

MEMO# 16979

January 15, 2004

THE MUTUAL FUND DIRECTORS FORUM

[16979] January 15, 2004 TO: DIRECTORS' COMMITTEE No. 1-04 RE: THE MUTUAL FUND DIRECTORS FORUM Most of you are aware that Chairman Donaldson has asked the Mutual Fund Directors Forum for assistance in developing best practice recommendations in a variety of areas. I have been speaking with Allan Mostoff, President of the Forum, about ways our committee members might be of assistance in this project. Mr. Donaldson has asked specifically for guidance and best practice suggestions in the five areas listed below. The Forum has assigned a chair and a coordinator to each area, and they are listed below the area designation. According to Mr. Mostoff, the members of the working groups include fund independent directors and other members of the Forum's Advisory Board (which includes fund counsel and other industry participants), and also the Steering Committee of Independent Directors. Mr. Mostoff has indicated that he would welcome assistance from anyone on our committee who desires to participate and that participation would not require membership in the Forum. Participation will, however, require your becoming a member of the Forum's Advisory Board because the Forum has represented to the SEC that only its members and members of its Advisory Board would be involved. If you are interested in further information, including any details of membership on the Advisory Board, please call Allan Mostoff directly. He can be reached at Dechert LLP. Their number is 202-261-3300. Or, you can email Mr. Mostoff at mostoff@mfdf.com. If you have any questions that I may be able to assist with, please call me at 508-428-9496. 1. Board Review of Management Contracts and Management Fees Chair: Carl Frischling Coordinator: Diane Ambler 2. Soft Dollars, Directed Brokerage and Revenue Sharing Arrangements Chair: David Ruder Coordinator: Jeffrey Puretz 3. Rule 12b-1 Chair: Jean Gleason Stromberg Coordinator: Joel Goldberg 4. Valuation and Pricing Chair: Wayne Whalen Coordinator: Lloyd "Chip" Voneiff 5. Conflicts of Interest Between Funds and Their Managers Chair: Fergus Reid Coordinator: Barry Barbash Thank you all for your spectacular help with the recent letter to Chairman Donaldson. No large group has ever paid greater attention to a subject nor made more significant contributions under time pressure and at a difficult time of year. I believe we all can be very proud of the end product. I wish I had a tape recording to play for our critics of all of our discussions. It would prove beyond a doubt that this group of directors is an extraordinarily talented one: engaged, focused, literate and fiercely independent. Last, but not least, I want to publicly thank Marguerite for her terrific assistance, good humor, excellent drafting and enormous patience. James H. Bodurtha Chair, Directors' Committee