

MEMO# 25143

April 25, 2011

Participation In 2011 ICI Mutual Fund Transfer Agents Trends & Billing Practices Survey - Action Requested

[25143]

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TO: PRIMARY CONTACTS - MEMBER COMPLEX No. 3-11
ACCOUNTING/TREASURERS MEMBERS No. 6-11
OPERATIONS MEMBERS No. 10-11
SMALL FUNDS MEMBERS No. 32-11
TRANSFER AGENT ADVISORY COMMITTEE No. 27-11
PAST PARTICIPANTS -- ICI/PWC TRANSFER AGENT FEE SURVEY RE: PARTICIPATION IN 2011
ICI MUTUAL FUND TRANSFER AGENTS TRENDS & BILLING PRACTICES SURVEY - ACTION
REQUESTED

The Investment Company Institute is inviting your organization to participate in the 2011 Mutual Fund Transfer Agents Trends and Billing Practices Survey. This study, which the Institute will conduct in conjunction with the accounting firm of PricewaterhouseCoopers LLP, is widely regarded by ICI members as providing essential information for reviewing transfer agency arrangements. The study also provides mutual fund directors with an independent means of comparing their funds' transfer agency fees with other similar funds.

The 2011 final report will present a detailed analysis of transfer agent fee data grouped by fund type (i.e., money market, fixed income, equity), distribution channel, and classification of transfer agent arrangement (i.e., external, hybrid, remote and captive). This year's study, which will cover 2011 activity, will also provide comparative analyses of current data to data collected in 2007 and 2009.

In recognition of the industry trends of a growing use of omnibus accounts by broker-dealers and the steady increase in distribution through retirement plan intermediaries, the 2009 report expanded the analysis of alternative shareholder servicing arrangements. Subtransfer agent arrangements, fees related to retirement plan record keeping and fees paid to broker-dealers for various NSCC Networking levels will be examined again in detail

in the 2011 study.

As with previous surveys, the 2011 survey will be conducted by ICI, with PwC retained on a consulting basis to assist with all aspects of the study and to maintain continuity with previous methodology.

Participant Obligations

Consistent with previous surveys, the final results will only be provided to fund groups that agree to participate. The obligations of participants are to submit a completed questionnaire for funds selected to be included in the survey sample, and to pay a participant fee in accordance with the following asset based schedule:

Total Assets of Open-end Funds in Complex

As Of 3/30/11 Member Participation Fee
Over \$20 billion \$8,000
\$10 - \$20 billion \$7,000
\$5 - \$10 billion \$6,000
\$2 - \$5 billion \$5,000
\$1 - \$2 billion \$3,000
\$.25 - \$1 billion \$1,500
Under \$.25 billion \$750

Not all participants will be required to provide transfer agent fee data since the survey will include a representative sample of funds. However, only fund groups that agree in advance to provide data if requested and pay the participation fee will receive the results of the survey for a period of 18 months from the date of publication. The ICI reserves the right to use aggregated survey data for regulatory, legislative or other public policy purposes to benefit ICI members.

Participants wishing to receive tailored peer group analyses of survey data may do so pursuant to a separate agreement with PricewaterhouseCoopers LLP.

Data Collection

Participants selected for the survey will be provided with a web-based questionnaire that solicits data at the fund complex level as well as the fund/class level. Conference calls will be scheduled when the questionnaire is issued to help prepare participants for the survey completion process, to walk through any new or revised sections of the questionnaire and to answer any questions about the web survey.

As with other ICI surveys, the confidentiality of data submitted by individual fund groups will be strictly maintained. Conversely, participants are expected to keep the survey results confidential, as they are intended for use by participants only.

Timetable

We expect to give participants access to the questionnaire for completion in October 2011. The deadline for completion of the web survey will be in January 2012. We expect to deliver the final report by the end of June 2012.

Action Requested

Your organization is invited to participate in the 2011 Mutual Fund Transfer Agents Trends and Billing Practices Survey. Please return the attached form to the ICI as soon as possible, but no later than May 31, 2011 to indicate whether your organization will participate. The ICI will mail a participation fee invoice in October 2011 to the attention of the individual

who authorizes your firm's participation in the study.

Please contact Marty Burns at 202/326-5980 or mburns@ici.org if you have any questions regarding the 2011 Mutual Fund Transfer Agents Trends and Billing Practices survey. Thank you in advance for your prompt response. We look forward to working with you on this important project.

Donald J. Boteler
Vice President - Operations

[Attachment](#)

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