INVESTMENT COMPANY INSTITUTE

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October 2, 2007

Ms. Nancy M. Morris
Secretary
U. S. Securities and Exchange Commission
Station Place
100 F Street, NE
Washington, D.C. 20549-1090

Re: Shareholder Proposals (File No. S7-16-07); and Shareholder Proposals Relating to the Election of Directors (File No. S7-17-07)

Dear Ms. Morris:

The Investment Company Institute[1] appreciates the opportunity to provide its views on the Securities and Exchange Commission's recent proxy access proposals. These are important proposals with significant implications for the relationship between public companies and their shareholders. Investment companies fully recognize the importance of quality governance, both as significant shareholders of public companies and as public companies with their own shareholders and boards of directors. Investment companies also are conscious of the need to avoid unreasonable interference with the responsibility of a company's directors and officers to manage the company, and so have a particular appreciation for the need to achieve an appropriate balance in addressing proxy access.

We believe that the interests of investors will be served by allowing shareholders, under certain circumstances, to have their proposals for director-related bylaw amendments included in a company's proxy materials. We agree that long-term shareholders with a significant stake in a company have a legitimate interest in having a voice in the company's corporate governance. Institute members, for example, serve as stewards for the interests of fund shareholders and use a variety of methods to seek to enhance shareholder value. The ability to submit bylaw amendments concerning director nomination procedures could prove to be an effective additional tool for this purpose.

At the same time, the privilege of proxy access should not be granted lightly. Great care must be taken to ensure that the federal securities laws do not facilitate efforts to use a company's proxy machinery to advance parochial or short-term interests not shared by the company's other shareholders. The Commission should not make it easier, for example, for

[1] The Investment Company Institute is the national association of the U.S. investment company industry. More information about the Institute is available at the end of this letter.

short-term opportunists or minority shareholders with their own agendas to seek changes – at company expense – that do not redound to the benefit of the company's long-term shareholders. Instead, the regulatory scheme should be crafted to afford access to a company's proxy only when the interests of shareholder proponents are demonstrably aligned with those of long-term shareholders.

Accordingly, we generally favor the proposal that would, under certain circumstances, require companies to include in their proxy materials bylaw procedures for the nomination of directors proposed by one or more shareholders.[2] We also generally support that proposal's disclosure requirements, as we agree that the securities market and a company's shareholders should be provided relevant information about the shareholder(s) proposing bylaw procedures for the nomination of company directors.

We also applaud the Commission's continuing efforts to facilitate greater use of electronic media to enhance shareholder communications, and thus support proposed Rule 14a-18, which would make clear that both companies and shareholders may establish electronic shareholder forums under the federal securities laws. Electronic forums are an innovative way to facilitate communication between and among shareholders and companies and should be encouraged.[3]

Our specific comments on the proposal include the following, all of which are discussed in greater detail below:

- Access should be limited to shareholders who have acquired shares without the intent of changing or influencing control of the issuer, so that shareholders who are precluded from filing a Form 13G would not be eligible to submit proposals;
- Access must be predicated on a significant ownership interest;
- All members of a shareholder proponent group must have continuously and beneficially held the company's voting securities for an extended period of time;
- All shareholder proponents should be required to file a Schedule 13G;
- Shareholder proponents, along with nominating shareholders and their nominees, should have liability for their statements or statements made on their behalf, whether those statements appear in a company's proxy, on electronic forums, or in Form 13G filings, and companies should be shielded from liability for those statements;

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[2] *See* SEC Release Nos. 34-56160, IC-27913 (July 27, 2007), 72 FR 43466 (August 3, 2007) ("Release"). The SEC also issued an alternative rule proposal. SEC Release Nos. 34-56161; IC-27914 (July 27, 2007), 72 FR 43488 (August 3, 2007). For the reasons expressed in this letter, the Institute does not support the latter proposal.

[3] The Institute recently testified at a Congressional hearing on the SEC proposals. *See* Statement of Paul Schott Stevens, President and CEO, Investment Company Institute, Before the Committee on Financial Services, United States House of Representatives on "SEC Proxy Access Proposals: Implications for Investors" (September 27, 2007), available at http://www.ici.org/new/07_house_proxy_tmny.html#TopOfPage.

