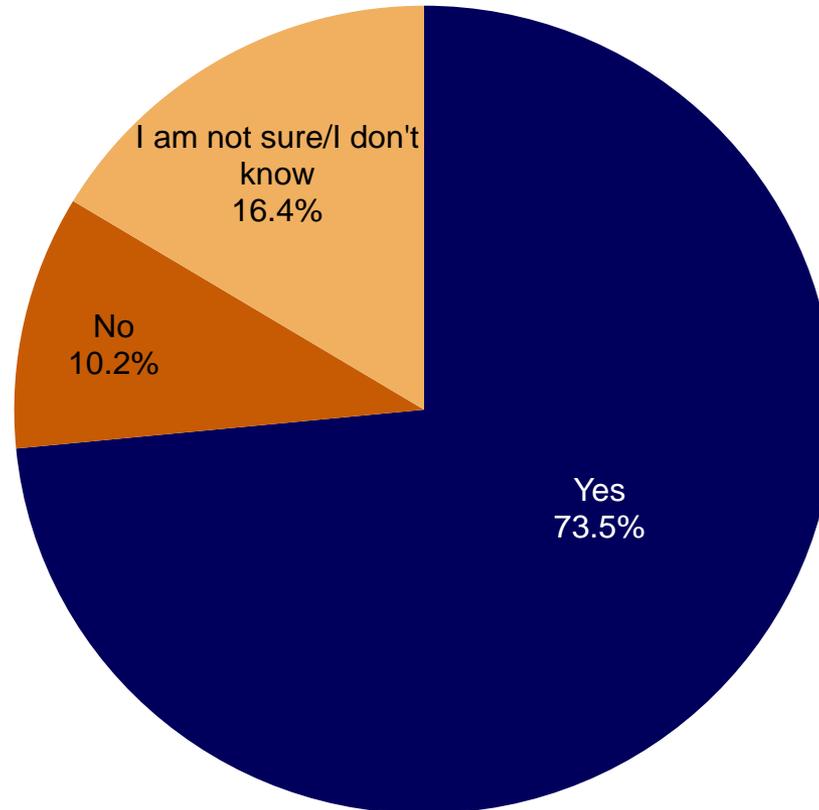


n=993

Sample comprised of respondents who indicated they did not use an SEC-sponsored website in A26

Among online survey respondents who were unaware of the SEC-sponsored website, about 73.5% reported they would have used it, had they known it were available

A28: Would you review information on your adviser on an SEC-sponsored website if you knew it were available?



n=850

Sample comprised of respondents who indicated they did not use an SEC-sponsored website in A26 and indicated they were not aware they existed in A27

Note: Figures do not add to 100% due to rounding

Though awareness of SEC-sponsored websites is less than 30%, over two-thirds of those aware (67.3%) used an SEC-sponsored website to review information on advisers; among those not aware, approximately 73.5% indicated they would use the resource if they knew it were available

A26: In selecting your current adviser, did you use an SEC-sponsored website to find information about your adviser? Click the example below for reference.

A27: Did you know an SEC-sponsored website is available for this purpose?

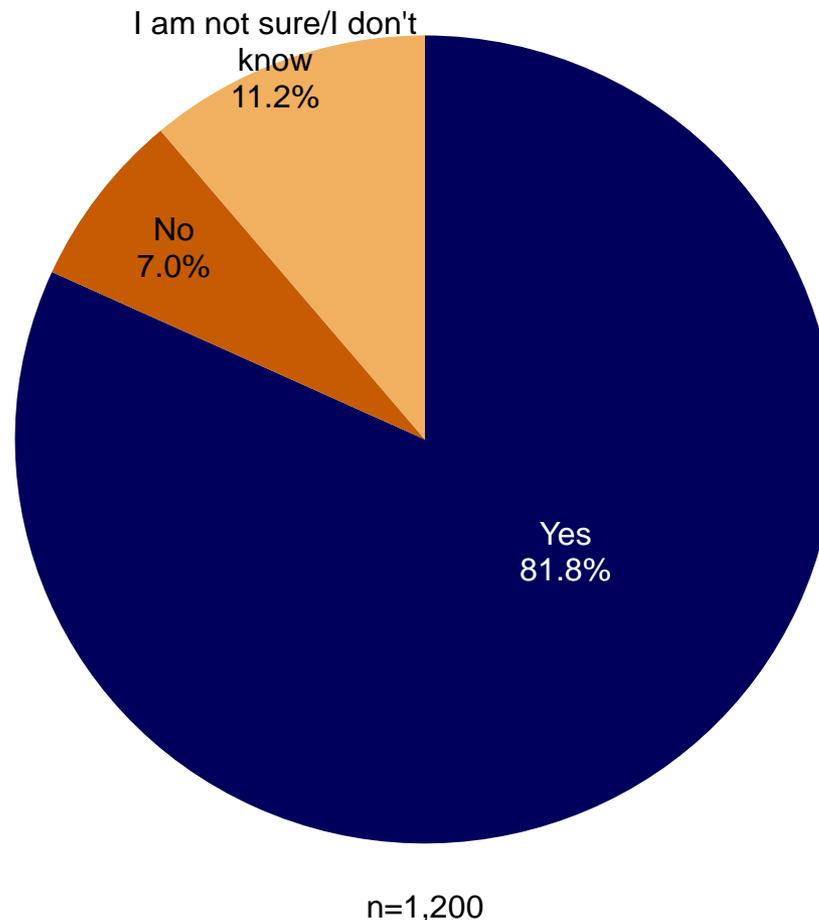
A28: Would you review information on your adviser on an SEC-sponsored website if you knew it were available?

Awareness of SEC-sponsored websites*	Did or would use	Did not or would not use	Do not know if did or would use
Aware (n=309)	67.3%	29.6%	3.1%
Not aware (n=850)	73.5%	10.2%	16.4%
<i>Awareness of SEC-sponsored sites = 28.3%</i>			

*Note: *Aware* includes respondents who answered “Yes” to A26 or “Yes” to A27. *Not aware* includes respondents who answered “No” or “I don’t know” to A26 and “No” to A27; excludes those who answered “I don’t know” to A27.

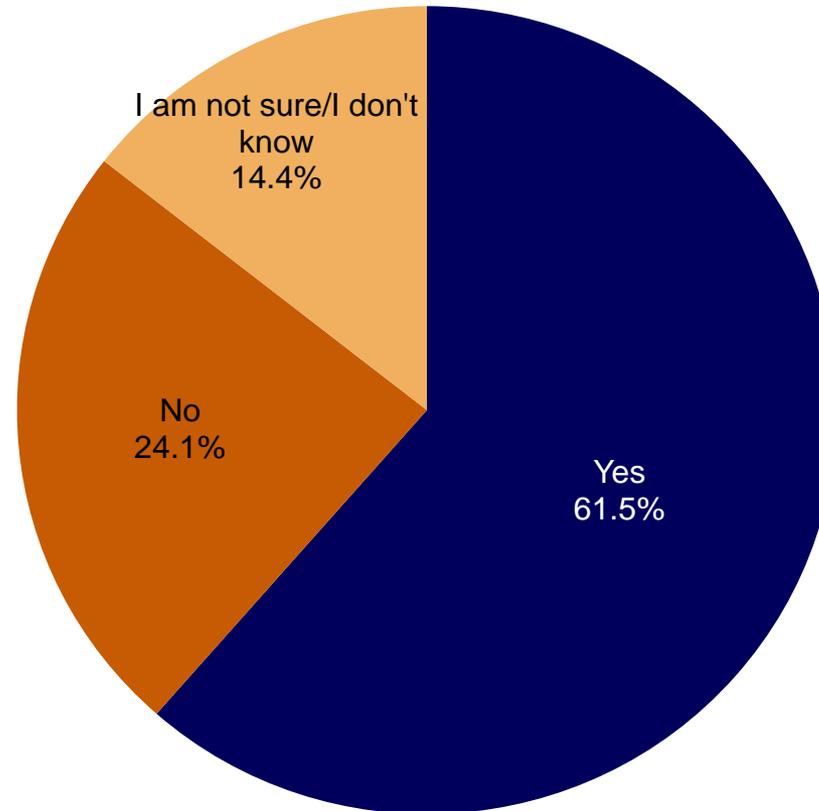
Most online survey respondents (81.8%) believed an SEC-sponsored website would be helpful in comparing information about advisers

A29: If you were selecting a new investment adviser, would an SEC-sponsored website be helpful in your search for comparative information about advisers?



Among online survey respondents who thought the SEC-sponsored website would be helpful, nearly two-thirds (61.5%) said it mattered that the information be presented in a comparable format

A30: Does it matter to you whether this information is presented in a comparable format (for example, comparison of assets under management for advisers in a particular region)?

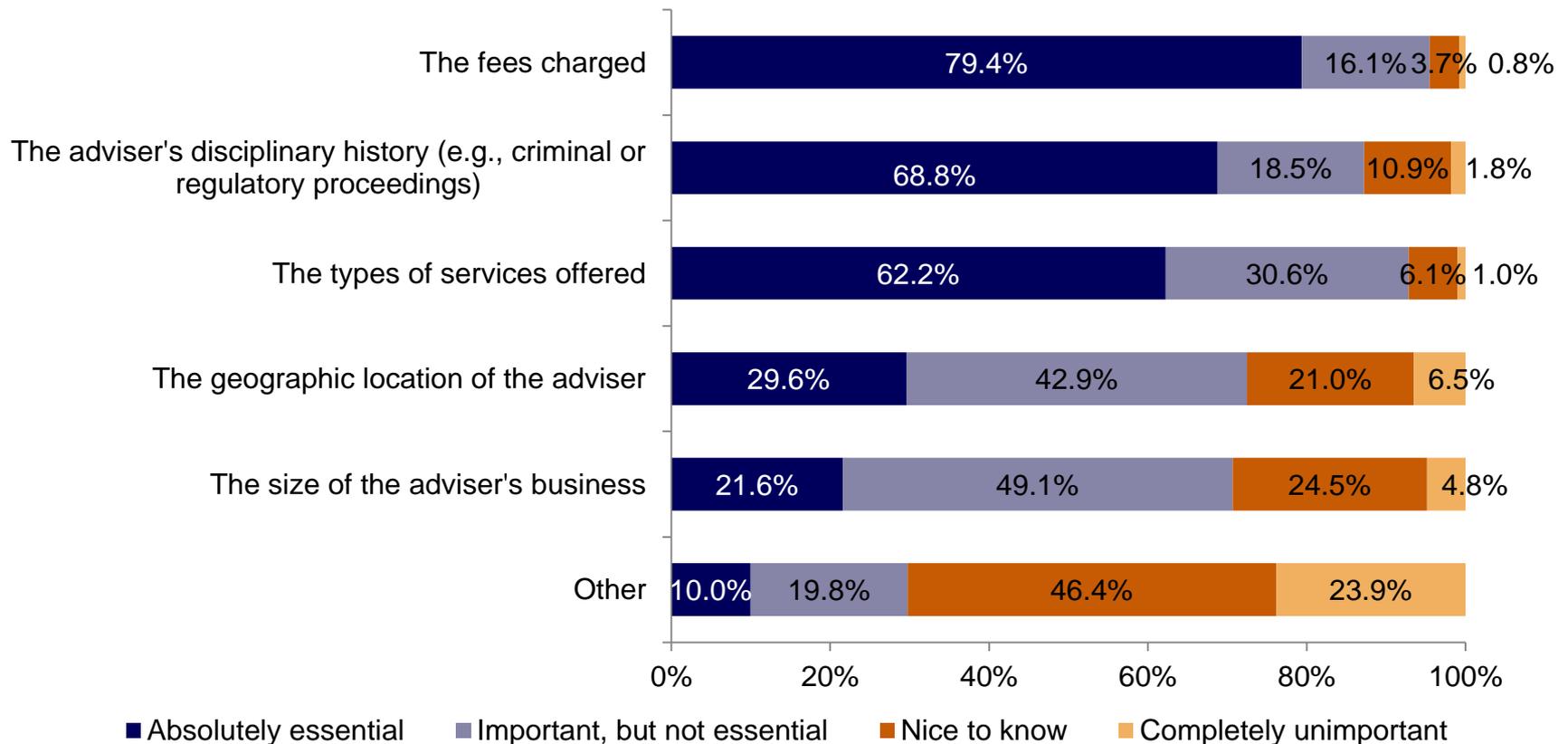


n=983

Sample comprised of respondents who indicated an SEC-sponsored website would be helpful to search comparative adviser information in A29

While more than two-thirds of online survey respondents (68.8%) reported an adviser's disciplinary history as essential comparative information, it was second in importance to information about the fees advisers charge (79.4%)

A31: Using the scale shown below, please indicate how important each of the following factors would be to you if you were to search for comparative information on advisers.



n=1,200

Note: Figures may not add to 100% due to rounding

Comments from online survey respondents about other information considered important for comparing advisers

A31b: What other information would be important to you?

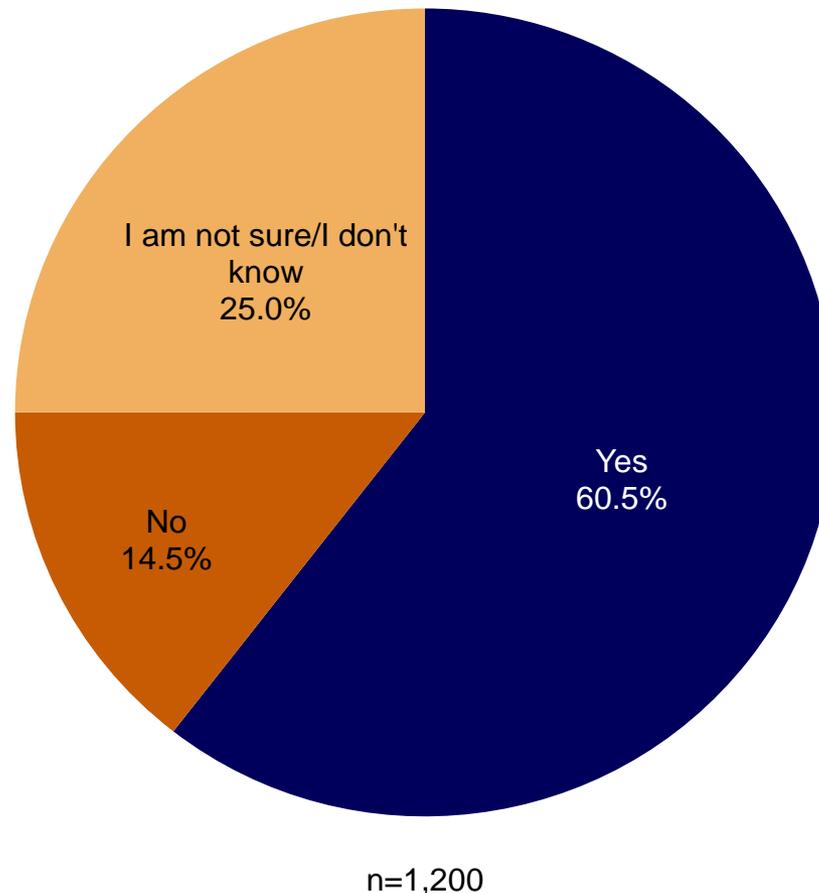
- + History and background
 - *“Age of adviser and length of time in business.”*
 - *“How long they have been an advisor, training.”*
 - *“Area of specialty, background information—types of clients advised, past employers.”*
- + Investment philosophy and success
 - *“Discipline of how they choose investments whether similar to mine.”*
 - *“Investment strategies, history of performance.”*
- + Personality
 - *“A brief paragraph in which he describes himself so I can get a feel for what type of person he is.”*
 - *“Personal impression—what it would be like to do business with them in these respects.”*
- + Availability
 - *“Availability to give advice.”*
 - *“Comparing the size of my account with other accounts managed by individual advisor.”*
- + Referrals
 - *“A referral from a trusted source.”*
 - *“Actually to be able to talk to others who use that advisor, by email, forum, etc.”*
- + Ethical
 - *“Ability to listen to what I want and not steer me in the direction of what makes him/her the most money.”*
 - *“Conflict of interest when steering client towards certain investments.”*
 - *“Whether he/she is honest.”*

n=909

Sample comprised of respondents who rated “Other” information as either “Nice to know,” “Important” or “Absolutely essential” in A31

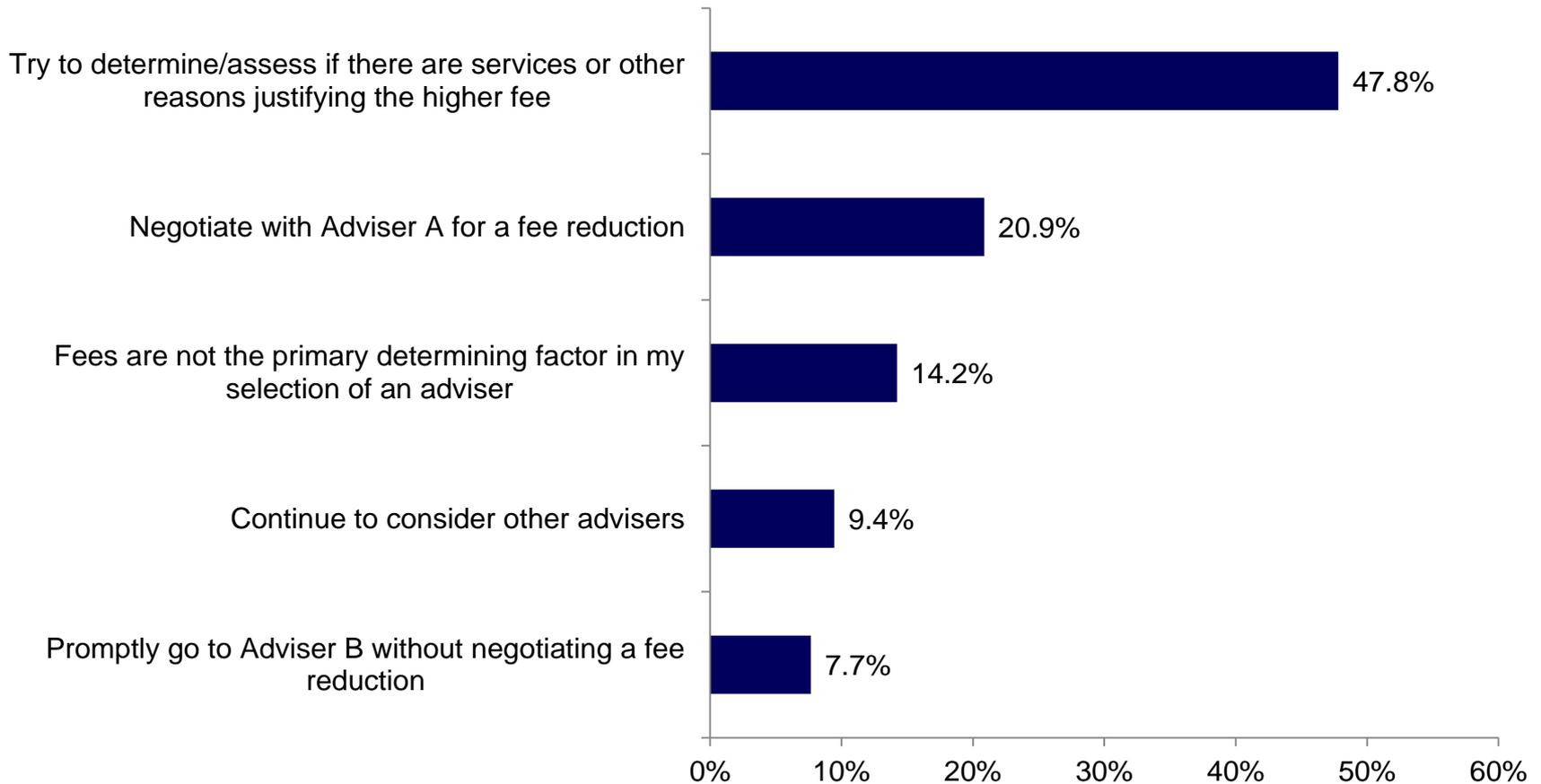
The majority of online survey respondents (60.5%) reported that they would use hyperlinks to unfamiliar terms while on the SEC website

A32: Currently you can retrieve the adviser's Brochure through the SEC website. If that website had hyperlinks to terms that may be unfamiliar to you or are defined terms in federal statutes, rules and regulations, would you use them?



If provided information about multiple advisers who had different fees, about half of online survey respondents (47.8%) reported they would try to determine reasons that would justify higher fees

A33: If you were provided with comparative information about advisers, and saw that adviser A charged a higher fee than adviser B, which of the following would you be most likely to do?



n=1,200

Fees/Compensation Module

At this point in the online survey, 600 of the respondents were presented with various exhibits related to advisers' fees and compensation; the first exhibit displayed is shown below

Fee structure

DEF representatives charge fees for financial planning services. DEF does not charge performance based fees (i.e. fees based on a share of the capital gains or capital appreciation of managed). The client will be charged an annual investment advisory fee based upon a percentage (%) of the market value and type of assets placed under DEF's management as follows:

Market Value of Portfolio	% of Assets
\$1 - \$200,000	2.00%
on next \$200,001 - \$400,000	1.75%
on next \$400,001 - \$500,000	1.50%
on next \$500,001 - \$5 million	1.25%
Over \$5 million	1.00%

DEF may charge a stand-alone fee for financial planning services. These fees are negotiable, depending upon the complexity of the service(s) required and the professional(s) rendering the service(s), but will not exceed \$15,000 on a fixed fee basis or \$500 on an hourly rate basis. Fees for financial planning services are due and payable half at the time of engagement and the balance due upon completion and presentation of DEF's written recommendations.

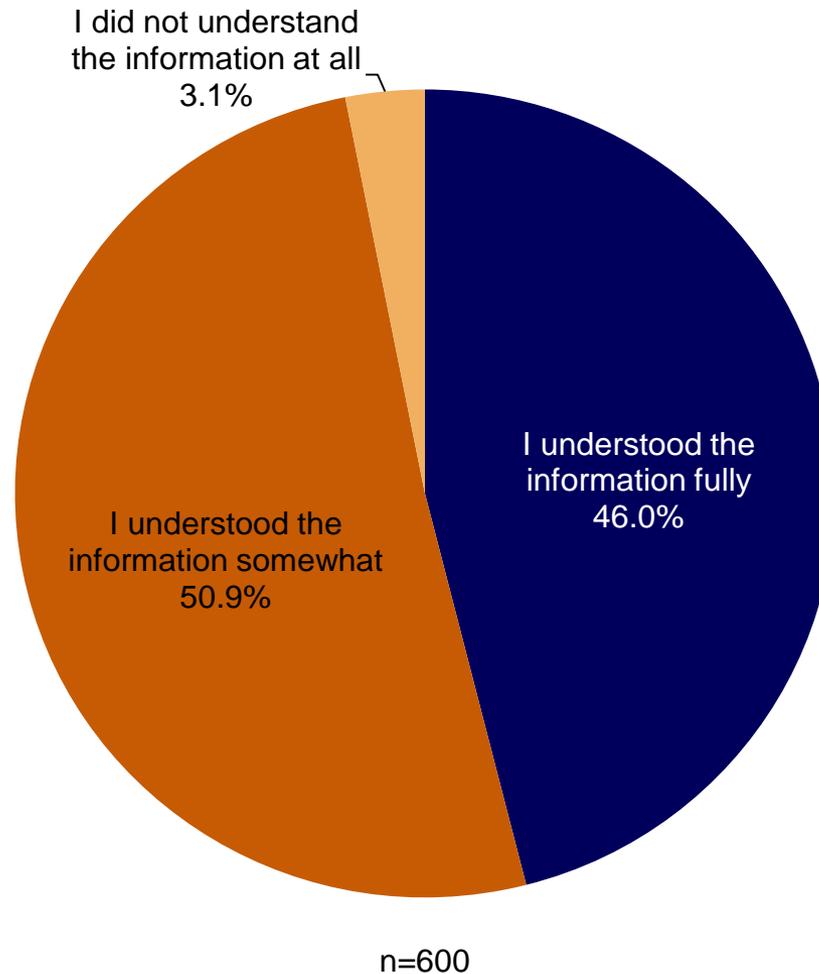
Clients are permitted a five-day review period following the signing of the financial planning agreement, during which time the client may cancel, in writing, the financial planning service agreement at no cost. In the event significant financial planning services have been provided, however, DEF reserves the right to assess a fee of \$350 per hour for services rendered.

Sales charges, commissions and/or selling concessions are paid when you buy or sell mutual funds, 529 plans, stocks and bonds, closed-end funds, REITs and structured products. These charges vary by product and product type. DEF's representatives may receive commissions, 12(b)-1 fees, trails or other separate compensation from sponsors of products that the representative recommends to his or her clients.

DEF may offer its clients mutual funds from a list of fund families participating in the DEF Fund Program from which DEF receives certain incentives. As a result, a conflict of interest may exist with respect to recommendations made to clients to buy or sell mutual funds that participate in the DEF Program vs. mutual funds offered by nonparticipating firms. DEF advisers generally have a greater incentive to offer mutual funds from those participating in the DEF program.

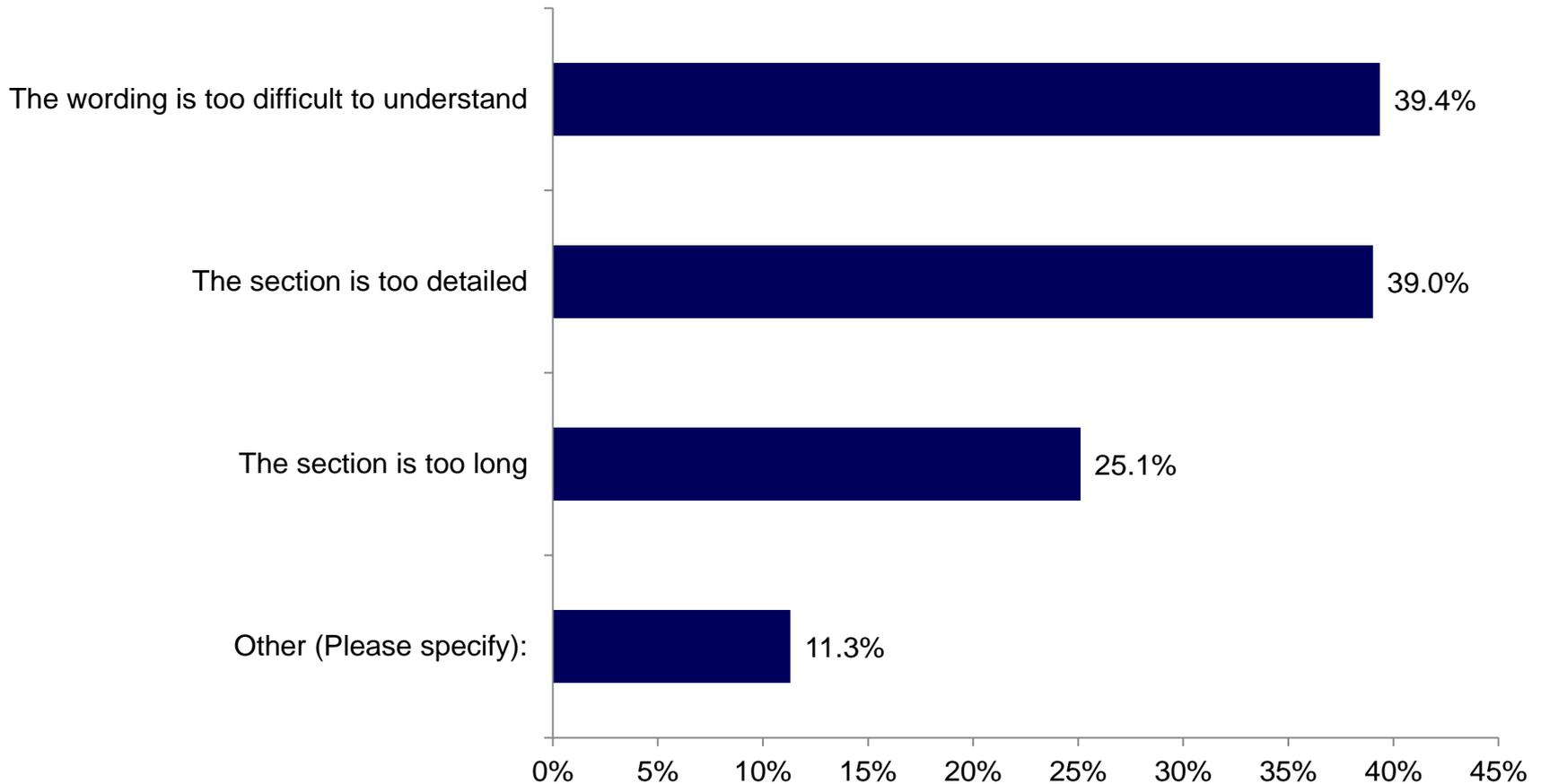
The majority of online survey respondents reported they understood the information from the first fees/compensation exhibit either fully (46.0%) or somewhat (50.9%)

A34: How well would you say you understood the section you just read?



Of those respondents who did not fully understand the description, or who understood it somewhat, difficult wording (39.4%) and amount of detail (39.0%) were cited as the top reasons

**A35: What were the primary reason(s) you were not able to fully understand this description?
Check all that apply.**



n=344

Sample comprised of respondents who understood the information in the exhibit either “somewhat” or “not at all”
Note: Figures do not add to 100% due to multiple responses

Less than three in ten online survey respondents (28.9%) were able to correctly identify the likely amount they would be charged, based on the information presented in the exhibit they reviewed

A36: Assuming that on 12-31-11 the value of the assets in your account managed by the adviser totaled \$450,000, which one of the following represents what is likely to be charged to your account?

Answer	Percentage
1.5% * \$450,000	48.3
(2.0% * \$200,000) + (1.75% * \$199,999) + (1.5% * \$50,001) (CORRECT)	28.9
(2.0% * \$200,000) + (1.75% * \$200,000)	10.3
I can't tell/I don't know	12.5

Less than half of online survey respondents (42.1%) were able to correctly identify the additional fees for 5 hours of financial planning services

A37: Assuming that on 12-31-11 the value of the assets in your account managed by the adviser totaled \$450,000 and the adviser offered you 5 hours of financial planning services, what additional fee are you likely to be charged?

Answer	Percentage
\$2,500 (CORRECT)	42.1
\$500	22.8
\$15,000	5.2
I can't tell/I don't know	29.9

n=600

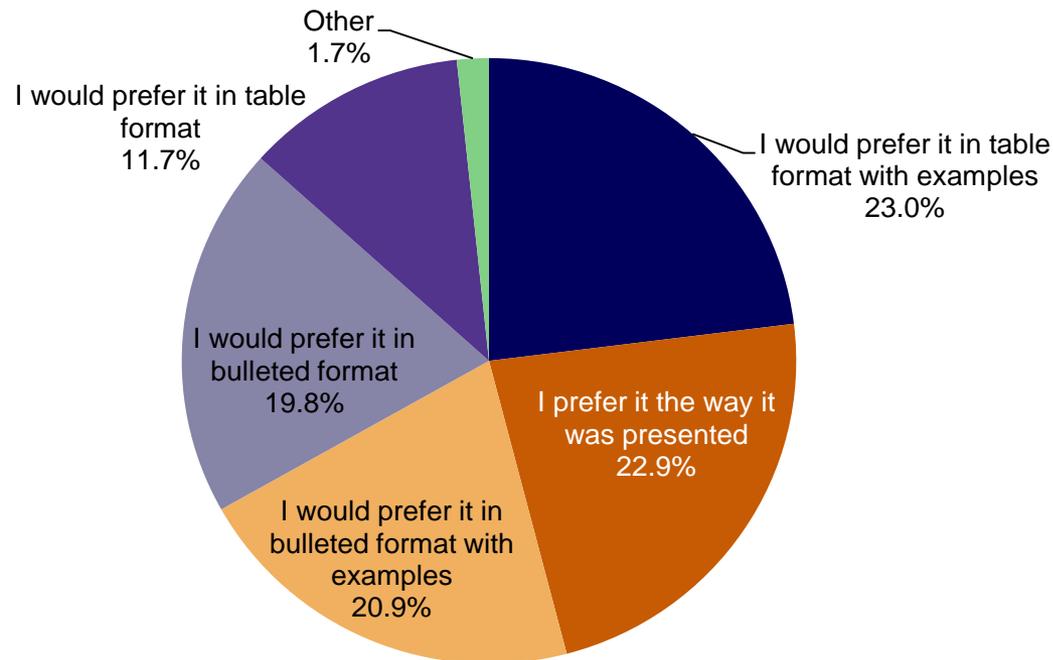
Online survey respondents' answers largely varied about how an adviser would be compensated based on interest purchased in a mutual fund that is participating in the DEF Program; just over a third correctly identified a sales commission (33.6%), and 24.5% were unsure

A38: Assuming that on 12-31-11 the value of the assets in your account managed by the adviser totaled \$450,000 and you purchased an interest in a mutual fund that is participating in the DEF Program. Which one of the following is your adviser likely to be paid for your purchase of the mutual fund?

Answer	Percentage
A sales commission for my purchase of the mutual fund (CORRECT)	33.6
The adviser receives only fees based on the size of my account	25.1
The adviser is only compensated for financial planning services provided	16.8
I can't tell/I don't know	24.5

Online survey respondents' prefer various formats for seeing information on fees and compensation

A39: Which of the following options best describes your preference for the format in which you would prefer to see information on fees and compensation?



n=600

At this point in the online survey, respondents were asked to review two example fee/compensation disclosures from hypothetical advisers ABC and XYZ (1 of 2)

Adviser ABC

Fees and Compensation

We offer our services on a fee-only basis. Fees are billed and payable quarterly in advance based on the value of your account at the end of the previous quarter. If the fee agreement is executed at any time other than the first day of a calendar quarter, our fees will be prorated for the first partial quarter, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

You may terminate the advisory agreement upon notice to our firm and is effective upon receipt. If you choose to terminate within 10 business days of executing your advisory agreement with us, then you will receive a refund of all the pre-paid fees. If services are terminated after this ten-day period, you will be charged a fee for the number of days for which you are a client and receive a prorated refund for the days that you are not a client. We have in our discretion the ability to offer certain clients lower fees and waive fees. That being said, our standard fee schedule is described below:

Investment Strategy	Account Balance	Fee Charged (these are negotiable at our discretion)
ABC I Strategy	\$50,000 - \$500,000	1.0-2.0%
ABC II Strategy	\$500,001 and Up	2.0%

In addition to our fee, you may be required to pay **other charges** such as: brokerage commissions, transaction fees, internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies and variable annuity issuers may charge a fee for their products. Please note that these are separate and apart from those fees **our firm will charge** you for our services. In particular, you may be charged a fee for the purchase of a mutual fund if you purchase it through a broker-dealer. This "transaction fee" may not be charged to your account if you choose to purchase the product directly with the mutual fund company.

The **broker-dealer** may also charge you an account fee if the mutual fund is held in an account at the broker-dealer firm. If you choose to purchase a mutual fund directly with the mutual fund company, then it will not be included within our investment performance monitoring. We strongly encourage you to look at the statements you receive from the custodian of your account or your broker-dealer. We are happy to discuss with you any questions you may have.

Adviser ABC (cont'd.)

Performance Based Fees:

We also charge performance based fees which are fees based on capital gains or capital appreciation of managed securities. This serves as a reward for our firm for positive returns on your investments. We charge a 1% annual base fee that is calculated as a percentage of the value of assets under management. In any calendar year in which performance is, at a minimum, 10% net of fees, then we will deem our performance fee earned. In the circumstance that the return exceeds the 10% hurdle for a given year, the company will be entitled to 20% of such excess.

Retirement Planning Services

The fees noted above are separate and apart from the fees you may be charged if you choose to receive retirement planning services from our firm. Retirement planning service fees are billed hourly, at a rate of \$400 an hour. In order to provide you with a comprehensive retirement plan, we devote on average approximately 5 hours consultation time. We will provide you with an itemization after the consultation. Please note that our retirement planning services can be terminated at any time and if terminated, you will be charged a prorated amount representative of the time spent providing you such services.

At this point in the online survey, respondents were asked to review two example fee/compensation disclosures from hypothetical advisers ABC and XYZ (2 of 2)

Adviser XYZ

Fees and compensation

Fees are negotiable and may differ among clients based on a number of factors, including the type and size of the account or client relationship.

Asset Based Fees

Clients generally pay an asset-based fee for XYZ Financial's advisory services. Asset-based fees are generally payable quarterly. Other billing periods (e.g., monthly) are available in certain products, subject to XYZ Financial's approval. The initial fee is based on the weighted average of the total asset value of the account at the end of each month occurring during the initial billing period. The quarterly fee is payable at approximately one-fourth of the applicable annual rate. The initial fee covers the period from the date the account is incepted with cash or securities (as described below) through the last business day of the initial calendar quarter, and is prorated accordingly.

XYZ-Asset Program

As part of the XYZ-Asset Agreement, clients can negotiate the fee applicable to the underlying advisory programs. These fees are broken down into three categories (1) XYZ-Asset Fees, (2) Management Fees and (3) Reporting Only Fees and apply to assets invested with or into separately managed accounts, Funds, and cash (if applicable). "Management Fees" apply to investments with managers hired through the XYZ Services program (XYZ-S). In the case of investments made through the XYZ-S program, the Management Fees includes fees paid to the underlying investment managers and certain program fees retained by XYZ Financial that are not shared with your adviser.

Alternative Fee Arrangements

On an exception basis, clients may be able to compensate XYZ Financial for its services, in lieu of a single asset based fee, through: (1) a combination of an asset-based fee and commissions on each transaction executed by XYZ Financial for the services described above, or (2) commissions on each transaction executed through XYZ Financial on a discretionary basis. Different clients are likely to pay different rates depending on various factors, including the specific negotiations with their own adviser. Each of the above fee arrangements may be more suitable to particular clients, and result in higher or lower payments in comparison to other forms of payment, depending on their investment strategies and the level of account activity.

The maximum annual fees for commission only and commission and fee based compensation generally total no more than 2% of assets calculated annually (for assets from \$0-\$3 million) and no more than 1.5% of assets, calculated annually (for assets of \$3 million or more).

Fees for the services described in this ADV are charged quarterly in arrears. Clients generally authorize XYZ Financial to deduct the fee and any other charges from the account on or following the date they are payable. XYZ Financial reserves the right to liquidate a portion of the account assets to cover the fee at any time. Liquidation may affect the relative balance of the account, and also may have tax consequences and/or may cause the account to be assessed transaction charges.

Adviser XYZ (cont'd.)

Additional Fees and Expenses

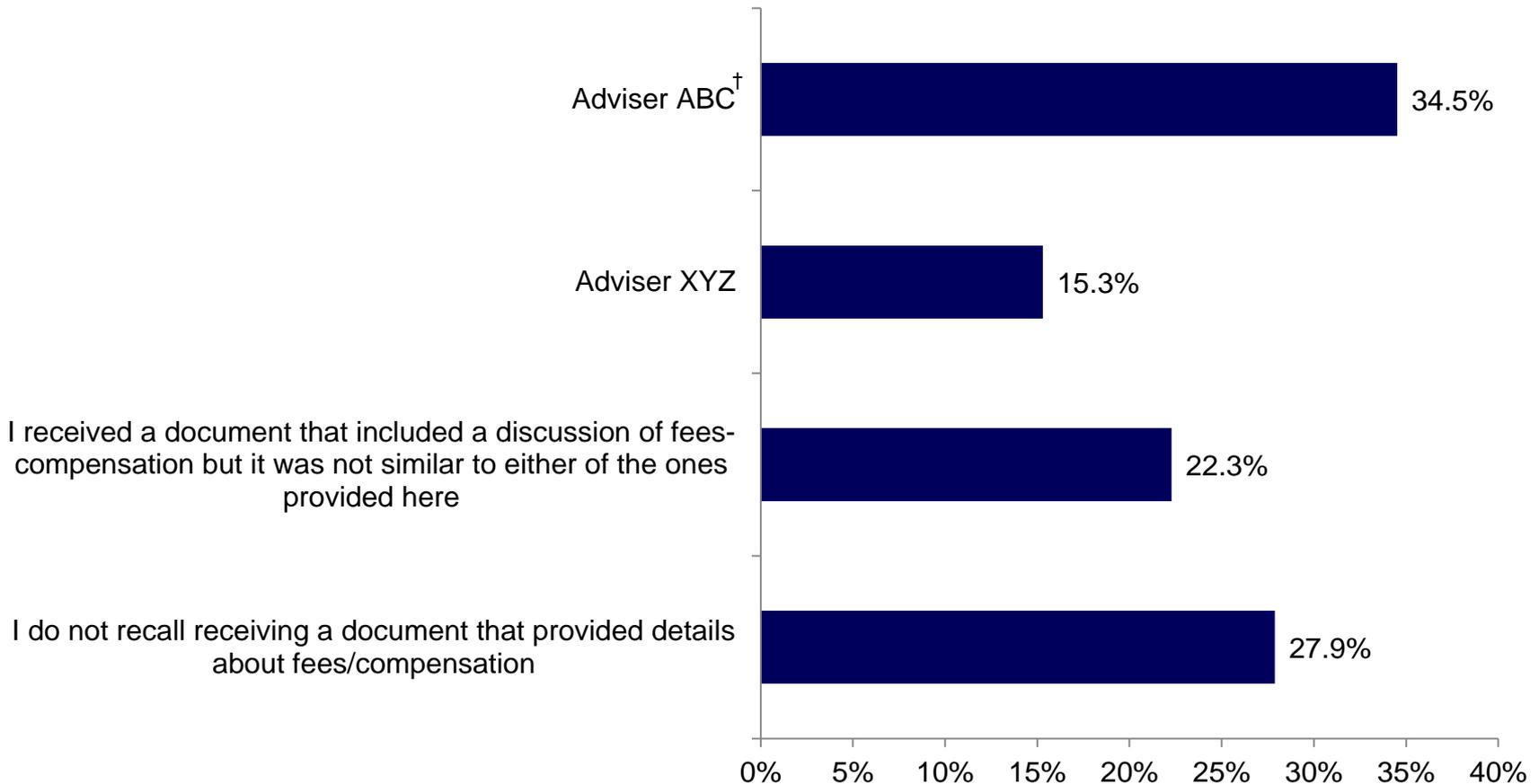
The fees described in section 5(A) above, do not cover:

- "mark-ups," "mark-downs;"
- XYZ Financial account establishment or maintenance fees for its Individual Retirement Accounts ("IRA"), which are described in the respective IRA and fee documentation (which may change from time to time)
- certain other costs or charges that may be imposed.

In addition to our fee, you pay the fees and expenses of the Funds in which your account is invested. Fund fees and expenses are charged directly to the pool of assets the Fund invests in and are reflected in each Fund's share price. These fees and expenses are an additional cost to you and are not included in the fee amount in your account statements. Each Mutual Fund and ETF expense ratio (the total amount of fees and expenses charged by the Fund) is stated in its prospectus. In addition, some Mutual Funds may charge, and not waive, a redemption fee on certain transaction activity in accordance with their prospectuses.

The document from hypothetical Adviser ABC was most similar to what online survey respondents received from their advisers (selected by 34.5% of respondents vs. 15.3% for hypothetical Adviser XYZ); however, 27.9% of respondents did not recall receiving a fees/compensation disclosure document at all

A40: Which one of the two documents is most similar to the one you received from your adviser?

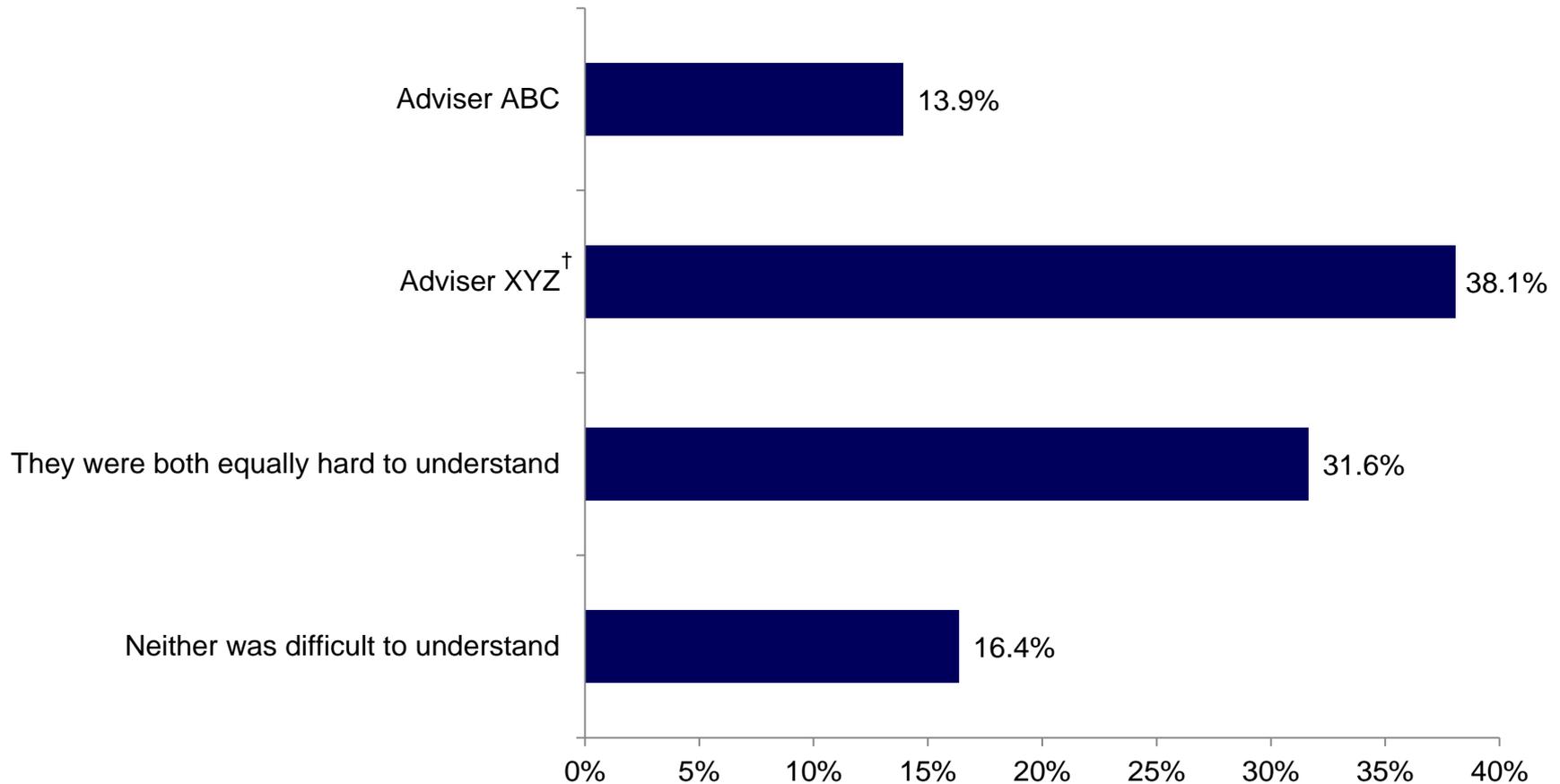


n=600

[†] The percentage of respondents who selected Adviser ABC is statistically significantly higher than the percentage of respondents who selected Adviser XYZ at the 95% confidence interval.

The document from hypothetical Adviser XYZ was more difficult to understand for online survey respondents, selected by 38.1%, while 31.6% found both documents equally hard to understand; only 16.4% indicated that neither document was difficult to understand

A41: Which of the two examples did you find more difficult to understand?

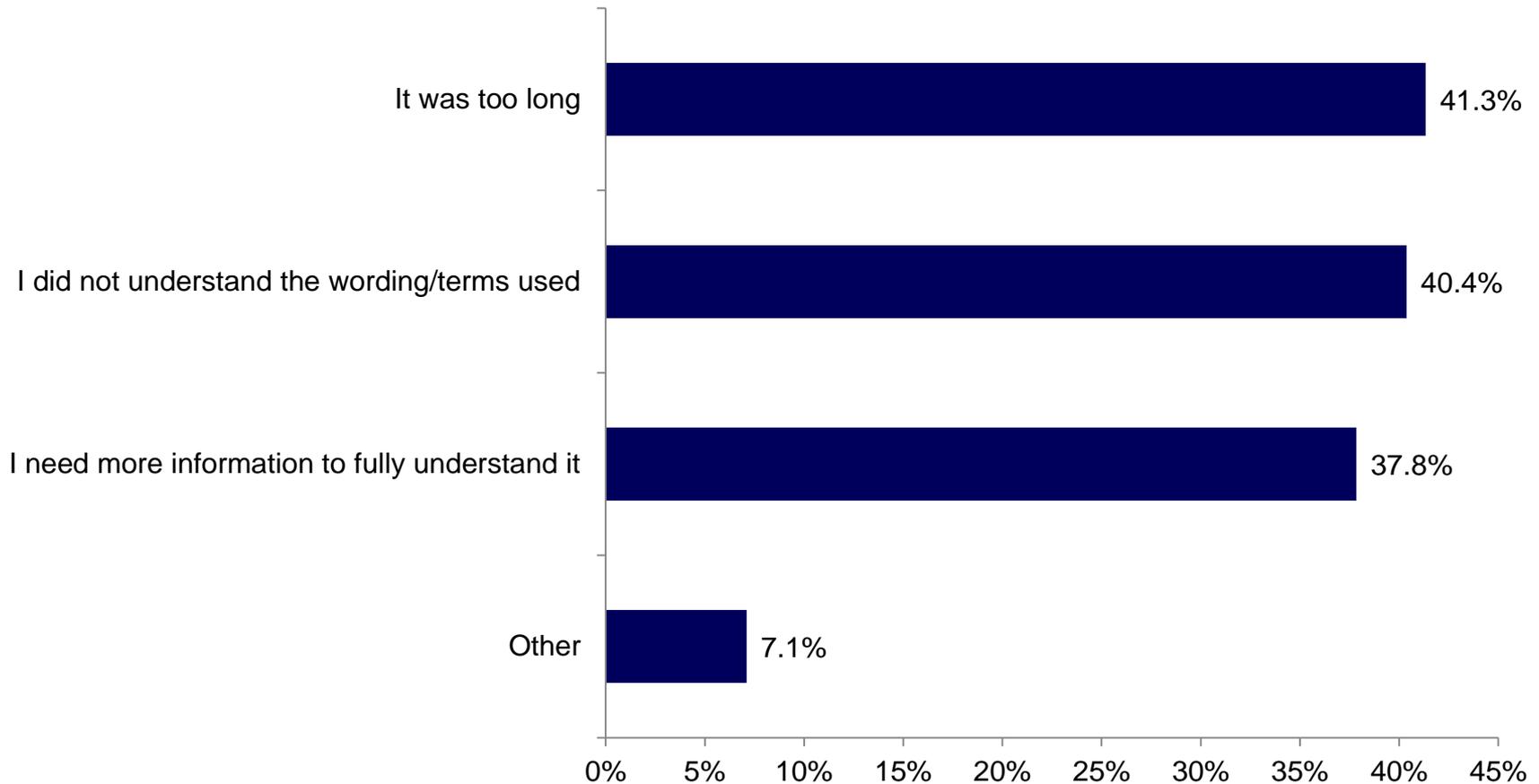


n=600

[†] The percentage of respondents who selected Adviser XYZ is statistically significantly higher than the percentage of respondents who selected Adviser ABC at the 95% confidence interval.

Online survey respondents cited various reasons for why one of the hypothetical documents was more difficult to understand than the other

A42: Which of the following represent reasons why you found this document more difficult to understand than the other?



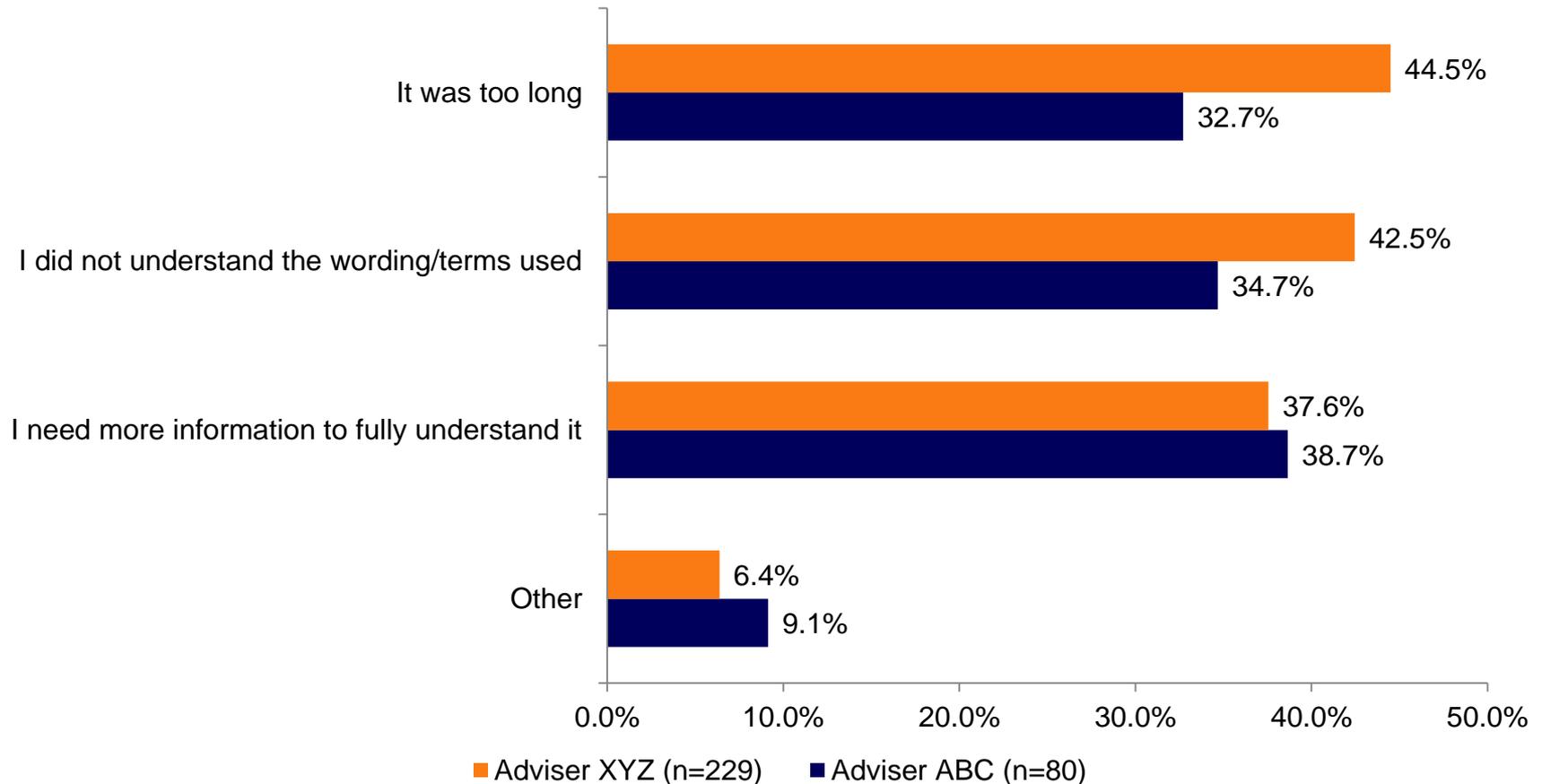
n=309

Sample comprised of individuals who indicated either the Adviser ABC or Adviser XYZ example was more difficult to understand

Note: Figures do not add to 100% due to multiple responses

Online survey respondents were more likely to select length and wording/terms as reasons for difficulty in understanding the hypothetical Adviser XYZ disclosure document

A42: Which of the following represent reasons why you found this document more difficult to understand than the other? Check all that apply.



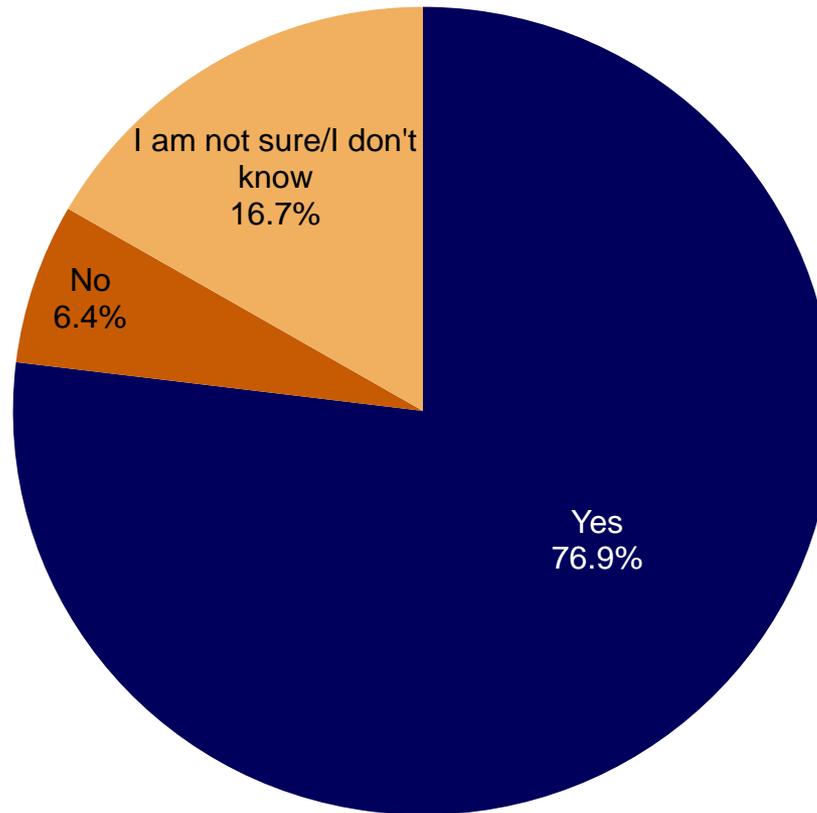
n=309

Sample comprised of individuals who indicated either the Adviser ABC or Adviser XYZ example was more difficult to understand

Note: Figures do not add to 100% due to multiple responses

Among those online survey respondents who found that XYZ, ABC, or both hypothetical exhibits were more or equally difficult to understand, 76.9% felt that a different presentation of fees that outlines each fee charged would provide an easier way to understand the fees charged

A43: Would a different presentation of fees that highlights or outlines each fee charged provide an easier way to understand the fees charged?

