



# MUTUAL FUND DIRECTORS FORUM

*The FORUM for FUND INDEPENDENT DIRECTORS*

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## **MUTUAL FUND DIRECTORS FORUM ISSUES PRACTICAL GUIDANCE FOR FUND DIRECTORS ON THE OVERSIGHT OF SECURITIES LENDING PROGRAMS**

*New report highlights the benefits and risks involved in the securities lending process and is geared specifically toward the duties and responsibilities of fund boards*

**WASHINGTON, D.C., May 17, 2012** -- The [Mutual Fund Directors Forum](#) has released a special report titled “[Practical Guidance for Directors on the Oversight of Securities Lending](#),” it was announced today.

“Securities lending plays a significant role in today’s capital markets and is believed to improve overall market efficiency and liquidity,” said Susan Ferris Wyderko, president and CEO of the Forum. “In addition, securities lending plays a critical role in certain hedging strategies, acts as a useful tool in risk management and helps facilitate the timely settlement of securities trades. As such, we feel it’s important that we arm our members with educational material on this topic to assist them in their important oversight work.”

The Forum’s report provides an overview on how securities lending works in order to help directors make informed decisions about securities lending in their funds, while also highlighting the risks involved in securities lending and explaining potential issues and pitfalls of which directors need to be vigilant.

“In the wake of the market difficulties over the past several years, we’ve heard from members concerned about securities lending programs,” said David Smith, Executive Vice President of the Forum. “With this report, our goal is to provide helpful information that may assist directors in determining how to oversee securities lending activities and in deciding what questions to ask the adviser, their portfolio managers and others involved in the process.”

### **About the Mutual Fund Directors Forum**

The Mutual Fund Directors Forum is an independent, nonprofit membership organization for investment company independent directors dedicated to improving mutual fund governance by promoting the development of concerned and well-informed independent directors. For more information about the Forum, please visit [www.mfdf.org](http://www.mfdf.org).

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