

ICI VIEWPOINTS

DECEMBER 18, 2012

Fund Industry Leaders Urge “Sustainable Course” for U.S. Finances

By Mike McNamee

For the good of investors and all Americans, leaders across the fund industry have been outspoken about the necessity of the U.S. government taking a sound and sustainable approach to its finances.

Today, these leaders weighed in on the issue once more in a joint letter sent to President Barack Obama and to every member of Congress. The full text of the letter follows.

Dear Mr. President and Members of Congress:

As members of the Board of Governors of the Investment Company Institute, we urge you to move forward as quickly as possible to resolve the group of tax and spending issues known collectively as the “fiscal cliff” before the end of the 112th Congress. On behalf of 90 million Americans who invest in our funds to provide for their retirement and meet other long-term financial goals, we are deeply concerned that inaction will severely impact financial markets, destroy jobs, and put the U.S. economy back into recession.

Investors, markets, the economy—indeed, all Americans—are best served if the Administration and Congress incorporate in their deliberations a clear path toward reforms of both the tax code and major spending programs. These actions are vital to getting our nation’s fiscal house in order and setting our economy on a course for stronger growth. We recognize that these challenges will necessitate bold, bipartisan decisions about the future of both federal outlays and revenues.

The way that our nation’s leaders approach these issues also matters greatly. As we saw in 2011, prolonged uncertainty creates market volatility that harms the economy and discourages long-term investment. In light of upcoming negotiations on the debt ceiling, government funding, and tax reform, timely action to avoid the fiscal cliff will bolster confidence and set us on a path to address the challenges that lie ahead.

We respectfully urge you to act now and begin to create the framework necessary to put the nation’s finances on a sustainable course.

Sincerely,

Ashok N. Bakhru
Independent Chair
Goldman Sachs Funds

Jonathan R. Baum
Chairman and CEO
The Dreyfus Corporation

Edward C. Bernard
Vice Chairman
T. Rowe Price Group, Inc.

Dorothy A. Berry
Independent Trustee
PNC Funds
Independent Chair
Professionally Managed Portfolios

John F. Cogan Jr.
Chairman
Pioneer Investment Management USA Inc.

Robert Conti
President and CEO
Neuberger Berman Management LLC

Patrick P. Coyne President Delaware Investments	Bruce L. Crockett Independent Chair Invesco Funds
Thomas R. Donahue Chief Financial Officer and Treasurer Federated Investors, Inc.	Kenneth C. Eich Chief Operating Officer Davis Selected Advisers, L.P.
Nora M. Everett President and CEO Principal Funds	Thomas E. Faust Jr. Chairman and CEO Eaton Vance Corporation
Mark R. Fetting Senior Advisor Legg Mason, Inc.	Martin L. Flanagan President and CEO Invesco Ltd.
George C. W.Gatch CEO, JPMorgan Funds JPMorgan Asset Management	C. GaryGerst Independent Chair Henderson Global Funds
William F. Glavin Jr. Chairman, President, and CEO OppenheimerFunds, Inc.	John T. Hailer President and CEO, U.S. and Asia Natixis Global Asset Management, L.P.
Peter A. Harbeck President and CEO SunAmerica Asset Management Corp.	Diana P. Herrmann President and CEO Aquila Investment Management LLC
Mellody Hobson President Ariel Investments, LLC	Gregory E. Johnson Chairman Investment Company Institute President and CEO Franklin Resources, Inc.
Robert M. Keith Executive Managing Director AllianceBernstein	Susan B. Kerley Chair Independent Directors Council Independent Chair MainStay Funds Independent Director Legg Mason Partners Funds
John Y. Kim Chairman and CEO New York Life Investment Management LLC	Arthur J. Lev Managing Director and Head, Long Only Business Morgan Stanley Investment Management Inc.
Susan C. Livingston Partner Brown Brothers Harriman & Co.	Susan B. McGee President and General Counsel U.S. Global Investors, Inc.
F. William McNabb III Chairman and CEO Vanguard	James A. McNamara President and CEO Goldman Sachs Mutual Funds
Thomas M. Mistele Chief Operating Officer Dodge & Cox	Mark D. Nerud President and CEO Jackson National Asset Management LLC
Donald H. Pratt Independent Chair American Century Funds, Kansas City Board	Karla M. Rabusch President Wells Fargo Funds Management, LLC
J. Alan Reid Jr. Chief Executive Officer Forward Management LLC	Robert L. Reynolds President and CEO Putnam Investments

James E. Ross Senior Managing Director and Global Head of ETFs State Street Global Advisors	James F. Rothenberg Chairman Capital Research & Management Company
Thomas S. Schreier Jr. Vice Chairman, Wealth Management Nuveen Investments	Michael D. Strohm Chief Executive Officer Waddell & Reed, Inc.
Jonathan S. Thomas President and CEO American Century Investments	Garrett Thornburg Chairman Thornburg Investment Management, Inc.
William F. Truscott CEO, Global Asset Management Columbia Management	Mary Ann Tynan Independent Director Oppenheimer Funds
Robert W. Uek Independent Trustee MFS Funds	Lloyd A. Wennlund Executive Vice President and Managing Director Northern Trust Global Investments
Paul Schott Stevens President and Chief Executive Officer Investment Company Institute	

Mike McNamee is ICI's chief public communications officer.