

MEMORANDUM

TO: Public Comment File No. S7-12-04

FROM: Jennifer B. McHugh
Senior Advisor to the Director
Division of Investment Management (“IM”)

DATE: May 11, 2004

On May 6, 2004, several independent fund directors currently serving on the Investment Company Institute’s Board of Governors and a representative of the Investment Company Institute met with staff members of the U.S. Securities and Exchange Commission. The following Commission staff members attended the meeting: Paul Roye, Director, IM; Cynthia Fornelli, Deputy Director, IM; Robert Plaze, Associate Director, IM; and Jennifer McHugh, Senior Advisor to the Director, IM.

With respect to the Commission’s proposal titled Disclosure Regarding Portfolio Managers of Registered Management Investment Companies (Release No. IC-26383 (Mar. 11, 2004)), the independent fund directors expressed support for the concept of portfolio manager investment in the funds they manage, but noted that there may be some practical or investment-oriented limitations on portfolio manager ownership in some cases.