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Money Market Insight™

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

◆ FSOC SUBMISSIONS PLACE OMNIBUS MODEL FRONT AND CENTER

Several recent submissions to the Financial Stability Oversight Council on the subject of money-market reform contained references to the omnibus-trading model. Wells Fargo, BlackRock, and Federated Investors were among many who have argued against the minimum-balance-at-risk proposal in part due to its collision course with the omnibus-trading structure, while others, such as Niels Holch of the Coalition of Mutual Fund Investors, cited issues that create unfair advantages under the redemption-gates proposal as well.

Under the omnibus-trading methodology, fund orders are aggregated and submitted by an intermediary as a single transaction. Upon receipt, the fund managers have no access to investor-level information. Critics say the fund manager has no idea of positions or trading patterns under this model and, in turn, may be taken off stride when large redemptions or purchases occur.

For the client, the need to access their holdings in a hurry can also be problematic because they are not directly named on the account but represented by the intermediary responsible for the transaction.

Streamlined, consolidated reporting and convenience of not having to establish relationships with fund families were named advantages of omnibus trading in iMoneyNet's *2010 Money Market Portal Survey.* When the survey was conducted, the advantages of omnibus-account trading were beginning to be eclipsed by growing concerns surrounding the opacity of the account structure, with several participants employing software programs to enable fund managers to access the underlying account-holder information. Other participants opted out of omnibus entirely and instead adopted what is commonly referred to as "the full-disclosure account structure."

Full disclosure offers transparency to the fund managers. However, its structure is nuanced. Justin Meadows, founder and chief executive of the MyTreasury portal, was quoted in the 2010 survey as follows: "The acid test for me is if the portal has a problem, either a technical problem or a business-failure issue, and I am an investor through that portal, can I as an investor go to the fund and get my $200 million back, please? What would the funds say to you? That's the acid question. The answer under an omnibus-trading schedule would be 'No.' Why? Because the client is not the signatory on the account."

Money-market fund industry veteran Jack Winters, an iMoneyNet Advisory Board member, named omnibus-trading accounts on money-market fund portals as a source of systemic risk. In his FSOC submission, Winters wrote, "These trading portals are capable of blindsiding a fund with a massive redemption for same-day settlement." In his view there should be "limits on the percentage of a fund's assets that may be derived from portals where there is no effective direct client-fund relationship (20 percent) and limits on the amount taken from a particular portal (10 percent)."

Fidelity Investments stated, in a May 30, 2012 submission to the Securities and Exchange Commission, "The ability of fund managers to know their customers and anticipate redemptions would improve significantly if omnibus accounts were required to disclose information about underlying account holders."

The Fidelity comment was greeted with enthusiasm by Holch. The longtime opponent of nontransparent omnibus accounts was also heartened by the Investment Company Institute's recent FSOC submission, on which he elaborated for *Money Market Insight*™. "The ICI is making a point that's broader. They're saying not every one of the intermediaries is regulated by the SEC, so we need to have everybody on the FSOC take a look at the omnibus-account issue and make a requirement that intermediaries share this information with the funds." Other intermediaries using the omnibus method include insurance companies, trust companies and retirement-account administrators.

Omnibus, Front and Center

Holch, the CMFI executive director, told *MMI* that during 2010 "Omnibus accounts came up in general because of the 'know-your-customer' requirement that was added in as a part of the liquidity rules, but then the debate shifted to the variable net-asset-value and the capital-buffer concept. The omnibus question wasn't front and center until the industry opposition made both of those ideas difficult to move forward on, at least at the SEC." Holch said none of the more recent recommended changes can be implemented "without addressing omnibus accounts." Those changes include redemption gates, liquidity fees, minimum-balance-at-risk and "other permutations."

He believes it should be a requirement that intermediaries share information with the funds. "This is a competitive world and many of these funds are distributed through broker-dealers and other intermediaries and it's an awkward conversation to call up your distributor and say, 'We need transparency into your customer base.'" A regulatory action applied across the board would eliminate these uncomfortable conversations, he said.

