

Remarks at 10th Anniversary Dinner, Independent Directors Council

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Hello, and thank you all for being here tonight.

I'd especially like to thank Jim Bodurtha, Marguerite Bateman, and Dawn-Marie Driscoll for being with us from the beginning, when we formed the IDC.

In a way, it is hard to believe that this is IDC's 10th anniversary—because that means it's my 10th anniversary.

I rejoined the Investment Company Institute as president and CEO in June 2004—just a few weeks after ICI launched IDC.

During this relatively short period, IDC has grown into an invaluable resource for fund directors —just as we all hoped and expected it would. It has amassed an outstanding record of educating directors, promoting public understanding of fund governance, advocating for sound policies—in short, building a stronger director community.

The IDC's mission has never been more important, and challenging, than it is today.

What will the landscape look like 10 years from now—when, as they sing at my alma mater in New Haven, I will have passed and been forgotten with the rest?

Well, I am confident that the lyrics will have changed but the music will be the same. By that, I mean that the fundamentals will remain—for IDC, for ICI, for our members, for our shareholders.

The fundamentals of good governance, fiduciary duty, care and loyalty to the interests of investors, and strong compliance.

With \$17 trillion under management, serving 95 million Americans so effectively, the industry must be doing something right. But there is one more fundamental that needs mentioning: there is no room for complacency.

I attended my first fund board meeting in 1980, as an impossibly young lawyer. Over more than 30 years, it has been my privilege to know and to work with literally hundreds of independent fund directors, and to meet with scores of fund boards. Of course, in my positions with ICI, I also have come to know fund advisers throughout the industry.

Our kind of fund investing works because of the myriad interactions across the industry between these two different fiduciaries, in the setting of literally hundreds of different fund complexes. Both are held to the highest standards of accountability known to the law. But they play different roles: the one, delivering on the promise of fund investing, through their efforts as adviser to a fund; the other, making sure that the promise is kept, through their oversight as the fund's independent directors.

At ICI, representatives of fund advisers and independent fund directors work together across a wide range of issues. So this remarkable collaboration has its counterpart at the Investment Company Institute as well. The IDC is its most prominent expression, and one that I have been proud to support throughout my tenure at the Institute.

We can take some satisfaction in the success of this collaboration. At both levels, in the boardroom of a specific fund complex or in one of our conference rooms on H Street, we are helping to advance the keenest hopes of millions of our fellow Americans for a financially secure future.

I salute all those who have, over 10 years and more, helped IDC achieve such great success. And I challenge all those who follow today and in the future to continue to build and expand on this achievement. We owe our shareholders nothing less!

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