

Money Market InsightTM

Monthly money market industry analysis from the publisher of Money Fund Report[®]

◆ MMF BOARDS FACE INCREASED RESPONSIBILITIES UNDER SEC PROPOSALS

The Securities and Exchange Commission's recent money-market fund reform recommendations are being heavily scrutinized by many in the industry. One area which is being discussed is how, if implemented, they would affect the role of a money-market fund's board of directors.

The SEC recommendations are divided into sections labeled as Alternative 1 and Alternative 2, which the Commission stated could be adopted separately or combined.

An in-depth analysis of the how the two alternatives would impact boards of directors was recently published at www.lexology.com. "Either proposal or a combination of these proposals could be approved by the SEC. Each proposal, and in particular proposal two, if adopted, would require significant involvement by a fund's board of directors," stated the report, authored by law firm Drinker Biddle & Reath LLP in cooperation with the Association of Corporate Counsel.

Alternative 1 would require money-market funds that are not government or retail funds to float their net asset values. "The distinction between retail and institutional funds under proposal 1 would create a number of issues for funds and would need significant involvement and oversight by a money-market fund board of directors," according to Drinker Biddle.

Drinker Biddle singled out Alternative 2 as placing a much larger burden on a fund's board of directors. The SEC proposal calls for a fund to impose a 2 percent liquidity fee and implement a 30-day (at the outside) redemption gate should weekly liquidity levels fall below 15 percent of the fund's total assets. Alternative 2, however, provides wide latitude for the fund board. It would have the ability to lower or even dispense with the liquidity fees and/or redemption gates if members felt it was not in the best interest of the fund and its shareholders to take such steps.

The Board and Alternative 1

Under Alternative 1, government institutional funds and retail funds would retain a stable NAV. However, the SEC has determined that under its rules mandating a "redemption cap," retail investors would be unable to redeem more than \$1 million during a single day. It would be incumbent upon the board to ensure that this requirement is fulfilled and would constitute a "brand new aspect of board oversight that does not exist," attorney Joan Ohlbaum Swirsky of Stradley Ronon Stevens & Young LLP, and a money-market fund regulatory expert, told *Money Market Insight*TM.

The opacity of omnibus accounts has been raised as an issue in relation to the redemption cap and it would be up to the board of directors to ensure that, despite that hurdle, the letter of the law be carried out. The SEC document is clear on what needs to occur should an omnibus intermediary fail to comply with the redemption-cap policy. "If a fund cannot reasonably conclude that such policies are enforced by intermediaries at each step of the chain, then the fund must apply its redemption limit at the aggregate omnibus account level," it reads. Swirsky described a fund's recourse as "pretty severe." In her view, this is not a "workable solution."

"The SEC's release acknowledges that transparency down to individual shareholders within omnibus accounts for purposes of monitoring the redemption cap will be a challenge for boards to monitor," noted Drinker Biddle. "It is questionable whether omnibus intermediaries will accept liability for monitoring redemptions unless obligated to do so by the SEC."

Currently, fund board members are responsible for a fund's disclosure and this responsibility will be heightened should the SEC reform measures come to pass. Anecdotally, Swirsky spoke of how the redemption-cap issue might be addressed in a prospectus. "Perhaps the fund might place a risk factor through its disclosure that if you purchase through an intermediary, and the intermediary does not properly honor our redemption limit, the intermediary's redemptions may be limited," she suggested.

Drinker Biddle also underscored the increased disclosure responsibilities which the board would carry under the new rules. "Significant changes in prospectus and other disclosure will be needed to effectuate proposal 1. The board will be responsible for overseeing disclosure changes and monitoring ongoing disclosure with applicable law."

The law firm's report pointed out yet another consideration which would come under board's purview should Alternative 1 be realized. "The board may need to consider whether to restructure certain money-market funds. This is because a fund that has both institutional and retail shareholders, even if in different share classes, will be unable to rely on the retail exemption unless the redemption cap is applicable to all shareholders, including institutional shareholders."

