

Mutual Fund Directors Launch Independent Directors Council

Goals Include Increasing Director Education, Communications, Voice on Policy Issues

Washington, DC May 13, 2004 - A group of leading independent mutual fund directors from a wide spectrum of funds have joined together to form the Independent Directors Council in order to enhance fund directors' participation in the development of public policy issues, offer professional development and educational advancement for directors, and increase communications among nearly 3,000 independent fund directors of ICI member companies.

The Independent Directors Council is an enhancement of ICI's current Directors' Committee, which was established in 1995 and had a primary focus on education issues for fund directors. The newly created Independent Directors Council will have a broader focus, as the activities of independent directors have increased over the past few years.

"The increased focus on fund directors has reinforced the importance of these educational efforts, and also signaled a broader need for the Council to assist independent directors in their governing responsibilities," said James H. Bodurtha, an independent director with Merrill Lynch Funds and one of the leading advocates for the development of the Independent Directors Council. "Moving forward we will see more changes and increasing responsibilities. We believe the Independent Directors Council will provide a forum to facilitate director involvement in public policy, best practices, and educational development." Bodurtha noted that the current Directors' Committee recently has submitted comment letters on several pending regulatory proposals. The Independent Directors Council will facilitate similar initiatives.

The Independent Directors Council will be housed within ICI and have access to resources within the Institute. Its programs, activities, and policy development will be independent and supported by a dedicated staff and resources to support its initiatives.

"We believe that maintaining an effective dialogue with representatives of all ICI members is critical to the interests of fund shareholders. We are pleased that the ICI Board of Governors has unanimously endorsed this initiative," Bodurtha said.

Marguerite Bateman, who has served as the coordinator of the directors program at ICI, will become the Managing Director of the Independent Directors Council.

"In recent months, an increasing number of independent directors have been urging their colleagues on the ICI Board to expand our current program and create a dedicated office that is focused on their needs and their duties," explained Bateman. "The directors want the Independent Directors Council to build on ICI's current program, but operate independently in order to ensure that, on issues where the interests are divergent, they can express the views of independent directors."

As Managing Director of the Independent Directors Council, Bateman will continue to attend the independent directors meetings at specific fund families. The purpose of these visits is to increase awareness of legislative and regulatory developments and changes that impact fund governance and independent directors. "In addition," Bateman notes, "the visits ensure that the Council remains sensitive to the concerns of the directors and can design future programs to address these issues."

To increase communications and interaction between directors, the Independent Directors Council will continue chapter meetings in designated cities around the country. The chapter meetings promote dialogue between directors of different fund complexes who face common issues. Local chapters are now active in Boston, New York, Chicago, Los Angeles, and San Francisco.

The Independent Directors Council will continue to offer, and expects to enhance, comprehensive educational programs designed for fund directors, including annual conferences, specific-issue workshops, and regular updates on regulations and legislation in Washington.

Independent Directors Council's Committee Structure and Leadership

- James H. Bodurtha, Merrill Lynch Funds, Chairman

- Dawn-Marie Driscoll, Scudder Funds, Nominating and Governance Committee
- Marvin L. Mann, Fidelity Funds, Policy Committee
- Robert M. Uek, TT International Funds, Education Committee
- Samuel M. Eisenstat, AIG SunAmerica Trust (FC), Communications Committee

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