

MEMO# 23834

October 1, 2009

ICI and IDC Publishes White Paper On the Relationship Between Mutual Fund Organizations and Intermediaries

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TO: OPERATIONS COMMITTEE No. 20-09
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 46-09
BROKER/DEALER ADVISORY COMMITTEE No. 55-09
TRANSFER AGENT ADVISORY COMMITTEE No. 74-09
SALES FORCE MARKETING COMMITTEE No. 10-09
INTERNAL SALES MANAGERS ROUNDTABLE No. 11-09
MARKETING PRACTICES AND TECHNOLOGY
SMALL FUNDS COMMITTEE No. 18-09
INVESTMENT COMPANY DIRECTORS No. 26-09 RE: ICI AND IDC PUBLISHES WHITE PAPER
ON THE RELATIONSHIP BETWEEN MUTUAL FUND ORGANIZATIONS AND INTERMEDIARIES

Today, the Investment Company Institute and the Independent Directors Council issued a white paper, titled Navigating Intermediary Relationships, describing the operational interaction between mutual fund complexes and intermediaries selling funds and servicing fund shareholders. * Drawing on the expertise of senior operations experts, IDC and ICI staff, and input from independent fund directors, the paper provides a comprehensive overview of the role of intermediaries in the mutual fund industry. To achieve this goal, the paper addresses a number of themes, including:

- The types of intermediaries that participate in the mutual fund industry
- Processing efficiencies developed by fund complexes and intermediaries
- The interaction points between fund complexes and intermediaries
- Tools used by fund management to oversee intermediary activities
- Methods by which intermediaries are compensated for servicing mutual fund shareholders

Although this paper was developed primarily to provide fund directors with background information about intermediaries and funds' relationships with them, it should be helpful to anyone interested in better understanding intermediary relationships within the mutual fund industry.

Readers are invited to direct any follow-up questions or comments to Marty Burns (mburns@ici.org or 202-326-5980), Annette Capretta (acapretta@ici.org or 202-371-5436), or Don Boteler (boteler@ici.org or 202-326-5845).

We hope you will find its contents valuable.

Donald J. Boteler
Vice President – Operations Amy B.R. Lancellotta
Managing Director

endnotes

*The report can be found on ICI's website at:
http://www.ici.org/pdf/ppr_09_nav_relationships.pdf. For IDC members, the paper is available through the IDC website at: http://www.idc.org/pdf/ppr_09_nav_relationships.pdf. To obtain a hard copy of the report, please call the ICI Library at (202) 326-8304 and request "Navigating Intermediary Relationships."

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