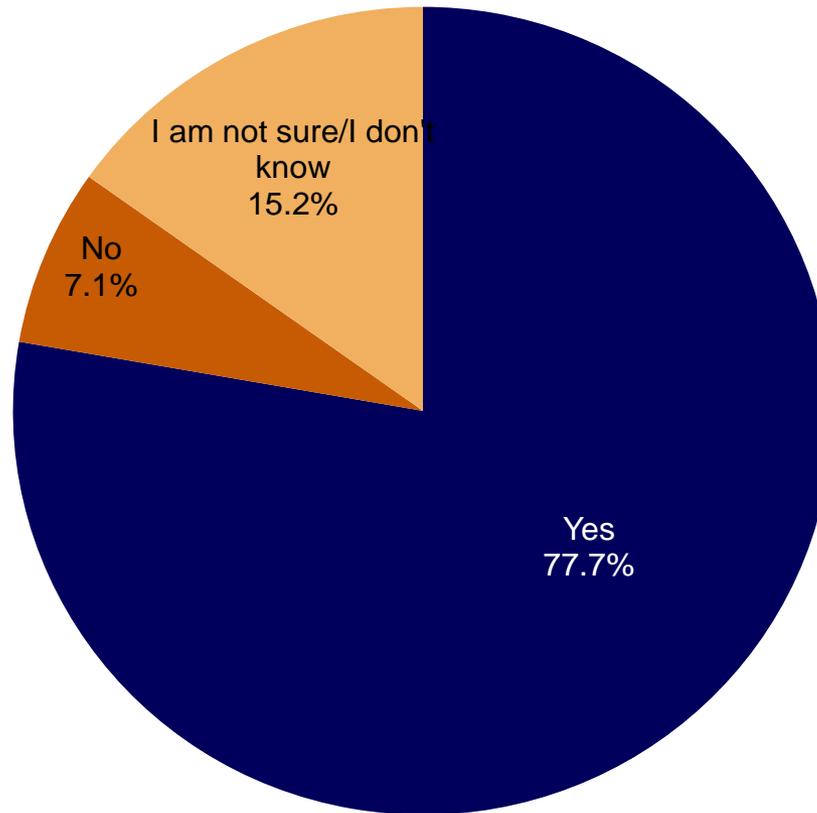


n=506

Sample comprised of individuals who found Adviser ABC's, Adviser XYZ's or both Advisers' examples difficult to understand in A41

Similarly, about three in four online survey respondents (77.7%) also reported that they would take the time to read the fees/compensation section before they selected an adviser; only 7.1% indicated they would not

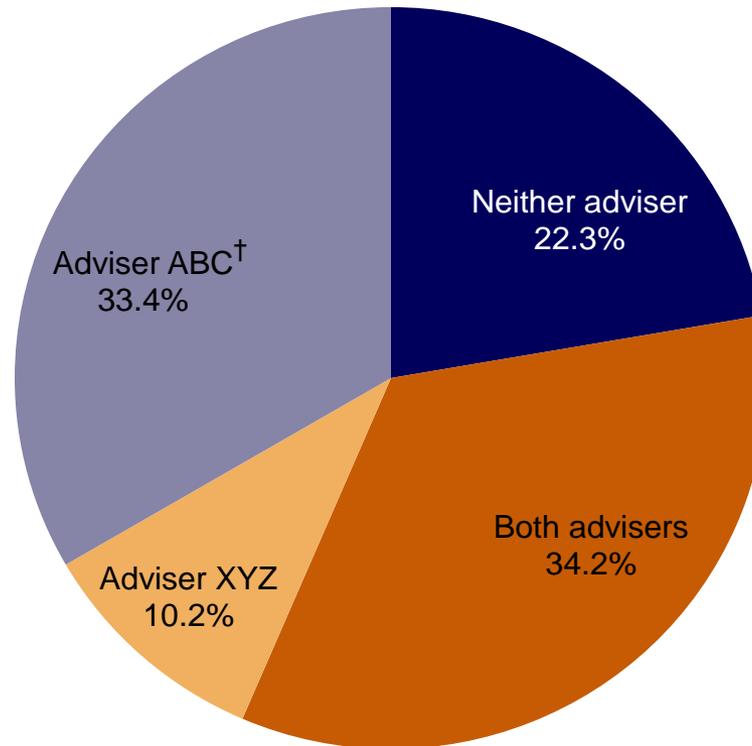
A44: If you were provided either of these documents, would you take the time to read the fees/compensation section before selecting the adviser?



n=600

Only one in ten online survey respondents (10.2%) felt that hypothetical Adviser XYZ's document helped them fully comprehend fees, compared to one in three for hypothetical Adviser ABC's document (33.4%)

A45: Please indicate which adviser's section provided enough detail to help you fully comprehend what fees you would be charged.



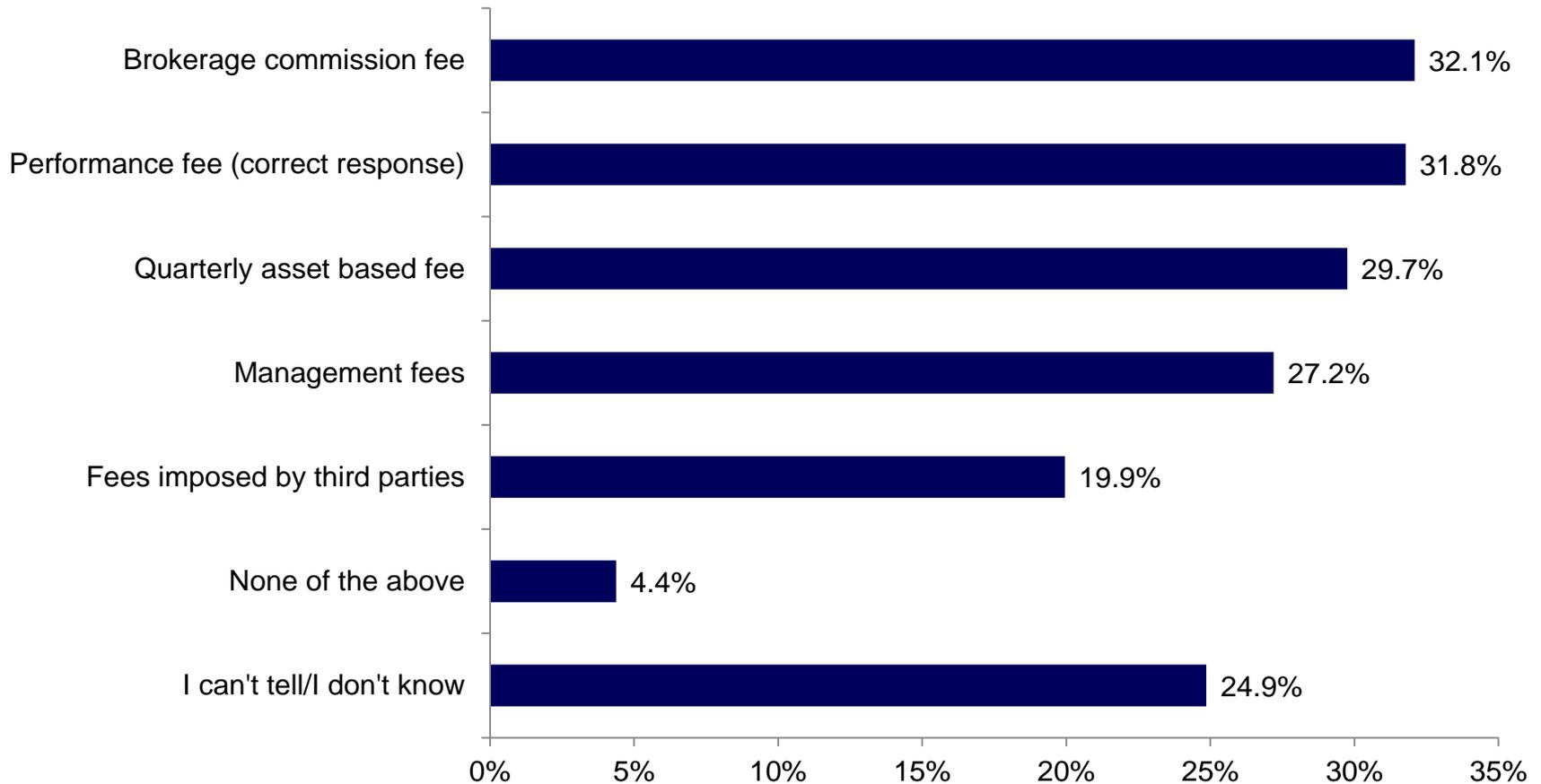
n=600

Note: Figures do not add to 100% due to rounding

[†] The percentage of respondents who selected Adviser ABC is statistically significantly higher than the percentage of respondents who selected Adviser XYZ at the 95% confidence interval.

Generally, there was confusion about fees if online survey respondents chose hypothetical Adviser ABC over hypothetical Adviser XYZ

**A46: Which one of the following fee types are you likely to be charged if your adviser was ABC but not XYZ?
Check all that apply.**

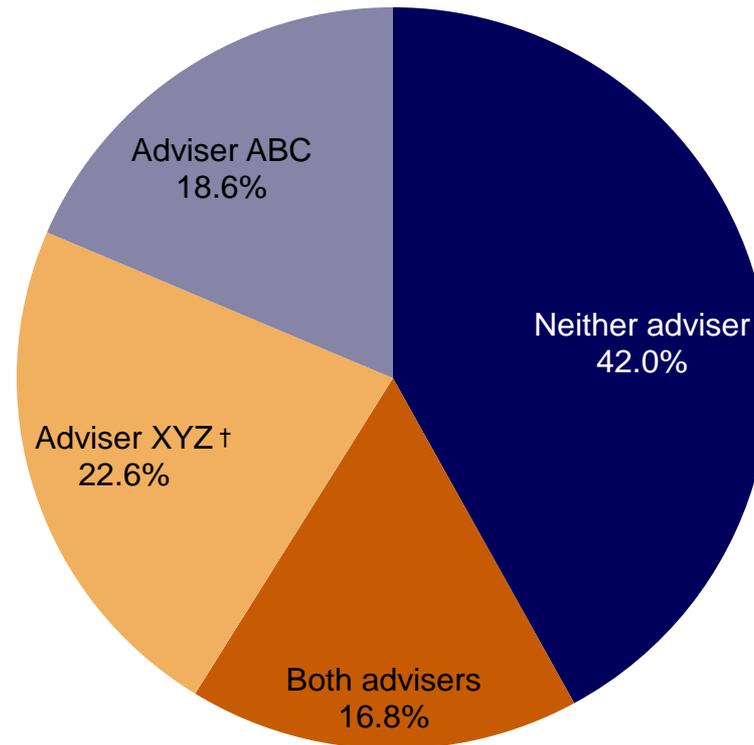


n=600

Note: Figures do not add to 100% due to multiple responses

Online survey respondents also had varying perspectives about which hypothetical adviser may have had the more serious conflicts of interest

A47: Based on your reading of the two documents, which (if either) of the two advisers do you believe has more serious conflicts of interest in providing advice to you?



n=600

† The percentage of respondents who selected Adviser XYZ is statistically significantly higher than the percentage of respondents who selected Adviser ABC at the 95% confidence interval.

Note: Results for A48 are not included in this report because the question was removed from consideration during data cleaning.

Conflicts of Interest Module

At this point in the online survey, the remaining 600 respondents were shown two versions of a section on potential conflicts of interest, one for hypothetical Adviser ABC and the other for hypothetical Adviser XYZ (1 of 2)

Adviser ABC

Brokerage Practices

Clients are free to select any broker-dealer they wish for their account; however, we may recommend that the broker-dealer/custodian for your account be ABC Financial Services. CDE Financial may be recommended as the secondary broker-dealer or custodian. Our recommendation may be based on past experiences, commission rates, execution capabilities, and quality of services provided.

In recommending ABC Financial Services as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum ABC Financial Services' reputation, financial strength, types and quality of research, reporting capabilities, and execution capabilities.

They provide us with the following services: brokerage, custody, access to investments (such as mutual funds) and other products that would otherwise only be available to institutional investors, and research services. While we select ABC Financial Services to execute transactions for your accounts, we are not required to affect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

Please also note that while we are not affiliated with either of those entities, we do maintain a beneficial business arrangement with them whereby we receive economic benefits from the relationship that may not otherwise be received. Specifically, we may receive the following benefits: access to an electronic communications network for client order entry and account information; receipt of duplicate client confirmations and bundled duplicate statements; receipt of compliance or other proprietary publications; and access to a trading desk.

In return for those services, ABC Financial Services may be compensated through other transaction-related fees associated with executing transactions for your account. Since ABC Financial Services provides us with these added benefits, we have a conflict of interest in making recommendations to you. Our recommendation of a specific broker-dealer may be not be based solely on the cost or quality of brokerage services provided to you and our other clients but rather based on the economic benefit to us. Accordingly, you may be charged a higher commission fee for executing trades through ABC Financial Services or for simply maintaining your account at the broker-dealer. That being said, you can direct us in writing to use a particular broker-dealer to execute some or all of the transactions in your account. If you do so, we are not responsible for negotiating the fee terms with that broker-dealer.

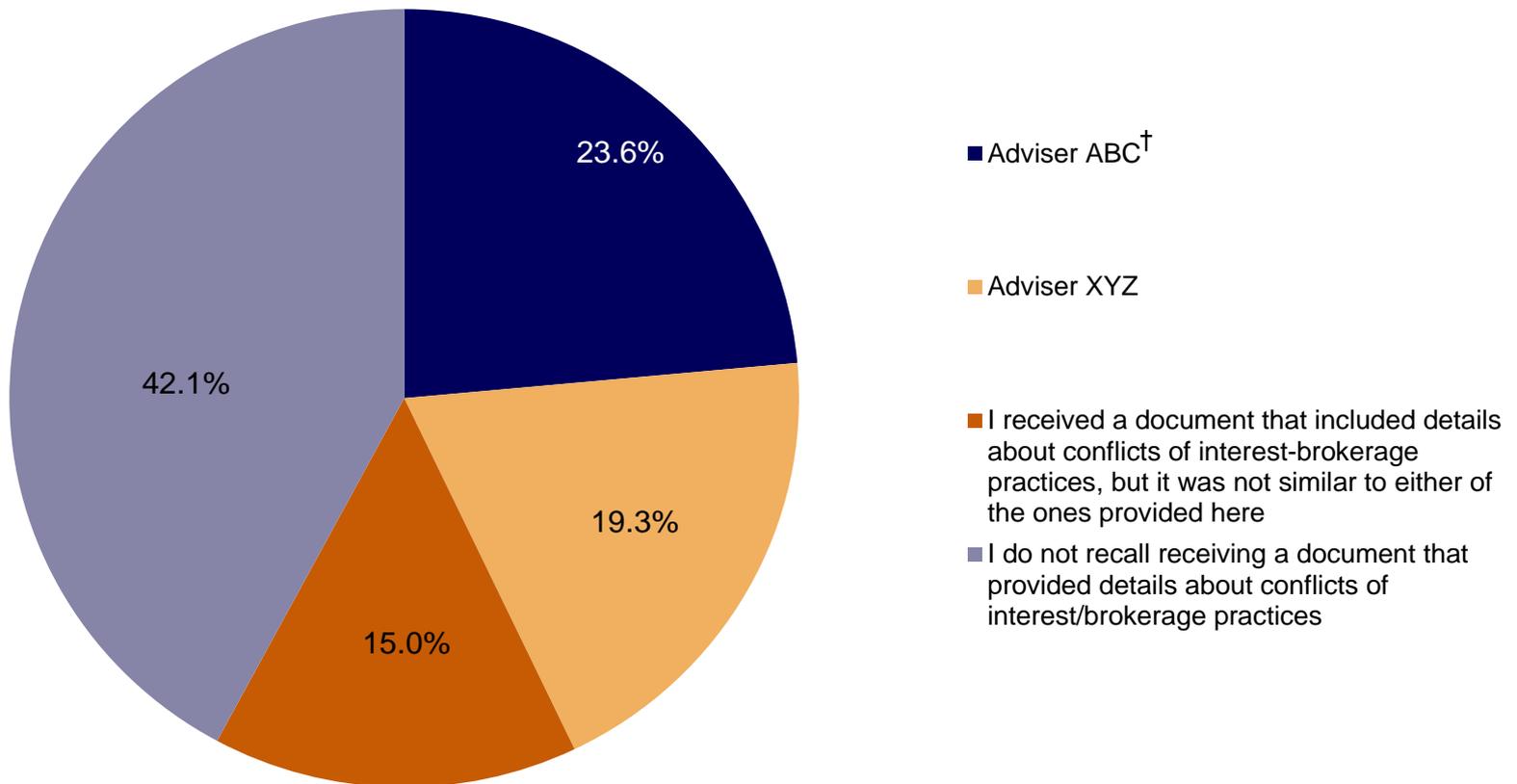
While we provide individualized advice to clients, we do combine multiple orders for shares of the same securities purchase for advisory accounts we manage. This practice is commonly referred to as "block trading." We are not, however, obligated to block trades and they will not be affected for any client's account if doing so is prohibited or otherwise contrary with that client's investment advisory agreement. If a block trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given block were executed. Executing a block trade allows transaction costs to be shared equally among all of the participating clients. Transactions for accounts of advisory representatives and firm employees will not be favored over the client accounts and no client will be favored over any other client.

At this point in the online survey, the remaining 600 respondents were shown two versions of a section on potential conflicts of interest, one for hypothetical Adviser ABC and the other for hypothetical Adviser XYZ (2 of 2)

<p>Adviser XYZ</p> <h2>Brokerage Practices</h2> <p>XYZ Financial, Inc. is a registered investment adviser and broker-dealer with the Securities and Exchange Commission ("SEC"), and in all 50 states as well as the District of Columbia, and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").</p> <p>In its capacity as a broker-dealer, XYZ Financial distributes or receives compensation from selling mutual fund shares, 529 Plans, face-amount certificates, unit investment trusts, real estate investment trusts ("REITs"), fund of hedge funds, fixed and variable annuities, and fixed and variable life insurance. XYZ Financial also sells managed futures limited partnerships that engage in trading commodity interests, including futures. These products are regulated by the Commodity Futures Trading Commission and the National Futures Association. Through a limited group of registered representatives, XYZ Financial introduces nonproprietary hedge funds to certain qualified investors. Many of the investment products that XYZ Financial distributes are products of affiliates, but some mutual funds, unit investment trusts, REITs and limited partnership interests are issued or underwritten by unaffiliated companies.</p> <p>XYZ Financial is affiliated with XY&Co. and its affiliates. This results in additional or broader restrictions relating to the execution of client transactions as follows:</p> <ul style="list-style-type: none"> • XY&Co. will generally not act as principal in executing trades for XYZ Financial's investment advisory clients (except to the extent permitted by the terms of the respective advisory agreements and applicable law). • Regulatory restrictions may limit your ability to purchase, hold or sell equity and debt issued by a parent or affiliate of XYZ Financial. • XYZ Financial's ability may be limited, by certain regulatory requirements, to execute transactions through alternative execution services (e.g., electronic communication networks and crossing networks) owned by either XY&Co. or its affiliates. <p>XYZ Financial and its affiliates may give different advice, receive more or less compensation, or hold different securities for a client or account. XYZ Financial and its affiliates may provide bids and offers, and may act as principal market maker, in respect of the same securities held in client accounts. XYZ Financial's investment managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that XYZ Financial may recommend for purchase or sale by clients or are otherwise held in client accounts, and investment management firms in the programs described in this brochure.</p> <p>It is XYZ Financial's intended policy yet consistent with individual investment restrictions, to seek the most favorable price and execution ("best execution") for brokerage orders. Best execution is a combination of commission rates and prompt, reliable execution. In seeking best execution, XYZ Financial may place most or all brokerage transactions through broker-dealers that are affiliated with XYZ Financial. In so doing, the affiliate may be entitled to receive commission for effecting these transactions. These transactions may be effected through affiliated firms even though the total commission for the transaction may exceed the commission charged by another</p> <p style="text-align: right;">page 1</p>	<p>s in an account will include investment managers and their affiliates. XYZ Financial's Risk</p> <p>;</p> <p>;</p> <p>counterparty; and</p> <p>d by one client account it is circumstances, XYZ Financial may accounts at an independently ssions, although other fees e types of transactions will not the best interest of each client</p> <p>ay purchase or sell the same ame time. To the extent that r client accounts, it will do avored over any other client. will participate at the average ver, XYZ may increase or oid holding odd-lot or small</p> <p>d to initiate or recommend one of its affiliates is performing or material non-public r account performance.</p> <p>nvolve an advisory affiliate gh XYZ Financial's clients may Z Financial, advisory affiliates n XYZ Financial's clients. her price than advisory affiliates n the issuer. Such investments ated person.</p> <p style="text-align: right;">page 2</p>	<p>necessary to establish es and products. These panies, private funds such and may invest in the same eed capital from XYZ Financial r selling certain securities,</p> <p>rtain similar accounts or ome of its similar accounts. rties transactions and uments that allow for the use of counts' with less restrictive counts the portfolio manager alue inclusive of the desired s established policies and</p> <p>nt products for which XYZ bker, counterparty, administrator nt agent or secured lender es fees, interest and/or other cluding its prime broker and verse to the interest of its assets of an investment product an affiliated firm to manage your you use an unaffiliated firm.</p> <p>st execution" does not mean he factors includes the quality provide.</p> <p>n various broker-dealers in market data services, and des, the Adviser has entered tes a portion of brokerage ay for eligible brokerage and s third party research. However, lers typically incorporate rokers do not assign a hard ost of such research into their</p> <p style="text-align: right;">page 3</p>	<p>st fall within the safe Act of 1934, Section 28(e) mmissions provide lawful and sion-making process, and ht of the value of products or</p> <p>lacing its orders, an account s are executed within a a higher commission than ommission is reasonable in es. Additionally, while adhering tly group regularly reviews the establishes a target amount to</p> <p>nt brokerage commissions tly of investing in, purchasing, s or sellers of securities; and s, economic factors and trends, ces, and trading volumes.</p> <p>ts respective research groups. osition (long or short) in, t to such research. Therefore, ct the objectivity of their</p> <p>exchanges, electronic hich its affiliates have an mic benefit based on their</p> <p style="text-align: right;">page 4</p>
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Approximately 42.1% of online survey respondents did not recall receiving a document that provided details about conflicts of interest/brokerage practices; the remaining respondents were split between which hypothetical adviser's document was similar to the one they received

A49: Which one of the two documents is most similar to the one you received from your adviser?

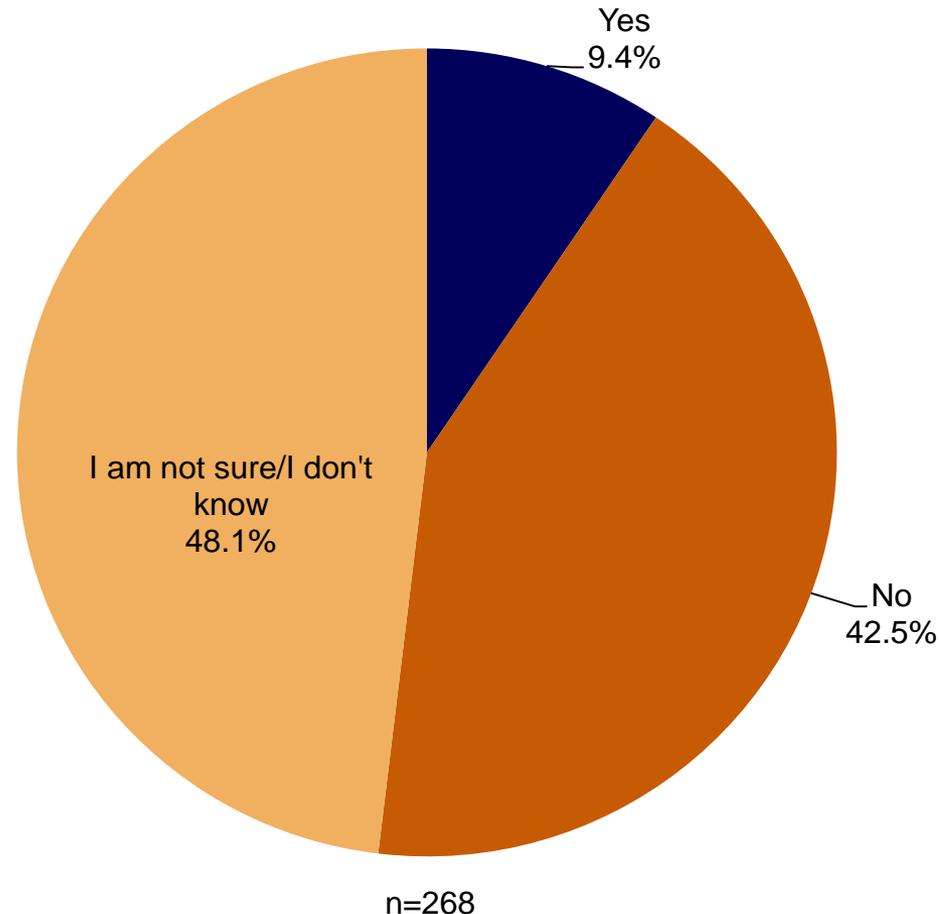


n=600

[†] The percentage of respondents who selected Adviser ABC is statistically significantly higher than the percentage of respondents who selected Adviser XYZ at the 95% confidence interval.

Less than 10% of online survey respondents who did not recall receiving a conflicts of interest disclosure from their adviser (9.4%) believed that their adviser currently has some of the conflicts of interest disclosed by hypothetical Adviser ABC or XYZ, though nearly half (48.1%) were unsure

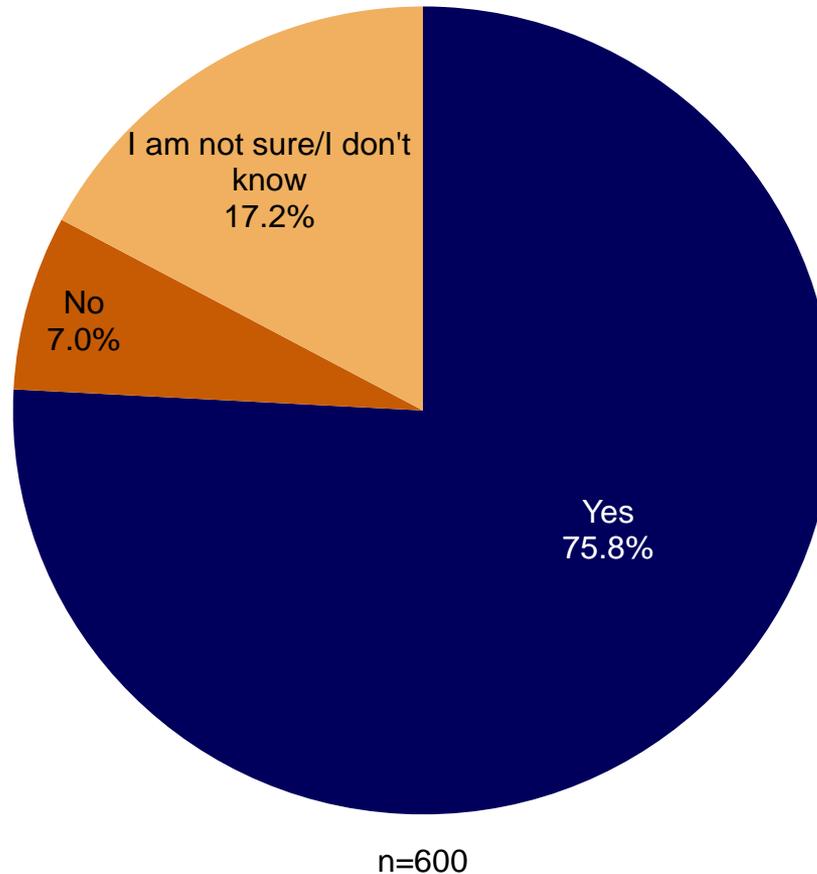
A50: Do you believe that your adviser currently has some of the conflicts of interests disclosed by Adviser ABC and XYZ?



Sample comprised of respondents who did not recall receiving a conflicts of interest disclosure in A49

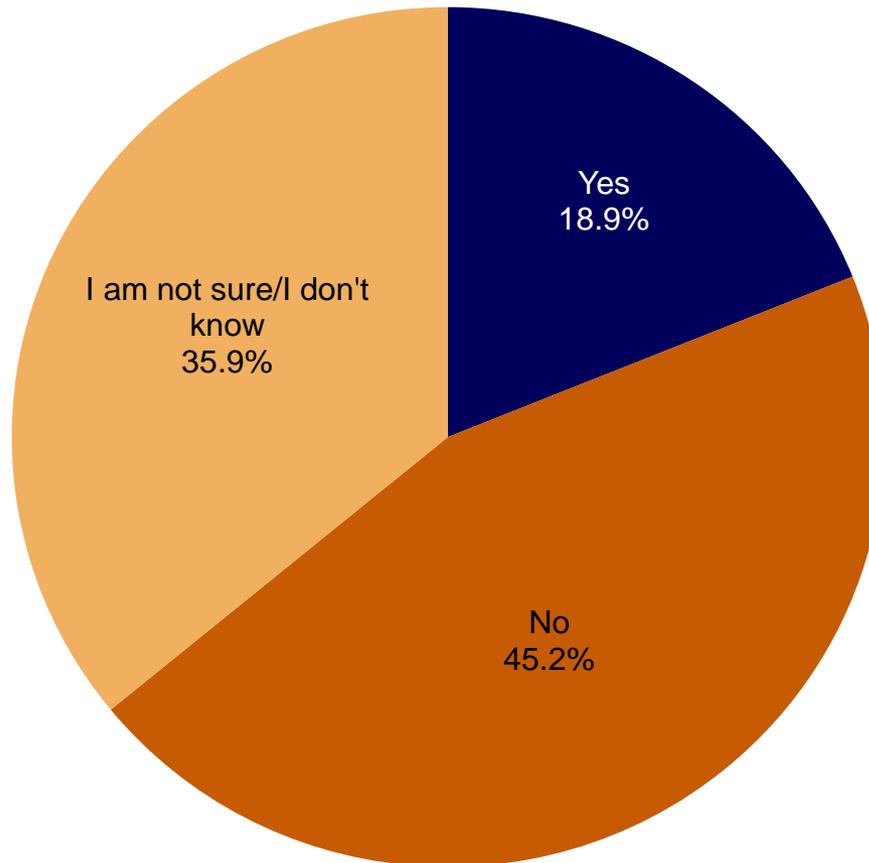
More than three-fourths of online survey respondents (75.8%) were satisfied with the disclosure provided about each hypothetical adviser's potential conflicts of interest in both documents

A51: After reading both documents, are you satisfied with the disclosure provided to you about each adviser's potential conflicts of interest?



Less than one-in-five online survey respondents (18.9%) felt there was something more that they would have liked to have seen disclosed in the hypothetical advisers' documents

A52: Is there something you would like to see disclosed in either document that is not currently provided?

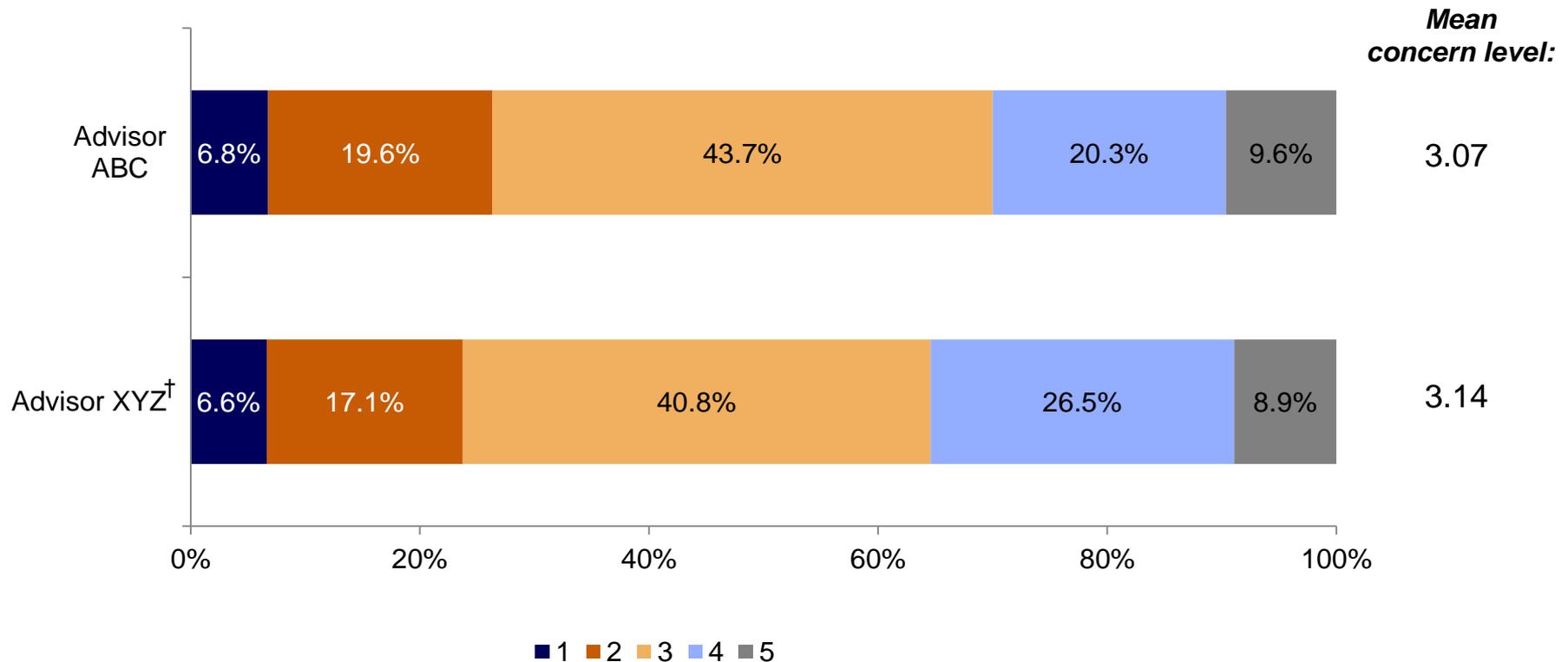


n=43

Sample comprised of respondents who were not satisfied with the disclosures provided in the Conflicts of Interest exhibits in A51

About one-third of online survey respondents showed a high level of concern between the conflicts of interest in hypothetical Adviser ABC's and hypothetical Adviser XYZ's potential conflicts of interest (35.4% and 29.9% respectively)

A54: On a scale of 1 to 5, where 1 means 'not at all concerned' and 5 means 'extremely concerned,' how concerned would you be about the potential conflicts of interest between each adviser listed within the document and your personal investment interests based on what you read?



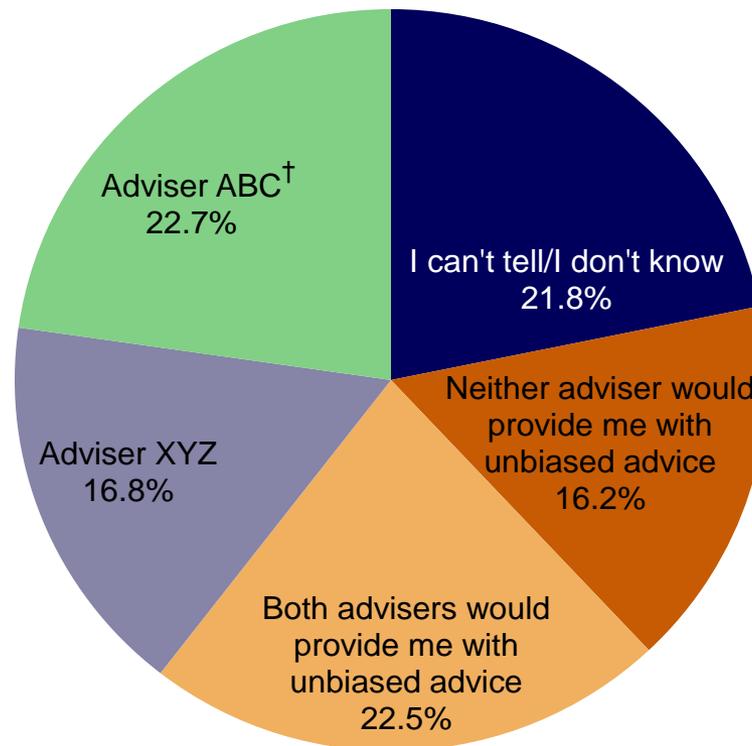
n=600

Note: Figures may not add to 100% due to rounding

[†] The percentage of respondents who rated their concern level in the top 2 box (4 or 5) for Adviser XYZ is statistically significantly higher than Adviser ABC at the 95% confidence interval.

Online survey respondents were split in their opinions regarding which hypothetical adviser would provide less biased advice

A55: Based on what you read, which adviser do you think would provide you with the less biased advice?

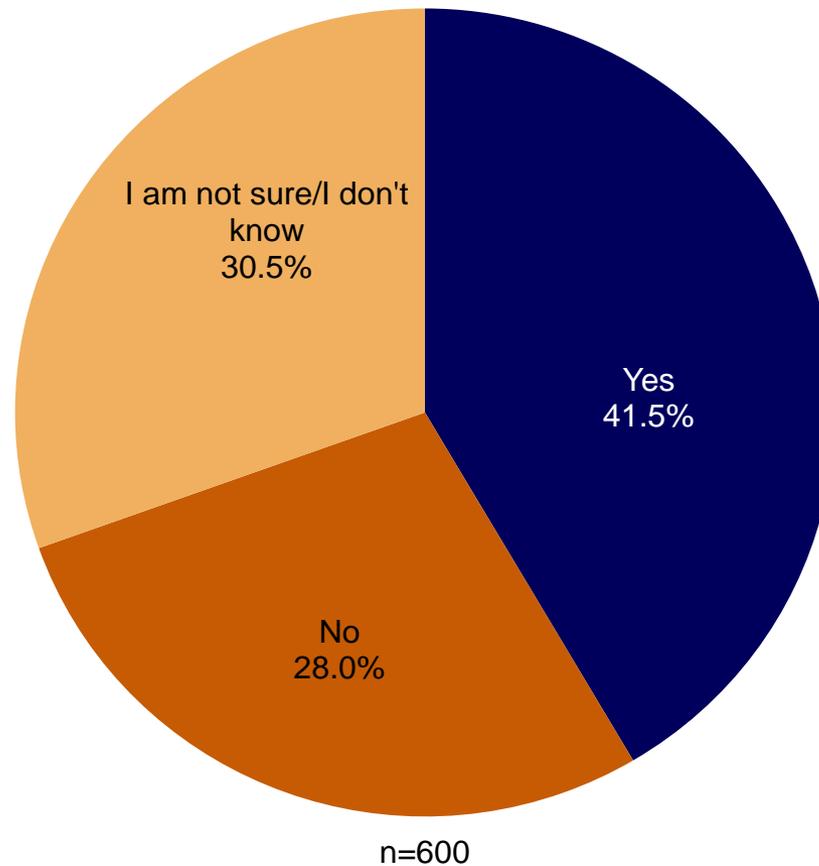


n=600

[†] The percentage of respondents who selected Adviser ABC is statistically significantly higher than the percentage of respondents who selected Adviser XYZ at the 95% confidence interval.

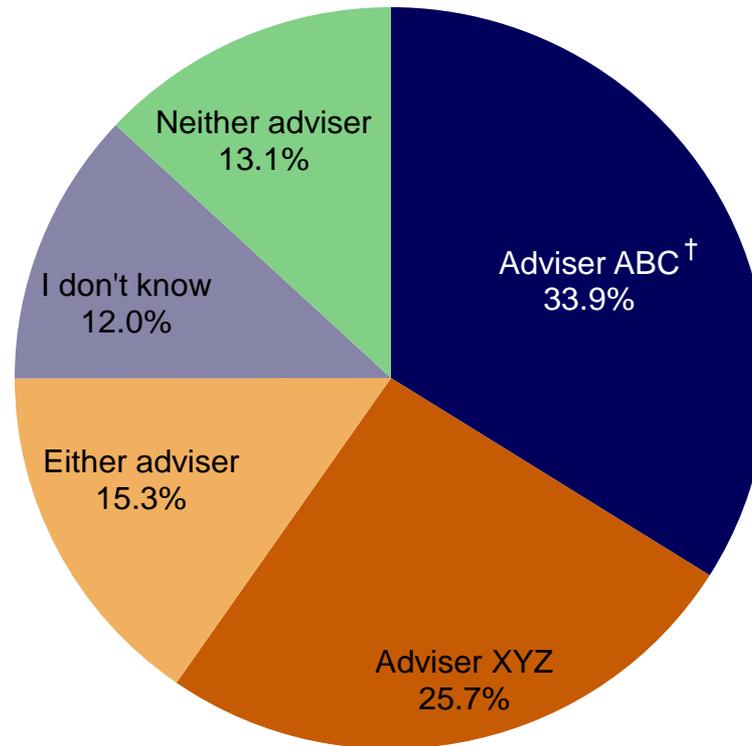
Approximately 28.0% of online survey respondents indicated the information in the conflicts of interest documents would not affect their decision to hire either hypothetical adviser; 41.5% indicated the information would affect their decision and 30.5% were unsure

A56: Would the information in these documents concerning the potential conflicts of interest affect your decision to hire either adviser?



Overall, online survey respondents did not largely prefer one hypothetical adviser over the other, though hypothetical Adviser ABC had an ~8% edge over hypothetical Adviser XYZ (33.9% vs. 25.7% selection)

A57: Based on what you read, which of these two advisers would you choose to be your adviser?



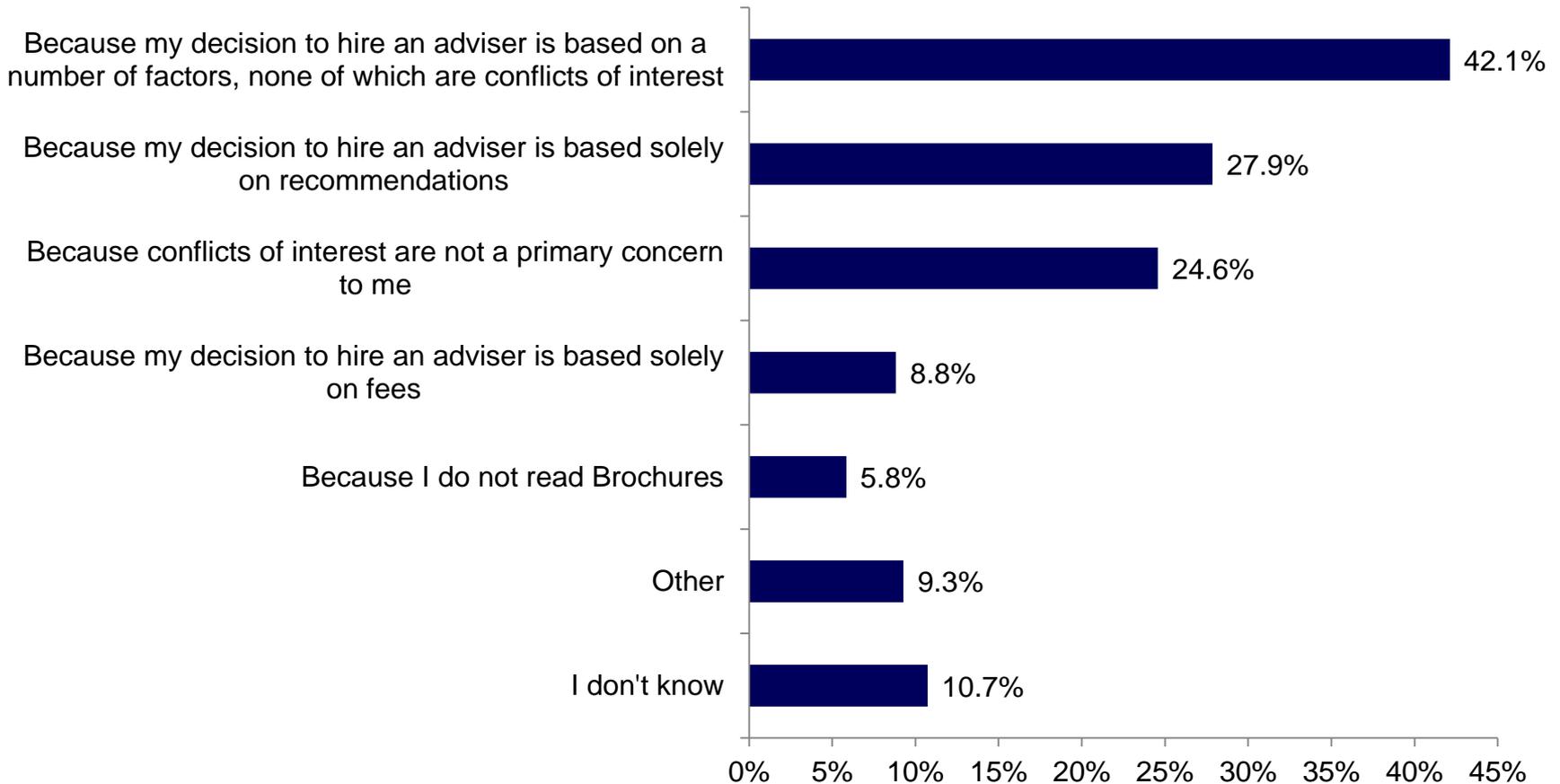
n=248

Sample comprised of respondents who indicated the advisers' conflicts would affect their decision to hire them in A56

[†] The percentage of respondents who selected Adviser ABC is statistically significantly higher than the percentage of respondents who selected Adviser XYZ at the 95% confidence interval.

Online survey respondents cited various reasons for why their choice was not affected by the conflict of interest information

A58: Why would this information not affect your choice? Select all that apply.



n=352

Sample comprised of respondents who indicated the advisers' conflicts would not, or were unsure if they would, affect their decision to hire them in A56

Figures do not add to 100% due to multiple responses

Comments from online survey respondents about why this information would not affect their choice

A58: Why would this information not affect your choice?

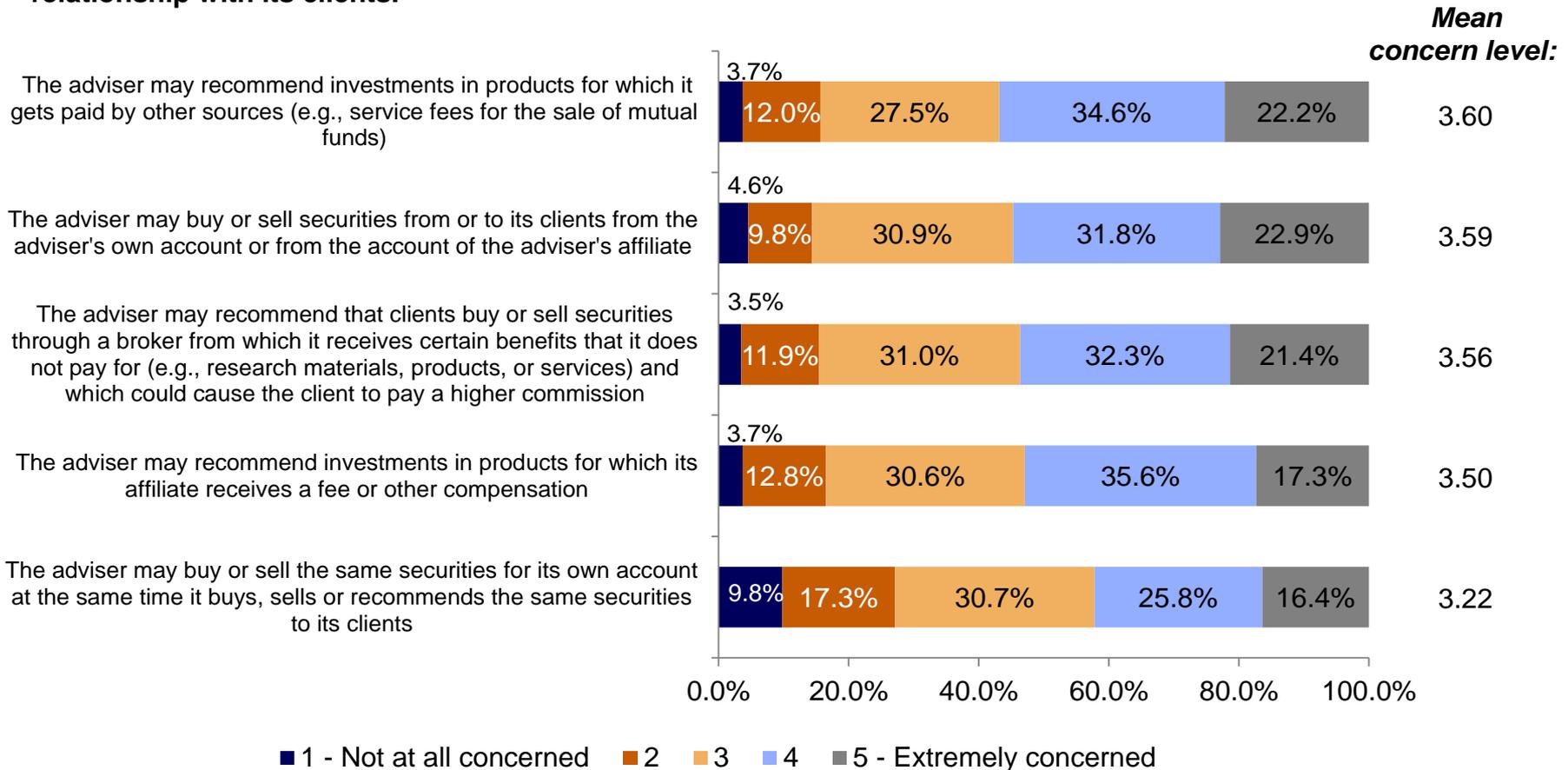
- + Everyone has conflicts of interest
 - *“Every firm has some sort of conflict.”*
 - *“Because I think they all have conflicts if interest—it just goes with the type of service.”*
 - *“I think probably 99% of the companies have conflicts of interest.”*
 - *“Conflict of interest is practically unavoidable. But its something that needs to be disclosed in detail and in writing.”*
 - *“I know they all have conflicts of interest - that's how they network - I would hope it benefits me.”*
- + Not the only factor; more concerned with others
 - *“Because I have weighed the risks and benefits.”*
 - *“I am more concerned on return on investment.”*
 - *“Conflict of interest would not be the sole determinant in my choice.”*
 - *“I am not concerned about this.”*
 - *“I would know what to watch for and make my own informed decision.”*
 - *“My decision is based on a number of factors, including conflicts of interest.”*
- + Information was too difficult to understand
 - *“I can't make sense of any of it.”*
 - *“The language was too obtuse to understand.”*
 - *“I do not understand a lot of the info.”*

n=34

Sample comprised of respondents who selected “Other” in A58

Over half of online survey respondents showed concern about four of five potential conflicts of interest (ranging from 52.9% to 56.8%); the only potential conflict less than half of respondents were concerned with was an adviser buying or selling the same securities for its own account at the same time it buys, sells or recommends them to its clients (42.4%)

A59: On a scale of 1 to 5, where 1 means “not at all concerned” and 5 means “extremely concerned,” please rate how concerned you would be about the following potential conflicts of interest on an adviser’s relationship with its clients.

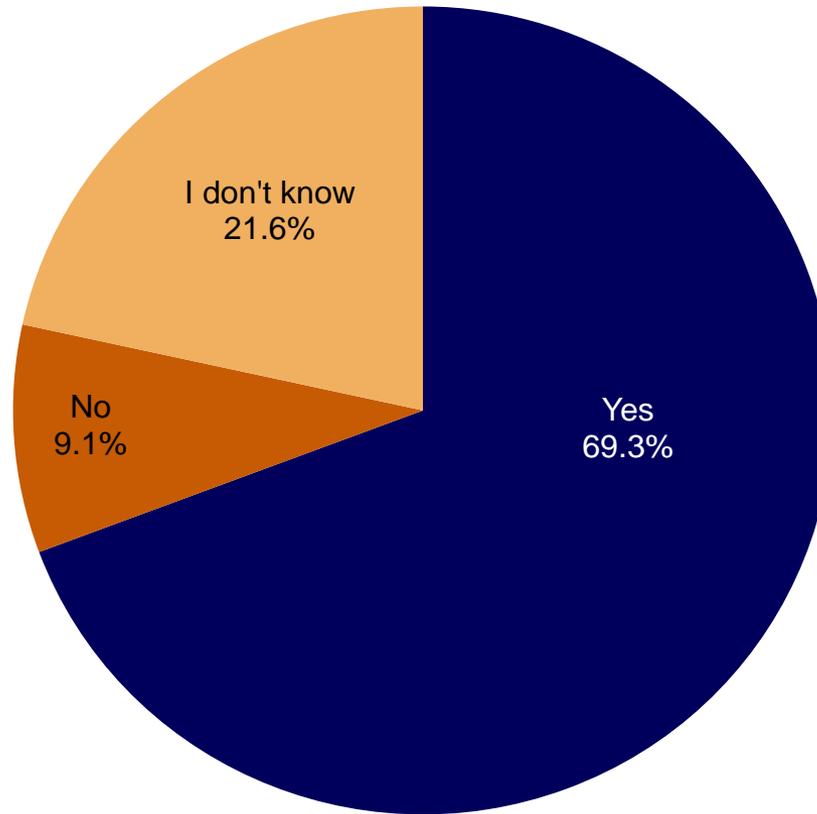


n=600

Note: Figures displayed reflect the percentage of respondents who selected the top 2 boxes on a 5-point scale

Over two-third of online survey respondents (69.3%) reported that they would read the information provided in the documents before selecting an adviser; only 9.1% indicated they would not read the information and 21.6% did not know

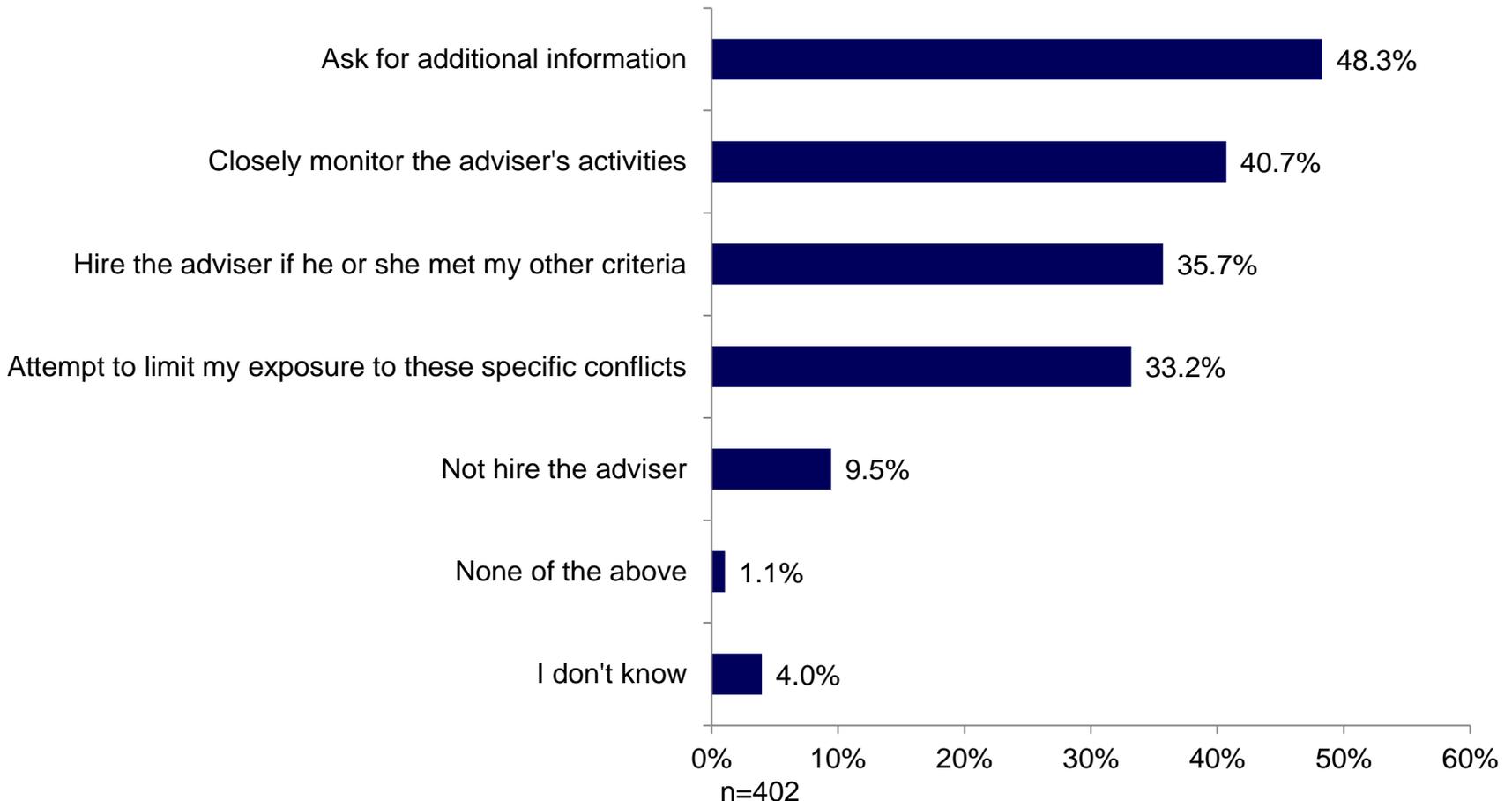
A60: If you were provided with either of these documents, would you take the time to read this information before selecting one of these adviser(s)?



n=600

Online survey respondents reported they would take various actions if they were looking for an adviser, based on what they read; the most common action was to ask for additional information, selected by 48.3% of respondents

A61: Based on what you read, which of the following actions would you be likely to take if you were looking for an adviser? Check all that apply.

