

**Millstein Center for Corporate Governance and Performance and the  
Mutual Fund Directors Forum Found Network of Independent Mutual Fund Leaders**

New Haven, Conn., May 5, 2008 – The Millstein Center for Corporate Governance and Performance at the Yale School of Management and the Mutual Fund Directors Forum have partnered with independent leaders of mutual fund boards of trustees to found the “Conference of Fund Leaders” (CFL), a permanent new body composed of independent board chairs and lead independent directors of mutual funds in the United States. The CFL will provide a unique opportunity for the independent leaders of fund boards to come together with their peers to discuss governance issues that board leaders and their funds face; proactively present their views on policy matters important to fund investors and independent directors, regulators and lawmakers; and promote research into the value and impact of effective, independent leadership at mutual funds.

Mutual funds account for about one-third of equity ownership in North America and hold over \$10 trillion in assets on behalf of American investors and savers. Fund boards negotiate the contracts that establish the price fund investors pay to have their assets managed, oversee critical aspects of their funds’ operations and work to protect fund investors from any conflicts of interest that may arise in the management of funds. The success of fund boards is thus crucial to fund shareholders’ ultimate success and their work is increasingly drawing public scrutiny. The CFL, which plans to convene two meetings a year, intends to serve as a unique peer network for sharing ideas and prompting independent collective action where appropriate.

“Funds leaders have prime responsibility for ensuring above all that mutual funds serve the interests of citizens who entrust their savings to them,” said John Hill, independent chair of the Putnam Funds and founding chair of the Conference of Fund Leaders. “This new body is designed to fortify that oversight.”

“Mutual fund boards have chosen an independent chair, or independent lead director, only in recent years. Our Conference can serve as an opportunity and platform for independent leaders to discuss how this relatively new role can best be performed for the benefit of fund shareholders,” said Peter Clapman, independent chair of the AARP funds and vice-chair of the Conference of Fund Leaders.

“The CFL can foster best leadership practices as boards of mutual funds take on new authority,” said Ira Millstein, senior associate dean for corporate governance at the Yale School of Management. “When independent chairs and lead directors motivate boards, they give investors greater confidence that money managers are doing their job.”

“Active directors and credible boards are critical to independent supervision of mutual funds,” said David Ruder, chairman of the Mutual Fund Directors Forum Board. “The Conference is poised to become a key resource for mutual fund boardroom leaders.”

Other Steering Group members are Dwight Crane, independent lead director for Legg Mason Partners Equity Funds; William Foulk, independent chair of AllianceBernstein funds; Virginia Stringer, independent chair of First American Funds; and Roger Vincent, independent chair of ING Mutual Funds.

CFL will be jointly administered by the Millstein Center for Corporate Governance and Performance at the Yale School of Management, which originated the project, and the Mutual Fund Directors Forum, the independent professional body representing U.S. independent fund directors.

The launch event is scheduled for late October in New York City. The agenda will focus on shareholder rights, board leadership and other current topics. A pilot meeting held on January 22, 2008 drew independent chairs and lead directors from 43 funds across the U.S.

**The Millstein Center for Corporate Governance and Performance at the Yale School of Management** is a leading global resource for testing, challenging and advancing the premise that corporations should and can service society. The Center pursues its mission by convening events; sponsoring empirical research; generating policy briefings; building market capacity by developing training, databases and institutions; and teaching and student interaction.

**The Mutual Fund Directors Forum** is an independent, nonprofit corporation organized to provide independent directors of mutual funds with a forum to discuss critical issues confronting fund investors, the funds, and their directors. It seeks to promote vigilant, dedicated and well-informed independent directors and to serve as their voice and advocate on their behalf regarding important policy matters. Forum membership is limited to independent directors of U.S. registered investment companies.

Note to editors:

**Background on mutual fund leadership.** Until the U.S. Securities and Exchange Commission adopted regulations requiring mutual fund boards to be chaired by an independent, few such boards featured leadership separate from that of the fund family. The regulation itself remains in limbo after court rejection. The SEC has promised to restore it. Meanwhile, an estimated 65% of U.S. mutual funds have already acted to install independent chairs in anticipation of the rule becoming formalized. Most other funds have named independent lead directors.

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