VISIONARIES

OF THE MODERN MUTUAL FUND INDUSTRY

AN ASSET INTERNATIONAL COMPANY
Strategic Insight

Letter from the Strategic Insight Team

"Mutual Funds—Investing in the Future" was the title of our seminal first report published on August 8, 1986. The study was conceived of and researched by Joel Rosenthal and Avi Nachmany, Strategic Insight's co-founders. After reading it, Edward C. "Ned" Johnson 3rd, Chairman and CEO of Fidelity, then the second-largest fund manager in the U.S., sent Joel the following note:

"Looking from the inside at an industry and projecting a view to the outer world is entirely different from being in the outer world looking at the inside of an industry. There are many trends in the mutual fund industry, some of which have been analyzed and others receiving very little attention. You, I believe, have caught many of the highlights of the industry."

Ned then requested to be offered the next study. Arthur Zeikel, the head of Merrill Lynch Asset Management, the largest fund management firm in the U.S. at the time, sent a similarly encouraging message. That's how Strategic Insight was born. Thank you, Ned and Arthur!

In the 25 years since, our industry has grown to become the foundation of investing in America. On our 25th anniversary, we are proud to honor the accomplishments and outstanding contributions of 60 individuals who helped in laying the groundwork for the evolution and expansion of our industry, and in leading and protecting it over the past quarter century. These Visionaries of the Modern Mutual Fund Industry—selected by an Advisory Board of industry leaders and featured in this book—touched our lives and yours. Some of these Visionaries made their mark in the 1980s and 1990s, others in more recent years.

When Joel Rosenthal announced his retirement 23 years after SI was founded, the CEO of Vanguard, by then the largest mutual fund manager in the U.S., commented:

"…Strategic Insight quickly became a valued part of our information flow at Vanguard and your views and opinions were always welcomed and valued.... You guys really changed the way the fund business looked at itself. The rigor of your data and your insights into the data allowed the industry to move beyond instinct to facts when making important decisions. More important in many ways is the way you 'joined' the business—not just as providers, but as real members of our industry. Your continual optimism about the business and willingness to say 'You're wrong' to the doomsayers and others has been tremendously valuable to us and I know we're all grateful for the support that you have provided over these many years."

We are so proud that, today, SI's research benefits fund management firms overseeing about 90% of the U.S. mutual fund industry's assets and, as importantly, the leading and most dynamic investment managers in Europe, Asia, and Australia. Our core mission remains the same: to strengthen the mutual fund industry overall, and to help each of our clients succeed in the global marketplace. We like to think that the people currently benefitting from our research include some of the Visionaries that we'll celebrate 25 years from now, in 2036!

On behalf of our nearly 100 associates in New York, Boston, London, Hong Kong, Melbourne, and elsewhere: Welcome to SI's 25th Anniversary Gala, congratulations to the Visionaries of our industry, and a heartfelt thank you to our many colleagues, friends, and research partners.

Jim Casella
Chief Executive Officer

Avi Nachmany
Director of Research, EVP

Phil Herzog
Chief Technology Officer, EVP

Michael Rosenthal
Chief Operating Officer, SVP

Table of Contents

Congratulations

Congratulations to Joel Rosenthal, our founder, for being recognized as an Industry Visionary.

Thank you for great vision, leadership, and friendship.

From the entire team at Strategic Insight, an Asset International Company.

AN ASSET INTERNATIONAL COMPANY
Strategic Insight

Continuing the Vision of Serving Investors

Matthew P. Fink

Former President, Investment Company Institute
Fund Industry Visionary Award Winner

Last year one observer noted: "Many economic philosophers have proposed that the masses must somehow own the means of production, so that wealth is not concentrated in the hands of a few oligarchs. The failures of most schemes to implement such societal ownership are well known and widely derided. [Mutual funds are]…the only reasonably successful realization of these philosophical dreams." *

Why have mutual funds been so successful?

Part of the reason lies in the environment. Since 1940, the United States has enjoyed a generally strong economy, a growing middle class with resources to invest for the future, and laws that encourage Americans to save for retirement.

These external factors have benefitted all financial intermediaries, not just mutual funds.

Funds' unique success stems from two types of voluntary actions by people in the business.

First, industry participants repeatedly have put aside their differences and worked with government to fashion laws and regulations that govern their behavior. Each measure has imposed limits on fund managers. But each measure has benefitted fund investors and, hence, the industry as a whole. This process began with the Revenue Act of 1936, continued with the Investment Company Act of 1940, and was in full force when Joel Rosenthal launched Strategic Insight in 1986.

Second, within the framework established by law and regulation, mutual fund firms have competed vigorously to meet the changing needs of investors. This has produced constant innovation in fund products, services, and methods of distributing fund shares. The industry looks very different today than it did in 1924 when the first funds were introduced, in 1986 when Strategic Insight started publication, and in 2001 when the new century began.

The mutual fund industry is so new that we can still meet many individuals who helped produce these laws and regulations, founded many leading fund firms, and gave birth to investment and technological innovations—our industry's Visionaries. The dinner on November 7 is designed to honor these individuals. It is appropriate that the event is sponsored by Strategic Insight. The firm has helped our industry understand, anticipate, and adapt to changes over the past quarter century, and should be equally helpful in the coming decades.

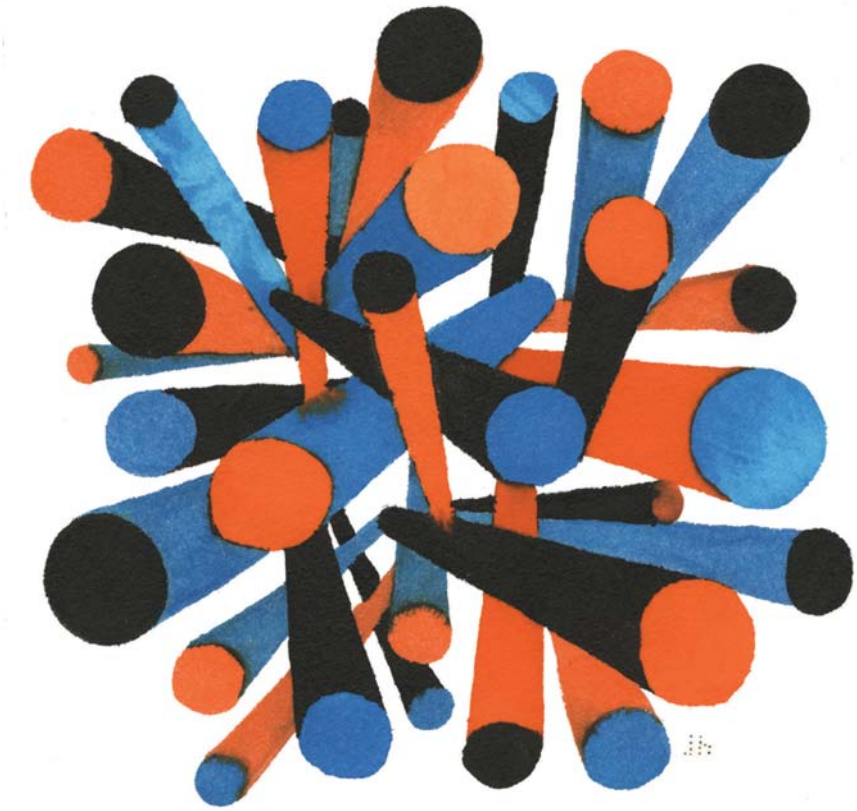
Everyone would like to know what the future holds. Will the fund industry continue to support changes in law and regulation that are at times painful to fund managers but beneficial to investors? Or, now that the industry is so large and successful, will it seek to block change? Will individual fund companies introduce new ways of doing business? Or will they decide to simply do what worked in the past?

History teaches that firms and industries that attempt to preserve the status quo are doomed to decline. While many of the Visionaries being honored are at or near retirement, they can continue to serve fund shareholders and the industry itself by urging industry participants to embrace change and innovation. In naming the Visionaries of the Modern Mutual Fund Industry, Strategic Insight honors past accomplishments. But this is also an opportunity to renew the mutual fund industry's commitment to seeking change in the interest of its beneficiaries, mutual fund shareholders.

* *Donald C. Willeke, Review of* The Rise of Mutual Funds: An Insider's View, *Journal of Pension Economics and Finance, Vol. 9, No. 3, June 29, 2010, at 478.*

Strategic Insight

25 years of educating, learning from, and influencing fund industry leaders



1986

- Strategic Insight (SI) is created by Joel Rosenthal and Avi Nachmany. SI's foundational report, "Mutual Funds: Investing in the Future," is praised by the chairman of Fidelity and the head of Merrill Lynch Asset Management, the two largest fund managers at the time.

1987

- Bond markets fall in February; stock markets face "Black Monday" in October.
- Among SI titles that year: "Dissimilarities between Direct and Sales-Force-Dependent Customers" (identifying behavioral-finance driven differences between the channels and the implications of those differences for investment, education, and marketing); "Strategies for a Slower Growth Environment," "Change Creates Opportunities," and "Adapting to a Changed Investment Environment." Adapting to change will become a recurring theme in SI's research.

1989

- Philip Herzog joins SI, becoming the third partner, with responsibility for all of the data and technical aspects of the business. SI develops a proprietary model to calculate fund-level cash flows. SI starts to share data and analytics on the characteristics of successful funds, first using Lotus 1-2-3.

1992

- SI's first software application, "The Evaluator" (a hypothetical pricing model), helps CFOs at more than 30 fund management companies launch new share classes as they can now simultaneously compare investors' returns, managers' cash flows, and financial advisers' compensation. SI's studies on "A, B, C" share classes stimulate the increasing acceptance of such pricing options.