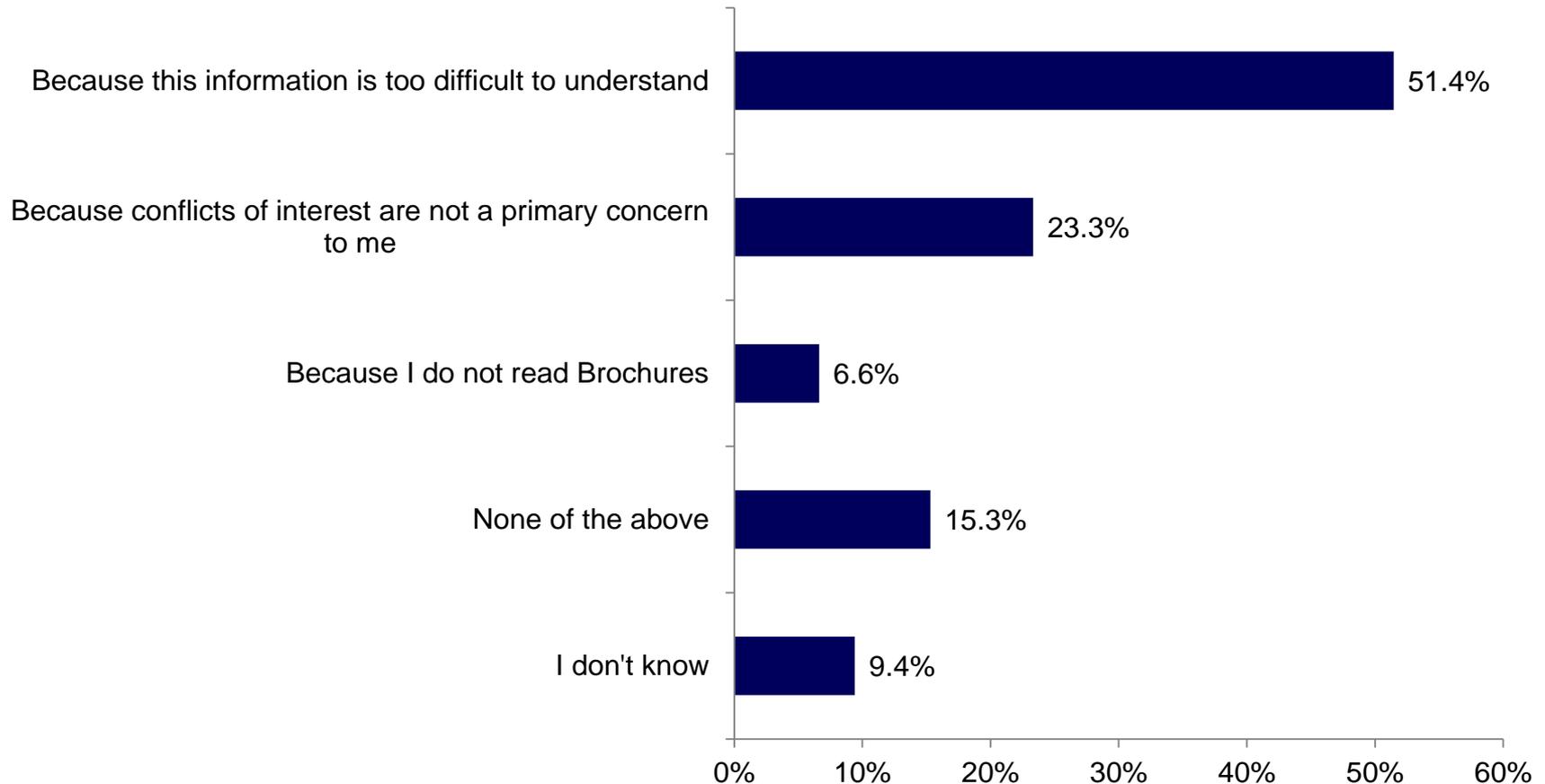


Sample comprised of respondents who indicated they would read the information in A60

Note: Figures do not add to 100% due to multiple responses

Of those online survey respondents who were unlikely to read the information included in the documents, difficulty understanding the information was cited as the top reason for not reading (51.4%)

A62: Why would you be unlikely to read the information included in these documents? Check all that apply.



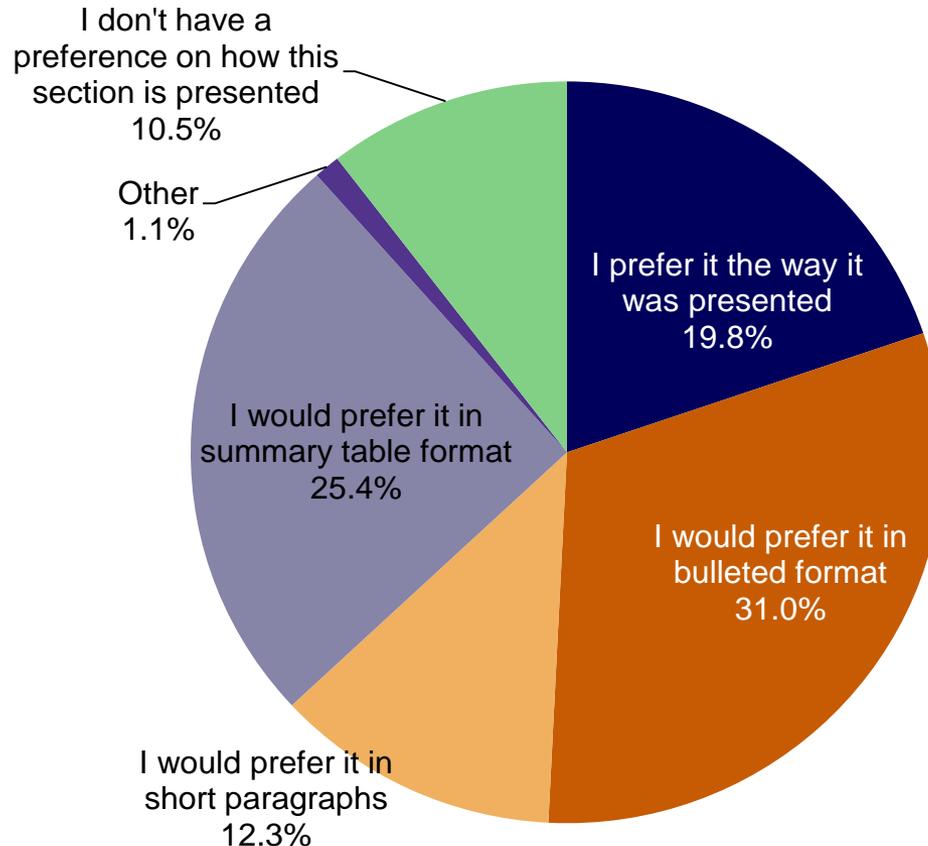
n=198

Sample comprised of respondents who indicated they would not or were unsure if they would read the information in A60

Note: Figures do not add to 100% due to multiple responses

Online survey respondents were split in their preferences on which format they would prefer to see potential conflicts of interest disclosures

A63: Which of the following options best describes your preference for the format in which you would prefer to see this information? Check all that apply.

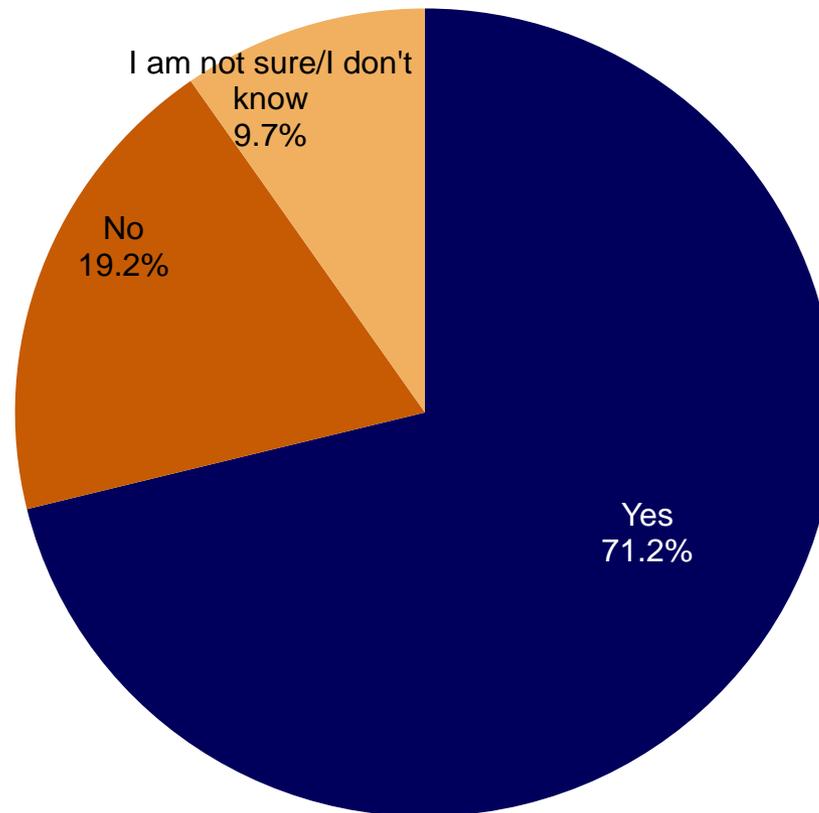


n=600

Note: Figures do not add to 100% due to rounding

However, over two-thirds of online survey respondents (71.2%) reported wanting to see specific examples that demonstrate how a potential conflict of interest operates in relation to investment advice

A64: Would you like to see specific examples that demonstrate how a potential conflict of interest operates in relation to investment advice provided to you?

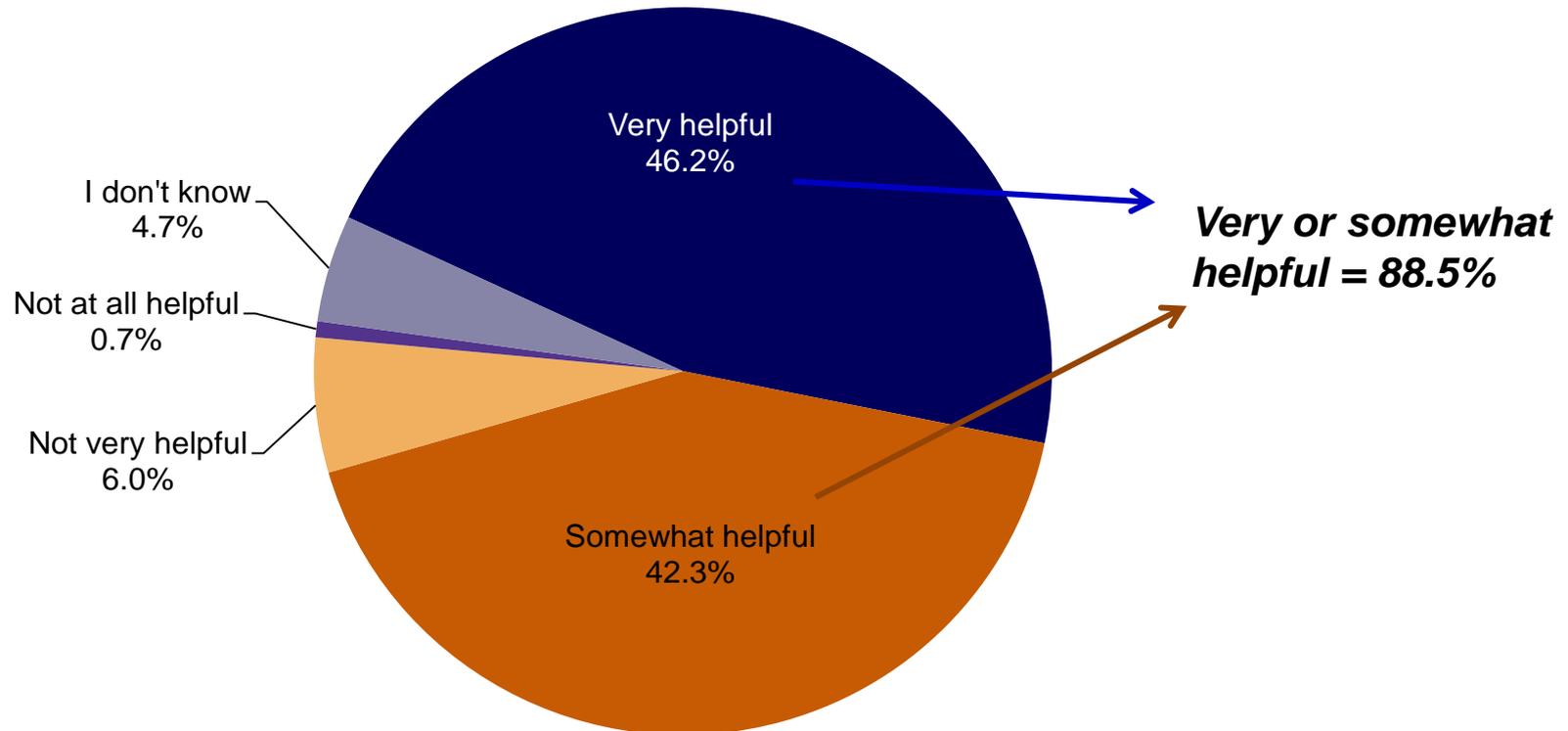


n=600

Note: Figures do not add to 100% due to rounding

The vast majority of online survey respondents (88.5%) indicated that requiring more specific headlines or titles to paragraphs, or providing more divided sections, would be either very helpful or somewhat helpful in facilitating an easier comparison of the two hypothetical advisers

A65: If you were comparing these two advisers, how helpful would it be to require that they provide more specific headings or titles to the paragraphs, or provide more divided sections to facilitate an easier comparison?

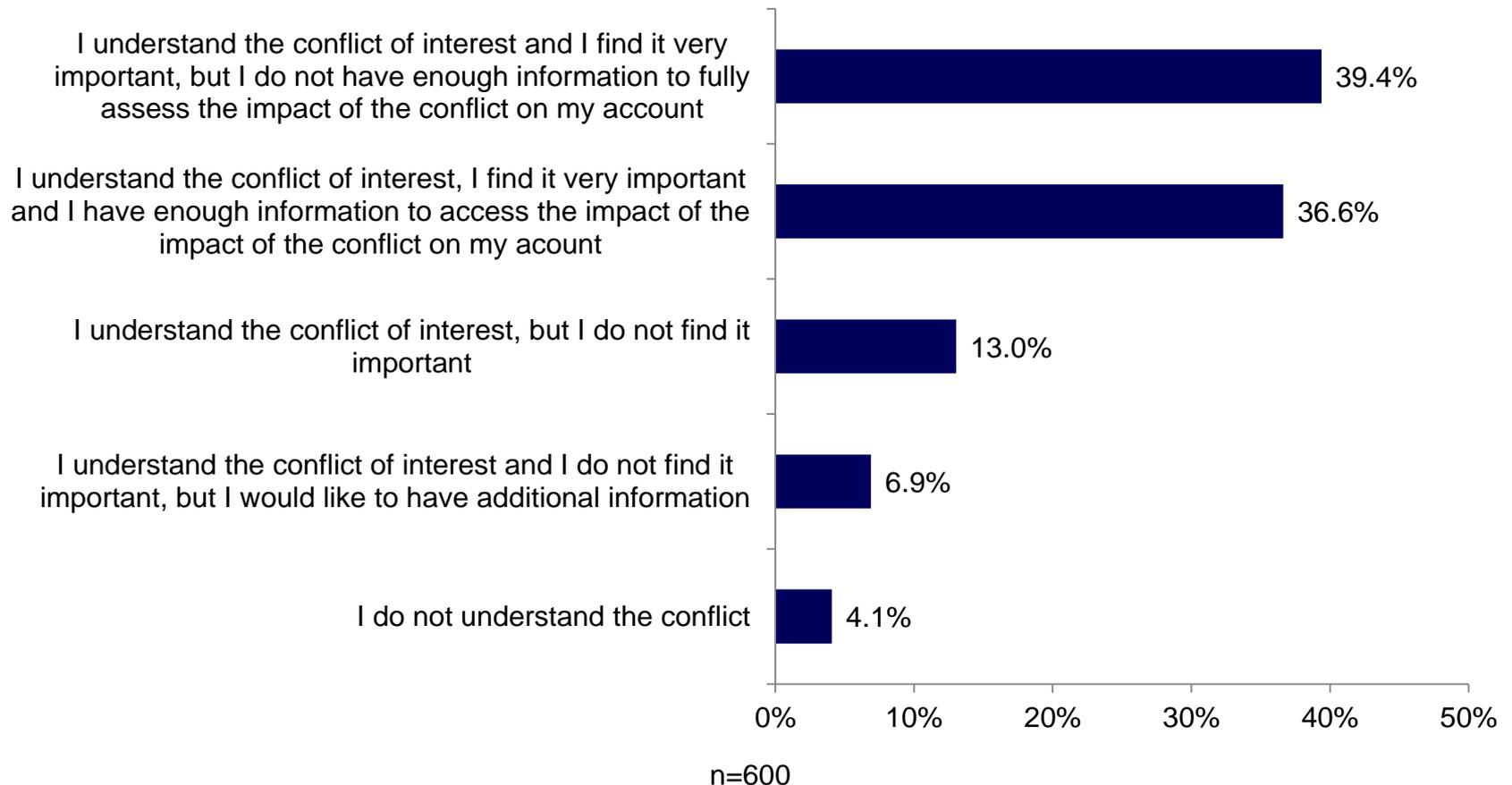


n=600

Note: Figures do not add to 100% due to rounding

While over one-third of online survey respondents (36.6%) believed they had enough information to assess the impact of the conflicts of interest, a slightly higher number believed they did not have enough information (39.4%) to fully assess the impact

A66: Both advisers disclose a conflict of interest in that they buy or sell in client accounts with brokers from whom they receive certain benefits (e.g., receiving research reports or publications analyzing a company's performance, attending seminars and conferences, etc.). Please indicate which of the following best reflects your reaction to this conflict of interest.



Comments from online survey respondents about what additional information they would like to receive about advisers' conflicts of interest

A67: Please indicate what type of additional information you would like to receive.

- + Plain language explanation
 - *“It is all written in legal language and I need it explained in plain English.”*
 - *“A layman’s terms explanation of how this could affect me.”*
 - *“Clearer terminology for a non-professional.”*
- + Examples
 - *“Examples are a must. I understood ABC company very well, but got lost in XYZ company’s 4 pages.”*
 - *“Examples of conflicts, less legalese.”*
- + More details
 - *“Be more specific on whom they are dealing with, and what fees or other monetary exchanges that they will receive.”*
 - *“Actual commission or monetary compensation values.”*
- + Adviser reviews
 - *“References from other clients, detailed investment history, document from SEC as to advisor’s qualifications, disciplinary actions, etc.”*
 - *“A rating on adviser as to they history of following SEC rules and compliance.”*
 - *“Customer reviews and history.”*
- + Explanation of the impact
 - *“A summary of potential ways the conflicts may affect me.”*
 - *“Clearly spell out exactly how my account is directly influenced by the conflict of interest. What happens to the bottom line of my account if these conflicts continue? What can be done to avoid any type of conflict of interest?”*

n=287

Sample comprised of respondents who indicated they did not have enough information or wanted additional information in A66

Trade Confirmations/ Account Statements

Comprehension and Perceptions of Example Trade Confirmations

As the first step in the Confirmations branch of the online survey, respondents were presented with the Trade Confirmation shown below (a stock example); this was followed with series of comprehension questions regarding what they read

CONFIRMATION

<p>YOU BOULD:</p> <p>ABC COM SHS IS2HCH0013826971(SHPO.20)</p>										<p>TRADE DATE: 04-21-10</p> <p>PROCESS DATE: 04-21-10</p> <p>SETTLEMENT DATE: 04-26-10</p> <p>CHEF NUMBER: 803101-10-2</p> <p>SYMBOL: ABC</p>					
<p>WE CONFIRM THE BELOW TRADE(S), SUBJECT TO THE TERMS AND CONDITIONS SET FORTH ON THIS CONFIRMATION</p>															
TRADE NUMBER	QUANTITY	PRICE	PRINCIPAL	INTEREST	COMMISSION (CONS BOZIV)	SERVICE CHARGE	TRANS. FER	NET AMOUNT USD	CPTY						
252093	30	158.6927	4,758.08		12.00		0.09	4,745.99	0						
AVERAGE UNIT PRICE		TRANSACTION		ACYED AS AGENT											
TOTALS										30	4,758.08	12.00	0.09	4,745.99	

THIS CONFIRMATION IS AN ADVICE NOT AN INVOICE. PENITANCE OR SECURITIES ARE DUE ON OR BEFORE SETTLEMENT DATE.

SEE TERMS AND CONDITIONS AND EXPLANATION OF CODED SYMBOLS RELATIVE TO THIS CONFIRMATION ON OTHER THAN ROUND LOTS NORMALLY FOR SHARERS IF OF APPEAR ABOVE AN ODDLY DISTRIBUTION HAS BEEN CHARGED IN CONNECTION WITH THIS TRANSACTION THE AMOUNT OF EACH DISTRIBUTION WILL BE FURNISHED UPON REQUEST CLEARING THROUGH [REDACTED] HAS BEEN CHARGED IN CONNECTION WITH THIS TRANSACTION. MEMBER FIRM: NYSE, CINC

TERMS AND CONDITIONS

Securities purchased on a cash or margin basis are or may be hypothecated under circumstances which will permit the commingling thereof with securities carried for other customers, but such securities, if hypothecated, will be withdrawn from hypothecation as soon as practicable after receipt of payment therefor.

If this transaction is a purchase by you in a cash account and sufficient funds are not already in your account with us, it is agreed that you will make full payment for the securities described on this confirmation promptly and not later than settlement date, or at such earlier time payment may be demanded in accordance with the terms of the transaction and that you do not contemplate sale of such securities prior to making such payment. If this transaction is a sale by you in a cash account and the securities described on this confirmation are not already held in your account with us, we are acting upon your representation that you or your principal own such securities, and it is agreed that you will promptly and not later than settlement date deposit such securities with us. If full payment for the securities purchased by you in this transaction are not delivered to us in proper form on or after the first trading day after settlement date, we may at our option cancel or otherwise liquidate this transaction without notice to you, and you will be liable to us for any resulting loss, including, without limitation, all expenses, attorney's fees and other costs incurred by us and interest thereon.

If this transaction is a purchase by you in a margin account it is agreed that sufficient cash or acceptable collateral will be deposited on or before settlement date, or at such earlier time payment may be demanded to satisfy applicable margin requirements.

Provisions of agreements and contracts shall inure to any successor of this organization.

It is understood and agreed that all transactions are subject to the rules and customs of the exchange or market (and its clearing house, if any) where they are executed. The name of the other broker or party to the time of execution will be furnished on request.

[REDACTED] DOES NOT RECEIVE PAYMENT FOR DIRECTING EQUITY OR OPTIONS ORDER FLOW. [REDACTED] RECEIVES COMPENSATION FOR DIRECTING ORDER FLOW IN CERTAIN EQUITY SECURITIES AND LISTED OPTIONS. THE SOURCE AND NATURE OF THE COMPENSATION, IF ANY, RECEIVED IN CONNECTION WITH THIS TRADE WILL BE FURNISHED UPON WRITTEN REQUEST.

In those equity transactions where it is indicated that we acted in the capacity of principal (as marketmaker or specialist), we fill orders at the inside market without mark-up or down, and charge a commission for our services.

Commission rates are subject to negotiation, and any commission charged to you in this transaction may be more or less than commissions charged to or by others in similar transactions. The source and amount of other commissions charged in connection with this transaction will be furnished on request.

Call features may exist for securities. Call features for fixed income securities may affect yield. Complete information will be provided upon request.

The ratings that appear in the description of some fixed income securities have been obtained from rating services which [REDACTED] believes to be reliable; however, [REDACTED] cannot guarantee their accuracy. Securities for which a rating is not available are marked "UNRATED."

If this transaction involves an asset-backed security, including a municipal collateralized mortgage obligation, which represents an interest in or is secured by a pool of receivables or other financial assets that are subject continuously to prepayment, then the actual yield of such security may vary according to the rate at which the underlying receivables or other financial assets are prepaid. Information concerning the factors that affect yield (including at a minimum estimated yield, weighted average life, and the prepayment assumptions of underlying yield) will be furnished upon your written request.

Any fees charged by [REDACTED] in association with Prime Brokerage transactions will be disclosed in the "Service Charge" field on this confirmation.

PLEASE REPORT ANY ERROR, OMISSION, OR EXCEPTION IMMEDIATELY TO US AT THE ADDRESS SHOWN ON THIS CONFIRMATION

When [REDACTED] receives a non-directed order from an introducing firm or customer for execution on your behalf and executes that order in accordance with [REDACTED]'s best execution policy, [REDACTED] may execute that order itself as a market maker or send that order for execution to an exchange or other off exchange venue.

Details concerning the type of order, venue, date, time of execution as stated in Coordinated Universal Time (UTC), and Multiple Executions are available upon your written request to your introducing broker.

Transactions in foreign securities executed in a foreign market may include additional fees. Details furnished upon request.

[REDACTED] does not provide any advice nor does it solicit any orders for trade execution. As such all trades processed by [REDACTED] are unsolicited.

EXPLANATION OF CODED SYMBOLS

Type of Account

- 0. Deliver/Receive vs. Payment
- 1. Cash Account
- 2. Margin Account
- 3. Short Account
- 4. Special Subscription Account
- 5. Arbitrage Account
- 8. Non Securities Credit Account- reflects the purchase or sale of Precious Metals which are not securities and are therefore not eligible for protection by the Securities Investor Protection Corporation (SIPC) or for any excess SIPC coverage

Capacity in Which Your Introducing Firm Acted

- 1, 2, 3, or 8.....as broker only
- 4.....reprinted confirmation; capacity appears on original
- 5, or 8.....as principal
- 9.....as agent for the buyer and seller, charging you a commission as shown on this confirmation
- 0.....average price or block transaction

Additional Capacity Information

If so noted on this confirmation, [REDACTED] or an affiliated company is a third marketmaker in this security and acted as principal in buying from or selling to you at the reported price and charged you a commission.

If average price transaction is indicated on this confirmation [REDACTED] or an affiliated company may have acted as principal, agent or both or agent for another party with one or more exchanges. Details available upon request.

With respect to the purchase of zero coupon securities, please note: no periodic interest payment will be made, and if callable, securities may be called below maturity value without notice by mail to holder unless registered.

Your Introducing Firm charges you a Transaction Fee on certain securities transaction which are subject to fees assessed by a self regulatory organization, securities exchange and/or government agency. The Fee is based on the value of the "covered" securities transactions. [REDACTED]'S calculation of the Fee is based on amounts paid by the Introducing Firm. To determine the exact amount of this Fee with respect to any transaction, please contact your Introducing firm.

Just over half of the online survey respondents were able to correctly identify the type of investment involved in the Trade Confirmation—a third could not tell—and a slightly larger percentage was able to correctly identify the capacity in which the firm acted

C1: Based on your review of the trade confirmation, what type of investment was involved in the trade?

	Sample size	1,201
A corporate bond		3.8%
Stock in a company (CORRECT)		53.5%
A mutual fund		6.4%
None of the above		3.0%
I can't tell/I don't know		33.4%

C2: Based on your review of the trade confirmation, in what capacity did the financial firm act?

	Sample size	1,201
As a principal (i.e., the firm either sold you a security from its inventory or bought a security from you to place into its inventory)		11.4%
As an agent (i.e., the firm entered the marketplace to buy or sell a security for you) (CORRECT)		55.9%
As a dual agent (i.e., the firm acted as an agent for both you and someone else)		5.1%
None of the above		3.0%
I can't tell/I don't know		24.6%

Figures for C1 do not add to 100% due to rounding

Almost two-thirds of the online survey respondents correctly identified how the firm was compensated, and over 61% were able to indicate a correct reason why it matters whether the broker acts as a principal or an agent

C3: Based on your review of the trade confirmation, how was the financial firm compensated (i.e., paid)?

	Sample size	1,201
A sales commission (CORRECT)		64.8%
A mark-up or mark-down		3.6%
A sales load		4.9%
None of the above		4.3%
I can't tell/I don't know		22.4%

C4: Why does it matter whether your broker acts as a principal or as an agent when selling you a security?

	Sample size	1,201
If my broker acts in a principal capacity, it may have a conflict of interest because it is selling me a security out of its inventory (CORRECT)		21.8%
If my broker acts as an agent, it may have a conflict of interest because it is selling me a security out of its inventory		14.2%
If my broker acts as an agent, my broker is entering the marketplace to buy or sell a security for me (CORRECT)		39.7%
None of the above		3.8%
I can't tell/I don't know		35.2%

Figures for C4 do not add to 100% due to multiple responses

While almost 60% of the online survey respondents correctly identified the investment involved as a mutual fund, under 13% correctly identified that the firm acted as a dual agent in the trade; 32% were unsure how the firm acted

C5: Based on your review of the trade confirmation, what type of investment was involved in the transaction?

	Sample size	1,201
A corporate bond		5.2%
Stock in a company		15.0%
A mutual fund (CORRECT)		57.9%
None of the above		7.3%
I can't tell/I don't know		14.5%

C6: Based on your review of the trade confirmation, in what capacity did the financial firm act?

	Sample size	1,201
As a principal (i.e., the firm either sold you a security from its inventory or bought a security from you to place into its inventory)		15.1%
As an agent (i.e., the firm entered the marketplace to buy or sell a security for you)		36.2%
As a dual agent (i.e., the firm acted as an agent for both you and someone else) (CORRECT)		12.7%
None of the above		4.0%
I can't tell/I don't know		32.0%

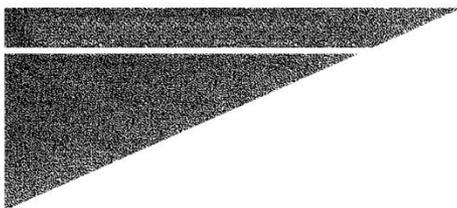
Figures for C5 do not add to 100% due to rounding

Just over a third of the online survey respondents correctly pointed out that it is not clear from the Confirmation how the firm was compensated

C7: Based on your review of the trade confirmation, how was the financial firm compensated (i.e., paid)?

	Sample size	1,201
A sales commission		15.8%
A mark-up or mark-down		5.4%
A sales load		20.0%
None of the above		24.5%
I can't tell/I don't know (CORRECT)		34.3%

The third Confirmation presented to the online survey respondents (a mortgage-backed debt security example) is shown below



Trade Date	Security Description	Cusip/Sec. No.	Qty Bought	Price
05/17/2006	CWALT INC REMIC 2005-73CB CL 1A2 MONTHLY 24 DAY DELAY CPN 6.250% DJE 01/25/36 DTD 11/01/05	12668AT70	13,000	100.00000

Principal:	\$13,000.00
Accrued Interest:	\$51.91
Commission/ Handling :	\$5.00
Net Amount:	\$13,056.91

Settlement Date: 05/24/2006
 Account Type: CASH ACCOUNT
 Transaction Type: 01 (See reverse side)

Special Remarks for this transaction:

PAY DOWN FACTOR 1.00
 YIELD TO MATURITY 6.2500%
 INTEREST ACCRUED FROM 05/01/2006
 YLD & AVG LIFE MAY VARY WITH INTEREST RATES
 RATINGS: MOODY'S AAA AND S&P AAA

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TYPE OF TRANSACTION

The capacity in which we have acted in this transaction is indicated by the number appearing on the face hereof and described as follows:

- | | |
|---|---|
| 00. Redemption/Maturity | 08. In this transaction, we have acted as agent for both buyer and seller; the amount of commission charged the other party will be furnished upon written request. |
| 01. As principal for our account. As agent for your account on: | |
| 02. New York Stock Exchange | 10. Boston Stock Exchange |
| 03. Chicago Stock Exchange | 14. American Stock Exchange-Options |
| 04. NYSE AlterNext | 15. Chicago Board Options Exchange |
| 05. Other Exchange (name furnished on request) | 16. NASDAQ Exchange |
| 06. Over the counter | 25. NYSEArca |
| 07. As agent for another account | 35. Philadelphia Stock Exchange |
| | 40. International Securities Exchange |
| | 54. BATS Exchange |

COLLATERALIZED MORTGAGE OBLIGATIONS

For transactions in collateralized mortgage obligations ("CMOs"), yields are subject to fluctuation depending on the speed in which the underlying notes or receivable prepays. Specific information is available upon request.

CONDITIONS OF OUR ACCEPTANCE OF ORDERS:

Until we actually receive notification to the contrary, we will consider this confirmation as correct. In order to avoid duplicate executions of orders, a client, when intending to change an open order or a day order, MUST SPECIFICALLY NOTIFY US to cancel the open order or day order when giving a superseding order in the same security. If this is not done, the client must be responsible for the executions of any uncancelled prior orders. The client must also be responsible for the executions of a prior open order or day order that occurred prior to our entry of the cancellation. When stocks sell EX-DIVIDEND or EX-RIGHTS, we will deduct the corresponding amount from OPEN BUY ORDERS and OPEN SELL STOP ORDERS only.

CALLABLE BOND LEGEND

Certain bonds and preferred stocks may be "called" in part by the issuer. Such securities held for you, at [redacted] or at a central clearing facility, but not registered in your name, are commingled with identical securities held for other clients. In the event securities so held are "called" by the issuer, the beneficial ownership thereof will be determined by an impartial random selection system. Should you be selected as the owner of "called" securities, then your security will be presented for redemption and your account credited with the proceeds.

Clients have the right to withdraw uncalled fully paid securities at any time prior to a partial call and also to withdraw excess margin securities not subject to restrictions.

Call features may exist which could affect yield; complete information will be provided upon request.

PROSPECTUS

Where the notation "Prospectus Enclosed" or "Prospectus Under Separate Cover" appears on the face of this confirmation, this offering is made subject to the conditions of purchase referred to in the prospectus relating thereto.

TERMS OF TRANSACTION

Securities purchased are, or may be, hypothecated under circumstances which will permit the commingling with securities of other clients. In the absence of a written agreement to the contrary, we shall not be required to deliver to you identical securities purchased, held, or carried for your account. Payment for securities purchased and delivery of securities sold must be received by us not later than the due date as indicated on the reverse side hereof; otherwise it may be necessary to sell the securities purchased or buy the securities sold for your account at your risk pursuant to applicable regulations. In addition, interest may be charged from the due date of payment. The agreement shall ensure to any successors of [redacted]. As indicated, we have this day BOUGHT or SOLD, for your account and risk, subject to the By-laws, Rules, Regulations, and Customs as now existing or hereafter amended or adopted of the Exchange or Market where the transaction was made and its Clearing House, and subject to all applicable Federal and State laws and to the regulations of any Government agency having authority with respect thereto and to all the terms of our client margin agreement and all other written agreements between you and us. The name of the other party or Broker and the time of execution will be furnished upon written request.

Commission rates are subject to negotiation, and any commission charged to you in this transaction may be more or less than commissions charged to others in similar transactions.

MUTUAL FUND TRANSACTIONS

RIGHTS OF ACCUMULATION: Allows investors to combine the value of current holdings within one fund family, including related accounts, to achieve a reduction ("breakpoint") on the sales charge paid. Consult the fund's prospectus or Statement of Additional Information for more complete details.

LETTER OF INTENT: Allows investors to take advantage of a reduction in the sales charge paid ("breakpoint") immediately, without investing all of the funds needed. The letter commits the investor to adding enough additional money within the next 13 months to bring the current investment up to the selected breakpoint level. Consult the fund's prospectus or Statement of Additional Information for more complete details.

NET ASSET VALUE: Under certain conditions, investors may purchase Class A or other front-and-load mutual funds without paying a sales charge. These transactions are referred to as "NAV purchases." Consult the fund's prospectus or Statement of Additional Information for more complete details.

OTHER

[redacted] We receive remuneration, including exchange rebates, for directing orders to a particular marketplace, broker, or dealer through which your transaction is executed. Such remuneration is considered reduction of expense by us, and the source and nature of remuneration will be disclosed upon written request. Remuneration received does not affect the price reported to our clients.

Only 17% of the online survey respondents correctly identified the type of debt involved as a mortgage-backed security, and there was considerable confusion regarding the capacity in which the financial firm acted

C8: Based on your review of the trade confirmation, what type of debt was involved in the transaction?

	Sample size	1,201
A corporate bond		27.0%
A municipal bond		8.6%
A mortgage-backed security (CORRECT)		17.1%
None of the above		6.2%
I can't tell/I don't know		41.1%

C9: Based on your review of the trade confirmation, in what capacity did the financial firm act?

	Sample size	1,201
As a principal (i.e., the firm either sold you a security from its inventory or bought a security from you to place into its inventory)		24.9%
As an agent (i.e., the firm entered the marketplace to buy or sell a security for you)		25.5%
As a dual agent (i.e., the firm acted as an agent for both you and someone else)		8.9%
None of the above		4.7%
I can't tell/I don't know (CORRECT)		36.0%

Though nearly 57% of online survey respondents identified a sales commission as how the financial firm was compensated (a *possible* compensation), only 24.1% correctly answered “I can’t tell/I don’t know)

C10: Based on your review of the trade confirmation, how was the financial firm compensated?

	Sample size	1,201
A sales commission (CORRECT)		56.8%
A mark-up or mark-down		6.9%
A sales load		5.4%
None of the above		6.8%
I can't tell/I don't know (CORRECT)		24.1%

Almost half of the online survey respondents implied that the stock Confirmation was not easy to read, but between 48 and 60 percent of the online survey respondents agreed that the various confirmations were organized in a way that helps them find the information they want and need

Based on the confirmations you just reviewed, please indicate the extent to which you agree with the following statements.

C14: The type size of this document is easy to read.

	Exhibit	Stock	Mutual Fund	Debt Security
Strongly agree (5)		8.2%	19.6%	13.9%
Somewhat agree (4)		26.4%	36.3%	33.7%
Neither agree nor disagree (3)		16.3%	16.1%	20.8%
Somewhat disagree (2)		30.3%	18.6%	22.2%
Strongly disagree (1)		18.9%	9.3%	9.4%
Mean rating (using scoring above)		2.74	3.38	3.21

C15: The document is organized in a way that helps me find the information I want and need

	Exhibit	Stock	Mutual Fund	Debt Security
Strongly agree (5)		8.9%	16.3%	10.8%
Somewhat agree (4)		39.5%	43.9%	38.3%
Neither agree nor disagree (3)		24.8%	21.8%	26.2%
Somewhat disagree (2)		19.5%	12.6%	18.2%
Strongly disagree (1)		7.4%	5.3%	6.6%
Mean rating (using scoring above)		3.23	3.53	3.28

n=1,201 Figures may not add to 100% due to rounding

Measuring the effectiveness of a document

Siegel+Gale regularly uses its proprietary SimplicityLab™ to evaluate the effectiveness of the various documents used in business along two fundamental dimensions: Comprehension and Perception

- + The Comprehension Index measures the reader's ability to understand factual information that is conveyed in the communication
- + The Perception Index measures the reader's response to the document measured on a series of attributes

Establishing norms for comprehension and perceptions of documents

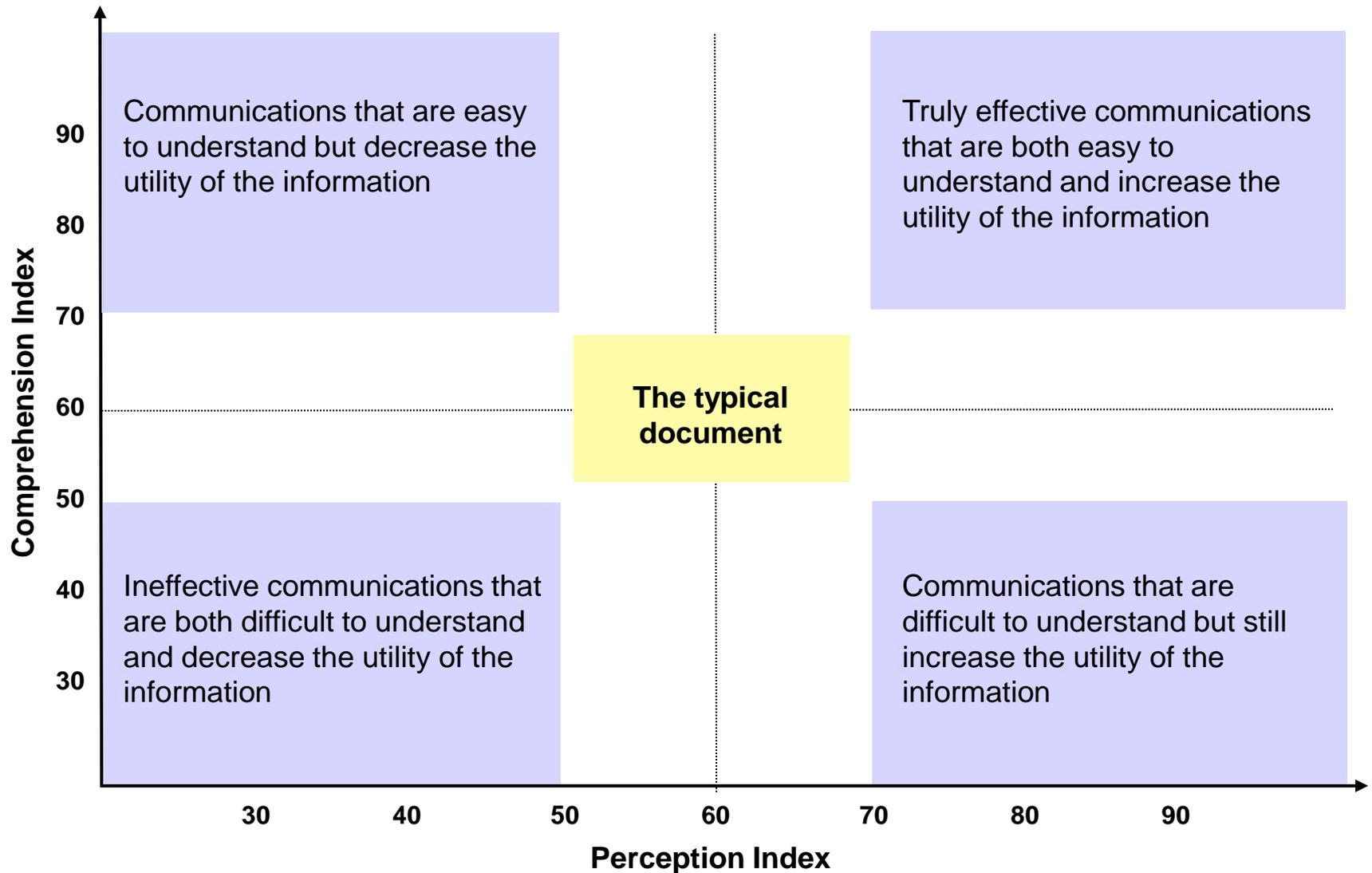
Siegel+Gale routinely tests various documents using its SimplicityLab methodology

- + The types of documents evaluated include letters, notices, brochures, applications, forms and accompanying instructions, etc.
- + The top three sectors represented in the SimplicityLab database include financial services, government, and insurance
- + Content of the various documents includes general information, calls to action, reminders, actions being taken (e.g., cancellation notices), etc.

Establishing norms for comprehension and perceptions of documents (continued)

- + Among documents in use today, Siegel+Gale's Comprehension and Perception Index scores tend to be fairly similar across audience, type of document and sector, indicating there is a relevant "norm" against which perceptions of the various trade confirmations can be compared
- + Exceptions to the above include documents of significant length (which affects the Comprehension Index) and documents delivering "bad" or "negative" information (which affects the Perception Index)
- + Testing of revised documents has validated that a focus on simplicity in content and formatting can yield significant gains on both indices, leading to significant business benefits (e.g., more informed decision making, increased loyalty, increased likelihood to purchase, etc.)

Siegel+Gale has observed that the norm for a “typical” document in the U.S. is a score of 60 on each Index

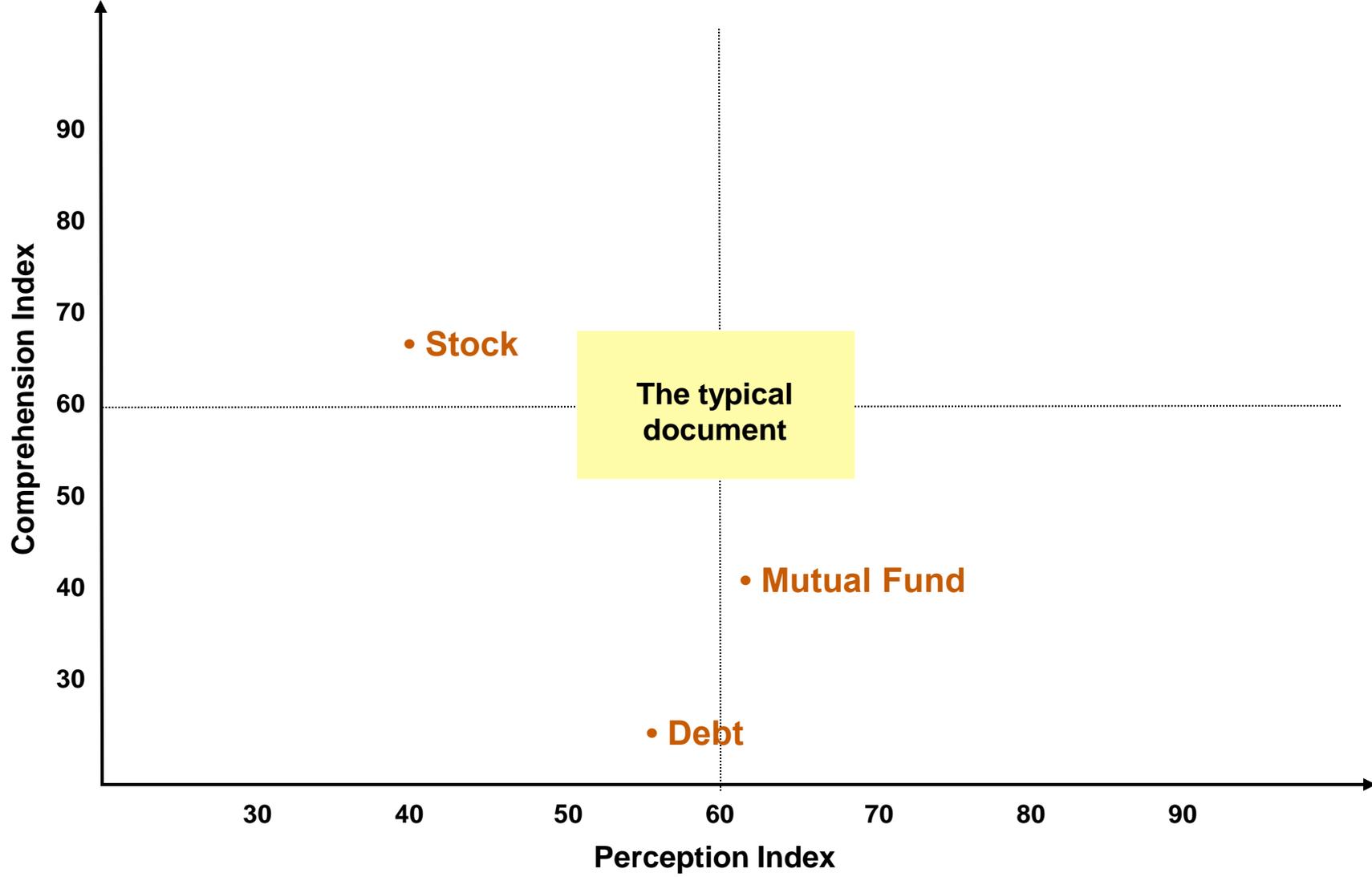


Using a subset of the pillars to measure perceptions, the SimplicityLab assessment revealed that the stock Confirmation scored highest on the Comprehension Index but lowest on the Perception Index

	Exhibit	Stock	Mutual Fund	Debt Security
Comprehension Index		58.9	42.8	25.7
Question 1 (Percent correct)		53.5%	57.9%	17.1%
Question 2 (Percent correct)		55.9%	12.7%	36.0%
Question 3 (Percent correct)		64.8%	34.3%	24.1%
Question 4 (Percent correct)		61.5%		
Perception Index		49.7	61.5	56.1
The type size of this document is easy to read		43.6	59.6	55.1
The document is organized in a way that helps me find the information I want and need		55.7	63.3	57.1

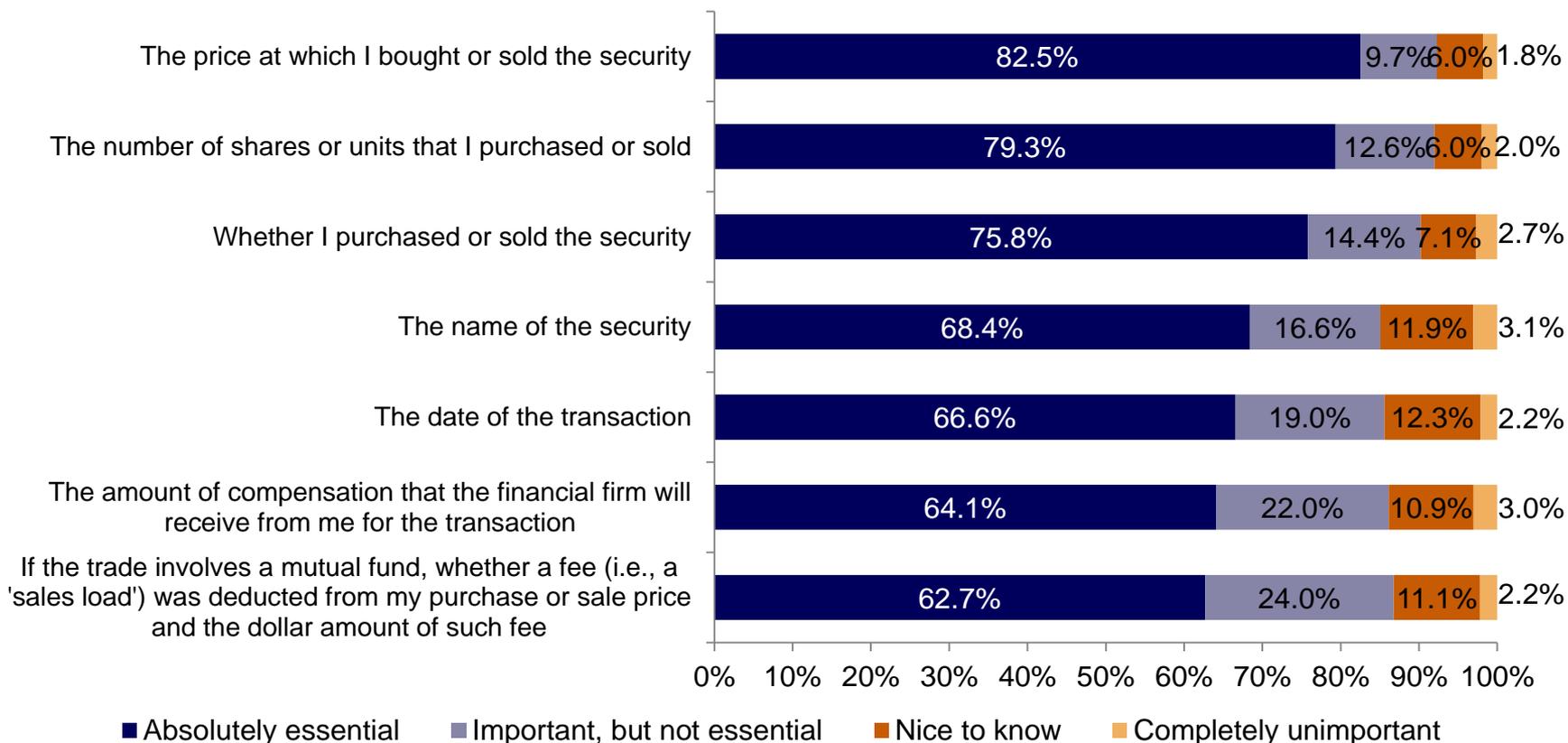
Note: The Comprehension Index is the average of the percent correct for each comprehension questions asked. The Perception Index is the average of the individual element scores. Individual element scores are derived by converting mean scores from previous tables to a 100-point scale (i.e., multiplying the mean by 25 and subtracting 25 from the product).

