

ICI VIEWPOINTS

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Equity Market Issues: Our Industry Must Be Challenged, Too

By Karrie McMillan

ICI is hosting its annual [Equity Markets Conference](#) in New York City today. [To get the conference started](#), I urged everyone to keep one number in mind: 90 million. That's the number of investors who are saving for their futures through the funds that ICI members offer. They are the reason why ICI holds this event and advocates on issues of market structure, trading practices, and transparency.

I also touched on some of the challenges facing market participants. Regulators, for one, face the challenge of crafting new rules for the markets that will encourage innovations to make trading more efficient and transparent, while stopping abuses that help intermediaries at the expense of investors.

Sell-side participants are challenged to restore confidence that their systems are serving the markets' core functions—efficient transactions and accurate price discovery—rather than just their own interests. In particular, the fund industry urges sell-side firms to provide necessary information on trade routing and execution to ensure that fund orders get the best possible treatment, at the lowest possible costs.

The fund industry must be challenged, too. We need to accept that the markets today are vastly different than they were even a couple of years ago. Funds need to press their brokers and market centers for disclosure on routing and execution—and use that information to serve their investors. Funds also need to educate themselves about the technological advances in the markets—and use that knowledge to the benefit of their shareholders.

Because our funds represent 90 million shareholders, and we are fiduciaries to those funds, we have a duty to engage fully and to work vigorously on these issues. Our investors want us to step up our involvement. They deserve no less.

- Read [Karrie McMillan's speech at ICI's Equity Market Conference](#).
- Learn more about [ICI's work on financial markets issues](#).
- Get information on [past and future ICI events](#).

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