Rule 22c-2 requires intermediaries to provide underlying account-holder information to mutual funds. Holch stated in his FSOC submission that the rule should be extended to include money-market funds, which are currently exempt. And he wrote, "This evaluative process could work even more effectively if shareholder-level information is exchanged on a daily basis, as opposed to the periodic information-sharing approach currently in use as a result of Rule 22c-2."

The mutual fund industry and the broker/dealers created an automated system 25 years ago that is today the National Securities Clearing Corp.'s Networking service. "This automated facility is cost- effective and worked very well until broker/dealers found that omnibus accounts were a better way to generate fees," said Holch. With the NSCC as a partner, MMF managers could have full disclosure. "It's all electronic and you just build it into your model and your infrastructure. The information comes every day and the money-market funds can build analytics to evaluate the liquidity needs of their entire shareholder base." It will "help them anticipate liquidity needs much more effectively than now because an omnibus account is really just a black box," he maintained.

Sensitive Subject

What may seem like a logical progression is anything but, because "Nobody wants to take on their distributors publicly and that's why you are seeing a resistance in this industry to talking about these issues. Now the SEC and FSOC are forcing everybody's hand because a variable NAV is really going to ruin the product, a capital buffer is hard to implement and now the conversation is switching to redemption fees, redemption gates, and minimum-balance-at-risk. All of those can't be implemented unless you address the omnibus-account issue. Any kind of compromise in this area is going to have to address the omnibus-account issue if it's going to work effectively," noted Holch.

Ed Baldry of Institutional Cash Distributors told *MMI* that, among his clients, there is widespread support for full disclosure. When the chief executive officer at the money-fund portal was asked what percentage of his clients are opposed to full disclosure, he replied, "Virtually none." And, he added, many of the funds won't even accept a nondisclosed account, especially in the offshore space where more than half of the funds will not accept nondisclosed accounts. Domestically, fewer than half of the funds adhere to that policy.

Baldry believes omnibus will "survive." He said the account-holder information could be made available today. It is not, he explained, because of the cost, time and effort needed to implement the change. Offered Holch's scenario, Baldry replied, "We have clearing operatives today that accomplish it already."

MBR Is "Impossible to Implement"

Several FSOC commenters' most strident remarks dealt with the operational challenges which accompany MBR. Under the MBR, three percent of a shareholder's highest account which is valued over $100,000 during the previous 30 days would be made available to the investor on a delayed basis.

"The minimum-balance-at-risk is impossible to implement operationally," said Holch. "To hold back the money for 30 days is really complicated. I am more a fan of the redemption-gate concept and the use of redemption fees, which would be easier to implement operationally. You would still need full transparency in omnibus accounts."

Calling it a "flawed concept," BlackRock was among many who took the FSOC to task for recommending MBR. On behalf of Federated Investors, Arnold & Porter LLP wrote, "Imposition of unique and costly MBR requirements will deter many intermediaries from offering money-market funds altogether." Wells Fargo echoed that sentiment, concluding that "In light of the anticipated costs and complexity of this undertaking, as exacerbated by the expected decline in money-market fund assets, we expect many sponsors and intermediaries would elect to no longer operate money-market funds."

Thoughts About Reform

Holch believes "a light touch" should be applied to money-market fund reform. "I'm open to doing more. I would like to see us not throw the baby out with the bathwater. We haven't really given the 2010 reform a lot of time to be implemented. I would like to see this omnibus-account issue addressed, and if there's a redemption-gate or redemption-fee proposal, I would be for it as long each investor is treated fairly." He is a supporter of the stable NAV and believes the imposition of more radical measures such as a variable net-asset-value is akin to using a meat ax in lieu of a scalpel.

He likes the product. "I don't know why we are blaming money-market funds for credit events. They are just holding the paper. They are not causing the problems. There is no over-leverage in a money-market fund. There's no leverage," he exclaimed. They do, however, need to deal more effectively in a crisis, he added.