None of the three Confirmations presented in the online survey scored well; the stock Trade Confirmation was below the norm on the Perception Index, and the other two Confirmations scored well below the norm on the Comprehension Index



The online survey evaluated the importance of 14 pieces of information on a Trade Confirmation; three of these—the price at which the security was bought or sold, the number of shares or units involved and whether the security was bought or sold—were deemed “absolutely essential” by at least 75% of the respondents (1 of 2)

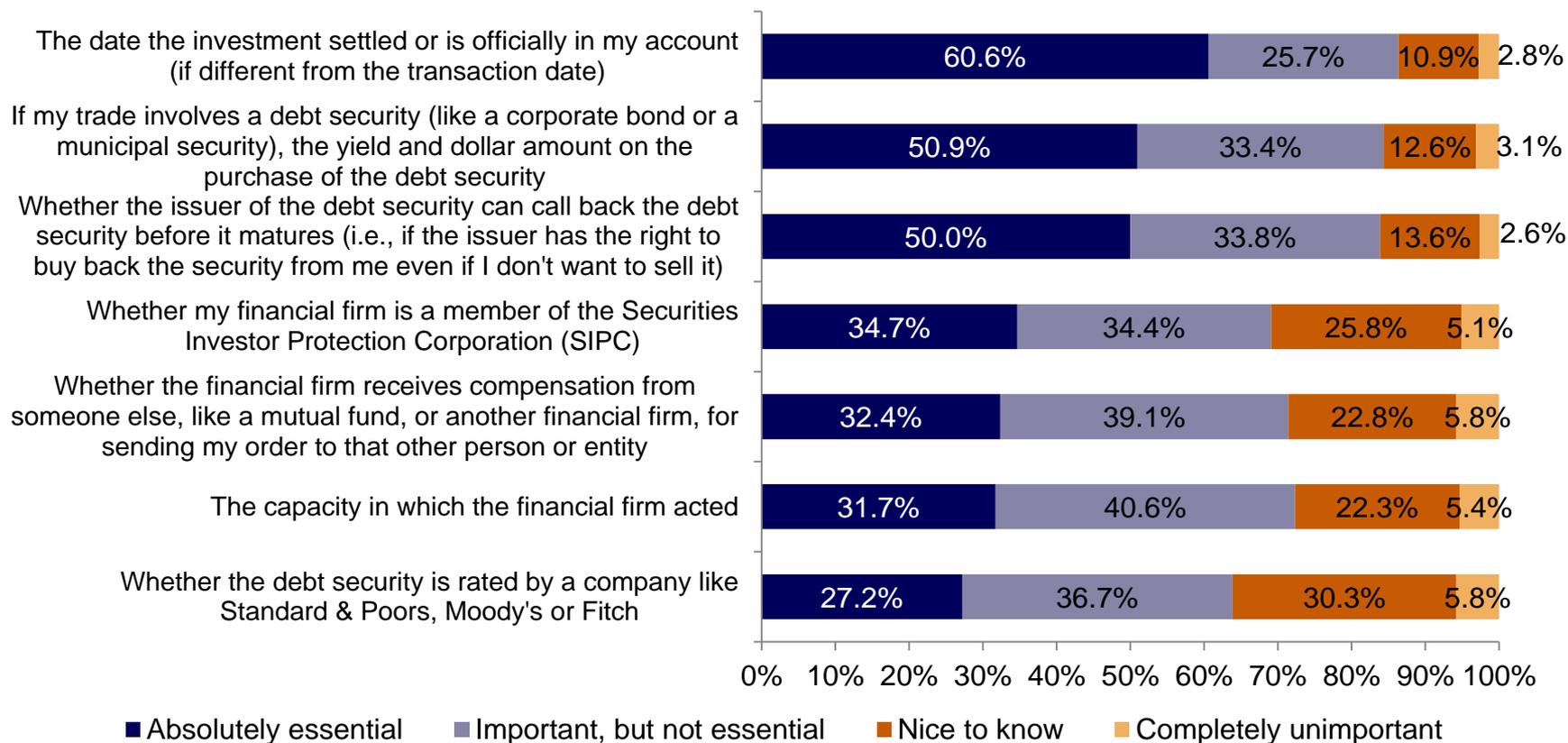
C11: Please indicate how important it is to see each of the following pieces of information on a trade confirmation.



n=1,201 Figures may not add to 100% due to rounding

The financial firm’s SIPC status, third party compensation, the capacity in which the firm acted and the debt security’s rating status were deemed “absolutely essential” by the fewest percentage of online survey respondents, ranging from 27.2%-34.7% (2 of 2)

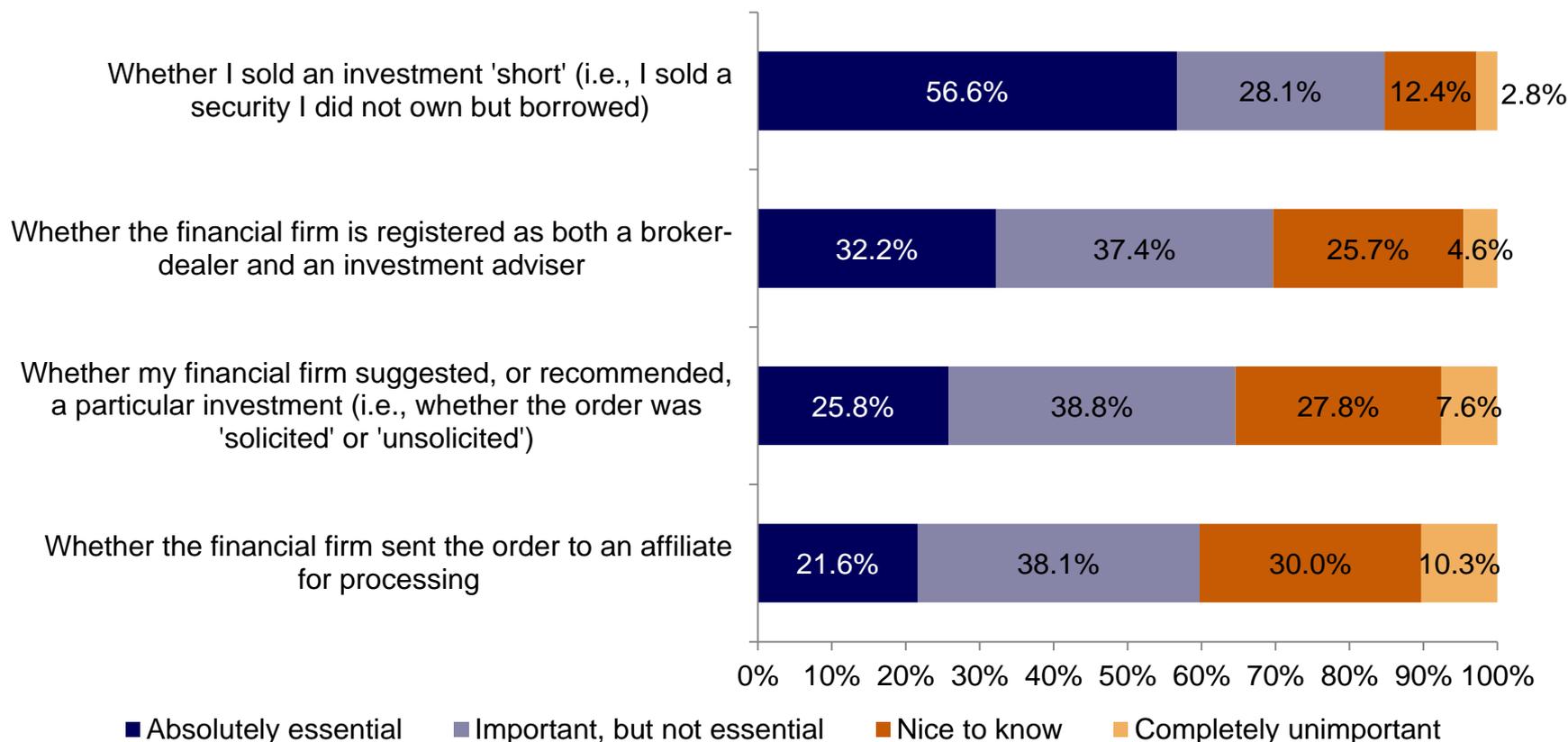
C11: Please indicate how important it is to see each of the following pieces of information on a trade confirmation.



n=1,201 Figures may not add to 100% due to rounding

Of information that is not currently required on a trade confirmation, 56.6% of online survey respondents considered an indication of whether the investment was sold “short” to be “absolutely essential”

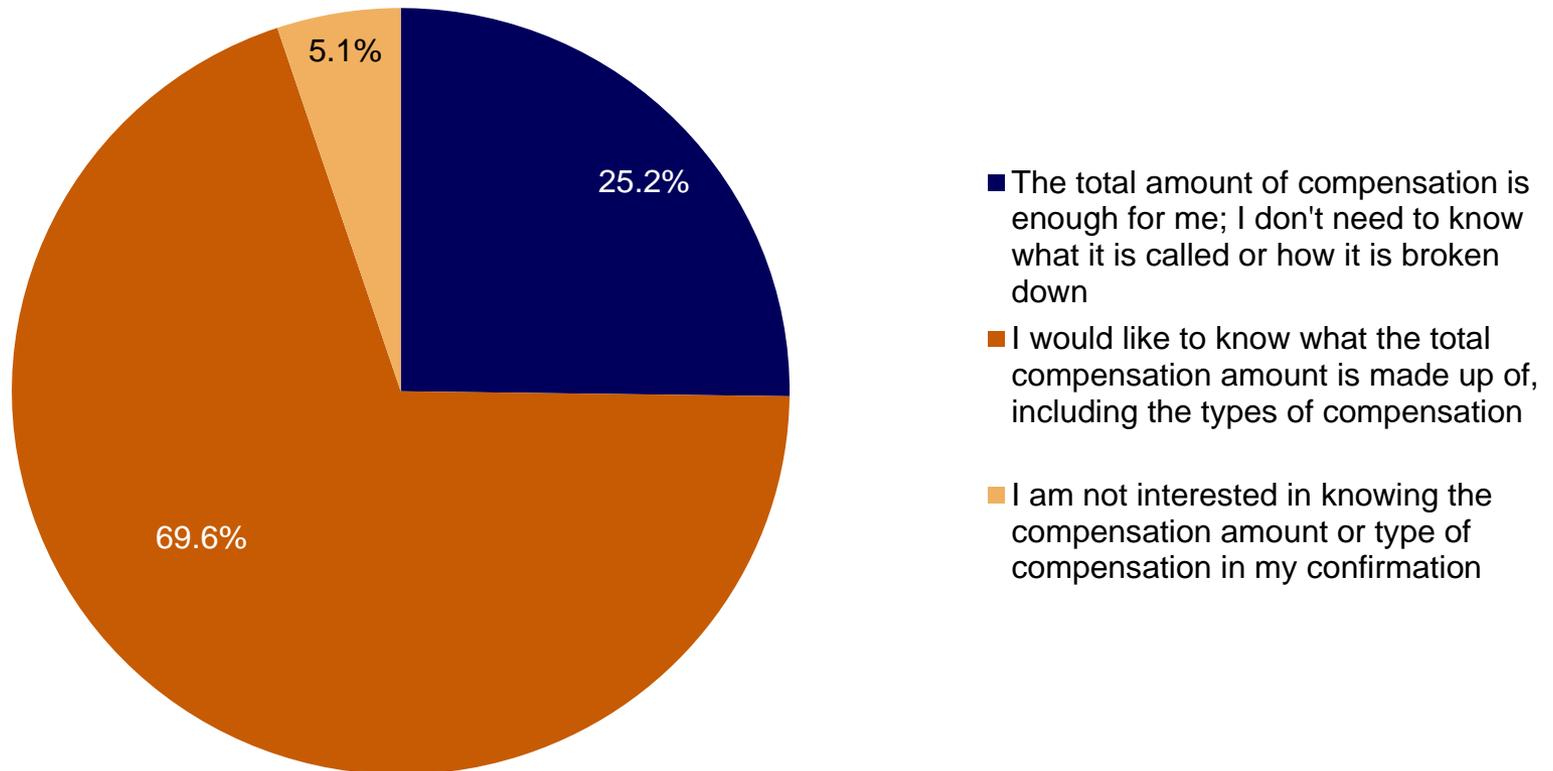
C12: Below is a list of information that is not currently required on a trade confirmation but that some financial firms may already include in their confirmations. As you did with the previous list, please indicate how important it would be for you to have each type of information on the confirmation.



n=1,201 Figures may not add to 100% due to rounding

Nearly seven in ten online survey respondents (69.6%) indicated they would like a trade confirmation to include what the total compensation is made up of, including the types of compensation; only 5.1% were not interested in knowing the compensation amount or type of compensation in a trade confirmation

C13: As you may have seen from the trade confirmations you reviewed, financial firms are required to include on confirmations the amount of compensation they received from you for the transaction, but they are not required to label their compensation in any particular way (e.g., commissions, handling fees). Select the statement below that best reflects your point of view on this issue.



n=1,201 Figures do not add to 100% due to rounding

Account Statements Module

At this point, half of the online survey respondents were asked a series of questions regarding Account Statements; the section began with the display of the exhibit shown below

Information about your Brokerage Account

Price Information/Total Market Value/Estimated Annual Income. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency with which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors use a variety of techniques to estimate value. Because of the nature of the data provided by outside sources, the accuracy of such prices cannot be guaranteed.

The estimated values, where indicated of alternative investments (including limited partnerships, real estate investment trusts (REITs), direct participation programs, hedge funds, private equity, real estate and managed future) have been provided by the management of the alternative investment, generally through an intermediary. The estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g., \$1 million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. The values are not guaranteed, provided for informational purposes only, and are intended to reflect an estimate of the interest in the alternative investment represented by the units or shares described above. Alternative investment securities are generally illiquid, and the value may not be realized when you seek to liquidate the security. Note that estimated values for alternative investments, which are provided by the management of the alternative investment, may not reflect recent activity or current values, and do not reflect an independent evaluation of the alternative investment.

The prices provided are not firm bids or offers. Certain securities may reflect N/A or unavailable where the price for such security is generally not available from a pricing source. The Total Market Value of a security, including those priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. You may not be able to see the securities at a price equal to or near the value shown.

Securities prices may vary from actual liquidation value. Prices shown should only be used as a general guide to portfolio value. Prices are received from various pricing services. However, pricing services are sometimes unable to provide timely information. Where pricing sources are not readily available, particularly on certain debt securities, estimated prices may be generated by a matrix system taking various factors into consideration. The pricing of listed options takes into account the last closing prices, as well as what the current bid and offer prices are.

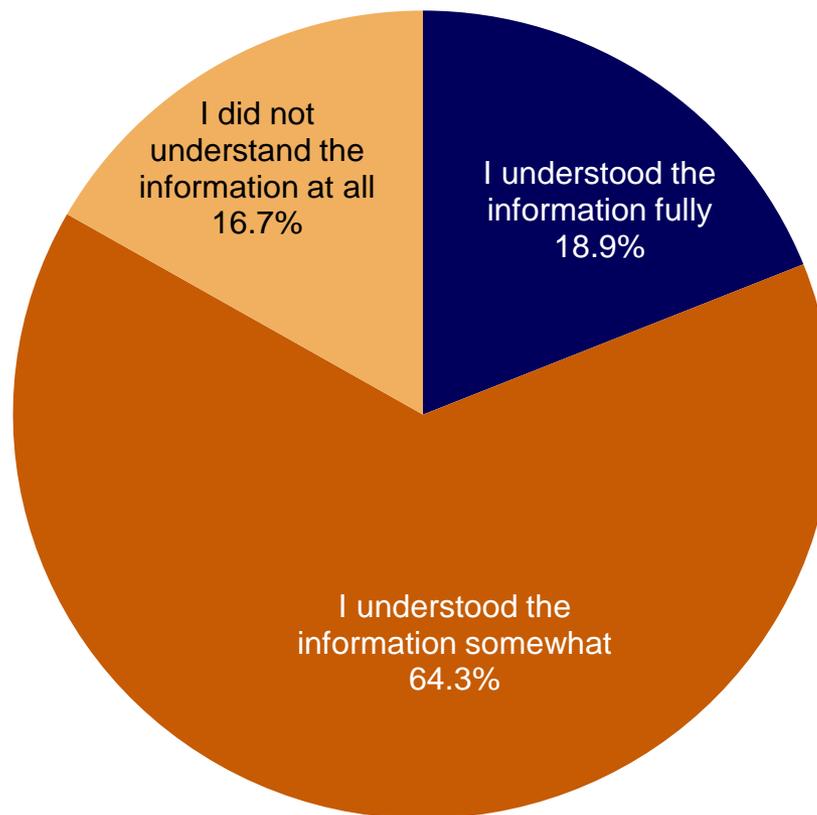
The estimated price as of date only appears when the price date does not equal the statement date and the price indicated is estimated since it is not reflective of the last trade price on a recognized exchange.

Certain types of securities could include a return of principal or capital gains in which case the Estimated Annual Income would be overstated. The actual income might be lower or higher than the estimated amounts. Estimated Annual Income reflects only the income generated by an investment. It does not reflect changes in price, which may fluctuate.

page 1

Almost two-thirds of the online survey respondents stated that they “understood the information somewhat,” with the remainder split between fully understanding the information and not understanding it at all

C16: Please read the statement before providing your response. How well would you say you understood the statement you just read?



n=600 Note: Figures do not add to 100% due to rounding

Just over 53% of online survey respondents correctly identified that the firm does not always determine the Total Market Value (TMV) of a security, and 47.3% correctly identified a statement claiming the TMV is valid only on the date of the statement as false; for both questions, about one-quarter were unsure of the answer

C17: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

My firm - by itself - always determines the Total Market Value of my securities

	Sample size	600
True		19.1%
False (CORRECT)		53.4%
I can't tell/I don't know		27.4%

The Total Market Value of my securities is the exact price I would receive if I sold my securities, but only on the date of the statement

	Sample size	600
True		27.8%
False (CORRECT)		47.3%
I can't tell/I don't know		24.8%

Note: Figures do not add to 100% due to rounding

Over half of online survey respondents correctly identified that the TMV is not the exact price one would receive any day before the next statement, but fewer than half correctly reported that the TMV very closely estimates true value; for both questions, slightly more selected “I can’t tell/I don’t know” than the incorrect answer

C17: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

The Total Market Value of my securities is the exact price I would receive if I sold my securities on any day before my next account statement

	Sample size	600
True		21.6%
False (CORRECT)		55.2%
I can't tell/I don't know		23.2%

The Total Market Value of my securities is a very close estimate to the true value of my securities

	Sample size	600
True (CORRECT)		44.8%
False		26.5%
I can't tell/I don't know		28.7%

Two-thirds of online survey respondents correctly understood that the TMV can vary significantly from the true value; only 41% correctly stated that you could not tell from the exhibit if they could sell the securities in their account at any time (nearly as many respondents incorrectly selected “True” for this question)

C17: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

The Total Market Value of my securities may vary significantly from the true value of my securities

	Sample size	600
True (CORRECT)		67.0%
False		13.3%
I can't tell/I don't know		19.7%

I can sell the securities in my account at any time

	Sample size	600
True		39.6%
False		19.2%
I can't tell/I don't know (CORRECT)		41.2%

Over half of the online survey respondents correctly identified that the firm may pay a third party to determine the TMV, though 36% were unsure; 54% correctly identified that one cannot safely rely on Estimated Annual Income to predict exact earnings

C17: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

The firm may pay a third party to determine some or all of the Total Market Value of my securities

	Sample size	600
True (CORRECT)		51.9%
False		12.0%
I can't tell/I don't know		36.1%

I can safely rely on the Estimated Annual Income shown on my statement to know exactly how much money I will earn on my investments in any given year

	Sample size	600
True		23.4%
False (CORRECT)		54.1%
I can't tell/I don't know		22.5%

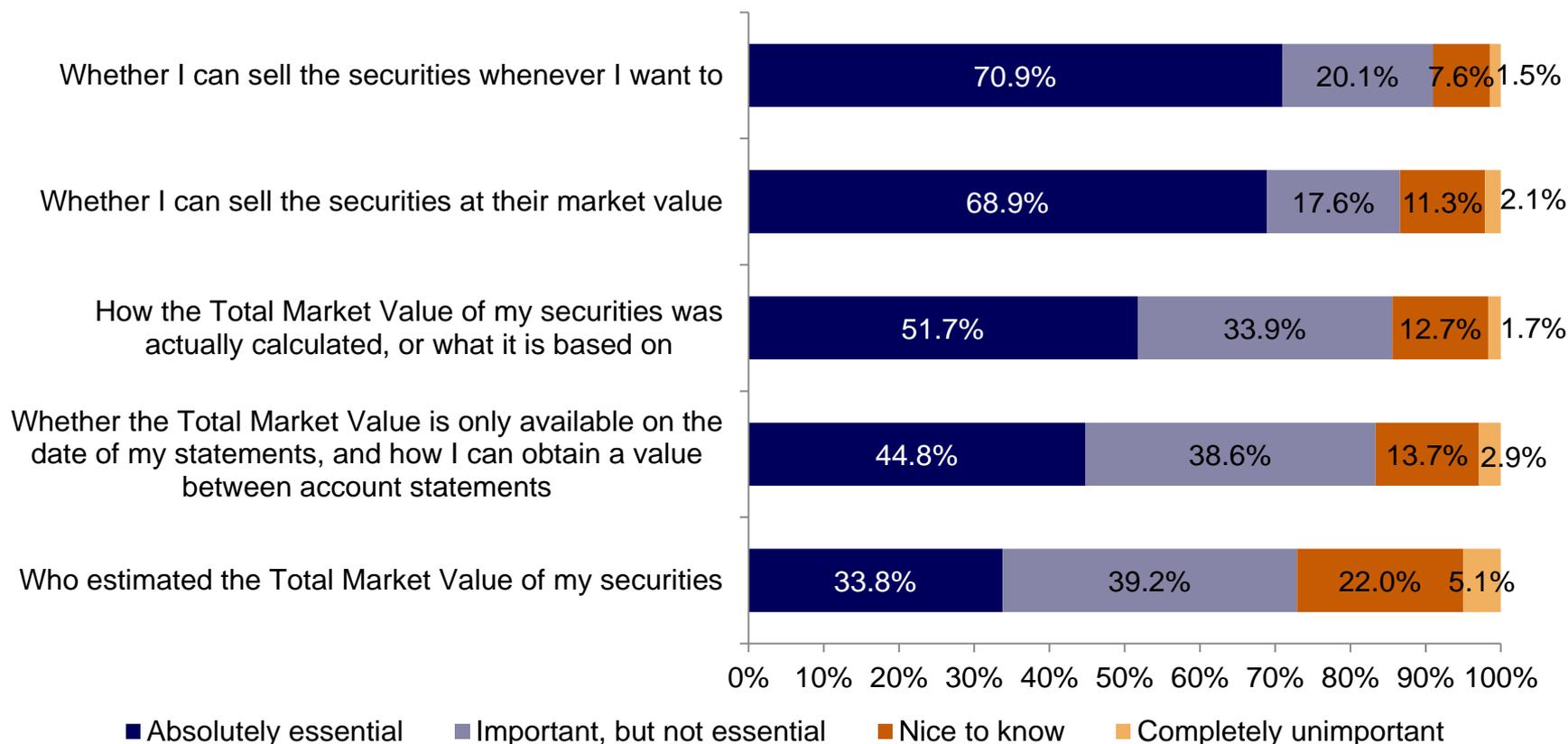
The Comprehension Index for the Total Market Value exhibit was well below the Siegel+Gale norm of 60

Comprehension Index	51.9
My firm - by itself - always determines the Total Market Value of my securities (FALSE)	53.4%
The Total Market Value of my securities is the exact price I would receive if I sold my securities, but only on the date of the statement (FALSE)	47.3%
The Total Market Value of my securities is the exact price I would receive if I sold my securities on any day before my next account statement (FALSE)	55.2%
The Total Market Value of my securities is a very close estimate to the true value of my securities (TRUE)	44.8%
The Total Market Value of my securities may vary significantly from the true value of my securities (TRUE)	67.0%
I can sell the securities in my account at any time (I CAN'T TELL)	41.2%
The firm may pay a third party to determine some or all of the Total Market Value of my securities (TRUE)	51.9%
I can safely rely on the Estimated Annual Income shown on my statement to know exactly how much money I will earn on my investments in any given year (FALSE)	54.1%

Note: The Comprehension Index is the average of the percent correct for each comprehension questions asked

Approximately 70% of the online survey respondents deemed it “absolutely essential” that the account statement include whether they can sell the securities whenever they want to and whether they can sell the securities at their market value

C18: Please indicate how important it is for you to have each of the following pieces of information on an account statement



n=600

Note: Figures do not add to 100% due to rounding

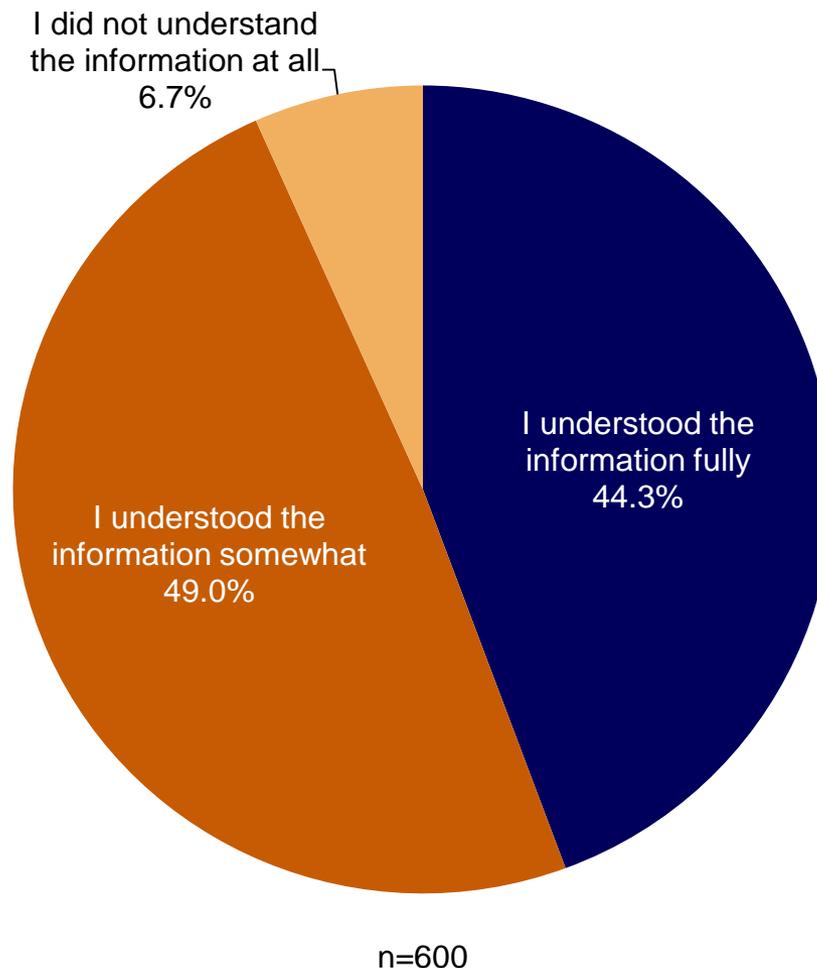
At this point, the following information was displayed to the online survey respondents

The following information may be presented to you as part of your account statement. Please read the information and answer the questions that follow.

Accounts are protected in accordance with the Securities Investor Protection Corporation (“SIPC”) up to \$500,000 (including cash claims limited to \$250,000). For details, including the SIPC brochure, please see www.sipc.com or call 1-800-555-5555. We have arranged for additional protection for cash and covered securities to supplement the SIPC coverage. Neither coverage protects against a decline in the market value of securities.

While 44% of the online survey respondents stated that they “understood the information fully,” almost half reported that they “understood the information somewhat”

C19: Please read the statement before providing your response. How well would you say you understood the statement you just read?



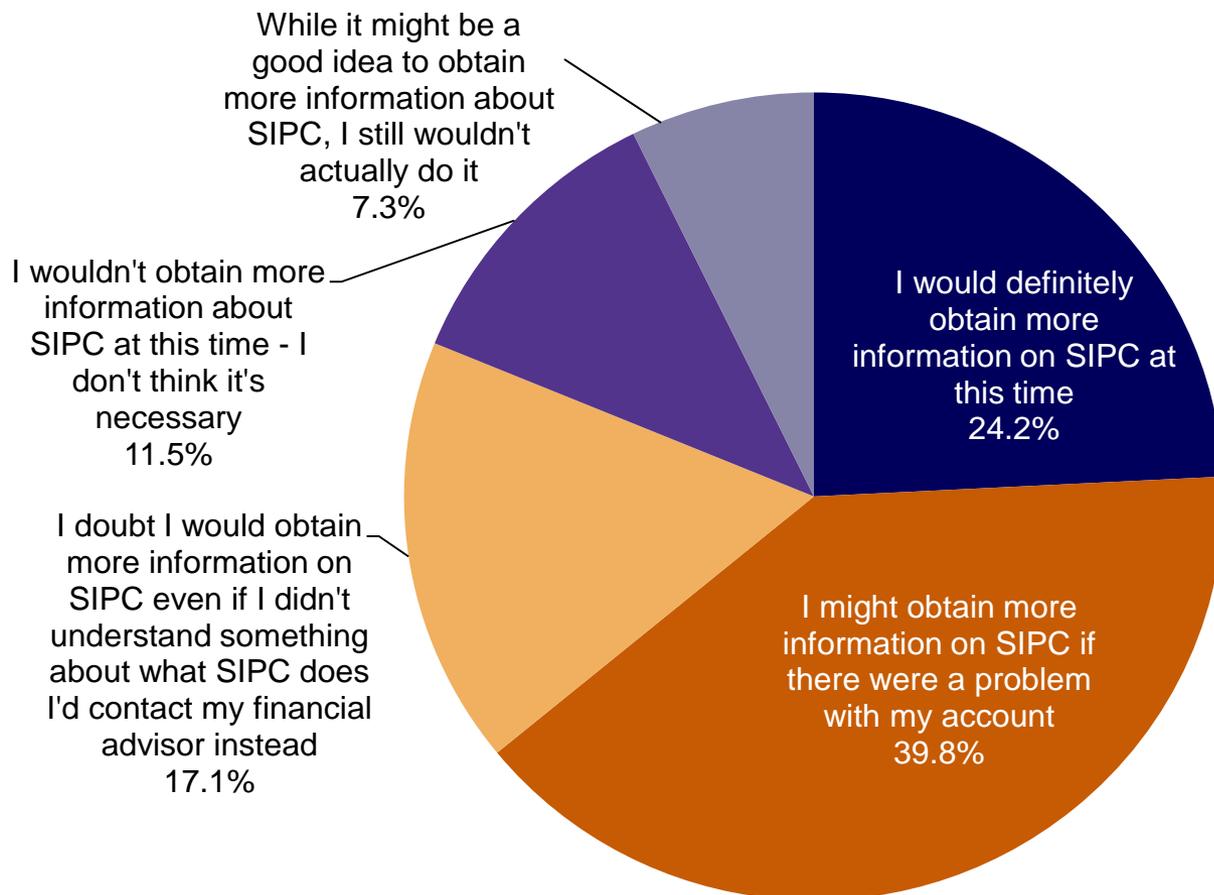
Two-thirds of the online survey respondents correctly identified the coverage that SIPC provides, per the information they were shown

C20: How much coverage does SIPC provide you?

	Sample size	600
\$500,000 for securities, plus \$250,000 for cash		24.9%
\$500,000 in total, with up to \$250,000 coverage for cash in my account and the remaining amount for securities in my account (CORRECT)		66.7%
I can't tell/I don't know		8.4%

Based on what they read in the SIPC exhibit, 24% of the online survey respondents indicated they would definitely obtain more information on SIPC and almost 36% stated they would not

C21: Having read this section, which of the following statements best describes your likelihood of obtaining more information about SIPC

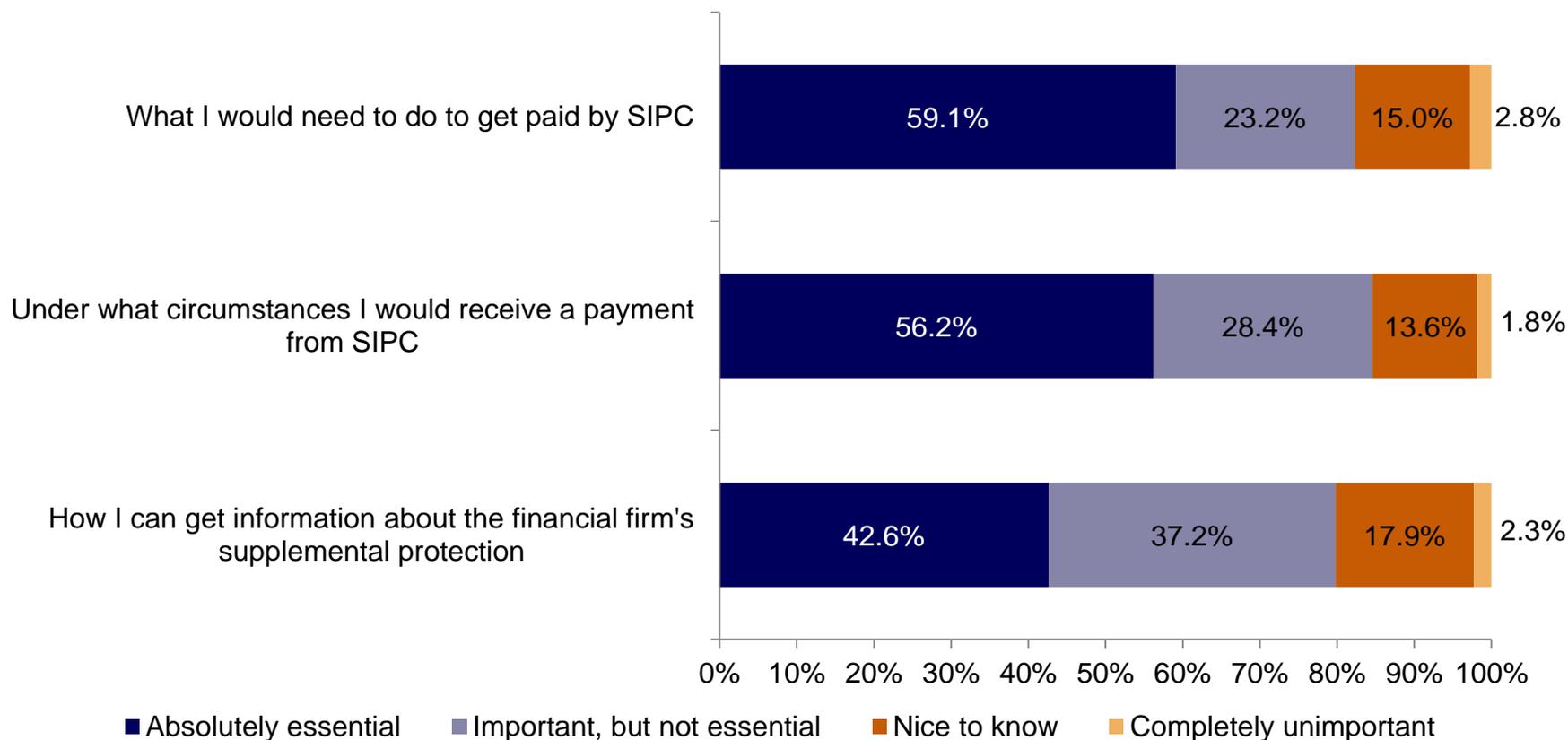


n=600

Note: Figures do not add to 100% due to rounding

Between 56 and 59 percent of the online survey respondents reported that it is “absolutely essential” to have the account statement indicate what they would have to do to get paid by SIPC and under what circumstances they would receive a payment

C22: Please indicate how important it is for you to have each of the following pieces of information on an account statement



n=600

Note: Figures do not add to 100% due to rounding

The next set of information displayed to online survey respondents is shown below

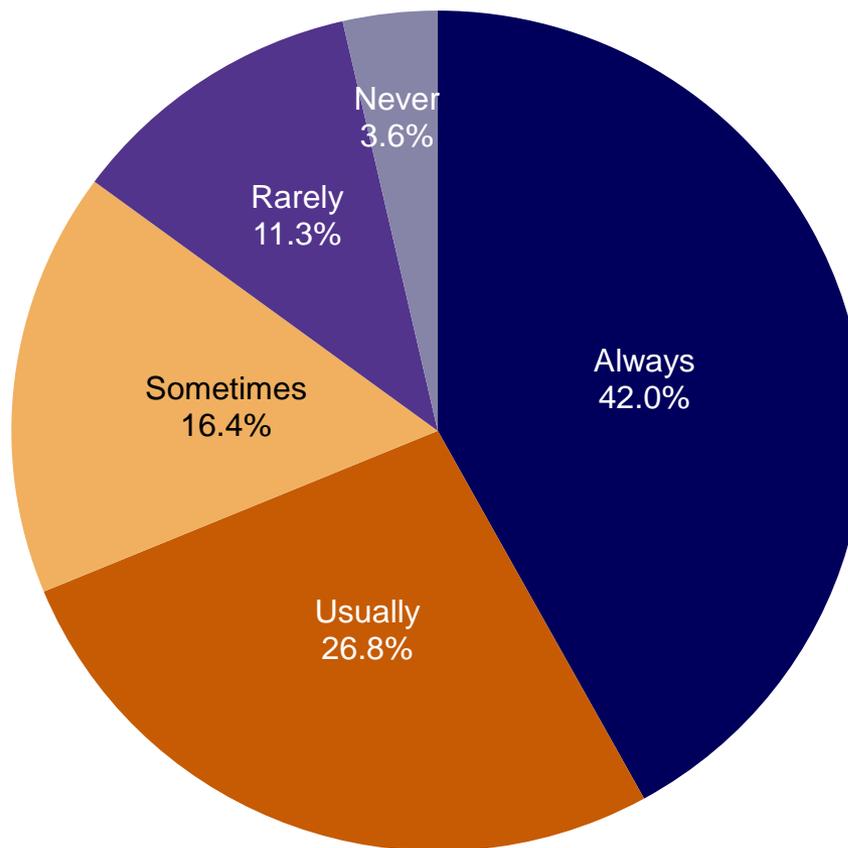
Here is another example of information which may be presented to you as part of your account statement. Please read the information and answer the questions that follow.

Information about your Account Statement

We deliver statements at least four times during the calendar year for any account with a balance. Please review your statement and report any inaccuracies or discrepancies, inquiries, concerns or questions regarding your brokerage account or the activity therein to us by calling 1-800-555-5555. Any oral communication regarding inaccuracies or discrepancies should be reconfirmed in writing to further protect your rights, including those under the Securities Investor Protection Act (“SIPA”). Please advise us of material changes in your investment objectives or financial situation related to your brokerage account(s).

When asked how often they check their Account Statements for possible mistakes, 42% of online survey respondents reported that they “always” do; almost 15% said they “rarely” or “never” check

C23: How often do you check your account statements for possible mistakes?



n=600

Note: Figures do not add to 100% due to rounding

After reading the paragraph below in conjunction with the “Information about your Account Statement,” only a quarter of the online survey respondents correctly identified hypothetical XYZ Brokers as the custodian of the securities, and 26% correctly identified them as the party who would be responsible for making sure the account statement accurately reflects the securities holdings

Imagine you have a securities account at ABC Brokers, where you deal with Jane Smith as your registered representative / primary contact. You use Jane to place all of your securities orders. You receive your quarterly and annual account statements from XYZ Brokers.

C24: Which firm has custody of the securities shown on your account statement?

	Sample size	600
ABC Brokers		37.4%
XYZ Brokers (CORRECT)		24.9%
Depository Trust Company		4.2%
The companies whose securities I own (as shown on my account statement)		9.1%
None of the above		4.4%
I can't tell – I don't know		19.9%

C25: If there is an error on your quarterly or annual account statement, who is responsible for making sure your account statement accurately reflects your securities holdings?

	Sample size	600
ABC Brokers		41.0%
XYZ Brokers (CORRECT)		26.2%
Depository Trust Company		3.1%
The companies whose securities I own (as shown on my account statement)		5.8%
None of the above		4.7%
I can't tell – I don't know		19.2%

Note: Figures for C24 do not add to 100% due to rounding

An even smaller percentage (20.9%) correctly identified hypothetical XYZ Brokers as the party that owes the account holder the securities

Imagine you have a securities account at ABC Brokers, where you deal with Jane Smith as your registered representative / primary contact. You use Jane to place all of your securities orders. You receive your quarterly and annual account statements from XYZ Brokers.

C26: Who owes you your securities?

	Sample size	600
ABC Brokers		35.1
XYZ Brokers (CORRECT)		20.9
Depository Trust Company		4.4
The companies whose securities I own (as shown on my account statement)		13.0
None of the above		5.7
I can't tell – I don't know		20.8

Note: Figures do not add to 100% due to rounding

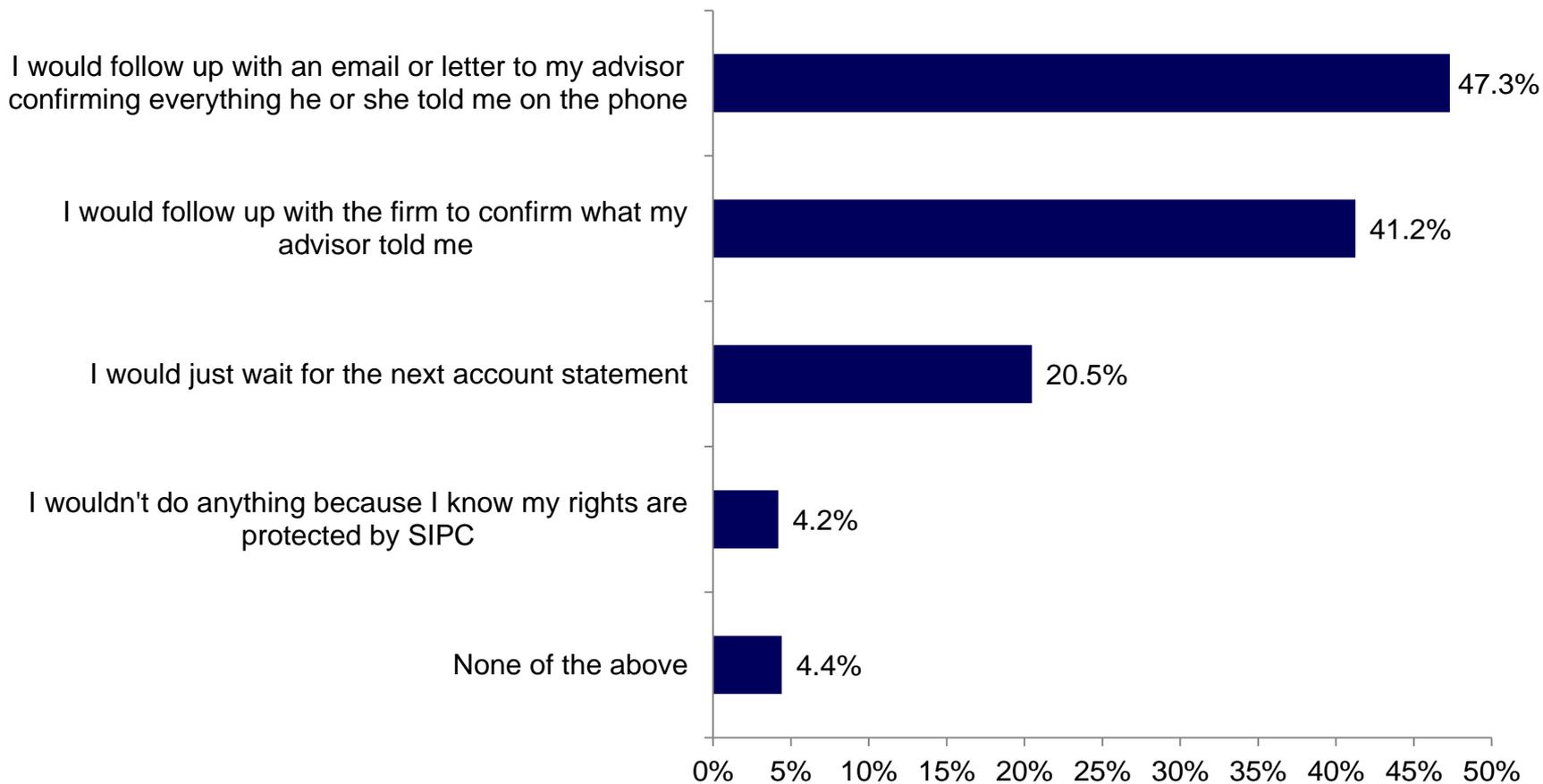
The Comprehension Index for the “Information about your Account Statement” exhibit reviewed by online survey respondents—based on three comprehension questions about a hypothetical securities account—was significantly below the Siegel+Gale norm of 60

Comprehension Index	24.0
XYZ Brokers has custody of the securities shown on your account statement	24.9%
XYZ Brokers is responsible for making sure your account statement accurately reflects your securities holdings	26.2%
XYZ Brokers owes you your securities	20.9%

Note: The Comprehension Index is the average of the percent correct for each comprehension question asked

Almost half of the online survey respondents (47.3%) reported that they would follow up a situation where an Account Statement looks wrong with an email or letter confirming what they had been told

C27: Imagine that you receive an account statement, and something looks wrong to you. You call your financial advisor, and he or she assures you that what you noticed was just a typo, and that the correction will be reflected in the next account statement. What would you be likely to do? Please check all that apply.



n=600

Note: Figures do not add to 100% due to multiple responses

The next set of information displayed to online survey respondents is shown below

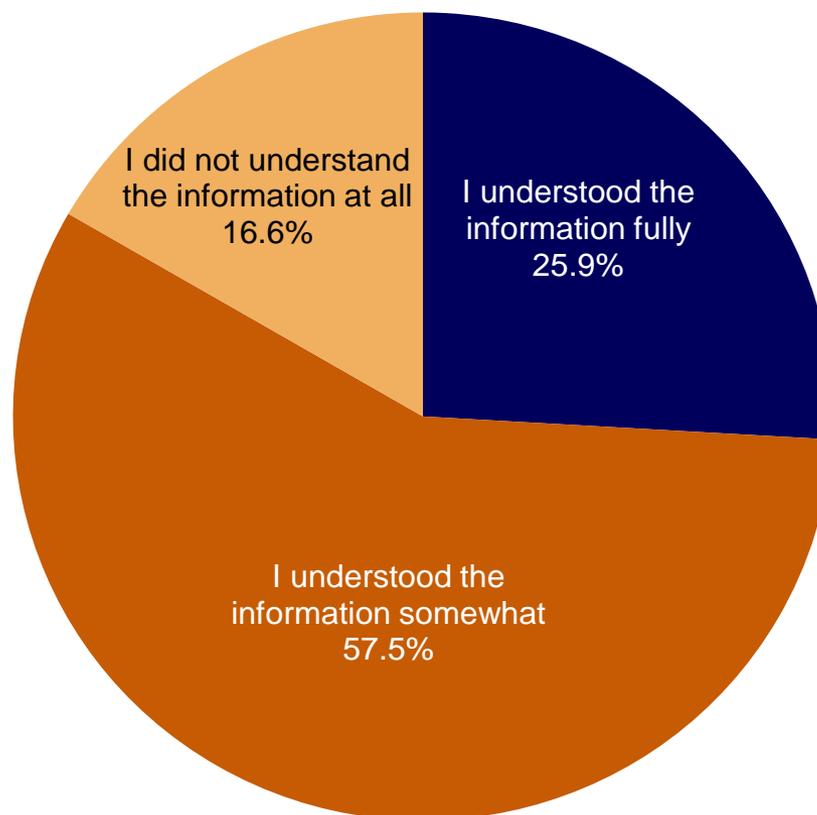
Here is one more example of information which may be presented to you as part of your account statement. Please read the information and answer the questions that follow.

Information about Compensation We Receive

In addition to sales loads and 12b-1 fees described in the prospectus, we receive other compensation in connection with the purchase and/or the on-going maintenance of positions in certain mutual fund shares and other investment products in your brokerage account. This additional compensation may be paid by the mutual fund or other products in your brokerage account, its investment advisor or one of its affiliates. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by us will be furnished to you upon written request.

Just over a quarter of online survey respondents (25.9%) reported that they fully understood the information in the statement, while 16.6% indicated they did not understand the information at all

C28: How well would you say you understood the statement you just read?



n=600

Over half of the online survey respondents correctly reported that the financial firm does not only get paid from sales loads and 12b-1 fees, but only a third correctly identified that additional payments to the firm do not happen only when the client buys applicable products

C29: Based on what you just read, indicate whether each of the following statements is True or False.

The financial firm gets paid from only sales loads and 12b-1 fees

	Sample size	600
True		24.7%
False (CORRECT)		54.8%
I can't tell/I don't know		20.4%

The financial firm gets additional payments based on the financial products in my account, only at the time I buy those products

	Sample size	600
True		38.3
False (CORRECT)		33.3
I can't tell/I don't know		28.4

Note: Figures for C29 do not add to 100% due to rounding

Almost two-thirds of online survey respondents (63.6%) correctly identified that the firm can get additional payments after clients' initially purchase certain products, and over half (52.1%) correctly identified that the breakdown of additional payments will not appear on one's regular account statement; for each question, about one-quarter were unsure of the answer

C29: Based on what you just read, indicate whether each of the following statements is True or False.

The financial firm can get additional payments based on the financial products in my account, after my initial purchase of those products

	Sample size	600
True (CORRECT)		63.6%
False		11.6%
I can't tell/I don't know		24.8%

The breakdown of the additional payments the financial firm receives will appear in my regular account statements

	Sample size	600
True		23.0%
False (CORRECT)		52.1%
I can't tell/I don't know		24.9%

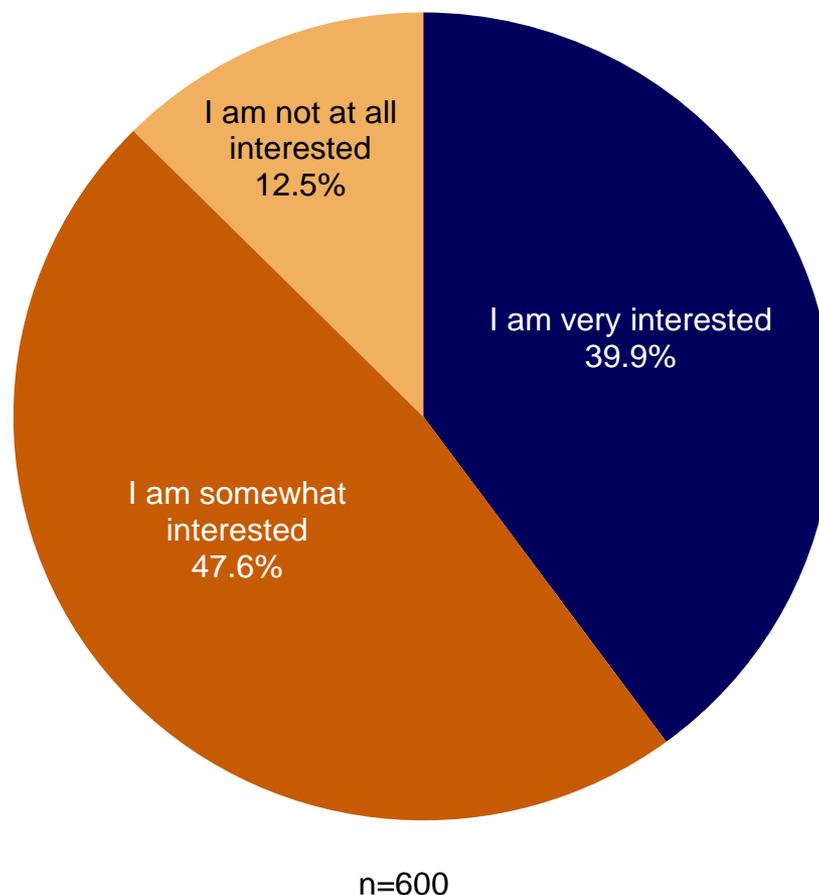
The Comprehension Index for the “Information about the Compensation We Receive” statement was below the Siegel+Gale norm of 60

Comprehension Index	51.0
The financial firm gets paid from only sales loads and 12b-1 fees (FALSE)	54.8%
The financial firm gets additional payments based on the financial products in my account, only at the time I buy those products (FALSE)	33.3%
The financial firm can get additional payments based on the financial products in my account, after my initial purchase of those products (TRUE)	63.6%
The breakdown of the additional payments the financial firm receives will appear in my regular account statements (FALSE)	52.1%

Note: The Comprehension Index is the average of the percent correct for each comprehension question asked

Approximately 40% of the online survey respondents reported they would be “very interested” in wanting more information about the sources and amounts of compensation received by their investment firm

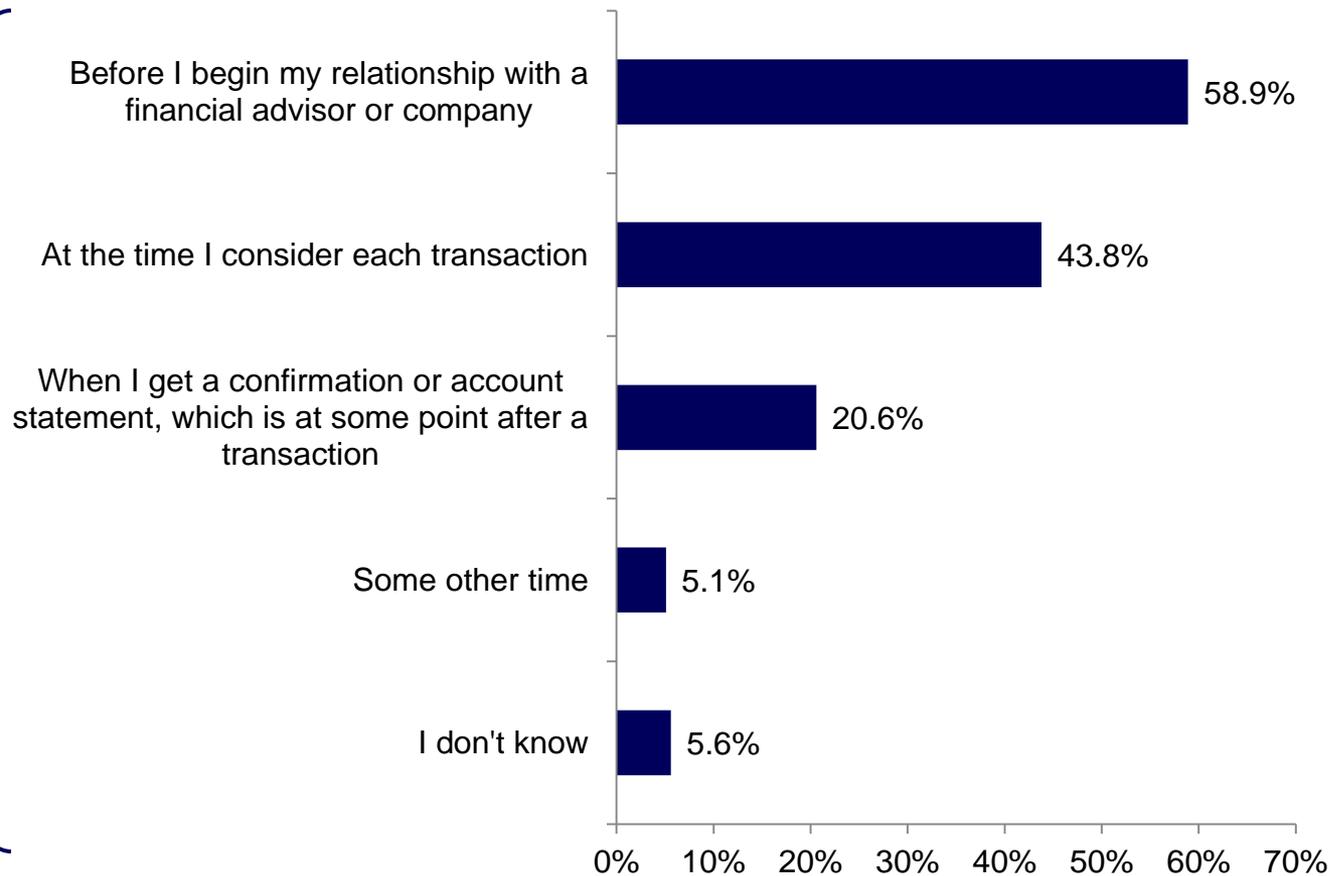
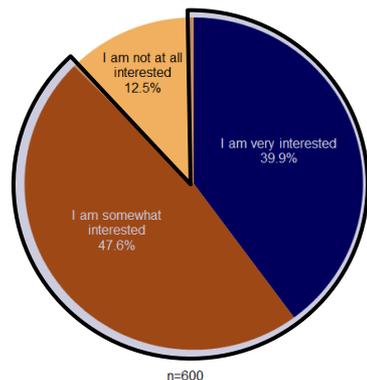
C30: Having read this section, how interested are you in wanting more information about the sources and amounts of compensation received by your investment firm?



Among online survey respondents who were very or somewhat interested in wanting more information about the sources and amounts of compensation received by their investment firm, 58.9% indicated they would want this information prior to beginning a relationship with the company or advisor

C31: When would you want to know this information?

C30: Having read this section, how interested are you in wanting more information about the sources and amounts of compensation received by your investment firm?



n=524. Sample is comprised of individuals who were very or somewhat interested in wanting more information about the sources and amounts of compensation received by their investment firm

Note: Figures do not add to 100% due to multiple responses

Between 43 and 48 percent of the online survey participants reported that they would be “extremely likely” to take various steps to obtain more information about the sources and amounts of compensation their firm receives

C32: Please indicate how likely you would be to do the following to obtain more information about the sources and amounts of compensation received by your firm.



n=600

Note: Figures do not add to 100% due to rounding

Sweep Accounts Module

The half of the online survey respondents who were not asked the Account Statement questions were asked a series of questions regarding Sweep Accounts; these questions began with the exhibit below being shown

Section I—Operations

The Bank Sweep Accounts (BSAs) are deposit accounts offered by the Bank as cash sweep options that are linked to a securities brokerage account. If you have a BSA, we will deposit all available cash balances from your brokerage account into your BSA and transfer available cash from your BSA back to your brokerage account automatically, when needed.

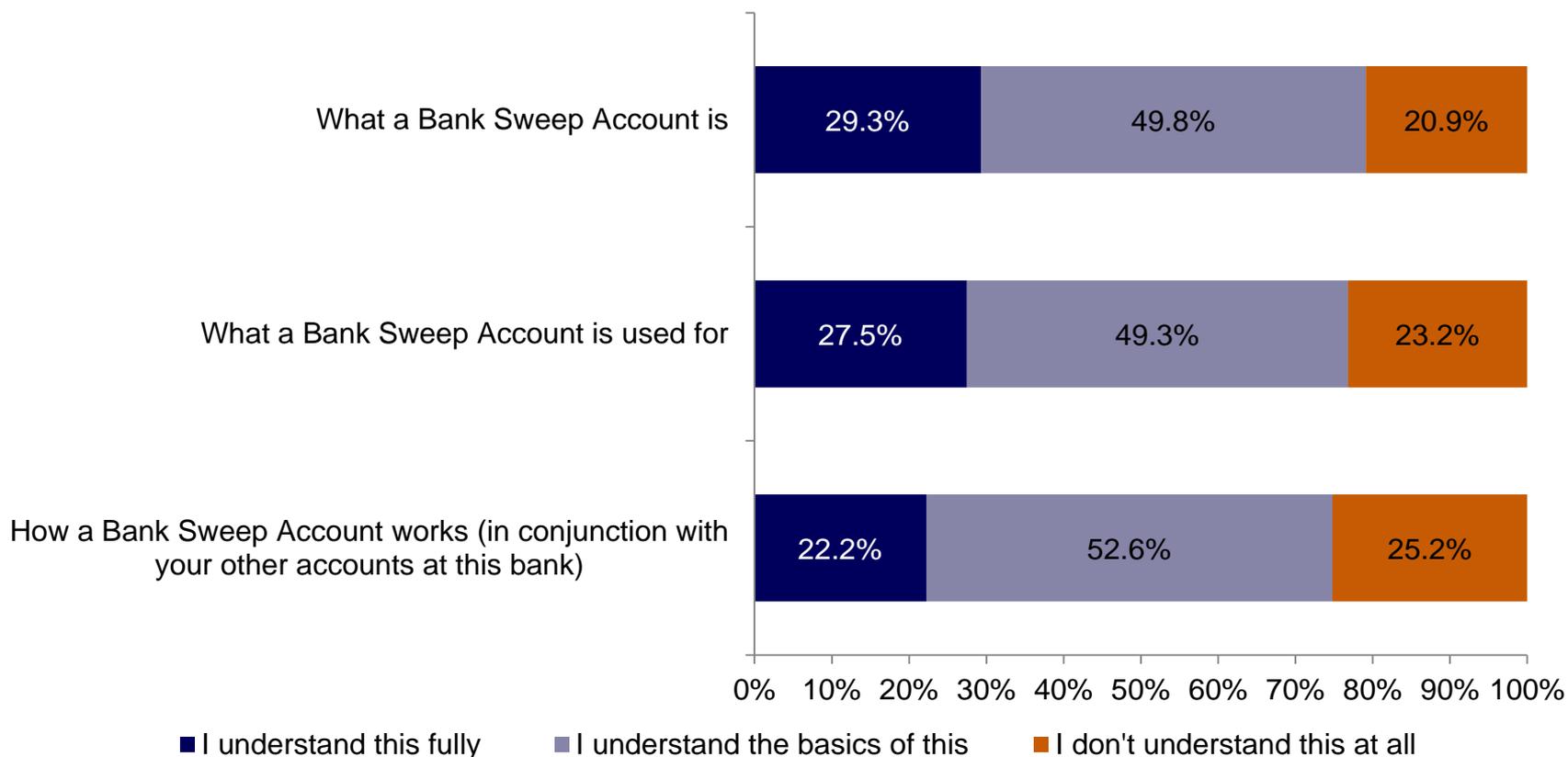
Bank Sweep Accounts are eligible for federal deposit insurance from the FDIC up to the Standard Maximum Deposit Insurance Amount (as defined in Part 330 of the FDIC's rules), which for all types of accounts is currently \$250,000 in principal and accrued interest per depositor for all accounts in the same ownership categories. For FDIC deposit insurance coverage purposes, any funds in deposit accounts that you have with us will be aggregated with funds in your BSA, which will be established for you when you select a BSA as the cash sweep option for your brokerage account, if you maintain those deposit accounts and your brokerage account in the same ownership categories. If the combined balance of all your BSA deposits and other deposit accounts maintained with us in the same ownership categories exceeds the applicable FDIC insurance limit – currently \$250,000 per depositor for all deposit accounts except IRAs and certain other types of retirement accounts – any excess balances over the applicable limit will not be FDIC-insured. We will not monitor the total amount of your balances at each bank to determine whether it exceeds the limit of applicable FDIC insurance. **You are responsible for monitoring the total amount of your assets on deposit with each bank (including accounts at each bank held in the same right and legal capacity) in order to determine the extent of FDIC insurance coverage available to you on those deposits, including your Bank Sweep Account balance(s).**

Once your BSA is established, excess available cash from your brokerage account will be swept automatically into the account. Except as described herein, you will not be permitted to directly deposit or withdraw funds from your BSA. Rather, all deposits and withdrawals will be made, and checks paid, from your brokerage account.

Your brokerage account statements will contain information regarding the amounts on deposit in your Bank Sweep Account, and interest paid thereon, and the transfers between your BSA and your linked brokerage account.

