

MEMO# 18140

October 27, 2004

SCHEDULE FOR THE JANUARY BOARD MEETING

[18140] October 27, 2004 TO: BOARD OF GOVERNORS No. 69-04 RE: SCHEDULE FOR THE JANUARY BOARD MEETING Historically the Winter Board meeting has provided an opportunity for Governors to build personal relationships with one another and to engage in extended discussions of topics that are important to the long-term future of the industry. The meetings traditionally have included events for spouses and provided time in the schedule for Governors and their spouses to meet on a social basis. Over the years, as the industry has grown and the issues before the Board have become more complex and challenging, these opportunities to build personal relationships have demonstrated their value. They have helped establish and maintain an environment in which the Institute can fashion responses to industry-wide issues and in which the Governors can look beyond the perspective of their individual firms and reach common solutions that are in the best interests of all funds and fund investors. I recognize that the Winter Meeting entails a significant time commitment during a busy period of the year. In the past few years, as business demands increased, the Winter Meetings were compressed into one and one-half days – Monday through mid-day Tuesday. Last year, to provide more time to address issues arising from the Spitzer investigation, we eliminated activities for spouses from the meeting schedule. As Jim Riepe mentioned at the October Board meeting, several Governors expressed their concern about this trend, and urged that we return to a longer meeting that includes time for personal and social interactions among the Governors and spouses. Jim asked the staff to investigate if the hotel and other logistical arrangements would allow the Winter Meeting in 2005 to be extended through Tuesday, February 1, 2005 and to contact the Governors to assess their interest and ability to attend a longer meeting. Currently, the 2005 Winter Meeting is scheduled to begin on Monday, January 31st and end at approximately Noon on February 1st; it will be held in Phoenix, Arizona at the Royal Palms Hotel 1. The hotel has indicated that the meeting can be extended through Tuesday. Prior to extending the contractual commitment to the hotel, we are asking Governors to tell us if you 1 <http://www.royalpalmsotel.com> can extend your stay through Tuesday, February 1st. I attach a preliminary schedule for an extended meeting for your review. As you will see, we envision business meetings beginning early Monday morning and breaking about Noon. Monday afternoon will be reserved for social or recreational activities with spouses and guests. On Tuesday, business meetings will continue into the mid-afternoon. We have tentatively scheduled a tour of Frank Lloyd Wright's Taliesin West for Governors and spouses on late Tuesday afternoon. A reception and dinner at Taliesin West will follow. We have secured commitments from the following speakers to join the meetings. • Mary Schapiro, Vice Chairman of NASD – Mary will attend dinner on Sunday evening and address the Board on Monday. We plan to use Mary's remarks to structure working group sessions on Tuesday for Governors to discuss and develop strategies to address distribution and

other key regulatory issues facing mutual funds. • Norman Ornstein, Resident Scholar at the American Enterprise Institute for Public Policy Research, a renowned expert on American politics – In the wake of November's hotly-contested elections, Norm will speak at dinner on Tuesday evening about the dynamics of a new Congress and Administration and the challenges they will face in 2005 and beyond. • We are now working on lining up a third speaker (if possible for dinner on Monday), and hope to secure a commitment from a member of the Senate or House leadership for this purpose. Considering the very significant challenges now facing mutual funds, their directors and advisers, I believe your participation in this meeting is especially important. I would urge you (along with your spouse or guest) to make time in your schedule to attend this year's Winter Meeting. The interaction among the Governors that occurs at meetings such as this is vitally important to the long-term success of the Institute. Thanks for your consideration and for your support in my first months as ICI President. Please let us know if you and your spouse or guest will be able to attend an extended Winter Meeting as described above by completing the attached response form. Please fax the form to Joanne Piper at 202-326-5806 by Wednesday, November 3, 2004 so that we can determine if we should extend the meeting. If you have any questions about the meeting please contact me (202-326-5901) or Larry Maffia (202-326-5857).

Paul Schott Stevens President Attachments Executive Committee/Board of Governors Meeting Royal Palms Phoenix, Arizona

PROPOSED PRELIMINARY SCHEDULE OF EVENTS

SATURDAY, JANUARY 29, 2005 6:30 pm Early Arrivals Dinner with spouses and guests
SUNDAY, JANUARY 30, 2005 12:00 – 1:30 pm Chairman's Council Meeting 1:30 – 4:00 pm Executive Committee Meeting 4:00 – 5:00 pm New Governor Orientation 5:30 pm Reception / Dinner with spouses and guests
MONDAY, JANUARY 31, 2005 7:30 – 9:00 am Board of Governors Breakfast Discussion Groups Small groups of Governors will discuss and share insights on topics of interest to the groups. 9:00 am – 10:00 pm Presentation and Discussion with Mary L. Schapiro, Vice Chairman NASD 10:00 am – 12:00 pm Board of Governors Meeting – Institute Business Matters 10:00 am – 12:00 pm Spouse / Guest Activity Details to be determined 12:30 pm – 5:30 pm Governor and Spouse Activity, choice of Golf or tennis tournament Southwest Native American Art and Culture, discussion and tour 6:30 pm Reception / Dinner, with spouses and guests
TUESDAY, FEBRUARY 1, 2005 8:00 – 9:30 am Board of Governors Working Groups Small groups of Governors will discuss and develop strategies to address specific industry issues. Topics to be covered include: • Distribution and other regulatory issues identified by Mary Schapiro. • How the financial services industry could establish an ongoing dialogue in which interested parties – asset managers, distribution intermediaries, recordkeeping service providers, regulators, etc. – to address common issues that affect fund investors? • One of ICI's strategic goals is to renew our emphasis on policy issues related to retirement security. What are the most significant retirement policy issues members would like ICI to address? How do members think we should go about doing so? • How can we encourage greater participation by Institute members in the political process, including outreach efforts to legislators and participation in ICI PAC? 9:30 – 12:00 am Board of Governors Meeting – Institute Business Matters 10:00 – 12:00 pm Spouse / Guest Activity Cooking demonstration by T. Cook's chefs. T. Cook's has been recognized as the top restaurant in Phoenix/Scottsdale 12:00 – 1:30 pm Lunch 1:30 – 3:00 pm Reporting about Working Group Discussions 5:00 – 6:00 pm Frank Lloyd Wright Taliesin West Tour – Governors and spouses will be given a private tour of the property. (Tentative) 6:00 – 9:00 pm Reception and Dinner at Taliesin West, (Tentative) Presentation by Norman Ornstein

WEDNESDAY, FEBRUARY 2, 2005 7:30 – 9:30 am Buffet Breakfast for those Governors remaining Nominating Committee Meeting

RESPONSE FORM Winter Board of Governors Meeting January 31 – February 1, 2005 I will be able to attend both days of the Winter 2005 Board of Governors meeting if it is extended through Tuesday evening February 1, 2005 YES NO My spouse or a guest will attend the meeting. YES NO Name

(Please Print) Kindly return the completed form to Joanne Piper via fax to 202-326-5806 by November 3, 2004

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