

MEMORANDUM

September 4, 2008

TO: File No. S7-28-07

FROM: Sanjay Lamba
Office of Disclosure Regulation
Division of Investment Management

RE: Meeting with Representatives of Addison Concerning Disclosure Reform Proposal

On August 28, 2008, Andrew Donohue, Susan Nash, Mark Uyeda, Jennifer McHugh, Kieran Brown, Sanjay Lamba, and Devin Sullivan, of the Division of Investment Management, and Mary Head and Stephanie Gruber-Fried, of the Office of Investor Education and Advocacy, met with Madeleine Yates and Gordon Akwera, of Addison to discuss the above-referenced proposal. In particular, the representatives of Addison discussed matters related to the content and design of summary prospectuses.

A copy of the slide presentation given by representatives of Addison is attached to this memorandum.

Overcoming Barriers to Prospectus Delivery

August 28, 2008



addison

STRATEGY MADE VISIBLE*

Agenda

Introductions

About Addison

Summary Prospectus

- Issues
- Recommendations

about us

Addison

Founded in 1962

60+ people in New York

Core practices in:

- Branding
- Stakeholder Communications
- Simplification

Addison Practices

Branding

- brand evaluation
- brand strategy
- naming
- brand identity
- brand architecture

Stakeholder Communications

- messaging strategy
- annual reports
- corporate responsibility reports
- sales & marketing collateral
- interactive design
- environmental design

Simplification

- communications audits & architecture
- financial statements & other reporting
- onboarding analysis & welcome kits
- advisor tools
- prospectus simplification

Shared expertise: user-centric information design, plain English writing, interactive media and a deep awareness of the regulatory environment

Credentials

Gordon Akwera

- 8 years at Addison, Creative Director, Information Design
- Focus on simplifying the display of required information for financial services, insurance and health care communications
- Led ground breaking effort to develop executive compensation financial report improvements for Pfizer as shared with Chairman Christopher Cox in November 2007

Madeleine Yates

- 17 years at Merrill Lynch, Director, Client Experience
- Joined Addison January 2008 as Senior Simplification Strategist
- Focus on improving required client communications: welcome kits, statements, performance reports, disclosures, transaction notifications and notices
- Led effort to re-write required product disclosures in Plain English beginning in 2001 - major firms such as Smith Barney, UBS and Morgan Stanley followed shortly with similar client improvements

summary prospectus
delivery

Getting the Prospectus to the Consumer

Key questions:

- How does the fund company distribute the prospectus?
- Where does the online statutory prospectus reside?
- Who notifies the consumer of availability?
- Can the consumer readily access the information online?
- Is it publicly available or behind the firm's firewall?
- How many clicks does it take from notification to access?

The Seven Click Solution: A Negative Example

Receive e-mail notification

EXCELL INVESTMENTS Shareholder Reports

From: **MERRILL LYNCH** (id@ProxyVote.com)

 Add contact

Sent: Thu 7/03/08 3:21 AM

Reply-to: MERRILL LYNCH (ProxyMaster@proxyvote.com)

To: hmsindy@msn.com

You elected to receive shareholder notices and submit voting instructions electronically. This e-mail notification contains information specific to your holding(s) in the security identified below. Please read the instructions carefully before proceeding.

This Shareholder Notice is the notification that EXCELL INVESTMENTS has released important information to its shareholders.

You can view this information at the following Internet website:

http://www.excell.com/etf/resource/e_reports.aspx

As a Merrill Lynch OnLine client you can access your shareholder notices by clicking on the following link:

