

ance of their funds with Government bonds, investors almost unanimously expected their funds to do better.

Few differences appeared between the attitudes of regular account investors purchasing in March (before the sharp market decline of May) and the group in June. But those buying contractual plans in June were less optimistic than average in comparing the future performance of their funds with the past.

The high expectations of mutual fund shareholders may well result from a number of influences. These might include the generally high and sustained level of prosperity in the postwar period, and a strongly optimistic view of the future. A large role may be assigned to the boom psychology developed in a rising stock market. There is also some indication that for contractual plan buyers the representations of salesmen may have promoted or reinforced sanguine views about the ability of mutual fund managements to outperform the market in the years ahead.

At the time of the survey in October 1962, when the level of stock prices was lower than it was in March, but about the same level as in June, investors were asked whether, if they had the money, they would have been willing to purchase additional shares. A majority of regular account and contractual plan investors clearly favored further investment in the type of mutual fund security they then held.

Among regular account holders, about one-seventh of those who would buy more shares gave lower prices as a reason for additional investment. This group apparently interpreted the downtrend in prices earlier in 1962 as a temporary interruption of a generally upward price movement. Other reasons given generally mirror investors' motives in buying mutual funds originally. The most important reason given by those who would not have purchased additional shares was the fall in market prices. Much lower in importance were a preference for better investments, and pessimistic or negative talk. Inasmuch as some part of these responses also probably reflects the fall in stock prices, market movements could well have accounted for a majority of negative attitudes.

Among contractual plan buyers who would not purchase additional fund shares, stock market developments seemed less important. Less than a tenth of those with negative attitudes specifically mentioned the previous fall in market prices, but another 20 percent reported a generally pessimistic outlook—which may also partly reflect this same fact.

XII. Characteristics of investors redeeming mutual funds

The evidence relating to redemptions reconfirms evidence from the study of mutual fund purchasers—namely, a considerable number of investors apparently acquired mutual funds when they had little or no financial reserves. Among investors who redeemed mutual funds a substantial proportion (about one-third of regular account investors and two-fifths of contractual plan holders) had no savings accounts when they acquired the shares they subsequently liquidated—after holding them for a relatively short time. Furthermore, one-fifth of contractual plan investors and 10 percent of those who bought regular accounts did not own any other financial assets when they entered the mutual funds market.

About 50 percent of contractual planholders had no savings accounts at the time they closed out their plans. One-third of regular account redeemers were in the same position. Moreover, approximately one-third of those who had held contractual plans, but only 8 percent of the regular account investors, reported that they had no financial assets or real property of any kind—except the mutual fund shares they redeemed.

While no quantitative estimates could be made of the sizes of the asset holdings of those redeeming mutual funds, the general vulnerability of their financial positions is evident. The exposed status of investors without financial reserves assumes special significance in the light of their personal characteristics. A substantial proportion of the contractual plan redeemers had incomes below \$5,000, while the incomes of regular account redeemers were concentrated in the lower end of the \$5,000 to \$10,000 bracket. Among contractual plan redeemers there was a high representation of married men, in the 40 to 50 age range, who were heads of families, and who had three or four dependents.

In acquiring the shares redeemed, investors had been seeking numerous objectives, including general saving, provisions for retirement, and the accumulation of an estate. Many of those who redeemed mutual funds were initially

attracted to these assets because they expected to benefit from professional investment management and diversification of assets. However, a substantial number bought shares because of an interest in some variant of capital gains. For example, about one-third of regular account redeemers had acquired shares with the hope of benefiting from a rise in stock prices or sharing in economic growth or with the hope of finding a hedge against inflation. About one-quarter of contractual plan redeemers cited the same reasons for initially purchasing mutual funds.

XIII. Motives for redemption

The dollar values of shares redeemed by regular and contractual plan investors mainly reflect differences in the size of their initial purchases. The average amount of cash received from the termination of regular accounts was between \$1,000 and \$2,000; for contractual planholders the figure was between \$300 and \$500. For both regular and contractual plan investors, a significant percentage of the larger accounts was closed out after the sharp decline in stock market prices in the late spring of 1962. The proceeds from many of these relatively large liquidations were shifted into other types of financial assets, especially by those holding regular accounts.

Investors who redeemed regular accounts had held them longer than those who redeemed contractual plans. The average interval between purchase and redemption was almost 6 years for those in the former group, but it was less than 3 years for those in the latter. The majority of contractual plan investors had ended periodic payments within 6 months prior to the redemption date.

The purpose for which funds were redeemed can be ranked roughly from the most- to least-pressing need to obtain cash. Payment of medical or hospital bills, payment of other types of debts, or household or personal expenditures would appear to be the most urgent purposes. Lower on the scale would be the purchase of a home or investment in a business. These would be followed by shifts into other financial assets—including other mutual funds, corporate and other securities, and savings accounts.

In terms of this ranking, the use by contractual planholders of mutual fund shares as a source of "rainy day" savings is clearly evident. Three-fifths of those redeeming contractual plans reported they used the proceeds for household or personal expenditure purposes, including medical bills, and repayment of other debts. In contrast these uses of proceeds from redemptions were listed by only one-quarter of regular account holders.

Almost 40 percent of regular account redeemers shifted from mutual funds into other assets. About 10 percent liquidated shares of one mutual fund and acquired shares in another mutual fund. About 16 percent used the money to purchase other corporate stocks and 5 percent to purchase other types of securities. On the other hand, switches from one mutual fund to another or into other corporate securities were negligible for those redeeming contractual plans. Finally, almost 10 percent of investors redeemed mutual funds and left the proceeds in savings accounts.

A fairly large proportion of the asset switches described above were induced by the sharp decline in stock market prices in May 1962. The effects of the break in prices are especially evident among those who liquidated regular accounts.

Overall, at the time shares were sold, about a third of former holders expected prices to change significantly within a year. Moreover, of this group with established expectations, the overwhelming majority expected prices to fall. Expectations of changes apparently influenced redemption decisions of about 20 percent of former holders of contractual plans and about one-third of regular account holders (virtually all who reported expectations of price changes).

XIV. Investor experience with mutual funds

More than half of the investors who liquidated contractual plans reported losses on their investments. This was as true in March, when stock prices were only slightly below their historic high in December 1961, as in June. The majority of regular account liquidators reported gains rather than losses. However, the margin of those gaining to those losing diminished from March to June. The preponderance of those who liquidated at a profit reflects the longer average interval between purchase and redemption of regular account portfolios, the general rise in stock prices, and the lower effective ratio of sales charges to amounts invested.

Among contractual plan redeemers, a dominant majority reported they had not accomplished their general investment objectives. A slight majority of

those who closed out regular accounts thought they had. However, when one includes consideration of the benefits expected from the mutual fund instrument, a majority of those who sold shares thought their funds had provided some of the saving objectives or investment benefits indicated. In explaining how benefits were provided, those who liquidated contractual plans placed major emphasis on the encouragement of discipline in saving; regular account liquidators stressed the increase in market values, followed by comments on good management and the benefits of diversification.

Among those who did not believe they obtained benefits from their mutual fund investment, regular account holders emphasized elements of performance: that better performance could be obtained by direct investment in the stock market, that stock prices had fallen, and that fund shares had not performed as expected. But those who terminated contractual plans emphasized a theme related to sales charges: they had not held their shares long enough, and the sales load was high. Price performance received minor attention.

About a third of those who redeemed contractual plans and about a fifth of those who liquidated regular accounts suggested they had acquired information after the purchase which would have had significance for their decision. Again the themes were different. Topics mentioned by regular account holders included: publications indicating better performance of other funds, and "high management costs." On the other hand, former contractual planholders largely stressed topics relating to sales charges: they reported learning of front-end loads after the sale, misrepresentation of sales charges by the sales representative, and learning of methods of acquiring mutual funds without a front-end load.

The lack of awareness by contractual plan buyers of the nature and implications of the structure of sales charges was pointed up in another fashion. Over 90 percent of contractual respondents reported that their plans were not complete. About half of these investors were aware at the time of redemption that the effective sales charges they had paid were greater percentages of their investments than if the plans had been completed. Almost an equal number indicated either that the charges were not greater, or that they didn't know. Of those who did recognize the effects of front-end loads on effective sales charges at redemption, over a fourth reported that they did not anticipate this effect at the time of purchase in the event their plan was not completed.

XV. Highlights and implications

A number of conclusions are drawn in various parts of the preceding summary. In this section we call attention to some of the more important of these findings and to their overall significance. First, we deal with mutual funds in general. Second, we assemble a number of findings relating specifically to contractual plans.

1. In general, the mutual funds industry seems to be meeting a demand for an equity instrument suitable for the investment of small and medium savings flows. This is borne out in part by the fact that a substantial proportion of buyers of mutual fund shares reported that they initiated the transaction themselves.

A substantial number of regular account investors (and a much smaller proportion of those who bought contractual plans) seem to hold asset portfolios into which fund shares could be introduced as part of a balanced investment program. While no information was obtained relating to the size and distribution of particular types of financial assets or liabilities, it appears that mutual funds provided diversification for many purchasers.

2. Another highlight of the survey was the high expectations of purchasers with respect to the prospective investment performance of their funds. Even after an unprecedented stock market boom, a substantial majority expected their funds in the next decade to improve on their performance in the previous decade. Moreover, investors were almost unanimous in their expectation that their funds would do as well as or better than the stock market generally in the 10 years ahead. While part of this optimism can be attributed to general prosperity and the pervasive boom psychology of recent years, some of it may also be traceable to exaggerated emphasis on capital appreciation by fund salesmen.

3. Some mutual fund buyers, particularly those purchasing funds without sales charges, appeared to be well informed. Nevertheless, the generally low level of knowledge displayed by most mutual fund investors regarding their funds is one of the significant findings of the survey. Again it must be emphasized that comparable data are unavailable for investors in other types of

assets. On the average, slightly over an hour was devoted to reading the prospectus, and often little of its contents was retained. Knowledge of sales charges and sources of funds' earnings was frequently inadequate, and knowledge of the expenses for fund operations was negligible. It might be observed that although the typical prospectus provides much of the relevant information necessary to appraise fund operations, its complexity, legal tone, and lack of explanations and clarifications limit its effectiveness for the average investor. In addition it should be noted that the prospectus gives no comparative data relating to fund performance. Thus, there may be a considerable gap between a document which satisfies the requirements of legal disclosure and one which promotes effective understanding.

4. It seems evident that many purchasers of mutual funds are unsophisticated. How they would compare with purchasers of other types of assets in terms of their comprehension of the salient features of their respective instruments could not be determined because of the lack of comparable information for other groups. But as far as mutual fund investors themselves are concerned, the evidence suggesting limited ability of most such investors to deal with relevant investment issues is quite clear.

A substantial number of these investors, in one form or another, were dependent on others in the conduct of their financial affairs. For many investment was a new experience. Some of these new investors, perhaps swayed by the glamour and excitement of market participation, failed to undertake a careful financial analysis. A considerable proportion of mutual fund investors are drawn from unskilled occupations, persons with limited education, low income groups, the retired or elderly women—many of whom are widows. A high proportion of mutual fund investors buy their shares from salesmen who are also close friends or relatives. This suggests that the detachment and circumspection required of an alert buyer frequently may be missing. These and other equally marked indications of a lack of expertness in financial matters may suggest that additional safeguards may be required for the protection of investors in mutual funds.

At a number of points in the present study evidence has appeared relating particularly to purchasers of contractual plans or comparing these purchasers with other mutual fund investors. Among the more important of these findings are the following:

1. The proportion of investors purchasing periodic contractual plans increases with lower income and less skilled occupational status. Thus the higher effective sales charge relating to this security for those for whom liquidation occurs in the early years appears to bear most heavily on those investors who can least afford it.

2. In addition to the occupational and income characteristics noted above, contractual plan investors appear less informed financially than mutual fund investors in general. For the overwhelming majority the purchase of mutual funds marks their entry into common stock ownership. This implies that the need for informed and responsible investment advice noted above has particular application to this group.

3. While the mutual fund investor in general had high expectations about the performance of his fund in comparison with the past and with the market as a whole, the expectations of the contractual plan buyer were even higher. This contrast may reflect in part the somewhat lower level of financial knowledge of contractual plan investors and in part a higher level of sales pressure.