1993

- The development of SI's Simfund (Strategic Insight Mutual Fund User Navigable Database) application is led by Carl Werowinski. The Simfund application provides easy access to thousands of data points and the flexible aggregation and display of those data points over the many mutual fund dimensions.

1994

- SI's Simfund 1.0 database and analytical software is offered to clients.
- (By 2011, Simfund tracks nearly $25 trillion in fund assets globally and is used by hundreds of analysts throughout the world, including among U.S. fund managers overseeing about 85% of the U.S. fund industry's assets.)
- SI introduces to the executive suite of the fund industry the increasing importance of Morningstar, as well as the benefits and some limitations of star ratings.
- SI's pioneering study on Schwab's OneSource Marketplace is well received.
- SI expands its research on fund company customer retention.

1995

- SI starts its research of the SEC's EDGAR library and develops a proprietary

 Illustration by John Hersey

process for analyzing mutual fund filings submitted to the SEC. This leads to SI's proprietary fee and expense data, which comes to be offered through Simfund.
- (Today more than half of all users of Simfund analyze and use the detailed fee data in the database for benchmarking and board reporting.)
- Among SI's research titles in 1995: "The Myth that Manager Size Equates with Competiveness"

1996

- SI starts to publish an annual report benchmarking mutual fund fees. (Today SI's annual series of fee reports—on benchmarks, advisory fee breakpoints, sub-advisory fees, and money manager profitability—are widely used throughout the industry and among fund trustees.)

1997

- Among SI publications this year were studies on index fund growth, advisers' expanding roles, fund distribution trends, tax-managed investments, and fund fees.

1998

- Ahead of a bubbly stock market, SI publishes two forward-looking studies: "Sustaining the Industry's Culture: Managing Expectations" and "Sustaining the Industry's Culture: Managing Relationships."
- SI emphasizes the predictive nature of Morningstar's ratings within narrow investment categories. (In 2002 and 2003, Morningstar migrated its prominent Star ratings to measuring funds within their narrow investment categories; previously funds were compared to all other U.S./International equity or all other bond funds.)

1999

- SI's FundFiling.com, a search engine for the SEC's EDGAR, is released.

2000

- SI expands research coverage to the Variable Annuity industry.
- Following stock market dislocation, SI's consultative book, "Enhancing Relationship Management and Customer Retention," is published.
- SI's landmark study on "ETFs: Promises and Limitations" is used to educate the marketplace on the emerging ETF business (in 2011, exchange-traded products' assets worldwide exceed $1.5 trillion).

2001

- SI's Global research service is introduced, led by senior analyst Jag Alexeyev, today SI's Director of Global Research, and helped by Daniel Enskat, today SI's head of Global Consulting.
- (A decade later, SI's global research is supported from New York, London, Hong Kong, and Melbourne; SI advises the most dynamic investment managers in Europe, Asia, the U.S., and Australia. In Australia, it collaborates with a sister company, Plan For Life, the leading business intelligence data provider for that country's fund industry. SI research is also offered at times to industry associations and regulators, and is shared in many keynote presentations each year. SI's Simfund Global database is increasingly used worldwide.)
- SI's service to track variable annuity innovations, AnnuityInsight.com, is launched. This service, led today by Tamiko Toland and Jeff Hutton, has become a must-have among market participants. SI's proprietary database tracking the variable annuity business, Simfund VA, is developed and introduced.
- Following September 11, SI publishes this series of studies: "Shaping Business Strategy Following a Traumatic Event," "What Will Equity Fund Investors Do Now?" "Enriching Financial Relationships: Strategies for Action," "On a Path of Recovery of Investor Sentiment," and "Planning for 2002 with Guarded Optimism."

2002

- SI continues to grow in the bear market and accelerates its research series, publishing 20 in-depth studies. These include reports on ETFs, fund wraps, market neutral funds, and a landmark study, "Opportunities and Challenges in Bringing Funds of Hedge Funds Down Market," shared with the industry as well as the SEC.

2003

- SI increasingly emphasizes the importance of international diversification in mutual fund investors' portfolios.
- An SI report published in May returns to a topic discussed previously by the firm—measures to deter inappropriate market timing by investors. Four months before the revelations by the New York attorney general regarding abusive market timing in funds, SI again advocates increasing attention to redemption fees "contingent on short-term holdings and other initiatives to deter abusive time-zone trading activity by some investors in international equity funds."

2004

- SI publishes a landmark study: "Mutual Fund Fees: Facts, Trends, Economies of Scale, and Market Forces." At the advice of the industry's association, this report, written by SI Director of Research Avi Nachmany, is shared with the U.S. Senate Banking Committee and all its senators studying the fund industry.

2005

- Several SI studies focus on fund trustee questions, such as management fee breakpoints, performance-based fees, redemption fees, 12b-1 fee use, sub-advisory fees, small account costs, and more. (By 2011, SI services to fund

boards, including its 15(c) analytics team led by Kevin Shine, are used by many management companies and fund trustees.)

2007

- With the support of expanded database and document research teams led by Anibal Soto, SI launches Simfund MF 5.0, which features major upgrades in functionality and SI-sourced data (prospectus data, links to SimfundFiling.com, and more), as well as additional datasets from both Lipper and Morningstar.
- SI's FundFiling.com is significantly enhanced, linked to Simfund, and rebranded as SimfundFiling.com 5.0. (Today the industry benefits from daily updates from SimfundFiling's research team, led by Jennifer Mann and Pamela Hill-McNichols, on the unprecedented wave of fund innovation.)
- Under the leadership of Rita Leytush, SI's enhanced technologies and research services reach a much wider audience throughout fund management and service companies.
- SI's Global service increases its worldwide subscribers to more than 60 firms.
- SI publishes its first major report on the global mutual fund business, "Asia Fund Management and Middle-East Opportunities: Investing in the Future."
- SI's Avi Nachmany participates at the SEC's hearings deliberating on the need to update, and possibly repeal, Rule 12b-1. Avi is one of the panelists on the final session at the hearings, "Looking Ahead: What Are Our Options?" moderated by the Director of the Division of Investment Management at the SEC, Andrew J. Donohue.
- An SI study advocating caution on making changes in Rule 12b-1, "Rule 12b-1: Looking Back, Looking Forward, in the Context of a $12 Trillion Mutual Fund Industry," is widely circulated throughout the industry, read by other panelists at the SEC hearing, and is posted at the SEC comment site for the rule. SI's subsequent research related to Rule 12b-1 and proposed Rule 12b-2 is shared with fund managers and distributors, with the ICI, and with the SEC's Investment Management division.

2008

- SI launches the first global competitive database for mutual funds and exchange-traded products, Simfund Global. (The initial European and Asian modules of the database are in 2011 supplemented with an Australian module.) Today SI's Simfund suite tracks more than 150,000 funds and subaccounts in the U.S. and globally, with the support of a data team led by Richard Haberstroh and Leticia Perez-Kramer.

2009

- SI reorients and expands services to help its clients around the world adapt to the post-crisis environment, including by expanding webcasts and regionally held seminars. In July, SI joins Asset International. SI founder, Joel Rosenthal, retires. AI's Jim Casella becomes SI's CEO. SI moves to its expanded headquarters at 805 Third Avenue, New York City. Mike Rosenthal is appointed SI's COO.
- SI expands its distribution research, led by Dennis Bowden; its ETF practice, led by Loren Fox; and its fund innovation tracking, led by Sonia Mata.

2010

- SI opens a London office in the fall and a Hong Kong office in the summer. The firm's expanded international presence is supported by a global client service team led by Jamie Maak and Bryan Liu.
- SI's parent, Asset International, acquires Australia's leading fund business intelligence and insurance company data provider, Melbourne's Plan For Life.

2011

- Simfund on-the-Web is launched. The first version of Simfund Dash, developed by a team led by Matt Vandergrift, focuses on global fund data. A U.S. version is under development.
- Pathfinder 2.0—the enhanced version of a unique search and benchmarking tool for retirement plan advisers—is expanding its use among the national and regional broker-dealers, fund managers, and individual financial advisers focused on the DC marketplace. A team headed by Kevin Ng leads this initiative.
- SI's Annual Conference is attended by more than 150 fund executives from nearly 100 fund managers and broker-dealer organizations.
- SI's Boston office is opened, led by Susan Belle.
- SI team accelerates its collaborations with sister companies under Asset International (AI)—*PLANSPONSOR*, *PLANADVISER*, Global Custodian, aiCIO, and Plan For Life (through content sharing, thought-leadership papers, conferences in the U.S. and globally, as well as in the area of technology support, where it is led by Joseph Rivera, Richard Zimbler, and Phil Herzog). SI's staff expands to nearly 90 associates.
- SI collects proprietary fee data from the leading fund managers in Europe in the process of conducting a study commissioned by EFAMA (European Fund and Asset Management Association). The landmark study, written by SI's Head of Board Services and Fee Research, Kevin Shine, compares the fees fund managers retain with the fees they share with distributors—at country, type-of-distributor, and investment category levels. EFAMA releases the study in October.
- Strategic Insight's November 7 Gala, celebrating its 25th anniversary, honors the Visionaries of the Modern Mutual Fund Industry.

VISIONARIES OF THE MODERN MUTUAL FUND INDUSTRY

Strategic Insight turns 25 this year, and it gives us great pleasure to celebrate this milestone by acknowledging individuals who have been visionary leaders and groundbreakers in our mutual fund community: those who have been instrumental in establishing the foundations of the industry or in helping lead and protect it over the past quarter century.

