

MEMO# 19166

September 19, 2005

INSTITUTE LETTER TO SEC CHAIRMAN COX REGARDING MUTUAL FUND TRADING INFORMATION LEAKAGE

©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. [19166] September 19, 2005 TO: BOARD OF GOVERNORS No. 46-05 SEC RULES MEMBERS No. 103-05 EQUITY MARKETS ADVISORY COMMITTEE No. 33-05 COMPLIANCE ADVISORY COMMITTEE No. 51-05 RE: INSTITUTE LETTER TO SEC CHAIRMAN COX REGARDING MUTUAL FUND TRADING INFORMATION LEAKAGE The Institute has sent a letter to SEC Chairman Cox to express our concerns regarding the confidentiality of mutual fund trading information. A copy of the letter is attached. The letter emphasizes the importance of the confidentiality of trading information and the adverse impact that any leakage of this information can have on a fund and its shareholders. The letter commends the Commission for its work in addressing the unlawful disclosure of investor trading information. At the same time, the letter urges the Commission to continue to vigorously enforce existing regulations protecting against the disclosure of confidential trading information and to continue to focus on issues relating to the leakage of information during its examinations of market participants. The letter also recommends that Commission staff prepare a report for the Commission on the findings of its examinations and that the Commission reiterate to market participants their responsibilities to guard against improper use of investor trading information. Paul Schott Stevens President 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 19166, or call the ICI Library at (202) 326-8304 and request the attachment for memo 19166.