- Companies and shareholders should be permitted to establish electronic shareholder forums; and

- The Commission should not make any changes to Rule 14a-8 relating to non-binding shareholder proposals based upon its general request for comment on those types of changes, and instead should use the response to its general request for comment to consider whether it is necessary to formulate and propose specific amendments to the rule.

Eligibility Requirements

Under the proposal, shareholders would be permitted to propose bylaw procedures for the nomination of directors on a company's proxy statement. To be included, the proposed bylaw amendments would have to be submitted by a shareholder or group of shareholders ("shareholder proponents") who: (i) did not acquire or hold the securities for the purpose of changing or influencing control of the company; (ii) makes certain disclosures, including its background and relationships with the company; and (iii) has continuously held more than five percent of the company's securities entitled to be voted on the proposal for at least one year.[4] The Release requests comment on whether the proposed eligibility requirements are appropriate.

We strongly support including meaningful eligibility criteria in the rule. It is critical that the Commission place appropriate limits on shareholder proponents' ability to use company resources to propose changes to a company's governing documents. These limits are necessary to help assure that all shareholders do not bear the costs of advancing the parochial interests of one or a few shareholders. These costs are not limited to the out-of-pocket expenses associated with promoting the bylaw amendment, but also include the opportunity costs to shareholders if the fundamental character of the company or its policies are ultimately changed to advance the interests of a small number of short-term investors. Our specific comments on the eligibility criteria relating to intent of ownership, percentage ownership thresholds, and holding periods are discussed below.

Intent of Ownership. Under the proposal, only shareholders who do not acquire or hold securities for the purpose of changing or influencing control of a company would be permitted to propose bylaw procedures for the nomination of directors on a company's proxy statement. The Release asks if there is any tension between this requirement and the desire of the shareholder to propose a bylaw amendment seeking to establish procedures for including shareholder-nominated directors. The Release further asks if the answer to this question depends on the number of candidates sought to be included in the proposal, and if there is a tension, whether the Commission should establish a safe harbor.

[4] In addition, the proposal would have to relate to a change in the company's bylaws that would be binding on the company if approved by shareholders. The Institute supports this qualification and recommends that it be included in any final rule.

We strongly support the Commission's approach of limiting access to a company's proxy statement to shareholders who have acquired shares without the intent of "changing or influencing the control of the issuer," and would oppose a safe harbor permitting shareholders with such an intent to propose bylaw amendments. To further this purpose, we recommend that the Commission state explicitly in any final rule or adopting release that any shareholder prohibited from filing a Schedule 13G would not be eligible to propose bylaw amendments under proposed Rule 14a-8(i)(8).

We note that the Commission's approach would deny access to shareholder proponents who intend to "open-end" a closed-end fund, as they would not be eligible to file a Schedule 13G.[5] This is an appropriate result, necessary to protect the interests of closed-end fund shareholders whose investment goals are achieved through the unique features of a closed-end fund.[6]

Ownership Thresholds. Proxy access should be granted only to shareholders with a substantial ownership interest, so that their interests can reasonably be expected to align with other long-term shareholders. The ownership threshold also should be sufficiently high to limit the circumstances under which a single investor is able to submit a bylaw proposal. Permitting a single shareholder access to the company's proxy statement to achieve objectives inconsistent with the fund's structure and objectives, and unrelated to effective board governance, is inappropriate. Unlike a fund's directors, these shareholders have no fiduciary obligation to act in the interests of other shareholders, and the federal securities law do not provide other mechanisms to assure that they do so.

The five percent threshold proposed may not be sufficiently high for these purposes. For example, a number of our members report that they often have holdings of five percent or more of the issuers in which they are invested.[7] We expect that a number of hedge funds and other

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[5] Shareholders whose purpose is to put forward a proposal that would result in any material change in the issuer's business or corporate structure are required to file a Schedule 13D. If the issuer is a registered closed-end investment company, this requirement extends to any proposals to change an investment policy for which a vote is required under Section 13 of the Investment Company Act. *See* Rule 13d-1(b)(1)(i) (prohibiting a person with this intent from filing a Schedule 13G). *See also* Item 4(f) of Schedule 13D (requiring such intent to be disclosed on Schedule 13D). Section 13, in turn, requires a shareholder vote to authorize an investment company to change its classification from open-end to closed-end.