Technical and operational issues and their attendant contracts would also be the responsibility of the board to oversee. "This duty would extend to considering whether appropriately-trained personnel were available to make these changes," observed Drinker Biddle.

The firm's final comment about Alternative 1 carried an ominous tone for money-market funds. "Boards may also need to weigh the fund costs under proposal 1 to determine whether to continue to offer money-market funds," it commented.

Swirsky echoed those sentiments and concluded that "Even outside of complying with the amendments, the boards right now are probably having discussions with the sponsors regarding the viability of remaining in the business. That's something that funds have to consider, and some funds have determined that they are leaving the business because there's been contraction. It is certainly not a duty of the board to consider that there's an alternative available for their shareholders. To the extent funds have a sponsor that's affiliated with a bank, and the bank is making available (federally-insured) products and other products, that could mean assets migrate out of the fund. In this instance, boards are probably interested in what's being made available to shareholders as an alternative to money-market funds."

The Board and Alternative 2

The board may use its discretion under Alternative 2 when

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faced with weekly liquidity levels below 15 percent. It may determine a lesser fee, a greater fee, or a shorter time span for the gate if it can show it would be in the best interest of the fund. In Drinker Biddle's view this "will arguably require more continuous monitoring and decision-making by the board than proposal 1." In addition to flexibility, the report stated that, in terms of enforcement, "The board may also become involved in decisions as to whether to increase the level of weekly assets." The SEC mandate, it maintained, should come with "appropriate guidance" from the regulatory body to "ensure that boards have sufficient information to exercise such discretion effectively and in the best interest of the funds and its shareholders."

David Smith, general counsel for the Mutual Fund Directors Forum which represents and provides research and other support for mutual fund board members, told *MMI* that the nine-year-old organization has yet to submit a comment letter to the SEC on this subject, but he was willing to share what he called his own "tentative views." On the board's discretion, he had this to say: "Putting aside whether we think money-market funds pose the kind of risk that warrants the type of reforms the Commission is proposing or whether these are the right reforms, in the context of standby liquidity fees, I think this is the appropriate standard. In a situation where there was stress on the marketplace or potentially a run on the fund, directors are in a good position, working with fund management, to determine whether maintaining the standby liquidity fees or waiving them is the right thing to do in the circumstances. I think the flexibility is a good thing."

Smith added that in spite of his view, he has a concern that "when a director's decisions about what do to in those circumstances are reviewed afterwards that they are reviewed with appropriate deference, and as long as you had a board that was independent, informed and acting intelligently, they would get the benefit of the Business Judgment Rules in those circumstances."

Swirsky explained what the Business Judgment Rule is. "Basically it says the discretion of the board will be honored if what they decided is reasonable – that the court is not going to second-guess the judgment of a board. So that gives them some protection. However, if something outrageous occurred or if there was a clear conflict of interest where their judgment was influenced in some way, that is not going to protect them."

Asked if the new rules would be burdensome to a board Smith replied, "I think the trick is making sure that you are not imposing a lot of unnecessary burdens on board members along the way, and again, assuming that boards act responsibly, independently and as full of information available at the time, so that you're not spending a lot of time second-guessing their business judgment after the fact."

Smith said the Commission does carry a burden in all of this. "I think the SEC has a substantial burden and continues to have a substantial burden as it goes forward to show what the nature of the problem it's trying to address is. It needs to demonstrate that the problem exists and demonstrate that these proposals are designed to address the problem."

The Board Members

"The board of a mutual fund works largely like the board of any corporate enterprise," stated Smith, when asked about the

composition of the board and how it works. "Most people wouldn't accept an appointment to the board of directors of a mutual fund if they weren't willing to commit the time and the energy necessary to do it for a period of years."