4. The fact that sales charges normally absorb half of the contractual plan investor's monthly payments of the first year provides an incentive to the salesman which may lead to acquisitions of plans by investors for whom they are basically unsuited. While it cannot be said that the salesman has no pecuniary interest in plans being firmly placed and maintained to maturity, the structure of the sales load makes advantageous the selling of plans even if they are not continued beyond the first year. This tendency is undoubtedly offset by a sense of responsibility to prospective purchasers, but this is not always the case.

5. The combination of high investor expectations, low levels of financial knowledge, and special sales incentives, tended to encourage purchases by many contractual plan investors for whom their appropriateness may be open to question. Two groups in particular may be noted. For a substantial proportion of the purchasers with incomes under \$5,000, the ratio of monthly payments to income appeared high enough to suggest difficulties in carrying such long-term plans to completion. In addition, the study revealed a significant minority of

contractual plan buyers who entered into plans without any other financial assets. The characteristics of this group—age, marital status, number of dependents, and amount of life insurance—all suggest special risks in relying on contractual plan instruments essentially as contingency reserves. The experience of those who redeemed plans early in 1962 emphasizes this risk. About half originated their plans 3 years or less before redemption, and about 60 percent of all those redeeming contractual plans reported losses. The proceeds from redemption were used predominantly for urgent personal and household purposes. Moreover, about half of those who liquidated shares had no other liquid reserves.

6. Despite the importance of the structure of contractual plan sales charges, the study of investor knowledge revealed that while most contractual plan buyers said that salesmen had explained to them the nature of the front-end load, a substantial proportion of them had little knowledge of its significance. Some of those who redeemed shares reinforced this view by indicating that they had learned of the sales charge structure after their purchase. Others were not yet aware of its implications. Thus, the lack of knowledge of the essential characteristics of their plans, their optimistic expectations, and the incentives provided salesmen—all place this group in a particular vulnerable position.

7. There was a suggestion also that contractual plan buyers were not aware of other alternatives within the mutual fund industry which were within their reach and which might have provided benefits at less cost and with less risk of loss in the event of liquidation. These would include various voluntary accumulation plans which they could have bought at sales charges not in excess of those charged buyers on regular account.

APPENDIX XI-A-I

SELECTION OF SAMPLES

1. INTRODUCTION

The survey of mutual fund investors involved six separate samples. They included four samples of purchasers of mutual funds distinguished by type of account and method of interview, and two samples of those redeeming funds, classified by type of account. The six samples included:

1. Purchasers of regular accounts, by personal interview.
2. Purchasers of contractual plans, by personal interview.
3. Purchasers of regular accounts, by mail interview.
4. Purchasers of contractual plans, by mail interview.
5. Regular account investors who redeemed shares, by mail interview.
6. Contractual plan investors who redeemed shares, by mail interview.

Each sample was stratified by particular fund or plan sponsor, by time period of purchase or redemption, and by geographic areas.

Four separate, but related questionnaires were developed for the first four groups above, and a common redemption questionnaire was designed for the last two.

2. SELECTION OF FUNDS

The original plan of the survey envisioned the selection of names of investors from 25 funds, as follows:

1. Funds representative of the 10 largest mutual fund management groups or companies. Where the group or company comprised more than one fund, the largest fund in the organization was selected. It should be noted that this procedure did not lead to the selection of the 10 largest funds or companies, for in some cases a single management group controlled more than 1 company in the largest 10 companies. In such cases, these companies, whose shares were distributed normally by a single principal underwriter, were treated in the survey as a single organization represented by its largest fund.
2. Five large funds with selected characteristics. These included two large specialty funds—that is, funds specializing in the securities of a particular industry—and three large “no-load” funds.
3. Five balanced funds selected at random.
4. Five common stock funds selected at random.

Investor names were requested, however, as described below, from 10 funds in each of classes (3) and (4). Because the funds selected at random were mostly small, it was necessary to expand the number included in the survey in

order to provide an adequate number of names for the field interviews. The final structure included 28 funds, as follows:

- 10 funds representing the largest management groups.
- 5 funds with selected characteristics.
- 7 balanced funds selected at random.
- 6 common stock funds selected at random.

Portfolio policies and investment objectives of funds in these groups are indicated in table AI-1, below.²⁰

APPENDIX XI-A: TABLE AI-1.—*Investment companies represented in regular account samples, classified by methods of selection and investment policies*

[Number of funds]

Portfolio policy and investment objective	Method of selection			Total
	Funds of 10 largest groups	Funds with selected characteristics	Random	
Balanced:				
Income.....			1	1
Mixed.....	2	1	6	9
Common stock:				
Income.....	2		2	4
Growth.....	3	1	2	6
Mixed.....	2	1	2	5
Specialty:				
Growth.....		2		2
Mixed.....	1			1
Total.....	10	5	13	28

3. SELECTION OF PLAN SPONSORS

Plan sponsors were selected from a list of 37 member and nonmember sponsors compiled by the Association of Mutual Fund Plan Sponsors and representing the positions of these organizations as of the end of 1960. On the basis of aggregate amounts paid in under outstanding contracts, the top 10 sponsors were selected, supplemented by an additional 10 selected at random. In the course of sample selection, six of the sponsors selected at random were dropped for a variety of reasons. Sponsors eliminated included those still in registration, some with few or no sales, and one whose underlying security was not a mutual fund of the management type. Of the remaining 14 sponsors, 10 were members of the AMFPS. The amounts paid into the included group as of the end of 1960 constituted about three-fourths of amounts paid into all sponsors in the industry.

In table AI-2 the funds administered and sold by the 14 sponsors are classified by portfolio policy and investment objective. It should be noted that because a number of sponsors administer contractual plans relating to more than one mutual fund, the number of funds included is 21.

APPENDIX XI-A: TABLE AI-2.—*Investment companies represented in contractual plan samples classified by investment policies*

Portfolio policy and investment objective:	Number of funds
Balanced: Mixed.....	5
Common stock:	
Income.....	1
Growth.....	10
Mixed.....	3
Specialty: Growth.....	2
Total.....	21

²⁰ Funds were classified essentially in accordance with criteria developed in the earlier Wharton study. In that study, fund classifications were based on investment company replies to a questionnaire, supplemented by an inspection of investment portfolios and fund prospectuses. See "A Study of Mutual Funds," prepared for the Securities and Exchange Commission by the Wharton School of Finance and Commerce, report of the Committee on Interstate and Foreign Commerce, U.S. Government Printing Office, Washington, 1962, p. 76.

4. LISTS OF THOSE PURCHASING AND REDEEMING SHARES

At the end of June 1962 each fund and plan sponsor was requested to supply names of those purchasing and redeeming shares during two separate periods: those beginning March 19, 1962, and June 11, 1962. The first date was chosen to provide a list representative of those purchasing before the market declines of April and May; the latter was the latest practicable date at the time of the request. Each organization was asked to provide the names and other data relating to all of a defined group of purchasers on each of the 2 days. If the number on any day was less than 100, the period was extended to include all similar purchasers on successive days until 100 or more was reached. A similar procedure was established for redemptions, except that the quota for names of those redeeming shares in each period was set at 50.

Lists from each investment company included all purchasers of shares, except dealers and sponsors of contractual plans, whose names were entered into the accounts of the registrar or transfer agent of the fund for the first time on the established days. Included were those making outright purchases as well as those initiating voluntary accumulation or other plans. For each of the new accounts the following information was requested:

1. The name and address of the shareholder.
2. The date of entry of his account with the company.
3. The dollar amount of his investment on this date (at net asset value).
4. The form of investment or investment plan.
5. The retail selling agency, if any, through which the shares were purchased.

In addition, each investment company provides lists of all owners of shares to whom redemption checks were issued on the established dates. The lists included total and partial redemptions, but excluded those receiving payment in accordance with regular or systematic withdrawal plans. For each shareholder receiving payment, the information requested included:

1. The name and address of the shareholder.
2. The date of payment.
3. The dollar amount of payment.

Each plan sponsor provided lists of all purchasers of all contractual plans administered by the organization whose names were entered for the first time into the accounts of the transfer agent, registrar, or custodian of the plan on the selected dates or subsequent periods. For each of the new accounts the following information was requested:

1. The name and address of the planholder.
2. The date of entry into the plan.
3. The name or title of the plan.
4. The gross payments by the investor on this date, the amount of sales and other charges, and the net asset values acquired.
5. The total dollar amount of the plan, the length of the plan, and the payment interval.

The redemption lists supplied by plan sponsors include all planholders of all accounts administered by the firm who received total or partial redemption payments on the specified dates. For each redemption the following information was requested:

1. The name and address of the account holder receiving payment.
2. The name or title of the plan under which the account was held before redemption.
3. The dollar amount of the redemption payment.
4. An indication of whether the redemption was total or partial.
5. The date on which the account was opened.

5. THE PERSONAL INTERVIEW SAMPLES

The universe to be sampled in personal interviews consisted of all individuals from the selected mutual funds and plan sponsors who were living in 168 metropolitan areas, and who opened accounts for the first time during the established periods in March and June 1962. Thirty-two of these areas were selected as a sample, including the largest 14, and a random sample of 18 of those remaining.

Personal interview samples were drawn from shareholders living in the selected 32 areas as derived from the lists provided by investment companies and plan sponsors. Samples of 270 regular account purchasers and 180 contractual plan purchasers were drawn.

The allocations of 40 percent of field interviews (and mail interviews as well, as noted below) to contractual plan purchasers overstates their importance in relation to total sales of the industry. In the second quarter of 1962 the dollar value of shares sales to new and continuing periodic contractual plan purchasers constituted about one-seventh of dollar investments of those purchasing mutual fund shares on regular account; the number of new plans started was somewhat over one-fifth of noncontractual accounts opened. The larger weight given to contractual plans was necessary to permit the degree of subclassification desired in the analysis.

In each case the samples were stratified by time (March or June), by organization, and by region. Each investment company was given a weight of 4 percent in the regular account sample, except that with the expansion of the number of balanced funds selected at random to seven in order to provide enough names, as noted above, the combined weight of the seven was set at 20 percent. Similarly, the combined weight of the six common stock funds selected at random was also fixed at 20 percent. Each contractual plan sponsor was given equal weight in the contractual plan sample. In both samples, March and June purchasers were given equal weight. Regional allocation of purchasers were made to reflect the geographic distribution of purchasers of each organization. Other names were used as alternates to be substituted when interviews could not be obtained with original selections. Alternates were established prior to sampling so as to maintain as far as possible the structure of interviews assigned to each sampling point, classified by type of account, kind of mutual fund, and time of investment. A total of three personal calls were made when necessary to complete the interviews.

The field interviews were conducted by National Analysts, Inc., a national market research organization. Pre-tests of 20 investors in the Philadelphia area were conducted in August 1962; the survey itself was completed during the 3 weeks ending October 20, 1962. A summary of the field work is given in table AI-3. Nine of the regular account personal interviews were unusable because of various errors and omissions.

APPENDIX XI-A: TABLE AI-3.—*Summary of the field work by type of investor*

	Type of investor		Total
	Regular account	Contractual plan	
Number of attempted contacts.....	497	329	826
Number of no-contacts.....	69	57	126
Deceased.....	2	0	2
Unable to locate ¹	45	34	79
3 calls made ²	22	23	45
Number of contacts completed.....	428	272	700
Result of contacts:			
Number of ineligible persons.....	8	1	9
Stock not owned.....	5	1	6
Stock controlled by bank.....	3	0	3
Number of eligible persons.....	420	271	691
Person not available ³	63	49	112
Number of available persons.....	357	222	579
Number of refusals ⁴	87	42	129
Number of completed interviews.....	270	180	450

¹ This category includes: person named is no longer at address, incorrect address, incorrect name, no information given as to location of person.

² A limit of 3 calls on each possible respondent was imposed.

³ This category includes: possible respondent is away on business or on vacation during interviewing period, illness, death in family, language or other communications difficulty.

⁴ Refusals include those persons who reported to be "too busy" for interview.

6. SELECTION OF THE MAIL SAMPLES

Samples of 500 new investors to be interviewed by mail were also selected from the lists supplied by investment companies and plan sponsors. Allocation by type of account was the same as for personal interviews, with 300 (or 60 percent) to purchasers on regular account and 200 (or 40 percent) to purchasers of contractual plans. Again, the samples were stratified by particular fund or plan sponsor, by time period, and by geographic area.

Samples of 500 investors to be interviewed by mail were selected from the lists of those who had redeemed mutual fund shares. Stratification by type of account, particular fund or plan sponsor, time period, and geographic area was the same as for the mail purchase samples.

