SECURITIES

2009 Revised Form N-1A

and

Summary Prospectus Outline

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I. INTRODUCTION

A. SEC Rulemaking

1. On January 13, 2009, the SEC amended as of the effective date

    i. Rule 498 under the Securities Act of 1933 (the "1933 Act")

        a. Rule 498 will permit delivery of a summary prospectus rather than a full statutory prospectus in connection with an offer of a security or the delivery of a purchased security.

    ii. Form N-1A

        a. Mutual funds and exchange-traded funds (ETFs) use Form N-1A as their form for filing registration statements to register their shares under the 1933 Act and to register as investment companies under the Investment Company Act of 1940 (the "1940 Act").[1]

    iii. The SEC also amended a series of inter-related rules that are important for mutual fund public offerings. A table of these rules and the amendments to them is provided in the Appendix.[2]

2. Effective and Compliance Dates

    i. Funds may begin reliance on new Rule 498 on March 31, 2009.

    ii. N-1A filings for (1) initial registration statements and (2) annual post-effective amendments ("PEAs") must meet the requirements of revised Form N-1A by January 1, 2010.

    iii. N-1A filings for PEAs establishing a new series must meet the requirements by January 1, 2010 for that series.

    iv. All other N-1A filings must meet the requirements by January 1, 2011.

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[1] Along with Form N-1A, an investment company also must file Form N-8A to notify the SEC of the company's registration under the 1940 Act. References to Form N-1A used herein refer to the version of Form N-1A effective on March 31, 2009.

[2] Although beyond the scope of this outline, the adopting release SEC Rel. No. 33-8998 (the "Adopting Release") also amended Form N-14 relating to fund mergers and Form N-4 (for variable insurance products).

Form N-1A Filing	Deadline
• Initial registration statement • Annual PEA[3]	January 1, 2010
• PEA establishing a new series	January 1, 2010 for that series only
• All other amendments	January 1, 2011

B. PEA Filings

1. Funds must file PEAs under Rule 485(a), meaning a 60-day review period for an annual update to a registration statement before the amendment goes effective, absent relief from the SEC.

2. The SEC will consider filings under Rule 485(b), which may go effective immediately, but only in certain circumstances.

   i. Example: a fund in a fund family has already made a Rule 485(a) filing compliant with revised Form N-1A and is submitting another similar filing. Similarity will have to be agreed with the SEC. Past experience suggests that the SEC will want to see at least one of each type of fund in a family (*e.g.*, equity, bond, money market, sector, fund of funds) in the context of a Rule 485(a) filing.

3. The summary prospectus may be used as of March 31, 2009, but only after the fund has amended its statutory prospectus to conform to the new requirements of revised Form N-1A (*i.e.* the statutory prospectus includes the summary section).

II. RULE 498: USING THE SUMMARY PROSPECTUS

A. Offers of securities

1. Rule 498 allows a fund to use a summary prospectus (rather than a statutory prospectus) when offering a security; in satisfaction of the fund's 1933 Act Section 5(b) prospectus delivery obligation.[4]

[3] Mutual funds typically renew their registration statements annually, as long as they continuously offer their shares, to update financial information in their prospectuses. Note that Section 10(a)(3) of the 1933 Act requires that any prospectus used to sell shares more than nine months after its effective date contain financial information that is no more than 16 months old.

2. The summary prospectus may be accompanied by an application form (unlike an advertisement under Rule 482[5] but just like the fund profile under old Rule 498[6]).

3. The summary prospectus may accompany supplemental sales literature.

   i. Until March 31, 2009, sales literature is not considered to be a prospectus for liability purposes unless preceded by or accompanied by a *statutory* prospectus; new Rule 498 allows a fund to send a summary prospectus instead of the statutory prospectus to accompany sales literature. Note that Rule 498 does not eliminate the need to deliver a prospectus under 5(b)(1) of the 1933 Act at the time of an offer; Rule 498 provides that a summary prospectus is a Section 10 prospectus.

B. Delivery with confirmation of sale

1. The new Rule 498 allows a fund to deliver a summary prospectus instead of a statutory prospectus with the security or the confirmation of the sale of the security.

2. For liability purposes, under Rule 498(c) the statutory prospectus is deemed to have been delivered concurrently with the summary prospectus, thereby satisfying the fund's Section 5(b)(2) prospectus delivery obligation, *if the summary prospectus complies with the conditions of Rule 498(c)*.

   i. Failure to comply with Rule 498(c)'s four conditions may lead to 1933 Act liability. Rescission liability will arise under Section 12(a)(1) of the 1933 Act if the summary prospectus is delivered with a sale confirmation and one or more of the four Rule 498(c) conditions are not met. These conditions are described below in Section III.

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[4] Section 5(b)(1) precludes the use of any prospectus that does not comply with Section 10. Section 5(b)(2) requires that the delivery of any security or confirmation after sale must be accompanied or preceded by a prospectus that satisfies the requirements of Section 10(a). Section 10(a) specifies the requirements for statutory prospectuses, principally that they "contain the information in the registration statement." Section 10(b) authorizes the SEC to adopt rules permitting the use of omitting prospectuses to make an offer under Section 5(b)(1).

[5] Rule 482 under the 1933 Act permits investment company advertisements that comply with that rule. These advertisements are Section 10(b) omitting prospectuses that may be used to make Section 5(b)(1) offers. Rule 482(a)(3) precludes using a Rule 482 advertisement with an application.

