



Fast Answers



Mutual Fund Prospectus

Mutual funds must provide a copy of the fund's prospectus to shareholders after they purchase shares, but investors can – and should – request and read the fund's prospectus before making an investment decision. There are two kinds of prospectuses: (1) the statutory prospectus; and (2) the Summary Prospectus. The statutory prospectus is the traditional, long-form prospectus with which most mutual fund investors are familiar. The Summary Prospectus, which is used by many funds, is just a few pages long and contains key information about a fund.

Both kinds of prospectuses contain important information, including the fund's investment objectives or goals, its strategies for achieving those goals, the principal risks of investing in the fund, the fund's fees and expenses, and its past performance. Investors can find more detailed information in the statutory prospectus, including information relating to the fund's investment advisers and portfolio managers and details on how to purchase and redeem shares.

The SEC specifies the kinds of information that must be included in fund prospectuses and requires funds to present key data, such as fees and past performance, in a standard format so that investors can readily compare different funds. Review a fund's prospectus carefully and use tools such as a mutual fund cost calculator when analyzing and comparing funds.

We have provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.

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