

Mutual Fund Leaders Pledge to Take Whatever Steps Are Necessary to Fulfill Obligations to Fund Shareholders, September 2003

## Mutual Fund Leaders Pledge to “Take Whatever Steps Are Necessary” to Fulfill Obligations to Fund Shareholders

SEC and NY Attorney General Commended for “Forceful Responses” to Late Trading and Market Timing Allegations

Washington, DC, September 25, 2003 - Investment Company Institute Chairman Paul G. Haaga, Jr. issued the following statement today:

“The Investment Company Institute’s Executive Committee decided today to make an additional public statement regarding ongoing investigations into market timing and late trading involving mutual funds. We did so to reinforce our commitment to taking whatever steps are needed to ensure that our fiduciary obligations to tens of millions of mutual fund shareholders with respect to these matters are understood and fulfilled.

“The Committee has unambiguously reaffirmed that shareholders’ interests must be placed before all else. The Committee also made it clear that the alleged business practices are ‘inconsistent with this obligation, incompatible with mutual funds’ duty to treat shareholders fairly and equitably, and intolerable if mutual funds are to serve individual investors as effectively in the future as they have in the past.’ Although the business infrastructure from which these practices can arise is diverse and complex, the process of identifying needed steps is well under way. As the process of identifying and implementing needed steps proceeds, including at ICI’s October 3, 2003 Board meeting, the continued resolve of every mutual fund company, as well as all relevant market participants and government regulators, is essential.”

The Investment Company Institute is the national association of the American investment company industry. Its membership includes 8,655 open-end investment companies (“mutual funds”), 588 closed-end investment companies, 106 exchange-traded funds, and six sponsors of unit investment trusts. Its mutual fund members have assets of about \$6.857 trillion, accounting for approximately 95% of total industry assets, and 90.2 million individual shareholders.