[6] As originally adopted, Rule 498 created a profile prospectus that was a 10(b) prospectus and that could be used with an application, but the profile was not a 1933 Act Section 10(a) prospectus. Therefore, it could be used only if a Section 10(a) prospectus also was used, typically with a confirmation. One of the problems with the profile was that it did not meet a fund's prospectus delivery obligation.

C. Benefits to the summary prospectus

1. Replaces the Profile introduced in 1998, which was a 10(b) prospectus that had to be followed by delivery of a statutory 10(a) prospectus; however, the summary prospectus is a 10(b) prospectus that conditionally satisfies Section 5(b)(2)'s requirement of delivery of a Section 10(a) prospectus.

2. May facilitate the sales process a bit and lower costs.

   i. Direct marketed funds have long sought to sell off the page with a one page advertisement and a tear away coupon application form. The summary prospectus does not quite get them there. It is simply too long for a single page in a newspaper. However, funds may now sell "off the page<u>s</u>" by including an application with a three to four page prospectus.

   ii. Financial planners or brokers that do a "check and application" business may like to use the short summary prospectus with a fund application, rather than providing a statutory prospectus with an application.

   iii. Full service brokers and fund supermarkets will likely look to the summary prospectus to facilitate delivery of a "prospectus" with a confirmation <u>in the same envelope</u>. The "one envelope" opportunity may save fund distributors client mailing costs and fund underwriters' prospectus printing costs.

3. Example: If you assume as a fairly standard prospectus delivery practice involving:

   i. a paper confirming prospectus and a paper confirmation,

   ii. and that the fund's website already posts prospectuses, SAIs and shareholder reports,

then the use of a paper summary prospectus delivered with a paper confirmation will reduce the printing and delivery costs of confirming a purchase order, without significantly increasing the fund's compliance burdens in any obvious way.

4. The "layered approach" to disclosure allows the investor to select the amount of disclosure they want. By layered approach, the SEC had in mind physical delivery of the summary prospectus with easy electronic access to the statutory prospectus, SAI and shareholder reports on the fund's own website if the investor wants more thorough disclosure.

i. New Rule 498 does not mandate that a fund have a website. However, a fund website is a requirement for using a summary prospectus.

D. Potential liabilities of the summary prospectus

1. Summary prospectus provides greater protection against liability under the Securities Act of 1933 than the current profile because of the express incorporation by reference of information contained in the statutory prospectus, SAI and shareholder reports.

2. Special attention should be paid to proper incorporation by reference, which may cure an omission of material information from the summary prospectus.

3. However, the conditions for the use of a summary prospectus are technical, and failure to comply with any one of the conditions may result in Section 12(a)(1) or 12(a)(2) liability.[7] Section 12(a)(1) liability would arise if the summary prospectus failed to satisfy Section 5(b)(2). Section 12(a)(2) liability would arise if the summary prospectus omitted material facts.

4. The summary prospectus does not necessarily reduce liability under the Securities Exchange Act of 1934, as amended (the "1934 Act") including Section 10(b) and Rule 10b-5, however, because the incorporation by reference provisions in Rule 498 do not apply to the 1934 Act.

E. Compliance with new Rule 498

1. Two layers of compliance are found within the rule:

i. <u>Conditions</u> of using new Rule 498 for delivery of the prospectus – violation of these may lead to rescission rights under Section 12(a).

ii. Other <u>requirements</u> of new Rule 498 – violation of these may lead to SEC enforcement, but not rescission rights by investors.

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[7] Section 12(a)(2)creates rescission liability for any purchaser if a fund uses a prospectus that omits a material fact. Summary prospectuses do omit facts contained in the registration statement, but these facts are incorporated by reference. There are conditions to using incorporation by reference in Rule 498. Incorporation by reference is discussed in detail in Section V below.

III. RULE 498: CONDITIONS

A. Compliance

1. Under Rule 498, a fund may use a summary prospectus to satisfy its delivery requirements under 1933 Act Sections 5(a) and 5(b) if it satisfies the conditions of Rule 498. Violation of these conditions may lead to rescission rights for investors.

B. Content requirement

1. The content of the summary prospectus must be as prescribed in section (b) of new Rule 498. The requirements mirror Items 2-8 of Form N-1A. The specifics of these requirements are discussed in Sections V and VI below.

C. Binding

1. The summary prospectus may not be bound with any other materials.

2. Exception: insurance product summary prospectuses that meet certain requirements. Insurance product summary prospectuses are discussed in Section VII below.

D. Provision of other fund documents

1. As of the time of physical delivery of the summary prospectus, a fund must make available, free of charge, certain fund documents:

   i. The summary prospectus;

   ii. Current statutory prospectus;

   iii. Current SAI; <u>and</u>

   iv. Most recent annual and semi-annual shareholder reports.

2. The fund must provide these documents:

   i. On its website;

   ii. By toll-free call; <u>and</u>

   iii. By email request.

3. The fund must then maintain updated versions of the documents on its website for 90 days after the time it first used the summary prospectus to accompany sales literature or to deliver a security or confirmation of sale.

4. A fund must update these documents on *the fund's* website. If the fund files an updated statutory prospectus with the SEC, it must replace the old one online with the updated version on the effective date of the fund's amended registration statement.

E. Online provision format

1. The electronic documents provided on the fund's website must be human-readable (*i.e.*, not machine-readable only) and printable in a readable format.