Mail questionnaires were distributed during the last week of October 1962. One followup letter was distributed during the third week of November 1962.

Percentages of usable returns from mail questionnaires are indicated in table AI-4 below. It should be noted that these percentages of usable returns understate somewhat the effective response rates. A small percentage of mail questionnaires were returned as undelivered. In addition, about 4 percent of those mailed in each group were answered, but were unusable; partly because of errors or omissions, and partly because they were returned too late to be included.

APPENDIX XI-A: TABLE AI-4.—Numbers and percentages of usable returns of mail questionnaires

Type of sample	Size of sample	Percentage of usable returns
Purchase:		
Regular account.....	300	57
Contractual plan.....	200	36
Redemption:		
Regular account.....	300	44
Contractual plan.....	200	31

The size of samples and percentage distributions of samples by investment policies of represented funds are given in table AI-5. The regional compositions of the samples are indicated in table AI-6.

APPENDIX XI-A: TABLE AI-5.—Size and composition of samples in terms of portfolio policies and investment objectives of represented funds

[Percentage distribution of respondents]

	Type of sample					
	Personal interview		Mail purchase		Mail redemption	
	Regular account	Contractual plan	Regular account	Contractual plan	Regular account	Contractual plan
Total number of respondents..	261	180	171	72	133	61
Balanced funds:						
Income.....	1	0	0	0	2	0
Mixed.....	24	16	29	13	25	17
Common stock funds:						
Income.....	13	4	15	10	13	5
Growth.....	31	57	22	55	32	54
Mixed.....	19	21	22	21	26	17
Specialty funds:						
Growth.....	8	2	7	1	0	7
Mixed.....	4	0	5	0	2	0
Total.....	100	100	100	100	100	100

APPENDIX XI-A: TABLE AI-6.—Regional composition of samples

[Percentage distribution]

Region	Type of sample					
	Personal interview		Mail purchase		Mail redemption	
	Regular account	Contractual plan	Regular account	Contractual plan	Regular account	Contractual plan
New England ¹	10	13	9	9	16	12
Middle Atlantic ²	31	52	29	32	21	37
Midwest ³	29	21	28	22	28	17
South ⁴	3	4	15	25	12	20
Far West ⁵	27	10	19	11	23	14
Offshore and overseas.....	0	0	0	1	0	0
Total.....	100	100	100	100	100	100

¹ Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.² New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia.³ Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.⁴ Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas.⁵ Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

APPENDIX XI-A-II

RESPONSES TO QUESTIONNAIRES

Responses to Purchase Questionnaire

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RESPONSES TO QUESTIONNAIRES
Responses to purchase questionnaire
 [Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
Number of respondents.....	261	171	180	72
I. Investor characteristics:				
Sex:				
Male.....	59	60	77	80
Female.....	41	40	23	20
Marital status:				
Married.....	67	70	73	78
Widowed.....	17	16	7	4
Single.....	15	13	20	18
No answer.....	1	1	0	0
Family status:				
Head.....	71	62	73	76
Spouse.....	17	18	10	10
Dependent minor son or daughter.....	0	0	0	0
Dependent adult.....	1	1	3	0
Individual financially independent.....	10	14	13	13
No answer.....	1	5	1	1
Family size:				
1.....	15	18	8	7
2.....	34	36	17	22
3.....	19	15	20	19
4.....	17	14	27	26
5.....	9	6	17	13
6.....	4	5	8	6
7.....	1	4	3	3
8 or more.....	0	0	0	3
No answer.....	1	2	0	1
Number of dependents:				
0.....	38	43	24	27
1.....	20	17	11	11
2.....	14	15	14	21
3.....	13	10	27	12
4.....	8	9	15	14
5.....	4	0	5	8
6.....	2	3	2	6
7.....	0	1	2	1
8 or more.....	0	1	0	0
No answer.....	1	1	0	0
Age:				
Under 30.....	5	5	22	27
30 to 39.....	19	11	29	28
40 to 49.....	24	23	28	31
50 to 59.....	21	22	17	11
60 to 64.....	10	13	1	1
65 and over.....	20	22	3	1
No answer.....	1	5	0	1
Employment status:				
Employed by others.....	55	51	71	72
Self-employed.....	19	19	22	25
Unemployed.....	1	0	1	0
Retired.....	10	13	6	1
Housewife.....	15	16	0	2
No answer.....	0	1	0	0
Husband employed:				
Yes.....	61	57	73	75
No.....	7	13	1	1
No answer.....	32	30	26	24
Wife employed:				
Yes.....	19	11	30	29
No.....	49	50	42	38
No answer.....	32	39	28	33
Business or industry:				
Manufacturing.....	16	17	18	17
Mining.....	2	4	1	3
Construction.....	3	4	4	14
Transportation.....	3	2	6	3
Trade.....	14	5	19	8
Finance, insurance, real estate.....	8	4	4	4
Professional.....	16	18	14	19
Other services.....	7	6	18	11
Government.....	5	8	8	17
No answer, none.....	26	32	8	4

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Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

I. Investor characteristics—Continued	Type of questionnaire			
	Regular		Contractual	
	Personal Interview	Mail	Personal Interview	Mail
Occupation:				
Professional:				
Engineers.....	3	2	3	6
Accountants—Marketing.....	3	2	1	0
Teachers—Professors.....	5	5	4	9
Doctors.....	1	4	2	1
Dentists.....	0	1	1	1
Lawyers.....	2	0	0	1
Writers and artists.....	1	1	1	3
Pharmacists.....	0	0	2	4
Other professions.....	4	8	4	10
Executive and administrative:				
Executives.....	3	4	3	7
Managers.....	7	5	8	6
Self-employed.....	11	8	15	7
Bankers.....	3	1	0	1
Clerical.....	8	8	8	8
Sales.....	7	7	8	8
Skilled craftsmen.....	9	5	11	8
Semi-skilled craftsmen.....	2	4	12	12
Service.....	3	2	8	4
Housewife.....	14	17	5	3
Retired.....	12	14	1	0
Farmers.....	0	2	1	1
Students.....	0	0	1	0
Unemployed.....	0	0	1	0
No answer.....	1	0	1	0
Education:				
Highest grade completed:				
Elementary:				
0 to 5.....	0	1	1	0
6.....	1	1	2	0
7.....	2	2	1	0
8.....	7	9	12	4
High school:				
9.....	3	1	6	3
10.....	5	2	4	4
11.....	1	2	2	3
12.....	26	24	34	33
College:				
1.....	10	5	6	6
2.....	6	11	9	11
3.....	5	5	2	4
4.....	17	16	11	10
Postgraduate:				
1.....	5	6	2	3
2.....	2	4	4	4
3.....	3	1	2	7
4.....	5	8	2	0
No answer.....	2	2	0	0
Major field of Graduate study:				
Medicine.....	3	6	2	6
Law.....	3	0	0	4
Engineering.....	3	1	1	3
Accounting, business, finance.....	1	2	1	0
Teaching, guidance.....	1	3	2	3
Other.....	5	6	3	7
None, no answer.....	85	82	91	77
Family income:				
Less than \$5,000.....	19	23	20	16
\$5,000 to \$9,999.....	31	34	48	50
\$10,000 to \$14,999.....	18	25	18	22
\$15,000 to \$24,999.....	18	9	9	8
\$25,000 to \$50,000.....	6	5	2	1
Over \$50,000.....	1	1	0	0
No answer.....	7	3	3	3
Covered by life insurance:				
Yes.....	86	82	93	90
No.....	14	15	7	8
No answer.....	0	3	0	2

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
I. Investor characteristics—Continued				
Face amount of life insurance on those covered:				
Less than \$5,000.....	21	21	19	8
\$5,000 to \$9,999.....	13	11	22	18
\$10,000 to \$14,999.....	11	12	22	24
\$15,000 to \$24,999.....	10	13	12	20
\$25,000 to \$50,000.....	11	13	13	12
Over \$50,000.....	15	11	4	8
None or no answer.....	19	19	8	10
Home owned by respondents:				
Yes.....	68	75	56	68
No.....	32	25	44	29
No answer.....	0	0	0	3
Home mortgaged:				
Yes.....	32	27	45	47
No.....	36	46	11	18
No answer or not home buyer.....	32	27	44	35
Financial and other assets owned at time of purchase:				
Other mutual funds:				
Yes.....	36	42	18	14
No.....	45	35	81	83
No answer.....	19	23	1	3
Corporate stock other than mutual funds:				
Yes.....	57	57	24	28
No.....	41	34	75	59
No answer.....	2	9	1	13
U.S. Government bonds:				
Yes.....	51	60	45	44
No.....	48	29	54	43
No answer.....	1	11	1	13
Other bonds:				
Yes.....	15	17	10	4
No.....	83	56	89	67
No answer.....	2	27	1	29
Savings accounts:				
Yes.....	92	83	89	68
No.....	7	11	11	24
No answer.....	1	6	0	8
Real estate (building, land, etc.) other than home:				
Yes.....	28	41	17	31
No.....	70	44	83	52
No answer.....	2	15	0	17
II. Financing of mutual fund purchases:				
Outright (or initial) payment:				
Current income.....	39	40	65	72
Reduced spending on durable goods or other personal household items.....	0	2	3	4
Life insurance benefits.....	4	1	1	1
Gift inheritance.....	9	2	1	4
Loan on life insurance policies.....	1	0	2	0
Loan from sources other than life insurance.....	0	0	0	0
Conversion (or cashing in) of life insurance policies.....	0	2	3	3
Sale or redemption (cashing in) of U.S. bonds.....	4	2	1	4
Withdrawal from savings account.....	40	11	31	18
Sale or redemption (cashing in) of other mutual fund shares.....	2	0	0	0
Sale of other common stock.....	13	2	1	3
Some other source.....	7	0	2	0
Future payments:				
Future income.....	(1)	(1)	92	91
Reduced spending on durable goods or other personal household items.....	(1)	(1)	6	10
Withdrawal from savings account.....	(1)	(1)	2	7
Some other source.....	(1)	(1)	1	1

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
III. Investor objectives:				
General savings.....	41	43	58	59
Retirement.....	46	44	42	47
Children's college education.....	17	16	38	36
Purchase business or home.....	0	2	7	8
Accumulate estate.....	28	22	20	25
Provide current income.....	16	26	0	0
Other objectives.....	7	1	6	7
Facts influencing choice of mutual funds in general:				
Benefit from rise in stock price.....	16	18	16	25
Hedge against inflation.....	19	24	15	35
Benefit from professional investment management.....	48	71	52	66
Benefit from diversification.....	41	58	31	35
Acquire discipline in saving.....	13	9	49	5
Protect capital.....	14	11	8	33
Benefit from economic growth.....	36	33	33	41
To be fit from a higher rate of return.....	11	2	15	4
Some other reason.....	9	4	11	3
Most important influence on choice of particular fund:				
Recommendation of a broker or sales representative.....	34	44	32	36
Advertising or sales literature.....	5	2	4	3
Respondent's own independent appraisal.....	30	32	17	25
Suggestion of a friend or relative.....	22	17	45	29
Recommendation by a business adviser.....	3	4	2	3
Some other influence.....	5	1	0	3
No answer.....	1	0	0	1
Whether specific statements by sales representatives influenced purchase:				
Yes.....	42	50	71	71
No.....	39	23	28	25
No answer.....	19	27	1	4
Specific statements by sales representatives which influenced purchase:				
Fund shares could decrease in value.....	2	1	2	4
The investment was safe.....	19	22	21	30
Fund shares were like insurance.....	5	1	12	12
Fund shares were like saving accounts.....	14	4	31	22
Fund shares could be cashed in easily.....	11	21	23	21
Fund shares provide a hedge against inflation.....	9	18	15	33
Fund shares encourage you to save regularly.....	6	8	43	35
Fund shares provide professional management.....	23	30	32	44
Fund shares provide diversification.....	21	32	27	41
Shares of the fund were registered with SEC.....	5	5	6	4
Management of fund, or its investment policies or practices were supervised or controlled by the Securities and Exchange Commission or other agency of the Federal Government.....	4	6	6	10
Fund shares offer tax benefits.....	2	8	2	7
Other advantages.....	4	6	3	7
Would you participate in stock market in absence of mutual funds:				
Yes.....	42	(1)	17	(1)
No.....	49	(1)	77	(1)
Don't know.....	9	(1)	6	(1)
IV. Investor contact with sales representative:				
Method of acquisition of shares:				
Exclusively by mail.....	15	20	0	1
Personal contact (including telephone).....	83	77	100	97
Other method without personal contact.....	2	2	0	0
No answer.....	0	1	0	2