<https://www.fs.ml.com/accounts/ShareholderNotices.asp>


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Product Manager

Investments > Closed End Funds > E-Reports

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E-Reports

Download Instructions

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National						
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Real Estate Inc	JRS		12/31/07	8/31/07	3/26/08	3/31/08
Fund						
Quality Preferred	JTP		12/31/07	8/31/07	3/26/08	3/31/08
Income			12/31/07	8/31/07	3/26/08	3/31/08
Quality Preferred	JPS		12/31/07	8/31/07	3/26/08	3/31/08
Income 2			12/31/07	8/31/07	3/26/08	3/31/08
Quality Preferred	JHP		12/31/07	8/31/07	3/26/08	3/31/08
Income 3			12/31/07	8/31/07	3/26/08	3/31/08
Multi-Strategy	JPC		12/31/07	3/13/07	3/26/08	3/31/08
Income&Growth			12/31/07	3/13/07	3/26/08	3/31/08
Multi-Strategy	JQC		12/31/07	3/13/07	3/26/08	3/31/08
Inc&Growth 2			12/31/07	8/31/07	3/26/08	3/31/08
Diversified	JDD		12/31/07	8/31/07	3/26/08	3/31/08
Dividend&Income			12/31/07	8/31/07	3/26/08	3/31/08
Tax-Advant Tot	JTA		12/31/07	8/31/07	3/26/08	3/31/08
Ret Strat Fd			12/31/07	8/31/07	3/26/08	3/31/08
Floating Rate	JFR	1/31/08	7/31/07	8/31/07	3/26/08	3/31/08
Income Fund			7/31/07	8/31/07	3/26/08	3/31/08

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Fund						
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Income			12/31/07	8/31/07	3/26/08	3/31/08
Quality Preferred	JPS		12/31/07	8/31/07	3/26/08	3/31/08
Income 2			12/31/07	8/31/07	3/26/08	3/31/08
Quality Preferred	JHP		12/31/07	8/31/07	3/26/08	3/31/08
Income 3			12/31/07	8/31/07	3/26/08	3/31/08
Multi-Strategy	JPC		12/31/07	3/13/07	3/26/08	3/31/08
Income&Growth			12/31/07	3/13/07	3/26/08	3/31/08
Multi-Strategy	JQC		12/31/07	3/13/07	3/26/08	3/31/08
Inc&Growth 2			12/31/07	8/31/07	3/26/08	3/31/08
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Dividend&Income			12/31/07	8/31/07	3/26/08	3/31/08
Tax-Advant Tot	JTA		12/31/07	8/31/07	3/26/08	3/31/08
Ret Strat Fd			12/31/07	8/31/07	3/26/08	3/31/08
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the power of online trading, industry-leading research, real-time account info, investment tools and exceptional service

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Floating Rate	JFR	1/31/08	7/31/07	8/31/07	3/26/08	3/31/08
Income Fund						

Recent Account Records (Past 30 Days)

Statements and Performance Reports	Trade Confirmations
Jun Priority Client Link Stmt	Bought 9393796U2
Jun Beyond Banking Statement	Bought BCSPRD
Jun Statement Summary	Bought BCSPRD
Service Notices	Shareholder Notices
View Service Notices	View Shareholder Notices

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Income			12/31/07	8/31/07	3/26/08	3/31/08
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Quality Preferred	JHP		12/31/07	8/31/07	3/26/08	3/31/08
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Received	Account	Symbol	Type
07/03/08	12345ABC	67069Y201 EXCELL NJ DIVIDEND ADV MUNI FUND	Regulatory
		MATERIAL Interim	

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6. Return to fund website

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MUNI						
New Jersey						
NJ Investment	NQJ		4/30/08	8/31/07	5/30/07	4/30/08
Quality Muni						
NJ Prem Inc	NNJ		4/30/08	8/31/07	5/30/07	4/30/08
Muni						
NJ Div Adv Muni	NXJ		4/30/08	8/31/07		4/30/08
NJ Div Adv Muni	NUJ		4/30/08	8/31/07		4/30/08
Fund 2						
New York						
NY Muni Value	NNY	3/31/08	9/30/07	8/31/07	5/30/07	4/30/08
Ret Strat Fd						
Floating Rate	JFR	1/31/08	7/31/07	8/31/07	3/26/08	3/31/08
Income Fund						