The diversity of board responsibilities and compensation was raised. "One of the advantages of boards is they are able to structure and adapt themselves flexibly based on the facts, the circumstance and the needs of the particular funds that they are overseeing. That said, fund directors are there to oversee the fund and not manage it on a day-to-day basis. It's important not to lose sight of that. It's the adviser's job to manage the daily operations of any mutual fund, including a money-market fund," Smith said. Board members are required to meet at least four times a year. "Generally they meet more frequently. It's not a nothing job," he added.

Comments to the SEC on these recommendations are due to be submitted no later than Sept. 17. ♦

– Mary Ellen Tuthill

◆ CALCULATORS OFFERED TO "DRIVE DISCUSSION" WITH THE SEC

Treasury Strategies is offering a series of free "VNAV Cost-Implementation Calculators" on its Web site (<http://treasurystrategies.com/CorpCalculator>) that "guide investors through policy, process, accounting and technology changes which will be required to comply with the Securities and Exchange Commission's variable net-asset-value proposal for prime institutional money-market funds," stated the corporate treasury advocacy organization in its Aug. 8 announcement.

Sample VNAV Implementation-Cost Calculator for Corporations and Institutional Investors

Impact Category	Cost Description	Hourly Rate	Hourly Estimate	Cost Estimate
Investment Policy Development	Current investment policy assessment	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Counterparty risk management policy assessment	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Policy redraft	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Policy circulation and approval, including board review	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subtotal - Investment Policy Development				<input type="text"/>
Investment Process Reengineering	Investment purchase process reengineering - reference Chart 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Investment redemption process reengineering - reference Chart 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Intraday liquidity management implication assessment	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Daily reporting modification	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Other	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subtotal - Investment Process Reengineering				<input type="text"/>

Paul LaRock, a principal at Treasury Strategies, told *Money Market Insight* the calculators are provided "to support intelligent data-driven discussion with the SEC about this. Anyone can use this calculator. It's free. We don't track who is using it. It is entirely there to support intelligent discussion around this topic. It's to

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save people a lot of time from having to reinvent the wheel over and over again,” he commented.

There are three calculators available. One is for corporates, another for broker-dealers, and a third is provided for trust operations.

LaRock told *MMI* that it is important for people to use the calculators to arrive at implementation-cost projections for a switch to VNAV MMFs and then communicate with the SEC. “This is not a topic that people should be passive about. They should accept the SEC’s invitation to comment on this.”

A Treasury Strategies report commissioned by the U.S. Chamber of Commerce accompanies the calculators. Titled “Operational Implications of a Floating NAV Across Money-Market Fund Industry Key Stakeholders,” it examines myriad steps that money-market fund stakeholders would need to take to convert to use of a floating-NAV product.

LaRock said the Treasury Strategies report estimated it would cost money-fund stakeholders a combined \$1.8 to \$2.0 billion upfront to accommodate use of the modified MMFs. “Ongoing,” he added, “it could run from \$250 million to \$280 million a year.” He also noted that his company’s projected costs did not account for operating dual systems: one to track and issue investor reports for floating-NAV funds and a second one to continue to report on transactions and performance of standard MMFs that maintain a stable NAV, such as government and prime retail funds, per the SEC’s draft proposals.

A podcast discussion with LaRock and Treasury Strategies manager Steve Wiley about this subject is at <http://www.imoney.net.com/other/podcasts.aspx>. ♦

◆ FUND NEWS

Alternate Universe of Non-MMFs Grows

Charles Schwab Investment Management Inc. has filed documents with the SEC to create three money-fund alternative products. They are to be known as the Schwab TargetDuration 2-Month ETF, Schwab TargetDuration 9-Month ETF and Schwab TargetDuration 12-Month ETF.

The two-month exchange-traded fund portfolio’s investment objective is to seek “current income consistent with preservation of capital and daily liquidity.” The 9-month and 12-month offerings also aim to provide current income with capital preservation but are not designed to provide daily liquidity, which is a key selling point for MMFs as they currently exist.

