

**MEMO# 19639**

January 26, 2006

# **WHITE PAPER COMPARING MUTUAL FUNDS WITH INSTITUTIONAL ACCOUNTS**

©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. [19639] January 26, 2006 TO: BOARD OF GOVERNORS No. 4-06 PRIMARY CONTACTS - MEMBER COMPLEX No. 4-06 INVESTMENT COMPANY DIRECTORS No. 3-06 SEC RULES COMMITTEE No. 5-06 RE: WHITE PAPER COMPARING MUTUAL FUNDS WITH INSTITUTIONAL ACCOUNTS Attached is a copy of a new Institute white paper Mutual Funds and Institutional Accounts: A Comparison. The paper is intended to assist fund boards when they approve advisory contracts by providing an economic analysis of the key differences between mutual funds and institutional accounts. Because of the significant differences between these two products, the paper concludes that there are no simple rules by which fund boards can compare the fees of these products and that there is no substitute for the considered business judgment of fund boards. Sean Collins Senior Economist 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 19639, or call the ICI Library at (202) 326-8304 and request the attachment for memo 19639.

---

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.