Baldry, meantime, believes that the floating net-asset-value will be realized under MMF reform. He doesn't agree with it, but believes it will happen in all likelihood. "It appears to be a political issue now versus a practical issue." He qualified his statement by adding that a floating NAV may only be applied to prime funds. "If the amortized-cost model is critically important to you (as an investor), you may be able to achieve that in a government or treasury fund.

"It's not what the clients want," he said. "We are now going to watch the FSOC cram down the throat of the industry whatever they want because there is no logic behind their implementation. We've defended the concept (money-market funds) in the open marketplace -- in terms of the industry, the users and everyone giving their opinion in a fair and open dialogue. Despite that, the FSOC is saying, 'We've decided this is what we are going to do.'"◆

– Mary Ellen Tuthill

◆ NEW YORK FED MMF APPROACH "FLAWED," CLAIMS ICI'S REID

A recent speech by William Dudley, president and chief executive officer of the Federal Reserve Bank of New York, drew the ire of Brian Reid, chief economist at the Investment Company Institute.

The speech, which Dudley presented last month at the New York Bankers Association's annual meeting titled "Fixing Wholesale Funding to Build a More Stable Financial System," unfairly placed blame on money-market funds for the short-term funding stresses that occurred at the height of the financial crisis, according to Reid.

To put it succinctly, Reid stated that "Money-market funds cannot credibly be held to account for the credit bubble. The data simply won't support that argument."

Repurchase agreements and commercial paper contributed heavily to the instability in the short-term markets, according to Dudley. Maturity mismatch and product opacity were named among the culprits. "The fragility of short-term wholesale funding was greatly aggravated by certain critical institutional shortcomings in these markets, particularly in the structure of the tri-party repo system and the U.S. money-market mutual fund business," said Dudley.

Not so, says Reid who wrote this in ICI's Viewpoints: "From the beginning of 2000 to mid-2007, the money markets expanded by $4.5 trillion, while taxable money-market funds' holdings of these short-term securities increased by only $299 billion. The repo and commercial paper markets grew substantially during this period, yet money-market accounts accounted for only 11 percent of the increased supply of funding to the repo market and less than 1 percent of the increase in the commercial paper market. In addition, money-market funds financed, at most, 6 percent of home-mortgage borrowing over this period."

Investors other than money-market funds played a significant role in the decline of CP during the summer of 2007, said Reid.

And in September 2008, "The sell-off of commercial paper by other investors equaled that of money-market funds. In addition, these investors continued to pull back from commercial paper in October, while money-market funds became net buyers." In other words, "The problems faced by commercial-paper issuers were market-wide across a spectrum of buyers, not specific to money-market funds."

Reid took exception to Dudley's assertion that the Securities and Exchange Commission's 2010 fund reforms were a "first step" toward making money-market funds "less risky."

The ICI economist maintained that the 2010 reforms have made money-market funds "substantially more resilient than the funds that were available in 2008."

Reid was also highly critical of Dudley's assessment of the minimum-balance-at-risk proposal put out by the Financial Stability Oversight Council as "the best one for financial-stability purposes." Joining the chorus of critics, Reid reiterated ICI's view as articulated in its FSOC comment letter: "ICI has extensively examined this concept and has found it suffers from many defects."

"The danger here is that a policy response that focuses solely on one product – and in this case the most-regulated, most-transparent product in the market – will drive investors into less-regulated and less-transparent alternatives. The exit would increase, not reduce risk to the financial system and would reduce information available to investors," Reid said.◆

The ICI's Brian Reid commented that "the New York Fed has been instrumental in pursing reforms to strengthen the financial markets, particularly in the market for tri-party repurchase agreement." Below is a tri-party repo market-reform update.

