

MEMO# 10441

October 30, 1998

Securities Lending Whitepaper

[10441] October 30, 1998 TO: ACCOUNTING/TREASURERS MEMBERS No. 34-98 SEC RULES MEMBERS No. 90-98 TAX COMMITTEE No. 34-98 SECURITIES OPERATIONS SUBCOMMITTEE-CUSTODIANS ADVISORY GROUP RE: SECURITIES LENDING WHITEPAPER

Enclosed is the whitepaper entitled "Securities Lending for Mutual Funds" which is being issued by the Securities Operations Subcommittee and the Custodians Advisory Group. The purpose of the whitepaper is to identify the issues that need to be considered by a fund company when evaluating whether or not to initiate a securities lending program for its mutual funds. The Investment Company Institute would like to acknowledge the following persons who contributed to the development of the whitepaper: Carol Ayotte, State Street Bank Richard Grueter, Price Waterhouse Lynda Michaud, State Street Bank Andres Saldana, Wellington Management Company Elizabeth Schneider, John Hancock Jeffrey Sion, KPMG Kevin Smith, KPMG Questions or comments can be directed to the undersigned at 202/326-5850 or at butler@ici.org. Diane M. Butler Director – Operations & Fund Custody Enclosure

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