Only 22 to 29 percent of online survey respondents reported “fully” understanding any of the following regarding the Sweep Accounts text they were shown

C34: Based on the text you just read, how well would you say you understand the following?



n=601

While 64% of online survey participants identified that their FDIC coverage is akin to opening a bank account with hypothetical ABC Bank, only 36.3% correctly identified ABC Bank as the party who would owe the customer his or her cash

C35: Assume you participate in the Bank Deposit Sweep at ABC Bank, who owes you your cash?

	Sample size	601
BD Brokers		35.3%
ABC Bank (CORRECT)		36.3%
I can't tell/I don't know		28.4%

C36: BD Brokers states the Bank Deposit Sweep is insured by the FDIC. What do you understand this statement to mean?

	Sample size	601
My cash in the Bank Deposit Sweep may be insured by the FDIC if BD Brokers follows FDIC rules governing bank sweep deposit accounts		22.3%
My cash in the Bank Deposit Sweep is insured by the FDIC in the same manner as if I were to open a bank account at ABC Bank (CORRECT)		64.0%
I can't tell/I don't know		13.7%

There was considerable confusion regarding automatic money transfer, with less than 45% correct responses and nearly 30% of respondents indicating they were unsure of the answer; however, 80% correctly reported that the Sweep Account is FDIC insured

C38: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

A Bank Sweep Account automatically transfers money I have from certain accounts into other types of accounts which generally offer a better rate of interest

	Sample size	601
True (CORRECT)		44.6%
False		25.5%
I can't tell/I don't know		29.9%

The Bank Sweep Account is FDIC insured

	Sample size	601
True (CORRECT)		80.0%
False		6.7%
I can't tell/I don't know		13.3%

Fewer than a quarter of online survey respondents (24.3%) correctly answered a question about FDIC coverage across multiple accounts with the same broker or bank; just over half (51.8%) correctly identified that they would not receive notification from the Bank if their account exceeds the FDIC limits

C38: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

So long as my Bank Sweep Account balance, by itself, is below the FDIC limit, it will be FDIC insured and this is true even if I have other accounts through the same broker or at the same bank

	Sample size	601
True		55.8%
False (CORRECT)		24.3%
I can't tell/I don't know		20.0%

The Bank will notify me when my Bank Sweep Account balance exceeds the FDIC limits

	Sample size	601
True		24.8%
False (CORRECT)		51.8%
I can't tell/I don't know		23.4%

Note: Figures may not add to 100% due to rounding

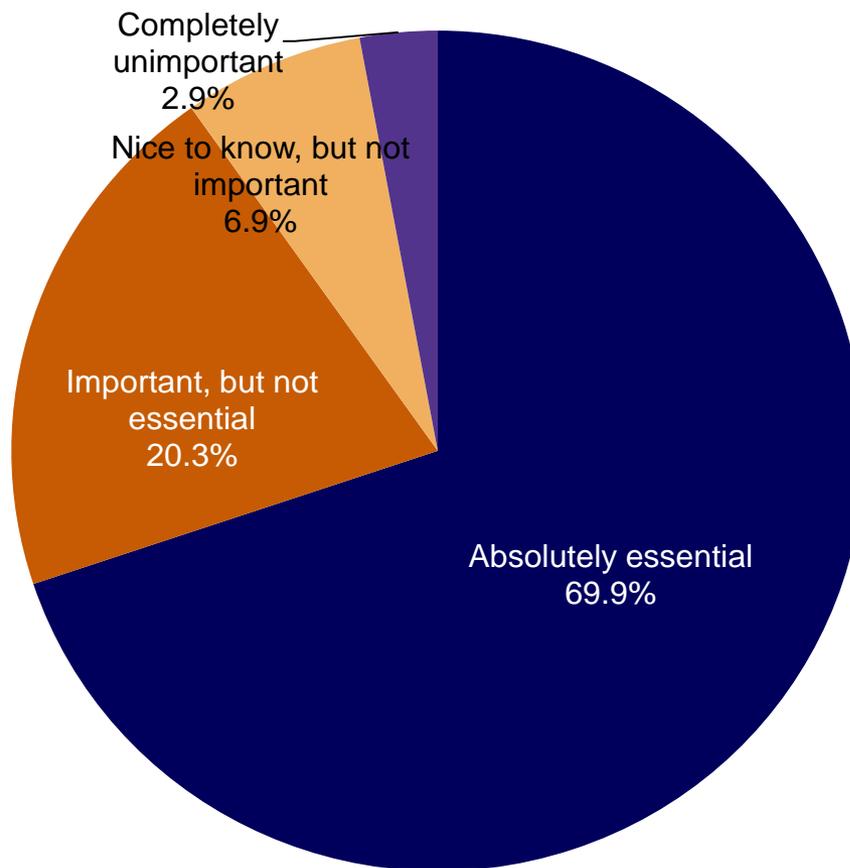
The Comprehension Index for the “Sweep Accounts: Operations” exhibit was below the Siegel+Gale norm of 60

Comprehension Index	50.2
ABC Bank owes you your cash	36.3%
My cash in the Bank Deposit Sweep is insured by the FDIC in the same manner as if I were to open a bank account at ABC Bank	64.0%
A Bank Sweep Account automatically transfers money I have from certain accounts into other types of accounts which generally offer a better rate of interest (TRUE)	44.6%
The Bank Sweep Account is FDIC insured (TRUE)	80.0%
So long as my Bank Sweep Account balance, by itself, is below the FDIC limit, it will be FDIC insured and this is true even if I have other accounts through the same broker or at the same bank (FALSE)	24.3%
The Bank will notify me when my Bank Sweep Account balance exceeds the FDIC limits (FALSE)	51.8%

Note: The Comprehension Index is the average of the percent correct for each comprehension question asked

Seven in ten online survey respondents stated that it would be “absolutely essential” for BD Brokers to state that the Bank Deposit Sweep is FDIC insured

C37: How important would you say it is for BD Brokers to state that the Bank Deposit Sweep is FDIC insured?



n=601

The next exhibit displayed to online survey respondents is shown below

Section II – Statements, Interest and Fees

Statements: Your brokerage account statement will contain Bank Sweep Account information.

Interest Bearing Account: All Bank Sweep Accounts will be administered as follows: Your BSA consists of two linked sub-accounts: (1) a transaction subaccount, which may be interest-bearing for eligible customers, and (2) an interest-bearing savings deposit sub-account. Interest will accrue on either the combined balances of the sub-accounts if both are interest-bearing, or on the savings deposit sub-account portion only if the transaction sub-account is not interest-bearing, at an interest rate established for the BSA. Thus, the annual percentage yield (“APY”) earned on the BSA is based on the balances on deposit in the interest-bearing sub-account(s) of your BSA during the statement cycle.

The Bank Sweep Account may earn interest on the daily combined balances of the two sub-accounts of the account if both sub-accounts are interest-bearing, or on only the daily balances in the savings deposit sub-account portion if the transaction sub-account is not interest-bearing, and at a variable interest rate and APY set by us from time to time. We may, at any time, in our discretion, change the basis for payment of interest or the APY, or may discontinue the payment of interest. We may, at any time, in our discretion, set maximum account balances upon which interest will be paid, and set minimum account daily or average daily balances below which interest will not be paid. Interest on funds in the BSA will accrue daily and will be posted to your brokerage account on a monthly basis.

Interest Rate and Annual Percentage Yield: The initial simple interest rate, at which interest is paid on the principal balance of your BSA at the Bank and the corresponding annual percentage yield (“APY”), at which your BSA would earn interest each year if all interest paid on the BSA remains in the account, are as specified in the Rate Schedule (below), as modified by the Bank from time-to-time, in its sole discretion. The interest rate and APY paid on your BSA are subject to change from time-to-time without prior notice by the Bank, in its sole discretion.

Interest Calculation Method: We use the daily balance method to calculate interest on accounts. This method applies a daily periodic rate to the principal in the account each day. Interest begins to accrue no later than the business day we receive credit for the deposit of non-cash items (for example, checks).

Rate Schedule for Bank Sweep Account

Daily Balance	Rate	APY*
\$0 - \$4,999	0.0500%	0.05%
\$5,000 - \$49,999	0.1500%	0.15%
\$50,000 - \$99,999	0.2500%	0.25%
\$100,000 - \$499,999	0.3000%	0.30%
\$500,000 +	0.3500%	0.35%

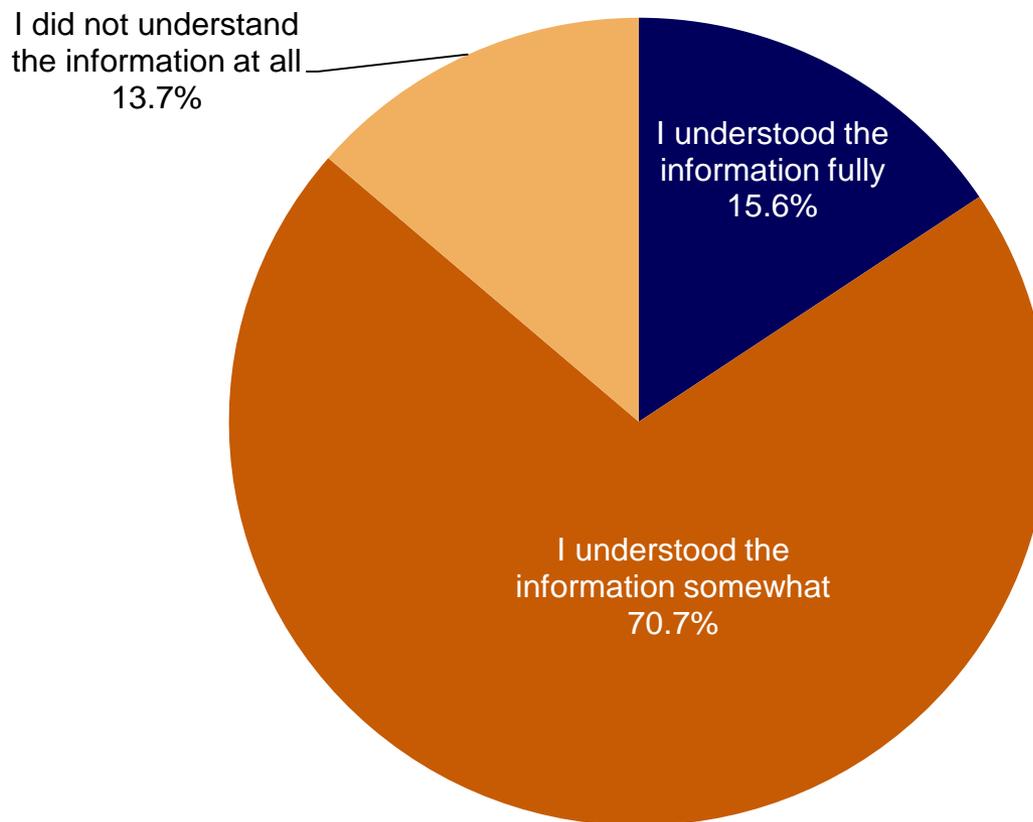
*The APYs on the BSA are based on no withdrawal of credited interest and no change in the interest rate for a full year and no withdrawals or additions to the funds on deposit. Interest accrues daily and will be posted to your brokerage account on a monthly basis.

Fees: The following fees apply to all BSAs and are in addition to other fees that may be assessed against your linked securities brokerage account:
 Liens - \$75
 Garnishments - \$75

page 2

Over 70% of online survey respondents (70.7%) stated that they somewhat understood the information in this exhibit; the remaining respondents were split between understanding the information fully and not understanding it at all

C39: Please read the statement before providing your response. How well would you say you understood the statement you just read?



n=601

Over 40% of online survey respondents (41.7% and 46.7%, respectively) incorrectly indicated two statements about Sweep Accounts were true—that Bank Sweep Account statements would be received separately and that statements for other accounts at the same bank will include Sweep Account information

C40: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

I will receive a statement for my Bank Sweep Account, separate from the statement I receive for my other accounts at this bank

	Sample size	601
True		41.7%
False (CORRECT)		27.9%
I can't tell/I don't know		30.4%

My statement for other accounts I have at this bank will include information about my Bank Sweep Account

	Sample size	601
True		46.7%
False (CORRECT)		24.4%
I can't tell/I don't know		28.9%

Fewer than half of online survey respondents were able to correctly identify two statements about Bank Sweep Account interest as false; 43% correctly indicated interest would not be calculated monthly and 49.4% correctly indicated interest rates are not fixed for 12 months

C40: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

The interest earned on my Bank Sweep Account is calculated on a monthly basis

	Sample size	601
True		35.7%
False (CORRECT)		43.0%
I can't tell/I don't know		21.3%

The interest rates shown in the fee schedule are fixed (and cannot change) for 12 months

	Sample size	601
True		27.5%
False (CORRECT)		49.4%
I can't tell/I don't know		23.1%

Almost two-thirds of online survey respondents (66.1%) were able to correctly identify that the interest earned will depend on the balance in the account, but only 35.4% correctly identified a statement about getting the same interest and APY for a mid-month withdrawal as false

C41: Suppose you have \$20,000 in a Bank Sweep Account. Based on the information in the statement, please indicate whether you think the following statements are true, false, or cannot be determined

The interest I earn will depend on the balance I have in my account each day

	Sample size	601
True (CORRECT)		66.1%
False		8.7%
I can't tell/I don't know		25.2%

If I make a withdrawal of all the money in this account in the middle of the month, I should still get 0.15% interest and the same APY over the course of the year, so long as I have all the money back in the account by the end of each month

	Sample size	601
True		24.0%
False (CORRECT)		35.4%
I can't tell/I don't know		40.6%

Only 13.1% of online survey respondents correctly indicated a statement about the account size requirements for a 0.15% interest rate as false; however, nearly 40% correctly identified that interest rates are not determined by one's balance on the first day of the month

C41: Suppose you have \$20,000 in a Bank Sweep Account. Based on the information in the statement, please indicate whether you think the following statements are true, false, or cannot be determined

The interest rate of 0.15% will apply to my BSA so long as I have \$5,000 to \$49,000 in the account

	Sample size	601
True		51.2%
False (CORRECT)		13.1%
I can't tell/I don't know		35.7%

Whatever my balance is on the first day of the month is what determines my interest rate for that month

	Sample size	601
True		24.6%
False (CORRECT)		39.9%
I can't tell/I don't know		35.4%

Note: Figures may not add to 100% due to rounding

The Comprehension Index for the “Sweep Accounts: Statements, Interest and Fees” exhibit was significantly below the Siegel+Gale norm of 60

Comprehension Index	37.4
I will receive a statement for my Bank Sweep Account, separate from the statement I receive for my other accounts at this bank (FALSE)	27.9%
My statement for other accounts I have at this bank will include information about my Bank Sweep Account (FALSE)	24.4%
The interest earned on my Bank Sweep Account is calculated on a monthly basis (FALSE)	43.0%
The interest rates shown in the fee schedule are fixed (and cannot change) for 12 months (FALSE)	49.4%
The interest I earn will depend on the balance I have in my account each day (TRUE)	66.1%
If I make a withdrawal of all the money in this account in the middle of the month, I should still get 0.15% interest and the same APY over the course of the year, so long as I have all the money back in the account by the end of each month (FALSE)	35.4%
The interest rate of 0.15% will apply to my BSA so long as I have \$5,000 to \$49,000 in the account (FALSE)	13.1%
Whatever my balance is on the first day of the month is what determines my interest rate for that month (FALSE)	39.9%

Note: The Comprehension Index is the average of the percent correct for each comprehension question asked

Online survey respondents were then shown a final exhibit regarding Bank Sweep Accounts, displayed below

Section III – Withdrawals

Right of Set-Off: Under the terms of your Agreement, we may charge or set off funds in your Bank Sweep Account against indebtedness or obligations you may have to us. We may automatically withdraw cash or redeem securities maintained in a BSA to satisfy any indebtedness to us or otherwise with respect to your account in an amount sufficient to satisfy any such obligation.

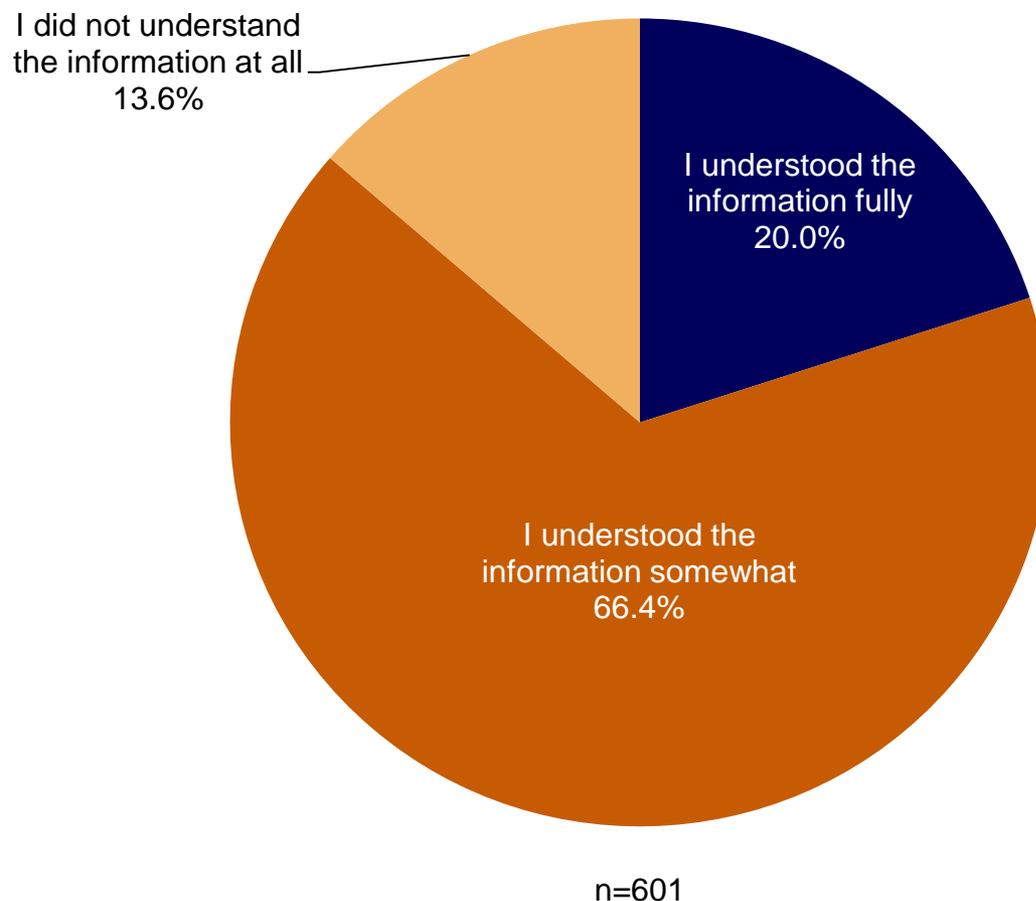
Ability to Withdraw Funds: Except as described herein, you are not permitted to directly withdraw funds from your Bank Sweep Account at the Bank. Withdrawal from the BSA may be made only by us, acting as an agent, for you, to transfer funds to the linked brokerage account.

We do not currently impose holds or limits on funds availability on transfers between your Bank Sweep Account and your brokerage account. Federal banking regulations require the Bank to reserve the right to require seven (7) days' prior notice before permitting a withdrawal of funds from the BSA to your brokerage account. We have no present intention of exercising this provision. However, we may, at our sole discretion, choose to do so in the future.

Funds that are received by us in good deliverable form and that have been credited to your account may not be available for trading for up to five (5) Business Days and generally are not available for withdrawal for up to ten (10) Business Days. We may, in our sole discretion, impose a longer period during which funds may not be available for trading or withdrawal.

One in five online survey respondents indicated they understood the information in the final Bank Sweep Account exhibit fully; about two-thirds (66.4%) understood the information somewhat and 13.6% did not understand the information at all

C41: Please read the statement before providing your response. How well would you say you understood the statement you just read?



About 60% of online survey respondents correctly identified that funds can be withdrawn from a Bank Sweep Account (59.8%), but only by the bank (60.4%)

C43: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

Funds can never be withdrawn from my Bank Sweep Account--by the bank or by me

	Sample size	601
True		20.5%
False (CORRECT)		59.8%
I can't tell/I don't know		19.6%

Only the bank can withdraw funds from my Bank Sweep Account; I cannot do it myself

	Sample size	601
True (CORRECT)		60.4%
False		19.8%
I can't tell/I don't know		19.8%

Note: Figures may not add to 100% due to rounding

Half or more online survey respondents correctly identified that they cannot access/withdraw Bank Sweep Account funds (55.7%) and that debt related to other accounts with the same bank may impact their BSA balance (50%)

C43: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

I can access and withdraw the funds in my Bank Sweep Account whenever I choose; it is all my money so I should have access to it

	Sample size	601
True		23.9%
False (CORRECT)		55.7%
I can't tell/I don't know		20.5%

Any debt I owe the Bank in relation to other accounts I have with them will not impact the balance I have in my Bank Sweep Account

	Sample size	601
True		24.9%
False (CORRECT)		50.0%
I can't tell/I don't know		25.1%

Note: Figures may not add to 100% due to rounding

Just over 54% of online survey respondents correctly indicated that transferred funds are not available in one's Bank Sweep Account on the same day

C43: Based on what you just read, please indicate whether you think the following statements are true, false, or cannot be determined

Once I transfer funds into my Bank Sweep Account, they are available on the same day

	Sample size	601
True		21.2%
False (CORRECT)		54.2%
I can't tell/I don't know		24.6%

The Comprehension Index for the “Sweep Accounts: Withdrawals” exhibit was slightly below the Siegel+Gale norm of 60

Comprehension Index	56.0
Funds can never be withdrawn from my Bank Sweep Account--by the bank or by me (FALSE)	59.8%
Only the bank can withdraw funds from my Bank Sweep Account; I cannot do it myself (TRUE)	60.4%
I can access and withdraw the funds in my Bank Sweep Account whenever I choose; it is all my money so I should have access to it (FALSE)	55.7%
Any debt I owe the Bank in relation to other accounts I have with them will not impact the balance I have in my Bank Sweep Account (FALSE)	50.0%
Once I transfer funds into my Bank Sweep Account, they are available on the same day (FALSE)	54.2%

Note: The Comprehension Index is the average of the percent correct for each comprehension question asked

Mutual Fund Summary Prospectus

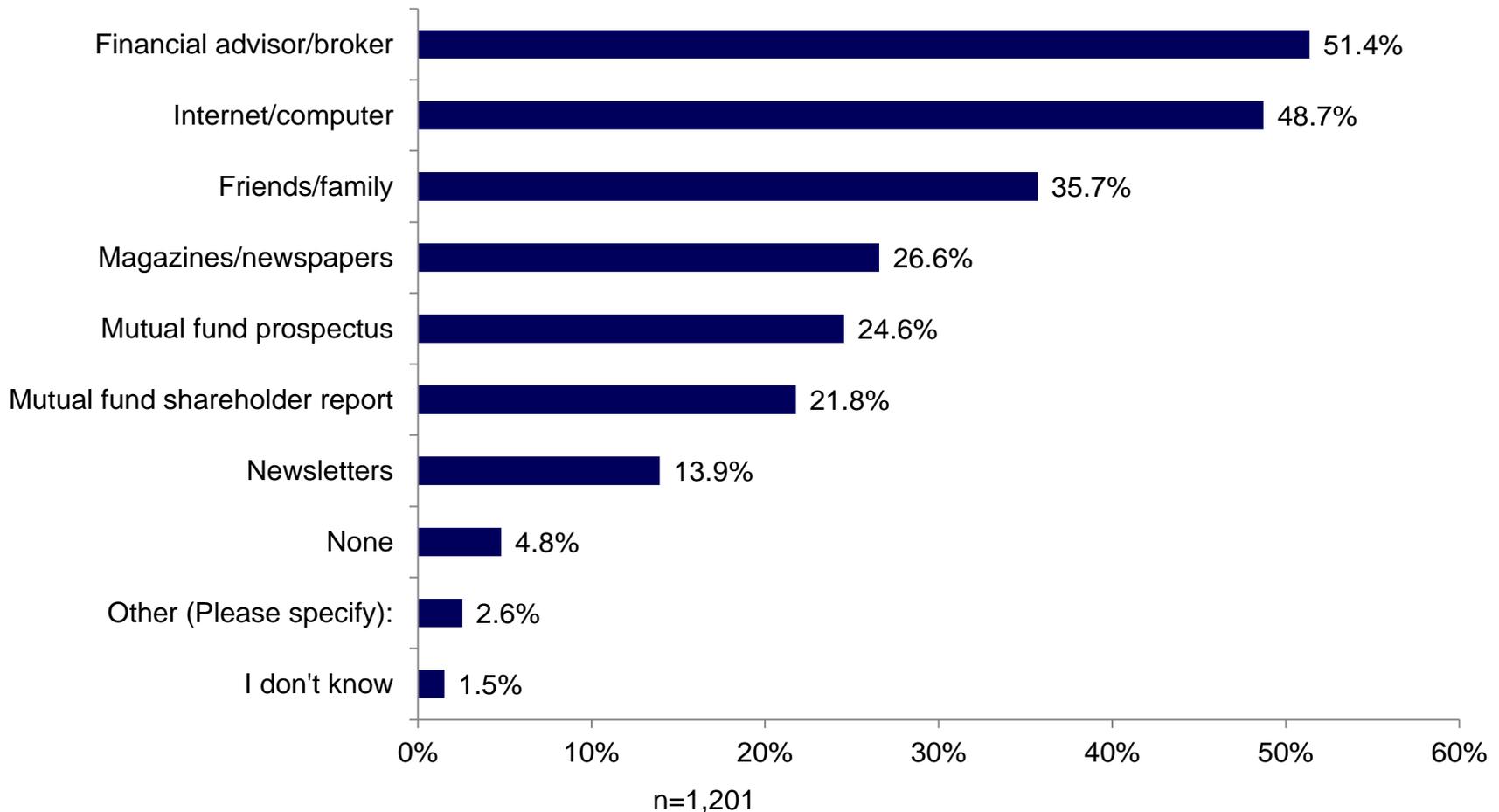
Additional details on methodology for Mutual Fund Summary Prospectus module

- + Online survey respondents who qualified for and were assigned to the Summary Prospectus survey branch began the survey by answering questions about information sources for mutual fund investors. This included questions about their experience with Statutory and Summary Prospectuses.
 - A **Prospectus** (also referred to as a Statutory Prospectus) for a mutual fund contains information, such as the fund’s investment objectives or goals, principal strategies for achieving those goals, principal risks of investing in the fund, fees and expenses, and past performance. The **Statutory Prospectus** also identifies the mutual fund’s managers and advisers and describes its organization and how to purchase and redeem shares.
 - A **Summary Prospectus** is a concise summary (4-8 pages in length) of the information in the Statutory Prospectus.
- + Those who recalled receiving a Statutory Prospectus and/or a Summary Prospectus were asked series of questions about the respective document(s).
- + In the next section of the survey, all respondents—regardless of whether they recalled receiving a Summary Prospectus—answered a series of questions about one of three example Summary Prospectuses. The example Summary Prospectuses were redacted versions of three actual mutual fund Summary Prospectuses. These three examples were selected in order to provide a representative mix of different formats for Summary Prospectuses.
- + Online survey respondents were able to reference the example Summary Prospectus as they answered all questions related to it.

Investor Experience with and Perceptions of Statutory Prospectuses and Summary Prospectuses

About half of respondents cited financial advisor/broker (51.4%) and the Internet/computer (48.7%) as main sources of information used in deciding whether to invest in mutual funds; less than one-quarter (24.6%) selected a mutual fund prospectus as a main source of information

**S1: What are the main sources of information that you use in deciding whether to invest in mutual funds?
Check all that apply.**



Comments from online survey respondents about what sources they use in deciding whether to invest in mutual funds

S1: What are the main sources of information that you use in deciding whether to invest in mutual funds?

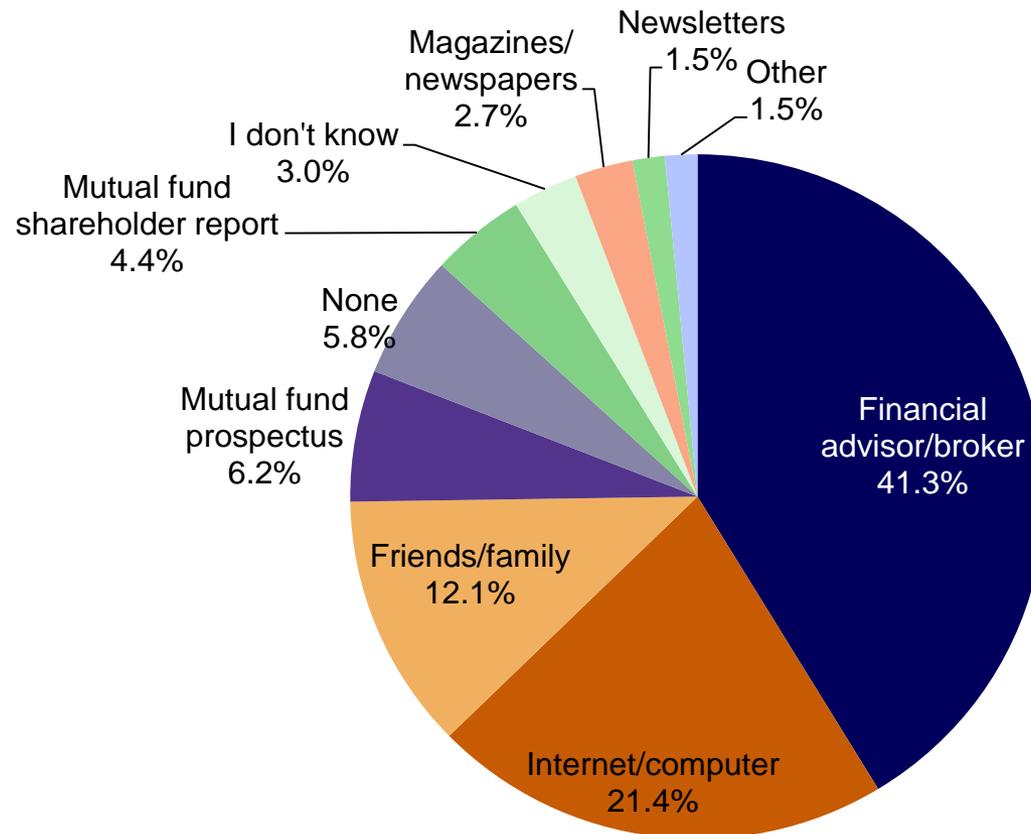
- + Media outlets
 - *“CNBC.”*
 - *“MSNBC.”*
 - *“Talk radio.”*
 - *“TV.”*
 - *“Business channels.”*
- + Personal research
 - *“Information from internet.”*
 - *“My own research.”*
 - *“Research—personal.”*
- + Financial firms
 - *“Vanguard Brokerage.”*
 - *“Morningstar and other rating systems.”*
- + Books
 - *“Mutual funds for dummies.”*
 - *“Books.”*

n=31

Sample comprised of respondents who selected “Other” in S1

When asked to name the *most* important source of information for mutual fund investment decision-making, 41.3% of online survey respondents indicated financial advisor/broker and 21.4% of online survey respondents indicated Internet/computer

S2: Which of these sources is most important to you in making an investment decision?

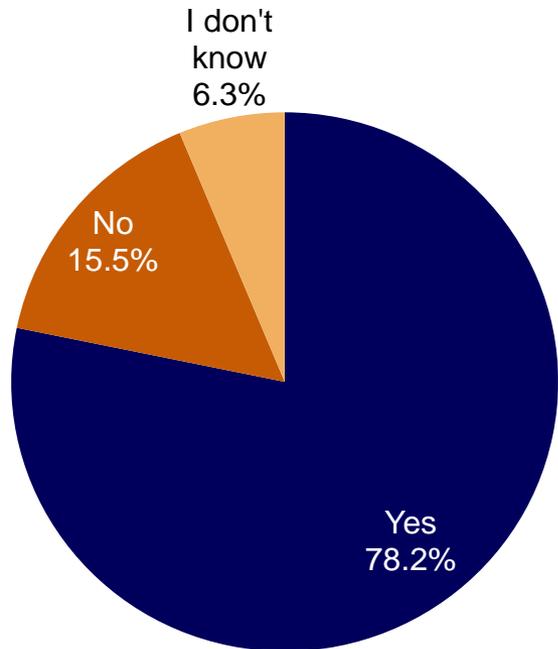


n=1,201

Note: Figures do not add to 100% due to rounding

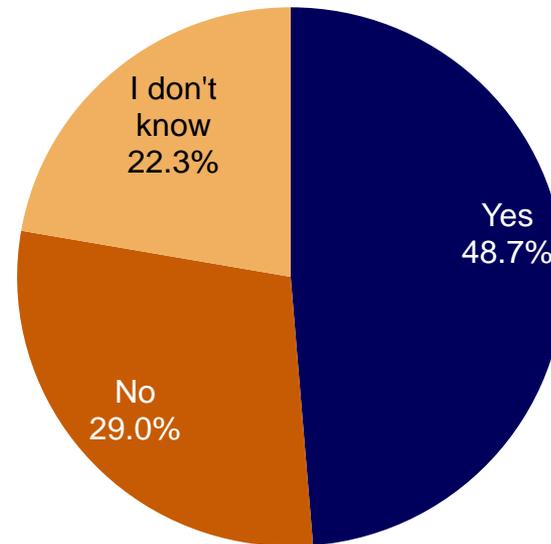
While 78.2% of respondents recalled receiving a Statutory Prospectus for a mutual fund, approximately 48.7% recalled receiving a Summary Prospectus; 22.3% did not know whether they had received a Summary Prospectus

S3: Have you ever received or obtained a **Prospectus** for a mutual fund?



n=1,201

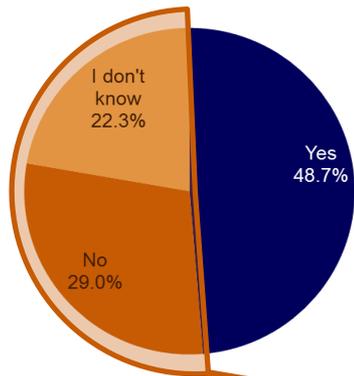
S11: Have you ever received or obtained a **Summary Prospectus** for a mutual fund?



n=1,201

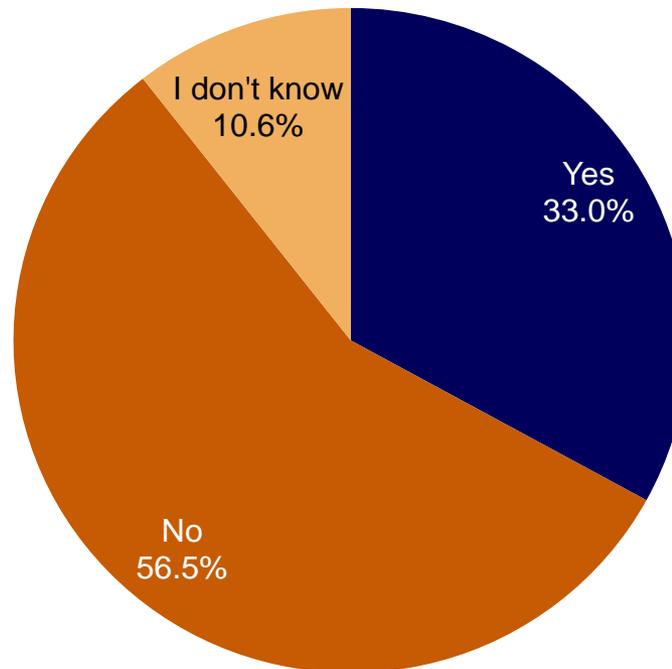
When shown a sample Summary Prospectus for reference, one-third of those who indicated they had not or were unsure whether they had received a Summary Prospectus recalled having received/obtained one

S11: Have you ever received or obtained a **Summary Prospectus** for a mutual fund?



n=1,201

S12: Now that you have seen a sample Summary Prospectus, do you recall ever having received or obtained a Summary Prospectus for a mutual fund?



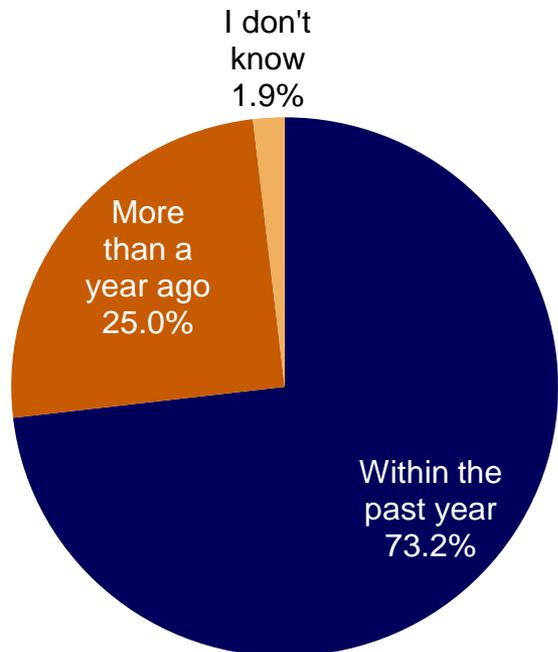
n=621

Sample comprised of respondents who answered "No" or "I don't know" to S11

Note: Figures do not add to 100% due to rounding

More than half of the online survey respondents who recalled receiving a Statutory Prospectus or Summary Prospectus most recently received one within the past year (73.2% for Statutory Prospectus, 72.5% for Summary Prospectus)

S4: When did you most recently receive or obtain a **Prospectus**? Your best estimate is fine.

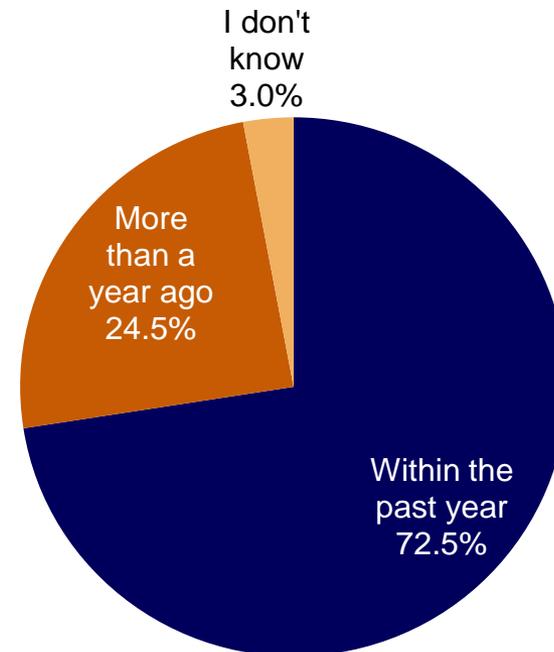


n=933

Sample comprised of respondents who recalled receiving or obtaining a Statutory Prospectus in S3

Note: Statutory Prospectus figures do not add to 100% due to rounding

S13: When did you most recently receive or obtain a **Summary Prospectus**? Your best estimate is fine.



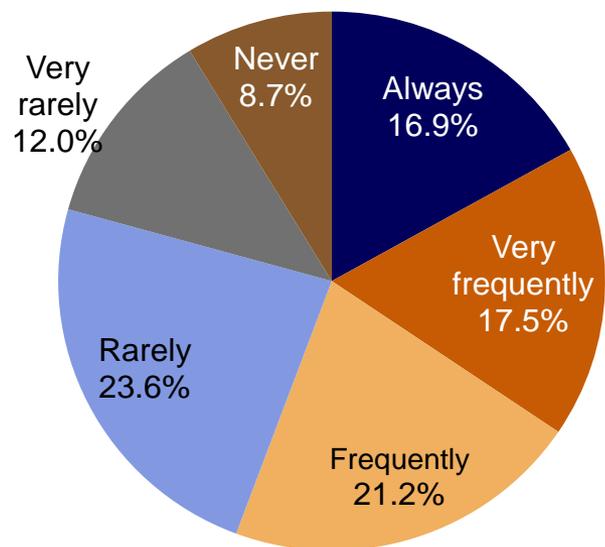
n=787

Includes respondents who recalled receiving or obtaining a Summary Prospectus either in S11 or after seeing an example for reference in S12

When asked how often they read a prospectus, 55.7% of online survey respondents indicated that they generally read Statutory Prospectuses, and 61.9% reported that they generally read Summary Prospectuses

S5: How often do you read a **Prospectus** when you receive one? Would it be...

- *Always, Very frequently or Frequently* = **55.7%**
- *Rarely, Very rarely or Never* = **44.3%**



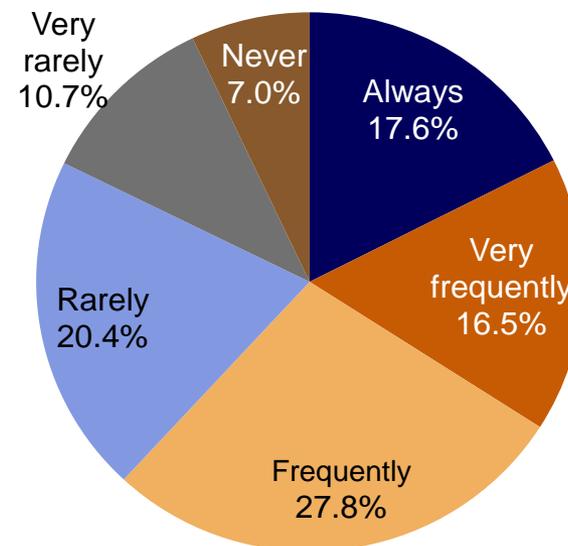
n=933

Includes respondents who recalled receiving or obtaining a Statutory Prospectus in S3

Note: Statutory Prospectus figures do not add to 100% due to rounding. Summary figures may not reflect charted figures due to rounding.

S14: How often do you read a **Summary Prospectus** when you receive one? Would it be...

- *Always, Very frequently or Frequently* = **61.9%**
- *Rarely, Very rarely or Never* = **38.1%**



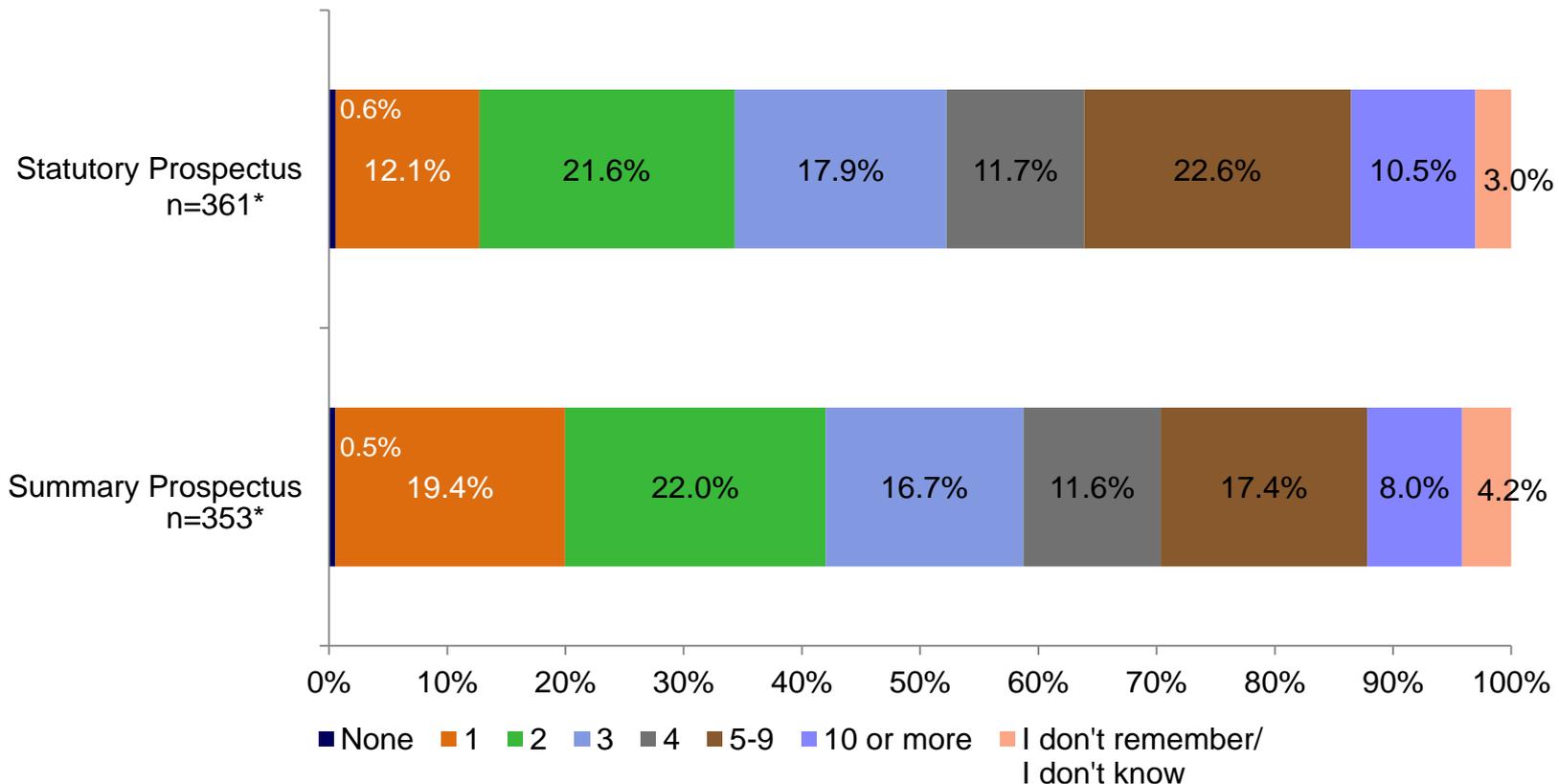
n=787

Includes respondents who recalled receiving or obtaining a Summary Prospectus either in S11 or after seeing an example for reference in S12

The charts below show the distribution of the frequency with which online survey respondents read a Statutory Prospectus or a Summary Prospectus

S6: How many times in the last year have you read a **Prospectus**? Your best estimate is fine.

S15: How many times in the last year have you read a **Summary Prospectus**? Your best estimate is fine.



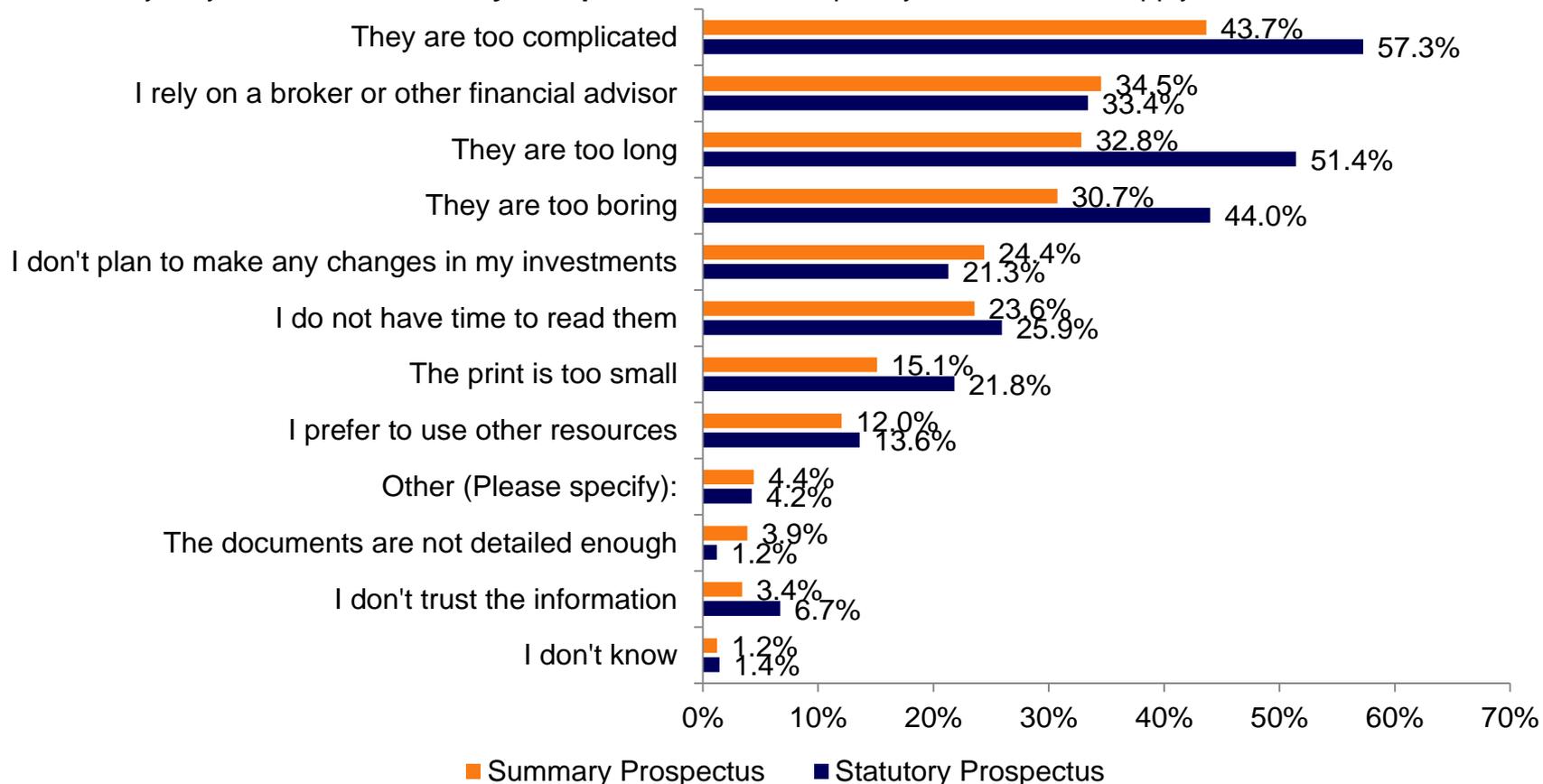
*Sample is comprised of respondents who recall receiving a Statutory Prospectus or Summary Prospectus in the past year and selected Always, Very Frequently or Frequently with regards to how often they read one

Note: Summary Prospectus figures do not add to 100% due to rounding

Respondents cited complexity, length and boringness as the top three reasons for not reading the Statutory Prospectus and complexity, reliance on a broker/financial advisor and length for as the top three reasons for not reading a Summary Prospectus; about one-third of all respondents cited reliance on a broker/financial advisor as reasons for not reading the documents

S7: Why do you not read **Prospectuses** more frequently? Check all that apply.

S16: Why do you not read **Summary Prospectuses** more frequently? Check all that apply.



n=423 for Statutory Prospectus, n=308 for Summary Prospectus*

*Sample comprised of respondents who recall receiving a Statutory Prospectus or Summary Prospectus and selected Rarely, Very Rarely, or Never with regards to how often they read one.

Comments from online survey respondents about why they do not read Statutory Prospectuses more frequently

S7. Why do you not read Prospectuses more frequently?

Respondents who selected “other” provided some reasons for not reading more frequently:

- + Difficult to understand
 - *“Difficult to comprehend.”*
 - *“Don’t understand them.”*
 - *“I don’t quite understand them.”*
 - *“I don’t understand them.”*
- + Lack of time
 - *“Limited time available.”*
- + Not relevant
 - *“I select investments carefully and then leave them alone to let them grow.”*
 - *“They are too complicated and outdated by the time I receive them. I can get all that info online in real time.”*

n=18

Sample comprised of respondents who selected “Other” in S7

Comments from online survey respondents about why they do not read Summary Prospectuses more frequently

S16: Why do you not read Summary Prospectuses more frequently?

Respondents who selected “other” provided some reasons for not reading more frequently:

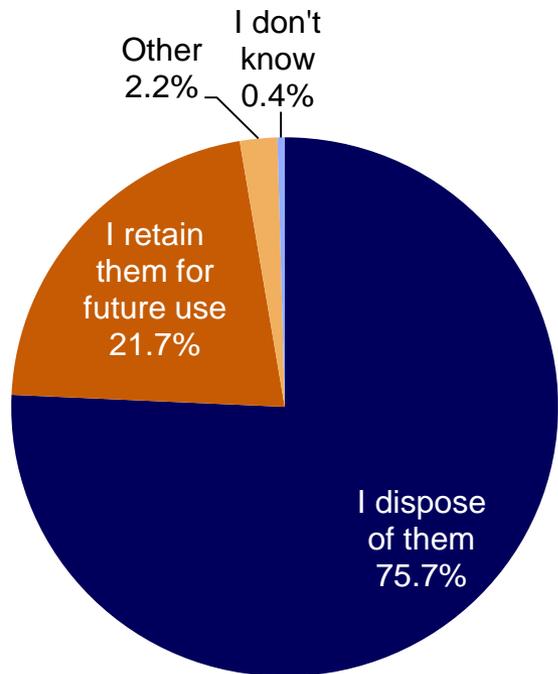
- + Difficult to understand
 - *“Difficult to comprehend.”*
 - *“I never understand what they mean.”*
 - *“Don’t understand it very well.”*
 - *“Need to be an attorney to understand them.”*
 - *“Hard to understand.”*
 - *“I don’t understand what I am reading.”*
- + Someone else reads them
 - *“I rely on my husband to read them.”*
 - *“My husband reads them.”*
 - *“My spouse takes care.”*
- + Not relevant
 - *“I like the way my funds and investment are doing now so I leave it be for time being.”*

n=15

Sample comprised of respondents who selected “Other” in S16

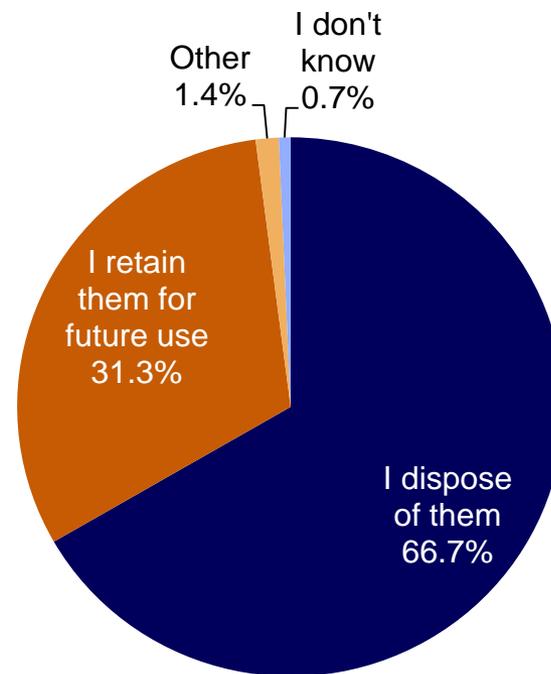
Those who generally do not read Statutory Prospectuses and Summary Prospectuses indicated they typically dispose of them (75.7% for Statutory Prospectus, 66.7% for Summary Prospectus)

S8: What do you typically do with **Prospectuses** when you receive them?



n=423

S17: What do you typically do with **Summary Prospectuses** when you receive them?



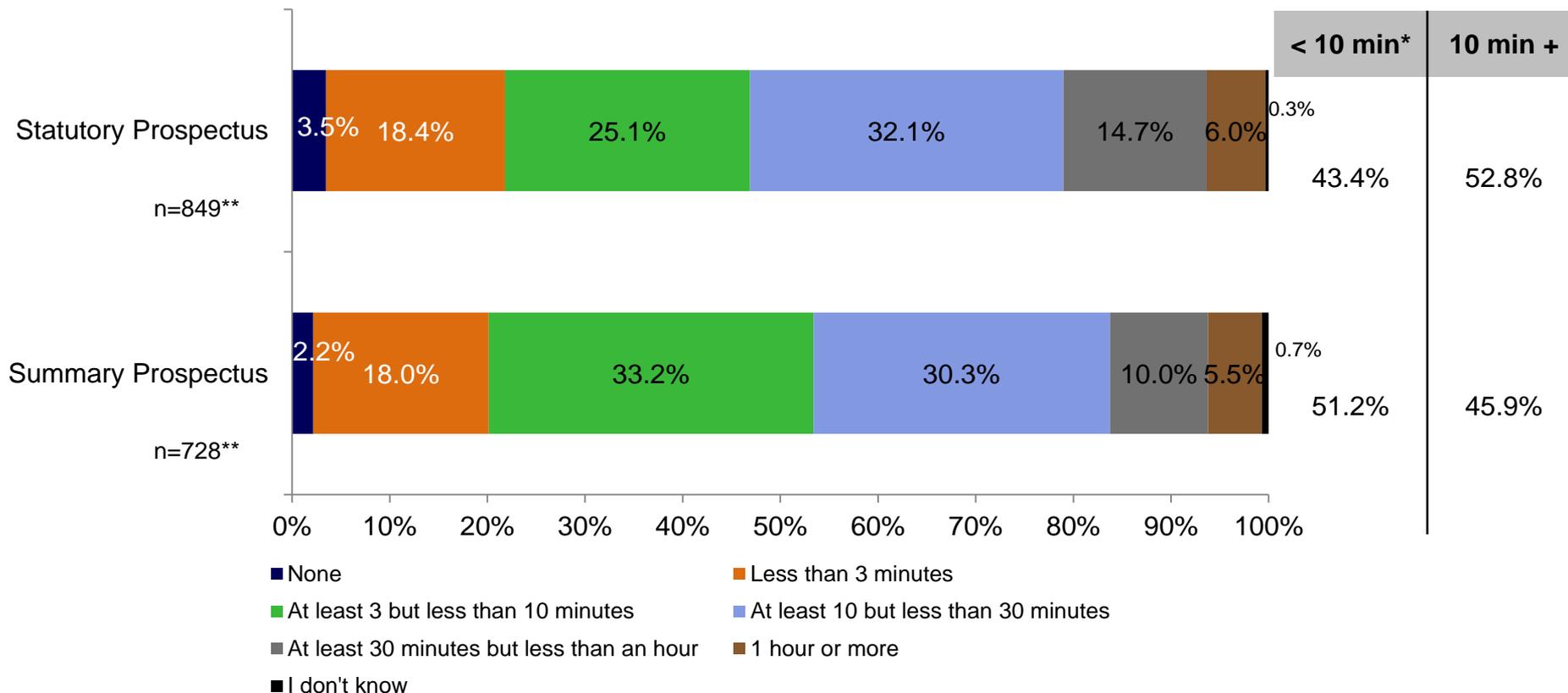
n=308

Note: Figures do not add to 100% due to rounding

On average, 52.8% of online survey respondents indicated they spend 10 minutes or more reading a Statutory Prospectus, versus 45.9% of online survey respondents for Summary Prospectuses

S9: On average, how much time do you spend reading a **Prospectus** when you receive it?