2. Linking

i. In the statutory prospectus and SAI, the viewer must be able to link between the Table of Contents of each document and the relevant section in the text.

a. The Table of Contents of the statutory prospectus and SAI must conform to the requirements of new Rule 481(c), or have the same section headings as required by new Rule 481(c).

b. These links must be embedded in the documents retained by the viewer so that they still work after download.

ii. In the summary prospectus, the viewer should be able to link as follows:

a. Between a particular part of the summary prospectus and the section of the statutory prospectus or SAI that provides more detailed information; or

b. Between the summary prospectus and the Table of Contents of the statutory prospectus or SAI.

1. The links to the Tables of Contents must either be continuously visible, such as in a different frame of the summary prospectus window, or located at both the beginning and the end of the summary prospectus.

c. Note: these links between documents need not be maintained once the viewer has downloaded the summary prospectus.

3. The investor viewing the electronic documents must be able to permanently retain a copy of these documents, such as by download onto a local computer.

   i. The downloads should be human readable and printable and must contain the links for moving back and forth between the Table of Contents and the corresponding text of the statutory prospectus and SAI.

4. Online "glitch" safe harbor:

   i. In the case that fund documents become temporarily unavailable online, the fund will not face Section 12 liability if:

      a. The fund has in place reasonable measures for ensuring the continued provision of the documents online pursuant to new Rule 498(e); AND

      b. The fund fixes the problem or makes the documents available as soon as practicable after the fund knows or should have known of the problem.

      c. Note that Rule 498(e) does NOT define either "reasonable measures," "as soon as practicable" or "should have known." This leaves interpretive issues. What if a correction is made but its timeliness is disputed; what if the fund acted reasonably promptly from when the glitch was discovered, but the fund should have discovered the problem faster?

         1. This is in contrast to Rule 11 of Regulation S-T under the 1933 Act. Rule 11 defines "promptly" as "as soon as reasonably practicable under the facts and circumstances at the time."

         2. More importantly, Rule 11 also provides a non-exclusive safe harbor:

            i. The safe harbor generally provides that a correction is deemed promptly made if completed by the later of

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a. 24 hours or

b. 9:30 a.m. on the next business day.

ii. In each case the safe harbor time limit only starts to run after the filer becomes aware of the need for the correction.

3. The absence of clarity as to what "promptly" means under new Rule 498(e) may leave open a door for potential 1933 Act Section 12(a) claims following a website incident.

i. Although funds are likely to look to Rule 11 for implicit guidance as to the timeliness needed when addressing technical problems, it is not clear that a court would defer to the SEC's Rule 11 guidance in the context of a summary prospectus.

IV. NEW RULE 498: OTHER REQUIREMENTS

A. Compliance

1. New Rule 498(f) imposes other requirements that are not conditions precedent to valid delivery of a prospectus as required by Section 5(b) (*i.e.* no investor rescission rights), but for which non-compliance may lead to SEC enforcement.[8]

B. Provision of disclosure documents other than online

1. If an investor or prospective investor requests a copy of fund disclosure documents by phone or by email, the fund must either, within three days of the request and at no cost to the requestor:

i. If a paper copy is requested, mail a hard copy of the documents to the requestor via first-class mail, OR

ii. If an electronic version is requested, email electronic copies of the documents to the requestor; OR

[8] Although the SEC asserts that it has enforcement power for breach of a New Rule 498(f) requirement, no basis for the SEC's enforcement power is cited by the Adopting Release. The authors note, that, usually one cannot "violate" a safe harbor.

iii. If an electronic version is requested, provide, via email, a link to the website where the documents are available for viewing, printing, and download online.

a. This link must be maintained with current versions of the documents for six months after it is sent; <u>and</u>

b. The email must contain a statement that:

1. notifies the requestor of the six-month period; and

2. reminds the requestor to access and save the disclosure documents before the six-month period lapses.

iv. Electronic delivery of documents contemplated by the Adopting Release presumes that affirmative consent to electronic delivery will have been previously obtained from the requestor by the fund in accordance with the SEC's 1995 electronic delivery.

v. Footnote 197 of the Adopting Release states that the fund may rely on any previously obtained consent to receive a statutory prospectus electronically to deliver a summary prospectus electronically.

C. Prominence of the summary prospectus

1. A condition of satisfaction of the delivery requirement using the summary prospectus is that it may not be bound with other materials. That pertains to the physical composition of the summary prospectus – other materials such as sales materials may not be physically attached to it, but a fund or intermediary may place them in the same mailing.

2. When accompanied by other documents in a mailing, the summary prospectus must be given prominence above other materials sent with it.

i. This could be as simple as putting the summary prospectus on top of a group of materials mailed together.

ii. Less certain is the treatment applied to "prominence" in the context of electronic delivery. If a single email is sent, perhaps the summary prospectus should be the first link or attachment within the email.

3. A summary prospectus need not be given prominence over another summary prospectus or the statutory prospectus.

D. The fund's website

1. The fund website should be clear and convenient for locating and viewing the disclosure documents, and documents should be clear and convenient for reading, printing and downloading.

E. The content of the summary prospectus

1. The summary prospectus content should be identical to the information provided in the new summary section of the statutory prospectus. This information, discussed later in Sections V and VI, conforms to new Items 2 - 8 of Form N-1A.

2. Exception: the summary prospectus may eliminate the explanation for the substitution of a new comparative market index.