Each portfolio will “generally maintain” a duration of less than two months, less than nine months and less than 12 months, respectively, with target weighted average maturities of less than four months, less than 18 months and less than 2 years, respectively.

Schwab advises investors that, as bond-fund products, the new TargetDuration funds will feature fluctuating values, since “bond markets rise and fall daily,” so that “you could lose money.” The firm emphasized that these funds are not money-market funds and that none seek to maintain a stable \$1 NAV.

Each fund’s policy calls for investment of at least 90 percent of net assets, under normal circumstances, “in a portfolio of investment-grade, short-term fixed-income securities issued by U.S. and foreign issuers, and other short-term investments.”

Calvert, Western Asset Offerings Detailed

Shareholders of several Calvert money-market funds are being told that those funds will be merged by year-end into the Calvert Ultra-Short Income Fund, which is a taxable bond fund utilizing a variable-NAV structure; unlike the 2a-7 funds’ long-standing stable-NAV, dollar-in, dollar-out valuation. Shareholders are to vote Sept. 20 on closing Calvert Tax-Free Reserves MMP, Calvert Money Market Portfolio, Calvert First Government MMF and Calvert Cash Reserves Institutional Prime. The to-be closed funds held assets of \$619.5 million as of Aug. 6. All were closed to new investors as of June 6. Shareholders of the money funds were advised that the bond fund offers potential benefits. “In today’s low-yield environment,” it was noted, “very short-term fixed-income securities may provide the potential for higher-than-cash returns, albeit with some additional risk.”

Legg Mason’s Western Asset unit has filed with the SEC to open the Western Asset Ultra Short Obligations Fund, intended for prime institutional investors, and to operate with a variable NAV. It plans to maintain a weighted average maturity not to exceed 90 days, compared with a 60-day maximum for Rule 2a-7 funds. As with several other new products from BlackRock and Northern Trust, the new Western Asset product will have a shortened WAM compared to established Ultrashort Bond funds. It plans to hold top-rated money-market instruments. Typical Ultrashort Bond funds are allowed to purchase investment-grade debt of lower quality. ♦

◆ FITCH, S&P EXECUTIVES JOIN IMONEYNET ADVISORY BOARD

Greg Fayvilevich of Fitch Ratings and Joel Friedman of Standard & Poor’s have agreed to join the iMoneyNet Advisory Board, which frequently consults with iMoneyNet editors about industry issues and newsletter content.

Fayvilevich is responsible for Fitch’s coverage of U.S. MMFs and helps coordinate global MMF coverage by working closely with European colleagues as a director in the Fitch Ratings Fund and Asset-Management group based in New York. “He is responsible for assigning and maintaining ratings, developing rating criteria and models, and publishing timely research on analytical and regulatory developments affecting the industry,” the firm says.

He previously helped lead Fitch’s coverage of U.S. closed-end funds and was a member of the agency’s Financial Guarantors group from 2008-10. Prior to joining Fitch, Fayvilevich worked in the finance department of ACE INA. He earned a bachelor’s degree in finance from Rutgers University.

Friedman serves as the Global Fund Ratings Team leader as a senior director of S&P’s Financial Institutions Ratings Group. Friedman joined the agency in 1988 and “is responsible for analyzing and assigning ratings to a broad range of globally-managed funds such as money funds, bond funds, separate accounts and government investment pools,” the company noted. “He currently maintains primary analytical and relationship responsibility for more than 30 fund sponsors representing over 100 managed funds, while assisting in the oversight of the weekly and monthly reporting guidelines for over 800 rated funds.” Friedman earned a BBA in finance from the University of Massachusetts at Amherst and an MBA in financial management from Pace University. ♦

PORTFOLIO HOLDINGS, OTHER TRENDS

◆ SOME EUROPEAN INVESTMENTS FAVORED BY U.S. PRIME FUNDS

U.S. Prime MMFs reduced holdings of securities issued by U.S. and Canadian-based entities and made minimal additions to investments tied to Japan in July. The funds also reversed course from June's retreat and added to holdings of securities issued by institutions based in France, the United Kingdom, Sweden, Germany and the Netherlands, according to preliminary data reviewed by iMoneyNet.

