

## Opening Remarks at ICI's General Membership Meeting

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Good afternoon and welcome to the ICI's 2007 General Membership Meeting. I'm Brian Murdock, president and CEO of New York Life Investment Management -- the parent organization of MainStay Investments and the MainStay Funds.

First off, I want to say what an honor it's been to serve as chairman of the General Membership Meeting's Planning Committee. To me, this gathering, this annual summit, holds special purpose -- both symbolically and in practical terms.

For almost a half century now, this meeting has provided a forum that allows competitors and colleagues to join together -- to engage each other, to learn, to challenge, and to share. This meeting has helped shape the industry in which we have all built our careers. By being here -- today -- we are together taking part in that tradition -- continuing its legacy and reaping the benefits of our collective expertise.

This is why I am so honored to have the role of Chairman of this year's event.

For those of you who have attended the GMM for more years than you care to remember, to all of our hardened industry “veterans” out there – welcome back. It’s good to see so many familiar faces in the crowd. I look forward to catching up with you over the next three days.

To those who are newer to the GMM, maybe even attending for the first time, I offer you a special welcome. Often times I think we tend to take for granted the incredible growth of our business and our responsibilities to its overall advancement. As industry leaders, we’re responsible for ensuring that the next generation is grounded in the principles we hold dear, that they are cognizant of the bigger picture, and that shareholders receive a superior level of acumen, commitment and integrity.

That is why the ICI as an organization - and this General Membership Meeting in particular - is an invaluable asset. It is the place for any professional with a desire to improve their skill set, expand their perspective and better understand this business. To everyone that description fits, I welcome you.

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Our professional roots can provide us with a lifelong perspective on the way we think about the industry we work in and from which we derive so much personal gratification.

That is certainly the case with me. I started in the investment management business as a portfolio manager, managing money for institutional and retail clients. My greatest satisfaction came from the relationships that I developed with those clients and the connection I found between my professional efforts and their needs to save and invest successfully. In short, helping them realize the dreams that they devoted years of disciplined effort trying to achieve.

I did that for more than a dozen years and found it immensely satisfying both emotionally and intellectually. As a result, I have kept investment management at the center of all my career choices and this mission of creating value for clients as a touchstone for all my business decisions.

I still derive a lot of pleasure from helping our shareholders prepare for retirement, put their kids through college, save money to buy a home... to pursue their dreams – whatever they may be. And a lot of the credit for their ability to pursue their dreams owes to this incredible thing called a mutual fund.

Accessible, accountable, and transparent -- the mutual fund is a simple but powerful concept that allows millions of strangers from every point in the economic spectrum to come together, act as a single institutional investor, and acquire access to both diversification and top-flight money management. .

Not surprisingly, when we sat down more than six months ago to start constructing the theme and program for this conference, a common thread emerged quickly.

Enduring value.

Not many things in this life can stake that claim. To have the lasting ability to provide a worthy benefit is an uncommon achievement. But to achieve – and more importantly – to sustain enduring value is what we are going to address at this year's meeting. Although we take pride in our success, by no means can this industry rest upon its laurels. Enduring value is not a static term or an end result. For value to endure, it must be cultivated, nourished and improved upon.

Today, with traditional retirement savings vehicles receding from the landscape and defined contribution plans increasingly filling the void – especially with the passage of the Pension Protection Act -- we're continuing a historic transition from a nation of savers to a nation of investors. But as Americans more and more become investors, we need to help them be better informed and we must provide them dependable products that will help them achieve their goals. Our products. This mutual concept. This industry has never been more critical.

The changing landscape may be a business opportunity, but it is also our moral responsibility - our fiduciary obligation to the investing public.

This nation, our parents, our children are depending upon our industry to deliver the products and solutions that will make the retirement years – those golden years - the promise they once were and can be again.

This responsibility falls on all of our shoulders. Everyone in this room plays a part, because as much as mutual funds offer the prospect of financial success, there is no guarantee of it. Narrowing the gap between the prospect and the guarantee requires skill, expertise, discipline and patience. It's a job best left to investment professionals. I'm confident that we are up to the task.

In so many ways, we stand at the cross-roads. So many issues to explore.

For instance, we owe investors a form of disclosure that they'll actually read, and that they can understand without having to call a broker and say: what is a 12b1 fee? Or, what are F shares?

As we move toward clearer, more immediate and more accessible disclosure – a transition that we must make – we need to determine what information is most valuable to investors, and how to use the power of the Internet to get it to as many of them as possible.

Since we hope to sort all this out with the advice and consent of our regulators, it is fortunate indeed that both SEC Chairman Christopher Cox and NASD Chairman and CEO Mary Schapiro will speak to us – Chairman Cox tomorrow, and Ms. Schapiro Friday – about their respective visions for fund disclosure.

Mutual fund investment strategies are growing and evolving, too. Some in our industry are developing products that allow portfolio managers to employ strategies that used to be appropriate only for hedge funds. For example, we're starting to see 130/30 funds that use a long-short or market neutral strategy. These products are gaining tremendous momentum and their implications are profound.

But product innovation is by no means limited to hedge tactics. We have fixed, variable, and indexed annuities. We have funds of funds. We have separately-managed accounts. And of course, we have the target date products emerging fast and furiously. It certainly makes for a crowded landscape – and I have no doubt our panel discussion tomorrow on the increasingly crowded investment world will be a lively affair. I recommend that you not miss it.

Ours is not the only profession at the cross-roads, mind you. The dawn of the Internet Age is bringing profound changes to the news business, as well. All news organizations are re-inventing their business models to meet the demands of this new world. A panel of distinguished journalists tomorrow afternoon will explore these changes and how three major financial news organizations are confronting them.

We also have the editor of Wired magazine, Chris Anderson, here to discuss a concept he coined -- “The Long Tail” – in a book by the same name.

Chris presents a fascinating picture of the future of business and consumer demand that should interest all of us here.

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You know, mutual funds have been around for more than a century. The first modern U.S. fund was established in 1924 and accumulated all of 200 investors and \$392,000 in assets after one year in operation.

I expect the founders of that fund, the Massachusetts Investors Trust, would be amazed at the shape and size of the average mutual fund today. Our industry has endured in large part because of tremendous innovation, which has enabled us to stay abreast of the ever-changing needs and desires of investors.

I have no doubt that this industry, and its enduring value, will continue to grow and prosper, and that we and our successors will serve the needs of mainstream investors for a very long time.

Thank you all very much for traveling here to be with us over the next two-and-a-half days. I hope and expect you’ll find it well worth your time and effort. An enduring value to you, so to speak...

So let’s get this started in earnest. It is my pleasure to introduce Martin Flanagan, President and CEO of Amvescap and Chairman of the Board of Governors of ICI.

Marty joined AMVESCAP as President and CEO in August 2005 and, prior to that, spent 13 years at Franklin Resources, eventually rising to President and Co-CEO before leaving in July 2005. He spent about 10 years in senior positions at Templeton, Galbraith & Hansberger before its acquisition by Franklin in 1992. He has also served on the Institute's Board of Governors and was a member of the NASD Mutual Fund Task Force. Marty has a B.A. and a BBA from Southern Methodist University. He is a chartered financial analyst and certified public accountant.

Ladies and gentleman, please join me in welcoming Marty Flanagan.

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