V. RULE 498: SUMMARY PROSPECTUS CONTENT

A. Overview

1. The summary prospectus is an omitting prospectus, meaning it is permitted to omit material information if that information is available in the statutory prospectus or SAI.

2. Therefore, the summary prospectus should be short and concise. The SEC envisions a three- to four-page document giving an overview of what it believes to be the most important information for investors and prospective investors.

i. If the summary prospectus length "targets" are to be achieved, text from statutory prospectuses typically would have to be re-written and summarized.

ii. The page "limit" is not mandatory. However, adhering to the page "limit" would provide the great opportunity to save costs. In effect, funds must adopt a condensed summary section of their statutory prospectus and they may, if they choose, use it as the basis for a short summary prospectus.

3. A summary prospectus may only describe one fund, but may describe multiple classes of that fund. Therefore, a multi-fund statutory prospectus

must be broken down into individual summary prospectuses, one for each fund.

B. Required and permitted disclosures

1. The summary prospectus may contain a cover page.

2. It may contain ONLY that information required by Items 2 - 8 of Form N-1A, in the order prescribed by the form. No additional information is allowed.

C. Supplement requirement

1. If a fund updates its statutory prospectus in a manner that affects the information contained in the summary section, then the fund also must "sticker" its summary prospectus.

D. Incorporation by reference

1. The summary prospectus is an omitting prospectus and omits material information that must otherwise be disclosed in the statutory prospectus.

2. To make the omitting prospectus complete, and to address the liability problems of the fund profile, the summary prospectus may incorporate by reference:

i. information contained in the statutory prospectus or SAI; and

ii. information contained in the most recent annual and semi-annual reports to shareholders, <u>if such information is incorporated by reference into the statutory prospectus</u>.

3. A fund may NOT incorporate by reference:

i. Information required by new Rule 498 to be included in the summary prospectus; and

ii. Information from documents other than the fund disclosure documents listed.

4. The summary prospectus incorporating information from another document must reference that other document specifically, not indirectly by reference to a third document that incorporates the information itself.

i. For example, if the statutory prospectus incorporates by reference information found in the most recent shareholder report, the summary prospectus must reference the shareholder report, not the statutory prospectus.

ii. For example, if the SAI incorporates by reference sections of the annual report into the SAI, those sections of the annual report incorporated in the SAI must not be incorporated into the summary prospectus. Rule 498(b)(3)(ii) provides that only Items incorporated into the statutory prospectus may be incorporated into the summary prospectus.[9]

5. Incorporated disclosure documents need not be physically delivered with the summary prospectus. Instead, they are deemed to have been delivered concurrently with the summary prospectus, for purposes of Sections 12(a)(2) and 17 of the 1933 Act.

i. Therefore, the summary prospectus' omission of material information may be cured by such deemed delivery, at least for 1933 Act purposes.

6. By way of reminder, incorporation by reference has become a standard practice in the mutual fund industry dating back to the adoption of Form N-1A in 1983 and the introduction of a two part prospectus.

i. In 1983, the SEC stated that "if a mutual fund incorporates the Statement of Additional Information by reference, the Statement [of Additional Information] would be part of the prospectus as a matter of law."[10] The only step a fund needs to take to incorporate the SAI into the statutory prospectus is to disclose the incorporation in the statutory prospectus.

ii. According to the SEC, courts have recognized incorporation by reference (at least for 1933 Act purposes) when the SEC has expressly provided that such information becomes part of the incorporating document.

a. The case most often cited by the SEC appears to be White v. Melton, 757 F. Supp. 267, 271 (S.D.N.Y. 1991). In White, the District Court found that disclosure relating to aging of shares subject to a deferred sales charge could properly be provided in the Statement of Additional Information under the SEC's form instructions.

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[9] See also General Instruction 2(a) to Form N-1A that provides that "Part A [of Form N-1A] includes the information required in a fund's prospectus under Section 10(a) of the Securities Act.

[10] Investment Company Act Release No. IC-13436 (Aug. 12, 1983).

7. The SEC states in both the proposing and adopting releases for new Rule 498 that a fund providing investors with information in a summary prospectus in good faith compliance with Rule 498 will be able to rely on Section 19(a) of the 1933 Act against a claim that the summary prospectus did not include information disclosed in the statutory prospectus.

    i. Section 19(a) precludes liability under the 1933 Act for acts taken in good faith reliance upon any SEC "Rule or regulation."

    ii. Whether or not the fund incorporates the statutory prospectus into the summary prospectus, the fund may yet be able to rely on Section 19(a), or so the SEC stated on page 110 of the adopting release, based on all the facts and circumstances.

E. Cover page

1. The summary prospectus cover may be a separate cover page, or it may simply come at the beginning of the document.

2. Required information:

    i. Fund's name must appear, along with each class name and ticker symbol, if applicable.

        a. Again, summary prospectus may cover one class or multiple classes of a single fund, but never multiple funds.

    ii. The date of the summary prospectus' first use must appear on the cover.

    iii. A legend directing readers to the fund's disclosure documents located on the fund's website, as well as a toll-free phone number and email address used to request the disclosure documents.

    iv. Note that the web address listed may not simply lead readers to the SEC filing site or the fund's general home page. The link must lead them to the specific documents, or a central site containing links to all of the documents on the fund's website.

