

SPEECH

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2004 General Membership Meeting: ICI President-Elect Speaks

ICI President Elect Remarks at 2004 ICI General Membership Meeting

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Good afternoon to you all.

I do not become President of the Investment Company Institute for another two weeks. But with so many mutual fund leaders here today, it is an important opportunity for brief remarks about what lies ahead.

It will be a great privilege for me to serve as President of the Institute. The ICI is an organization with a proud history and a bright future. We all stand on the shoulders of those who have gone before us. My [predecessors in this position](#) -- including Matt Fink and Dave Silver, who are here in the audience today -- have established a tradition of great leadership. It is a tradition I promise I will work hard to maintain.

I [join the Institute](#) during a time of formidable challenges and extraordinary change. But we are not strangers to either. America's mutual funds have thrived because they have been agents of change -- changing the way Americans save and invest. Mutual funds have prospered because they have identified and embraced new opportunities -- like money market funds, Individual Retirement Accounts, and 401(k) plans. Our success has been built on innovation, transparency and keen competition. As a result, mutual fund investing remains the most powerful and effective tool for the vast majority of Americans to achieve their long-term financial objectives.

Most important, our past success has been built upon integrity. Upon integrity and ethical conduct all our future success depends as well. How we conduct ourselves in this new environment is critically important to the 91 million shareholders whom we serve. Mutual fund shareholders, rightfully, expect much from us. And we owe them nothing less than the undivided loyalty and high degree of care that are the hallmarks of a true fiduciary. In our stewardship of fund investments, in our conduct as fund directors and officers, in the

services we provide fund shareholders, and in the public policy positions we espouse -- our unwavering objective must be to fulfill the high expectations of fund investors and to deserve their trust.

There will be ongoing, intense scrutiny of our industry, and commentators will continue to raise questions and voice their concerns. This is as it should be. With nearly \$8 trillion under management, America's mutual funds are financial intermediaries that bestride the globe and span generations. We should not only expect close scrutiny, but understand that our size and importance demand it. This process is one of the great strengths of our nation and our economic society. We are better for it.

With that scrutiny comes a need for vigorous, responsible engagement in public policy debates concerning an array of issues that impact mutual fund investors, ICI members and the capital markets at large. I look forward with great excitement to participating in these debates as the Institute's President, on behalf of mutual funds and fund shareholders.

As you know, the Institute and its members are working diligently with the regulators and Congress to address the scandalous conduct of some that has risked the reputation of all. In addition to its swift and rigorous enforcement measures, the SEC has developed an unprecedented series of regulatory reforms. Among these are important rules prescribing new compliance mechanisms and expanded board oversight of fund compliance efforts. The Institute will do everything possible to assist our members in fully implementing these many new regulatory requirements. We pledge to bend our energies to realizing the full potential of the SEC's reforms, and in the process reinforcing the fiduciary culture upon which fund shareholders rely.

Let me conclude by expressing my thanks to the Institute's [Board of Governors](#) for their confidence in me. The staff of the Institute is an exceptionally talented and dedicated team, and I look forward to leading them in their many activities on behalf of the Institute's members and fund shareholders.

I also want to extend a very special thanks to Matt Fink, a dear friend and colleague, who is retiring after a 33 year career at the Institute. His is an exceptional record of accomplishment and dedication. You take with you, Matt, our admiration, our deep respect and our sincere thanks for all you have been and done as a leader of the Institute and the mutual fund industry. You are associated with so much of the Institute's proud history of accomplishment, and its strong record of service to mutual funds and fund investors.

I look forward to serving as the Institute's next President, enlarging on that record, and embracing the challenges and changes that lie ahead.

Thank you.