[6] Closed-end fund shares are bought and sold on the open market and, consequently, can trade at a discount or a premium to the fund's net asset value. In recent years, the shares of many closed-end funds frequently have traded at a discount. While eliminating a discount has an obvious short-term benefit – the potential for immediate realization of the difference between a fund's market price and its net asset value – some of the methods of eliminating the discount (*e.g.*, converting to an open-end fund) fundamentally change the nature of a fund's original purpose, cause the distribution of capital gains, and increase fund expenses, all of which may be at odds with the interests of long-term shareholders. Closed-end funds have greater flexibility to invest in less liquid securities because they do not need liquidity to meet redemptions like open-end funds. Consequently, many closed-end funds invest in specialized markets that may not be viable investment options for open-end funds. Examples include "single country" funds that invest in foreign securities issued by companies in a particular country, "senior loan" funds that invest in senior secured corporate loans with floating interest rates, and "small-cap" funds that invest in small capitalization and thinly traded securities. If such a fund were forced to open end, it would have to materially modify its investment policies, even though many of the fund's investors likely have chosen it *precisely because* of these investment policies.

[7] Based on data from © CRSP University of Chicago and the Institute, we were able to examine portfolio holdings of 2,409 domestic equity mutual funds for 276 complexes as of the fourth quarter of 2006. Based on this analysis, we estimate that 87 mutual fund complexes had a total of 1,887 holdings of 5 percent or more of the U.S. companies in which they invest. In far

institutional investors similarly will be able to easily reach a five percent ownership interest.[8] Indeed, approximately forty percent of closed-end funds have at least one shareholder with a five percent or greater ownership interest.[9]

Given the significant change in approach that the proposal represents and the ease with which at least some investors will be able to reach a five percent threshold, we strongly recommend that the Commission proceed cautiously by starting with a relatively high minimum ownership threshold. A higher threshold would encourage shareholders to come together to effect change. This would better assure that the company's proxy machinery would be used to advance the common interests of many shareholders in addressing legitimate concerns about the management and operation of the company. Before determining the minimum ownership threshold, the Commission should study holdings information to determine, for example, the frequency of large holdings of companies and the identity of the holders. The Commission may also want to consider varying the ownership thresholds based upon the market capitalization of the company or the presence of factors, such as declassified boards and majority voting, that give shareholders a greater ability to influence the election of particular directors.

In any event, we strongly suggest that the Commission make clear in any adopting release that shareholder proponents who borrow stock of an issuer may not count those shares toward meeting the ownership threshold or the holding period (discussed below) adopted by the Commission. Rather, beneficial ownership would be required to assure that the proponents truly are significant and long-term shareholders.

Holding Period. To further assure that the interests of shareholder proponents are aligned with the interests of long-term shareholders, we strongly support a meaningful holding period. The Commission's proposed one year holding period is the minimum necessary to achieve this goal, but as with the percentage ownership threshold discussed above, we suggest that the Commission consider a more stringent requirement. A longer holding period, such as two years, would provide greater assurance that shareholder proponents are committed to the long-term mission of the company, rather than seeking the opportunity for personal gain and quick profits at the company's and other shareholders' expense.[10] As with the ownership threshold, we recommend that the Commission examine holding periods to arrive at well-

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fewer instances do they hold 10 percent or more of a portfolio company. At a 10 percent threshold, we estimate that 33 mutual fund complexes had a total of 314 holdings that met or exceeded the threshold.

[8] Activist strategies by hedge funds, in particular, are on the rise. *See, e.g.*, The Altman Group Advisor at 13 (February 2007) ("Hedge funds continue to lead the charge in shareholder activism. . . . Corporations should expect hedge fund activism only to increase.") and *Hedge Funds at the Gate*, Citigroup Global Corporate Finance (September 22, 2005) (hedge fund activism "is becoming an increasingly popular investment approach").

[9] *Declared Shareholder Stakes in Closed-End Funds*, Thomas J. Herzfeld Advisors, Inc. (September 2007).

[10] We note that most investment companies are long-term holders of the securities in which they invest. Based on the Institute's analysis, we estimate that 233 fund complexes held shares of 3,763 U.S. companies for at least two years over the period from the fourth quarter of 2004 to the fourth quarter of 2006.

reasoned criteria that will encourage would-be shareholder proponents to work together to achieve goals that benefit all shareholders.[11]

Disclosure Requirements for Shareholder Proponents

We agree with the Commission that the securities market and a company's shareholders should be provided relevant information about the shareholder(s) proposing bylaw procedures for the nomination of company directors. We therefore generally support requiring shareholder proponents to file a Schedule 13G.

