

CMFI Email Alert – CMFI Study on Mutual Fund Servicing Payments
Tuesday, October 13, 2009

The Coalition of Mutual Fund Investors (CMFI) today released a new study examining the payments being made by mutual funds to third-party financial intermediaries for shareholder servicing and recordkeeping activities.

This CMFI study concludes that as much as \$9.6 billion in excess fees are being paid each year for servicing activities within hidden accounts managed by these financial intermediaries. This excess cost is adding approximately 25 basis points to the average shareholder's account.

Remarkably, the payments being made to service third-party mutual fund accounts are for activities already required to be performed by financial intermediaries under current regulatory rules.

CMFI believes that the Securities and Exchange Commission (SEC) should consider requiring full disclosure to investors of these shareholder servicing payments. CMFI also believes that investors will benefit from a regulatory model that replaces these payments with a system of full transparency within these hidden accounts, so that investors do not have to bear this excess cost and can receive the benefits and privileges promised to them in mutual fund prospectuses.

Click on the following link to the CMFI home page to review this new study:
<http://www.investorscoalition.com/ShareholderCostsofHiddenMutualFundAccounts.pdf>

Thank you for your interest in CMFI. If you have any questions, or want to discuss the conclusions of this study, please feel free to contact me via email at nielsholch@att.net.

Niels Holch
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