

MEMO# 19174

September 19, 2005

NASD NOTICE ANNOUNCING UPCOMING RELEASE OF NASD MUTUAL FUND BREAKPOINT SEARCH TOOL

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [19174] September 19, 2005 TO: PRIMARY CONTACTS - MEMBER COMPLEX No. 39-05 BANK AND TRUST ADVISORY COMMITTEE No. 13-05 BROKER/DEALER ADVISORY COMMITTEE No. 28-05 OPERATIONS COMMITTEE No. 19-05 SMALL FUNDS COMMITTEE No. 28-05 TRANSFER AGENT ADVISORY COMMITTEE No. 48-05 RE: NASD NOTICE ANNOUNCING UPCOMING RELEASE OF NASD MUTUAL FUND BREAKPOINT SEARCH TOOL The NASD issued a Notice today¹ announcing plans to publicly launch the NASD Mutual Fund Breakpoint Search Tool in October 2005. This online tool was developed pursuant to the July 2003 report of the Joint NASD/Industry Task Force on Breakpoints. The Task Force recommended that mutual funds populate the NSCC's Mutual Fund Profile Service (MFPS) with their breakpoint schedules and linkage rules in order to provide mutual fund intermediaries with a centralized electronic source of information about breakpoint opportunities for clients.² The NASD Web based Breakpoint Search Tool access funds' breakpoint information as populated in MFPS, in order to provide a single source of breakpoint information to the public and to registered representatives that are not associated with a firm that is an NSCC participant. The NASD plans to make this tool accessible through a link on their home page, NASD.com, on or after October 17, 2005. Mutual fund companies that offer fund shares that carry a front-end load may access the "preview" version of this Web site, available now, at the following address: <http://tools1.nasd.com/nbst/>. The Institute encourages all front-end load fund members to access the Web Tool to review their fund breakpoint data as soon as possible, but prior to the October 17th launch date. The NASD welcomes industry feedback on the Web Tool. Your comments, questions or concerns may be provided to the Broker/Dealer Advisory Committee - Profile Steering Committee Web Tool liaison, Ira Cohen of AIM Investments, at 1 See attached NASD Notice on "Upcoming Release of NASD Mutual Fund Breakpoint Search Tool" dated September 19, 2005. 2 See Institute Memorandum No. 19068 (August 5, 2005), No. 18970 (June 23, 2005), No. 18905 (May 31, 2005), No. 18753 (April 8, 2005) and No. 18531 (February 10, 2005). 2 ira.cohen@aiminvestments.com or at 713-214-1966. Feedback may also be sent directly to the NASD at compliancetools@nasd.com. The preview release of the NASD Mutual Fund Breakpoint Search Tool is confidential, and is provided solely for the purpose of industry testing. Any other disclosure or usage for any other purpose could result in termination of the industry testing phase. Questions regarding this initiative may be directed to either Kathy Joaquin at the ICI at 202-326-5930 or James Kiernan at the NSCC at 212-855-5662. Donald J. Boteler Vice President Operations

Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 19174, or call the ICI Library at (202) 326-8304 and request the attachment for memo 19174.

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