

## NEWS RELEASE

November 4, 2008

# ICI Establishes Money Market Working Group

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## Senior Executives Will Recommend Improvements in Practices, Regulation, and Law

**Washington, DC, November 4, 2008** - The Investment Company Institute today announced the formation of a panel of fund industry leaders with a broad mandate to develop recommendations to improve the functioning of the money market and the operation and regulation of funds investing in that market.

The Money Market Working Group will make recommendations to minimize risks and help assure the orderly functioning of this vitally important market. The group will identify needed improvements in market and industry practices; regulatory reforms, including improvements to SEC rules governing money market mutual funds; and possibly legislative proposals. The Working Group expects to report its recommendations in the first quarter of 2009.

The Working Group will be chaired by John J. Brennan, Chairman of the Vanguard Group. In the course of its review, the Working Group intends to consult with a wide range of constituencies, including issuers of and dealers in money market instruments; sponsors of pooled funds that invest in the money market, including managers and independent directors of money market mutual funds regulated by the Securities and Exchange Commission under the Investment Company Act; institutional investors in money funds, as well as financial advisers to individuals who rely on them for cash management; current and former federal regulators; and other experts.

"Events in September and October underscore the vital role that the money market plays in the nation's economy as a source of financing for U.S. businesses, financial institutions, consumers, and municipalities," said Brennan. "Unprecedented actions by the Federal Reserve and the Department of the Treasury have been required to keep this market liquid and functioning. It is important that we learn from our recent experience. We hope to offer concrete, positive suggestions to improve the way the money market functions and the way money market funds operate."

In recent months, Brennan has headed an informal group of fund industry executives that

has worked with the Federal Reserve, Treasury, and SEC to address conditions in the money market affecting money market mutual funds and their shareholders. With approximately \$3.4 trillion in assets, money market mutual funds finance more than 40 percent of commercial paper, one-fifth of marketable Treasury bills, and almost one-fifth of municipal securities.

"I am grateful to Jack Brennan for leading this effort," said John V. Murphy, Chairman of ICI and Chairman and CEO of Oppenheimer Funds, Inc. "Money market mutual funds have served investors successfully for thirty years. I look forward to the Working Group's recommendations about what steps should be taken, in light of recent events, to assure that they continue to do so."

Members of the Money Market Working Group include, in addition to Brennan: James H. Bodurtha, Independent Director, BlackRock Funds; Richard S. Davis, Managing Director, BlackRock, Inc.; Mark R. Fetting, CEO & President, Legg Mason, Inc.; Martin L. Flanagan, President & CEO, Invesco PLC; George C.W. Gatch, President & CEO, J.P. Morgan Funds; John W. McGonigle, Vice Chairman and Chief Legal Officer, Federated Investors, Inc.; James A. McNamara, President & CEO, Goldman Sachs Mutual Funds; Randall W. Merk, Executive Vice President, Charles Schwab & Co., Inc. and President of Schwab Funds; Paul Schott Stevens, President & CEO, Investment Company Institute; and Michael Wilens, Head of Asset Management, Fidelity Investments.

Advisers to the Money Market Working Group include: Deborah Cunningham, CFA, Senior Vice President, Senior Portfolio Manager, Federated Investors; John T. Donohue, Managing Director and Chief Investment Officer for Global Liquidity, JPMorgan Asset Management; Karen Dunn Kelley, CEO, Invesco Worldwide Fixed Income; Kevin Kennedy, Portfolio Manager, Western Asset Management; Mary J. Miller, Managing Director, T. Rowe Price Associates, Inc.; and Charles Morrison, Head of Fixed Income Money Markets, Fidelity Investments.

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