Over a period of several months, an advisory board of senior industry executives helped SI select the 60 notable leaders, innovators, and others that we are now celebrating. We are deeply grateful for the thoughtful work of this advisory board.

Most of the Visionaries served the mutual fund industry during the past 25 years, but some individuals were chosen for earlier achievements that paved the way for future mutual fund growth. The aim was to select individuals from every aspect of the industry. And we believe the list of Visionaries does reflect that diversity: They include leaders who built enduring fund businesses; innovators in investment vehicles or in marketing and distribution; investment managers who popularized mutual funds; individuals who set high standards for investor protection and regulatory compliance; champions of pioneering technology and operational approaches; and those who contributed to the regulations and institutions that help make mutual funds safe and effective.

So many have helped envision, build, and protect the mutual fund industry, which touches nearly every American today and serves as an inspiring example also to many outside the U.S. And of course, there is much more to be done—we look forward to the next 25 years!

VISIONARY ADVISORY BOARD

Ed Bernard, *Vice Chairman, T. Rowe Price; Chairman, ICI*

Jack Brennan, *Chairman Emeritus, Vanguard Group; Chairman, CEO, The Vanguard Group (retired); Past Chairman, ICI*

Andrew J. "Buddy" Donohue, *Director, SEC Investment Management Division (retired); Partner, Morgan Lewis; MFDF Board of Directors*

Peter Drotch, *Leader of PricewaterhouseCoopers U.S. Investment Management Practice (retired); Trustee, ING Mutual Funds; Member, Independent Directors Council*

Matt Fink, *Past President, ICI; Director, OppenheimerFunds; author,* The Rise of Mutual Funds

Carl Frischling, *Co-Head of the Financial Services Group, Kramer Levin Naftalis & Frankel*

Paul Haaga, *Chairman, Capital Research and Management; Past Chairman, ICI*

Theresa Hamacher, *President, NICSA*

Susan Kerley, *Independent Chair, MainStay Funds; Independent Director, Legg Mason Partners Funds*

Amy Lancellotta, *Managing Director, Independent Directors Council*

Mike Lipper, *Founder, Lipper Analytical, Lipper Advisory Services*

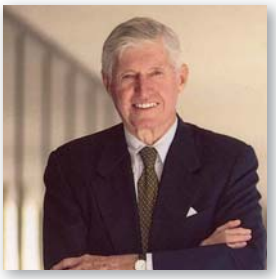
Avi Nachmany, *Co-Founder, Research Director, Strategic Insight*

Judy Rice, *President, Prudential Investments*

Roger Servison, *President, Fidelity Strategic New Business Development*

Susan Wyderko, *Executive Director, The Mutual Fund Directors Forum*

Visionaries of the Modern Mutual Fund Industry



Ted Bauer / Invesco (formerly AIM) Funds

Charles T. "Ted" Bauer co-founded AIM in 1976 and later served as its Chairman and CEO. AIM launched one of the first institutional money market funds in 1980, and it soon became a leader in this emerging area of the fund business; institutional money funds are now a $1 trillion market. But Bauer also grew AIM through a series of acquisitions starting in the 1980s, including the Weingarten, Constellation, and Charter Funds, all of which helped AIM enter the equity fund business, and the CIGNA funds. The biggest transaction was in 1997, when AIM merged with Invesco to create Amvescap (later renamed Invesco), a truly global fund giant. Bauer became vice chairman of the new company and eventually retired as chairman of AIM Management in 2001. Bauer died in 2004. Today Invesco manages more than $600 billion globally.

Bruce Bent / The Reserve Fund

Bruce Bent, along with Henry Brown, launched the first money market mutual fund, the Reserve Fund, in 1971. Amid the slow growth and inflation of the 1970s, the stability and relatively high yields of money market funds soon proved immensely popular. The product changed the fund industry. Money funds became many investors' introduction to mutual funds, and they ended the industry's reliance on equity funds. Bent served for decades as the head of the Reserve Management, one of the largest money fund managers. Although several money funds encountered financial difficulties during the financial crisis of 2007-2009, individuals and institutions today have more than $2.5 trillion invested in money market funds.

Ed Bernard / T. Rowe Price

Edward Bernard is Vice Chairman of T. Rowe Price and Chairman of the Investment Company Institute (ICI). At T. Rowe, Bernard has been a critical part of the firm's marketing and distribution success, emphasizing the firm's traditional channels as well as gatekeeper-oriented distribution opportunities and growing the firm to a manager of more than $350 billion in mutual fund assets. At the ICI, Bernard has served as Chairman of the Board of Governors from late 2009 to the present. He has led the organization through a difficult period post-financial crisis that has included ICI involvement in critical regulatory issues ranging from Dodd-Frank to money market funds to the structure of 401(k) plans.

James Bodurtha / Merrill Lynch Investment Managers, BlackRock (Fund Director)

James Bodurtha, an independent director of BlackRock's mutual funds (and for predecessor funds from Merrill Lynch Asset Management in the 1990s), has long provided leadership for independent fund directors. Bodurtha became involved with the Investment Company Institute (ICI), eventually joining the ICI's board of governors. He was the founding Chairman of the Independent Directors Council (IDC), which formed in 2004 in the wake of the mutual fund trading scandals. Growing out of the ICI's largely educational directors' committee, the IDC has emphasized public policy as well as director education—evidenced, for example, in its 2005 report advising fund boards on how to appoint and empower an independent chair. In 2008, Bodurtha received a lifetime achievement award from the Fund Directions newsletter.

Jack Bogle / The Vanguard Group

John "Jack" Bogle founded The Vanguard Group in 1974. Under Bogle's leadership, a new kind of firm was created in Vanguard—one where the mutual funds own the management company, and shareholders only pay what it costs Vanguard to operate the funds. In 1976, his cost-conscious approach led him to create the first retail index mutual fund, now called the Vanguard 500 Index Fund. Its success launched the index mutual fund business. In 1977, Bogle converted Vanguard into a no-load fund firm, helping build momentum for the industry shift away from traditional loads. When Bogle stepped down as Chairman and CEO in 1996, Vanguard was the second-biggest mutual fund firm in the U.S. And post-Vanguard, Bogle continues to be active in public speaking, writing, and advocating for fund investors. Worldwide, Vanguard now manages more than $1.6 trillion in mutual fund assets.

David Booth / Dimensional Fund Advisors

David G. Booth is co-founder and co-CEO of Dimensional Fund Advisors. He was one of the pioneers of indexing when he started his career with Wells Fargo. The academic-minded Booth founded Dimensional in 1981 to create mutual funds based on the "efficient market" theories developed by Eugene Fama and also taught by Kenneth French (both of whom serve as consultants to Dimensional). Booth's firm flourished by offering passive portfolios defined by capitalization, value, and beta, and by cultivating a loyal following of independent RIAs—some of whom use nothing but Dimensional funds. Dimensional managed $231 billion by mid-2011.

Jack Brennan / The Vanguard Group

John J. "Jack" Brennan served as CEO of The Vanguard Group from 1996 to 2008 (and as Chairman, 1996-2009). Vanguard's assets increased more than sevenfold under Brennan to $1.25 trillion, and the firm regularly competed with Fidelity for the title of biggest mutual fund manager. Brennan oversaw Vanguard's push into exchange-traded funds (ETFs), one of the fastest-growing areas of asset management, by innovatively launching ETFs as share classes of the firm's index funds. Vanguard rose to number three among ETF sponsors. Under Brennan, Vanguard launched an online brokerage and expanded the international presence of its products, especially index funds. And Brennan led many industry initiatives and served as Chairman of the Investment Company Institute in 1999-2000, supporting, among other initiatives, best practices for independent directors. In recent years, Brennan led a Money Market Working Group whose recommendations, including changed policies on liquidity, credit quality, and transparency, were endorsed by the ICI.

Marsh Carter / State Street Corp.

Marshall Carter served as CEO of State Street Corp. from 1992 to 2001 and Chairman from 1993 to 2001. He joined State Street from Chase Manhattan Bank, where he had grown that firm's industry-leading custody business. The State Street that Carter took over was already a dominant player in the U.S., but Carter turned the company into a global powerhouse in custody, portfolio accounting, investment management, and trustee services for mutual funds and other financial institutions, able to provide 24-hour capital market services around the world. Carter upgraded the company's technology to be more efficient and lower-cost, and to provide more services to its clients—including such innovations as automated fixed-income trading. Under Carter, State Street set a standard that eventually raised the bar for all custodians.

Bruce Crockett / Invesco (Fund Director, Independent Chairman of the Board)

Bruce Crockett has been the Independent Chair of the Invesco Funds Board since 2004 and on the Invesco Funds Board and its predecessors since 1978. During his tenure, Crockett has been involved with many fund mergers, new product launches, and other developments. He was named Trustee of the Year for 2010 by *Fund Directions* magazine for taking an active leadership role in integrating new directors and supervising the consolidation of dozens of funds resulting from Invesco's acquisition of the Van Kampen funds. Crockett is also on the ICI's board of governors and the Governing Council of the Independent Directors Council.

Jack Donahue / Federated Investors

John Donahue is Chairman of Federated Investors, the firm he co-founded in 1955. He served as CEO from 1989 to 1998. Donahue helped build Federated into a global asset management firm with more than $340 billion in assets. One of his key accomplishments was pioneering the use of amortized cost valuation to enable money funds to maintain a stable $1 NAV. When the SEC granted Federated an exemption in 1977 for use of this method, it paved the way for amortized cost valuation to become the standard for money funds. Other innovations included the first institutional-only money market fund (1976) and the first U.S.-registered money fund sold in the European community (1991). Federated has more than $280 billion in mutual funds, a majority of which is in money market funds.