3. The legend also may state that the statutory prospectus is available from a financial intermediary.

4. Any such reference, if incorporating only part of another document, must specify the page, section, or paragraph where the information may be found.

i. For example, if incorporating only a table from the SAI, the summary prospectus must reference the table with enough specificity such that a reader may find the table in the SAI without much effort.

VI. SUBSTANTIVE CONTENT: ITEM-BY-ITEM DISCUSSION OF FORM N-1A AMENDMENTS

A. Overview

1. As it did in 1998, the SEC amended Form N-1A to include a summary section of the statutory prospectus. This summary section brings to the front of the document information deemed to be the most important to a potential investor.

2. Items 2 through 8 of the new Form N-1A must always appear at the beginning of the prospectus, in a space envisioned to be 3 to 4 pages long.[11]

3. The information must appear in the same order as the items are listed on Form N-1A.

4. The information included in response to Items 2 through 8 may not include any disclosure other than the required items. [12]

5. The information contained in the summary section is not required to be repeated later in the document.[13]

6. Each fund's disclosure regarding Items 2 through 5 must be provided sequentially for that fund in every case.[14] If the information in Items 6, 7 and 8 vary by fund, then they too must be presented by each fund sequentially. But if Items 6, 7 and 8 are identical for all funds, then the disclosure for those items may be integrated.[15]

B. Item 2: Investment Objectives and Goals

1. The fund should disclose its investment objectives and goals.

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[11] See Form N-1A, General Instruction 3(a).

[12] See Form N-1A, General Instruction 3(b).

[13] Id.

[14] See Form N-1A, General Instructions 3(c)(ii)-(iii).

[15] See Form N-1A, General Instruction 3(c)(iii).

2. The fund may also identify its type (*e.g.*, that it is a money market fund, balanced fund, etc.)

C. Item 3: Fee Table

1. The SEC moved the fee table forward from its position in "old" Form N-1A.

2. Breakpoint discount narrative

i. If a fund offers breakpoint discounts on front-end sales charges for volume sales, then it must include a disclosure of those discounts.

a. The narrative must direct investors to their financial professionals and the section heading and page number of the statutory prospectus or SAI where further information can be found.

b. The fund must disclose the minimum amount at which an investor may take advantage of the discount.

3. Parenthetical to "Annual Fund Operating Expenses" Table

i. The parenthetical must read: "Expenses that you pay each year as a percentage of the value of your investment."

4. Expense reimbursement and fee waivers

i. The fund may reflect the effect of any expense reimbursement or fee waiver arrangements that will reduce any operating costs for no less than one year from the effective date of the filing two additional captions under "Total Annual Fund Operating Expenses."

ii. Fund also must disclose the period of the arrangement, the expected termination date and who may terminate it and under what circumstances.

a. A fund apparently may not include this information if the expense reimbursement or fee waiver arrangement may be terminated without the agreement of the fund's board of directors during the one-year period.

b. If the fee waiver or expense reimbursement does, in fact, terminate less than a year from the filing, the fund must supplement its filing to reflect the termination.

iii. Note that a recently proposed rule would require mutual funds to file the fee table information in an interactive format that would facilitate the automatic analysis of the information and a comparison to other funds.

5. Portfolio turnover rate

i. Fund must disclose its portfolio turnover rate for the most recent fiscal year as a percentage of the average value of its portfolio.

ii. The numerical disclosure must be accompanied by an explanation of the potential effects of portfolio turnover on transaction costs and fund performance, the adverse tax consequences of a higher portfolio turnover rate, and the higher transaction costs engendered by the higher turnover rate.

D. Item 4: Risk/Return Summary: Investments, Risks and Performance

1. Includes the current bar chart and table illustrating the variability of returns and showing the fund's past performance.

2. Includes current requirements to summarize principal investment strategies and risk disclosure. Presumably, these sections will be shorter than the "current" N-1A disclosure and will be condensed even further.

3. New narrative: a fund that makes updated performance information available online or via a toll-free phone number must include a statement explaining this and providing the website and/or phone number.

E. Item 5: Management

1. Summary section must include the name of each investment adviser and sub-adviser of the fund, followed by the name, title and length of service of the fund's portfolio managers.

i. Fund is not required to identify sub-advisers whose only responsibility is the day-to-day management of cash instruments (unless the fund is a money market fund or other fund with a principal investment strategy of holding cash instruments).

ii. If a fund has three or more sub-advisers, it need only identify any sub-adviser that is responsible for a significant portion of the fund's assets (generally 30% or more).

F. Consolidated items

1. Items 6, 7 and 8 may be consolidated for all funds at the end of the individual fund summary sections of the statutory prospectus if the information is identical across funds.

2. A legend directing investors to the consolidated items should appear in the place of the item disclosure.

G. Item 6: Purchase and Sale of Fund Shares

1. Summary section must disclose the fund's minimum initial or subsequent investment requirements as well as the fact that the fund's shares are redeemable.

2. Fund also must identify the procedure for share redemption.

3. This item may be consolidated across funds.

H. Item 7: Tax Information

1. Tax Information

i. Fund must disclose, as applicable:

a. That it intends to make distributions that may be taxed as ordinary income or capital gains, or

b. That it intends to distribute tax-exempt income.

ii. If a fund holds itself out as investing in securities generating tax-exempt income, it must provide a general statement to the effect that a portion of the fund's distributions may be subject to tax.