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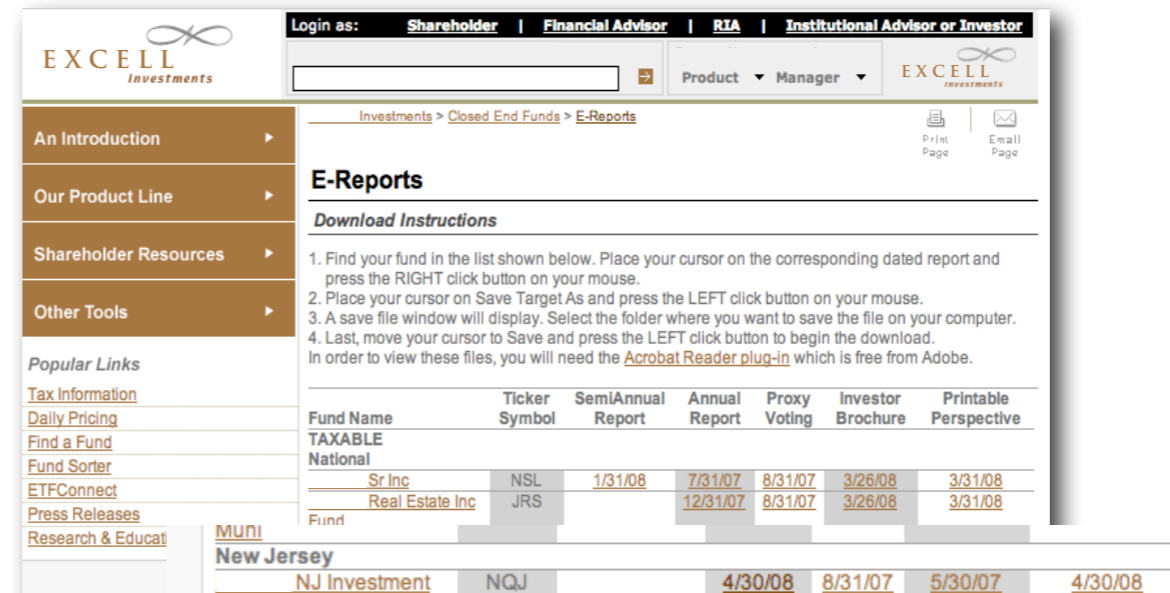
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Product Manager

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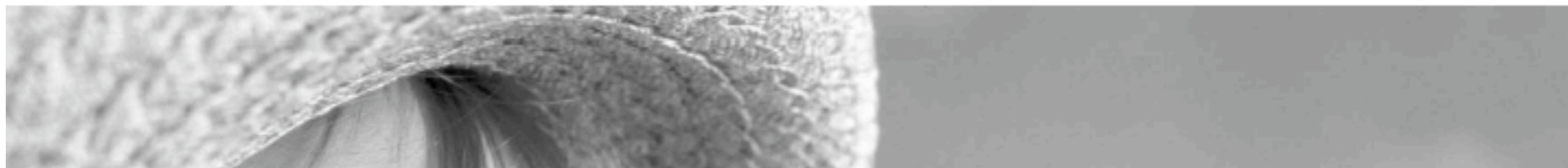
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Real Estate Inc	JRS	12/31/07	8/31/07	3/26/08	3/31/08	
MUNI						
New Jersey						
NJ Investment	NQJ		4/30/08	8/31/07	5/30/07	4/30/08

Annual Report
April 30, 2008

Excell Investments Municipal Closed-End Funds



EXCELL NEW JERSEY
INVESTMENT QUALITY
MUNICIPAL FUND, INC.
NJX

Getting the Prospectus to the Consumer

Use the the fund sales channel to guarantee distribution:

- Sold through an advisor
 - Advisor is an RIA
 - Advisor is part of a major financial services institution
- Sold by the fund firm
 - Through proprietary offices
 - Online directly
 - Online through a “mutual fund super market”

summary display prospectus

SEC Research

Some Observations

- Participants like the summary, but expect to be able to consult the full statutory prospectus for detail
- Multiple fund disclosures should be limited to a maximum of five funds and are more appropriate to the statutory than the summary prospectus
- Verbatims suggest the following decision criteria are the most important:
 - Fund performance
 - Top ten holdings
 - Fees and expenses
 - Fund objectives
- Participants prefer concrete information over “boilerplate”:
 - Participants like visual representations of complex data
 - Participants want comparisons to real market benchmarks
 - Discussion of fees, taxes, sales discounts, etc., can be more explicit