Andrew "Buddy" Donohue / SEC's Investment Management Division

Andrew J. "Buddy" Donohue was the Director of the Division of Investment Management at the U.S. Securities and Exchange Commission (SEC) from 2006 to 2010. In this role, Donohue provided important leadership during the global financial crisis. During his tenure he also helped develop significant regulations governing the mutual fund industry, including a new mutual fund summary prospectus and rules to improve oversight of money market funds. Under his leadership, the SEC also studied rule 12b-1 and issued proposed changes to information in target-date fund advertisements and marketing. Prior to this role, Donohue held several legal and regulatory leadership roles at Merrill Lynch Investment Managers and OppenheimerFunds. After leaving the SEC, Donohue joined Morgan Lewis & Bockius as a partner in their New York office in March 2011.

Jack Dreyfus / The Dreyfus Corp.

John "Jack" Dreyfus, founder of the Dreyfus Funds, was one of the pivotal individuals in introducing mutual funds to the broad middle class. Dreyfus formed a brokerage in 1947 and launched The Dreyfus Fund in 1951. Dreyfus managed the fund, becoming a pioneer in growth stock investing. Dreyfus' aggressive approach was criticized by some as market timing, but he produced some of the best fund returns of the 1950s. He also personally guided The Dreyfus Fund's marketing, launching the first mutual fund retail advertising campaign in 1957—including the famous TV commercial featuring a lion emerging from the New York subway. He led Dreyfus Funds' IPO in 1965, becoming one of the first mutual fund firms to go public. Dreyfus left the business in 1970 and died in 2009. Today, Dreyfus manages more than $400 billion in assets.

Dawn-Marie Driscoll / DWS (Fund Director)

Dawn-Marie Driscoll has served as an independent Trustee of the DWS Funds and their predecessors since 1987, and has been a longtime advocate of fund governance. As board Chairman, she helped lead past boards through multiple mergers. An Executive Fellow of the Center for Business Ethics at Bentley University, Driscoll has served in various industry leadership roles, including as one of the first independent directors appointed to the board of the Investment Company Institute, and as a founding member of the Independent Directors Council, a national organization for mutual fund directors, in 2004. In 1999, she helped lead an advisory group that wrote "Best Practices for Fund Directors," the first such guide, and was selected as Mutual Fund Trustee of the Year by *Fund Directions* magazine. She currently serves on the board of ICI Mutual.

Larry Fink / BlackRock

Laurence Fink is the Chairman and CEO of BlackRock, the firm he helped found in 1988 as a subsidiary of private equity firm Blackstone Group. BlackRock became an independent firm in 1992. Fink grew BlackRock organically—it was initially best known for fixed income—and also through strategic acquisitions. In 2005, BlackRock acquired State Street Research Management. Fink believed that the future lay in the separation of fund management from fund distribution, and in 2006, BlackRock acquired Merrill Lynch's asset management business. Fink made BlackRock the world's largest asset manager in 2009 with the purchase of Barclays Global Investors, which included iShares, the world's biggest ETF provider. It was a mark of Fink's stature that the U.S. Treasury sought his advice after the 2008 financial crisis. Today BlackRock manages more than $3.6 trillion with offices in more than two dozen countries.

Matt Fink / Investment Company Institute

Matthew P. Fink served as President of the Investment Company Institute from 1991 to 2004, promoting industry integrity and unity as he helped lead the industry during a period of tremendous change. Fink spent a record 33 years at the ICI, joining as a staff attorney in 1971 and becoming General Counsel in 1977. Among his achievements were ICI's 1994 promulgation of standards governing personal investing by fund managers, 1996 legislation preempting state regulation of funds, and successful resistance to proposals to repeal core investor protections in the Investment Company Act. In 2003-2004, he helped stave off enactment of punitive legislation in response to the fund trading scandals. Fink made good governance a priority, with the ICI introducing educational programs for fund directors in 1995 and creating the Independent Directors Council in 2004. In retirement, Fink wrote a comprehensive history of mutual funds, *The Rise of Mutual Funds: An Insider's View.*

Carl Frischling / Kramer Levin Naftalis & Frankel

Carl Frischling is co-head of the Financial Services Group at Kramer Levin and a director of the Mutual Fund Directors Forum, a nonprofit organization that serves independent fund directors. He also has been a fund trustee for more than four decades, currently serving on the boards of the Invesco Mutual Funds and the Reich & Tang Funds. Frischling also spent 1967-1976 as General Counsel to a large fund complex. He is a pioneer in the field of bank-related mutual funds and has counseled clients in developing and structuring comprehensive mutual fund complexes. As an adviser to independent fund trustees, Frischling's accomplishments have included assisting fund boards in mergers and in creating structures and processes for effective governance. In 2007 he received the inaugural Independent Counsel of the Year Award from the Fund Directions newsletter, in part for being "a diplomat in board-management relations."

Joel Goldberg / SEC's Investment Management Division, Stroock

Joel Goldberg is a Partner at Stroock & Stroock & Lavan. For decades he has been involved with mutual fund regulation and has advised mutual fund advisers, independent boards of directors of mutual funds, and other investment companies. Goldberg served as Director of the SEC's Division of Investment Management from 1981 to 1983. One of his key accomplishments actually occurred when he was Associate Director of the division, when he helped push through new SEC rules in 1979 that permitted a mutual fund to advertise whatever was in its prospectus—allowing performance in ads for the first time. This change helped boost the growth of no-load mutual funds (by marketing themselves effectively), which in turn put pressure on load funds to reduce their fees.

Mike Goldstein / Empirical Research Partners

Michael Goldstein is Managing Partner of Empirical Research Partners LLC, an independent research firm and broker-dealer. The firm provides research on portfolio strategy, quantitative tools for stock selection, and on the money management industry to institutional investors. Within the fund industry, Goldstein is known for his thoroughly researched reports on the money management industry. From 1990 through 2002, he was the Chief Investment Strategist of Sanford C. Bernstein & Co. During his tenure at Sanford Bernstein, he was a perennial member of the Institutional Investor All-America Research Team. Known for combining quantitative and bottom-up analysis, Goldstein was named to the Institutional Investor All-America Research team in the years 2004 to 2011.

Robert L. Gould / Fidelity Investments

Robert L. Gould was the computer guru who started Fidelity Investments' reputation for technological prowess. Gould joined Fidelity in 1972 and eventually became President of Fidelity Service Co. In 1974, he made it possible to operate the unprecedented toll-free lines that Fidelity had promoted in its money market mutual fund ads. Gould's skill combined with CEO Ned Johnson's commitment to technology resulted in industry-leading back-office automation and the creation of an innovative, automated telephone customer service system. Gould's operational excellence supported Fidelity's rapid growth and diverse product offerings. Gould left Fidelity in 1984 to become President of DST Systems. He died in 1987.

Bill Gross / PIMCO

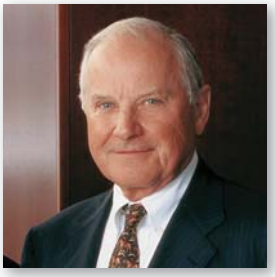
William Gross is the co-founder and co-Chief Investment Officer of PIMCO, where he oversees more than $1 trillion of securities. Gross co-founded the firm in 1971 as a subsidiary of Pacific Life Insurance; in 2000 it became an autonomous subsidiary of Allianz. Gross pioneered the active "total return" approach to fixed-income investment. He launched PIMCO's first mutual fund, the Total Return Bond Fund, in 1987, and its success gave bond funds greater prominence. PIMCO Total Return Bond Fund is now the largest mutual fund in the world, with more than $240 billion in assets. Gross became an influential authority on fixed income whose monthly commentaries generated headlines, and the "bond king" advised the U.S. Treasury during and after the 2007-2009 financial crisis. Morningstar named him the Bond Fund Manager of the Decade in 2010.

Blake Grossman / Barclays Global Investors

Blake Grossman was Global CEO of Barclays Global Investors (BGI) from 2005 until the 2009 acquisition of BGI by BlackRock; BGI managed more than $1.2 trillion at the time of the merger. Grossman started at the firm, then Wells Fargo Investment Advisors, in 1985 and served as co-CEO from 2002 to 2005. He expanded the quant-heavy business and maintained the academically oriented and collegial culture. But Grossman's biggest achievement was nurturing BGI's exchange-traded funds (ETF) business, iShares, which started to gain traction in 2002-2003. Under Grossman, BGI invested far more in ETFs and launched far more of them than any other ETF provider of the time. Grossman and iShares head Lee Kranefuss grew iShares into the world's biggest ETF franchise, recently managing more than $620 billion worldwide. Grossman left BlackRock in 2010.

Paul Haaga / Capital Research & Management

Paul Haaga is Chairman of Capital Research & Management Co. (adviser to American Funds). In addition to his work helping build American Funds into a huge fund manager, Haaga has been very active with the Investment Company Institute (ICI). As Chairman of the ICI in 2003-2004, he helped shape the industry's response to the late trading/market timing scandal by calling for criminal penalties, payment of full restitution to injured shareholders, and adoption of new SEC rules to combat illegal trading. Haaga kept the industry united in favor of this program, and this strong reaction to the scandal helped to head off any punitive Congressional legislation against the industry. Haaga remains on the ICI board of governors.



