

**MEMO# 20139**

June 30, 2006

## **IDC Issues Task Force Report on Board Consideration of Fund Mergers**

©2006 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. [20139] June 30, 2006 TO: BOARD OF GOVERNORS No. 21-06 CHIEF COMPLIANCE OFFICER COMMITTEE No. 11-06 CLOSED-END INVESTMENT COMPANY MEMBERS No. 28-06 INVESTMENT COMPANY DIRECTORS No. 11-06 SEC RULES MEMBERS No. 59-06 SMALL FUNDS MEMBERS No. 48-06 RE: IDC ISSUES TASK FORCE REPORT ON BOARD CONSIDERATION OF FUND MERGERS The Independent Directors Council has issued a report entitled "Board Consideration of Fund Mergers." The Report reviews the legal standards and business considerations relating to fund mergers and offers practical guidance to boards considering mergers of funds. An IDC task force was created to formulate this guidance in light of the recent increase in the number of fund mergers. The Report outlines factors for directors to consider, including the costs and benefits to shareholders of the merger, the characteristics of the funds being merged (e.g., investment objectives, policies, risks), and alternatives to the merger. A copy of the Report is attached to this memorandum and may be found at [www.idc1.org](http://www.idc1.org). Marguerite C. Bateman Managing Director Attachment 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 20139, or call the ICI Library at (202) 326-8304 and request the attachment for memo 20139.

---

Copyright © by the 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.