Addison Research and Experience

Advisor Channel

- Financial advisors tell us that mutual funds are “not a brochure sale”
- Prospectus and/or a Morningstar report are often the only documents used
 - Consumers feel the statutory prospectus is too long with too much “legalese”
 - A simple, summary prospectus would facilitate comparison of funds
- Consumers typically rely on their advisors to help them choose individual funds
 - Most important decision criteria are fund performance and investment strategy
 - Secondary concerns are fees, expenses and tax considerations
 - Risk factors and potential conflicts of interest are important in initial conversations, but less important once trust with the advisor has been established

Online Channel

- Fund purchases often frustrated or delayed because of requirement to mail prospectus
- Electronic delivery of summary will make process “user-friendly” and facilitate purchase

Summary Prospectus Hypothetical Example

Hypothetical Summary Prospectus – Prepared By SEC Staff – For Illustrative Purposes Only

THE XYZ BALANCED FUND

(Class A and Class B Shares)

SUMMARY PROSPECTUS

May 1, 2007

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund, including the statement of additional information and most recent reports to shareholders, online at [Web address]. You can also get this information at no cost by calling 1-800-000-0000 or by sending an e-mail request to [e-mail address]. The Fund's prospectus and statement of additional information, both dated May 1, 2007, and most recent report to shareholders, dated December 31, 2006, are all incorporated by reference into this Summary Prospectus.

Investment Objective: Income and capital growth consistent with reasonable risks.

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.

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%

Annual Fund Operating Expenses (ongoing expenses that you pay each year as a percentage of the value of your investment)		
	Class A	Class B
Management Fees	0.66%	0.86%
Distribution (12b-1) Fees	0.00%	0.75%
Service (12b-1) Fees	0.23%	0.23%
Other Expenses	0.26%	0.46%
Total Annual Fund Operating Expenses	1.17%	2.10%

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. 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)	\$687	\$925	\$1,182	\$1,914
Class B (if shares are redeemed)	\$713	\$958	\$1,329	\$1,974
Class B (if shares are not redeemed)	\$213	\$658	\$1,129	\$1,974

... staff – For Illustrative Purposes Only

... d sells securities (or "turns over" its portfolio). A costs, which are not reflected in annual fund during the most recent fiscal year, the Fund's lio.

... % of its total assets in common stocks and at least tion decisions, the manager may favor fixed- corporate profit growth but may favor stocks

... of small-, medium-, and large-capitalization in developed countries. The Fund invests in bonds from the entire domestic and foreign government e invested in high yield (junk) bonds. The Fund

... r principal risks include:

... depends on the manager's decisions regarding the es. If the manager's assessment of market nced funds or relevant benchmarks with different

... generally, which could reduce Fund gains or

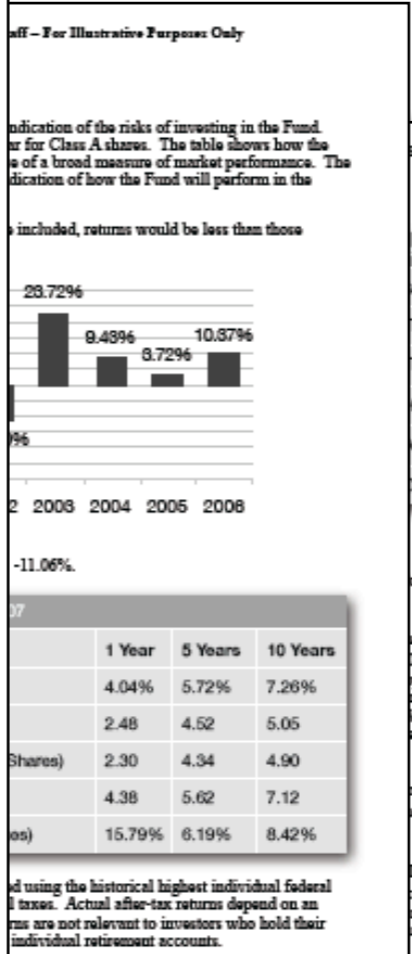
... anges when interest rates change. When interest ll, bond prices tend to go up.