Despite our general support, there are two aspects of shareholder proponent disclosure that we do not believe are necessary to properly inform the public and other shareholders. First, we do not believe it is necessary to require shareholder proponents to file a Schedule 13G based upon their *intent* to file a bylaw proposal or nominate a director.[12] Instead, we favor imposing the disclosure requirement when proponents actually take the concrete step of submitting a bylaw proposal or nominating a director.

In addition, we believe it is unnecessary and burdensome to require disclosure about all meetings or contacts with management that occurred before the submission, or during the pendency, of a shareholder proposal. As proposed, both companies and shareholders would be required to disclose any meetings or contacts, including direct or indirect communication by the shareholder proponent, with the management or directors of the company that occurred during the 12 months prior to the formation of any plans or proposals to propose bylaw amendments.[13] For institutional investors who frequently engage in discussions with management as part of their investment management process, it will be burdensome to keep records of all meetings or contacts with each company it communicates with simply because they may, sometime in the future, submit a bylaw proposal. It will be similarly burdensome for companies to keep these

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[11] Based on the Institute's analysis, we estimate that 56 mutual fund complexes had 966 holdings that were 5 percent or more in both the fourth quarter of 2005 and in the fourth quarter of 2006 (*i.e.*, a one-year period). At a 10 percent threshold and one-year holding period requirement, we estimate that 17 complexes had 114 holdings of U.S. companies. For a two-year holding period (2004-2006) and 5 percent threshold, we estimate that 37 complexes had 552 holdings. For a two-year holding period and 10 percent threshold, we estimate that 10 complexes had 45 holdings. These figures demonstrate the effect of increasing the thresholds on the need for shareholders to work in a collaborative manner to obtain access to a company's proxy – a laudable goal that will protect the interests of long-term shareholders.

[12] As proposed, a Note to Item 8A of Schedule 13G would require the filing of a Schedule 13G in instances where a shareholder proponent has indicated an intent to management to submit a bylaw proposal or nominate a director, or indicated an intent to refrain from submitting such a proposal or nominee conditioned on the company taking or not taking a particular action.

[13] As proposed, Item 8B(e) of Schedule 13G would require shareholder proponents to:

> Disclose any meetings or contacts, including direct or indirect communication by the shareholder proponent, with the management or directors of the company that occurred during the 12 months prior to the formation of any plans or proposals or during the pendency of any proposal or nomination, including: (1) reasonable detail of the content of such direct or indirect communication; (2) a description of the action or actions sought to be taken or not taken; (3) the date of the communication; (4) the person or persons to whom the communication was made; (5) whether that communication included any reference to the possibility of such a proposal or nomination; and (6) any response by the company or its representatives to that communication prior to the date of filing the required disclosure.

Item 24 of Schedule 14A requires companies to make parallel disclosure.

records. To avoid this recordkeeping burden, shareholders and companies may choose to have fewer of these informal discussions, which seems at odds with the Commission's intent to facilitate shareholder communication with management. In addition, requiring such broad disclosure will capture irrelevant information such as management-shareholder investment meetings that have no relation to a future bylaw proposal. To address these concerns, we recommend requiring disclosure only with respect to meetings and communications that actually relate to a particular proposal.

In addition to requiring disclosure of discussions with management, proposed Items 8B and 8C of Schedule 13G would require shareholder proponents to disclose, among other things: (i) material relationships with the company, including any threatened litigation; (ii) material transactions with the company; (iii) discussions regarding the proposal between the shareholder proponent and a proxy advisory firm; and (iv) background information. The Institute supports disclosure that will help to make known whether proponents are seeking bylaw amendments to serve their own parochial self-interests or the interests of long-term shareholders. At the same time, we are concerned that the disclosure called for is not tailored for that purpose. We therefore recommend refining the required disclosure, perhaps with reference other federal securities laws requirements such as Regulation S-K under the Securities Act of 1933.[14]

Under the proposal, shareholders would be required to provide disclosure on Schedule 13G, and companies would be required to make the same "mirror" disclosure on their proxy statements. We request that the Commission clarify that a company may state that it is providing the information submitted by the shareholder proponent on the proponent's behalf (rather than requiring a company to provide disclosure on its own that is identical to that already provided by a proponent). This would be consistent with the Commission's approach to disclosure about any nominating shareholder and any nominee.[15]

[14] *See, e.g.*, Item 103 of Regulation S-K (describing in detail the types of litigation a company must disclose) and Item 404 of Regulation S-K (limiting transactions that must be disclosed to those involving an amount exceeding $120,000). The Commission should make conforming changes with respect to disclosure required on a company's proxy statement. *See, e.g.*, Proposed Item 24 of Schedule 14A and proposed Rule 14a-17(b) and (c).