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
IV. Investor contact with sales representative—Con.				
Initiation of purchase:				
Respondent.....	50	58	38	32
Sales representative.....	30	29	48	61
Friend or relative.....	14	9	13	6
Some other person.....	1	3	1	1
No answer.....	5	1	0	0
Description of sales representative occupation:				
Salesman.....	26	30	87	80
Broker.....	32	31	3	6
Dealer.....	2	1	1	1
Customer's representative.....	18	12	7	9
Don't know.....	3	0	1	0
No answer.....	19	26	1	4
Meetings with sales representative:				
Meetings occurred.....	61	63	96	93
No meetings occurred.....	21	14	3	6
No answer.....	18	23	1	1
Number of meetings:				
1.....	20	16	26	25
2.....	18	19	28	25
3.....	13	18	24	31
4.....	4	4	11	6
5.....	1	2	4	4
6.....	3	0	2	0
7.....	2	0	1	0
All over 7.....	2	1	1	1
No answer or none.....	37	40	3	8
Place of meetings:				
Respondent's home.....	34	36	68	70
Respondent's office or place of business.....	11	9	27	21
Sales representative's office.....	20	21	5	14
Other.....	6	5	5	3
No answer or none.....	36	37	3	7
Total time spent during all meetings (hours):				
0 up to ½ hour.....	6	5	2	0
½ up to 1 hour.....	11	7	7	1
1 up to 2 hours.....	14	13	17	17
2 up to 3 hours.....	10	12	20	21
3 up to 4 hours.....	8	9	22	15
4 up to 6 hours.....	4	6	18	25
6 up to 8 hours.....	2	4	4	8
8 up to 10 hours.....	2	0	3	6
10 and over.....	3	2	3	0
No answer or none.....	40	42	4	7
V. Investment counseling:				
Sales representative inquired about:				
Income:				
Yes.....	19	21	38	51
No.....	61	50	54	35
Don't remember.....	1	1	6	8
No answer.....	19	28	2	6
Financial assets:				
Yes.....	21	26	37	43
No.....	58	46	58	41
Don't remember.....	2	0	4	8
No answer.....	19	28	1	8
Sales representative initiated discussion of:				
Tax treatment of payments by fund:				
Yes.....	32	38	41	50
No.....	42	28	43	30
Don't remember.....	7	8	15	14
No answer.....	19	26	1	6
General income tax problems:				
Yes.....	22	19	31	24
No.....	56	42	60	55
Don't remember.....	4	8	8	8
No answer.....	18	31	1	13
Quality of other investments:				
Yes.....	26	44	38	40
No.....	54	25	56	42
Don't remember.....	2	3	5	11
No answer.....	18	28	1	7

360 REPORT OF SPECIAL STUDY OF SECURITIES MARKETS

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
V. Investment counselling—Continued				
Sales representative initiated discussion of—				
Continued.				
Inheritance Taxes:				
Yes.....	18	15	27	18
No.....	59	47	64	47
Don't remember.....	5	6	7	20
No answer.....	18	32	2	15
Wills and trusts:				
Yes.....	19	17	31	36
No.....	61	45	60	41
Don't remember.....	2	6	7	13
No answer.....	18	32	2	10
Sales representative advised respondent to consult attorney as financial adviser:				
Yes.....	8	14	15	15
No.....	46	36	58	53
Don't remember.....	2	5	1	10
No answer.....	44	45	26	22
Sales representative offered to do estate planning:				
Yes.....	6	5	8	15
No.....	73	68	82	75
Don't remember.....	3	3	8	8
No answer.....	18	24	2	2
Sales representative offered to do portfolio analysis:				
Yes.....	22	20	22	26
No.....	58	51	73	67
Don't remember.....	2	4	4	13
No answer.....	18	25	1	4
Sales representative offered other specific services:				
Yes.....	11	7	22	17
No.....	68	69	71	62
Don't remember.....	2	9	5	14
No answer.....	19	25	2	7
Specific services offered:				
Available for advice.....	4	3	14	7
Offered to arrange personal loan.....	0	1	1	0
Quick redemption if needed.....	0	0	0	0
Shift to another fund if desired.....	0	1	1	0
Other services.....	3	3	6	10
No answer.....	98	92	78	83
Compared other funds with fund purchased:				
Yes.....	36	(1)	(1)	(1)
No.....	41	(1)	(1)	(1)
Don't remember.....	5	(1)	(1)	(1)
No answer.....	18	(1)	(1)	(1)
Comparison made:				
Compared charges.....	1	(1)	(1)	(1)
Relative sales.....	1	(1)	(1)	(1)
Suitability to needs and investment objectives.....	15	(1)	(1)	(1)
Fast performance.....	5	(1)	(1)	(1)
Managements.....	2	(1)	(1)	(1)
Fund was best.....	3	(1)	(1)	(1)
Other comparisons.....	1	(1)	(1)	(1)
Don't remember.....	3	(1)	(1)	(1)
No answer.....	69	(1)	(1)	(1)
Compared securities sold in stock or bond markets with fund shares purchased:				
Yes.....	35	(1)	44	(1)
No.....	38	(1)	34	(1)
Don't remember.....	8	(1)	20	(1)
No answer.....	19	(1)	2	(1)
Comparison made:				
Fund moves with market.....	(1)	(1)	6	(1)
Fund invested in large corporations.....	(1)	(1)	7	(1)
Small amounts in market are risky.....	(1)	(1)	11	(1)
Relative costs of investing.....	(1)	(1)	1	(1)
Relative ease of selling.....	(1)	(1)	0	(1)
Other comparisons.....	(1)	(1)	15	(1)
Don't remember.....	(1)	(1)	0	(1)
No answer.....	(1)	(1)	62	(1)

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
V. Investment counseling—Continued				
Already owned mutual fund shares at time of purchase:				
Yes.....	36	42	18	14
No.....	45	35	82	83
Don't remember.....	0	0	0	0
No answer.....	19	23	0	3
Where mutual fund shares were already owned, sales representative advised respondent to sell and buy shares in another fund:				
Yes.....	3	4	0	2
No.....	35	41	18	22
Don't remember.....	0	1	0	0
No answer.....	62	54	82	76
Sales representative had previously sold respondent:				
Insurance:				
Yes.....	3	1	5	3
No.....	77	54	94	90
No answer.....	20	45	1	7
Mutual funds:				
Yes.....	22	31	7	10
No.....	59	40	91	86
No answer.....	19	29	2	4
Securities other than mutual funds:				
Yes.....	24	28	2	3
No.....	57	45	96	86
No answer.....	19	27	2	11
Sales representative offered to sell insurance while discussing mutual fund shares purchased:				
Yes.....	5	1	48	44
No.....	77	74	51	54
No answer.....	18	25	1	2
Kind of insurance:				
Completion insurance.....	(1)	(1)	42	39
Some other kind.....	(1)	(1)	6	4
No answer.....	(1)	(1)	52	57
VI. Sales representative's description of mutual fund shares:				
Fund shares could decrease in value:				
Yes.....	46	49	69	66
No.....	31	17	22	14
Don't remember.....	5	5	8	13
No answer.....	18	29	1	7
Investment was safe:				
Yes.....	52	44	70	63
No.....	26	21	21	25
Don't remember.....	3	7	8	6
No answer.....	19	28	1	6
Fund shares were like insurance:				
Yes.....	16	6	34	30
No.....	60	47	54	50
Don't remember.....	6	14	11	13
No answer.....	18	33	1	7
Fund shares were like saving accounts:				
Yes.....	31	17	57	48
No.....	46	39	37	42
Don't remember.....	5	11	5	4
No answer.....	18	33	1	6
Fund shares could be cashed in easily:				
Yes.....	51	56	73	81
No.....	26	11	19	11
Don't remember.....	5	6	7	4
No answer.....	18	27	1	4
Fund shares provided a hedge against inflation:				
Yes.....	28	31	33	54
No.....	41	22	47	22
Don't remember.....	13	18	19	15
No answer.....	18	29	1	9

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
VI. Sales representative's, etc.—Continued				
Fund shares encouraged you to save regularly:				
Yes.....	36	17	83	79
No.....	43	33	12	8
Don't remember.....	3	20	4	7
No answer.....	18	30	1	6
Fund shares provided professional management:				
Yes.....	58	60	83	79
No.....	20	8	9	11
Don't remember.....	4	5	6	4
No answer.....	18	27	2	6
Fund shares provided diversification:				
Yes.....	58	63	72	75
No.....	18	7	13	3
Don't remember.....	5	4	13	15
No answer.....	19	26	2	7
Shares are registered with the Securities and Exchange Commission:				
Yes.....	36	29	57	43
No.....	24	15	12	10
Don't remember.....	22	26	30	42
No answer.....	18	30	1	5
Management of the fund, or its investment policies or practices, were supervised or controlled by the SEC or other agency of the Federal Government:				
Yes.....	31	24	40	42
No.....	34	20	27	13
Don't remember.....	17	26	32	40
No answer.....	18	30	1	5
Fund shares offered tax benefits:				
Yes.....	16	35	17	38
No.....	47	25	55	33
Don't remember.....	19	11	27	22
No answer.....	18	29	1	7
Other advantages:				
Yes.....	15	16	10	17
No.....	49	27	62	26
Don't remember.....	14	22	24	44
No answer.....	22	35	4	13
VII. Description of mutual funds' operations:				
Description of sales charge:				
Regular account:				
Yes.....	48	47	(1)	(1)
No.....	23	17	(1)	(1)
Don't remember.....	10	12	(1)	(1)
No answer.....	19	24	(1)	(1)
Contractual plan:				
During 1st year:				
Yes.....	(1)	(1)	79	88
No.....	(1)	(1)	9	6
Don't remember.....	(1)	(1)	11	4
No answer.....	(1)	(1)	1	2
During 1st 2 years:				
Yes.....	(1)	(1)	63	69
No.....	(1)	(1)	15	10
Don't remember.....	(1)	(1)	21	15
No answer.....	(1)	(1)	1	6
Over life of contract:				
Yes.....	(1)	(1)	64	75
No.....	(1)	(1)	15	8
Don't remember.....	(1)	(1)	19	11
No answer.....	(1)	(1)	2	6
Explanation whether sales charges would be deducted if dividends were reinvested:				
Yes.....	26	28	(1)	(1)
No.....	36	26	(1)	(1)
Don't remember.....	19	19	(1)	(1)
No answer.....	19	27	(1)	(1)

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
VII. Description of mutual funds' operations—Con.				
Explanation whether sales charges would be deducted if capital gains distribution were reinvested:				
Yes.....	22	25	(1)	(1)
No.....	37	25	(1)	(1)
Don't remember.....	22	21	(1)	(1)
No answer.....	19	29	(1)	(1)
Description of fee paid by fund for investment management and administration:				
Yes.....	31	32	74	71
No.....	37	20	16	15
Don't remember.....	13	20	9	11
No answer.....	19	28	1	3
Explanation of investment objectives of fund:				
Yes.....	52	51	85	83
No.....	22	9	8	4
Don't remember.....	7	12	6	10
No answer.....	19	28	1	3
Sales representative indicated amount paid for shares would be returned if respondent were dissatisfied and changed his mind in a short period of time:				
Yes.....	(1)	(1)	45	46
No.....	(1)	(1)	42	40
Don't remember.....	(1)	(1)	12	11
No answer.....	(1)	(1)	1	3
Time limit mentioned:				
Within 30 days.....	(1)	(1)	31	29
Over 30 days.....	(1)	(1)	6	11
No answer.....	(1)	(1)	63	60
VIII. Representations about changes in market values:				
Sales representative commented on possible changes in the market value of shares purchased:				
Yes.....	54	58	86	90
No.....	27	13	10	3
Don't remember.....	1	4	2	6
No answer.....	18	25	2	1
What sales representative emphasized about changes in market value of shares in a year or less:				
Equally likely to rise or fall.....	27	40	50	50
Somewhat more likely to rise than fall...	20	17	24	24
Strong chance of rise with almost no chance of fall.....	3	4	6	11
Rise in value is certain.....	2	1	4	4
No answer.....	48	38	16	11
What sales representative emphasized about changes in market value of shares in a period longer than a year:				
Equally likely to rise or fall.....	15	26	27	26
Somewhat more likely to rise than fall...	25	28	38	35
Strong chance of rise with almost no chance of fall.....	6	5	14	17
Rise in value is certain.....	7	3	9	10
No answer.....	47	38	12	12
Sales representative stressed specific amount or rate of growth in market value of shares purchased:				
Yes.....	11	(1)	19	(1)
No.....	44	(1)	63	(1)
Don't remember.....	3	(1)	7	(1)
No answer.....	42	(1)	11	(1)
Period of growth stressed:				
Less than 5 years.....	2	(1)	2	(1)
5 to 9 years.....	2	(1)	4	(1)
10 to 14 years.....	7	(1)	13	(1)
15 to 20 years.....	1	(1)	1	(1)
Don't know.....	0	(1)	1	(1)
No answer.....	88	(1)	79	(1)

