

MEMO# 2353

November 29, 1990

SURVEY OF BOOK VERSUS PHYSICAL SHARES FOR OPEN-END AND CLOSED- END FUNDS - 1989

November 29, 1990 TO: TRANSFER AGENT ADVISORY COMMITTEE NO. 49-90 RE: SURVEY
OF BOOK VERSUS PHYSICAL SHARES FOR OPEN-END AND CLOSED-END FUNDS - 1989

Enclosed is the Survey of Book Versus Physical Shares for Open- End and Closed-End Funds, which the committee agreed to complete at the Transfer Agent Advisory Committee meeting on September 13th, 1990. The purpose of this survey is to update our general understanding of the form in which mutual fund shares are presently being issued and the overall composition of shares (book versus physical) outstanding. The survey is being circulated to the 20 mutual fund complexes represented on the Transfer Agent Advisory Committee. The survey questionnaire and detailed instructions are attached to this memo. The results of the survey will be presented to the Transfer Agent Advisory Committee and will be used to assist the Institute in it's work as a participant on the Group of Thirty U.S. Working Committee. One objective of the Group of Thirty is to move generally to book shares for all investors worldwide, not just investors in mutual funds. As background information, the primary objectives (target date of 1992) of the Group of Thirty U.S. Working Committee are to reduce the standard settlement period from 5 days to 3 days for U.S. equity and municipal securities and change the payment system from next day funds to same day funds for like security types. As the Group of Thirty's recommendations will affect mutual funds in many respects, it is expected that the SEC will ask the Investment Company Institute to respond to the Group of Thirty's final recommendations. A copy of the Group of Thirty U.S. Working Committee's "Status Report & Request For Comment" dated August 1990, is enclosed with this survey. Comments on Book-Entry Settlement can be found on pages 8 and 9 of the report. Thank you for your assistance in this effort. Donald E. O'Connor
Vice President - Operations Enclosure Attachment