◆ NEW YORK FED POINTS TO TRI-PARTY REFORM PROGRESS

Ending the daily unwind of nonmaturing term repo trades and the introduction of new technology, which would ultimately eliminate the intraday credit, are two measures introduced by clearing banks J.P. Morgan and Bank of New York Mellon, respectively. Both changes were aimed at stabilizing the tri-party repo market and represent "milestones," according to the Federal Reserve Bank of New York as it has "intensified supervisory oversight of key tri-party market participants."

As defined by FRBNY Vice President Antoine Martin in previous research (see *Money Market Insight* ™, November 2011), "The unwind temporarily transfers the risk of dealer's default from cash investors to the clearing bank. When new repos are settled and continuing term trades are recollateralized, the exposure to the dealer is transferred back from the clearing banks to the cash investors." Martin pointed out that this is problematic since "It gives the collateral providers access to their securities during the day without requiring the clearing banks to invest in systems that can track and substitute collateral," which in turn exposes the clearing banks to credit risk.

The BNY Mellon removal of intraday credit applies to "privately-issued, nongovernment securities that settle through the Depository Trust Company." By last month, all BNY Mellon dealers were "required to prefund all maturing tri-party repo transactions involving DTC-sourced collateral prior to settlement. This change will eliminate BNY Mellon's intraday credit exposure to DTC-eligible collateral."

"Key Mechanics of the U.S. Tri-party Repo Market," a New York Fed report, defined DTC-eligible collateral as asset-backed commercial paper, collateralized mortgage obligations, corporates, equities and money-market instruments. U.S. Treasurys and agencies, meantime, comprise Fedwire Funds Service-eligible collateral.

The bank's "Recent Developments in Tri-party Repo Reform" also underscored other areas of improvement, including the fact that "market participants have substantially improved the timeliness of trade matching over the past three months," and "Industry participants are working to establish best practices for three-way trade matching."◆

◆ FUND NEWS

Moves Made By Reich & Tang, RS And Wells Fargo

New investors have been prevented from buying shares of the Reich & Tang NY Daily Tax-Free fund since Feb. 11, as directors of the New York Daily Tax-Free Income Fund Inc. determined that "it is advisable to liquidate, dissolve and terminate the legal existence of the fund," subject to an approval vote by shareholders. No shutdown date has been set and current investors are allowed to continue to purchase shares for now. The fund's three share classes held total reported assets of $213.9 million as of March 4. Shareholders received reminders that the company also offers a Municipal portfolio of its Daily Income Fund as an alternative to consider. Reich & Tang DIF Muni reported combined assets of $511.3 million to iMoneyNet as of March 4.

Trustees have revealed plans to liquidate the RS Money Market Fund on or about May 17. Three share classes of the fund reported combined assets of $451.4 million as of March 5. The Feb. 15 statement read, in part: "Effective immediately, shares of the fund will no longer be offered, except for sales to existing shareholders and certain intermediaries."

As reported in the December 2012 issue of *MMI*, Wells Fargo Funds has shuttered Wells Fargo Advantage Prime Inv MMF, with Service and Institutional share classes, as part of reorganization drive. Fund investors were being redirected into shares of the much larger Wells Fargo Advantage Heritage MMF. Wells Fargo Adv Prime Inv MMF/Svc and Wells Fargo Adv Prime Inv MMF/Inst made final appearances in *Money Fund Report*® (Issue #1942) in late February. They reported assets of $2.54 billion at that time. ◆