Charles Johnson / Franklin Templeton

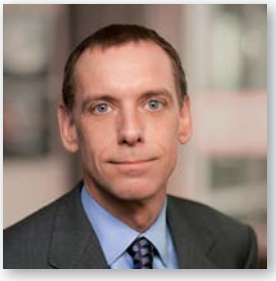
Charles Johnson is Chairman of Franklin Resources, which operates as Franklin Templeton, and Chairman of many Franklin Templeton mutual funds. In 1957, he took over as President and CEO of Franklin Custodian Funds (the firm founded by his father) when it managed $2.5 million. He took the firm public in 1971 and led its growth for decades—both organically and through strategic acquisitions. By 1986, the firm opened its first non-U.S. office in Taiwan. In 1992, Franklin acquired Templeton, Galbraith & Hansberger in what was then the largest merger of an independent mutual fund company, creating Franklin Templeton and broadening the firm's international presence. In 1996, Johnson further diversified its equity funds with the acquisition of the Mutual Series Funds. Johnson retired as CEO in 2003. Today Franklin Templeton is a truly global asset manager, with offices in more than 30 countries and more than $700 billion in assets under management.

Ned Johnson / Fidelity Investments

Edward C. "Ned" Johnson 3rd, Chairman and CEO of Fidelity Investments, has been an influential leader in the industry since becoming president of the company in 1972 and then Chairman and CEO in 1977. He was a key innovator in direct marketing of mutual funds in the 1970s. Johnson made Fidelity the first company to offer check-writing on money market funds, a feature that revolutionized the fund business (and led Fidelity to start the industry's first 800 number). Under his leadership, Fidelity pioneered technology-based customer services, including hourly pricing for sector funds and creation of the first Web page of any fund company. With Johnson at the firm's helm, Fidelity's assets under management and administration have grown to more than $3 trillion, and the firm has become a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services.

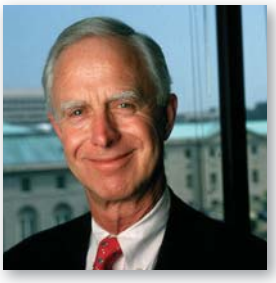
David Kelly / NSCC

David Kelly was CEO of the National Securities Clearing Corp. (NSCC) from 1983 to his retirement in 2000, during which time he oversaw the creation of an automated mutual fund processing system that made possible the fund industry's explosive growth following the creation of modern DC retirement plans. The NSCC had been clearing and settling broker-dealer securities transactions, but under Kelly, the NSCC led a consortium of the NASD, ICI, and a handful of funds and brokers to create Fund/SERV in 1986. Fund/SERV is an automated system for centralized processing of mutual fund transactions, which replaced cumbersome paper-based processing and thus became the industry standard. Under Kelly, Fund/SERV added DC retirement plans and other products, and went from processing 15 transactions per day in 1986 to an average of 600,000 per day by 2006.



Lee Kranefuss / Barclays Global Investors

Lee Kranefuss is the individual most responsible for turning exchange-traded funds (ETFs) from a niche business into a mainstream investment product with more than $1 trillion in assets today. Joining Barclays Global Investors (BGI) in 1997 as head of its strategic planning group, he wrote the original business plan for BGI's big gamble on its then-small ETF business. Starting in 1999, BGI introduced the iShares brand, launched dozens of ETFs, built out a sales team, and embarked on aggressive marketing and educational campaigns that included print ads, Web sites, and TV. iShares transformed the concept of ETFs into a retail phenomenon. Kranefuss became global CEO of iShares in 2003, and iShares was the world's biggest ETF provider with more than $500 billion in global assets when BGI was acquired by BlackRock in 2009. Kranefuss left BlackRock in 2010, and is currently providing advisory and investment services via both The Kranefuss Group LLC and ETF Opportunity Partners LLP.



Arthur Levitt / Securities and Exchange Commission

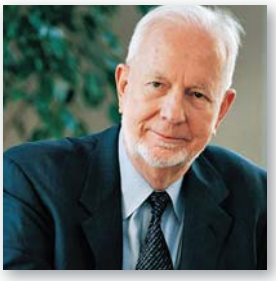
Arthur Levitt was Chairman of the Securities and Exchange Commission from 1993 to 2001. Levitt became known as a champion of the individual investor. His achievements included expanding the SEC's educational and communications efforts, improving the quality of financial reporting, and leveling the information playing field with Regulation Fair Disclosure. His work also greatly affected the mutual fund industry. Under Levitt, the SEC in 1998 adopted significant fund disclosure reforms, including the requirement that key sections of fund prospectuses be written in "plain English." In 1999, Levitt's urging resulted in the ICI producing the first best-practices manual for fund directors. Levitt has worked as a senior adviser to The Carlyle Group since 2001.

Michael Lipper / Lipper Analytical Services

A. Michael Lipper founded Lipper Analytical Services in 1973 to provide precise data and analytical perspective to mutual fund companies worldwide. Lipper was a pioneer in providing comparative fund data and analysis, with the ability to compare individual funds as well as groups of funds with similar objectives. Lipper Analytical also brought data and process integrity into fund board rooms, which was essential for broad acceptance of industry standards. Lipper sold Lipper Analytical to Reuters in 1998; the organization is now a subsidiary of Thomson Reuters. Michael Lipper has run Lipper Advisory Services since 1981, advising endowment and foundation trustees, retirement plan sponsors, and high-net-worth families.

Jonathan Bell Lovelace / The Capital Group

Jonathan Bell Lovelace founded The Capital Group Companies, which today is among the biggest and most successful asset managers in the world. Lovelace started the first Capital Group company, Capital Research and Management, in 1931. In 1933, his firm took over management of closed-end fund Investment Company of America (made open-end in 1939), thus launching Capital's American Funds. By 1950, Capital created an organization to sell its mutual funds through third-party financial advisers. He also formed one of the earliest international investing teams. It was under Lovelace and his son that Capital, in the late 1950s, developed a unique system of portfolio management in which slices of a portfolio are managed by individual "counselors," creating checks and balances in portfolio management while also making it easier to manage growing funds. Lovelace built Capital based on long-term perspective and a commitment to fundamental research. He died in 1979.



Jon Lovelace / The Capital Group

Jonathan Lovelace Jr. took over The Capital Group, parent of American Funds, in 1964 from his father. Under his leadership, Capital grew into a global asset manager that now manages more than $1.2 trillion worldwide. It was Jon Lovelace who designed the multiple-counselor portfolio management system that made Capital unique and led to a long record of superior returns. Together with his father, company founder Jonathan Bell Lovelace, he made Capital an early player in international investing. He launched Capital Guardian, an institutional manager, in 1968, and Capital International, a non-U.S. manager, in 1970. Lovelace built on his father's approach to help Capital Group develop a distinctive personality—the firm launched only six new mutual funds in the 1990s bull market—that is widely respected within the industry.

Peter Lynch / Fidelity Investments

Peter Lynch became the most famous mutual fund manager of his time, with a track record that helped to popularize mutual fund investing. Lynch served as Portfolio Manager for the Fidelity Magellan fund from 1977 to 1990, during which time Magellan's assets grew from $20 million to an industry-topping $14 billion. He beat the S&P 500 Index in 11 of those 13 years, achieving an annual average return of 29%. Lynch's success with Magellan put a face on mutual funds for many years to come. He coined the phrase "invest in what you know," wrote three bestselling books on investing, and, even years after leaving Magellan, he was seen as a goodwill ambassador for mutual funds as well as for Fidelity.

Ron Lynch / Lord Abbett

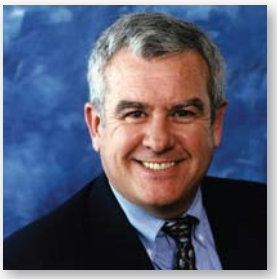
Ronald Lynch was Managing Partner of Lord Abbett from 1983 to 1996. During his tenure as Managing Partner, the company's total assets under management grew from $5.6 billion to nearly $20 billion. His contributions to the industry were numerous. From 1989 to 1991, Lynch chaired an NASD committee that set some limits on 12b-1 fees, thus forestalling an SEC plan to drastically alter the distribution charge. He served as Chairman of the ICI from 1992 to 1994 where, among his accomplishments, he convened a panel that called for strict limits on personal trading by portfolio managers. The outcome won praise from the SEC and the industry, ending a growing scandal for the fund industry. Lynch died in 1996.

Joe Mansueto / Morningstar

Joe Mansueto is Chairman and CEO of Morningstar. He founded the firm in 1984, and in 1985, he launched the "star" rating system of mutual funds that helped popularize fund investing; Morningstar's ratings became a key determinant of fund flows (and an omnipresent feature in fund advertising). In 1991, Mansueto expanded the firm's market with software for financial advisers (Principia). In 1992, Morningstar launched the nine-square style boxes that have had a major impact on fund asset allocation. In the new century, Morningstar increasingly emphasized its products for advisers, including workstations and software, asset allocation services, and managed portfolios. Morningstar has grown to become a global firm with more than $500 million in annual revenue and, with its many services for individual and professional investors, an influential player in the fund industry.

Chip Mason / Legg Mason

Raymond "Chip" Mason started an eponymous brokerage firm in 1962, which merged with Legg & Co. in 1970. Mason served as Chairman and CEO of Legg Mason from 1975 to 2008, growing the brokerage and diversifying the firm by expanding into asset management in the 1980s. Over time, he grew the asset management business both organically and through strategic acquisitions of firms such as Western Asset Management and Royce & Associates, creating an influential "multi-boutique" model. In 2005, he completed the firm's transformation into a pure asset manager by trading Legg Mason's brokerage operations to Citigroup for Citi's asset management business. It was an unprecedented and industry-defining transaction, turning Legg Mason into one of the biggest asset managers—and mutual fund managers—in the world, running $643 billion as of August 2011.