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
IX. Investor knowledge:				
Sources of information:				
Copy of prospectus received:				
Yes.....	77	68	90	90
No.....	18	25	10	7
Don't remember.....	5	5	0	3
No answer.....	0	2	0	0
Time spent reading prospectus:				
None.....	4	2	7	3
Up to ½ hour.....	8	5	8	3
½ up to 1 hour.....	17	5	16	11
1 to 1½ hours.....	14	8	16	14
1½ up to 2 hours.....	2	1	2	1
2 up to 2½ hours.....	8	6	16	15
2½ up to 3 hours.....	1	6	2	3
3 hours and over.....	10	5	19	15
Don't remember.....	9	2	1	3
No answer.....	27	60	13	32
Used information other than that provided by sales representative or fund:				
Yes.....	44	(1)	38	(1)
No.....	56	(1)	61	(1)
No answer.....	0	(1)	1	(1)
Other sources of information:				
Other purchasers, friends, and relatives.....	18	(1)	23	(1)
Newspapers.....	5	(1)	4	(1)
Financial or trade publications.....	12	(1)	2	(1)
Advertisements.....	0	(1)	1	(1)
Newspapers plus other purchasers, friends, and relatives.....	5	(1)	7	(1)
Financial or trade publications plus other purchasers, friends, and relatives.....	0	(1)	1	(1)
Advertisements plus other purchasers, friends, and relatives.....	0	(1)	0	(1)
Financial or trade publications plus newspapers or advertisements.....	2	(1)	2	(1)
Newspapers plus financial or trade publications and advertisements.....	1	(1)	1	(1)
Unspecified sources and no answer.....	57	(1)	59	(1)
Familiarity with investment:				
Performance of fund during last 10 years or so:				
Yes.....	74	(1)	80	(1)
No.....	26	(1)	20	(1)
Knowledge of sales charges:				
Regular accounts:				
Sales charge was paid:				
Yes.....	65	(1)	(1)	(1)
No.....	22	(1)	(1)	(1)
Don't remember.....	13	(1)	(1)	(1)
Approximate size of sales charge (when paid):				
0 up to 1 percent.....	1	10	(1)	(1)
1 up to 3 percent.....	2	8	(1)	(1)
3 up to 7 percent.....	5	8	(1)	(1)
7 up to 9.5 percent.....	34	40	(1)	(1)
9.5 percent and over.....	1	3	(1)	(1)
Don't know.....	22	30	(1)	(1)
No answer.....	35	1	(1)	(1)
Contractual plans:				
Sales charge paid during specified period:				
1st year:				
0 up to 20 percent.....	(1)	(1)	9	11
20 up to 40 percent.....	(1)	(1)	6	3
40 up to 60 percent.....	(1)	(1)	42	61
60 percent and over.....	(1)	(1)	2	3
Don't know.....	(1)	(1)	40	22
No answer.....	(1)	(1)	1	0

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
IX. Investor knowledge—Continued				
Knowledge of sales charges—Continued				
Contractual plans—Continued				
Sales charge paid—Continued				
2d year:				
0 up to 5 percent.....	(1)	(1)	6	10
5 up to 10 percent.....	(1)	(1)	7	8
10 up to 25 percent.....	(1)	(1)	1	4
25 up to 35 percent.....	(1)	(1)	5	14
35 percent and over.....	(1)	(1)	3	7
Don't know.....	(1)	(1)	76	57
No answer.....	(1)	(1)	2	0
Life of contract:				
0 up to 5 percent.....	(1)	(1)	8	10
5 up to 10 percent.....	(1)	(1)	16	29
10 up to 15 percent.....	(1)	(1)	7	10
15 percent and over.....	(1)	(1)	1	4
Don't know.....	(1)	(1)	67	47
No answer.....	(1)	(1)	1	0
Knowledge of mutual funds in which sales charge is:				
Higher than fund purchased:				
Yes.....	32	(1)	13	(1)
No.....	65	(1)	85	(1)
No answer.....	3	(1)	2	(1)
Lower than fund purchased:				
Yes.....	29	(1)	20	(1)
No.....	69	(1)	78	(1)
No answer.....	2	(1)	2	(1)
Zero (no charge):				
Yes.....	30	(1)	12	(1)
No.....	67	(1)	85	(1)
No answer.....	3	(1)	3	(1)
Knowledge of fund expenses:				
Estimate of annual expenses of fund for investment management and administration as percentage of fund's assets:				
0 up to 1/8 percent.....	4	2	1	0
1/8 up to 3/8 percent.....	3	6	2	3
3/8 up to 5/8 percent.....	9	16	3	10
5/8 up to 1 percent.....	3	2	3	1
1 up to 3 percent.....	6	10	4	14
3 up to 7 percent.....	5	3	3	7
7 up to 9.5 percent.....	2	1	1	3
9.5 percent and over.....	2	1	8	1
Don't know.....	66	58	74	58
No answer.....	0	1	1	3
Estimate of annual expenses of funds for investment management and administration as percentage of fund's annual income during last year:				
0 up to 5 percent.....	16	22	8	22
6 up to 10 percent.....	9	11	5	14
11 up to 20 percent.....	1	7	2	8
21 up to 30 percent.....	2	2	2	6
30 percent and over.....	1	1	2	3
Don't know.....	71	56	81	43
No answer.....	0	1	0	4
Knowledge about sources of earnings:				
Fund receives earnings from:				
Profits from buying and selling securities:				
Yes.....	78	79	77	82
No.....	5	4	4	3
Don't know.....	17	12	19	7
No answer.....	0	5	0	8
Sales charges paid by new investors in fund:				
Yes.....	23	22	36	25
No.....	45	39	32	30
Don't know.....	32	22	32	31
No answer.....	0	17	0	14

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
IX. Investor knowledge—Continued				
Knowledge about sources of earnings—Con.				
Fund receives earnings from—Con.				
Dividends and interest on stocks and bonds held:				
Yes.....	82	81	77	86
No.....	2	1	3	3
Don't know.....	16	13	20	7
No answer.....	0	5	0	4
Rents or fees from ownership and/or management of real estate and other property:				
Yes.....	11	6	12	6
No.....	42	42	36	37
Don't know.....	47	31	52	39
No answer.....	0	21	0	18
Brokerage fees and commissions:				
Yes.....	18	12	29	13
No.....	42	37	35	29
Don't know.....	40	32	36	44
No answer.....	0	19	0	14
Special knowledge of contractual plans:				
Financial disadvantage if plan is not carried out:				
Yes.....	(1)	(1)	60	69
No.....	(1)	(1)	31	22
Don't know.....	(1)	(1)	8	9
No answer.....	(1)	(1)	1	0
Nature of financial disadvantage:				
Sales and other charges (no quantitative indication):				
Concentration of charges (large in early years).....	(1)	(1)	30	29
Minor losses in early years (up to 10 percent).....	(1)	(1)	1	3
Don't know.....	(1)	(1)	4	10
No answer.....	(1)	(1)	40	30
Plan imposes legally binding obligations:				
Yes.....	(1)	(1)	3	4
No.....	(1)	(1)	91	89
Don't know.....	(1)	(1)	5	7
No answer.....	(1)	(1)	1	0
X. Investor expectation:				
Expectations held at time of purchase about fund performance in next 10 years or so:				
About the same as in the last 10 years or so:				
So.....	34	(1)	32	(1)
Better than in the last 10 years or so.....	24	(1)	37	(1)
Poorer than in the last 10 years or so.....	14	(1)	11	(1)
No answer.....	28	(1)	20	(1)
Had expectations at time of purchase about fund performance compared with stock market generally during next 10 years or so:				
Yes.....	62	(1)	67	(1)
No.....	38	(1)	33	(1)
Expected fund to perform:				
About same as stock market.....	35	(1)	31	(1)
Better than stock market.....	26	(1)	33	(1)
Poorer than stock market.....	1	(1)	2	(1)
No answer.....	38	(1)	34	(1)
Had expectations at time of purchase about fund performance compared with Government bonds during next 10 years or so:				
Yes.....	63	(1)	57	(1)
No.....	37	(1)	43	(1)
Expected fund to perform:				
About same as Government bonds.....	3	(1)	2	(1)
Better than Government bonds.....	59	(1)	54	(1)
Poorer than Government bonds.....	1	(1)	0	(1)
No answer.....	37	(1)	44	(1)

¹ Not asked or not applicable.

Responses to purchase questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of questionnaire			
	Regular		Contractual	
	Personal interview	Mail	Personal interview	Mail
X. Investor expectation—Continued				
Attitude toward additional purchases of mutual funds:				
Would buy an additional amount of mutual funds if had cash at time of survey:				
Yes.....	53	(1)	65	66
No.....	37	(1)	27	21
Don't know.....	10	(1)	8	13
Would buy because of:				
Diversification.....	10	(1)	(1)	(1)
Professional management.....	9	(1)	(1)	(1)
Benefit from depressed market.....	7	(1)	(1)	(1)
Higher rate of capital growth.....	7	(1)	(1)	(1)
Higher income or dividends.....	10	(1)	(1)	(1)
Retirement or other goals.....	23	(1)	(1)	(1)
Would not buy because of:				
High sales costs.....	3	(1)	1	4
High management costs.....	2	(1)	1	0
Drop in market prices.....	14	(1)	3	0
Prefer cash or savings accounts.....	2	(1)	2	1
Insufficient knowledge of mutual funds.....	1	(1)	3	0
Prefer other, better investments.....	6	(1)	7	6
Pessimistic or negative talk.....	5	(1)	5	7
Prefer to retain personal control on monthly investment plan.....	19	(1)	8	0
No answer.....	0	(1)	0	82
Contractual plans:				
Would invest in mutual funds (other than through investment plans of present kind) if had additional money to invest at time of survey:				
Yes.....	(1)	(1)	44	43
No.....	(1)	(1)	44	26
Don't know.....	(1)	(1)	11	28
No answer.....	(1)	(1)	1	3
Would not buy because of:				
High sales costs.....	(1)	(1)	2	3
High management costs.....	(1)	(1)	1	1
Drop in market.....	(1)	(1)	1	0
Prefer cash or savings.....	(1)	(1)	3	1
Prefer to retain personal control.....	(1)	(1)	1	0
Insufficient knowledge of mutual funds.....	(1)	(1)	4	1
Prefer other, better investments.....	(1)	(1)	6	9
Prefer monthly investment plan.....	(1)	(1)	4	1
Pessimistic or negative talk.....	(1)	(1)	4	5
Don't know.....	(1)	(1)	74	0
No answer.....	(1)	(1)	0	79

¹ Not asked or not applicable.