◆ PEOPLE NEWS

Tran Promoted At American Century To Portfolio Manager

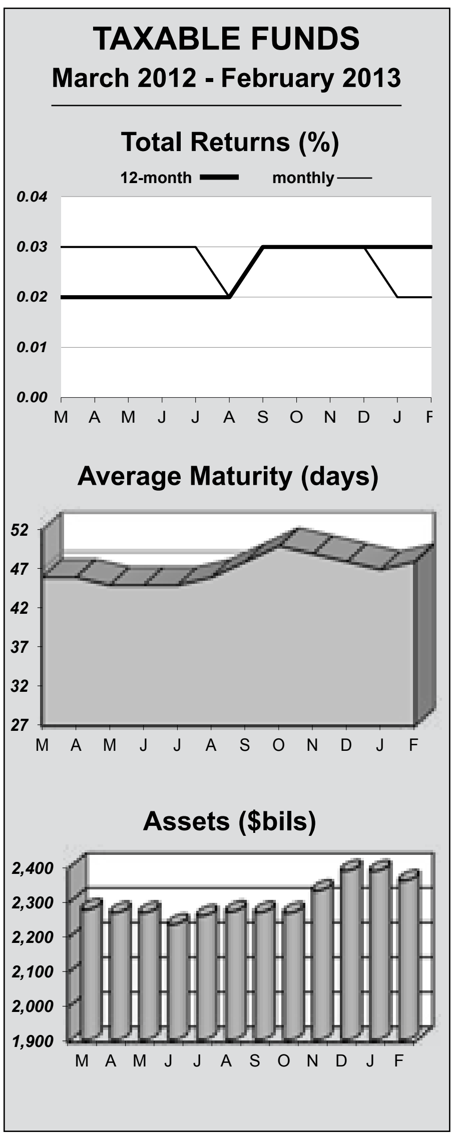
American Century Investments® promoted Le Tran, a senior fixed-income trader, to portfolio manager on the Money-Market team. He will co-manage the American Century Tax-Free Money Market and California Tax-Free Money Market funds. The retail funds reported assets of $198.1 million and $246.7 million, respectively, as of March 4. Tran had been a member of the Fixed-Income team since joining American Century in 2004 and has directly supported the Money-Market team there since 2006.

J. Eric Thorderson has become sole portfolio manager of the $1.24 billion Janus MMF and $180.0 million Janus Gov't. MMF. David Spilsted, the former co-portfolio manager of the two retail funds, has departed. ◆

◆ TAXABLE FUNDS

The February 2013 iMoneyNet Money Fund Average™/All Taxable Monthly Yield was unchanged from January's 0.02% and the All Taxable Monthly Return was also unchanged at 0.02%. One year ago the Average Monthly Yield stood at 0.03% and the All Taxable Monthly Return was 0.03%. The All Taxable 12-Month Yield was 0.02%, down from January's 0.03% while the 12-Month Return for February was unchanged from January's 0.03%. The Average 12-Month Yield was 0.02% and the 12-Month Total Return was 0.02% in February 2012.

Month-end assets of taxable money funds covered by MMI decreased $28.49 billion in February, lowering the total to $2.358 trillion, a loss of 1.19%. Since February 2012, taxable assets have risen by $15.42 billion, a 0.66% increase. In February there were 1,039 taxable money funds, the same number that reported in January.



Since the end of February 2012, assets of Prime Institutional funds have increased $26.99 billion to $973.91 billion, an increase of 2.85%. Assets of Government Institutional funds settled at $687.33 billion this month, a 12-month decrease of $2.79 billion and a loss of 0.4% from one year ago. Taxable Institutional funds represent 70.5% of all taxable fund assets.

Assets of the Prime Retail funds decreased $13.80 billion, a loss of 2.69% since February 2012. Government Retail funds have experienced a 12-month increase of $5.03 billion, a gain of 2.6%.

The Average Maturity for all taxable funds was 48 days at the end of February. One year ago, the WAM stood at 45 days.◆

◆ TAX-FREE FUNDS

The February iMoneyNet Money Fund Average™/All Tax-Free Monthly Yield held steady at 0.01%. The All Tax-Free Monthly Return was also 0.01%, the same as was reported in January. One year earlier, the Monthly Yield stood at 0.01% and the Monthly Return was 0.01%. The taxable-equivalent yield for 0.01% is 0.01% for the 28% and the 33% Federal tax brackets. The Average 12-Month Yield remained at 0.01% for a 12th consecutive month while the Average 12-Month Return remained at 0.02% for a 13th straight month.

