



June 24, 2004

To: Board of Directors

From: Gina Mitchell

Re: Action Items from June 23 Meeting

The following individuals participated in the June 23 meeting that was hosted by Jim McDevitt at State Street. They were: John Axtell, Jill Cuniff, Wendy Cupps, Laura Dagan, Mark Devine, Nathaniel Duffield, Bob Fox, Wayne Gates, Aruna Hobbs, Bob Madore, Marc Magnoli, Kim McCarrel, James McDevitt, James McKay, Mike Norman, Vicky Paradis and Al Turco.

Don Butt, Rick Cook, Ralph Egizi, Eric Kirsch and Karen Chong-Wulff were unable to attend.

Next Meetings. The following meeting dates and locations have been set for 2004-2006.

October 12-14, 2004	Annual Forum at the Ritz Carlton	Washington, DC
January 18-19, 2005		Washington, DC
March 29-30, 2005	at PIMCO	Newport Beach, CA
June 21-22, 2005	at AEGON	Louisville, KY
October 18-20, 2005	Annual Forum at the Ritz Carlton	Washington, DC
October 10-12, 2006	Annual Forum at the Ritz Carlton	Washington, DC

Fee Disclosure Template. Laura Dagan led the Board through a draft template for stable value funds to disclose various fees. The Board approved the template unanimously. The template will be distributed to the membership as a suggested guide for disclosure.

Budget, Finance & Administration. Jim McDevitt reported that SVIA was well within budget. However, dues were coming in slower this year than in previous years. He noted that SVIA was within budget despite the use and retention of counsel for the SEC inquiry. Concern was expressed that consolidation within the industry and projects outside of SVIA budget could weaken the Association's ability to respond to future challenges. Jim was asked to work with Rick Cook to look at increasing the dues and conference revenues for 2005.

Communication & Education. Kim McCarrel reviewed recent press and highlighted that press was now focusing on stable value in 401(k) plans. She was tasked to develop a media plan that addressed a worse case scenario should the Association be unsuccessful in its efforts to turnaround the SEC on the valuation of wrapper agreements.

Data & Research. Marc Magnoli reported that the Eighth Annual Stable Value Fund Investment and Policy was underway and reminded members to participate in the survey. He noted that the Association had been successful in moving to an Internet survey despite some transitional glitches.

Forum. Gina Mitchell reported that 2004 Forum Planning Committee was comprised of Aruna Hobbs, Kim McCarrel, Jim McDevitt, Vicky Paradis and Chris Tobe. The group was in process of developing a theme around current investment market events and inviting speakers who could bring a macro perspective on these events such as international security and market volatility.

Government Relations. The Committee gave a brief update for the Board and the SVIA membership on the SEC inquiry through a conference call at the meeting. Concerns were expressed about a possible negative spillover to other stable value applications from the inquiry. The group agreed on the need to contain and blunt that possibility. The group also agreed that the need to avoid the possibility of spillover was of paramount importance.

John Axtell announced that the mutual funds had written the SEC to ask for exemptive relief. The filing had been made in response to SEC staff. The request was made in order to get stable value's merits discussed in a public and policy forum. The request asked that the valuation of the wrap follow the standards given to defined contribution stable value plans in FAS 149.

The group concluded that the SVIA through the Government Relation Committee and its Task Force on Mutual Funds should try to meet with Paul Roye and SEC Commissioners. There was also an overwhelming desire to minimize any downside implication to other stable value applications.

Best Practices Task Force. Jim McKay reported that the Best Practices Task Force had met and consolidated a list of best practices that addressed issues such as diversification, credit quality and duration of portfolios. The group was in process of finalizing its first draft for the Board's review. The Task Force felt that these practices could be used as an outline for SEC relief.

Membership. Gina Mitchell reported that membership renewals were on track. She was asked to work with Rick Cook and Jim McDevitt in looking at potential dues increase for 2005.

Board Elections. Gina Mitchell reported that eight Board seats would be up for election this fall. Three Board members would be retiring: Kim McCarrel, Jim McKay and Jim McDevitt. Five Board members had indicated that they were willing to run for a second term. They were Don Butt, Mark Devine, Bob Fox, Bob Madore, and Marc Magnoli.