removing the ", and" at the end of paragraph (a)(5) and in its place adding a semicolon; by removing the period at the end of paragraph (a)(7) and in its place adding "; and"; by adding paragraph (a)(8) before the note; by redesignating paragraph (f) as paragraph (g); and by adding paragraph (f) to read as follows:

# § 230.482 Advertising by an investment company as satisfying requirements of section 10.

(a) \* \*

(8) In the case of an advertisement of a Fixed Income UIT, defined in Instruction 1 to Form S-6 under the Act, (§ 239.16 of this chapter), containing a quotation of Estimated Yield, defined in Form S-6, or other similar quotation purporting to demonstrate the income earned or distributions made or to be made by the trust, shall also include a legend disclosing that the Estimated Yield quoted is an estimate of the rate of return an investor holding a unit for the expected life of the trust may receive, actual return to the investor may vary from the estimate, and that an investor's units, when redeemed, may be worth more or less than their original cost.

\* \* \* \* \*

- (f) In the case of a Fixed Income UIT, any advertisement containing a quotation of yield, or other similar quotation purporting to demonstrate the income earned or distributions made or to be made by the trust, shall also include a quotation of Estimated Yield that:
- (1) Is based on the method of computation prescribed in Form S–6; and
- (2) Identifies the date in which an investment in the trust would result in the advertised Estimated Yield.

# PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

3. The authority citation for Part 239 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t, 80a-8, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

\* \* \* \* \*

4. By amending Form S-6 (referenced in § 239.16) by adding paragraph (f) to Instruction 1 of the Instructions As To The Prospectus to read as follows:

Note: The text of Form S–6 does not and the amendments will not appear in the Code of Federal Regulations.

Form S-6

\* \* \* \* \*

Instructions as to the Prospectus

 $\label{lem:contained} Instruction \ 1. \ Information \ to \ be \ Contained \\ in \ Prospectus.$ 

\* \* \* \*

(f) Information Concerning Registrant's Performance.

Estimated Yield. In the case of a trust that invests substantially all of its assets in bonds and other debt instruments, preferred stock, or a combination of these types of securities ("Fixed Income UIT"):

(1) Furnish the trust's estimated yield to maturity ("Estimated Yield") calculated as of a day reasonably close to the effective date of the registration statement or the commencement of the offering:

Estimated Yield = [(a-b) \* c] - x Where,

a = sum of (market value of each security \* yield to maturity of each security \* time to maturity of each security)/sum of (market value of each security \* time to maturity of each security)

b = total annual expenses of the trust/net asset value of the trust

c = 1 - sales load

$$x = sales load * \frac{r}{(1+r)^n - 1}$$

r = (a-b) \* c

n = number of annual periods until amortization date.

(2) Provide a statement that the trust's Estimated Yield is calculated following a SEC-prescribed formula designed to estimate the yield an investor holding a unit for the expected life of the trust may receive, but that actual investor experience may be different.

(3) If the trust provides an estimated rate of return calculated using a different method, provide a brief description of the relevant differences between the other rate of return and the trust's Estimated Yield.

### Instructions

#### Yield to Maturity

1. In determining the yield to maturity and time to maturity of each security in "a", consider the maturity of a security with a call provision(s) as the date with the lowest resulting yield to call, yield to par option, or yield to maturity pursuant to rule G–15 of the Municipal Securities Rulemaking Board.

2. In determining the yield to maturity of each security in "a", subtract from the amount of each security's first coupon payment and add to the amount of each security's last coupon payment the amount of accrued interest of that security as of the date of deposit. (This accrued interest also should be included in the price of each bond.) In calculating Estimated Yield subsequent to the initial offering of the trust, use the same amount of accrued interest. In the case of a trust in which all accrued interest at the date of deposit is paid by the sponsor or a person other than a unitholder, this Instruction does not apply.

3. In determining the market value of each security and the net asset value of the trust in "a" and "b" respectively, include the amount of accrued interest or any advance of

accrued interest that is paid by unit holders upon purchase of the units.

- 4. In determining the net asset value of the trust in "b", do not include the amount of repayments of principal of securities held in a trust's portfolio that are to be distributed to unitholders.
- 5. In the case of a tax exempt obligation issued without original issue discount and having a current market discount, use the coupon rate of interest in lieu of the yield to maturity. Where, in the case of a tax exempt obligation with original issue discount, and the discount based on the current market value exceeds the then-remaining portion of original issue discount (market discount), the yield to maturity is the imputed rate based on the original issue discount calculation. Where, in the case of a tax exempt obligation with original issue discount, and the discount based on the current market value is less than the then-remaining portion of original issue discount (market premium), the yield to maturity should be based on the market value.
- 6. In the case of a trust that invests in units of other trusts for which an Estimated Yield is not available from the sponsor, determine the yield to maturity of the other trust using the other trust's average dollar price, average coupon rate, and average yield to maturity. Determine the other trust's average dollar price by dividing the sum of the net asset values of the bonds in the other trust by the sum of the par values of the bonds. Determine the other trust's average coupon rate and average yield to maturity by weighting the coupon rate and yield to maturity of each bond in the other trust by its market value.

#### Sales Load

- 7. Sales load in "c" and "x" is the maximum sales load stated as a percentage of the offering price of units. In the case of a deferred sales load, the maximum sales load is the aggregate of all installment loads, stated as a percentage of the offering price.
- 8. In determining the amortization date of a trust in "n", calculate an average, weighted by market value, of the expected lives of the bonds in the trust. To calculate the expected life of each bond in the trust:
- (a) For bonds priced at par or at a discount and for bonds priced at a premium where the yield to maturity is less than or equal to yield to call (as determined by Instruction 1) plus .4% (40 basis points), use the maturity date of the bond(s); and
- (b) For bonds priced at a premium where yield to maturity is greater than yield to call (as determined by Instruction 1) plus .4% (40 basis points), use the call date of the bond(s).

## Expenses

9. A trust that has different Estimated Yields for different classes of unit holders, (e.g., because of different distribution payment options that result in different expense ratios) may include a quotation of more than one Estimated Yield. If such a trust quotes a single yield, in determining the total annual expenses of the trust in "b", assume the highest expense ratio is applicable to all of the assets of the trust.