Responses to redemption questionnaire

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
Number of respondents.....	133	61
I. Investor characteristics:		
Sex:		
Male.....	64	80
Female.....	35	20
No answer.....	1	0
Marital status:		
Married.....	73	80
Widowed.....	18	7
Single.....	8	13
No answer.....	1	0
Family status:		
Head.....	59	80
Spouse.....	16	3
Dependent minor son or daughter.....	0	0
A dependent adult.....	0	0
An individual (other than head or spouse) who is financially independent.....	18	14
No answer.....	7	3
Family size:		
1.....	12	9
2.....	26	24
3.....	16	19
4.....	16	32
5.....	12	10
6.....	6	3
7.....	2	0
8.....	1	2
9 or more.....	2	0
No answer.....	7	1
Number of dependents:		
0.....	41	20
1.....	11	17
2.....	13	19
3.....	12	27
4.....	16	10
5.....	2	3
6.....	2	2
7.....	1	2
8 or more.....	2	0
Age:		
Under 30.....	5	19
30 to 39.....	11	30
40 to 49.....	30	34
50 to 59.....	20	10
60 to 64.....	11	3
65 and over.....	19	2
No answer.....	4	2
Employment status:		
Employed by others.....	44	80
Self-employed.....	27	15
Unemployed.....	0	0
Retired.....	8	2
Housewife.....	16	3
No answer.....	5	0
Wife and/or husband employed:		
Husband:		
Employed.....	64	76
Not employed.....	8	2
No answer.....	28	22
Wife:		
Employed.....	15	19
Not employed.....	45	42
No answer.....	40	39
Business or industry:		
Manufacturing.....	13	17
Mining.....	2	2
Construction.....	3	5
Transportation and public utilities.....	2	10
Wholesale and retail trade.....	5	10
Finance, insurance, and real estate.....	12	5
Professional services.....	21	14
Other services and miscellaneous.....	5	10
Government.....	5	17
Not answered or none.....	32	10

Responses to redemption questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
I. Investor characteristics—Continued		
Occupation:		
Professional:		
Engineers.....	3	3
Accountants, marketing.....	2	3
Teachers, professors, etc.....	5	0
Doctors.....	2	0
Dentists.....	1	2
Lawyers.....	2	0
Writers, journalists, editors.....	2	2
Pharmacists.....	0	0
All other professions.....	5	23
Executive—administrative:		
Executives.....	8	2
Managers, supervisors.....	5	5
Self-employed businessmen.....	11	10
Bankers, investment brokers.....	2	2
Clerical.....	9	5
Sales.....	5	10
Skilled and semiskilled:		
Craftsmen and kindred skilled.....	4	12
Labor, semiskilled.....	3	7
Service workers.....	1	3
Housewives.....	13	2
Retired.....	13	5
Other:		
Farmers.....	1	0
Students.....	0	2
Unemployed.....	0	0
No answer.....	3	2
Education (highest grade completed):		
Elementary:		
0 to 5.....	0	0
6.....	1	0
7.....	2	2
8.....	2	0
High school:		
9.....	4	5
10.....	2	3
11.....	2	7
12.....	26	34
College:		
1.....	3	7
2.....	9	19
3.....	2	5
4.....	24	10
Postgraduate:		
1.....	3	2
2.....	6	3
3.....	5	0
4.....	5	3
No answer.....	4	0
Postgraduate:		
Medicine, dentistry, allied fields.....	7	2
Law.....	1	0
Engineering.....	1	2
Accounting and business.....	3	3
Teaching.....	2	0
Other.....	6	2
Not answered or none.....	80	90
Family income:		
Less than \$5,000.....	19	17
\$5,000 to \$9,999.....	32	47
\$10,000 to \$14,999.....	20	24
\$15,000 to \$24,999.....	9	7
\$25,000 to \$50,000.....	15	0
Over \$50,000.....	0	0
No answer.....	5	5
Covered by life insurance:		
Yes.....	78	93
No.....	17	5
No answer.....	5	2
Face amount of life insurance on those covered:		
Less than \$5,000.....	16	14
\$5,000 to \$9,999.....	10	14
\$10,000 to \$14,999.....	9	22
\$15,000 to \$24,999.....	15	12
\$25,000 to \$50,000.....	17	22
Over \$50,000.....	11	8
No answer.....	22	8

Responses to redemption questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
I. Investor characteristics—Continued		
Home owned by respondents:		
Yes.....	67	46
No.....	28	52
No answer.....	5	2
Home mortgaged:		
Yes.....	31	32
No.....	34	12
No answer.....	35	56
Financial and other assets:		
Owned when mutual fund shares were acquired:		
Corporate stock other than mutual funds.....	46	27
Other shares in mutual funds.....	40	14
U.S. Government bonds.....	40	32
Other bonds.....	9	5
Savings accounts.....	60	56
Real estate (buildings, land, etc.) other than homes owned by respondents.....	33	22
Owned when mutual fund shares were redeemed:		
Corporate stock other than mutual funds.....	51	31
Other shares in mutual funds.....	49	14
U.S. Government bonds.....	30	31
Other bonds.....	10	3
Savings accounts.....	66	47
Real estate (buildings, land, etc.) other than homes owned by respondents.....	36	24
Disposed of other assets at time of redemption of mutual fund shares:		
Yes.....	27	15
No.....	68	68
No answer.....	5	17
Other assets disposed of:		
Corporate stock other than mutual funds.....	12	7
Other shares in mutual funds.....	9	2
U.S. Government bonds.....	3	5
Other bonds.....	0	0
Savings accounts.....	5	5
Real estate (buildings, land, etc.) other than homes owned by respondents.....	2	0
II. Acquisition of shares redeemed:		
Purchase.....	88	100
Gift.....	4	0
Inheritance.....	8	0
III. Type of redemption:		
All.....	67	78
Partial.....	32	22
No answer.....	1	0
If partial, percentage of holding redeemed:		
0 to 24 percent.....	8	5
25 to 49 percent.....	7	5
50 to 74 percent.....	8	3
75 to 99 percent.....	5	7
No answer.....	72	80
IV. Date shares were originally purchased:		
Within 30 days of date of sale.....	0	0
30 days up to 6 months.....	1	3
6 months up to 1 year.....	2	5
1 year up to 2 years.....	9	26
2 years up to 3 years.....	10	20
3 years up to 6 years.....	20	29
6 years up to 10 years.....	24	14
10 years up to 15 years.....	9	3
15 years and over.....	1	0
No answer.....	24	0
V. Expectation and performance:		
Respondent's estimate of profit or loss on redemption of shares:		
Net gain.....	52	27
Loss.....	28	59
Don't remember.....	5	12
No answer.....	15	2
When shares were purchased, did respondent have expectations of investment performance?		
Yes.....	77	86
No.....	9	9
Don't remember.....	2	5
No answer.....	12	0

Responses to redemption questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
V. Expectation and performance—Continued		
Comparison of performance with expectation:		
About same as expected.....	36	30
Better than expected.....	8	19
Worse than expected.....	36	39
No answer or no expectation.....	20	12
VI. Investor objectives:		
Investor objectives at time of purchase:		
Provide a means of general saving.....	40	64
Provide for retirement.....	31	27
Provide for children's college education.....	10	27
Provide for the purchase of a business or home.....	4	5
To accumulate an estate.....	29	19
To provide for current income.....	14	3
Some other objective.....	5	2
Respondent's attitude toward accomplishment of objectives:		
Yes.....	42	25
No.....	36	53
Don't know.....	8	7
No answer.....	14	15
VII. Choice of mutual funds:		
Factors influencing choice of mutual funds in general at time of purchase:		
To benefit from a rise in stock prices.....		
To hedge against inflation.....	35	25
To benefit from professional investment management.....	31	22
To benefit from diversification.....	58	54
To protect capital.....	50	32
To acquire discipline in saving.....	14	5
To benefit from economic growth.....	10	46
To provide a higher return on investment.....	34	42
Some other reason.....	1	2
2		5
Respondent's opinion of whether mutual funds provided these benefits:		
Yes.....	49	46
No.....	28	34
Don't know.....	8	12
No answer.....	15	8
Reasons why mutual fund shares <i>did</i> provide these benefits:		
Significant increase in market value.....	16	5
Well-managed fund, sound investment.....	10	10
Discipline in savings, payroll deduction.....	2	14
Diversification in mutual fund shares a benefit.....	9	3
Other positive reasons.....	5	9
Reasons why mutual fund shares <i>did not</i> provide these benefits:		
Better results in stock market.....	7	2
Stock prices fell.....	6	3
Did not hold long enough.....	1	14
High sales load.....	2	9
Shares did not perform as expected.....	7	3
Shares did not perform as represented.....	1	2
Other negative reasons.....	3	7
VIII. Knowledge acquired after purchase of shares (knowledge acquired which would have affected decision to purchase):		
Yes.....	19	29
No.....	63	64
No answer.....	18	7
Nature of information:		
Publications indicating better performance in other funds.....	6	0
News stories of high commission (regular purchase).....	2	0
Selling methods of contractual funds.....	0	2
Learned of front-end load after sale (contractual plans).....	1	9
Misrepresentation of sales charge by sales representative.....	0	5
Misrepresentation of rate of growth by sales representative.....	0	2
Learned of methods of acquiring mutual funds without front-end load (contractual plans).....	2	2
Learned of high management costs.....	0	5
Other information.....	5	5

Responses to redemption questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
IX. Reason for redemption of shares (Was the money used for a specific purpose?):		
Yes.....	78	86
No.....	21	14
No answer.....	1	0
Specific purpose:		
Purchase of durable consumer goods (automobiles, furniture, etc.).....	10	9
Payment of medical or hospital bills.....	5	9
Payment of other types of debt.....	12	34
Vacation.....	2	2
Educational expenses.....	5	7
Other household or personal expenditures.....	10	19
Purchase of a home.....	9	9
Investment in a business.....	3	5
Purchase of life insurance.....	1	0
Purchase of shares in another mutual fund.....	9	5
Purchase of common stock other than fund shares.....	16	3
Purchase of other types of securities.....	5	0
Open or increase savings accounts.....	9	7
Some other purpose.....	3	3
X. Influence in decision to redeem (Were shares redeemed on advice of another person?):		
Yes.....	12	5
No.....	86	95
No answer.....	2	0
Description of individual:		
Friend.....	1	0
Relative.....	2	2
Security salesman.....	5	2
Representative of a mutual fund.....	2	2
Business adviser.....	3	0
No answer.....	87	94
XI. Expectation of price movement of shares at time of respondent's redemption (did have expectation that the price of the shares would change significantly in next year):		
Yes.....	33	29
No.....	61	71
No answer.....	6	0
Expectation that the price of the shares would—		
Rise.....	5	8
Fall.....	29	24
No answer.....	66	68
Did expectation of future price movement influence decision to redeem shares?		
Yes.....	32	20
No.....	35	31
No answer.....	33	49
XII. Periodic investment plans redeemed (Were redeemed shares purchased as part of a periodic investment plan?):		
Yes.....	21	100
No.....	65	0
No answer.....	14	0
Date of last periodic payment:		
Within 30 days.....	2	27
30 days up to 6 months.....	2	17
6 months up to 1 year.....	4	14
1 year up to 18 months.....	1	10
18 months up to 2 years.....	0	0
2 years up to 3 years.....	2	5
3 years up to 6 years.....	2	3
6 years up to 10 years.....	2	0
10 years and over.....	0	0
No answer.....	85	24
Was plan completed before redemption?		
Yes.....	5	6
No.....	12	92
No answer.....	83	2
If plan was not completed, was sales charge a greater percentage of investment than if plan had been completed?		
Yes.....	5	48
No.....	5	15
Don't know.....	4	32
No answer.....	86	5

Responses to redemption questionnaire—Continued

[Percentage distribution of responses]

Type of information	Type of investor	
	Regular	Contractual
XII. Periodic investment plans redeemed—Continued		
If plan was not completed—Continued		
If yes, was this anticipated if plan was not completed?		
Yes.....	4	37
No.....	1	14
Don't remember.....	1	5
No answer.....	94	44
If yes, respondent's evaluation:		
Advantage.....	1	10
Disadvantage.....	0	19
Neither.....	4	15
No answer.....	95	56
Respondent's evaluation of features of periodic investment plans:		
Periodic payments:		
Advantage.....	18	69
Disadvantage.....	1	9
Neither.....	2	10
No answer.....	79	12
Professional management of fund securities:		
Advantage.....	17	76
Disadvantage.....	0	5
Neither.....	3	10
No answer.....	80	9
Automatic reinvestment of dividends without sales charge:		
Advantage.....	20	86
Disadvantage.....	0	2
Neither.....	0	2
No answer.....	80	10
Diversification of fund securities:		
Advantage.....	16	78
Disadvantage.....	0	0
Neither.....	3	7
No answer.....	81	15
"Front-end load" or large proportion of sales charge deducted in 1st year of plan:		
Advantage.....	4	29
Disadvantage.....	11	54
Neither.....	4	9
No answer.....	81	8

APPENDIX XI-A-III

QUESTIONNAIRES

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SPECIAL STUDY OF
SECURITIES MARKETS

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

September 10, 1962

Dear Sir or Madam:

As you may have already learned from the press, the Securities and Exchange Commission, at the direction of Congress, is making a broad study of the nation's securities industry. Numerous institutions, companies, securities, rules and practices are being studied.

As one part of the broad study, and in view of a growing importance of mutual funds as an investment medium, the Commission is seeking to develop general information about persons who invest in mutual funds. The survey does not imply any criticism of mutual funds generally or of any particular fund.