[15] *See* Item 25 of Schedule 14A.

Disclosure Requirements for Nominating Shareholders

Under proposed Rule 14a-17, existing disclosure requirements for solicitations in opposition would apply to nominating shareholders and their nominees. It is important for shareholders to have adequate information about a director nominee and the person(s) promoting that candidate, and we therefore support the proposed approach.

In particular, we strongly support the Commission's approach to liability for the statements included in a company's proxy at a nominating shareholder's request. The Commission states that "it is our intent that a shareholder who nominates a director under a bylaw provision concerning the nomination of directors would be liable for any materially false or misleading statements in the disclosure provided to the company and included by the company in its proxy materials." We agree, and also recommend holding shareholders liable for material omissions taking into consideration the circumstances of the disclosure, consistent with other requirements in the federal securities laws.[16] We encourage the Commission to make a similar statement regarding materially false or misleading statements and material omissions in the adopting release.

Similarly, proposed Rule 14a-17(e) provides that a company would not be responsible for any false or misleading statements in the disclosure *provided by* the nominating shareholder to the company and included in the company's proxy materials. We agree that such a provision is necessary to make clear that nominating shareholders, not the company, would be liable for any false or misleading statements provided to the company that appear in the company's proxy statement.[17] Consistent with this approach, the Institute recommends modifying Rule 14a-17 to provide that a company would not be responsible for any disclosure in the company's proxy statement *based on* information provided by the nominating shareholder.

All of these concepts on liability are equally applicable in the context of shareholder proposals for bylaw amendments, and we therefore strongly recommend adopting comparable provisions with respect to information provided by shareholder proponents (or based upon that information) that appears in the company's proxy statement.

Electronic Shareholder Forums

Proposed Rule 14a-18 would clarify that both companies and shareholders may establish electronic shareholder forums under the federal securities laws. The proposed rule does not prescribe any specific approach to online shareholder forums. Rather, it is designed to remove impediments to using the Internet for communication among shareholders and between shareholders and the company. For example, the proposed rule would clarify that participating in an electronic shareholder forum would be exempt from the proxy rules (and therefore not

[16] *See, e.g.,* Section 12(a)(2) under the Securities Act of 1933 (providing, in part, that a person would be liable for offers or sales of securities made by means of certain communications which omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading).

[17] The Commission should similarly make clear that a company would not be liable for material omissions in materials provided by the proponent that are similarly omitted from the proxy statement.

constitute a solicitation) so long as the forum occurs more than sixty days prior to the date announced by the company for its annual or special meeting of shareholders.

The Institute strongly supports the Commission's continuing efforts to facilitate greater use of electronic media to better serve investors. Electronic forums are an innovative and relatively inexpensive way to facilitate communications between shareholders and companies and among shareholders. Accordingly, we support the Commission clarifying the permissibility of electronic forums as a means to promote dialogue among investors. We also applaud the Commission's decision to permit the private sector the freedom to design electronic forums rather than devising an "approved" version, which could quickly become outdated. The Commission's flexible and forward-looking approach will permit the private sector to avail itself of advances in technology to the benefit of shareholders and the securities market.

We also support including a provision in Rule 14a-18 clarifying that no individual or entity (*i.e.*, company or shareholder) would be liable for independent statements made by others on its electronic forum. This aspect of the proposal is necessary to encourage the establishment of shareholder forums.

We also believe that shareholders using an electronic forum to solicit other shareholders to form a group to submit a bylaw proposal should provide, on the forum, the Schedule 13G disclosure required of shareholder proponents. This disclosure will provide other shareholders with information useful for evaluating whether to join the particular group of shareholder proponents.

