

NEWS RELEASE

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Unveils Research Showing Widespread Internet Usage Among Fund Investors Urges Renewed Effort to Improve Fund Disclosure

Washington, DC, February 14, 2006 - Investment Company Institute President Paul Schott Stevens said today that advances in communications technology present a historic opportunity to help investors better understand mutual funds and to vastly improve the delivery and usefulness of required fund disclosure.

"There is a growing recognition that the time has come to take greater advantage of the Internet to provide investors and other market participants with more timely and more useful information about mutual funds," Stevens said in a [speech delivered today at the National Press Club](#).

Stevens unveiled [recent ICI research on mutual fund shareholders and their use of the Internet](#), noting that the average fund investor is indeed very "logged on."

"We found that nearly 90 percent of mutual fund investors have Internet access either at work, at home, or both. Just as significantly, two-thirds of these investors use the Internet at least once a day," he said. Regardless of age, income, and educational level, use of the Internet is increasing, Stevens said.

Citing widespread agreement that the current system of disclosure is not optimal from the fund investor's perspective, Stevens called for a renewed effort to capture the potential of the Internet to improve disclosure.

"The Internet offers the ultimate al la carte menu: Those who want more extensive information can get it. Those who don't can access or be provided the essential information they need, in a form they are likely to use. So, it's no longer a question of less versus more. Thanks to the Internet, we can provide both less and more."

Noting that SEC Chairman Christopher Cox has encouraged the use of the Internet and other technologies to improve information delivery to investors, Stevens said, "The SEC has begun to recognize the potential of the Internet to offer a superior way to convey information to many investors and other market participants. Chairman Cox has suggested that the time is now ripe for the SEC to craft a regulatory framework that takes far better advantage of the potential of electronic communication."

In his remarks, Stevens cautioned that efforts to make greater use of the Internet should not disadvantage those investors who do not - or cannot - log on. "We recognize that any disclosure framework must accommodate people who do not have Internet access ... We cannot ignore their needs," he said.

"But the critical point is: We are seeing a revolution in communications technologies and we need to act now. To make the fullest use of the technology so that investors have the information they need, all the information they want, in the format that makes it as valuable as possible for them."

"This indeed would constitute another leap forward in the democratization of investing," he said.

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