Tom McDonnell / DST Systems

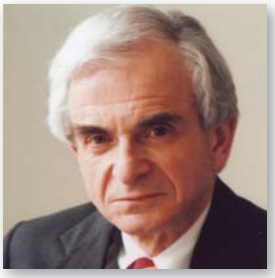
Thomas McDonnell is Chief Executive Officer of DST Systems. He helped found DST in 1969 with a mission to develop an automated recordkeeping system for the mutual fund industry, and he served as President from 1973 to 2010. Under McDonnell, DST became the fund industry's largest transfer agent, handling processing, servicing and other critical aspects for the asset management industry. DST has continued to add related services and products, retirement plan recordkeeping, and handling alternative investment solutions, as well as global asset management services. Through its joint venture with State Street, Boston Financial Data Services, the firm has expanded other fund-related offerings, including compliance and proxy solutions. DST is the largest provider of third-party shareholder recordkeeping services in the U.S. and serves retirement, brokerage, and other industries as well.

John McGonigle / The Charles Schwab Corp.

John McGonigle worked at The Charles Schwab Corp. from 1989 to 2006, mostly in the mutual fund area, including time as Executive Vice President and head of Asset Management Products and Services. McGonigle built and managed Schwab's Mutual Fund OneSource, a program allowing investors to enjoy the benefits of investing in no-load funds through a brokerage account without transaction fees. OneSource removed the difficulty and paperwork that had been involved in moving money between funds or buying funds from multiple firms. Coupled with the lack of loads, the program was an immediate success, and within three years, Schwab was the third-largest distributor of mutual funds in the U.S. OneSource was the first "fund supermarket" without transaction fees and created a new distribution channel for mutual funds. OneSource now has more than $220 billion in mutual fund assets.

Syd Mendelsohn / SEC's Investment Management Division

Syd Mendelsohn served as Director of the SEC's Division of Investment Management from 1978 to 1981. During his tenure, he shifted the division from a bias against innovation to a predisposition toward innovation. Among the changes that occurred on his watch were the SEC permitting funds to mention performance in advertising and the adoption of 12b-1 fees to allow funds to pay for distribution. His openness also paved the way for the introduction of simplified prospectuses (after he left the SEC). Even before he became division head, he put much effort into educating the SEC and the industry at large about the 1940 Act. He died in 2001.



Allan Mostoff / Mutual Fund Directors Forum, Dechert

Allan Mostoff is President of the Mutual Fund Directors Forum, a nonprofit organization that serves the independent directors of U.S. mutual funds, and has long been involved in mutual fund legal and governance issues. Mostoff served as the first Director of the Division of Investment Management Regulation (1972-1976) at the SEC, then went on to found the financial services practice at Dechert. Among his accomplishments at Dechert was serving as adviser to The Mexico Fund, whose 1981 IPO paved the way for a wave of single-country closed-end funds, and as counsel to E.F. Hutton Investment Series, which received the first SEC exemption to offer B shares in 1982. In 2002, Mostoff was the founding President of The MFDF, where his accomplishments include the 2004 report "Best Practices and Practical Guidance for Mutual Fund Directors," produced at the request of then-SEC Chairman William Donaldson.

John Neff / Wellington Management

John Neff joined Wellington Management Co. in 1964, and over the course of three decades as a portfolio manager, he established himself as one of the great value investors. He was best known for managing the Windsor Fund for 31 years, until 1995, and over that time generated an average annual return of 13.7% versus 10.6% for the S&P 500. This success helped popularize Neff's low-P/E (price-to-earnings ratio) approach, which often called for buying beaten-down stocks. By consistently sticking with his approach—what Neff called "judgment and fortitude" in his 2001 book on investing—he became known as a professional investor's professional investor.

Bill Nutt / Affiliated Managers Group

William Nutt founded Affiliated Managers Group (AMG) in 1994 with a strategy of buying stakes in smaller asset management firms, especially where providing equity would help the smaller firms in succession planning. As Chairman and CEO, Nutt took AMG public in 1998 and acquired majority and minority stakes in mutual fund managers, institutional managers, and firms in the U.S. and overseas. AMG was more successful than other industry consolidators because it left equity in the hands of its affiliated firms. Nutt stepped down as CEO in 2005 and as Chairman in 2010—at which time AMG had grown to 27 affiliates and $300 billion in assets under management.

Dick Phillips / K&L Gates, SEC's Investment Management Division

Richard Phillips is a senior partner at K&L Gates and a member of the advisory board to the Mutual Fund Directors Forum. Phillips held various positions on the SEC staff from 1960 to 1968, including Assistant to the Chairman and Assistant General Counsel. At the SEC, he headed the group that published a 1966 report critical of the fund industry, which eventually resulted, in 1970, in amendments to the 1940 Act, which imposed a fiduciary standard on fund advisers. After going into private practice, his work included years of outstanding counsel to such firms as IDS and Wellington, and to fund boards.

Don Phillips / Morningstar

Don Phillips is President of Fund Research for Morningstar, overseeing research on mutual funds, exchange-traded funds, and alternative investments. He also has been a director since 1999. Phillips joined Morningstar in 1986 as the company's first mutual fund analyst and established the editorial voice of the company. Phillips helped to develop and popularize Morningstar's system of star ratings for mutual funds (launched in 1985). He also helped create the nine-square Morningstar Style Box, which debuted in 1992 and became one of the most powerful influences on fund asset allocation. By 2002, *Registered Rep* magazine had named him one of the investment industry's 10 key players. Phillips has become a well-known and widely quoted analyst regarding fund industry trends.

Bob Pozen / Fidelity Investments, MFS Investment Management

Robert Pozen is a Senior Lecturer at Harvard Business School, a Senior Fellow at the Brookings Institution, and Chairman Emeritus of MFS Investment Management. Pozen has been one of the better-known statesmen of the fund industry, with a career combining public policy and private enterprise. Pozen was an executive with Fidelity Investments from 1987 to 2001, including serving as President of Fidelity Management & Research, which managed the firm's mutual funds and institutional accounts, from 1997 to 2001. In 2001-2002, he served as a member of President Bush's bipartisan Commission to Strengthen Social Security. From 2004 through 2010, Pozen served as Chairman of MFS, helping the firm rebound strongly from an SEC enforcement case in 2004. In 2007-2008, Pozen chaired the SEC's Committee to Improve Financial Reporting, many of whose proposals were implemented. Pozen is also co-author of the best-known textbook on the fund industry.

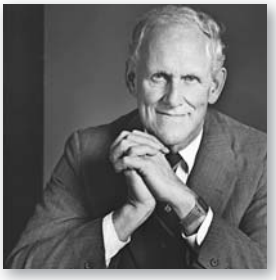
Thomas Rowe Price / T. Rowe Price

Thomas Rowe Price Jr. proved to be an early leader in both "growth stock" investing and asset-based fees. Price founded T. Rowe Price in 1937. He bucked convention by eschewing commissions and charging a fee based on the assets under management. His first mutual fund, T. Rowe Price Growth Stock Fund launched in 1950, was unusual because it sought long-term growth at a time when stocks were largely viewed as cyclical, and because it was sold without a load in an industry dominated by broker-sold load funds. The Growth Stock Fund was one of the best-performing funds of the 1950s. T. Rowe Price launched more funds and grew to become one of the country's largest mutual fund managers, running $523 billion as of June 2011. Price retired from the firm in 1970 and died in 1983.

LEGG MASON
GLOBAL ASSET MANAGEMENT

Legg Mason congratulates Raymond A. "Chip" Mason on being named one of Strategic Insight's Visionaries of the Modern Mutual Fund Industry.

Raymond A. "Chip" Mason brought together a diversified family of autonomous investment management firms, each recognized for their proven investment expertise and long-term performance, to create one of today's premier global asset management firms. His commitment to the highest standards of professionalism in our industry and his unwavering focus on integrity continue to inspire all of us at Legg Mason.

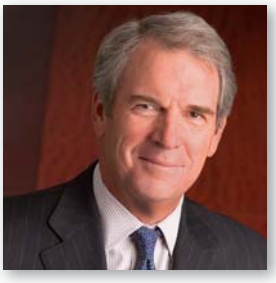


George Putnam / Putnam Investments

George Putnam founded Putnam Investments in 1925 (named after his great-great-grandfather, Judge Samuel Putnam, whose 1830 opinion established the "Prudent Man Rule"). In 1937, he launched one of the first balanced mutual funds, the George Putnam Fund of Boston. Putnam built one of the premier investment management organizations in Boston (with a national reputation). He led the transformation of the company from a manager of investment portfolios for the wealthy to a retail powerhouse through distribution via large broker-dealers. His work laid the foundation for Putnam's growth in the following decades. He died in 1960.

Bob Reynolds / Putnam Investments

Robert Reynolds has been President and CEO of Putnam Investments since 2008. Prior to joining Putnam, Reynolds served as Vice Chairman and Chief Operating Officer of Fidelity Investments from 2000 to 2007. During the 1990s, he built Fidelity's 401(k) operation into a core business. At Putnam, Reynolds recruited a slew of portfolio managers, tied manager compensation to performance, lowered fund fees, launched many new mutual funds (including nontraditional funds), and raised the company's profile—including making his forward-looking views of the U.S.'s retirement savings challenge more visible through speeches and social media. Reynolds' efforts energized the firm and boosted its growth.