S18: On average, how much time do you spend reading a **Summary Prospectus** when you receive it?



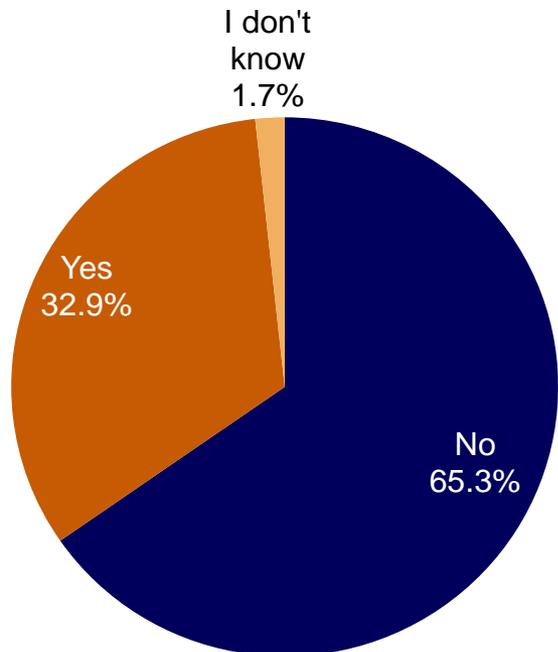
* “< 10 min” and “10 min +” figures do not add to 100% because they exclude “None” and “I don’t know”

**Sample is comprised of respondents who recall receiving a Statutory Prospectus or Summary Prospectus and did not select “Never” with regards to how often they read one

Note: Figures do not add to 100% due to rounding

Approximately 65.3% of online survey respondents who recall receiving or obtaining Statutory Prospectuses and approximately 69.8% of those who recall receiving or obtaining Summary Prospectuses have never looked at one online

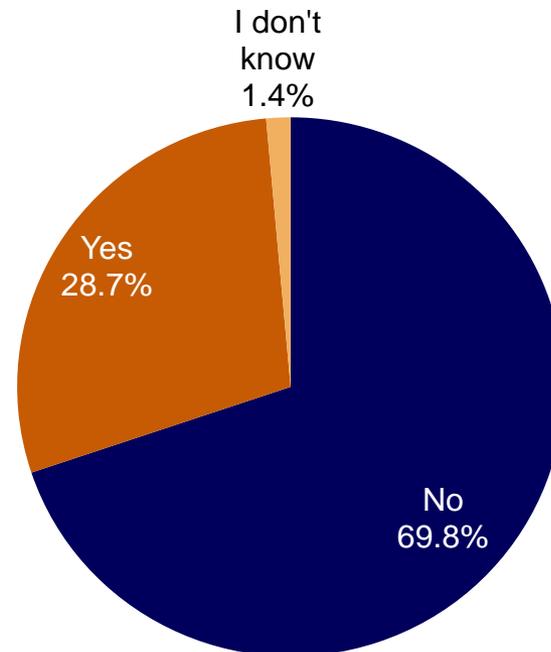
S10: Have you ever looked at a **Prospectus** online?



n=933

Sample comprised of respondents who recalled receiving or obtaining a Statutory Prospectus in S3

S19: Have you ever looked at a **Summary Prospectus** online?



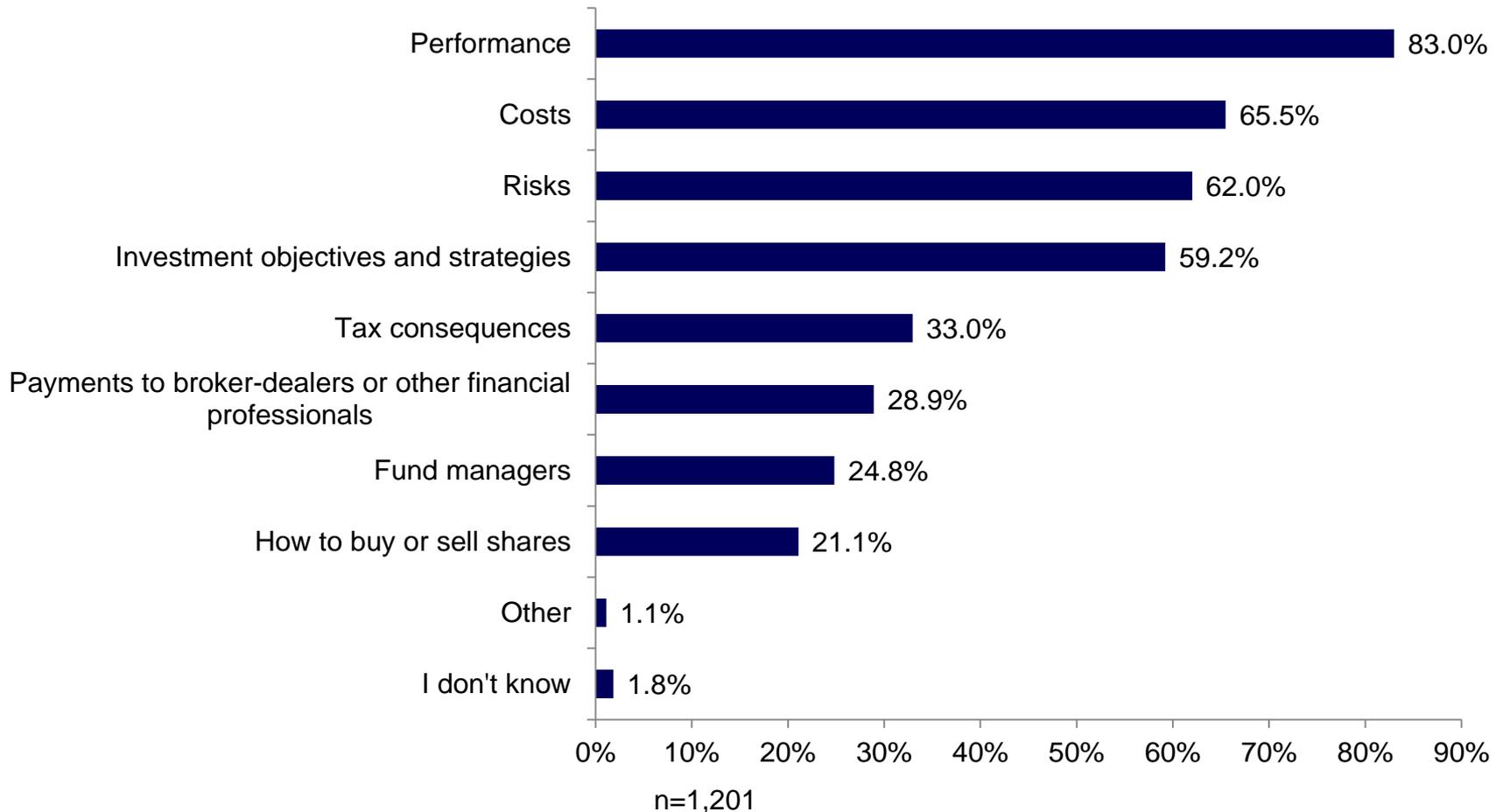
n=787

Sample comprised of respondents who recalled receiving or obtaining a Summary Prospectus either in S11 or after seeing an example for reference in S12

Note: Figures do not add to 100% due to rounding

Online survey respondents most frequently selected performance as information they typically look for from mutual fund Summary Prospectuses (83.0%); costs, risks, and investment objectives and strategies were among the next most selected items, with 65.5%–59.2%

S20: What information do you typically look for when you read a Summary Prospectus? Check all that apply.



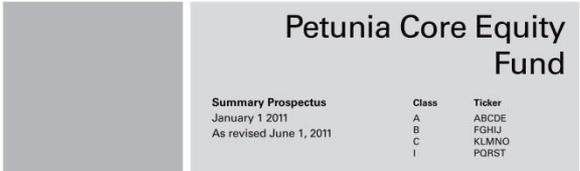
Summary Prospectus Document Review and Comparison to Pre-Review Perceptions

The next section of the report compares online survey respondents' perceptions of Summary Prospectuses (where applicable) before they saw an example of one to their perceptions of one of three example Summary Prospectuses after reviewing one

- + Respondents' perceptions of Summary Prospectuses before they saw an example of one ("Before") were derived from a series of questions about Summary Prospectuses
 - Example question (S22): "How difficult is it to understand the language used in a Summary Prospectus? In general, would you say it is..."
 - The group of respondents who were asked this series of questions consisted of those who recalled receiving or obtaining a Summary Prospectus for a mutual fund in S11 (n=539). This group excluded those who did not recall receiving or obtaining a Summary Prospectus and who were prompted with an example of one.
- + The full sample of n=1,201 was then split into three parts; each portion was shown an example Summary Prospectus and asked a series of questions about it
 - Example question (S30): "How difficult is it to understand the language used in the [name of fund] Summary Prospectus? In general, would you say it is..."
- + Where respondents' perceptions before they viewed an example are not applicable (i.e., questions asked only about the specific examples and not about Summary Prospectuses in general), results shown are a comparison among the three examples only

Example Summary Prospectus exhibits (1 of 3)

“Petunia Core Equity” Summary Prospectus (4 pages)



Petunia
Petunia Core Equity Fund

Summary Prospectus
January 1 2011
As revised June 1, 2011

Class	Ticker
A	ABCDE
B	FGHIJ
C	KLMNO
I	QRST

Before you invest, you may want to review the fund's prospectus, which contains more information about the fund and its risks. You can find the fund's prospectus and other information about the fund, including the statement of additional information and most recent reports to shareholders, online at www.petunia.com/funddocuments. You can also get this information at no cost by calling 1-999-999-9999 or by sending an e-mail request to info@petunia.com. The fund's prospectus and statement of additional information, dated January 1, 2011, are incorporated by reference into this summary prospectus.

Investment Objective

The fund seeks long-term capital appreciation.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold shares of the fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in certain funds in the Petunia Family of Funds. More information about these and other discounts is available from your financial professional and in the Shareholder Guide section on page 8 of the Prospectus and in the How to Buy Shares section on page 33 of the fund's Statement of Additional Information.

Shareholder Fees (fee paid directly from your investment)				
	Class A	Class B	Class C	Class I
Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	5.75	none	none	none
Maximum deferred sales charge (load) (as a percentage of lesser of purchase or sale price)	none*	4.00	1.00	none

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)				
	Class A	Class B	Class C	Class I
Management fees	1.10	1.10	1.10	1.10
Distribution and/or Service (Rule 12b-1) fees	.25	1.00	1.00	none
Other expenses	.01	.01	.01	.02
Total annual fund operating expenses	1.36	2.11	2.11	1.12
Fee waiver and/or expense reimbursement**	(.01)	(.01)	(.01)	(.01)
Total annual fund operating expenses (as a fee waiver and/or expense reimbursement)	1.35	2.10	2.10	1.11

* Class A shares bought without an initial sales charge as part of an investment of \$1 million or more may be charged a deferred sales charge of 1.00% if redeemed within one year.
** The Petunia Corporation has agreed to pay all of the fund's expenses, except management fees, Rule 12b-1 fees, and certain other expenses, including the fees and expenses of the non-interested Board members and their counsel. The Petunia Corporation has agreed to reduce its fees to an amount equal to the fund's allocable portion of the fees and expenses of the non-interested Board members and their counsel (in the amount of 0.01% for the past fiscal year).

Petunia page 1

the cost of investing in other mutual funds. ... and then redeem all of your shares at the ... in each year and that the fund's operating ... on these assumptions your costs would be:

Years	3 Years	4 Years
78	\$1,272	\$2,105
58	\$1,329	\$2,064
58	\$1,129	\$2,431
53	\$612	\$1,352

years 5 Years 10 Years

78	\$1,272	\$2,105
58	\$1,129	\$2,064
58	\$1,129	\$2,431
53	\$612	\$1,352

ies include exposure to currency fluctuations, ... company information, political instability

companies, industries or market sectors, which ... ffecting those companies, industries or sectors.

Client Services, Mr. Green is a Director of ... own is a Vice Chairman and Mr. White is

equent investment is \$100. You may sell your ... om. You may also mail your request to sell ... 99.

your investment is through an IRA, 401(k)

disaries

as a bank), the fund and its related companies ... nents may create a conflict of interest by ... end the fund over another investment. Ask

22.37

Best Quarter
Q3, 2009: 13.37%

Worst Quarter
Q4, 2008: -18.64%

1.81

08 09

es (or "turns over" its portfolio). A higher ... es when fund shares are held in a taxable ... s the example, affect the fund's performance. ... he average value of its portfolio.

ck. The fund focuses on "blue chip" ... ncluding multinational companies.

and over the next three to five years or ... rors that have dominant positions in their ... nce sheets, an expanding global presence and ... alert to companies which it considers

id in an annual portfolio turnover of below ... nge in a company's business fundamentals

he Federal Deposit Insurance Corporation ... he fund's share price fluctuates, sometimes

ay decline significantly over short time periods. ... id to move in cycles, with periods of rising ... eakness in the stock market or because of

y underperform funds that invest in the stocks ... of such companies are in favor.

ment adviser is Robert Brown & Co. ... Brown & Co., consisting of Robert Brown, ... team is supported by Brown & Co.'s ... ls at Brown & Co. The team members hold ... er, Chairman of the Board and Chief

etunia page 2

etunia page 3

etunia page 4

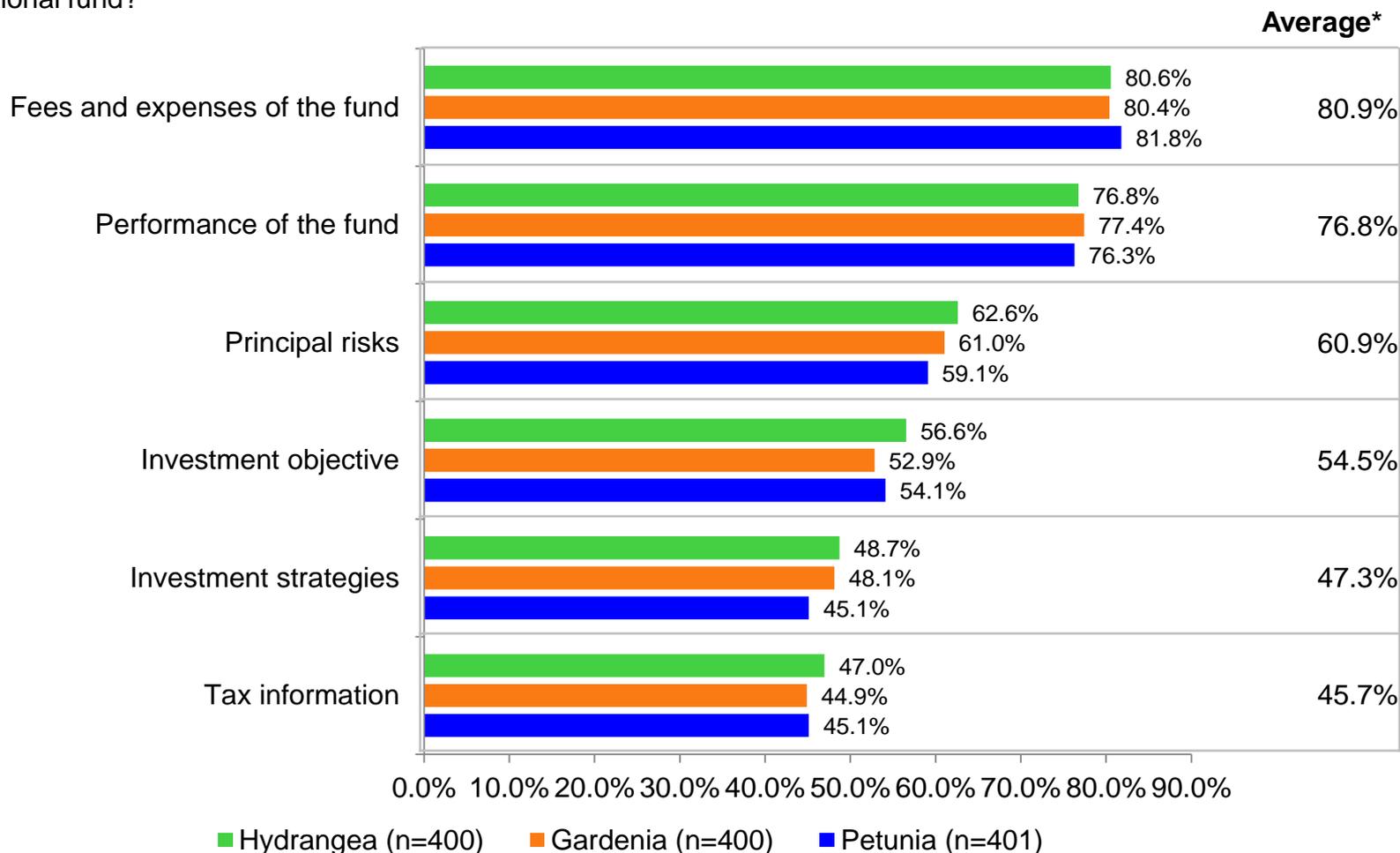
Example Summary Prospectus exhibits (2 of 3)

“Gardenia” Summary Prospectus (8 pages)

<p>GARDENIA</p> <p>January 28, 2011</p>	<p>Investing in other ted and then ent has a 5% s may be higher</p>	<p>10 Years \$1,946 \$2,171 \$2,275 \$1,174</p>	<p>hat the borrower market's at issuer. The . Debt securities may fall when or down more in</p>	<p>interests in age- and asset- rities also are mic downturn. duce the value</p>	<p>ocation Fund (the ary 31, 2005, the Fund's d. The table Bond Index and Capital U.S. r to the Fund's an indication of an those shown. ot waived or dated be obtained by</p>	<p>es and do not tion and may shares through re shown for l vary.</p>	<p>diary, the Fund e sale of Fund er-dealer or other more</p>										
<p>Summary Prospectus</p> <p>Gardenia FundsSM Investor and Institutional Shares</p> <p>► Gardenia Asset Allocation Portfolio</p> <table border="1"> <thead> <tr> <th>Fund</th> <th>Investor A Shares</th> <th>Investor B Shares</th> <th>Investor C Shares</th> <th>Institutional Shares</th> </tr> </thead> <tbody> <tr> <td>Gardenia Asset Allocation Portfolio</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Fund	Investor A Shares	Investor B Shares	Investor C Shares	Institutional Shares	Gardenia Asset Allocation Portfolio					<p>nd"), a series ion and prudent</p>	<p>10 Years \$2,171 \$2,275</p>	<p>olatility. Volatility within a short correlate</p>	<p>e quickly than se agreement or lays and incur he security in</p>	<p>have limited nies. They may</p>	<p>denia"). The to the Fund's</p>	<p>orporated by</p>
Fund	Investor A Shares	Investor B Shares	Investor C Shares	Institutional Shares													
Gardenia Asset Allocation Portfolio																	
<p>Gardenia FundsSM Investor and Institutional Shares</p> <p>► Gardenia Asset Allocation Portfolio</p> <table border="1"> <thead> <tr> <th>Fund</th> <th>Investor A Shares</th> <th>Investor B Shares</th> <th>Investor C Shares</th> <th>Institutional Shares</th> </tr> </thead> <tbody> <tr> <td>Gardenia Asset Allocation Portfolio</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus (including amendments and supplements) and other information about the Fund, including the Fund's statement of additional information and shareholder report, online at http://www.gardenia.com/prospectus. You can also get this information at no cost by calling (999) 999-9999 or by sending an e-mail request to prospectus.request@gardenia.com, or from your financial professional. The Fund's prospectus and statement of additional information, both dated January 28, 2011, as amended and supplemented from time to time, are incorporated by reference into (legally made a part of) this Summary Prospectus.</p> <p><i>This Summary Prospectus contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference.</i></p> <p><i>The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense</i></p> <p>Not FDIC Insured • No Bank Guarantee • May Lose Value</p>	Fund	Investor A Shares	Investor B Shares	Investor C Shares	Institutional Shares	Gardenia Asset Allocation Portfolio					<p>ocation Portfolio. re, at least t these and s" section on s statement of</p> <p>Institutional Shares</p> <p>None</p> <p>None</p> <p>Institutional Shares</p> <p>0.55%</p> <p>None</p> <p>0.40%</p> <p>0.38%</p> <p>0.01%</p> <p>0.96%</p> <p>(0.04)%</p> <p>0.92%</p> <p>in 18 months after</p> <p>ens made in es — Investor B</p> <p>id's most recent</p> <p>ily agreed to waive ee Reimbursements percentage of average Shares) until o years. The f a majority of the</p>	<p>over" its axes when xpenses or in urnover rate was</p> <p>olio in three s to remain ry.</p> <p>and certain s.</p> <p>s primarily in in junk bonds or rities which are s management interest and tent grade by mparable quality.</p> <p>es on a security actions, including</p> <p>the amount of may lose part of ments. The</p> <p>lar debt security; rtible securities r market value (creditworthiness, rtible security is</p>	<p>slowly than</p> <p>stments that can</p> <p>ories, which may r no regulatory</p> <p>United States ces and balance</p> <p>investments in</p> <p>e of securities to comparable to</p> <p>t for or delivery</p> <p>etter during the of economic the investment ferent</p> <p>de bonds, junk</p> <p>und invests will Selection risk is ant indices or s. This means</p> <p>and are generally mpanies.</p>	<p>d on changes in</p> <p>slowly than</p> <p>stments that can</p> <p>ories, which may r no regulatory</p> <p>United States ces and balance</p> <p>investments in</p> <p>e of securities to comparable to</p> <p>t for or delivery</p> <p>etter during the of economic the investment ferent</p> <p>de bonds, junk</p> <p>und invests will Selection risk is ant indices or s. This means</p> <p>and are generally mpanies.</p>	<p>er ended 2008).</p> <p>10 Years*</p> <p>4.49%</p> <p>3.45%</p> <p>3.45%</p> <p>4.43%</p> <p>4.31%</p> <p>5.42%</p> <p>1.41%</p> <p>5.84%</p> <p>3.53%</p> <p>ettlement of</p>	<p>of Gardenia, Inc.</p> <p>ng is open. To you hold your denia Funds, und's or waive the</p> <p>Shares y institutions and Shares are clients of vestment advisors 250,000 invested ent minimum.</p> <p>may be taxed as ement plan, in ements.</p>	<p>page 1</p> <p>page 2</p> <p>page 3</p> <p>page 4</p> <p>page 5</p> <p>page 6</p> <p>page 7</p>
Fund	Investor A Shares	Investor B Shares	Investor C Shares	Institutional Shares													
Gardenia Asset Allocation Portfolio																	

Online survey respondents had consistent opinions of what information was most important; fees/expenses and fund performance were considered important by over 75% across all exhibits (1 of 2)

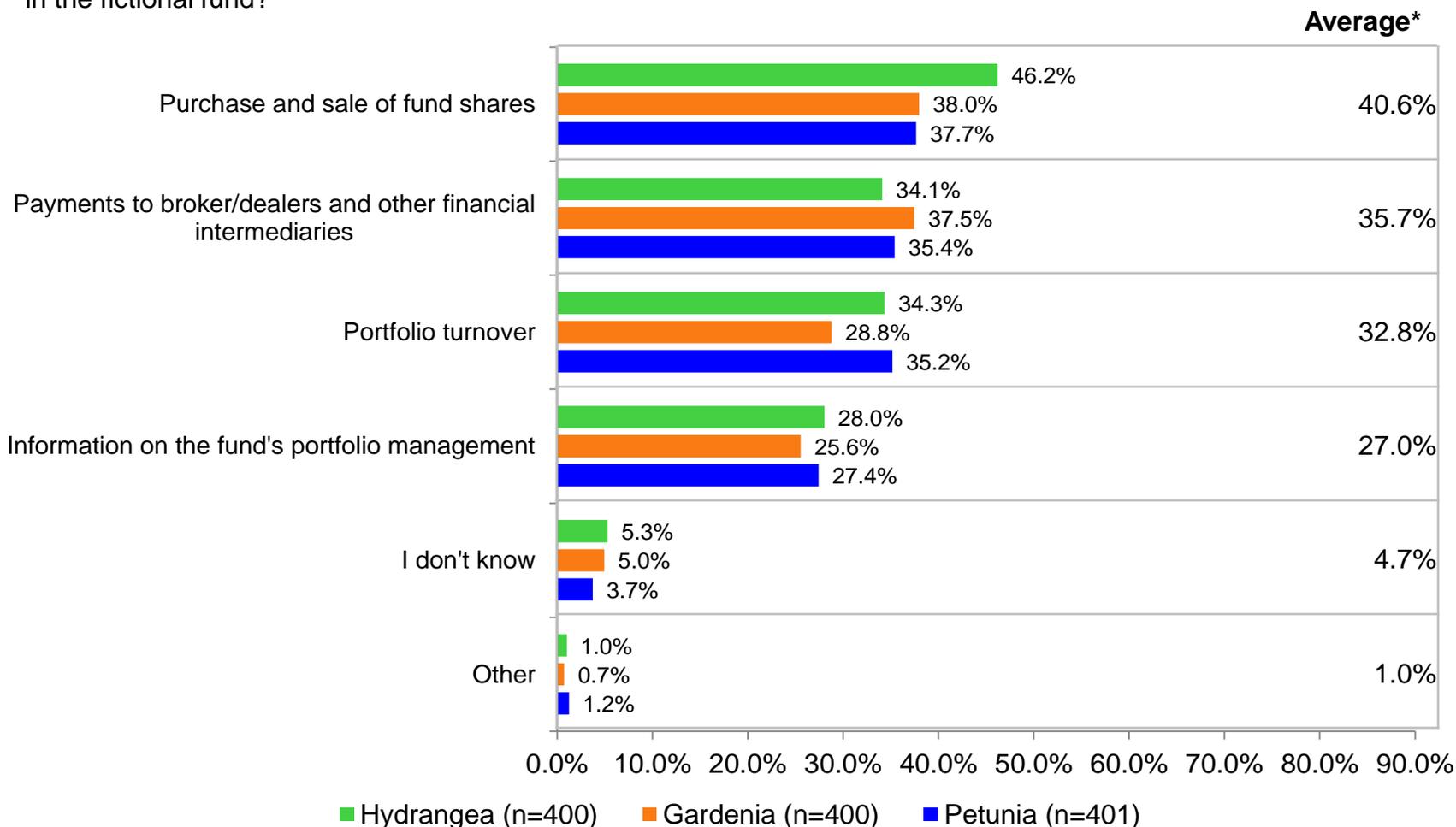
S28: What information in the Summary Prospectus would be important to you if you were considering investing in the fictional fund?



*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Online survey respondents had consistent opinions of what information was important; portfolio turnover and information on the fund's portfolio management were considered less important across all exhibits (2 of 2)

S28: What information in the Summary Prospectus would be important to you if you were considering investing in the fictional fund?



*Average calculated as the average of the percentage results across the three Summary Prospectus documents

When asked about Summary Prospectuses, before reviewing an example, a higher proportion of online survey respondents cited difficulty with finding information than when asked about finding information in three specific example Summary Prospectuses; over 60% of those who reviewed the Petunia and Hydrangea Bush examples found it “not at all difficult” to find information, although 8.2% of those who reviewed the Gardenia example found it “very difficult”

S21/S29: When you read the Summary Prospectus, how difficult is it to find information you need? In general, would you say it is...

	Before	After	<i>After by example Summary Prospectus:</i>		
			Petunia	Gardenia	Hydrangea Bush
Very difficult	5.8%	5.7%	4.0%	8.2%	5.1%
Somewhat difficult [†]	50.1%	35.7%	33.8%	42.7%	30.6%
<i>Net difficult[†]</i>	55.9%	41.4%	37.8%	50.9%	35.7%
Not at all difficult [†]	43.1%	56.5%	61.0%	47.4%	61.1%
I don't know	1.1%	2.1%	1.3%	1.7%	3.3%
Sample size	539*	1,201	401	400	400

“Before” Summary Prospectus questions referred to “a Summary Prospectus...” or “Summary Prospectuses,” while “After” questions referred to the name of the Fund (e.g., “the Gardenia Summary Prospectus”)

“After” figures calculated as the average of the percentage results across the three Summary Prospectus documents

[†] Difference between Before and After results are statistically significant at the 95% confidence interval

*Sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

Note: Before, Petunia and Hydrangea Bush figures do not add to 100% due to rounding

Similarly, a higher proportion of online survey respondents cited difficulty with understanding the language of Summary Prospectuses (before reviewing an example) than when asked about language in three specific example Summary Prospectuses; over 50% of those who reviewed the Petunia and Hydrangea Bush examples found it “not at all difficult” to understand the language, but 11.9% of those who reviewed the Gardenia example found it “very difficult”

S22/S30: How difficult is it to understand the language used in the Summary Prospectus? In general, would you say it is...

	Before	After	<i>After by example Summary Prospectus:</i>		
			Petunia	Gardenia	Hydrangea Bush
Very difficult	8.8%	8.9%	7.8%	11.9%	7.1%
Somewhat difficult [†]	57.1%	43.2%	40.1%	49.6%	39.8%
<i>Net difficult[†]</i>	65.9%	52.1%	47.9%	61.5%	46.9%
Not at all difficult [†]	34.1%	46.1%	50.1%	36.7%	51.4%
I don't know	0.0%	1.8%	2.0%	1.7%	1.8%
Sample size	539*	1,201	401	400	400

“Before” Summary Prospectus questions referred to “a Summary Prospectus...” or “Summary Prospectuses,” while “After” questions referred to the name of the Fund (e.g., “the Gardenia Summary Prospectus”)

“After” figures calculated as the average of the percentage results across the three Summary Prospectus documents

[†] Difference between Before and After results are statistically significant at the 95% confidence interval

*Sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

Note: Gardenia and Hydrangea Bush figures do not add to 100% due to rounding.

The proportion of online survey respondents who said a Summary Prospectus contained “the right amount” of information was 14.0% higher among those who had reviewed a specific example vs. those who responded before reviewing an example (68.4% vs. 54.4%); over 60% of who read the Gardenia example and over 70% each of those who read the Petunia and Hydrangea Bush examples felt the document contained “the right amount” of information

S23/S31: With regards to the amount of information contained in the Summary Prospectus, in general would you say there is...

	Before	After	<i>After by example Summary Prospectus:</i>		
			Petunia	Gardenia	Hydrangea Bush
Too much [†]	26.5%	17.3%	14.3%	24.5%	13.1%
The right amount [†]	54.4%	68.4%	71.3%	62.4%	71.5%
Not enough [†]	12.0%	7.5%	8.0%	6.4%	8.1%
I don't know	7.0%	6.8%	6.5%	6.7%	7.3%
Sample size	539*	1,201	401	400	400

“Before” Summary Prospectus questions referred to “a Summary Prospectus...” or “Summary Prospectuses,” while “After” questions referred to the name of the Fund (e.g., “the Gardenia Summary Prospectus”)

“After” figures calculated as the average of the percentage results across the three Summary Prospectus documents

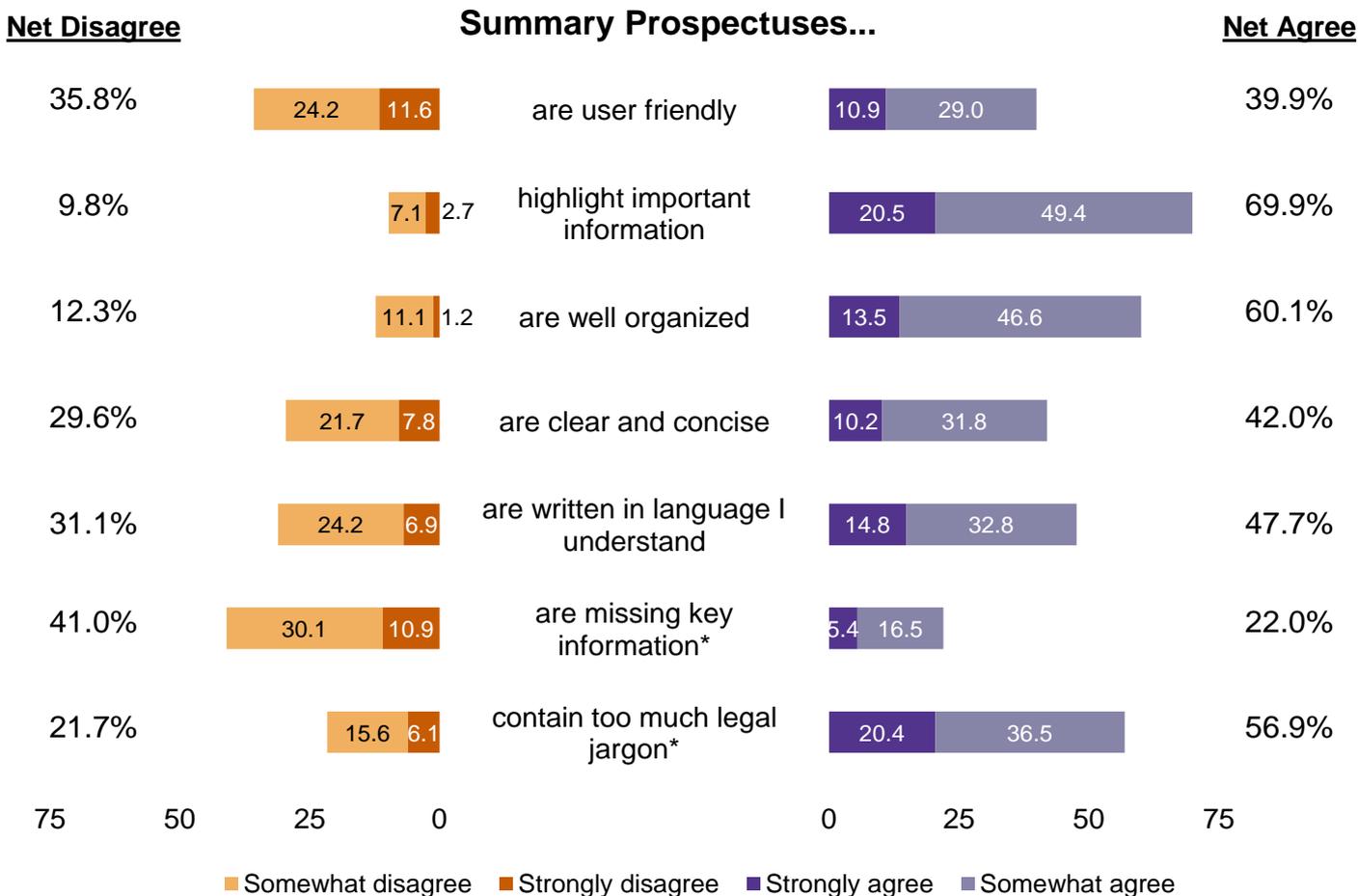
[†] Difference between Before and After results are statistically significant at the 95% confidence interval

*Sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

Note: Before and Petunia figures do not add to 100% due to rounding.

Before reviewing an example online, survey respondents generally agreed that Summary Prospectuses highlight important information (69.9% agreement) and are well organized (60.1% agreement); 56.9% also agreed that they contain too much legal jargon

S24: For each statement below, mark the extent to which you agree or disagree. Note: Statements marked with an asterisk (*) are framed opposite to the other statements in the list.

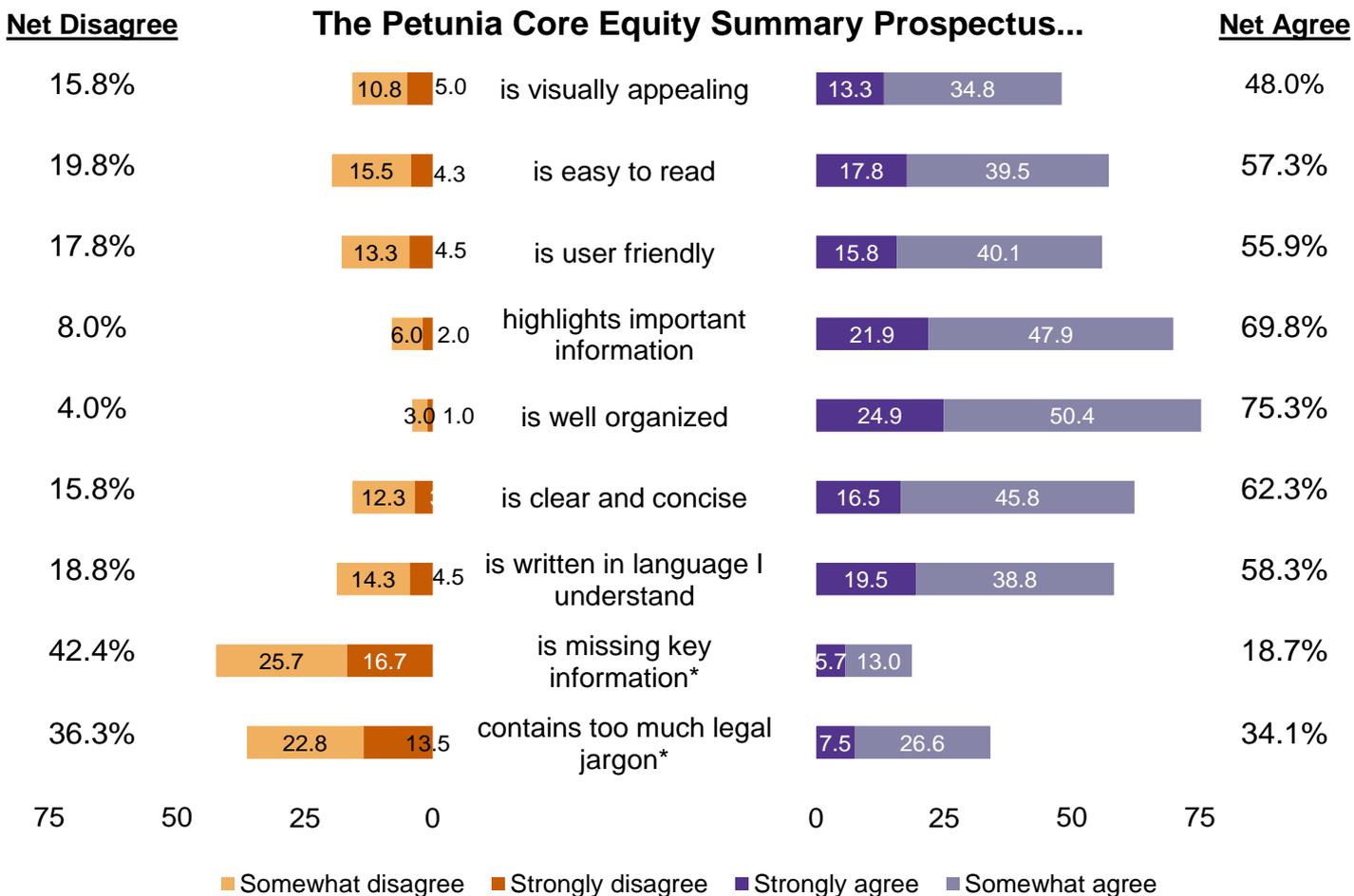


n=539. Sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11. Full responses comparing Before perceptions and the three example documents available in Summary Prospectus Appendix 1.

Note: Net agree and disagree figures may not reflect corresponding bar chart figures due to rounding.

Online survey respondents generally agreed that the Petunia Core Equity Summary Prospectus is well organized (75.3% agreement) and highlights important information (69.8% agreement); it was also recognized as being clear and concise (62.3% agreement)

S32: For each statement below, mark the extent to which you agree or disagree. Note: Statements marked with an asterisk (*) are framed opposite to the other statements in the list.



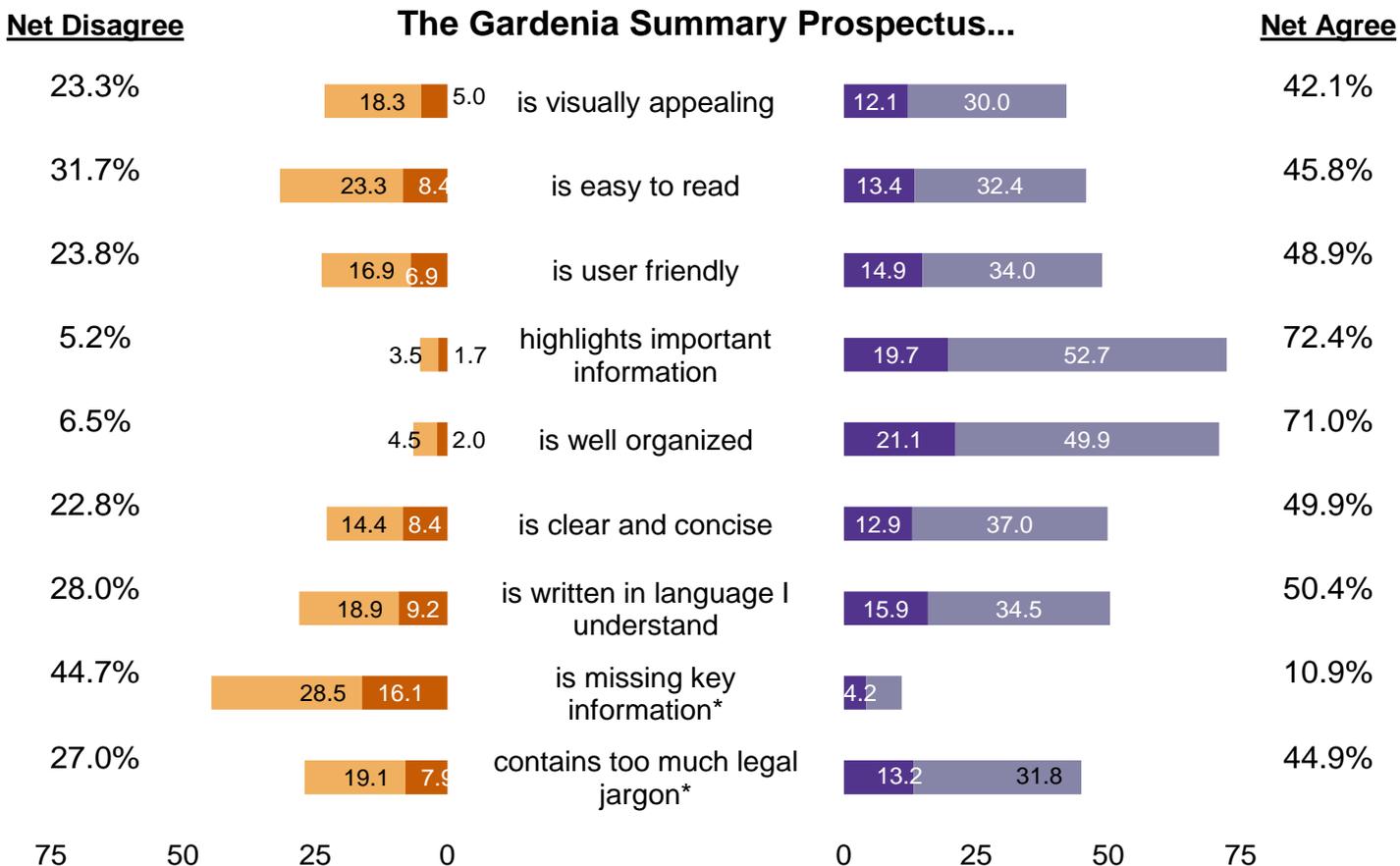
n=401

Full responses comparing Before perceptions and the three example documents available in Summary Prospectus Appendix 1.

Note: Net agree and disagree figures may not reflect corresponding bar chart figures due to rounding.

Online survey respondents generally agreed that the Gardenia Summary Prospectus highlights important information (72.4% agreement) and is well organized (71.0% agreement); it was also recognized as being clear and concise by nearly 50%

S32: For each statement below, mark the extent to which you agree or disagree. Note: Statements marked with an asterisk (*) are framed opposite to the other statements in the list.



n=400

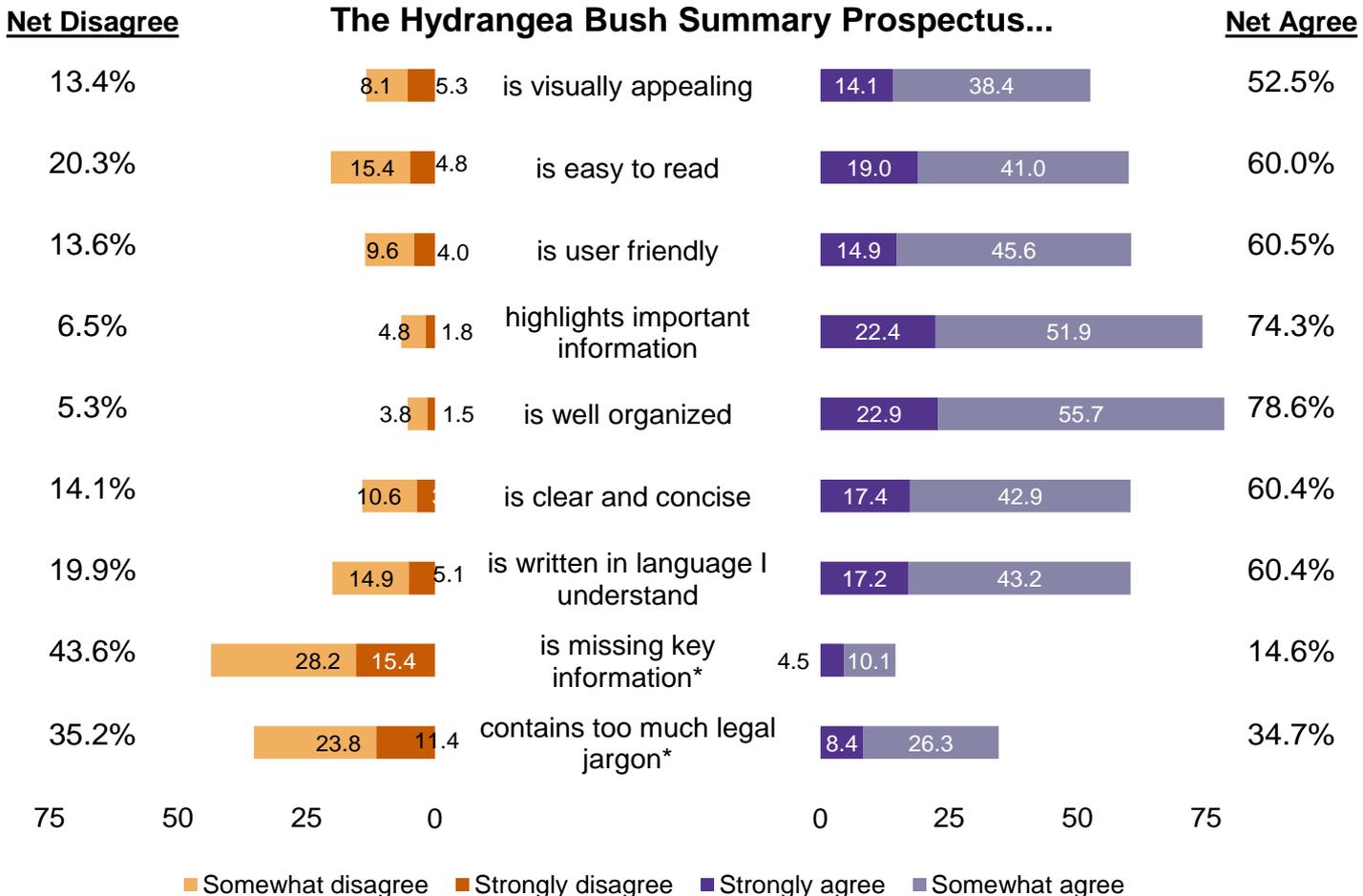
■ Somewhat disagree ■ Strongly disagree ■ Strongly agree ■ Somewhat agree

Full responses comparing Before perceptions and the three example documents available in Summary Prospectus Appendix 1.

Note: Net agree and disagree figures may not reflect corresponding bar chart figures due to rounding.

Online survey respondents generally agreed that the Hydrangea Bush Summary Prospectus is well organized (78.6%) and highlights important information (74.3%); it was also recognized as being user friendly, clear and concise, written in understandable language and easy to read

S32: For each statement below, mark the extent to which you agree or disagree. Note: Statements marked with an asterisk (*) are framed opposite to the other statements in the list.



n=400

Full responses comparing Before perceptions and the three example documents available in Summary Prospectus Appendix 1.

Note: Net agree and disagree figures may not reflect corresponding bar chart figures due to rounding.

Online survey respondents' perceptions of Summary Prospectuses before reviewing an example were more negative than their perceptions of the specific Summary Prospectus examples (1 of 2)

Before

S24. Summary Prospectuses...	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
are user friendly	10.9%	29.0%	24.0%	24.2%	11.6%	0.4%
highlight important information	20.5%	49.4%	19.5%	7.1%	2.7%	0.8%
are well organized	13.5%	46.6%	26.9%	11.1%	1.2%	0.7%
are clear and concise	10.2%	31.8%	28.1%	21.7%	7.8%	0.4%
are written in language I understand	14.8%	32.8%	20.9%	24.2%	6.9%	0.3%
are missing key information*	5.4%	16.5%	33.4%	30.1%	10.9%	3.6%
contain too much legal jargon*	20.4%	36.5%	20.2%	15.6%	6.1%	1.2%

After

S32. The [example] Summary Prospectus...	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
is visually appealing	13.2%	34.4%	33.4%	12.4%	5.1%	1.6%
is easy to read	16.7%	37.6%	20.2%	18.1%	5.8%	1.6%
is user friendly	15.2%	39.9%	24.2%	13.2%	5.2%	2.3%
highlights important information	21.3%	50.8%	18.3%	4.8%	1.8%	2.9%
is well organized	23.0%	52.0%	17.6%	3.7%	1.5%	2.2%
is clear and concise	15.6%	41.9%	23.2%	12.4%	5.2%	1.8%
is written in language I understand	17.5%	38.8%	19.8%	16.0%	6.2%	1.7%
is missing key information*	4.8%	9.9%	30.4%	27.5%	16.1%	11.3%
contains too much legal jargon*	9.7%	28.2%	26.9%	21.9%	11.0%	2.3%

"Before" sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

"After" figures calculated as the average of the percentage results across the three Summary Prospectus documents

Statements with an asterisk (*) are framed opposite to the rest of the statements tested; agreement indicates negative perceptions

Online survey respondents' perceptions of Summary Prospectuses before reviewing an example were more negative than their perceptions of the specific Summary Prospectus examples (2 of 2)

S24/S32. Summary Prospectuses... / The [example] Summary Prospectus...	Net agree		Net disagree	
	Before	After	Before	After
are/is visually appealing	N/A	47.5%	N/A	17.5%
are/is easy to read	N/A	54.3%	N/A	23.9%
are/is user friendly [†]	39.9%	55.1%	35.8%	18.4%
highlight(s) important information	69.9%	72.2%	9.8%	6.6%
are/is well organized [†]	60.1%	75.0%	12.3%	5.2%
are/is clear and concise [†]	42.0%	57.5%	29.6%	17.6%
are/is written in language I understand [†]	47.7%	56.3%	31.1%	22.2%
are/is missing key information*	22.0% [†]	14.7%	41.0%	43.5%
contain(s) too much legal jargon* [†]	56.9%	37.9%	21.7%	32.9%

“Before” sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

“After” figures calculated as the average of the percentage results across the three Summary Prospectus documents

[†] Difference between Before and After results are statistically significant at the 95% confidence interval

Statements with an asterisk (*) are framed opposite to the rest of the statements tested; agreement indicates negative perceptions

More than 70% of online survey respondents said that the three example Summary Prospectuses contained “all” or “most” of the information needed to make investment decisions

S33: How much of the information that you need to make investment decisions is contained in the Summary Prospectus? Would you say...

	Average*	Petunia	Gardenia	Hydrangea Bush
All	18.3%	17.3%	18.6%	19.1%
Most	53.5%	53.1%	54.8%	52.4%
<i>All or Most</i>	<i>71.8%</i>	<i>70.4%</i>	<i>73.4%</i>	<i>71.5%</i>
Some	20.6%	22.3%	18.6%	20.9%
None	1.2%	1.3%	0.7%	1.5%
I don't know	6.4%	6.0%	7.2%	6.0%
Sample size	1,201	401	400	400

Note: Figures for Gardenia and Hydrangea Bush do not add to 100% due to rounding

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Comments from online survey respondents about what was missing from the Summary Prospectus examples

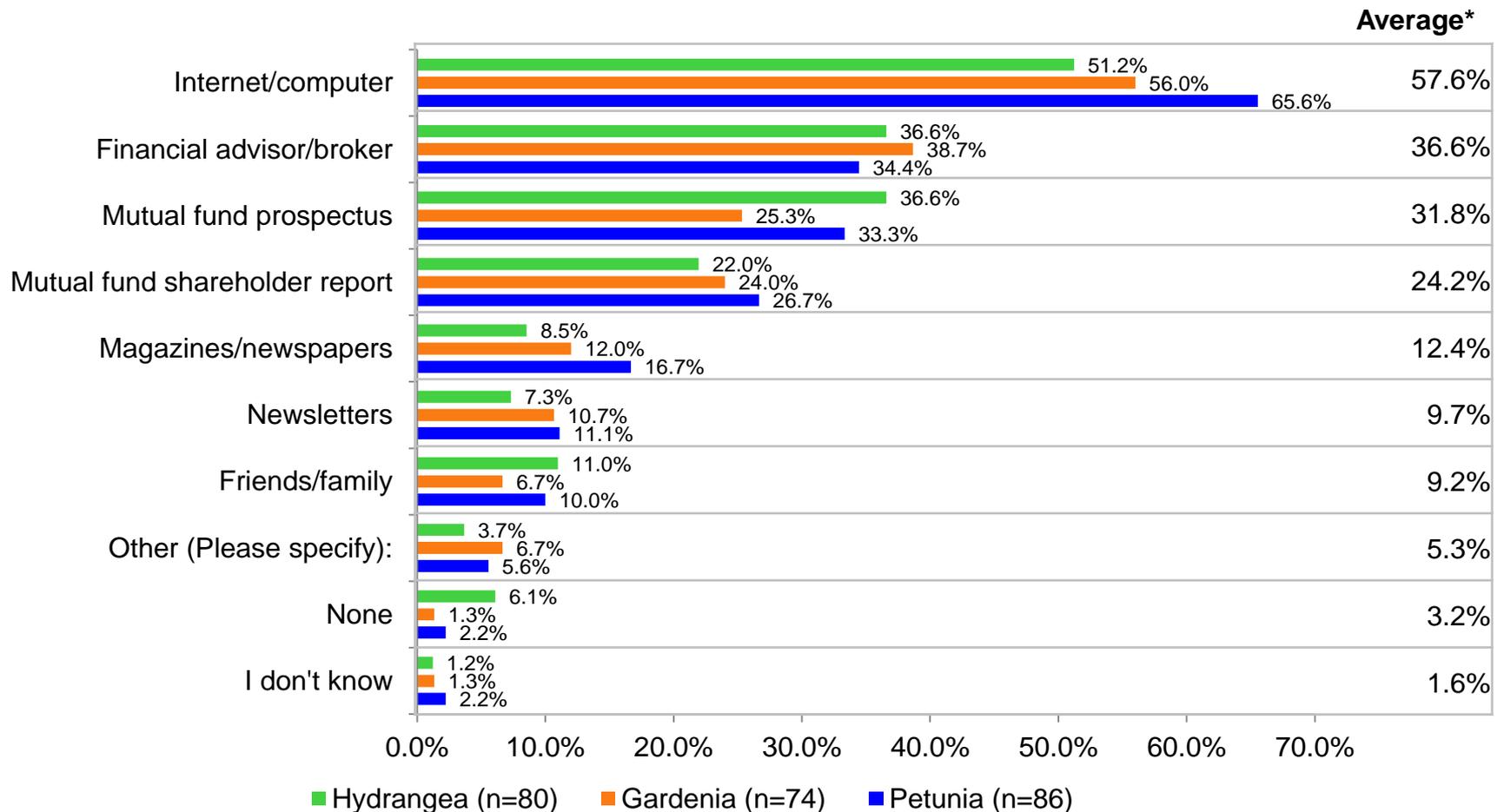
S34: What information that you need to make investment decisions is missing from the [example] Summary Prospectus?

- + Information on fund performance
 - *“A bottom line performance after all taxes, fees, etc. I put in \$1,000. What's it worth now? Also, how to calculate how I did without including any additional money invested.”*
 - *“I would like more information as to one year, 5 year, 10 year and since inception returns.”*
- + Information on fund holdings
 - *“I always want to see what the underlying investments are in a fund.”*
 - *“I think it could offer better details of what the mutual fund invests in particularly.”*
 - *“It gave very general information about how and where your money would be invested. I would like to know specifically what types of companies or stocks are being invested in.”*
- + Comparisons or ratings
 - *“A comparison to other similar funds.”*
 - *“Morningstar type ratings.”*
 - *“Comparison to other benchmark segments/funds.”*
- + Investment strategy
 - *“I need to know what is their investment mix strategy—past, present, future.”*
 - *“How they pick who to invest my funds in.”*
- + More details on expenses
 - *“Amount of tax; when I can remove funds without penalty.”*
 - *“Many of the fees and expenses they say are not included in the charts.”*

n=240 across all three documents. Sample comprised of respondents who felt Most, Some or None of the information needed to make investment decisions was included in the Summary Prospectus they reviewed (S33), and entered an open-ended response for this question (vs. “Nothing” or “I don’t know”).

Internet/computer was cited most frequently as the typical source where online survey respondents obtain information missing from Summary Prospectuses

S35: From what source do you typically obtain the information that is missing from the Summary Prospectus?