The 12-month total return average of the National Institutional sector was unchanged from January at 0.02%. The 12-month total return average of the National Retail sector remained at 0.01% for a 14th consecutive month.

Tax-free assets experienced a net outflow of $2.85 billion in February, a decrease of 1.02% from the previous month. Since February 2012, assets of tax-free and municipal funds are down $10.40 billion, a decrease of 3.6%. One year ago, the one-month outflow from these funds was $2.02 billion, a loss of 0.7%. There were 431 funds reporting in February, the same number that reported in January.

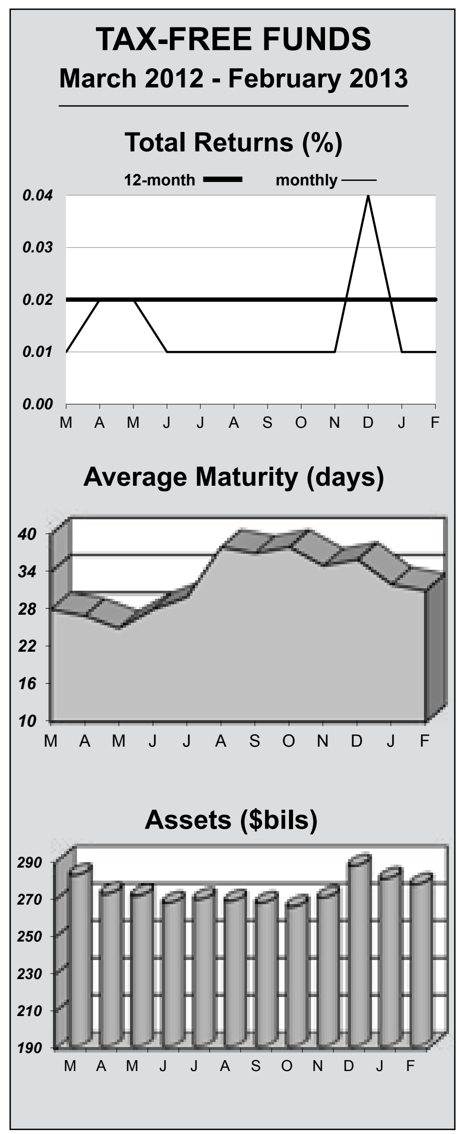
Net assets of the National Institutional category stood at $77.25 billion as of Feb. 28, down from $87.32 billion one year earlier. Assets of National and State-Specific Institutional funds have decreased $11.58 billion since February 2012, a loss of 11.6%. Market share of all tax-free institutional funds stood at 31.8%, down from 34.7% one year ago. National Retail fund assets totaled $121.39 billion as of February, up from $119.02 billion one year earlier. State-Specific Retail fund assets were $67.56 billion, down from $68.76 billion one year earlier. Since February 2012, assets in the Retail tax-free sectors have increased $1.18 billion, a gain of 0.6%.

The Average Maturity for all tax-free funds was 31 days at the end of February, down one day from January. One year ago, the WAM stood at 28 days.◆

◆ ALL MONEY-MARKET FUNDS

Total money fund assets decreased by $31.34 billion in February lowering the stated total to $2.635 trillion. The 12-month change is a net increase of $5.02 billion, a gain of 0.19%. One year ago, the 12-month asset decrease was $87.07 billion, a loss of 3.2%.

There were 1,562 funds listed in MMI at the end of February 2012. Since last February, the number of Taxable Institutional funds has decreased by 28 to 578 funds; the Taxable Retail fund sector had 461 funds, down from 502 funds one year earlier. There were 216 Tax-Free Institutional funds reporting, six fewer than one year ago. There were 215 Tax-Free Retail funds reporting to MMI, down from 232 funds in February 2012. The total number of funds reporting as of Feb. 28 was 1,470.◆