U.S.-based issuers as of July 31 accounted for securities valued at 31.9 percent of total assets held in Prime fund portfolios. The amortized-cost value of those securities, however, slid by \$1.72 billion to \$487.93 billion when compared to June 30 totals. Canadian-based issuers accounted for \$193.13 billion of Prime fund assets, a one-month decline of 3.1 percent. The value of Japanese-backed issues rose by only \$13.45 million and ranked third overall at \$169.16 billion.

Among the top 20 nations in which Prime funds invested their cash, institutions in seven European countries recorded boosts in fund exposures. The value of holdings tied to French entities soared by 10.4 percent between June and July. U.K. monthly holdings climbed by about 13.1 percent; Sweden gained 13.2 percent; Germany moved up by 2.7 percent; and securities issued by institutions based in the Netherlands showed a one-month increase of 8.5 percent. Other gainers, though with relatively small investments by U.S. prime funds last month, were Belgium and Spain. Switzerland, though, was down 9.4 percent and Norway sank by 6.0 percent. Fifth-ranked Australia absorbed a 5.5 percent decline to \$100.30 billion.

Total Prime fund holdings, based on amortized cost, grew to \$1.531 trillion as of July 31, according to preliminary figures.

That was up 1.7 percent or \$25.47 billion from the \$1.506 trillion recorded on June 30.

U.S. Prime MMFs in July boosted holdings of certificates of deposit, financial and other commercial paper, government-agency debt and Treasury repurchase agreements, based on early iMoneyNet analysis of filings by Form N-MFP category.

CD holdings rose on an amortized-cost basis by about 2.7 percent between June 30 and July 31 to \$503.15 billion—a one-month increase of \$13.00 billion. Financial-company commercial paper ranked as the No. 2 holding at \$243.88 billion, up \$11.56 billion. Government-agency debt exposure came in third at \$114.26 billion, a one-month boost of \$3.79 billion or 3.4 percent. So-called “other commercial paper” attracted investments of \$83.16 billion, a one-month rise of nearly \$7.00 billion or 9.2 percent. Treasury-repo allocations increased by 24.5 percent to \$18.53 billion. ◆

PRIME (ALL) BY N-MFP CATEGORY FOR MONTH ENDING 07/31/2013*					
N-MFP CATEGORY	Percent of Total Assets* 7/31/13 (%)	AMORTIZED COST*			
		as of 7/31/13	as of 6/30/13	(\$)	Change (%)
Certificate of Deposit	32.9%	\$503.1	\$490.1	\$13.0	2.7%
Financial Company CP	15.9	243.9	232.3	11.6	5.0
Govt. Agency Debt	7.5	114.3	110.5	3.8	3.4
Treasury Debt	6.5	99.9	102.4	-2.6	-2.5
Asset Backed CP	6.3	97.1	97.4	-0.2	-0.3
Other Note	6.0	92.2	90.3	1.9	2.1
Govt. Agency Repur. Agree.	5.9	90.0	91.7	-1.7	-1.8
Other Commercial Paper	5.4	83.2	76.2	7.0	9.2
Other Repur. Agreement	4.5	69.4	70.5	-1.1	-1.6
Other Instrument	4.4	67.6	72.3	-4.7	-6.5
Variable Rate Demand Note	2.9	45.1	48.7	-3.6	-7.5
Treasury Repur. Agreement	1.2	18.5	14.9	3.6	24.5
Other Municipal Debt	0.3	3.9	4.5	-0.5	-11.6
Investment Company	0.2	3.0	3.2	-0.2	-7.2
Insur. Comp. Funding Agree.	0.0	0.1	0.1	0.0	0.0
Cash	0.0	n/a	0.7	-0.7	n/a

