



MUTUAL FUND DIRECTORS FORUM

The FORUM for FUND INDEPENDENT DIRECTORS

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MUTUAL FUND DIRECTORS FORUM FILES BRIEF IN SUPPORT OF SHAREHOLDERS ON RECENTLY ADOPTED CFTC RULE

Brief seeks to inform court as to the impact on shareholders of anticipated rulemaking

WASHINGTON, D.C., May 29, 2012 -- The [Mutual Fund Directors Forum](#) has filed a "friend of the court" brief in a lawsuit brought by the Investment Company Institute (ICI) and the Chamber of Commerce, which seeks to overturn a recently adopted U.S. Commodity Futures Trading Commission (CFTC) rule that will require many mutual funds using futures, swaps and options to register with the CFTC.

The Forum's brief looks at the issue from the point of view of fund directors, who act as fiduciaries and representatives of shareholders who own mutual funds. The Forum filed the brief to assist the court in understanding how the rulemaking at issue will impact the tens of millions of Americans who invest their savings in mutual funds.

“Given the number of fund investors who will be affected by the rule change, we felt it was important for the independent director community to voice its concerns to the court directly,” said Susan Ferris Wyderko, president & CEO of the Mutual Fund Directors Forum. “Directors function as the shareholders’ voice, and we want to make sure that voice is being heard.”

The brief argues that the CFTC, in adopting the rule, did not consider the increased costs to shareholders of new dual registration with the CFTC, which will confer no regulatory benefits on mutual fund investors. The brief points out that fund shareholders are already protected by the SEC's comprehensive regulatory scheme, and that the CFTC provided no evidence that dual registration enhances that protection.

The brief further argues that the rule will harm investors by creating a disincentive for funds to use investments in futures, options and swaps for hedging and other investment-related purposes, because to do so will subject the fund to additional regulation by the CFTC.

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.

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