... redit rating is downgraded, or if a bond issuer fails y cause the Fund to lose money. High-yield (junk) ystment of principal and interest.

... for the Fund may cause the Fund to underperform

... carry special risks, including unstable foreign economic developments abroad, and exchange rate nities.

... s futures and swaps, presents risks different from, directly in traditional securities, since derivatives



... Staff – For Illustrative Purposes Only

... as of March 31, 2007

Security	
The DEF Co. (1.3%)	
The NOP Corp. (1.3%)	
HIJ Co. (1.1%)	
ABC Corp. (1.0%)	
OPQ, Inc. (0.9%)	

... Portfolio Manager of XYZ Management Company,

... shares of the Fund on any business day online or 0), Anytown, USA 10000), or by telephone at y check, or by wire. You may receive redemption ed redeem shares at the Fund's next-determined net V's are determined only on days when the NYSE is e minimum subsequent investment is \$100 (or \$50

... table, and will be taxed as ordinary income or ent, such as a 401(k) plan or an individual

... If you purchase the Fund through a broker-dealer or companies may pay the intermediary for the sale of roker-dealer or other intermediary and your r salesperson or visit your financial intermediary's

Summary Prospectus Hypothetical Example

Issues Identified

Hypothetical Summary Prospectus – Prepared By SEC Staff – For Illustrative Purposes Only

THE XYZ BALANCED FUND **SUMMARY PROSPECTUS**
 (Class A and Class B Shares) May 1, 2007

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund, including the statement of additional information and most recent reports to shareholders, online at [Web address]. You can also get this information at no cost by calling 1-800-000-0000 or by sending an e-mail request to [e-mail address]. The Fund's prospectus and statement of additional information, from calendar year 2007, and most recent report to shareholders, dated December 31, 2006, are all incorporated by reference into this Summary Prospectus.

Investment Objective: Income and capital growth consistent with reasonable risks.

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.

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%

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Management Fees	0.66%	0.66%
Distribution (12b-1) Fees	0.00%	0.75%
Service (12b-1) Fees	0.23%	0.23%
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Total Annual Fund Operating Expenses	1.17%	2.10%

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. 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)	\$687	\$925	\$1,162	\$1,914
Class B (if shares are redeemed)	\$713	\$958	\$1,329	\$1,974
Class B (if shares are not redeemed)	\$213	\$658	\$1,129	\$1,974

Lacks a clear information hierarchy

Contact and purchase information buried in text

Labels and values far apart

Summary Prospectus Hypothetical Example

Issues Identified

Hypothetical Summary Prospectus – Prepared By SEC Staff – For Illustrative Purposes Only

Portfolio Turnover
The Fund pays transaction costs, such as commissions, 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 whole portfolio.

Principal Investment Strategies: The Fund normally invests up to 75% of its total assets in common stocks and at least 25% of its total assets in fixed-income securities. In making asset allocation decisions, the manager may favor fixed-income securities if the economy is expected to slow sufficiently to hurt corporate profit growth but may favor stocks when strong economic growth is expected.

The Fund invests in domestic stocks selected from the entire spectrum of small-, medium-, and large-capitalization companies and foreign stocks selected primarily from large companies in developed countries. The Fund invests in bonds that are primarily investment grade (rated BBB or better) and are chosen from the entire domestic and foreign government and corporate bond market. Up to 10% of the Fund’s total assets may be invested in high yield (junk) bonds. The Fund may also invest in derivative instruments such as futures and swaps.

