

MEMO# 20091

July 6, 2006

New Terms to Access Blue Flag Research Tools Effective October 1, 2006

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Background BFF was introduced in 1999 as an electronic replacement for the Institute's Guide to Foreign Marketing Regulations. It allows users to research whether and under what circumstances shares of a fund can be sold on a cross-border basis. It addresses topics such as whether registration or other authorization of the fund is required and whether a prospectus is required to be filed with the local regulatory authorities. BFF also provides information about alternative methods of distribution, such as private placements, that may avoid requirements such as registration. BFF currently covers thirty-eight countries. BFSD was added in 2004 as an electronic replacement for the Institute's Guide to Foreign Investing. BFSD is designed to help funds comply with local rules on the disclosure of large shareholdings. Information for each jurisdiction is presented in a common matrix format, with hyperlinks to the underlying rules. BFSD currently covers forty-one countries. New Terms of Member Access Beginning on October 1, 2006, members will no longer have access to Blue Flag through the Institute. Instead, each member will need to determine whether to individually subscribe to Blue Flag through Linklaters. After extensive negotiations, Linklaters has agreed to offer ICI members a substantial discount on subscription rates and waive its typical up-front fee for new subscribers. For ICI members:

- Annual subscriptions to BFF will be \$10,000. Subscriptions include access to all 38 countries covered by BFF.
- Annual subscriptions to BFSD will be based on an "a la carte" system, where members may subscribe to each of the countries covered by BFSD at \$1,220 per country. This "a la carte" flexibility will be particularly useful to members who may not have investments in all of the 41 countries covered by BFSD.

To sign up for continued access to Blue Flag after October 1, contact Laura Edwards, Commercial Assistant for Blue Flag, at 011 44 207 456 3767 or laura.edwards@linklaters.com. For more information about Blue Flag generally, or BFF or BFSD specifically, see <http://members.ici.org/blueflagMenu.do>. If

you have any other questions, please contact Brent Newton 202/326-5831 or bnewton@ici.org) or me (202/371-5430 or rcg@ici.org). Robert C. Grohowski Senior Counsel
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