

COLLECTIVE INVESTMENT FUNDS ACT (EXCERPT)
Act 174 of 1941

555.104a Audit; financial report; contents; items to be excluded from report; availability; advertising common trust fund.

Sec. 4a.

(1) At least once during each 12-month period, a financial institution administering a fund shall arrange for an audit of the fund by auditors responsible only to the board of directors of the financial institution.

(2) At least once during each 12-month period, a financial institution administering a fund shall prepare a financial report of the fund based on the audit required in subsection (1). The report shall disclose the fund's fees and expenses, a list of investments in the fund, the cost and current market value of each investment, and a statement covering the period after the previous report that shows all of the following, organized by type of investment:

- (a) A summary of purchases, including costs.
- (b) A summary of sales, including profit or loss and any other investment changes.
- (c) Income to and disbursements from the fund.
- (d) A description of any investments in default.

(3) A financial institution shall not publish in the report described in subsection (2) any predictions or representations as to future performance. In addition, with respect to common trust funds, a financial institution shall not publish the performance of individual funds other than those administered by the financial institution or its affiliates.

(4) A financial institution administering a fund shall provide a copy of the report described in subsection (2), or provide notice that a copy of the report is available upon request without charge, to each person who ordinarily would receive a regular periodic accounting with respect to each participating account. The financial institution may provide a copy of the report to prospective customers and may provide a copy of the report upon request to any person for a reasonable charge.

(5) A financial institution shall not advertise or publicize any common trust fund except in connection with the advertisement of the general fiduciary services of the financial institution.

History: Add. 2004, Act 586, Imd. Eff. Jan. 4, 2005

Popular Name: Common Trust Fund Act