Jim Riepe / T. Rowe Price

James Riepe was the Vice Chairman of T. Rowe Price from 1997 until his retirement in December 2005. He led T. Rowe Price's marketing, investor service, and technology activities since joining the firm in 1981, a period of tremendous growth for T. Rowe. Riepe expanded the firm's distribution efforts to new channels inside and outside the U.S. A 19-year member of the ICI Executive Committee, Riepe was the only person to serve two distinct terms as ICI Chairman, from 1990 to 1992, as the ICI transitioned from President David Silver to Matt Fink, and from 2004 to 2005, when the ICI transitioned from President Fink to Paul Schott Stevens, and Riepe helped defend the industry's reputation.

Joel Rosenthal / Strategic Insight

Joel Rosenthal co-founded Strategic Insight in late 1986. He served as CEO of the firm until his retirement in 2009, simultaneous with Strategic Insight's joining Asset International. Rosenthal started his Wall Street career in 1967 and eventually pioneered the sell-side coverage of a number of securities firms. As the modern era of the mutual fund industry took shape in the mid-1980s, he conceived of Strategic Insight to provide investors in fund managers and fund industry CEOs with a fact-based, tactical, and strategic analysis of opportunities and challenges. The firm started publishing research reports and, in 1989, pioneered calculation of fund-level cash flows. Under Rosenthal, Strategic Insight in 1994 launched Simfund, a unique database that aggregates fund industry assets, flows, performance, and other metrics. Strategic Insight evolved into an increasingly important data and research provider to the industry, adding fee and expense analysis (1996), variable annuities data (2000), research on funds in Europe and Asia (2001), and many other innovations. The firm revolutionized competitive intelligence for the fund industry. Today SI clients manage about 90% of U.S. fund industry assets and include many of the most successful investment managers in Europe, Asia, and Australia, as well as the leading companies serving, auditing, monitoring, and consulting to the industry.

Charles Schwab / The Charles Schwab Corp.

Charles Schwab is the founder and Chairman of the The Charles Schwab Corp., and served as CEO or co-CEO from 1986 to 2008. He started his firm in 1971 as a traditional brokerage company and in 1974 became a pioneer in the then-new discount brokerage business. Although Schwab launched its own line of mutual funds in 1989, its real breakthrough was the 1992 launch of Schwab Mutual Fund OneSource. OneSource was the first no-transaction-fee mutual fund "supermarket" and spawned a new sales model for mutual funds. "Chuck" Schwab also has written several books on investing and, with his celebrity, helped popularize do-it-yourself individual investing. Schwab Corp. has continued to make mutual funds central to its offerings and, with its market-leading discount brokerage and RIA platform, has made mutual fund investing easier for millions of individuals.

Roger Servison / Fidelity Investments

Roger Servison is President of the Strategic New Business Development Group for Fidelity Investments. In this role, he is responsible for coordinating cross-company initiatives, new product and market development, and overall corporate strategies. Servison joined Fidelity in 1976 as Vice President of Marketing, and over the ensuing years, he established the firm's direct marketing strategy and operations, through which Fidelity became the largest direct marketer of mutual funds in the U.S. His past positions with Fidelity include president of retail marketing for the mutual fund and brokerage and head of retail brokerage. He helped market Fidelity's money market funds in the 1970s as well as Fidelity's early sector funds, and helped expand Fidelity outside the U.S. Servison also founded Strategic Advisors Inc., which today is the largest manager of discretionary managed mutual fund portfolios for individuals.

David Silver / Investment Company Institute

David Silver was President of the Investment Company Institute (ICI) from 1977 to 1991, leading the industry organization during a period of tremendous growth and change. Silver continued and strengthened the industry association's policy of constructive engagement with the SEC regarding regulation. Silver's support of a universal savings vehicle led to 1980 legislation creating "universal" IRAs not tied to employers. In the early 1980s, Silver helped protect money market mutual funds by opposing anti-money-fund legislation proposed in state legislatures (at the behest of banks and S&Ls)—in part, with his strategy of enlisting shareholder help via newspaper ads and radio spots. Silver also served as President of ICI Mutual Insurance from 1987 to 2000.

John "Launny" Steffens / Merrill Lynch

John "Launny" Steffens was President of Merrill Lynch Consumer Markets (later named the Private Client Group) from 1985 to 1997. He served as Vice Chairman of Merrill Lynch from 1997 to 2001. Merrill Lynch had broken ground in 1977 with its Cash Management Account, which combined money market, brokerage, and credit card accounts—and which introduced many investors to money market funds. Steffens built on that success, overseeing tremendous growth in the huge consumer markets business, including sales of Merrill's proprietary mutual funds through its brokerage. This effort helped Merrill Lynch's fund organization became one of the largest fund managers in the U.S. Steffens founded Spring Mountain Capital, a private investment firm, in 2001.

Howard Stein / The Dreyfus Corp.

Howard Stein served as Chairman and CEO of Dreyfus Funds from 1970 to 1996, growing the firm many times in size and helping popularize money market mutual funds. Like his mentor, Dreyfus Funds founder Jack Dreyfus, Stein was a portfolio manager, marketer, and executive. In 1974, he launched the Dreyfus Liquid Assets Fund, the first no-load money market fund, which, combined with Dreyfus' groundbreaking direct marketing, turned money funds into a popular investment. Stein also led the creation of one of the first tax-exempt municipal bond funds and one of the first socially conscious funds. When Stein joined Dreyfus in 1955, the firm's assets were roughly $2 million; at the time Dreyfus was sold to the Mellon Bank Corp. in 1994, it had assets of $80 billion. He left Mellon in 1996 and died in 2011.

Paul Schott Stevens / Investment Company Institute

Paul Schott Stevens has served as President and CEO of the Investment Company Institute (ICI) since 2004. He has led the industry association through both the aftermath of the 2003-2004 fund trading scandal and the 2007-2009 financial crisis. In both cases, Stevens called for forceful reforms, and he also lent an influential voice to the drafting of new money market fund rules. Under Stevens, the ICI worked with legislators to pass the Pension Protection Act of 2006, which strengthened the role of DC plans. Stevens was also ICI's general counsel from 1993 to 1997, where his accomplishments included writing the ICI's 1994 recommendation that the SEC require fund advisers to have compliance programs and officers (which the SEC adopted in 2003).

Gary Strum / E.F. Hutton

Gary J. Strum was a Vice President and an attorney for E.F. Hutton who had the idea in the early 1980s of using 12b-1 fees to essentially substitute for a traditional front-end load. Rule 12b-1 had just been approved in 1980, and Strum was inspired by the variable annuity industry's ability to pay salespeople out of mortality and expense charges. In 1982, his idea came to fruition when the SEC gave the E.F. Hutton Investment Series fund permission to use a "spread load" or Contingent Deferred Sales Charge (CDSC) plan, which eventually gave rise to Class B shares and Class C shares. Strum, who had worked at the SEC and at Lord Abbett, later became an industry leader in the development of retirement planning vehicles.

John Templeton / Templeton, Galbraith & Hansberger

John Templeton, founder of the Templeton mutual funds (now part of Franklin Templeton), pioneered the use of globally diversified mutual funds (and investing in emerging markets) and went on to create some of the world's most successful international investment funds. His Templeton Growth fund, launched in 1954, was among the first U.S. mutual funds to invest internationally. A strong believer in fundamental analysis, Templeton was dubbed "arguably the greatest global stock picker of the century" by *Time* magazine. He sold most of his first money management firm in 1967, keeping only the Templeton Growth Fund, and then built an even larger global asset management firm. He sold Templeton, Galbraith & Hansberger to Franklin Group in 1992 and devoted himself to philanthropy. Templeton died in 2008.

Fred Werblow / PricewaterhouseCoopers

Frederick Werblow founded the investment management practice at Price Waterhouse (now PwC) in the 1960s, making the firm the first of the big accounting firms to focus on mutual fund firms. Under Werblow, the firm offered accounting and auditing, tax work, and compliance/consulting services. Werblow's expertise was recognized as early as 1972, when he chaired the SEC's investment company committee to improve reporting and reduce paperwork. Werblow was the independent consultant who developed a comprehensive regulatory compliance system for E.F. Hutton that earned the SEC's approval, in 1986, for the brokerage to remain in the mutual fund business; the system became a model for other fund firms. An adviser to the SEC, the NASD, and other organizations, Werblow became arguably the most recognized accountant serving the mutual fund industry. He retired from Price Waterhouse in 1996, and he continues to provide consulting services.

Al West / SEI

Alfred P. West is Chairman and CEO of SEI. West co-founded SEI at Wharton in 1968 as a technology-outsourcing partner to bank trust departments and transformed it from a two-person operation into a 1,000-employee company. In the 1970s, SEI introduced a completely automated bank trust accounting system, which was instrumental in getting banks into the mutual fund business. In the 1980s, SEI was early to integrate modern portfolio theory with comprehensive asset allocation models. In the 1990s, SEI was also among the first companies to offer the manager-of-managers concept to both institutional and individual investors. SEI continues to be a leader in mutual fund and bank trust back-office services.

Steve West / Sullivan & Cromwell

Stephen West is Senior Counsel of Sullivan & Cromwell (where he served as a partner from 1964 to 1998, and managing partner of the firm's asset management group). He also has been an independent director to many mutual funds, including a trustee for several Pioneer funds since 1993. One of West's key accomplishments occurred in the late 1980s, when the SEC expressed concern that mutual funds' shareholder newsletters might violate the Securities Act of 1933 because some articles may be construed to be offering shares without a prospectus. West, then of counsel to the Investment Company Institute, negotiated a compromise in 1990 with the Commission's staff permitting the use of fund newsletters—which remain central to mutual funds' marketing.