Sample sizes include respondents who felt Most, Some or None of the information needed to make investment decisions was included in the Summary Prospectus they reviewed (S33), and entered an open-ended response in S34

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

The proportion of online survey respondents satisfied with Summary Prospectuses as guides for investment decision-making was 16.1% higher than the proportion who were satisfied before reviewing an example of one; those who reviewed the Hydrangea Bush Summary Prospectus were most satisfied with 52.2%

S25/S36: In general, how satisfied are you with the Summary Prospectus as a guide to making investment decisions? Would you say you are...

	Before	After	After by example Summary Prospectus:		
			Petunia	Gardenia	Hydrangea Bush
Completely satisfied	6.9%	8.6%	8.3%	9.2%	8.3%
Very satisfied [†]	25.4%	39.8%	40.6%	35.0%	43.9%
<i>Completely or very satisfied[†]</i>	32.3%	48.4%	48.9%	44.2%	52.2%
Somewhat satisfied [†]	51.1%	39.8%	38.6%	41.9%	38.9%
Not at all satisfied [†]	13.1%	7.3%	8.5%	8.7%	4.5%
I don't know	3.4%	4.5%	4.0%	5.2%	4.3%
Sample size	539*	1,201	401	400	400

“Before” Summary Prospectus questions referred to “a Summary Prospectus...” or “Summary Prospectuses,” while “After” questions referred to the name of the Fund (e.g., “the Gardenia Summary Prospectus”)

“After” figures calculated as the average of the percentage results across the three Summary Prospectus documents

[†] Difference between Before and After results are statistically significant at the 95% confidence interval

*Sample comprised of respondents who recalled receiving a Summary Prospectus (without being shown an example) in S11

Note: Before and Hydrangea Bush figures do not add to 100% due to rounding

On average, 52.2% of online survey respondents across all examples indicated it would be “very important” to read the Summary Prospectus prior to investing in the hypothetical funds

S37: If you were considering investing in the Fund, how important would it be for you to read the Summary Prospectus before investing in the Fund?

	Average*	Petunia	Gardenia	Hydrangea Bush
Very important	52.2%	54.1%	49.3%	53.1%
Somewhat important	32.8%	30.2%	34.7%	33.5%
Not important	5.4%	4.7%	5.7%	5.8%
It depends on whether I received other information about the Fund	9.6%	11.0%	10.4%	7.6%
Sample size	1,201	401	400	400

Note: Gardenia figures do not add to 100% due to rounding

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Before purchasing shares (59.4%) and during the first discussion with one's broker/financial advisor (39.5%) were the preferred times at which online survey respondents would like to receive a Summary Prospectus

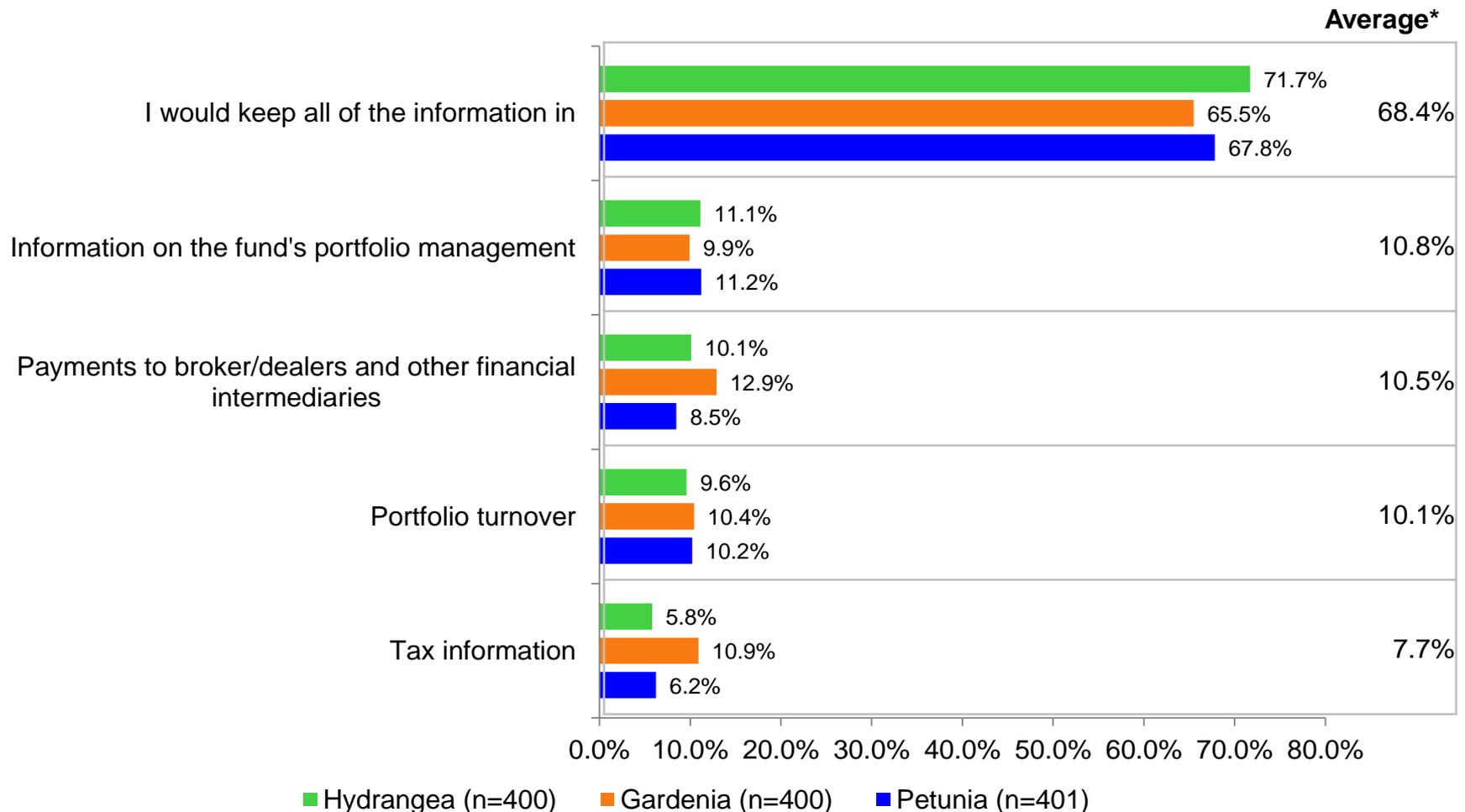
S38: If you were considering investing in the Fund, when would you like to receive the Summary Prospectus? Check all that apply.

	Average*	Petunia	Gardenia	Hydrangea Bush
Before I have purchased fund shares	59.4%	58.6%	55.6%	64.0%
When my broker or financial advisor first discusses or recommends the fund	39.5%	42.4%	40.0%	36.0%
I don't need to specifically receive the summary prospectus as long as it is available on the Internet	18.4%	14.7%	20.6%	19.9%
After I have purchased fund shares when I receive a purchase confirmation	8.6%	8.5%	6.7%	10.6%
I don't know	4.0%	4.2%	3.7%	4.0%
Sample size	1,201	401	400	400

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Approximately two-thirds (66.7%) of online survey respondents across all three Summary Prospectus examples would keep all of the information in the document (slide 1 of 2)

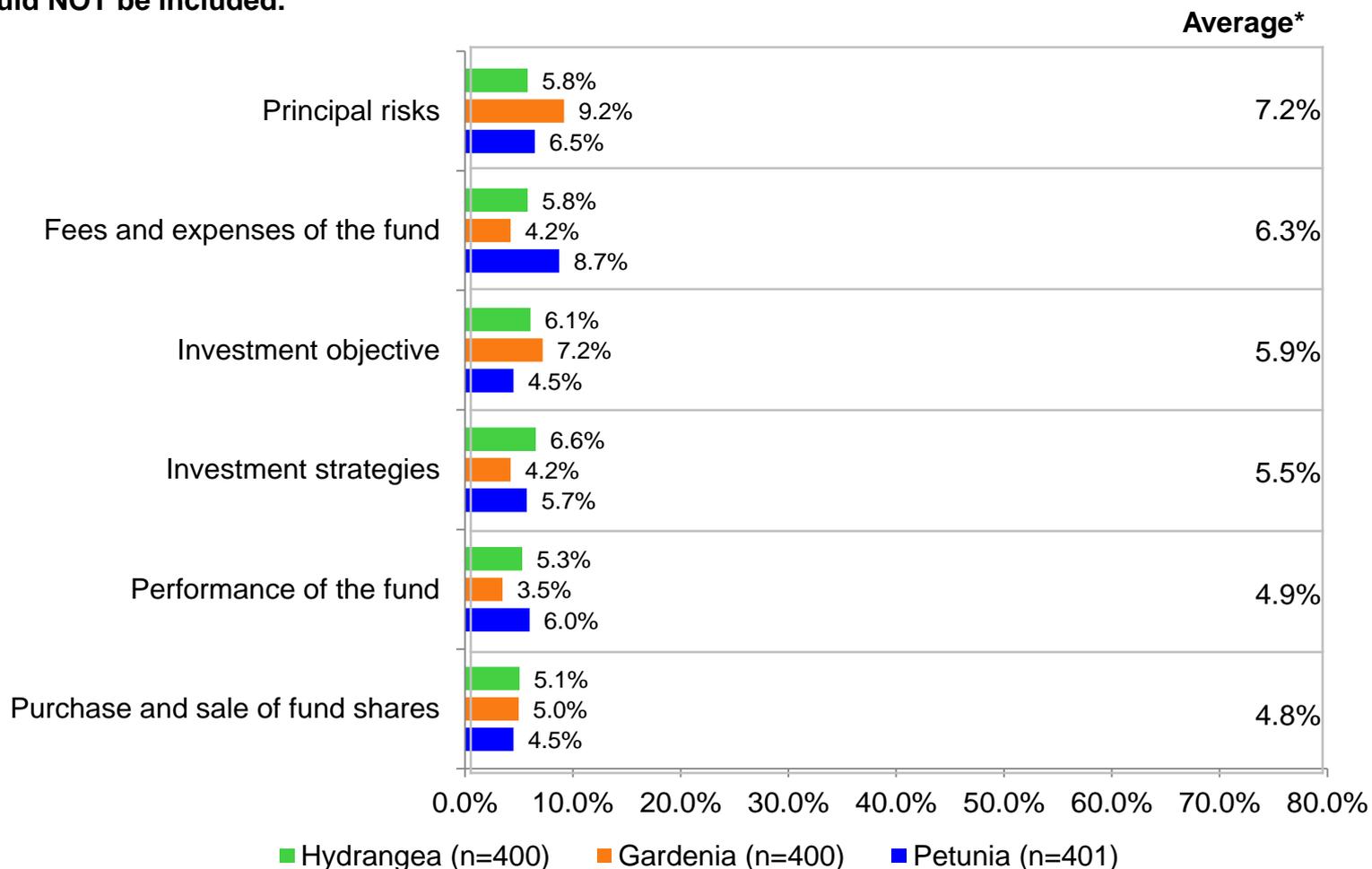
S39: Is any of the information in the Summary Prospectus NOT useful to you? Check any sections that you think should NOT be included.



*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Less than 10% of online survey respondents would exclude information about principal risks, fees/expenses, investment objective, investment strategies, fund performance or purchase/sale of fund shares from the example Summary Prospectus they reviewed (slide 2 of 2)

S39: Is any of the information in the Summary Prospectus NOT useful to you? Check any sections that you think should NOT be included.



*Average calculated as the average of the percentage results across the three Summary Prospectus documents

On average, 69.7% of online survey respondents would be comfortable using the Internet to obtain additional information about the hypothetical mutual funds

S40: Please indicate the extent to which you agree with the following statement: If I wanted to know more information about the Fund than is contained in the Summary Prospectus, I would be comfortable with using the Internet to obtain information

	Average*	Petunia	Gardenia	Hydrangea Bush
Strongly agree	37.6%	38.5%	36.6%	37.6%
Somewhat agree	32.1%	29.5%	31.7%	35.1%
<i>Net agree</i>	<i>69.7%</i>	<i>68.0%</i>	<i>68.3%</i>	<i>72.7%</i>
Neither agree nor disagree	14.2%	15.0%	12.6%	14.9%
Somewhat disagree	10.3%	10.8%	12.6%	7.6%
Strongly disagree	5.8%	6.3%	6.4%	4.8%
Sample size	1,201	401	400	400

Note: Petunia and Gardenia figures do not add to 100% due to rounding

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

About two-thirds (66.5%) of online survey respondents agreed to some extent that it was easy to understand the tables and charts included in the example Summary Prospectus they reviewed

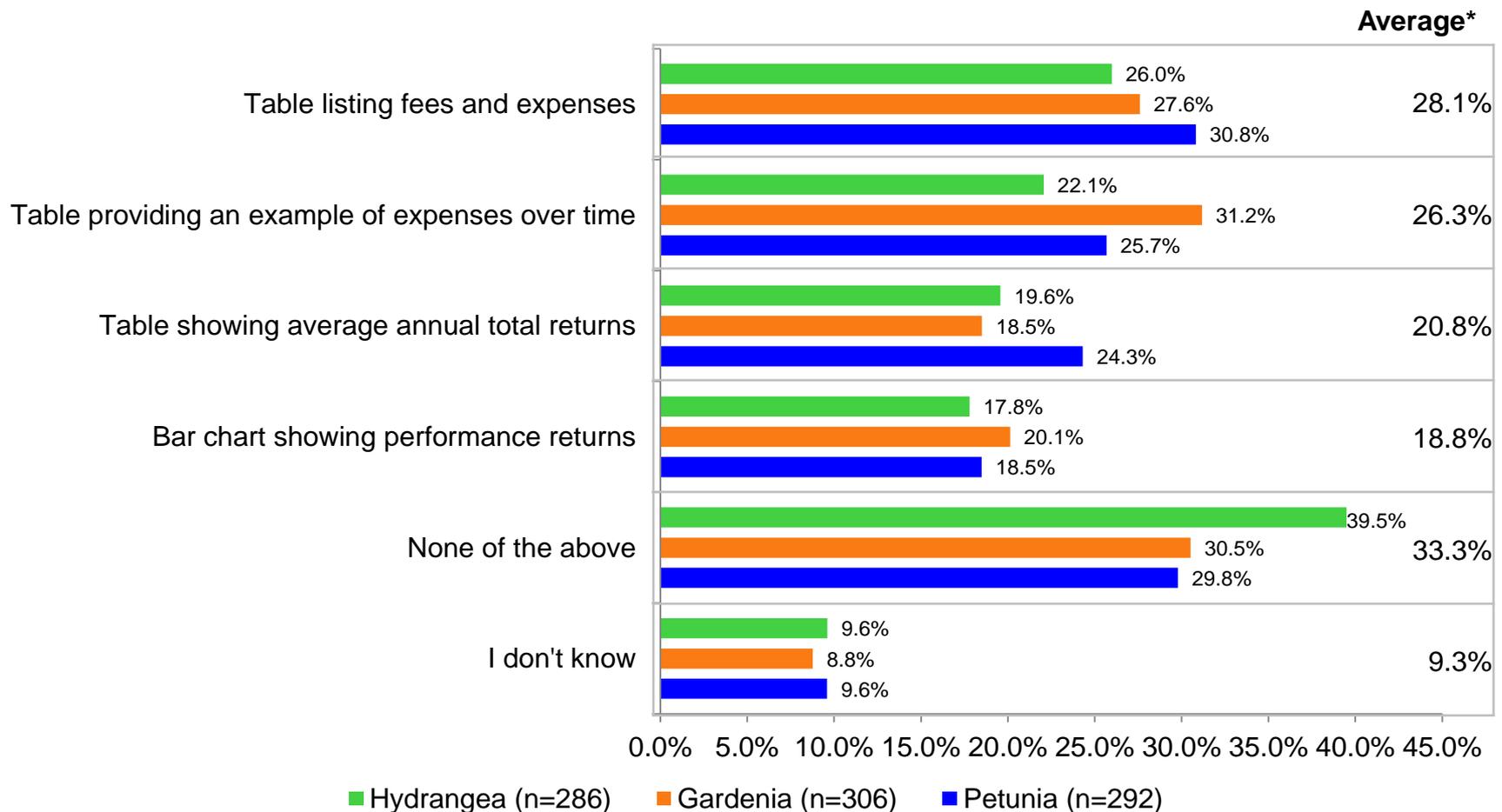
S41: Please indicate the extent to which you agree with the following statement: It was easy to understand the tables and charts included in the [example] Summary Prospectus

	Average	Petunia	Gardenia	Hydrangea Bush
Strongly agree	26.6%	26.9%	23.8%	29.1%
Somewhat agree	39.9%	36.4%	40.1%	43.3%
<i>Net agree</i>	<i>66.5%</i>	<i>63.3%</i>	<i>63.9%</i>	<i>72.4%</i>
Neither agree nor disagree	16.3%	18.2%	15.3%	15.4%
Somewhat disagree	12.1%	14.5%	13.9%	8.1%
Strongly disagree	5.0%	4.0%	6.9%	4.1%
Sample size	1,201	401	400	400

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Online survey respondents were divided as to which table or chart was difficult to understand

S42: Which particular tables and charts did you find difficult to understand in the Summary Prospectus?



Sample sizes include respondents who did not “strongly agree” that the tables and charts in the example Summary Prospectus were easy to understand (S41)

*Average calculated as the average of the percentage results across the three Summary Prospectus documents

More than 60% of online survey respondents agreed that principal investment strategy and principal risks were well communicated, while less than 15% of online respondents disagreed

S43: Please indicate the extent to which you agree with the following statement: It was easy to understand the discussion in the Summary Prospectus about the fund's principal investment strategy and principal risks.

	Average*	Petunia	Gardenia	Hydrangea Bush
Strongly agree	20.5%	23.1%	18.4%	20.2%
Somewhat agree	42.8%	41.9%	41.7%	44.9%
<i>Net agree</i>	<i>63.4%</i>	<i>64.9%</i>	<i>60.0%</i>	<i>65.2%</i>
Neither agree nor disagree	21.9%	23.6%	21.8%	20.5%
Somewhat disagree	9.8%	9.0%	10.7%	9.6%
Strongly disagree	4.9%	2.5%	7.4%	4.8%
Sample size	1,201	401	400	400

Note: Petunia figures do not add to 100% due to rounding

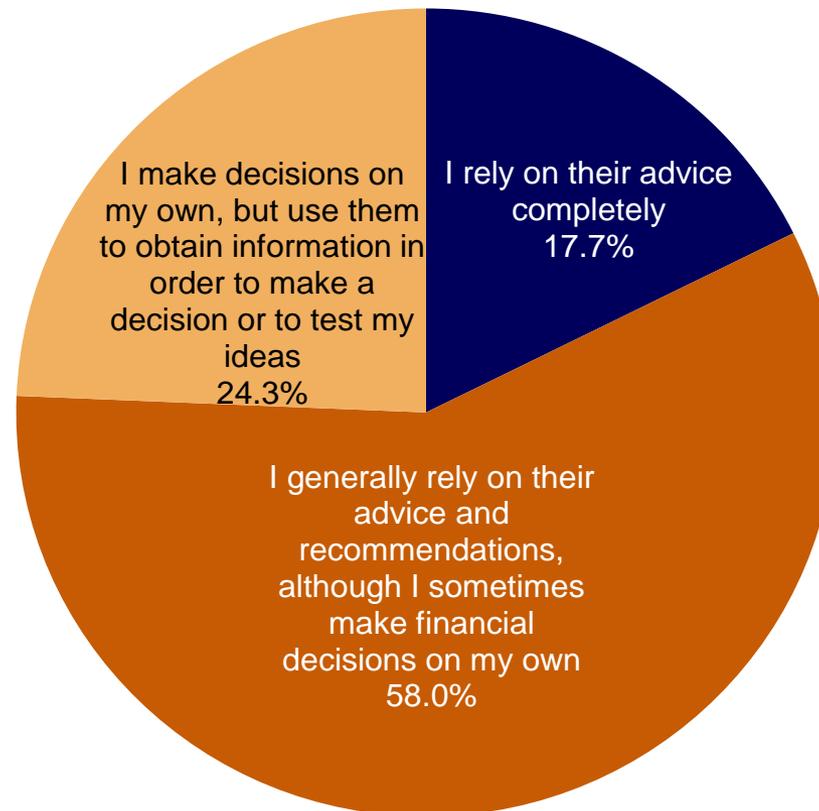
*Average calculated as the average of the percentage results across the three Summary Prospectus documents

Point-of-Sale (POS) for Financial Intermediaries

Selecting a Financial Services Firm or Advisor

The majority of online survey respondents (58%) reported generally relying on the advice they are given, though sometimes they make financial decisions on their own

P1: Which statement most closely fits your approach to using a financial services firm or individual who provides you financial advice?



n=1,200

With the exception of the products the firm or person providing financial advice has available, at least half of online survey respondents classified the other factors examined as being “absolutely essential” in choosing a firm or financial advisor

P2: Using the scale shown below, please indicate how important each factor is in your choice of a financial services firm or person who provides you financial advice.

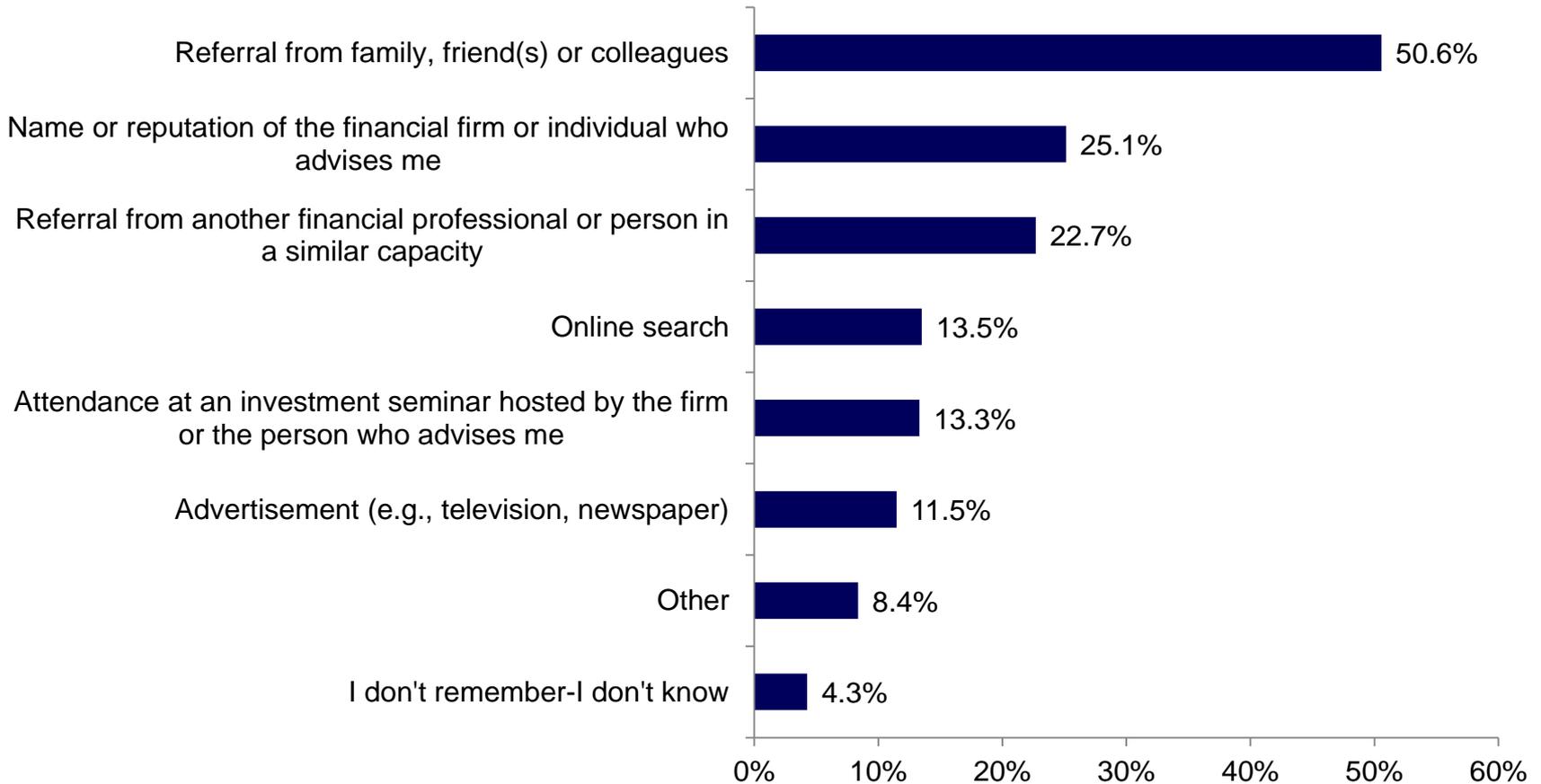


n=1,200

Note: Figures may not add to 100% due to rounding

Over half of the online survey respondents (50.6%) found their current firm/financial advisor through a referral from family, friends or colleagues; reputation and referrals from other financial professionals were the next sources used most often

P3: How did you find your current financial firm or the person who provides you financial advice?



n=1,200

Note: Figures do not add to 100% due to multiple responses

Comments from online survey respondents about how they found their current financial firm or person who provides financial advice

P3: How did you find your current financial firm or the person who provides you financial advice?

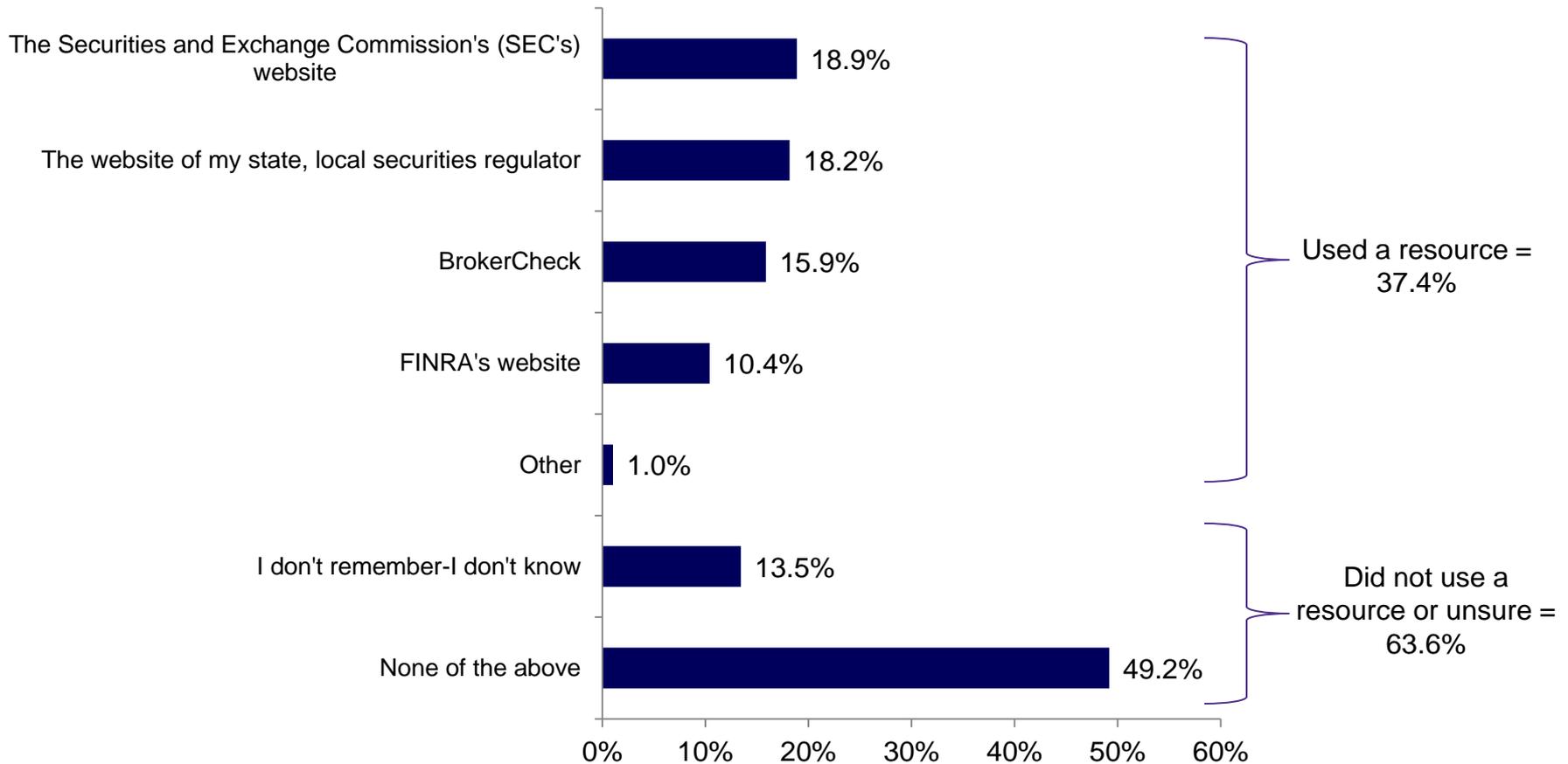
- + Friend or family
 - *“Family member.”*
 - *“Personal friend.”*
 - *“A personal friend for years.”*
- + Bank
 - *“Through my credit union.”*
 - *“Referral from bank manager.”*
 - *“I bank with them.”*
- + Employer-related
 - *“From the company I work for.”*
 - *“Former employer.”*
 - *“I used them for my company's 401(k) plan before using them on a personal basis.”*
- + Cold call
 - *“He contacted us for a meeting.”*
 - *“Advisor was introducing himself door-to-door.”*
 - *“She cold-called me.”*
- + Lawyer
 - *“Lawyer recommendation.”*
 - *“An attorney.”*

n=96

Sample comprised of respondents who selected “Other” in P3

Over a third of online survey respondents (37.4%) reported using one or more regulatory resources prior to selecting a financial firm or advisor; the two most frequently cited resources were the SEC’s website and the website of a state or local securities regulator

P4: Which, if any, of the following resources did you use before selecting your financial firm or the person who advises you? Check all that apply.

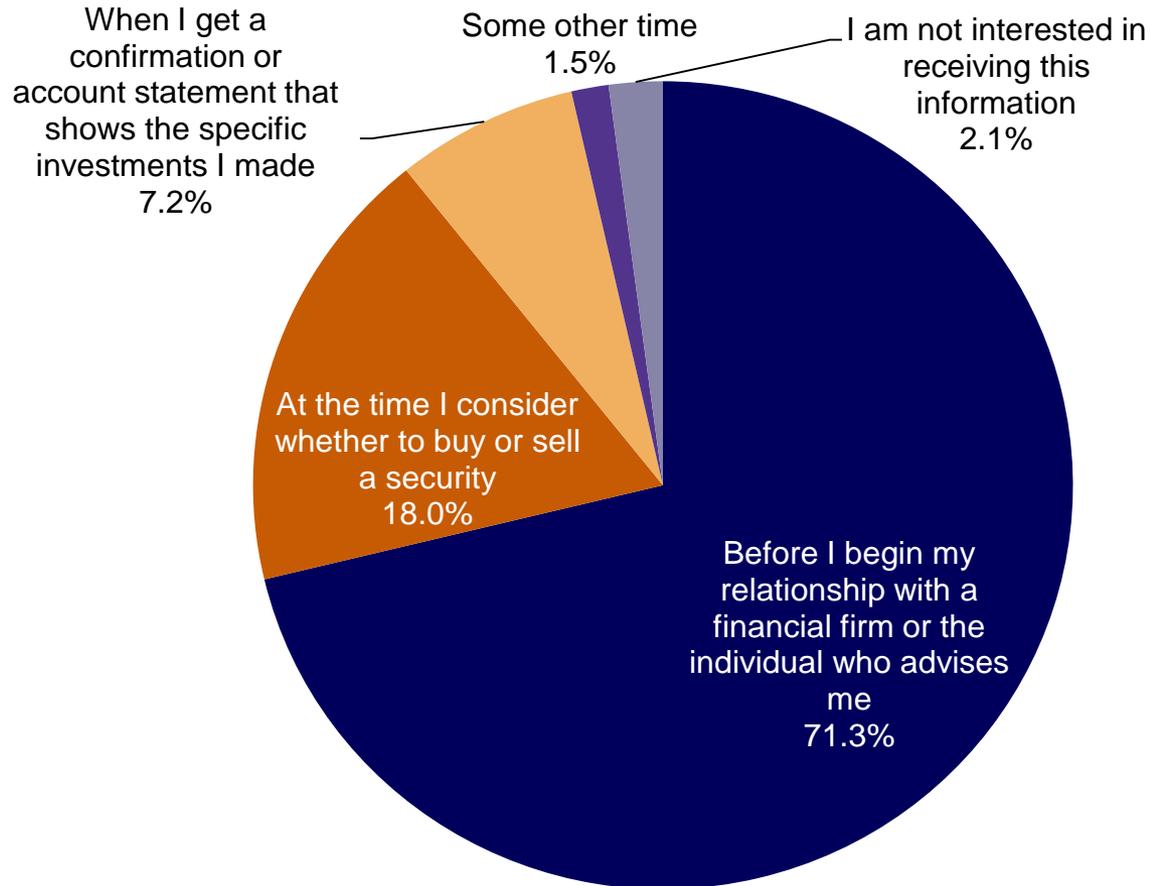


n=1,200

Note: Figures do not add to 100% due to multiple responses
 Summary figures may not reflect charted figures due to rounding

The clear majority (71.3%) of online survey respondents would want to receive information about how they will pay the financial firm or advisor prior to beginning the relationship with the firm or advisor; only 2.1% were not interested in receiving this information

P5: When would you want to receive information about how you will pay for the financial services provided by your financial firm or the individual who advises you? Please indicate your top preference among the following options.

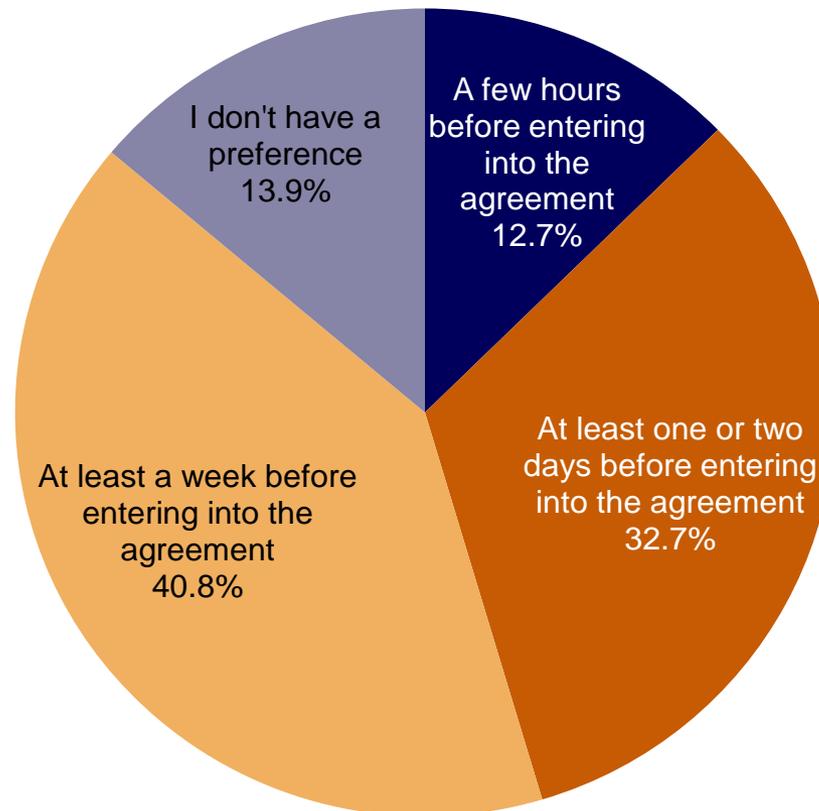


n=1,200

Note: Figures do not add to 100% due to rounding

Among online survey respondents who want the information before they begin a relationship, almost three-quarters (73.5%) indicated a preference for receiving information either a day or two or at least a week prior to entering into the agreement

P6: How far in advance of entering into the agreement would you want to receive this information? Please indicate your top preference among the following options.

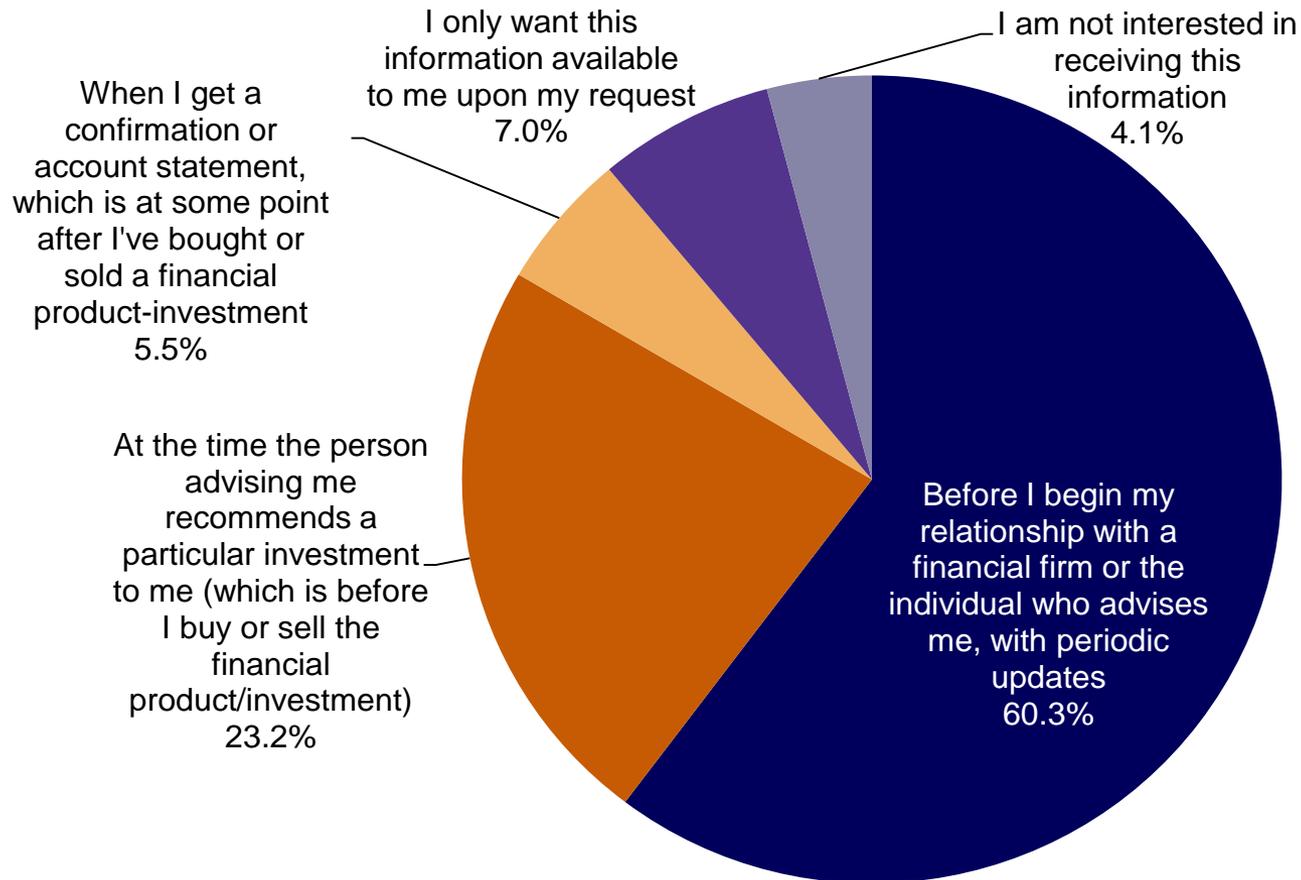


n=856

Note: Figures do not add to 100% due to rounding

The majority of online survey respondents (60.3%) also indicated that they would like information on how the financial advisor is being paid prior to beginning the relationship, with periodic updates thereafter; 11.1% want this information only upon request or not at all

P7: When do you want to receive information about how the individual advising you is paid for providing you financial services? Please indicate your top preference among the following options.

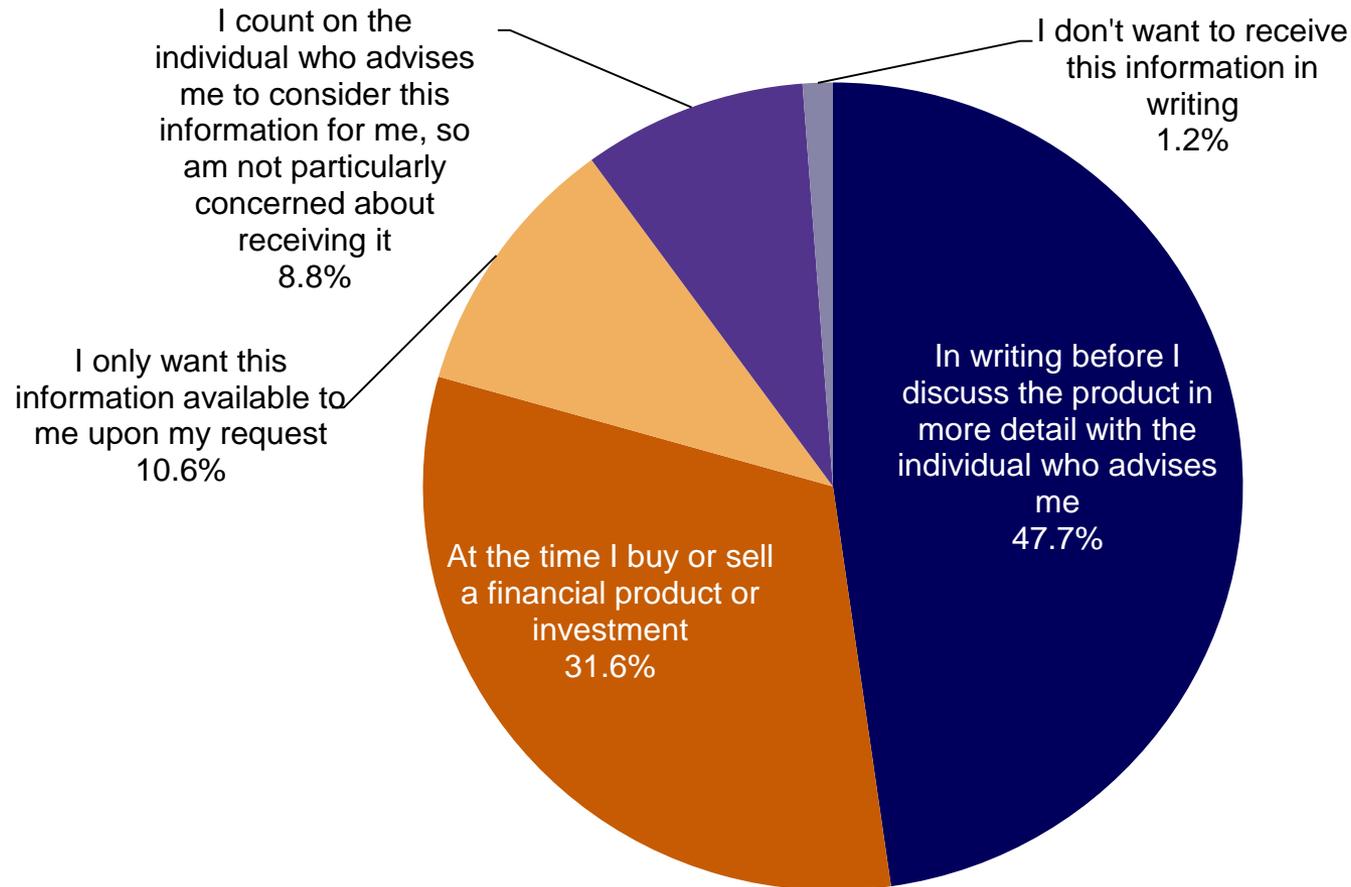


n=1,200

Note: Figures do not add to 100% due to rounding

Just under half of online survey respondents (47.7%) wanted information on potential benefits, risks and costs in writing prior to discussing the product; 20.6% only want this information upon request or not at all

P8: When do you want to receive information about the potential benefits, risks and costs associated with a financial product you are considering? Please indicate your top preference among the following options.



n=1,200

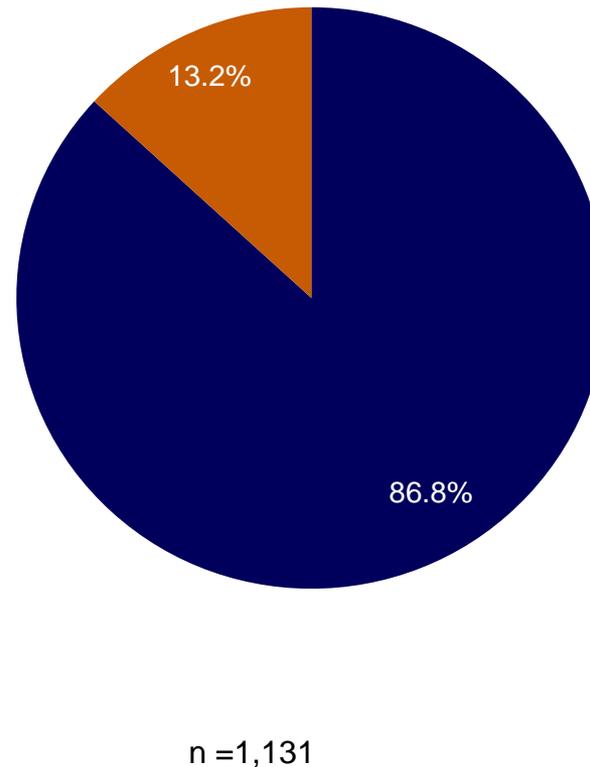
Note: Figures do not add to 100% due to rounding

Knowing the scope of services a financial firm or advisor can provide was important to nearly all online survey respondents (95.1%), and almost nine in ten of those respondents (86.8%) reported wanting to know that information at the beginning of the relationship with the firm or advisor

P9: Is it important for you to know the scope of services that your financial firm or the person who advises you can provide?



P10: When would you want to be informed of the scope of services?

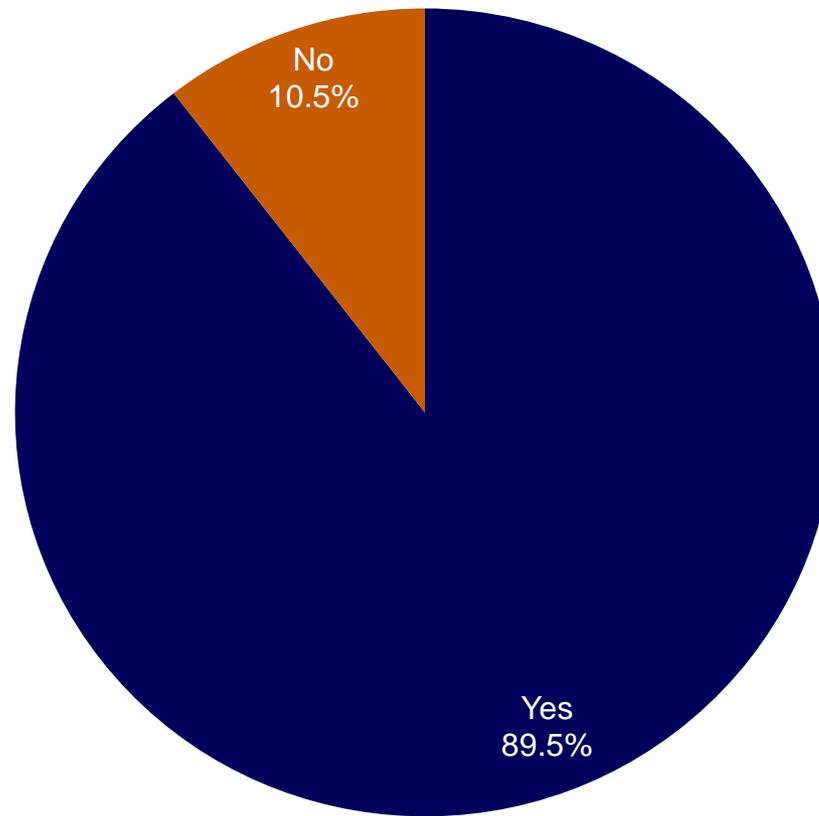


- At the beginning of my relationship with the financial firm or person who advises me
- Before I buy or sell a financial product-investment with the financial firm or person who advises me

Disclosures and Potential Conflicts of Interest

Approximately 90% of online survey respondents stated it is important to know background information about the person who advises them, such as licenses held, complaints, judgments or disciplinary actions taken against him/her, etc.

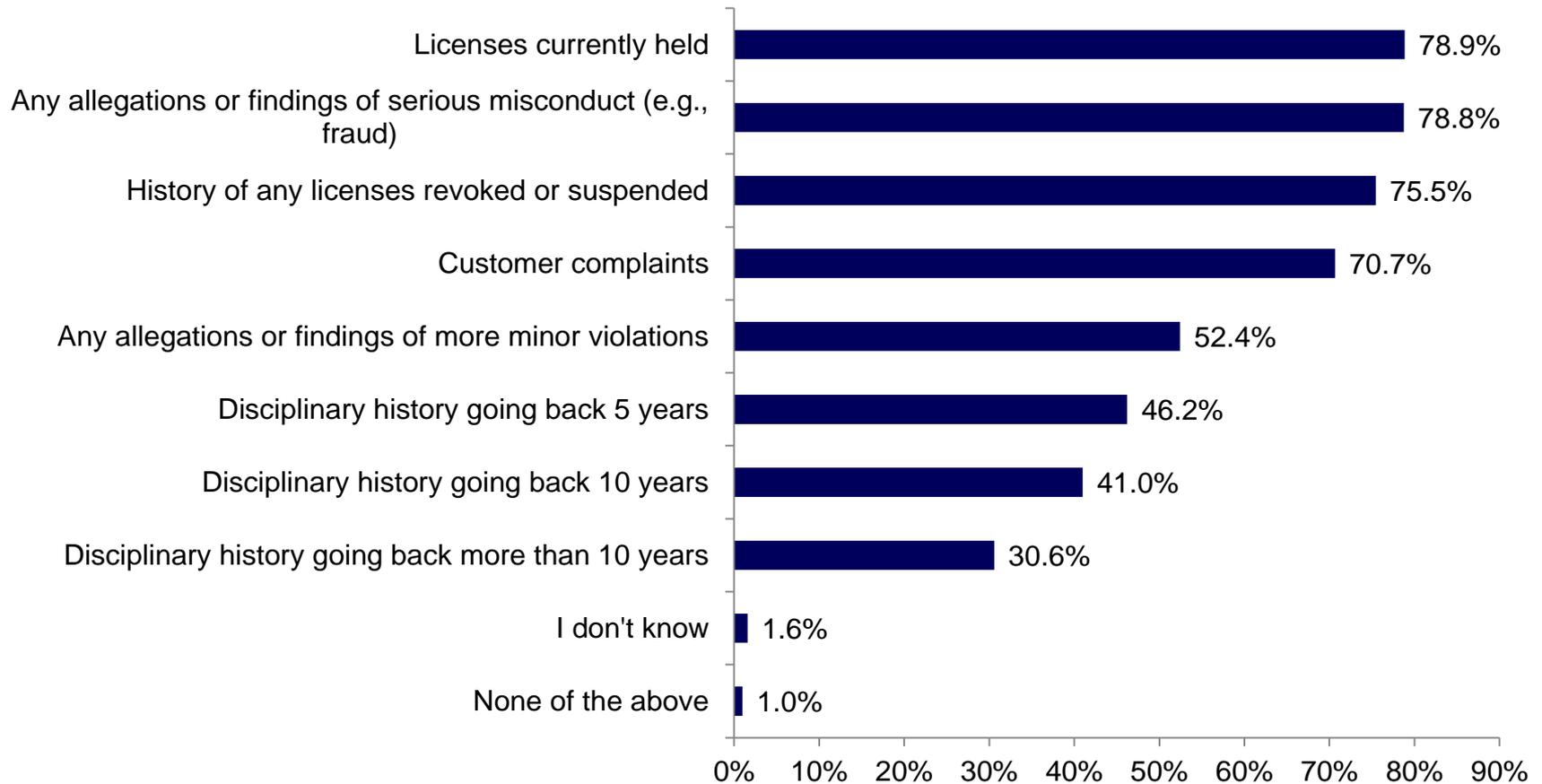
P11: Is it important for you to know background information about the person who advises you, such as which licenses he/she holds, and any complaints, judgments or disciplinary actions taken against him or her?



n=1,200

Among those who wanted background information, the four most important elements were licenses held, allegations or finding of serious misconduct, revocation or suspension of any licenses and customer complaints, each selected by over 70% of online survey respondents

P12: Which of the following types of information would you like to know about the individual who advises you in that regard? Check all that apply.

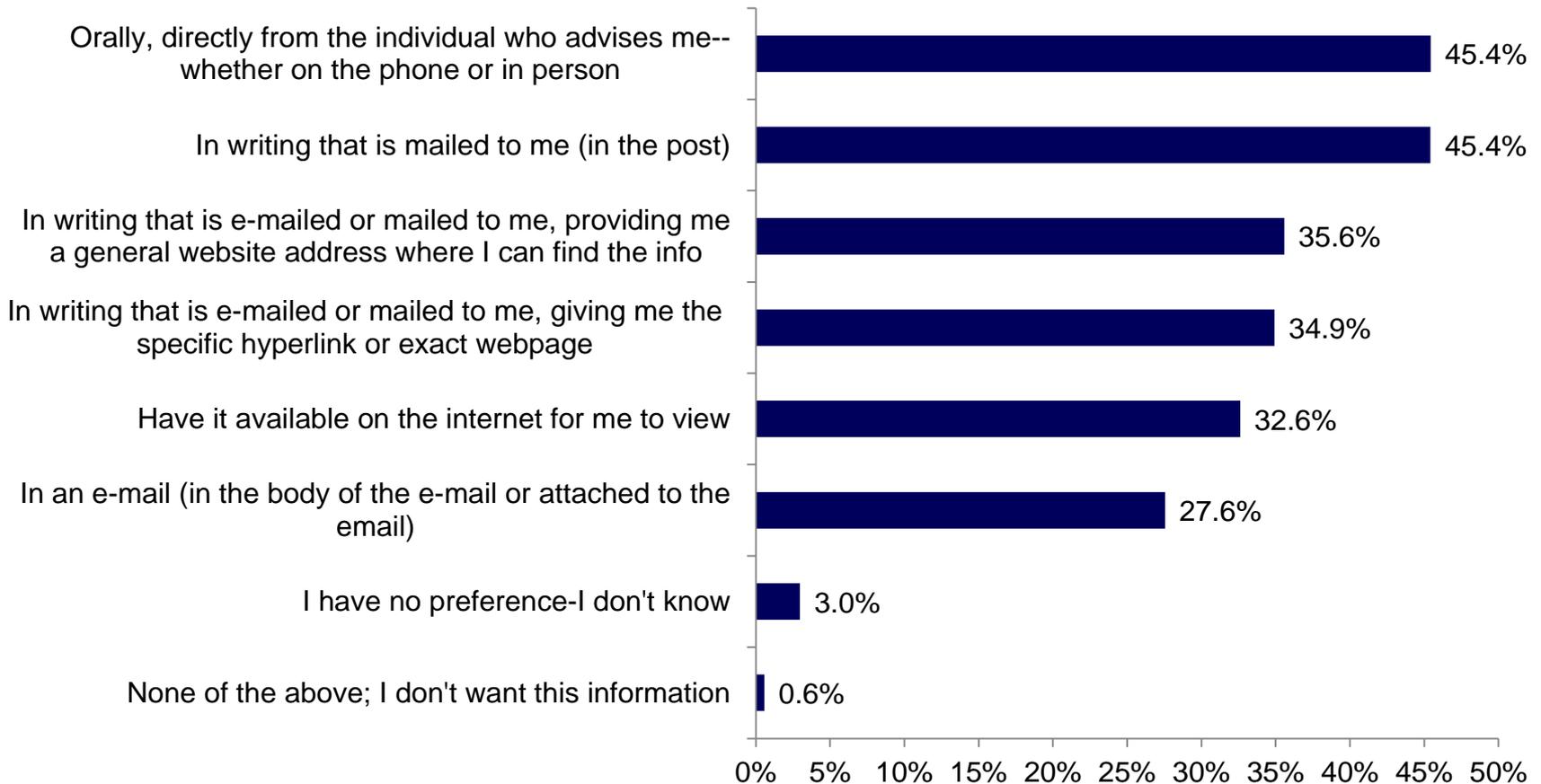


n=1,072

Note: Figures do not add to 100% due to multiple responses

Online survey respondents indicated wanting to receive information about financial services and products in a variety of ways, led by orally from the advisor or in the mail (each with 45.4%)

P13: In which of the following ways would you want to receive information about financial services and products from your financial firm or the person who advises you?