For our survey we have asked National Analysts, Inc., an independent research organization, to conduct interviews with a number of investors who recently purchased mutual fund shares. Your name appeared by chance in a random sample of recent purchasers of shares of a representative group of companies. The fact that you have received the questionnaire is not intended to reflect in any way on your investment or the salesman or broker-dealer through whom you acquired your shares. Neither is it intended to indicate that your mutual fund or its management has in any way violated any provision of law.

We will very much appreciate your cooperation in answering the questions put to you by the interviewer. You may be assured that all of your answers will be kept strictly confidential, and no investor will be specifically identified in the survey report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Milton H. Cohen".

Milton H. Cohen
Director

National Analysts, Inc.
Philadelphia, Pa.

Study # 1-158
Fall 1962

Budget Bureau #: 71-6217
Expiration Date: March 31, 1963
Form IC-2

MUTUAL FUND INVESTOR STUDY

Being Conducted For

Securities Research Unit

Wharton School of Finance and Commerce

University of Pennsylvania

and

Securities and Exchange Commission

(Regular Accounts)

IDENTIFYING INFORMATION

Shareholder Code # _____

Name _____ Address _____

City _____ State _____

Interviewer's Initials _____ Date _____, 1962

(STAPLE ADDRESS
CARD HERE)

QUESTIONNAIRE

SUGGESTED INTRODUCTION: I'm _____, from National Analysts, Inc., a research organization in Philadelphia, Pennsylvania. I am working on a national study that is being done among investors in mutual funds. The study is being done for the University of Pennsylvania and the Securities and Exchange Commission of the Federal Government. This is part of a broad study in which the Commission is seeking to develop general information about what sources of information investors use, why they buy one kind of securities rather than another and so on. The survey does not imply any criticism of mutual funds generally or of any particular fund. I will want to talk with you about your purchase of shares in the _____ fund in _____. Please keep in mind that all the questions I will ask relate to this purchase.

RECORD TIME IMMEDIATELY BEFORE ASKING Q. A-1 _____ A. M. _____ P. M.

SECTION A

A-1. First, I would like to talk with you about your objectives in buying mutual fund shares. Will you please read the statements on this card (HAND R. CARD A). Please indicate the general objective or objectives for which mutual fund shares were bought.

(CIRCLE ONE OR MORE)	To provide a means for general saving	1
	To provide for retirement	2
	To provide for children's college education	3
	To provide for the purchase of a business or home	4
	To accumulate an estate	5
	To provide for current income	6
	Some other objective	7

A-2. (IF "SOME OTHER OBJECTIVE") What was the objective?



A-3. Why did you choose to invest in mutual funds to accomplish (this) (these) objectives? (HAND R. CARD B)

(CIRCLE
ONE
OR
MORE)

To benefit from a rise in stock prices	1
To hedge against inflation	2
To benefit from professional investment management	3
To benefit from diversification	4
To acquire discipline in saving	5
To protect capital	6
To benefit from economic growth	7
Some other reason	8

A-4. (IF "SOME OTHER REASON") What was the reason?

A-5. I would like to know now, who or what was the one most important influence on your decision to purchase shares in the particular fund. Was it:

(CIRCLE
ONE
ONLY)

Recommendation of a broker or sales representative?	1
Advertising or sales literature?	2
Your own independent appraisal?	3
Suggestion of a friend or relative?	4
Recommendation by a business advisor?	5
Some other influence?	6

A-6. (IF "SOME OTHER INFLUENCE") What was the influence?

A-7. How did you finance the purchase of the mutual fund shares that we are talking about? Did you use any money from: (HAND R. CARD C)

(CIRCLE
AS FEW
OR
AS MANY
AS APPLY)

Current income ?	1
Reduced spending on durable goods, or other personal or household items ?	2
Life insurance benefits ?	3
Gift or inheritance ?	4
Loan on life insurance policies ?	5
Loan from source other than life insurance ?	6
Conversion (or cashing in) of life insurance policies ?	7
Sale or redemption (cashing in) of U. S. Government bonds ?	8
Withdrawal from savings account ?	9
Sale or redemption (cashing in) of other mutual fund shares ?	10
Sale of other common stock ?	11
Some other source ?	12

A-8. (IF "SOME OTHER SOURCE") What was the source of the money?

A-9. Did you receive a copy of the printed prospectus of the fund before you bought?

Yes	1
No	2
Don't remember	3

A-10. (IF "YES") About how much time did you spend reading it?

A-11. Did you use any source of information about your fund other than that provided by the sales representative or the fund?

	Yes	1
SKIP TO A-13	No	2

A-12. (IF "YES") What?

A-13. Would you buy an additional amount of mutual funds if you had cash to invest now?

	Yes	1
	No	2
SKIP TO A-15	Don't know	3

A-14. Why (Why not)?

A-15. Are you familiar with the investment performance (investment results) of your fund during the last 10 years or so?

	Yes	1
SKIP TO A-17	No	2

A-16. (IF "YES") At the time of your purchase what did you expect the investment performance of your fund to be in the next 10 years or so:

About the same as in the last 10 years or so?	1
Better than in the last 10 years or so?	2
Poorer than in the last 10 years or so?	3

A-17. At the time of your purchase did you have any views as to how your fund might perform in comparison with the stock market generally during the next 10 years or so?

	Yes	1
SKIP TO A-19	No	2

A-18. (IF "YES") How did you expect your fund to perform in the next 10 years or so:

	Yes	No
About the same as the stock market?	1	2
Better than the stock market?	1	2
Poorer than the stock market?	1	2

A-19. At the time of your purchase did you have any views as to how your fund might perform in comparison with government bonds during the next 10 years or so?

	Yes	1
SKIP TO A-21	No	2

A-20. (IF "YES") How did you expect your fund to perform in the next 10 years or so:

About the same as government bonds?	1
Better than government bonds?	2
Poorer than government bonds?	3

(MUTUAL FUNDS MAY INCLUDE A SALES CHARGE IN THE SELLING PRICE OF THEIR SHARES, AND THEY INCUR MANAGEMENT COSTS). The next five questions have to do with your understanding of the sales charges and management expenses of your fund. Please tell me what you remember about these.

A-21. When you bought shares in your fund, did you pay a sales charge?

	Yes	1
SKIP TO A-23	No	2
	Don't know	3

A-22. (IF "YES") What was it?



A-23. Do you know whether there are mutual funds in which the sales charge is:

	Yes	No
Higher than that of your fund?	1	2
Lower than that of your fund?	1	2
Zero? (No charge?)	1	2

A-24. What is your estimate of the annual expenses incurred by your fund for investment management and administration expressed as a percentage of the fund's assets?

(IF R. DOESN'T KNOW ENTER "Don't know")

Per Cent:	
-----------	--

A-25. What is your estimate of the annual expenses incurred by your fund for investment management and administration expressed as a percentage of the annual income of your fund for last year?

(DO NOT READ)

0 - 5 per cent	1
6 - 10 per cent	2
11 - 20 per cent	3
21 - 30 per cent	4
Over 30 per cent	5
Do not know	6

A-26. Listed on this card are sources of earnings or profits received by some businesses. (HAND R. CARD D). Please read each of these carefully. Now tell me whether, in your opinion, your fund receives any earnings or profits from each of these sources.

Source of Earnings or Profits		Yes	No	Don't know
1.	Profits from buying and selling securities in the stock market	1	2	3
2.	Sales charges paid by new investors in the fund	1	2	3
3.	Dividends and interest on stocks and bonds held by the fund	1	2	3
4.	Rents or fees from the ownership and/or management of real estate and other property	1	2	3
5.	Brokerage fees and commissions	1	2	3

A-27. Did you buy any mutual fund shares (other than those we are talking about) at the same time and from the same sales representative?

Yes	1
No	2

A-28. If mutual fund shares had not been available at the time of your purchase, would you have bought stock in the stock market?

Yes	1
No	2
Don't know	3

SECTION B

B-1. Who initiated the purchase of mutual fund shares? Was it:

Yourself?	1
Sales representative?	2
Some other person?	3

B-2. (IF "SOME OTHER PERSON") Who was it?

B-3. Did you buy the shares we are discussing exclusively by mail or through personal contact (including telephone) with a sales representative?

SKIP TO SECTION C	Exclusively by mail	1
CONTINUE WITH B-4	Through personal contact (including telephone)	2

B-4. How would you describe the person you dealt with when you made your purchase -- was he a salesman, broker, dealer, customer's representative?

X
XX

B-5. Did you discuss your purchase at one or more meetings with the sales representative before or at the time of your purchase?

	Yes	1
SKIP TO B-10	No	2

B-6. (IF "YES") How many meetings were held before you decided to purchase these fund shares?

No. Times:	
------------	--

B-7. Where did the meetings take place?

(CIRCLE CODE
FOR EACH
PLACE REPORTED)

Your home	1
Your office	2
His office	3
Some other place	4

B-8. (IF "SOME OTHER PLACE") Where did the meeting take place?

B-9. Approximately how much time was spent during (the meeting) (all the meetings)?

Hours:

B-10. Did (PERSON DESCRIBED IN B-2) make any inquiries concerning:

	Yes	No	Don't remember
a. Your income?	1	2	3
b. Your financial assets?	1	2	3
c. Your financial obligations?	1	2	3

B-11. Did he initiate the discussion of any of the following with you:

	Yes	No	Don't remember
a. The tax treatment of payments to you by the fund?	1	2	3
b. Your general income tax problems?	1	2	3
c. Quality of your other investments?	1	2	3
d. Taxes on your estate in the event of your death?	1	2	3
e. Wills and trusts?	1	2	3

B-12. (IF "YES" TO a, b, c, d OR e IN Q. B-11) Did he also advise you to consult an attorney or financial adviser?

Yes	1
No	2
Don't remember	3

B-13. Did he offer to do estate planning?

Yes	1
No	2
Don't remember	3

B-14. Did he offer to do portfolio analysis, that is, an evaluation of your investment holdings?

Yes	1
No	2
Don't remember	3

B-15. Did he offer any specific services other than those we have just been discussing?

Yes	1
No	2
Don't remember	3

B-16. (IF "YES") What other services did he offer?

B-17. Did (PERSON DESCRIBED IN B-4) say anything about possible changes in the market value of the shares you purchased?

Yes	1
No	2
Don't remember	3

SKIP TO B-23

B-18. (IF "YES") There are listed on this card various possibilities regarding changes in the market value of shares. (HAND R. CARD E) Please read each statement on the card and tell me which one comes closest to what he emphasized about changes in the market value of shares in a year or less.

Equally likely to rise or fall	1
Somewhat more likely to rise than fall	2
Strong chance of rise with almost no chance of fall	3
Rise in value is certain	4

B-19. Please look at the card again and tell me which statement comes closest to what he emphasized about changes in the market value of shares over a period longer than a year.

Equally likely to rise or fall	1
Somewhat more likely to rise than fall	2
Strong chance of rise with almost no chance of fall	3
Rise in value is certain	4

B-20. Did he stress any specific amount or rate of growth in the market value of your shares?

	Yes	1
SKIP TO B-21	No	2
	Don't know	3

B-21. (IF "YES") Over what period?

Less than 5 years	1
5 - 9 years	2
10 - 14 years	3
15 - 20 years	4

B-22. (IF "YES") What amount or rate did he stress?

B-23. In discussing your purchase of fund shares did (PERSON DESCRIBED IN Q. B-4) make any of the statements that are on this card: (HAND R. CARD FAND READ EACH STATEMENT SLOWLY.)

	Yes	No	Don't remember
1. That the fund shares could decrease in value?	1	2	3
2. That the investment was safe?	1	2	3
3. That the fund shares were like insurance?	1	2	3
4. That the fund shares were like saving accounts?	1	2	3
5. That the fund shares could be cashed in easily?	1	2	3
6. That the fund shares provided a hedge against inflation?	1	2	3
7. That fund shares encouraged you to save regularly?	1	2	3
8. That fund shares provide professional management?	1	2	3
9. That fund shares provide diversification?	1	2	3
10. That the shares of the fund were registered with the Securities and Exchange Commission?	1	2	3
11. That the management of the fund, or its investment policies or practices were supervised or controlled by the Securities and Exchange Commission or other agency of the Federal Government?	1	2	3
12. That the fund shares offered tax benefits?	1	2	3
13. That there were other advantages?	1	2	3

B-24. (IF "THERE WERE OTHER ADVANTAGES") What other advantages?