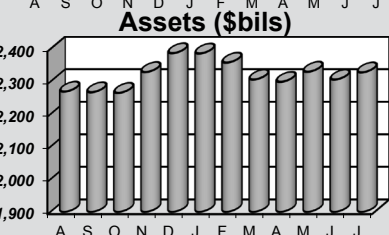
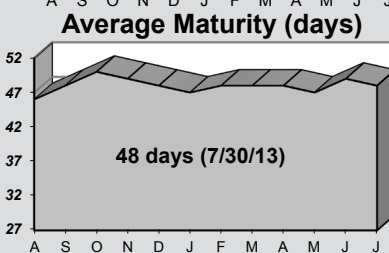
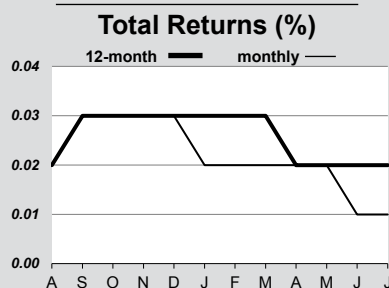
* - shown in \$billions
Source: Money Fund Analyzer™

12-Month Trend Analysis

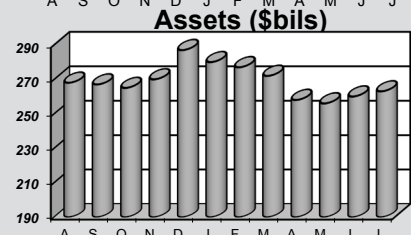
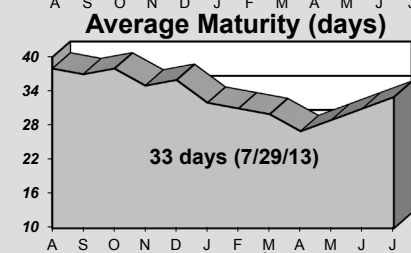
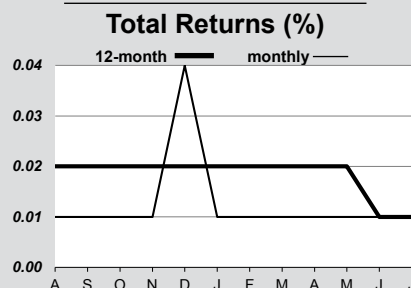
Assets (\$bils)	7/31/2013	7/31/2012
Government Retail	196,750.7	190,440.1
Prime Retail	507,826.7	488,368.4
Taxable Retail	704,577.4	678,808.5
Government Institutional	692,109.6	661,348.7
Prime Institutional	931,811.3	916,665.3
Taxable Institutional	1,623,920.9	1,578,014.0
Taxable (All)	2,328,498.3	2,256,822.5
Tax-Free National Retail	118,900.2	113,600.1
Tax-Free State Retail	66,305.5	66,302.8
Tax-Free National Inst	67,704.1	77,563.3
Tax-Free State Inst	10,114.4	11,508.2
Tax-Free (All)	263,024.2	268,974.4
Total	2,591,522.5	2,525,796.9

No. of Funds	7/31/2013	7/31/2012
Government Retail	165	188
Prime Retail	274	298
Taxable Retail	439	486
Government Institutional	314	322
Prime Institutional	260	270
Taxable Institutional	574	592
Taxable (All)	1,013	1,078
Tax-Free National Retail	92	92
Tax-Free State Retail	115	131
Tax-Free National Inst	118	119
Tax-Free State Inst	96	95
Tax-Free (All)	421	437
Total	1,434	1,515