2. This item may be consolidated across funds.

I. Item 8: Financial Intermediary Compensation

1. The summary section concludes with disclosure of financial intermediary compensation. If applicable, the fund must include the following language, or modified language disclosing the same information:

i. "If you purchase the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information."

2. The Adopting Release clarified that disclosure about intermediary compensation may be omitted if the fund does not pay intermediaries. Note: the SEC views fund supermarkets and their servicing fees as triggering Item 8 disclosure. Adopting Release footnote 158.

3. This item may be consolidated across funds.

J. Modified prospectuses targeted at retirement plans and insurance products

1. Item 4(b)(2) (after-tax return date, and the explanation of after-tax returns), and Item 6 (Purchase and Sale Information) may be deleted from the summary section of the statutory prospectus for funds used as investment options for 401(k) plans, 403(b) plans, 457 plans and variable insurance products.[16]

i. The prospectus back cover <u>may</u> disclose in a legend that the <u>prospectus</u> is only for use with the specified offerees.

ii. If the prospectus is aimed at persons who are not subject to federal income tax, then the after-tax return information may be omitted and the legend on the back cover adjusted.

VII. APPLICATION TO ETFs AND VARIABLE INSURANCE PRODUCTS

A. Application of release to ETFs

1. ETFs that have a minimum creation unit size of 25,000 shares follow alternative disclosure Items 3 and 6, reflecting the supposition that investors in the ETF will be likely to purchase on the secondary market.

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[16] See Form N-1A General Instruction 3(d).

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2. Eligible ETFs need not disclose the costs of assembling a creation unit,[17] but should disclose that investments will be subject to brokerage commissions.

3. ETFs must disclose their exchange ticker symbols and principal US trading markets in their summary sections.

4. Eligible ETFs need not disclose how to buy or sell directly from the ETF in the prospectus summary, otherwise this information is required by Form N-1A, Item 6(c)(i).

5. Item 11 of Form N-1A was also amended with respect to ETFs. ETFs must disclose in the prospectus (but not in the summary section) the number of days traded at a discount or premium on a calendar year basis, including information for subsequent calendar quarter.

    i. The number of days traded at a discount or premium may be excluded from the prospectus if available on the ETF's website and if that information is disclosed, but the risk of trading at a premium or a discount must be disclosed.

B. Application of release to variable products funds and retirement plan funds

1. May eliminate section on purchases and redemptions (Item 6).

2. Tax information may be eliminated, if not applicable.

3. May eliminate information on investment minimums, if not applicable.

4. Summary prospectuses of variable products funds may be bound together with the statutory prospectus for the variable contract, provided that:

    i. The funds bind together only prospectuses for funds that are available to the person they are sent to;

    ii. The bound document contains a Table of Contents;

        a. The Table of Contents of the bound document identifies the page number where the summary prospectus can be found; and

    iii. The Table of Contents follows the cover of the bound document.

[17] See Form N-1A, General Instruction 3(e)(ii).

Appendix 1

TABLE OF RULE AMENDMENTS

Provision Amended	**Summary of New Provision**	**Comments**
1933 Act Rule 159A	“Profile” replaced with “summary prospectus.” Definition of “seller” for purposes of § 12(a)(2) of the ’33 Act (civil liability of seller to purchaser) now amended to include the issuer, where securities are sold by means of a summary prospectus provided pursuant to Rule 498.	Technical amendment to reflect new summary prospectus rather than the previous profile.
1933 Act Rule 482,	Amended to (i) except the summary prospectus from the Rule’s provisions (as the profile was), and (ii) require that an advertisement with respect to securities of an investment company registered under the ’40 Act include a statement (a) advising an investor to consider investment objectives, risks, and expenses of the investment company before investing, (b) explaining that the prospectus and, if available, the summary prospectus contain such information, (c) identifying where the investor can find the prospectus and summary prospectus, and (d) stating that these documents be read carefully before investing.	Technical amendment to reflect new summary prospectus rather than the previous profile.
Rule 485	Reference to “Items 5 or 6(a)(2) of Form N-1A” now reads “Item 5(b) or 10(a)(2) of Form N-1A.”	Technical amendment to reflect new item numbers of Form N-1A.
1933 Act Rule 497	Paragraph (k) shall govern the filing of summary prospectuses under Rule 498. Each definitive form of a summary prospectus under Rule 498 shall be filed with the SEC no later than the date it is first used.	Technical amendment to reflect new summary prospectus rather than the previous profile.

1933 Act Rule 498	Rule 498 is replaced by new rule allowing a mutual fund to satisfy the delivery requirement of §5(b)(2) under the 1933 Act by delivering a summary prospectus that contains the same information as found in the new summary section of the statutory prospectus. Additional requirements include that the summary prospectus not be bound with any other sales material, that it be given “greater prominence” than accompanying materials, and that the summary prospectus, the statutory prospectus, and other information be readily available to the investor on the Internet in a manner prescribed by the new rule.	The specific requirements of the summary prospectus are discussed above.
Reg. S-T Rule 304	The line graph required by Item 27 of amended Form N-1A (Financial Statements; graph of the number of days the market price of the fund shares was greater than NAV / less than NAV for the previous 5 years) must be presented to the SEC in graphic form in the electronic document used for electronic filing under the Rule (*i.e.* no omission with narrative replacement allowed). However, Item 27 itself allows the graph to be omitted if instead the fund provides an Internet address at which the information is provided.	Technical amendment to conform the item number referenced in the rule to the amended Form N-1A.
Reg. S-T Rule 401	The financial highlights or condensed financial information required by Item 13(a) of the amended Form N-1A is mandatory content for an XBRL-related document. Adds the new investment objectives and goals information included in new Item 2 of amended Form N-1A to the mandatory information of an XBRL-related document.	Technical amendment to conform the item numbers referenced to the redesignated item numbers in amended Form N-1A.

