

Keep in Touch! From, The People Overseeing Your Fund

By [Greg Saitz](#), *BoardIQ*, June 18, 2013

Most fund boards understand they represent shareholders, but when it comes to opening a direct line of communication, few have taken the plunge. Just a handful of independent chairs write their own letter to shareholders in annual reports and those who provide a personal e-mail address to investors are so few they'd fit on a tandem bicycle.

Independent chairs who pen letters to investors say it's an opportunity to remind constituents of directors' presence and function, even if most documents funds mail out likely go unread.

"It just seemed natural to me and I started the process," says Bruce Crockett, independent chair of **Invesco** funds who has written his own dispatches since taking on the role in 2004.

What's natural for Crockett, though, isn't for others. Relatively few independent fund chairs appear to write their own letters to shareholders in annual or semiannual reports. A review of fund filings reveals just three, although there may be more: Crockett, Don Pratt of **American Century** funds' Kansas City board and Robert Bremner of **Nuveen Funds**.

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While most letters included in annual reports come from the investment adviser's CEO, a portfolio manager, chief investment officer or interested board chair, some suggest more independent chairs or lead independent directors should write their own.

"It's a really good idea for the independent chair to have a separate letter go out to shareholders," says Niels Holch, a partner at **Holch & Erickson** and executive director of the **Coalition of Mutual Fund Investors**. "It's important for investors to know there is a group of independent trustees charged with looking out for their interests."

A few years ago, Holch says, he had a conversation with an independent fund board chair who lamented that directors didn't have an opportunity to communicate with shareholders. Holch pointed out there were numerous opportunities for interaction through various documents sent to shareholders and that it likely wouldn't cost much to add one more page for a letter from the board.