

Money Market Reform

Effective October 14, 2016, the SEC Money Market Reform regulation goes into effect whereby Mutual Funds must designate their prime and municipal money market funds to be either “Retail” or “Institutional”.

- Funds designated as “Retail” can only allow natural persons or individual investors
- Funds designated as “Institutional” can allow retail or institutional investors
 - Will have a floating NAV – out to 4 decimals
- Funds may impose redemption limitations or fees

US Treasury and Government Money Market Funds are exempt from the new regulation. The Mutual Fund industry expects to see significant movements from Prime and Municipal Money Markets to US Treasury and Government Money Markets. In addition some Mutual Fund Companies may no longer offer Prime or Municipal Funds.

By July 1, 2016, TCA will no longer offer Prime or Municipal Money Markets – TCA will no longer custody, transfer in (ACATS and non-ACATS) or support trading of Prime or Municipal Money Markets. As an alternative, TCA’s automated sweep functionality to the Federal Reserve is available. This sweep functionality is:

- Backed by the full faith and credit of the US Government since it held at the Federal Reserve
- Allows for cash to be immediately available – no need to buy or sell a money market mutual fund
- Can be part of model processing by simply setting or adjusting the cash allocation in a model
- Currently is earning interest competitive with money markets

In addition to TCA’s automated sweep to the Federal Reserve we will continue to offer US Treasury and Government Money Market Funds.

To learn more about the Money Market Reform, please review:

<https://www.kpmg.com/US/en/IssuesAndInsights/ArticlesPublications/Documents/sec-money-market-reform.pdf>

You are strongly encouraged to move from Prime or Municipal Money Markets to TCA’s FBO or a US Treasury or Government Money Market by June 16.

Your relationship manager may have already reached out to you if you hold Prime or Municipal Money Markets and advised you of the action you need to take.

Please contact your relationship manager with questions you may have.