TAXABLE FUNDS August 2012 - July 2013



TAX-FREE FUNDS August 2012 - July 2013



SUMMARY OF MONEY FUND ACTIVITY

Month Ending July 31, 2013

#of Funds	Net Assets (\$mils)		Monthly		12-Month To-Date	
			Yield (%)	Total Return (%)	Yield (%)	Total Return (%)
28	59,657.3	Treasury Retail	0.00	0.00	0.01	0.01
42	17,412.0	Treas & Repo Retail	0.01	0.01	0.01	0.01
95	119,681.4	Govt & Agency Retail	0.01	0.01	0.01	0.01
165	196,750.7	Government Retail	0.01	0.01	0.01	0.01
274	507,826.7	First Tier Retail	0.01	0.01	0.01	0.01
274	507,826.7	Prime Retail	0.01	0.01	0.01	0.01
439	704,577.4	Taxable Retail	0.01	0.01	0.01	0.01
314	692,109.6	Government Institutional	0.01	0.01	0.01	0.01
260	931,811.3	First Tier Inst	0.02	0.03	0.05	0.05
260	931,811.3	Prime Institutional	0.02	0.03	0.05	0.05
574	1,623,920.9	Taxable Institutional	0.02	0.02	0.03	0.03
1013	2,328,498.3	Taxable (All)				
iMoneyNet Money Fund AverageTM/Taxable (All)			0.01	0.01	0.02	0.02
92	118,900.2	Tax-Free National Retail	0.01	0.01	0.01	0.01
118	67,704.1	Tax-Free National Inst	0.01	0.01	0.01	0.02
115	66,305.5	Tax-Free State Retail	0.01	0.01	0.01	0.01
96	10,114.4	Tax-Free State Inst	0.01	0.01	0.01	0.01
421	263,024.2	Tax-Free (All)				
iMoneyNet Money Fund AverageTM/Tax-Free (All)			0.01	0.01	0.01	0.01
1,434	2,591,522.5	Grand Total - MMFs (All)				

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MONEY FUNDS WITH HIGHEST RETURNS – July 2013

Government Retail Funds (76 Funds)

Fund	12-Month Total Return	Assets (\$mils)
Davis Govt MMF/CI A k	0.04%	\$195.6
First Amer Govt Oblig/CI A k	0.02	270.1
Gabelli US Treasury MMF/CI AAA k	0.02	1,725.6
Lord Abbett US Govt & Govt SE MMF/A k	0.02	688.5
Payden Cash Reserves MMF k	0.02	523.2
T Rowe Price US Treasury MF k	0.02	1,999.7
Vanguard Admiral Treasury MMF k	0.02	11,754.2
Weitz Government MMF k	0.02	108.5

Note: 47 funds tied at 0.01%

Prime Retail Funds (110 Funds)

Fund	12-Month Total Return	Assets (\$mils)
Delaware Cash Reserve/Class A k	0.07%	\$224.8
Schwab Cash Reserves k	0.06	37,520.1
Invesco MMF/Cash Reserve Shares k	0.05	815.2
Invesco MMF/Class AX k	0.05	172.2
Invesco MMF/Investor Class k	0.05	176.2
JPMorgan Liquid Assets MMF/E*Trade k	0.05	4,711.4
PNC Money Market Fund/CI A k	0.05	253.7
Calvert Money Market Portfolio k	0.03	103.6
Fidelity Select Money Market k	0.03	5,218.9
Hewitt MMF/Admin Shares k	0.03	728.5
ING Money Market Fund/CI A k	0.03	165.0
PIMCO MMF/CI A k	0.03	274.5
PIMCO MMF/CI C k	0.03	171.6

Government Institutional Funds (210 Funds)