Non-Binding Shareholder Proposals

The Commission requested comment on whether it should adopt rules that would permit a company or shareholders to propose and adopt bylaws to establish the procedures that a company will follow for including non-binding proposals in the company's proxy materials (in lieu of Rule 14a-8's procedures). The Commission also requested comment on any additional changes that should be made to Rule 14a-8, such as amending the threshold requirements.

Rule 14a-8 currently provides a framework for formal communications between companies and their shareholders, which is implemented by the Commission and its staff. We support retaining this system, which provides another avenue for shareholders to influence the important decisions that affect them as owners of a company, and balances that opportunity with the responsibility of a company's directors and officers to manage the business of the company. To give interested parties adequate notice and opportunity for comment, we recommend deferring consideration of any particular changes to Rule 14a-8 until the Commission considers the comments received on this proposal and decides whether it is necessary to propose specific amendments to that rule.

Technical Comments

Filing of Schedule 13G by Mutual Fund Shareholders. The Release points out that shareholders of mutual funds are not eligible to file Schedule 13G and requests comment on whether they should be permitted to do so solely for purposes of proposing bylaw amendments regarding director nominations. We see no reason to apply disclosure standards to shareholders of mutual funds that differ from those applied to all other shareholder proponents. We therefore recommend requiring mutual fund shareholder proponents to file Schedule 13G under the same circumstances as other shareholders.

Proposals by Shareholders of Competitors. Under the proposal, shareholder proponents would be required to disclose any holdings of more than five percent of the securities of any "competitor" of the company. For these purposes, a "competitor" of the company would include any enterprise with the same Standard Industrial Classification code.

We do not see a compelling need for this disclosure, as long as the eligibility criteria for those with proxy access are sufficiently robust. A shareholder whose interests are aligned with other shareholders of a company is unlikely to have conflicting motivations for putting forth a bylaw amendment proposal. If the Commission believes that disclosure along these lines is necessary, however, it may want to consider a "competitor" of a fund to be a fund in the same subclassification of management companies under Section 5 of the Investment Company Act (*i.e.*, a "closed-end" fund or an "open-end" fund).

Posting of Materials to Web Sites. Under the proposal, nominating shareholders would be required to provide to the company the same disclosures required of shareholder proponents. The company would be required to provide the information on its website or provide a link on its website to a website address where the disclosure would appear. The Institute recommends a technical change to the proposal to facilitate investment company compliance. In almost all cases, investment companies are externally managed; a website that contains information about an investment company therefore is typically maintained by a separate entity, such as the fund's investment adviser. To accommodate this unique aspect of investment company operations, we recommend that in the case of an investment company that does not maintain its own website, if any of the investment company's investment adviser, sponsor, depositor, trustee, administrator, principal underwriter or any affiliated person of the investment company maintains a website that includes the investment company's name, the investment company may make the nominating shareholder's information available on, or by link through, any one such website.[18]

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The Institute appreciates the opportunity to provide its views on these significant proposals. It is incumbent on the Commission to formulate a final rule that permits long-term shareholders with a significant stake in the company to have a voice in their company's corporate governance. At the same time, it is critical that the Commission place appropriate

[18] Our recommended approach is consistent with Rule 16a-3(k) under the Securities Exchange Act, which permits investment companies that do not maintain websites to post Forms 3, 4, and 5 on an affiliated person's website. Consistent with Rule 16a-3, we recommend that if there is more than one such website, the investment company be required to include nominating shareholder information on only one such website.

limits on shareholder proponent's abilities to use company resources to propose changes to a company's governing documents.

We hope our comments will assist the Commission to achieve this delicate balance. If you have any questions or need additional information, please contact me at (202) 326-5815, Robert C. Grohowski at (202) 371-5430, or Dorothy M. Donohue at (202) 218-3563.

Sincerely,

/s/ Karrie McMillan

Karrie McMillan
General Counsel

cc: Andrew J. Donohue, Director
Susan Nash, Associate Director
Division of Investment Management

John W. White, Director
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U.S. Securities and Exchange Commission

About the Investment Company Institute

ICI members include 8,889 open-end investment companies (mutual funds), 675 closed-end investment companies, 471 exchange-traded funds, and 4 sponsors of unit investment trusts. Mutual fund members of the ICI have total assets of approximately $11.339 trillion (representing 98 percent of all assets of US mutual funds); these funds serve approximately 93.9 million shareholders in more than 53.8 million households.