Principal Risks: You could lose money by investing in the Fund. Other principal risks include:

- **Asset Allocation Risk** – The success of the Fund’s strategy depends on the manager’s decisions regarding the allocation of assets between equity and fixed-income securities. If the manager’s assessment of market conditions is incorrect, the Fund may underperform other balanced funds or relevant benchmarks with different equity/fixed income asset allocations.
- **Stock Market Risk** – Stock prices may decline in the market generally, which could reduce Fund gains or create losses.
- **Interest Rate Risk** – The value of fixed-income securities changes when interest rates change. When interest rates rise, bond prices tend to go down; when interest rates fall, bond prices tend to go up.
- **Credit Risk** – The value of bonds may go down if a bond’s credit rating is downgraded, or if a bond issuer fails to make principal and interest payments when due, which may cause the Fund to lose money. High-yield (junk) bonds are speculative, and are subject to greater risks of nonpayment of principal and interest.
- **Manager Risk** – The manager’s poor selection of securities for the Fund may cause the Fund to underperform other balanced funds or relevant benchmarks.
- **Foreign Investment Risk** – Investments in foreign securities carry special risks, including unstable foreign political conditions, greater volatility, less liquidity, adverse economic developments abroad, and exchange rate fluctuations, all of which may reduce the value of foreign securities.
- **Derivatives Risk** – The use of derivative instruments, such as futures and swaps, presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities, since derivatives can be highly volatile, illiquid, and difficult to value.

2

Variety of headlines styles

Single column format difficult to read

Legal jargon

Summary Prospectus Hypothetical Example

Issues Identified

Hypothetical Summary Prospectus – Prepared By SEC Staff – For Illustrative Purposes Only

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.

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

Best Quarter (ended 6/30/03): 12.08%. Worst Quarter (ended 9/30/01): -11.06%.

Average Annual Total Returns for Periods Ended March 31, 2007			
	1 Year	5 Years	10 Years
Class A (Return Before Taxes)	4.04%	5.72%	7.26%
Class A (Return After Taxes on Distributions)	2.48	4.52	5.05
Class A (Return After Taxes on Distributions and Sale of Fund Shares)	2.30	4.34	4.90
Class B (Return Before Taxes)	4.38	5.62	7.12
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	15.79%	6.19%	8.42%

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.

3

Variety of chart and table formats

Proposed New Information Architecture

Design

- Establish clear hierarchy for titles, section heads and table labels
- Reduce the amount of bold type to eliminate the “shout” effect
- Reformat text in two columns for greater readability
- Redesign tables and charts for consistency and ease of use
- Allow use of a second color to make the summary more appealing to consumers

Content

- Rewrite text in plain English
- Reorder sections in order of importance to the audience
- Introduce marginal notes for important notices, contact and sales information
- Allow the use of a minimum amount of marketing content to promote consumer interest; this may be the only information a fund buyer will ever see

Organize Sections in Order of Consumer Importance

Proposed Regulatory Order

1. Investment Objectives and Goals
2. Fee Table
3. Principal Investment Strategies, Risks and Performance
4. Top Ten Portfolio Holdings
5. Management
6. Purchase And Sale Of Fund Shares, plus Tax Information
7. Financial Intermediary Compensation

Addison Recommendations

1. Investment Objectives
2. Management (Investment Advisor and Portfolio Manager)
3. Investment Strategies
4. Top Ten Portfolio Holdings
5. Performance, including Principal Risks
6. Fees and Expenses
7. Purchase, Sale and Tax Information
8. Financial Intermediary Compensation

Select Solutions

1. Create a clear hierarchy of title and date

As Tested

THE XYZ BALANCED FUND

(Class A and Class B Shares)

SUMMARY PROSPECTUS

May 1, 2007

Proposed

The XYZ Balanced Fund Summary Prospectus

(Class A and Class B Shares) | May 1, 2007

Select Solutions

2. Display contact details in multiple ways to make them easy to find and allow a minimum amount of marketing content to peak consumer interest

As Tested

You can find the Fund's prospectus and other information about the Fund, including the statement of additional information and most recent reports to shareholders, online at [Web address]. You can also get this information at no cost by calling 1-800-000-0000 or by sending an e-mail request to [e-mail address].