--

B-25. Did any of the statements on the card, or statements he made (in B-24), or combinations of them influence your purchase?

Yes	1
No	2

SKIP TO B-27

B-26. (IF "YES") Which ones? Please indicate the most important ones by number.

--	--	--	--	--

B-27. In his presentation, before or at the time of your purchase, did (PERSON DESCRIBED IN Q. B-4) do any of the things I am going to mention:

	Yes	No	Don't remember
1. Describe the amount of sales charge which would be deducted from the amount you paid for the fund shares?	1	2	3
2. Explain whether sales charges would be deducted if dividends from the fund were re-invested in additional shares?	1	2	3
3. Explain whether sales charges would be deducted if capital gains distributions from the fund were re-invested in additional shares?	1	2	3
4. Describe the fee paid by the fund for investment management and administration?	1	2	3
5. Explain the investment objectives of the fund?	1	2	3
6. Compare securities sold in the stock or bond markets with the fund shares?	1	2	3

B-28. Did he compare other funds with the fund he was selling?

Yes	1
No	2
Don't remember	3

B-29. (IF "YES") What was said?

B-30. At the time you purchased the shares we are talking about, did you already own any mutual fund shares?

	Yes	1
SKIP TO B-32	No	2

B-31. (IF "YES") Did (PERSON DESCRIBED IN B-4) advise you to sell shares in one mutual fund and buy shares in another?

Yes	1
No	2
Don't remember	3

B-32. Had the person who sold you this fund previously sold you:

	Yes	No
1. Any kind of insurance?	1	2
2. Mutual funds?	1	2
3. Securities other than mutual funds?	1	2

B-33. Did he offer to sell you insurance during the time he was discussing mutual fund shares with you?

Yes	1
No	2

SECTION C																											
CLASSIFICATION DATA																											
That completes the questions I wanted to ask you about your mutual fund shares. I would now like some information about you such as marital status and so on.																											
(QUESTIONS C-1 through C-11 ARE TO BE ASKED ABOUT THE RESPONDENT.)																											
<p>C-1. Sex:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Male</td> <td style="padding: 2px; text-align: center;">1</td> </tr> <tr> <td style="padding: 2px;">Female</td> <td style="padding: 2px; text-align: center;">2</td> </tr> </table>	Male	1	Female	2	<p>C-8. What is your occupation?</p>																						
Male	1																										
Female	2																										
<p>C-2. Are you married, widowed or single?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Married</td> <td style="padding: 2px; text-align: center;">1</td> </tr> <tr> <td style="padding: 2px;">Widowed</td> <td style="padding: 2px; text-align: center;">2</td> </tr> <tr> <td style="padding: 2px;">Single</td> <td style="padding: 2px; text-align: center;">3</td> </tr> </table>	Married	1	Widowed	2	Single	3	<p>C-9. What was the highest grade you completed in school or college?</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">Elementary</td> <td style="padding: 2px;">0-5</td> <td style="padding: 2px;">6</td> <td style="padding: 2px;">7</td> <td style="padding: 2px;">8</td> </tr> <tr> <td style="padding: 2px;">High School</td> <td style="padding: 2px;">9</td> <td style="padding: 2px;">10</td> <td style="padding: 2px;">11</td> <td style="padding: 2px;">12</td> </tr> <tr> <td style="padding: 2px;">College</td> <td style="padding: 2px;">1</td> <td style="padding: 2px;">2</td> <td style="padding: 2px;">3</td> <td style="padding: 2px;">4</td> </tr> <tr> <td style="padding: 2px;">Post Graduate</td> <td style="padding: 2px;">1</td> <td style="padding: 2px;">2</td> <td style="padding: 2px;">3</td> <td style="padding: 2px;">4</td> </tr> </table>	Elementary	0-5	6	7	8	High School	9	10	11	12	College	1	2	3	4	Post Graduate	1	2	3	4
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<p>C-3. (IF "MARRIED") Were you and your wife (husband) employed when you bought the shares we have discussed?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="padding: 2px;"></th> <th style="padding: 2px;">Yes</th> <th style="padding: 2px;">No</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Husband employed</td> <td style="padding: 2px; text-align: center;">1</td> <td style="padding: 2px; text-align: center;">2</td> </tr> <tr> <td style="padding: 2px;">Wife employed</td> <td style="padding: 2px; text-align: center;">1</td> <td style="padding: 2px; text-align: center;">2</td> </tr> </tbody> </table>		Yes	No	Husband employed	1	2	Wife employed	1	2	<p>C-10. (IF "POST GRADUATE") What was your major field of study?</p>																	
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Husband employed	1	2																									
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<p>C-4. How many people are in your family at this address?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Number:</td> <td style="width: 40px;"></td> </tr> </table>	Number:																										
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<p>C-5. How many dependents do you have?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Number:</td> <td style="width: 40px;"></td> </tr> </table>	Number:																										
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<p>C-6. How old are you?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Age:</td> <td style="width: 40px;"></td> </tr> </table>	Age:																										
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<p>C-7. In what kind of business or industry are you employed?</p>	<p>C-11. What was your employment status at the time you bought the fund shares that we have talked about?</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Employed by others</td> <td style="padding: 2px; text-align: center;">1</td> </tr> <tr> <td style="padding: 2px;">Self-employed</td> <td style="padding: 2px; text-align: center;">2</td> </tr> <tr> <td style="padding: 2px;">Unemployed</td> <td style="padding: 2px; text-align: center;">3</td> </tr> <tr> <td style="padding: 2px;">Retired</td> <td style="padding: 2px; text-align: center;">4</td> </tr> <tr> <td style="padding: 2px;">Housewife</td> <td style="padding: 2px; text-align: center;">5</td> </tr> </table>	Employed by others	1	Self-employed	2	Unemployed	3	Retired	4	Housewife	5																
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<p>C-12. Are you head of the family, or just what is your status in the family?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">(ASK Q's. C-13 THRU C-16 ABOUT THE FAMILY)</td> <td style="width: 20%; padding: 2px;">Head</td> <td style="width: 10%; padding: 2px;">1</td> </tr> <tr> <td></td> <td>Spouse</td> <td>2</td> </tr> <tr> <td></td> <td>Dependent minor son or daughter</td> <td>3</td> </tr> <tr> <td></td> <td>A dependent adult</td> <td>4</td> </tr> <tr> <td style="padding: 2px;">(ASK Q's. C-13 THRU C-16 ABOUT THE INDIVIDUAL)</td> <td>An individual (other than head or spouse) who is financially independent</td> <td>5</td> </tr> </table>	(ASK Q's. C-13 THRU C-16 ABOUT THE FAMILY)	Head	1		Spouse	2		Dependent minor son or daughter	3		A dependent adult	4	(ASK Q's. C-13 THRU C-16 ABOUT THE INDIVIDUAL)	An individual (other than head or spouse) who is financially independent	5	<p>C-17. (IF "YES") What is the total face amount?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">Less than \$5,000</td> <td style="width: 30%; padding: 2px;">1</td> </tr> <tr> <td>\$5,000 to \$9,999</td> <td>2</td> </tr> <tr> <td>\$10,000 to \$14,999</td> <td>3</td> </tr> <tr> <td>\$15,000 to \$24,999</td> <td>4</td> </tr> <tr> <td>\$25,000 to \$50,000</td> <td>5</td> </tr> <tr> <td>Over \$50,000</td> <td>6</td> </tr> </table>	Less than \$5,000	1	\$5,000 to \$9,999	2	\$10,000 to \$14,999	3	\$15,000 to \$24,999	4	\$25,000 to \$50,000	5	Over \$50,000	6			
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Over \$50,000	6																														
<p>C-13. At the time you bought the mutual fund shares that we have discussed did you (your family) own any:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 10%;">Yes</th> <th style="width: 20%;">No</th> </tr> </thead> <tbody> <tr> <td>Corporate stock other than mutual funds?</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>U. S. Government bonds?</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Other bonds?</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Savings accounts?</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Real estate (buildings, land, etc.) other than your home?</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>		Yes	No	Corporate stock other than mutual funds?	1	2	U. S. Government bonds?	1	2	Other bonds?	1	2	Savings accounts?	1	2	Real estate (buildings, land, etc.) other than your home?	1	2	<p>C-18. Will you please look at this card and tell me in which group your annual (family) income falls? (HAND R. CARD G)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">Less than \$5,000</td> <td style="width: 30%; padding: 2px;">1</td> </tr> <tr> <td>\$5,000 to \$9,999</td> <td>2</td> </tr> <tr> <td>\$10,000 to \$14,999</td> <td>3</td> </tr> <tr> <td>\$15,000 to \$24,999</td> <td>4</td> </tr> <tr> <td>\$25,000 to \$50,000</td> <td>5</td> </tr> <tr> <td>Over \$50,000</td> <td>6</td> </tr> </table>	Less than \$5,000	1	\$5,000 to \$9,999	2	\$10,000 to \$14,999	3	\$15,000 to \$24,999	4	\$25,000 to \$50,000	5	Over \$50,000	6
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<p>C-14. At the time you bought the mutual fund shares, did you (your family) own your home?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;">Yes</td> <td style="width: 20%;">1</td> </tr> <tr> <td>SKIP TO C-16</td> <td>No</td> <td>2</td> </tr> </table>		Yes	1	SKIP TO C-16	No	2																									
	Yes	1																													
SKIP TO C-16	No	2																													
<p>C-15. (IF "YES") Was it mortgaged?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;">Yes</td> <td style="width: 20%;">1</td> </tr> <tr> <td></td> <td>No</td> <td>2</td> </tr> </table>		Yes	1		No	2																									
	Yes	1																													
	No	2																													
<p>C-16. Are you (is the head of the family) covered by life insurance?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;">Yes</td> <td style="width: 20%;">1</td> </tr> <tr> <td></td> <td>No</td> <td>2</td> </tr> </table>		Yes	1		No	2																									
	Yes	1																													
	No	2																													

SECTION D

We have discussed several things about mutual funds. However, we have not covered everything, and you may have some comments to make before I leave. Do you wish to make any observations about your mutual fund shares or about mutual funds in general?

TIME INTERVIEW ENDED _____ A. M. _____ P. M.

THIS PAGE IS FOR INTERVIEWER COMMENTS

National Analysts, Inc.
Philadelphia, Pa.

Study #1-158
Fall 1962

Budget Bureau #: 71-6217
Expiration Date: March 31, 1963
Form IC-3

MUTUAL FUND INVESTOR STUDY

Being Conducted For

Securities Research Unit
Wharton School of Finance and Commerce
University of Pennsylvania

and

Securities and Exchange Commission

(Contractual Plans)

IDENTIFYING INFORMATION

Shareholder Code # _____

Name _____ Address _____

City _____ State _____

Interviewer's Initials _____ Date _____, 1962

(STAPLE ADDRESS
CARD HERE)

QUESTIONNAIRE					
<p>SUGGESTED INTRODUCTION: I'm _____, from National Analysts, Incorporated, a research organization in Philadelphia. I am working on a national study that is being done among investors in mutual funds. The study is being done for the University of Pennsylvania and the Securities and Exchange Commission of the Federal Government. This is part of a broad study in which the Commission is developing general information about what sources of information investors use, why they buy one kind of securities rather than another and so on. The survey does not imply any criticism of mutual funds generally or of any particular fund. I will want to talk with you about your purchase of shares in the _____ fund in _____. Please keep in mind that all the questions I will ask relate to this purchase.</p>					
<p>RECORD TIME IMMEDIATELY BEFORE ASKING Q. A-1 _____ A. M. _____ P. M.</p>					
SECTION A					
<p>A-1. First, what is the name of your investment plan?</p>					
<p>A-2. What is the total period of time covered by your plan?</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 2px;">Number Months:</td> <td style="width: 20%;"></td> </tr> <tr> <td style="padding: 2px;">Number Years:</td> <td></td> </tr> </table>	Number Months:		Number Years:	
Number Months:					
Number Years:					
<p>A-3. How frequently did you agree to make payments?</p>	<p style="text-align: right;">Number _____ per _____</p>				
<p>A-4. How much did you agree to pay per period?</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 2px;">Number Dollars:</td> <td style="width: 20%;"></td> </tr> </table>	Number Dollars:			
Number Dollars:					
<p>A-5. How many periods did you pay in advance, if any?</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 2px;">Number:</td> <td style="width: 20%;"></td> </tr> </table>	Number:			
Number:					