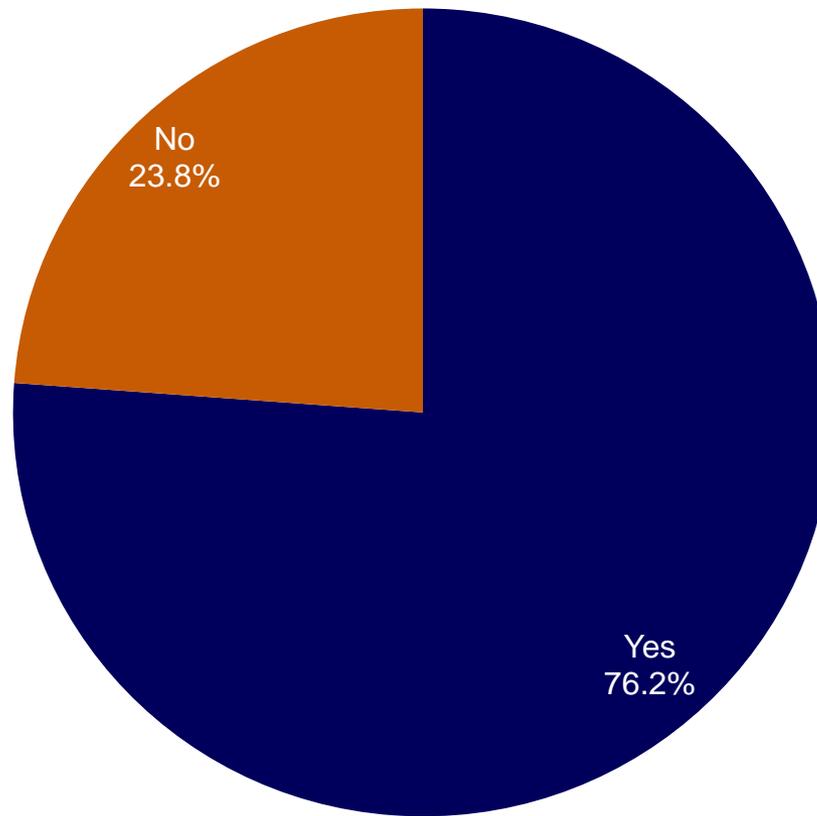


n=1,200

Note: Figures do not add to 100% due to multiple responses

Among online survey respondents who indicated they wanted the information on services and products orally only, just over three in four (76.2%) indicated that they would like some kind of written summary as well

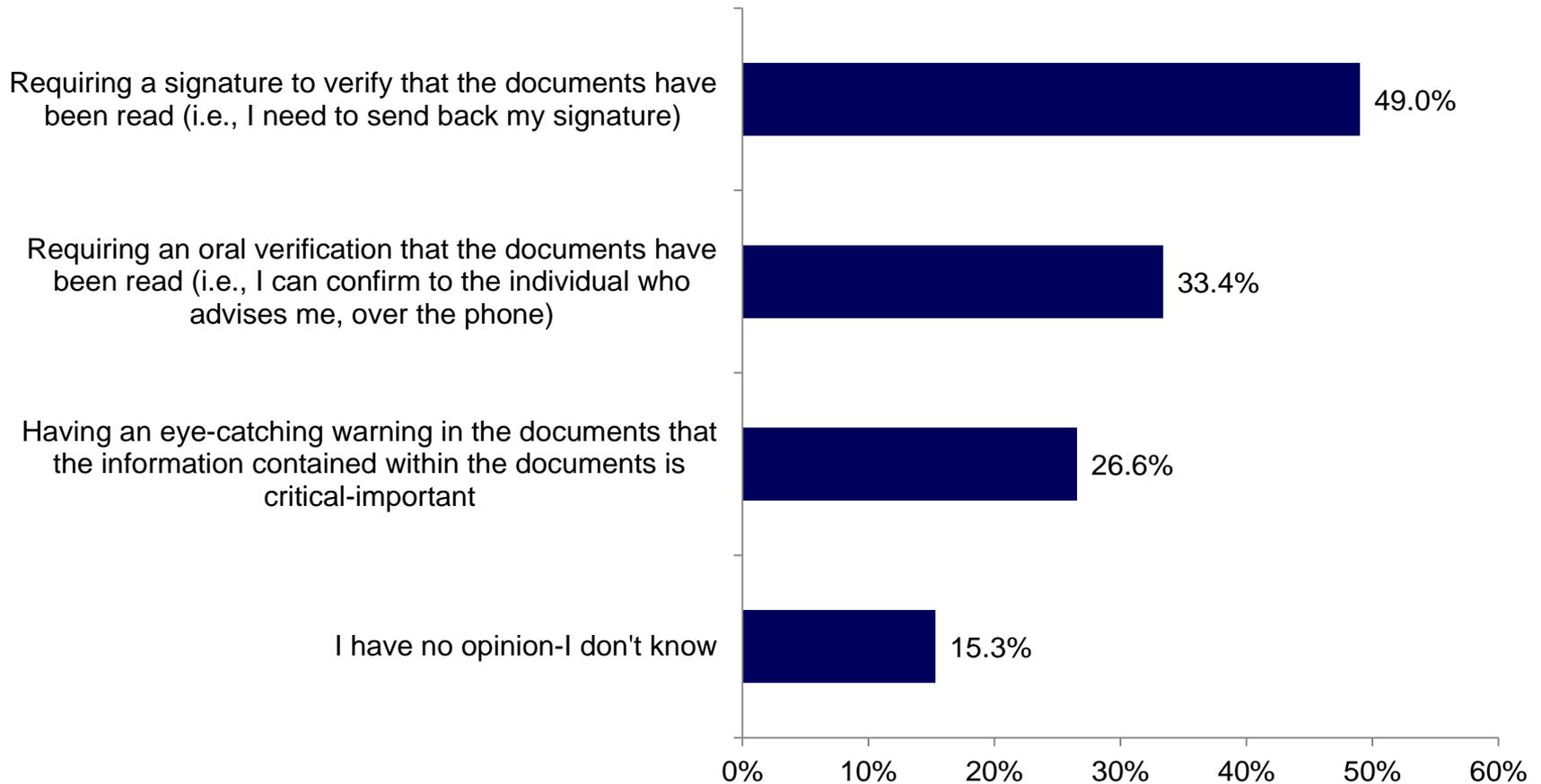
P14: Would you also want some kind of written summary of what you had been told orally?



n=155

Just under half of online survey respondents (49%) indicated that the best way to ensure receipt of information is to require that he or she verify that the information has been read by requiring a signature

P15: Which of the following methods do you think would best ensure that this type of information is received by you?

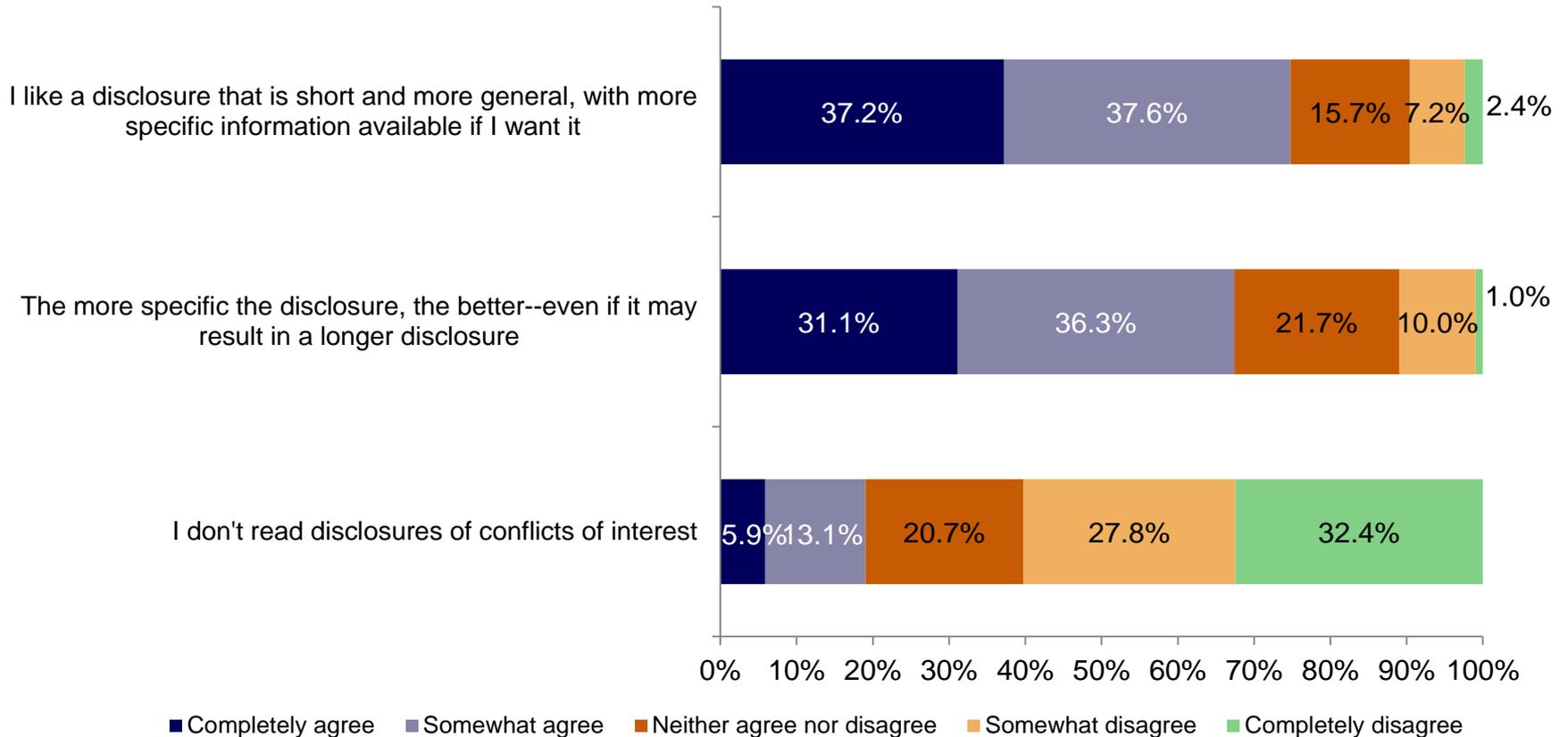


n=1,200

Note: Figures do not add to 100% due to multiple responses

Online survey respondents were divided on how much detail they would want with respect to disclosure of potential conflicts of interest; just under one in five (19%) implied that they may not read such disclosures

P16: Using the scale shown below, please indicate how much you agree or disagree with each of the following statements regarding disclosures of potential conflicts of interest.

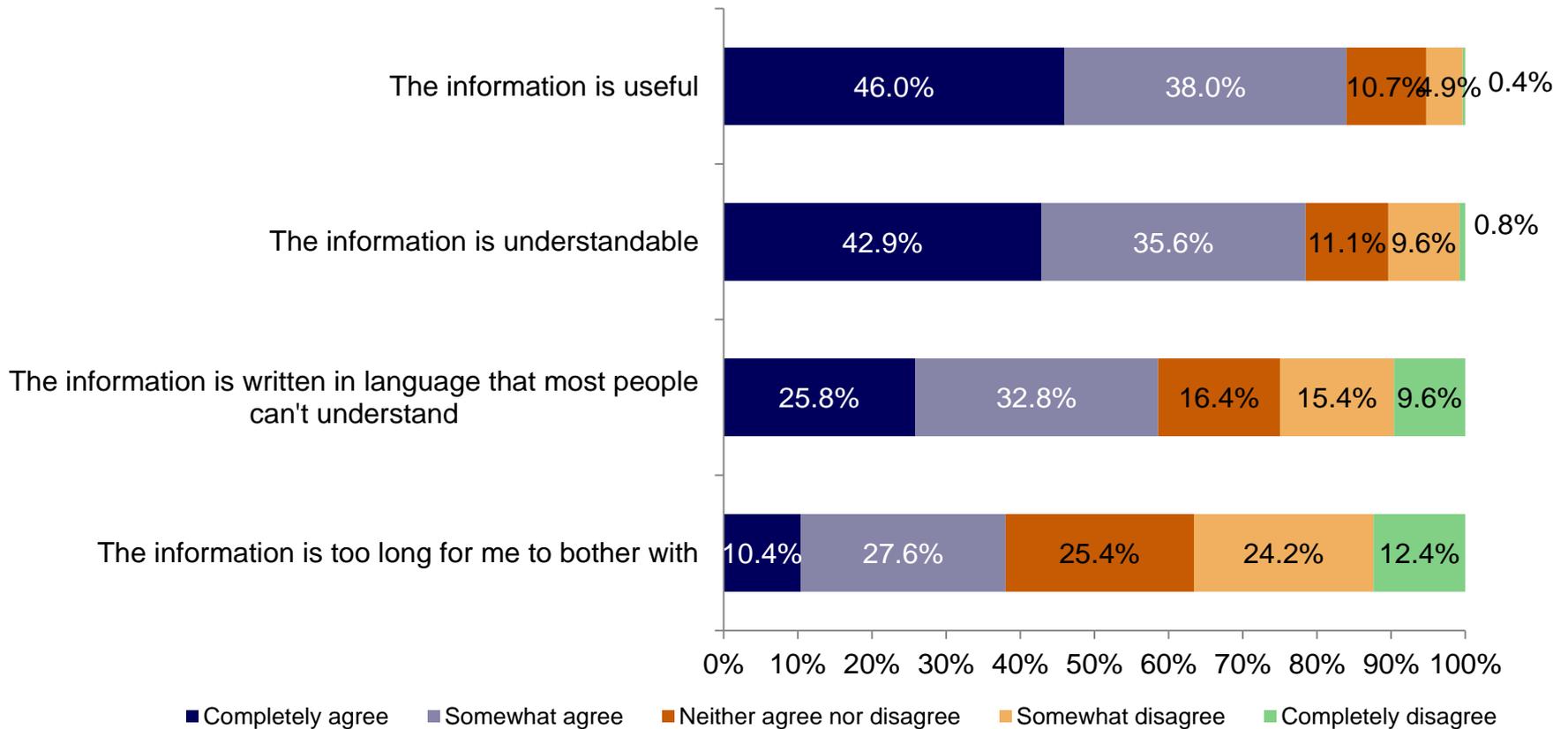


n=1,200

Note: Figures may not add to 100% due to rounding

In general, online survey respondents agreed that the information they receive about their financial accounts is useful and understandable; however, over half (58.6%) agreed that the language used is not understandable by most people and over a third (38.0%) agreed that the information is too long to bother with

P17: Using the scale shown below, please indicate how much you agree or disagree with each of the following statements regarding the information you receive about your financial accounts.



n=1,200

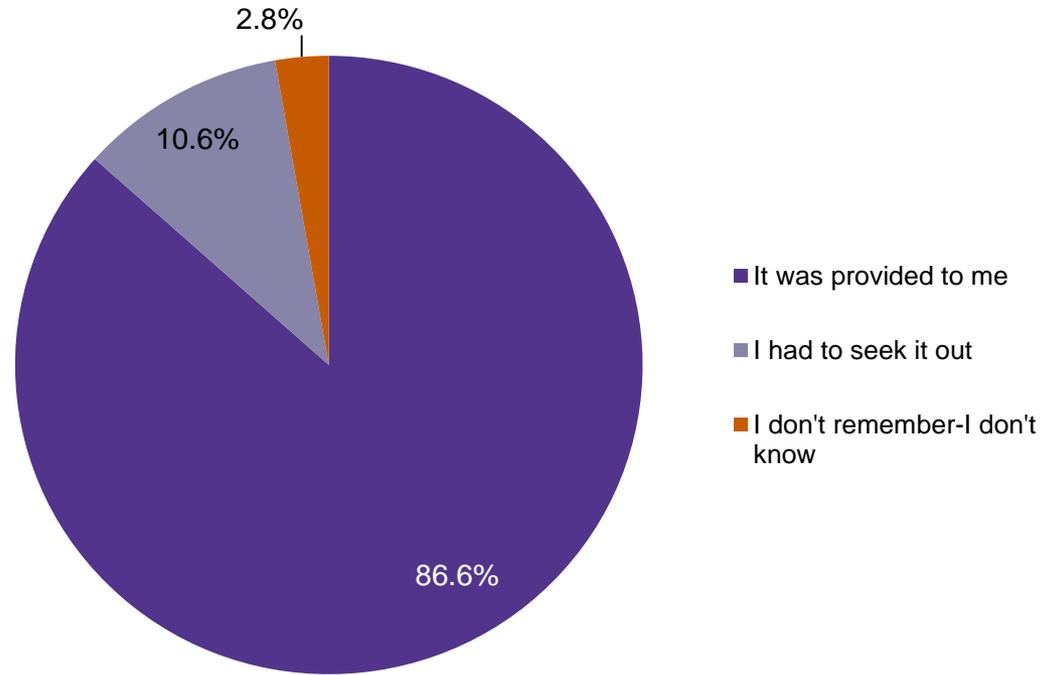
Just over three-quarters of online survey respondents (75.7%) reported having received information on fees and charges, and the vast majority of those respondents (86.6%) indicated that this information was provided without their having to seek it out

P18: Have you ever received any information about the fees or other charges your financial firm or the person advising you charges?



n=1,200

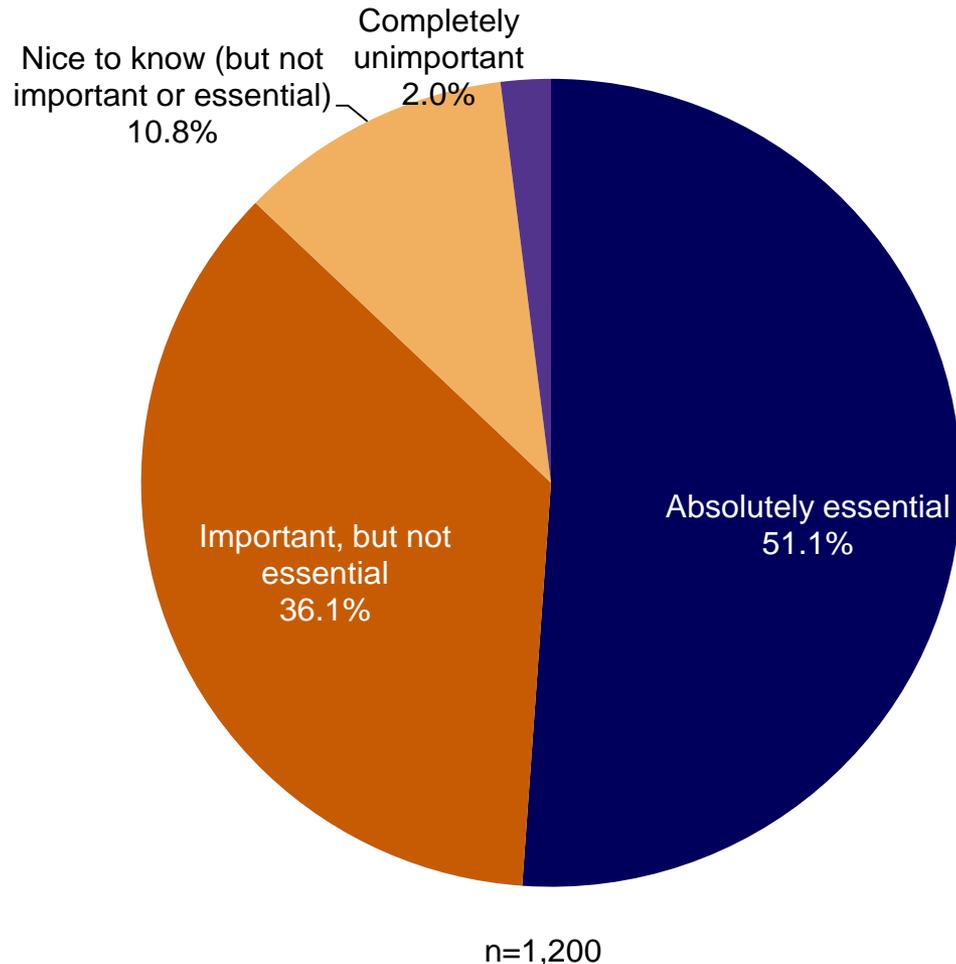
P19: Was this information provided to you, or did you have to seek it out?



n=878

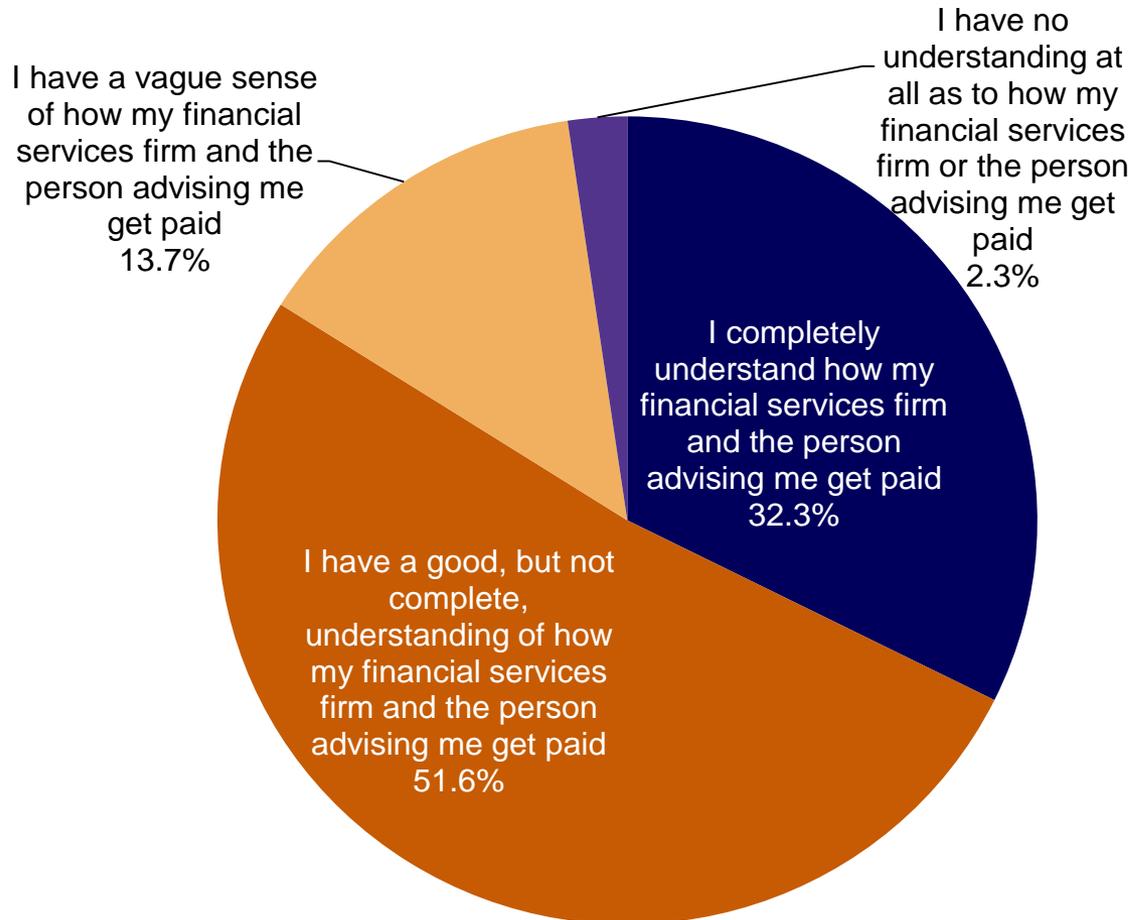
Just over half of online survey respondents (51.1%) said it is “absolutely essential” to know how their financial firm and advisor are being paid in connection with their account; only 12.8% classified this information as “nice to know (but not important or essential)” or “completely unimportant”

P20: How important is it to you to know how your financial services firm and the person advising you gets paid in connection with your account?



While almost a third of online survey respondents (32.3%) reported completely understanding how their financial firm and advisor get paid, over half (51.6%) said that their level of understanding is good, but not complete

P21: Which of the following statements best describes your understanding of how your financial services firm and the person advising you get paid in connection with your account?

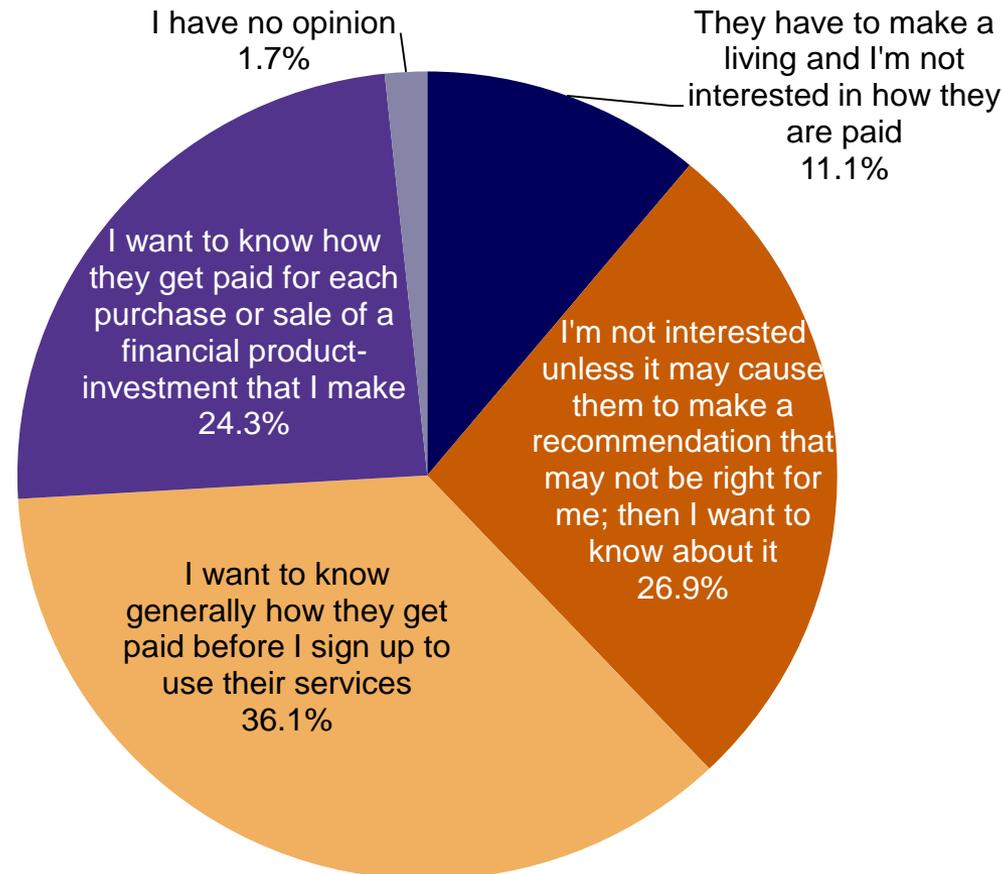


n=1,200

Note: Figures do not add to 100% due to rounding

Online survey respondents were widely mixed with respect to how much they want to know about how their firm and advisor get paid

P22: Which of the following statements best describes your opinion regarding how your financial services firm and the person advising you get paid in connection with your account?

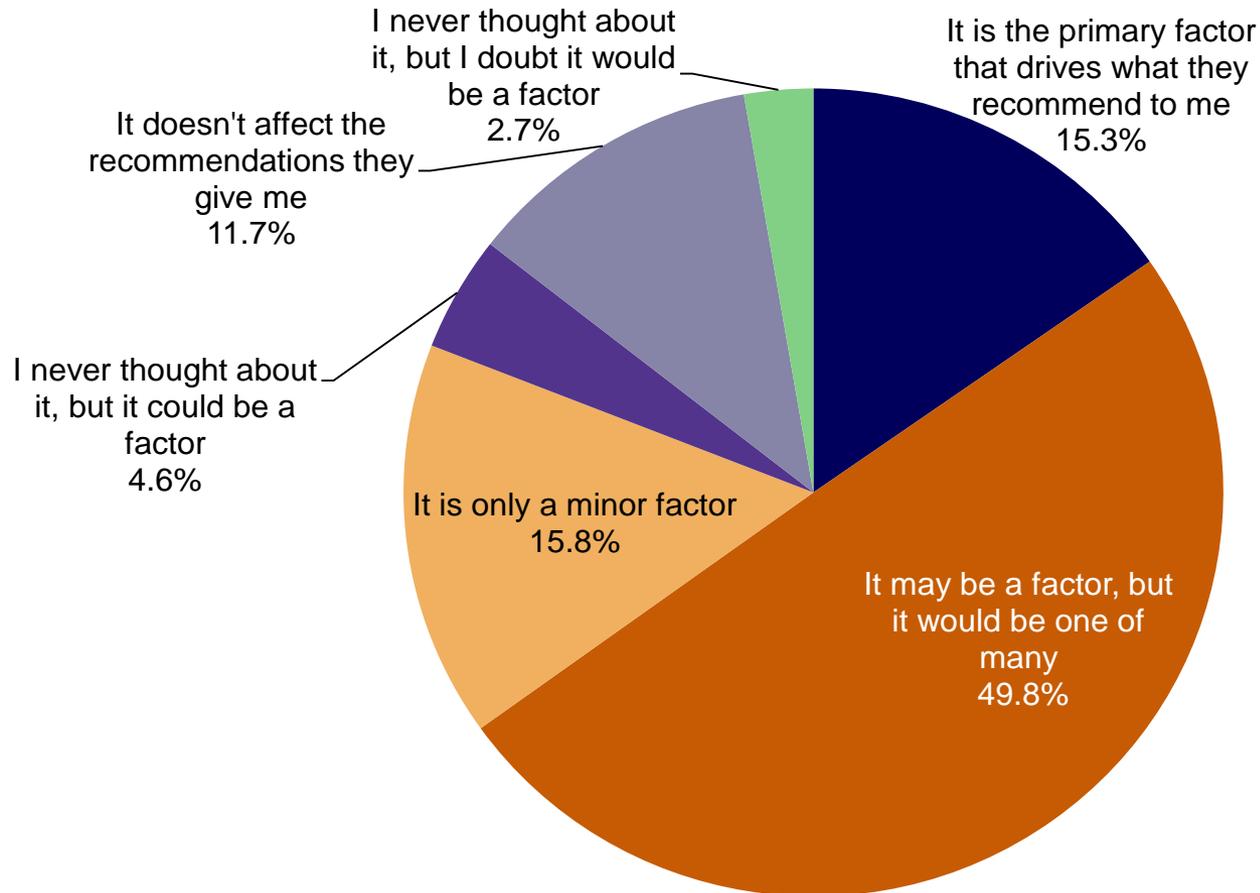


n=1,200

Note: Figures do not add to 100% due to rounding

Just over 15% of online survey respondents reported believing the amount a firm or advisor receives is the primary factor driving what is recommended to them; however, a similar percentage (14.4%) indicated they believe it is not a factor

P23: Which of the following statements best describes how the money earned by your financial services firm and the person advising you affects the recommendations you receive?

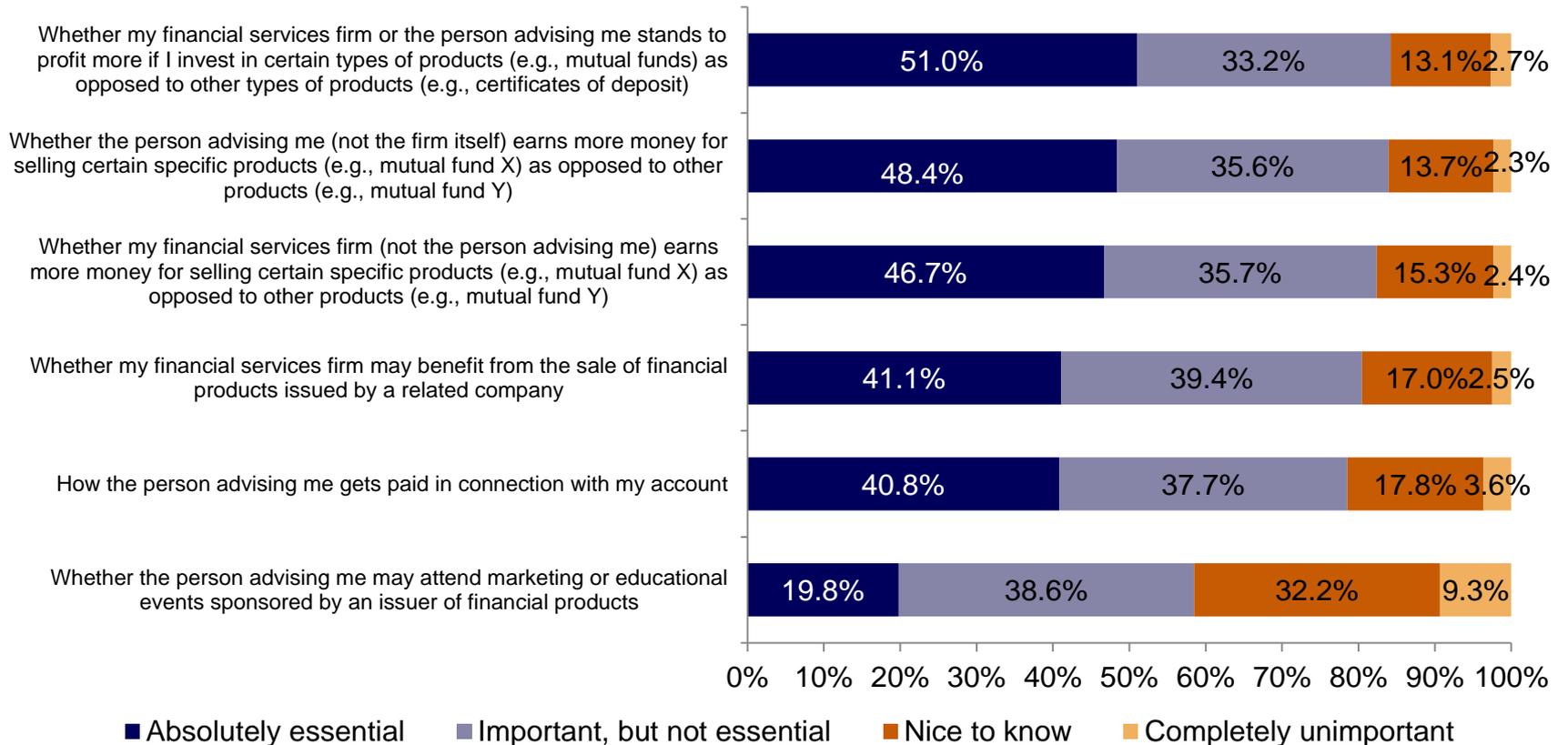


n=1,200

Note: Figures do not add to 100% due to rounding

Between 40.8% and 51.0% of online survey respondents classified most of the elements of potential conflicts of interest as “absolutely essential”; the exception was knowing if their advisor attends events sponsored by issuers of financial products

P24: How important is each of the following pieces of information regarding your financial firm and/or the person advising you?

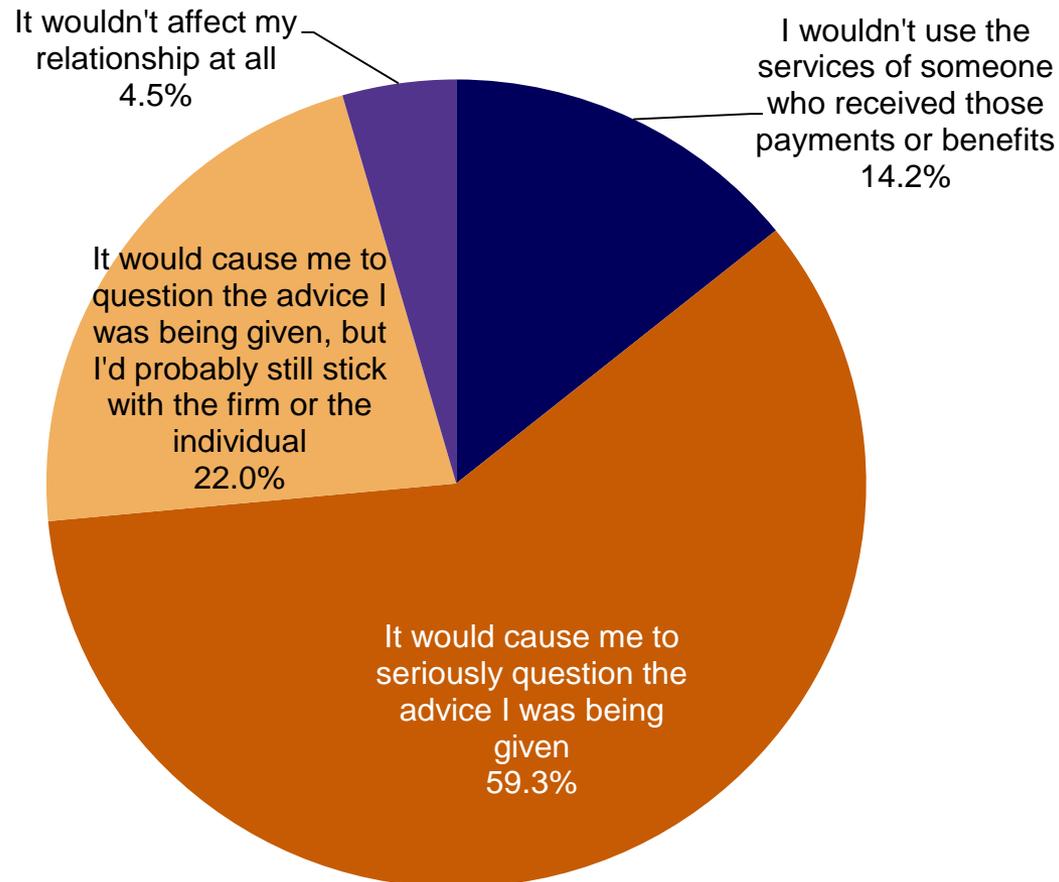


n=1,200

Note: Figures may not add to 100% due to rounding

Almost 60% of online survey respondents said that learning of potential conflicts of interest about their firm or advisor would cause them to seriously question the advice they were being given

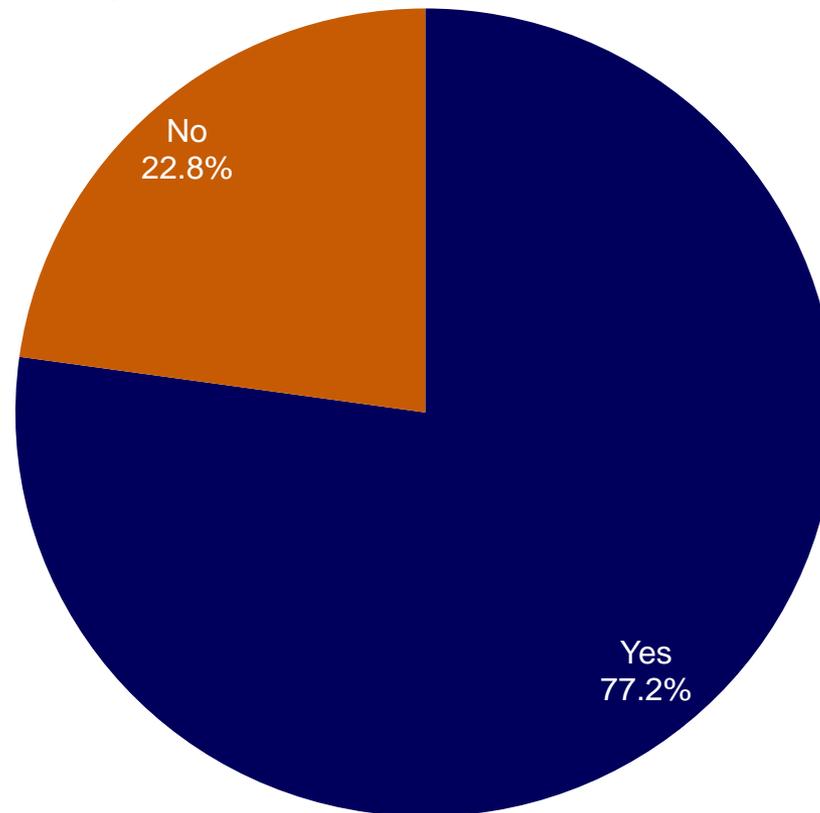
P25: If you became aware of any of these potential conflicts of interest about your firm or the person advising you, how would it affect your relationship with the person advising you? Select the statement that best applies.



n=1,200

Among online survey respondents who stated it is important to know whether the firm or the person advising them stands to profit from certain products, about three in four (77.2%) would want to know exactly how much more money the firm or individuals would make for selling those products

P26: You indicated earlier that you feel it is important to know whether your financial services firm or the person advising you stands to profit more if you invest in certain specific products (e.g., mutual fund X as opposed to mutual fund Y), or certain types of products (e.g., mutual funds, as opposed to certificates of deposit). Would you want to know exactly how much more money your financial firm or the individual advising you would make for selling those products?

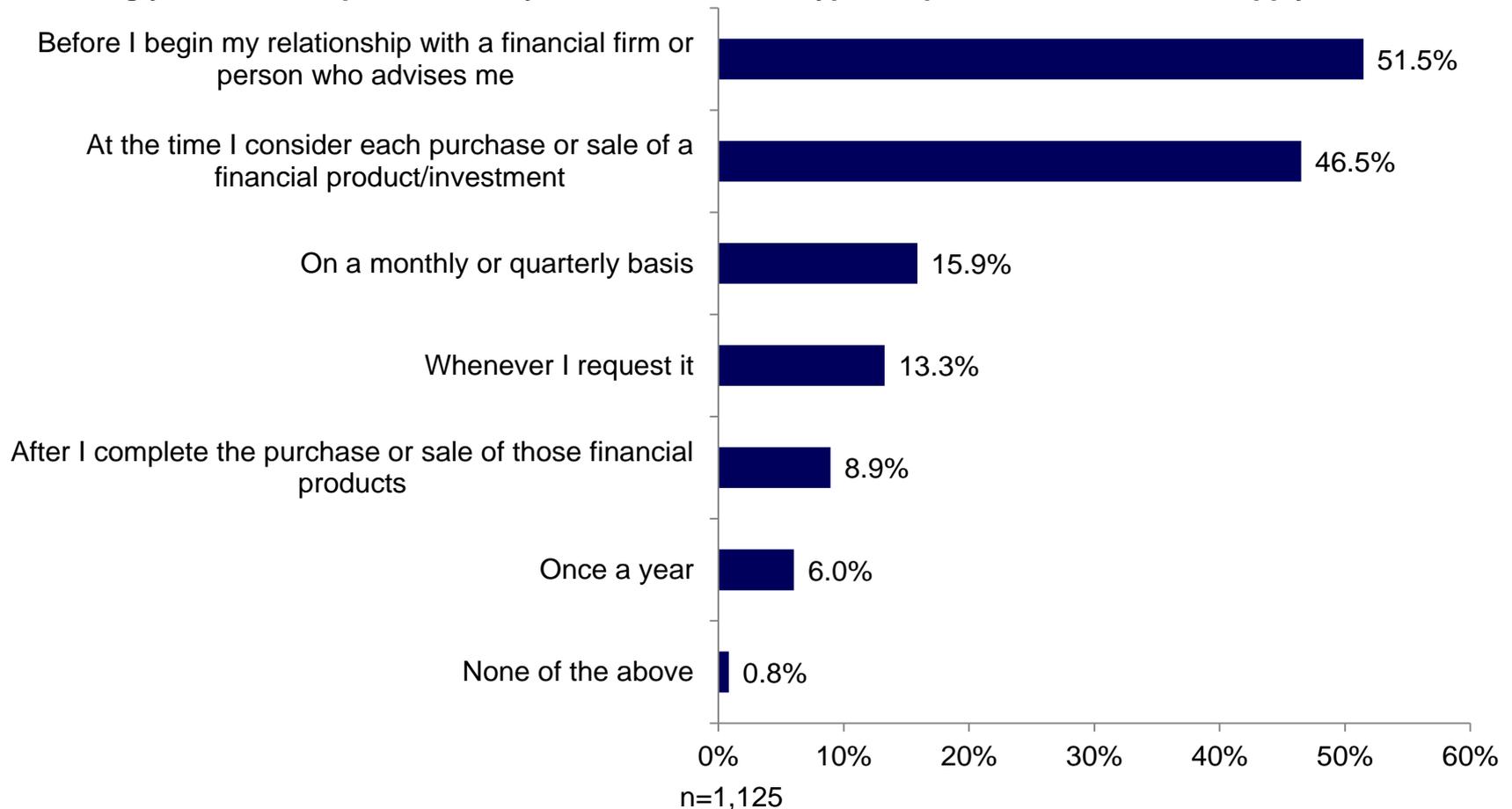


n=1,125

Sample comprised of individuals who in P24 indicated it is “absolutely essential” or “important, but not essential” to know whether their financial services firm or adviser stands to profit more in certain scenarios

Among online survey respondents who stated it is important to know whether the firm or the person advising them stands to profit from certain products, over half (51.5%) would want to know this information before beginning the relationship and 46.5% would want to know at the time each purchase or sale was being considered

P27: When would you want to be informed about whether your financial services firm or the person advising you stands to profit more if you invest in certain types of product. Check all that apply.

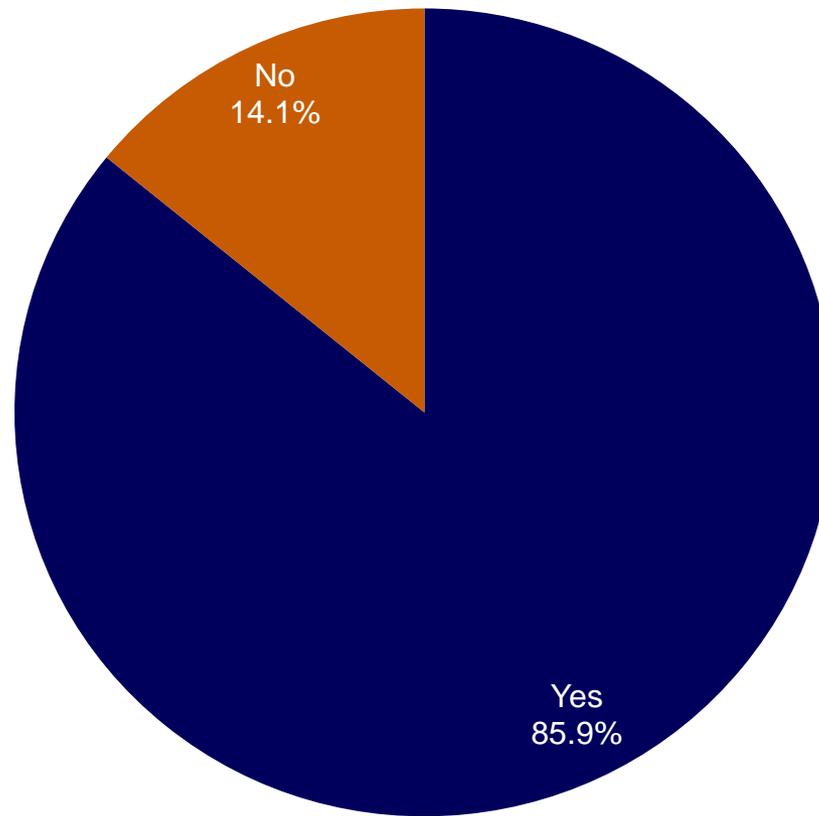


Sample comprised of individuals who in P24 indicated it is “absolutely essential” or “important, but not essential” to know whether their financial services firm or adviser stands to profit more in certain scenarios

Note: Figures do not add to 100% due to multiple responses

The vast majority of online survey respondents (85.9%) stated they believe that earning more for some types of products than others would influence the types of products that the person advising them recommends

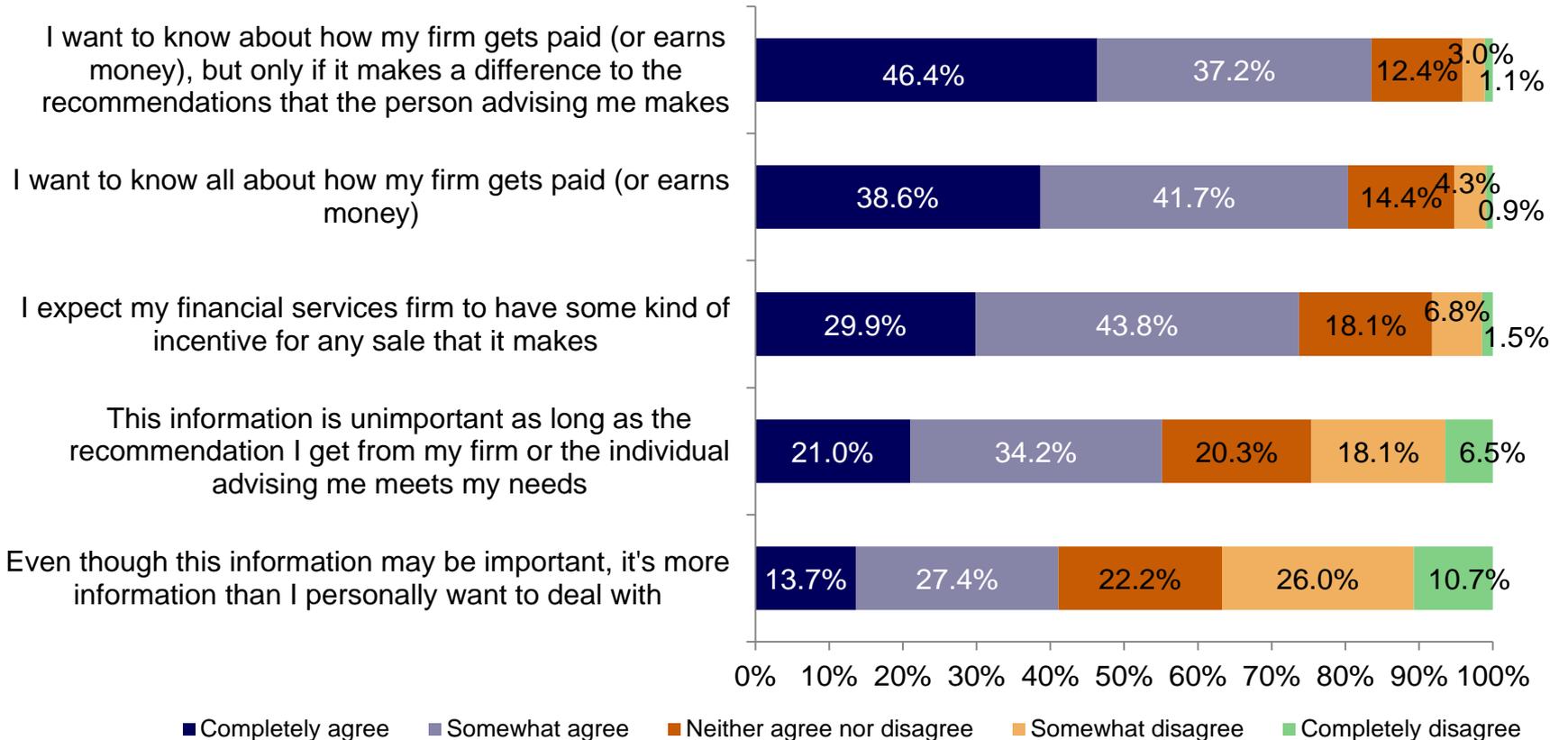
P28: If your financial services firm or the person advising you stands to profit more if you invest in certain types of products (e.g., mutual funds) as opposed to other types of products (e.g., certificates of deposit), do you think it would influence the type of investments they recommend to you?



n=1,200

Online survey respondents were mixed in their opinions regarding selling products issued by a company their financial firm is affiliated with; 46.4% completely agreed that they want to know how much their firm gets only if it makes a difference in recommendations while 38.6% completely agreed that they want to know all the details

P29: If your financial services firm sells products that are issued by a company it is affiliated with (i.e., related to), the firm may benefit (for example, get some of the profit) from those sales in a way that it wouldn't if it sold products issued by other (unaffiliated) companies. Indicate how much you agree with each of the statements below, about how important you find this type of information



n=1,200

Note: Figures may not add to 100% due to rounding

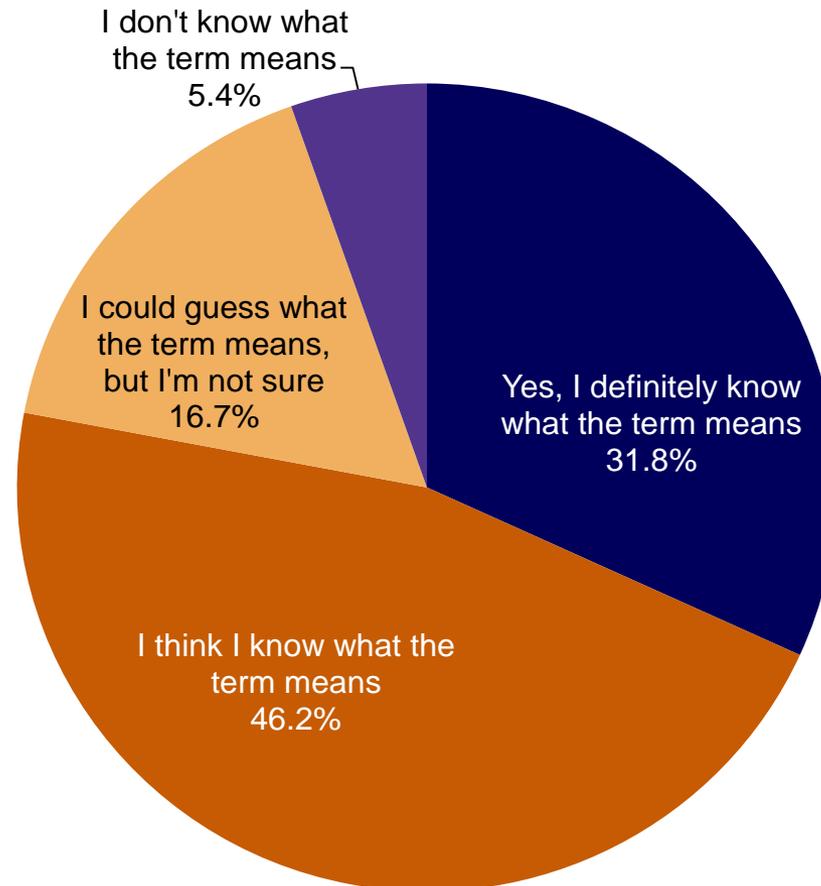
At this point in the online survey, respondents were presented with the intro text and chart shown below

Imagine that your financial services firm provides you a document with the chart below. This chart shows how the firm receives additional payments from the mutual fund companies whose shares it sells. Please review the exhibit carefully and answer the questions that follow.

Fund making the payment to us (“us”/“we” means the financial services firm):	Maximum annual asset fee we can receive, for every \$10,000 of Fund assets we own	Total amount paid to us through this arrangement last year, by each Fund
ABC Fund	\$10.00	\$4 million
XYZ Fund	\$1.39	\$12 million
PDQ Fund	\$8.00	\$23 million

After reading the chart, fewer than a third of online survey respondents (31.8%) reported that they definitely know what the term “annual asset fees” means

P30: In the chart, is the meaning of the term "annual asset fees" clear to you?



Relevant chart component:

Maximum **annual asset fee** we can receive, for every \$10,000 of Fund assets we own

n=1,200

Note: Figures do not add to 100% due to rounding

There was little agreement among online survey respondents regarding which fund offered the financial services company either the greatest or the least incentive to sell; less than 14% correctly indicated that they would need more information in order to answer the question

P31: What funds would the financial services company have the greatest financial incentive to sell?

P32: What funds would the financial services company have the least financial incentive to sell?

Response	Greatest Incentive	Least Incentive
ABC Funds	38.0%	32.6%
XYZ Funds	8.3%	44.7%
PDQ Funds	36.7%	6.5%
I would need more information to answer the question	13.3%	11.8%
I don't know	3.8%	4.4%

Correct response

Chart for reference:

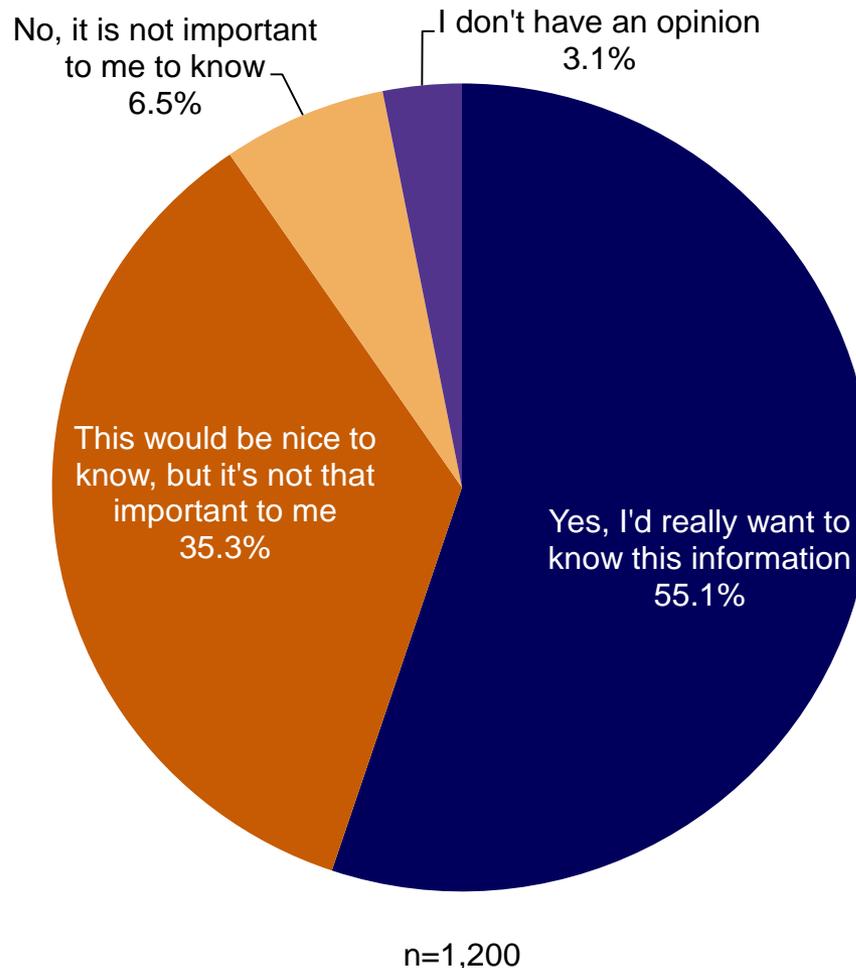
Fund making the payment to us ("us"/"we" means the financial services firm):	Maximum annual asset fee we can receive, for every \$10,000 of Fund assets we own	Total amount paid to us through this arrangement last year, by each Fund
ABC Fund	\$10.00	\$4 million
XYZ Fund	\$1.39	\$12 million
PDQ Fund	\$8.00	\$23 million

n=1,200

Note: Figures may not add to 100% due to rounding

Over half of online survey respondents (55.1%) said they would really want to know if the individual advising them (as opposed to their financial firm) receives some portion of incentive payments; fewer than one in ten said this is unimportant or had no opinion

P33: Would you want to know whether the individual advising you (as opposed to your financial firm) receives some portion of these payments?



Over half of online survey respondents (52.8%) would conclude that the firm may have conflicts of interest even if the individual advisor receives no incentive payments

P34: If you were told that the person advising you does not receive any such payments, what would you think about his or her conflicts of interest or incentives when recommending a product from one of the companies listed in the chart?

