

NEWS RELEASE

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IDC Leaders Support SEC Fund Governance Rules, June 2004

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Washington, DC, June 23, 2004 - Leaders of the Independent Directors Council support the SEC's rule adoptions today aimed at strengthening the role of mutual fund independent directors. James H. Bodurtha, an independent director with Merrill Lynch Funds and the Council's Chairman, emphasized the Council's commitment to strengthening the independence and effectiveness of mutual fund boards. The actions taken by the SEC today to heighten fund governance mandates by requiring that 75 percent of mutual fund board members be independent directors, all fund boards have independent chairs, and each board perform annual self-assessments and meet in executive session are important additional steps in this ongoing effort.

"We believe the independent chair is one of several ways to promote strong governance. We respect the Commission's determination regarding the importance of this requirement, and look forward to working with the SEC as these new regulations are implemented so that they bring the intended benefits to our shareholders," Bodurtha said.

Marvin Mann, an independent director of the Fidelity Funds and Chairman of the IDC's Policy Committee, said "The independence of mutual fund boards of directors is a cornerstone of the protections afforded to shareholders by the Investment Company Act of 1940. While we believe directors are in the best position to choose the governance structure that best suits their board culture, we commend SEC efforts to promote the independence of boards increasing their ability to look out for the best interests of mutual fund shareholders."

This viewpoint was echoed by Dawn-Marie Driscoll, former lead director and now independent chair of a Scudder Funds board. Driscoll chairs the Council's Nominating and Governance Committee. "While I have been lead director of our funds for several years and consider it to be an effective governance tool, I expect to be equally effective as the chairperson. The [1999 Report of the Advisory Group on Best Practices](#), which I helped develop and write, called for a lead independent director. The SEC's action today takes a different approach than we did, but shares the same objective of ensuring that all boards have an independent director actively involved in the leadership of board meetings and the overall work of the directors."

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