Proposed

FOR MORE INFORMATION:

For more detailed information please refer to the Fund's Prospectus and Statement of Additional Information, both dated May 1, 2008, which are available online at www.xyzfunds.com/balanced

You may request that printed versions be mailed to you at no charge by calling **1-800-545-6000** or by sending an e-mail to info@xyzfunds.com

INVESTMENT ADVISER:

XYZ Management Company, LLC.
Chicago, IL 60606
1-800-545-6000
www.XYZfunds.com

PORTFOLIO MANAGER:



John E. Smith, CFA,
Vice President and
Equity Portfolio Manager,
XYZ Management Company, LLC.
1-800-545-6000, ext. 4321

John Smith has managed the Fund since 2005.

Select Solutions

3. Display numerical information graphically where possible

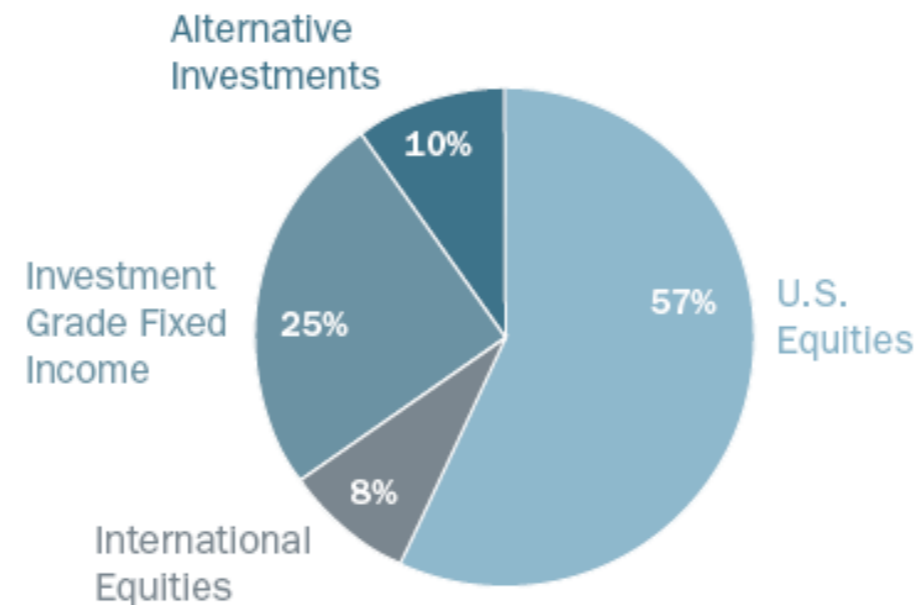
As Tested

Principal Investment Strategies: The Fund normally invests up to 75% of its total assets in common stocks and at least 25% of its total assets in fixed-income securities. In making asset allocation decisions, the manager may favor fixed-income securities if the economy is expected to slow sufficiently to hurt corporate profit growth but may favor stocks when strong economic growth is expected.

The Fund invests in domestic stocks selected from the entire spectrum of small-, medium-, and large-capitalization companies and foreign stocks selected primarily from large companies in developed countries. The Fund invests in bonds that are primarily investment grade (rated BBB or better) and are chosen from the entire domestic and foreign government and corporate bond market. Up to 10% of the Fund's total assets may be invested in high yield (junk) bonds. The Fund may also invest in derivative instruments such as futures and swaps.