Arthur Zeikel / Merrill Lynch Asset Management

Arthur Zeikel served as President of Merrill Lynch Asset Management (MLAM) from 1977 to 1997, making Merrill Lynch the most successful mutual fund distributor through advisers. Zeikel launched a full lineup of proprietary mutual funds whose distribution relied heavily on the brokerage. In this way, Merrill Lynch introduced millions of individuals to mutual funds. By the early 1990s, Merrill Lynch was the second-biggest mutual fund manager in the U.S. Zeikel retired as Chairman of MLAM in 1999.

The Modern Mutual Fund Industry: Timeline

1970 • The number of U.S. mutual fund shareholder accounts tops 10 million, and industry assets end the year at $48 billion.

1972 • Bruce Bent and Henry Brown launch the Reserve Fund, the first money market mutual fund.

1974 • The Employee Retirement Income Security Act (ERISA) creates the Individual Retirement Account (IRA) for workers not covered by employer retirement plans.

1974 • Fidelity launches Fidelity Daily Income Trust, the first money market mutual fund with check-writing privileges.

1976 • The Tax Reform Act of 1976 enables the creation of open-end municipal bond funds.

1976 • Vanguard launches the first index mutual fund, tracking the S&P 500.

1978 • The Revenue Act of 1978 creates 401(k) retirement plans and Simplified Employee Pensions (SEPs).

1979 • Fidelity launches the first tax-exempt money market fund.

1980 • The Securities and Exchange Commission (SEC) adopts Rule 12b-1, allowing funds to pay for distribution.

1980 • Mutual fund assets top $100 billion for the first time.

1981 • The Economic Recovery Tax Act establishes "universal" IRAs for all workers.

1982 • E.F. Hutton launches the first mutual fund shares with a CDSC (Contingent Deferred Sales Charge) instead of a front-end load.

1983 • U.S. Treasury and GNMA bond funds are introduced.

1983 • The SEC permits "simplified" fund prospectuses.

1986 • An industry consortium including National Securities Clearing Corp. creates Fund/SERV, which becomes the industry standard for automated clearance and settlement.

1986 • The Tax Reform Act of 1986 reduces IRA deductibility.

1986 • Joel Rosenthal and Avi Nachmany launch Strategic Insight, revolutionizing competitive intelligence within the mutual fund industry.

1988 • The SEC adopts a mutual fund fee table rule standardizing presentation of fund fees in prospectuses.

1988 • Merrill Lynch launches the first multi-share-class funds.

1989 • Shearson introduces TRAK, the first mutual fund wrap program.

1990 • Signature Financial Group introduces the "hub-and-spoke" concept for mutual funds.

1990 • Mutual fund assets top $1 trillion.

1992 • Schwab debuts OneSource, the first no-transaction-fee mutual fund "supermarket."

1993 • The SPDR S&P 500, the first successful ETF (exchange-traded fund) in the U.S., debuts on the American Stock Exchange.

1994 • The first target-date funds are launched.

1997 • The Taxpayer Relief Act of 1997 creates the Roth IRA.

1998 • The SEC approves significant fund disclosure reforms, including the requirement that key sections of fund prospectuses be written in "plain English."

1999 • At the urging of the SEC's chairman, an ICI advisory group publishes a report with recommendations of best practices for fund directors.

2000 • Mutual fund assets top $6.9 trillion.

2003 • Illegal market-timing and late-trading activities are revealed among a number of mutual fund management firms, the biggest scandal in the industry's modern era. The SEC mandates every fund to have compliance policies and designate a chief compliance officer.

2004 • The SEC adopts new fund disclosure requirements on market timing and adopts rules requiring every fund board to consist of at least 75% independent directors, including an independent director as chairman.

2006 • The Pension Protection Act (PPA) bolsters the role played by 401(k) and other DC plans in providing retirement security, and also sparks the growth of target-date funds.

2008 • The SEC mandates that every mutual fund provide a concise "summary prospectus" to improve disclosure.

2008 • The global financial crisis that started in 2007 turns into the worst bear market since the 1930s. Mutual funds see net inflows because of record flows into money funds.

2009 • Long-term mutual funds enjoy record net inflows, affirming investors' belief in the transparent, liquid, and well-regulated nature of mutual funds.

2010 • The SEC adopts new rules governing money market funds.

Strategic Insight 25th Anniversary

Employee list by date of hire

STRATEGIC INSIGHT

Joel Rosenthal (founder 1986, CEO, retired 2009); Jim Casella (CEO); Avi Nachmany (co-founder); Philip Herzog; Jag Alexeyev; Carl Werowinski; Theresa Kornacki; Kate Lee; Rita Leytush; Howard Campbell; Richard Haberstroh; Yuji Banno; Sonia Mata; Anibal Soto; Leticia Perez-Kramer; Jennifer Mann; Joseph Rivera; Jeffrey Hutton; Daniel Enskat; Matthew Vandergrift; Kevin Ng; Susan Belle; Ren Wang; Pamela Hill-McNichols; Kevin Shine; Latoya Alexander; Barita Velednitskiy; Julia Toutounar; Bryan Liu; Richard Zimbler; Albert Botvinnik; Tamiko Toland; Crystal Lau; Yanran Shi; Daniel Weinerman; Loren Fox; Dennis Bowden; Simone Chang; Sibel Oyman; Anthony Disanzo; Shaun Sensiba; Michael Rosenthal; Miao Hu; Jenny Lin; Jaime Sposito; Christopher Pai; Jamie Maak; Miroslaw Karpinski; Lindsay Fetherman; Mira Wind; Alvin Van der Kuech; Lise Carpenter; Jian Feng Wu; Jenny Chu; Adam Feldstein; Andreas Pfunder; Steven Slovitz; Kenton Lee; Lisa Marie Torres; Matthew Savage; Marlon Valle; Ryan Koch; Christopher Yeomans; Livia Mah; Shirley Wong; Fang-I Chien; Allana Burke; Matthew Cressy; Andrew Rodriguez; Nitin Singla; Robin Loeb; Dennis Zhou; Chantelle Davis; Ilaria Guandalini; Jonathan Hale; Giampolo Rivera; Bridget Bearden; Philip Morrison; Chelsea Zhao; Ralph Yozzo; Ella Mohamed; Christopher Kabo; Shane Didier; Claire Aitchison; Arthur Siu; Hital Patel; Aimei Liao; Benjamin Haag; David Loeb; Nona Ware; Hui Ru Jiang

ASSET INTERNATIONAL

Charlie Ruffel (founder 1989, CEO, retired 2010); Dominic Hobson; Quinn Keeler; SooJin Buzelli; Michelle Judkins; Lynn Connelly; Nevin Adams; Kathleen Kane; Jacqueline Scott; Yefim Dynkin; Alison Cooke-Mintzer; Marie Strolin; Helen Lamborn; Carol Popkins; Steffen Hagberg; Alexandra DeLuca; Lucille Velander; Kristopher McDaniel; Mary Ann Adams; Raymond Lucibello; Rebecca Moore; Allison Cayse; Robert Jones; Marisol Vargas; Simon Holloway; Mary Parichand; Christopher Gohlke; Yelena Trakht; Katherine Ilagan; Kathleen Bacon; Noel D'Ablemont-Smith; Mike Bachman; Kristin Keeler; Stephen Moylan; Nathan Huang; Jeffrey Choong; Ana-Alyse Castelluccio; Karen Kurtz; Renee Rubens-Muhammad; Paula Vasan; Colleen Cosgrove; Hayward Henderson; Brandon Flynn; Jigar Patel; Brian O'Keefe; Janhavi Agarkar; Katherine Blackler; Nicole Bliman; Michele Lattanzio; Ramel Sumter; Anthony Groccia; Eradat Munshi; Paul Zampitella; Nicky Wu; Marie Sylvestre; John Driscoll; Gregory Ashukian; Tara Cantore; Janet DuChenne; Matthew Todd; Michael Garity; Steven Soccorso-McCoy; Graham Simons

THE TRADE

John Lee (founder 2004, CEO); Francoise Cesar; Marika Cooper; Anish Puaar; Chris Hall; Elliott Holley; Bruce Love

PLAN FOR LIFE

Simon Solomon (founder, 1988); Rael Solomon; Debbie Borthwick; Deborah Hadley; Daniel Morris; Jessica Lloyd; Manouri Ponthuhera; Pearl Francis; Paulo Lao

PHILANTHROPY MANAGEMENT

John Lee; Richard Schwartz; Marc Carolissen

CASE INTERACTIVE MEDIA (HOLDING COMPANY)

Jim Casella; Charmaine Dossett; Jason Cassidy; Thomas Wright

BOARD OF DIRECTORS

Jim Casella; Matt Bowman; Phil Siegel; Charlie Ruffel; Andrew Prozes; Ken DeAngelis

SIONLINE.COM
ASSETINTERNATIONAL.COM

NEW YORK
805 Third Avenue
New York, NY 10022

STAMFORD
1055 Washington Blvd.
Stamford, CT 06901

BOSTON
255 State Street
Boston, MA 02109

LONDON
200 Aldersgate
London, EC1A 4HD

HONG KONG
Level 19 Two International
Finance Centre 8 Finance St.
Central, Hong Kong

MELBOURNE
217 Blackburn Rd.
Mount Waverley, VIC
3149 Australia