

ICI President Issues Statement on SEC's Adoption of Measure Aimed at Abusive Trading, March 2005

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Washington, DC, March 3, 2005 - Investment Company Institute President Paul Schott Stevens today issued the following statement regarding the Securities and Exchange Commission's adoption of a redemption fee rule to address abusive trading of mutual fund shares:

"Over sixteen months ago, [ICI called for mandatory mutual fund redemption fees](#) to help curb abusive market timing. We did not make this recommendation lightly. The Institute and its members were committed then, as they are today, to doing everything possible to protect fund investors by putting a halt to abusive trading of mutual fund shares.

"While the SEC has not mandated redemption fees, its decisions today represent important steps forward. We are concerned that without further action by the Commission, however, market timers will still be able to play 'catch us if you can' with mutual funds. We recognize this is a complex and difficult issue, and we urge the Commission to continue its efforts to devise fully effective means for funds and their intermediaries to address the problem of abusive short-term trading."

The Investment Company Institute is the national association of the U.S. mutual fund industry, which manages \$8.1 trillion of assets for over 92 million individual shareholders.