Proposed

TYPICAL ASSET ALLOCATION



Select Solutions

4. Make tables as compact as possible to enhance readability and leverage available space

As Tested

Annual Fund Operating Expenses (ongoing expenses that you pay each year as a percentage of the value of your investment)		
	Class A	Class B
Management Fees	0.66%	0.66%
Distribution (12b-1) Fees	0.00%	0.75%
Service (12b-1) Fees	0.23%	0.23%
Other Expenses	0.28%	0.46%
Total Annual Fund Operating Expenses	1.17%	2.10%

Proposed

ANNUAL FUND OPERATING EXPENSES

	Class A	Class B
Management Fees	0.66%	0.66
Distribution (12b-1) Fees	0.00	0.75
Service (12b-1) Fees	0.23	0.23
Other Expenses	0.28	0.46
Total Annual Fund Operating Expenses	1.17	2.10

Select Solutions

5. Two-column format makes the text easier to read

As Tested

Principal Investment Strategies: The Fund normally invests up to 75% of its total assets in common stocks and at least 25% of its total assets in fixed-income securities. In making asset allocation decisions, the manager may favor fixed-income securities if the economy is expected to slow sufficiently to hurt corporate profit growth but may favor stocks when strong economic growth is expected.

The Fund invests in domestic stocks selected from the entire spectrum of small-, medium-, and large-capitalization companies and foreign stocks selected primarily from large companies in developed countries. The Fund invests in bonds that are primarily investment grade (rated BBB or better) and are chosen from the entire domestic and foreign government and corporate bond market. Up to 10% of the Fund's total assets may be invested in high yield (junk) bonds. The Fund may also invest in derivative instruments such as futures and swaps.

Proposed

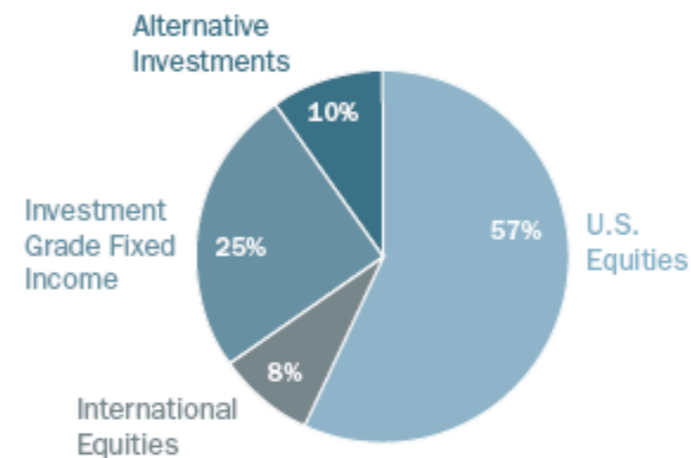
PRINCIPAL INVESTMENT STRATEGIES:

To meet the fund's investment objective, the fund manager must balance its growth and income goals. At least 25% of total assets must be invested in fixed-income securities, primarily investment grade corporate or government bonds, rated BBB or better, from both the domestic and international bond markets. Up to 75% of total assets may be invested in the equities markets, principally domestic common stocks across the spectrum of small-, medium- and large-capitalized companies and foreign stocks from large companies in developed countries.

The fund manager generally bases asset allocation decisions on broad economic conditions. If the economy is slowing and expected to hurt corporate profits, he will favor fixed-income securities. When strong economic growth is expected, he will shift assets to stocks.

Under certain circumstances, up to 10% of the Fund's total assets may be invested in high yield (junk) bonds, and or derivative instruments such as futures and swaps. The fund's typical allocation strategy is shown below.

TYPICAL ASSET ALLOCATION



Addison Recommendations

- A notification process that takes consumers to specific fund's prospectus:
 - Link directly from an email notice to the prospectus
 - Include prominently displayed link on the fund's home page
 - Ensure public access by providing a URL without a password requirement
- For print
 - Make explicit references to the online versions for more information
 - Ensure contact and purchase information are prominently displayed
 - Arrange in order of consumer preferences
 - Allow fund firms to include a minimum amount of marketing content to peak consumer interest
- For electronic access
 - Provide interactive electronic summary links to detail in statutory prospectus
 - Allow consumer to choose benchmark information in charts
 - Provide definitions to consumers by rolling over text
- Test interactive electronic access in any additional consumer research



addison

STRATEGY MADE VISIBLE*

thank you

www.addison.com

212 229 5000

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