

# Mutual Funds 100 Message Grid



## CORE MESSAGE 1

### *Creating financial opportunities for everyone*

#### Supporting the middle class

Investment funds are the original and greatest democratizing force in the investing space, giving people unprecedented access to capital markets. All told, more than 120 million Americans, most of them middle class, depend on these pooled funds to achieve their financial goals, from homeownership to education to retirement.

#### No longer a privilege for the wealthy

Before pooled funds, investing was an exclusive privilege for the very wealthy. Thanks to easy access, lower fees, and more choices, investing has become a source of hope and security for millions of people across the economic spectrum. Whether it's saving for a home, education, retirement, or any other financial goal, investment funds allow Americans of all backgrounds to own a diversified, professionally managed portfolio.

#### Empowering financial diversification

Diversification is the first rule of personal investing, ensuring that an individual's portfolio can withstand market fluctuations. Funds have always been the easiest and most affordable way for everyday Americans to diversify an investment portfolio and benefit from financial markets in a manageable way over time.

#### Creating affordable options for people of all incomes

Fund fees and expenses have plummeted for decades, making them a great choice for people of any income. In fact, in the 25 years between 1996 and 2021, average expense ratios for equity mutual funds and bond mutual funds fell by more than half. It's a record that few products or services in the US economy can match.

## **CORE MESSAGE 2**

### ***The foundation of America's economy***

#### **Deepest and most liquid markets in the world**

America's capital markets are the deepest and most liquid in the world, allowing a diverse range of companies to access capital. These markets are often imitated by other countries that are looking to grow their economy and build a thriving middle class. Part of this success is the vast number of investors that can participate in capital markets, due in large part to pooled investment products.

#### **Allowing companies to grow**

US capital markets direct hundreds of billions of dollars to their highest use, turning small businesses into big ones and making successful companies even better. This efficiency is largely driven by a wide range of investors looking for opportunities, many of which are able to access markets through pooled investment funds. They make America itself the most successful economy in human history, lifting the lives of millions and providing endless opportunities for anyone with a great idea and the desire to make it happen.

#### **Envy of the world**

America's capital markets, including the successful participation of more than one hundred million American individuals using investment funds, is the envy of the world and a model for other countries.

## **CORE MESSAGE 3**

### ***Regulation that reflects the needs of investors***

#### **Well-regulated**

We support the robust regulatory regime that governs our industry and actively participate in all policy discussions. These rules protect both investors and issuers and have allowed our industry to thrive. We also strongly support the enforcement capabilities of regulators to ensure that bad actors face consequences for their actions.

#### **Providing accurate, timely information**

Regulations in the United States promote investor protection and investor choice because they are based on the mandatory disclosure of material information in a timely manner. This transparency promotes fairness as all parties in any transaction can weigh both the risks and potential benefits. When investors are empowered to make decisions based on their own unique financial goals, it promotes choice and more efficient markets.

## CORE MESSAGE 4

### *The forefront of innovation*

#### New investment products and strategies

The funds industry has always been defined by the kind of innovation that meets investors' needs. This is an industry that brought to market ETFs, index investing, money market funds, target date funds, and fund supermarkets, to name a few.

#### Competition benefits investors and companies

Our industry has gone to extraordinary lengths to give investors access to affordable, diversified, and professionally managed portfolios, and through fierce competition investment fund companies are constantly looking to expand both accessibility and affordability.

#### Real-time access to financial services products

Not long ago, no one imagined people would be able to buy investment funds from their smartphones. But now it's commonplace. What's more, we're close to the day when consumers can purchase any investment product with nothing more than the tap or swipe of a finger. Such real-time transactions will make investing even more accessible to hundreds of millions of new investors—if not more.

## CORE MESSAGE 5

### *The next 100 years*

#### Better regulation

We continue to support policies that will do the most good for the most people while allowing our industry to grow and the middle class to thrive. This includes reviewing and refining existing policy and ensuring that any new proposals account for continued innovation and protect the rights of investors to choose financial products that meet their unique needs.

#### Better education

We remain committed to supporting financial literacy courses and educational materials for underrepresented populations to allow everyone a chance to secure their financial future. Financial services and investment products can change the lives of millions of Americans from every background and every income. The first step is education. [CNBC](#) recently reported an increase in financial literacy being taught to high school students—a promising development that needs to be continued both in schools and with adults in the workforce.

## **Broadening access to funds and availability**

We will continue to remove any barriers of entry to financial services. Our industry will continue to make tremendous strides in ensuring that anyone who wants to invest, no matter their background or experience, can find a path to prosperity. This is possible through education, access, and affordability. Technology has made it possible to open an account and begin investing at any time. And competition has lowered fees, making investments more affordable than ever.

## **More funds and more choice**

We support more choice for investors to help them meet their unique goals. A robust and thriving marketplace allows the best ideas to succeed and new offerings to provide endless opportunities for investors.