

Timely: Issued annually  
by May 1

Independent source:  
Compiled by MPI, the  
leader in fund board  
compensation issues

Participation: Rolling  
admission throughout  
the year; no deadlines

Fee includes: MPI's  
participation in fund  
board or committee  
meeting

Easy to participate: only  
two simple forms to  
complete

Confidentiality:  
Individual  
compensation and  
identity concealed

### **Benefits of Participating**

*Range of base and bonus  
identified by assets under  
management*

*Basis of bonus discussed*

*Alternatives to conventional  
corporate capital accumula-  
tion plans*

*Relationship to advisor and  
parent company pay grades*

*Simple way to gauge ade-  
quacy of CCO compensation*

*Ensure CCO compensation  
attracts, motivates and retains  
qualified professionals*

# Annual Survey of CCO Compensation and Organizational Practices

**M**ANAGEMENT  

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**PRACTICE**®

THE SOURCE FOR MUTUAL FUND GOVERNANCE INFORMATION

### Topics covered by the Survey:

- Compensation components: Easy to understand base and bonus ranges
- Bonus amounts: Setting the basis for CCO bonuses
- Capital accumulation: Alternatives to restricted stock and options
- Organizational dynamics for CCOs: Direct and indirect reports
- Metrics: AUM & number of funds
- Reporting scope: Report only to funds or to funds and advisor
- Who pays? Percent of compensation paid by funds vs. advisor
- CCO characteristics: Backgrounds and qualifications
- Cumulative data since 2005

# MANAGEMENT PRACTICE®

## Annual Survey of CCO Compensation and Organizational Practices

### Setting CCO Compensation

Setting CCO compensation is one of the most important decisions that independent fund directors make. Attracting, motivating and retain the right professional is an important part of their oversight function.

Like all compensation the CCO's pay package should be set at a level to reward the effort, expertise and exposure of the position.

### Confidentiality Guaranteed

MPI has established elaborate procedures to ensure that all data submitted to us is kept confidential.

We will aggregate the data into broad industry averages, without revealing any individual information.

### The Most Useful CCO Compensation Survey

The MPI CCO Compensation Survey is designed to provide actionable base and bonus information for a wide range of fund families. The relationship of the bonus and the basis for payment is discussed.

The survey also provides guidance on who typically pays for the CCO and his/her department.

### Customized Reports

The report to each participant is issued in two parts:

—Part 1 is the generalized findings about CCO compensation for the fund industry as a whole.

—Part 2 is a specially selected comparison for your particular fund group with the appropriate ranges of assets and number of funds.

—MPI can also perform a custom compensation analysis for your particular fund family which takes into account all the individual variables of CCO compensation.

### Cost of Participation

There is no fee to participate; in exchange for your data a summary will be provided on a complimentary basis.

Fees for a custom CCO compensation analysis, based on the effort, expertise and exposure of the specific job, will be separately negotiated.

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## Management Practice Inc.

A professional consulting firm specializing in mutual fund governance. Established in 1968, MPI has provided analytical services to the independ-

ent directors of mutual funds for nearly 40 years. In addition to compensation services for the CCO and fund trustees, MPI also provides independent

third party services for the annual contract renewal process.