Fund	12-Month Total Return	Assets (\$mils)
Amer Beacon US Govt MM Select k	0.06%	\$409.5
Morgan Stanley ILF/Govt/Adv k	0.05	192.4
Morgan Stanley ILF/Govt/Inst k	0.05	379.9
Morgan Stanley ILF/Govt/Inst k	0.05	22,195.4
Western Asset Inst Govt Res/Inst k	0.05	10,654.0
Huntington US Treas MMF/Trust k	0.04	1,232.8
PFM Funds: Government Series k	0.04	184.7
DWS CAT: Govt&Agen Secs/Inst k	0.03	2,415.2
Goldman Sachs FS Govt Fund/Inst k	0.03	24,336.4
Invesco Govt & Agency Port/Cash Mgt k	0.03	785.5
Invesco Govt & Agency Port/Corp k	0.03	731.5
Invesco Govt & Agency Port/Inst k	0.03	4,225.2
Invesco Govt & Agency Port/Private k	0.03	394.0
Invesco Govt & Agency Port/Reserve k	0.03	264.9
Invesco Govt & Agency Port/Resource k	0.03	129.3
Invesco Govt TaxAdv Port/Inst k	0.03	818.2
Morgan Stanley ILF/Treas/Adv k	0.03	231.0
Morgan Stanley ILF/Treas/CashMgt k	0.03	105.9
Morgan Stanley ILF/Treas/Inst k	0.03	387.0
Morgan Stanley ILF/Treas/Inst k	0.03	8,950.2

Prime Institutional Funds (170 Funds)

Fund	12-Month Total Return	Assets (\$mils)
BlackRock Cash Funds: Instit/I k	0.19%	\$3,701.1
BlackRock Cash Funds: Prime/I k	0.17	4,402.4
Deutsche Daily Assets/Inst k	0.17	5,124.7
Reich & Tang Natixis Liq Prime/Trea k	0.17	171.6
State Street Inst Liq Resvs/MetLife	0.17	2,499.1
Fidelity Inst MMF/CI F k	0.16	2,356.2
Fidelity Inst MMF/Inst k	0.16	37,839.9
PFM Funds: Prime Series/Inst	0.16	2,043.7
Amer Beacon MM Select Fund	0.15	815.6
BlackRock Cash Funds: Prime/C k	0.15	1,071.6
FFI Premier Inst Fund	0.15	8,831.6
Oppenheimer Institutional MMF/CI E	0.15	6,033.6
State Street Inst Liq Resvs/Inst	0.15	29,180.2

Tax-Free National Retail Funds (39 Funds)

Fund	12-Month Total Return	Assets (\$mils)
Alpine Municipal MMF/Inv k	0.06%	\$174.5
BMO Tax Free MMF/Class Y k	0.03	133.0
CAT: T-E Port/DWS T-E Money Fund k	0.03	260.4
CAT: T-E Port/Tax Free Inv Class k	0.03	395.7
Vanguard Tax-Exempt MMF k	0.03	17,996.4
Wells Fargo Adv Muni MMF/Inv k	0.03	154.5
Wells Fargo Adv Muni MMF/Swp k	0.03	346.1
Wells Fargo Adv Natl T-F MMF/CI A k	0.02	262.8
Wells Fargo Adv Natl T-F MMF/Svc k	0.02	195.9

Note: 25 funds tied at 0.01%

Tax-Free National Institutional Funds (60 Funds)

Fund	12-Month Total Return	Assets (\$mils)
BMO Tax Free MMF/Class I k	0.14%	\$696.4
BlackRock Liquidity:MuniCash Inst k	0.06	186.3
Invesco T-F Cash Reserve/Inst k	0.06	529.2
Wells Fargo Adv Muni Cash Mgmt/Inst k	0.06	1,392.1
Federated Muni Oblig Fund/Inst k	0.05	1,228.9
JPMorgan Muni MMF/Inst k	0.05	231.0
Wells Fargo Adv Muni Cash Mgmt/Svc k	0.05	136.4
BofA Muni Reserves/Capital k	0.04	646.6
Western Asset Inst AMT Free Muni k	0.04	647.0
Western Asset Inst T-F Reserve/Inst k	0.04	870.8

Note: Rankings exclude restricted funds ('r' footnote) and funds with assets less than \$100 million.