MODEL SUMMARY PROSPECTUS

A cover page is optional, but Summary must include only Items 2 through 8 of Form N-1A in the order shown here, and it should be short; *i.e.* 3-4 pages. This illustration is longer due to formatting

XYZ LARGE CAP STOCK FUND

Class A Shares [Ticker: XYZA]
Class B Shares [Ticker: XYZB]

SUMMARY PROSPECTUS

February 26, 2010

Fund name, class name; Ticker symbol: "Summary Prospectus" and date are mandatory

Incorporate by reference information in fund documents - - website must be specific to fund documents; not general fund website or SEC website.

Before you invest you may want more information about the fund and its risks contained in the fund's prospectus and its statement of additional information, both dated February 26, 2010, and [insert appropriate sections that are incorporated into the statutory prospectus] the most recent report to shareholders, dated December 31, 2009, which are each incorporated by reference into this summary prospectus, and that you can obtain online at www.xyzfunds.com/prospectus, or at no cost by calling 800-000-0000 or by sending an email request to prospectus@xyzfunds.com, or from your financial adviser.

Legend must state where to find additional information in the statutory prospectus and SAI ;

Breakpoints: Disclose the minimum investment eligible for front load discount, and where to get more info.

Investment Objective: The fund seeks capital appreciation. It is an equity fund.

Investment Objective: may disclose fund type

Fees and Expenses of the Fund: The tables below describe the fees and expenses that you may pay if you buy and hold shares of the fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $25,000 in XYZ funds. More information about these and other discounts is available from your financial professional and in Section 12, page 34 of the fund's SAI.

Shareholder Fees: parenthetical language is required.

Shareholder Fees
(fees paid directly from your investment)

	Class A	Class B
Maximum Sales Charge (Load) Imposed on Purchases (as percentage of offering price)	5.75%	None
Maximum Deferred Sales Charge (Load) (as percentage of the lower of original purchase price or sale proceeds)	None	5.00%

Uses of Summary: The Summary may be used with an application, Rule 482 material or supplemental sales literature, or with a confirmation

Annual Fund Op. Expense: Parenthetical language is required.

Annual Fund Operating Expenses
(expenses that you pay each year as a percentage of the value of your investment)

	Class A	Class B
Management Fees	0.60%	0.60%
Distribution (12b-1) Fees	0.00%	0.75%

Reimbursements and waivers: Reflect expense reimbursement or fee waivers *only if* arrangement lasts more than one year from date of filing and cannot be terminated without fund's approval. Disclose the time period of the arrangement, expected termination date, and who may terminate under what circumstances.

Service (12b-1) Fees	0.25%	0.25%
Other Expenses	0.25%	0.25%
Total Annual Fund Operating Expenses	1.10%	1.85%
Expense Reimbursements*	(0.10)	(0.10)
Net Total Annual Fund Operating Expenses (after expense reimbursements)	**1.00**	**1.75**

* The fund benefits from an expense reimbursement agreement between the fund and its adviser that limit Class A expenses to 1.00% and Class B expenses to 1.75%. The agreement expires on February 28, 2011, unless the adviser agrees to extend it. The expense reimbursement agreement can be terminated before February 28, 2011 only with the fund's consent.

End of fee waiver: If the fee waiver or expense reimbursement in fact terminates within one year of filing, the fund must "sticker" the prospectus with the updated fee tables.

Example

The example below is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest $10,000 in the fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same, except that the fund's expenses are reduced during the first year by an expense limitation agreement with the Adviser by 0.10%. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 year	3 years	5 years	10 years
Class A (whether or not shares are redeemed)	$550	$780	$1,030	$1,730
Class B (if shares are redeemed)	$680	$880	$1,200	$1,970
Class B (if shares are not redeemed)	$190	$580	$1,000	$1,970

Portfolio turnover disclosure must include brief explanation of effect on transaction costs and fund performance, and the possibility of adverse tax consequences.

Portfolio Turnover:
The fund pays transaction costs, such as commissions, and may cause you to be subject to taxes when it buys and sells securities (or 'turns over' its portfolio). A higher portfolio turnover may indicate higher transaction costs. These costs, which are not reflected in annual fund operating expenses or in the example, affect the fund's performance. During the most recent fiscal year, the fund's portfolio turnover rate was 63% of the average value of its portfolio.

How to calculate turnover: turnover rate for most recent fiscal year is a percentage of the average value of the fund's portfolio.

Investments and Risks: Consider a brief statement in response to these Items. This is where the content of the Summary is likely to differ most from the "old" prospectus

Investments, Risks, and Performance
Principal Investment Strategies:
The fund normally invests primarily in common stocks. The fund may: tend to buy "growth" stocks or "value" stocks, or a combination of both; invest in securities of domestic and foreign issuers; and, use various investment techniques, such as buying and selling futures

contracts and exchange traded funds. The fund may temporarily use a different investment strategy for defensive purposes. If the fund does so, different factors could affect the fund's performance and the fund may not achieve its investment objective.

Principal Risks:

When you sell your shares they may be worth less than what you paid for them, which means that you could lose money. The fund may not achieve its objective.

The fund's share price changes daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. The value of equity securities held by the fund will fluctuate in response to issuer, political, market, and economic developments.

Foreign investments, especially those in emerging markets, may have more risk than US investments, including: fluctuations in the value of foreign currencies; adverse political developments; less stringent investor protection; and, higher taxes.

An investment in the fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Insured depository institutions: Funds sold through insured depository institutions must include this disclosure.

Money market funds must add a money market legend

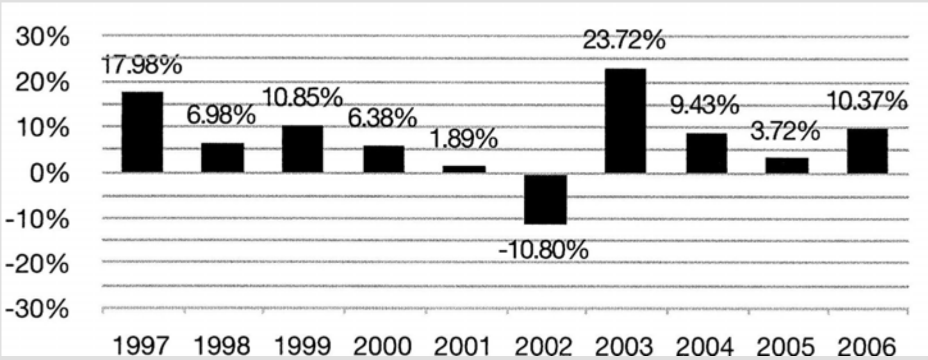
Annual Total Return:
The following bar chart and table provide some indication of the risks of investing in the fund. The bar chart shows changes in the fund's performance from year to year for Class A shares. The table shows how the fund's average annual returns for 1, 5, and 10 years compared with those of a broad measure of market performance. The fund's past performance (before and after taxes) is not necessarily an indication of how the fund will perform in the future.

Performance Updates: If the fund updates its performance information online or by phone, it must provide the Web address and/or telephone number.

The fund updates its performance information periodically. You may find these updates on the fund's website at www.xyzfunds.com/performance and by toll-free number at 800-000-0000.

Sales charges are not reflected in the bar chart. If those charges were included, returns would be less than those shown.

The bar chart gives the calendar year by year total returns. This example needs to be updated: and is used here for illustrative purposes. Do not include the chart for funds with less than one full year of returns.



Ten year history: You can choose which class to show if two have 10 yr records. If Summary offers only a new class, use performance of oldest class (with footnote)

Best and worst quarter disclosure is required

Best Quarter (ended 6/30/03): 12.08%. Worst Quarter (ended 9/30/01): 11.06%. The year-to-date return as of the most recent calendar quarter, which ended September 30, 2007, was 7.03%.

Total Return Table: Varies in one respect in Summary from Form N-1A: no need for Item 4(b)(2), Instruction 2(c)(explanation of change in benchmark index. However, Instruction 4 to Item 4(b)(2) does apply (same explanation if accompanied by change of investment adviser)

Benchmark Index: Only one Index is required, but Fund may elect to disclose a second index

Fiscal year: If the fund's fiscal year is not the calendar year, add a footnote showing year to date returns as of the most recent calendar quarter

Life of Fund. A fund in existence for more than 10 years may elect to show life of fund.

Fund Yield: A fund may include its "30 day yield", but must include a toll free number to update the yield (no need to provide website access to updated yield)

Average Annual Total Returns for Periods Ended [insert fiscal year end], 2009

	1 Year	**5 Years**	**10 Years**
Class A (Return Before Taxes)	%	%	%
Class A (Return After Taxes on Distributions)	%	%	%
Class A (Return After Taxes on Distributions and Sale of Fund Shares)	%	%	%
Class B (Return Before Taxes)	%	%	%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	%	%	%

The after-tax returns are shown only for Class A shares and are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold their fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Investment Adviser: XYZ Management Company, LLC

PM Bio: Give portfolio manager's last five years experience

Portfolio Manager: John E. Smith, CFA, Vice President and Equity Portfolio Manager of XYZ Management Company, LLC, has managed the fund since 2005.

Sub-Advisers must also be disclosed, if any. If the fund has more than three sub-advisers, it need only identify those with significant responsibility (generally management of 30% or more of the portfolio).

Purchase/Redemption Procedures: Disclose minimum initial and subsequent investment amounts and redemption procedures. Note: no need to restate loads or redemption fees

Purchase and Sale of Fund Shares: You may purchase or redeem shares of the fund on days when the NYSE is open for regular trading (at the fund's next-determined net asset value (NAV) after XYZ receives your request in good order): online at www.xyzfunds.com; by mail (XYZ Funds, Box 1000, Anytown, USA 10000; or by telephone at 800-000-0000. Shares may be purchased (redemption proceeds received) by electronic bank transfer, by check, or by wire. The minimum initial purchase is $2,500. The minimum subsequent investment is $100 (or $50 under an automatic investment plan).

Dividends: Fund must disclose whether it plans to make taxable distributions.

Dividends, Capital Gains, and Taxes: The fund's distributions are taxable, and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Payments to Broker-Dealers and Other Financial Intermediaries: If you purchase the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services. These payments may influence the broker-dealer or other intermediary and your salesperson to recommend the fund over another investment. Ask your salesperson or visit your financial intermediary's website.