SUMMARY OF MONEY FUND ACTIVITY

Month Ending February 28, 2013

#of Funds	Net Assets ($mils)		Monthly Yield (%)	Monthly Total Return (%)	12-Month To-Date Yield (%)	12-Month To-Date Total Return (%)
32	62,565.8	Treasury Retail	0.00	0.00	0.00	0.00
43	17,852.8	Treas & Repo Retail	0.01	0.01	0.01	0.01
107	117,436.8	Govt & Agency Retail	0.02	0.02	0.01	0.01
182	***197,855.4***	***Government Retail***	***0.01***	***0.01***	***0.01***	***0.01***
279	498,425.5	First Tier Retail	0.01	0.01	0.01	0.01
279	***498,425.5***	***Prime Retail***	***0.01***	***0.01***	***0.01***	***0.01***
461	***696,280.9***	***Taxable Retail***	***0.01***	***0.01***	***0.01***	***0.01***
314	***687,326.5***	***Government Institutional***	***0.01***	***0.01***	***0.01***	***0.01***
264	973,913.9	First Tier Inst	0.04	0.04	0.06	0.07
264	***973,913.9***	***Prime Institutional***	***0.04***	***0.04***	***0.06***	***0.07***
578	***1,661,240.4***	***Taxable Institutional***	***0.03***	***0.03***	***0.04***	***0.04***
1039	***2,357,521.3***	***Taxable (All)***				
iMoneyNet Money Fund Average™/Taxable (All)			**0.02**	**0.02**	**0.02**	**0.03**
92	121,394.8	Tax-Free National Retail	0.01	0.01	0.01	0.01
119	77,253.4	Tax-Free National Inst	0.01	0.01	0.02	0.02
123	67,562.2	Tax-Free State Retail	0.01	0.01	0.01	0.01
97	10,963.5	Tax-Free State Inst	0.01	0.01	0.01	0.02
431	***277,173.9***	***Tax-Free (All)***				
iMoneyNet Money Fund Average™/Tax-Free (All)			**0.01**	**0.01**	**0.01**	**0.02**
1,470	***2,634,695.2***	***Grand Total - MMFs (All)***				

MONEY FUNDS WITH HIGHEST RETURNS – February 2013

Government Retail Funds (82 Funds)

Fund	12-Month Total Return	Assets ($mils)
Davis Govt MMF/Cl A k	0.04%	$210.2
First Amer Govt Oblig/Cl A k	0.02	234.1
Gabelli US Treasury MMF/Cl AAA k	0.02	1,754.6
Lord Abbett US Govt & Govt SE MMF/A k	0.02	537.6
Payden Cash Reserves MMF k	0.02	458.6
T Rowe Price US Treasury MF k	0.02	1,908.5
Vanguard Admiral Treasury MMF k	0.02	12,346.6

Note: 50 funds tied at 0.01%

Prime Retail Funds (113 Funds)

Fund	12-Month Total Return	Assets ($mils)
Delaware Cash Reserve/Class A k	0.09%	$234.9
Fidelity Select Money Market	0.07	5,628.3
Schwab Cash Reserves k	0.06	35,836.4
JPMorgan Liquid Assets MMF/E*Trade k	0.05	2,446.6
PIMCO MMF/Cl A k	0.05	165.4
PNC Money Market Fund/Cl A k	0.05	294.2
Invesco MMF/Cash Reserve Shares k	0.04	714.0
Invesco MMF/Class AX k	0.04	186.5
Invesco MMF/Investor Class k	0.04	172.8
Calvert Money Market Portfolio k	0.03	128.0
Hewitt MMF/Admin Shares k	0.03	713.3
ING Money Market Fund/Cl A k	0.03	158.9
Vanguard Prime MMF/Investor	0.03	95,378.3
Wilmington Prime MMF/Admin k	0.03	445.4

Government Institutional Funds (207 Funds)

Fund	12-Month Total Return	Assets ($mils)
Amer Beacon US Govt MM Select	0.09%	$314.3
Goldman Sachs FS Govt Fund/Inst k	0.05	28,905.1
Morgan Stanley ILF/Govt/Adv k	0.05	198.9
Morgan Stanley ILF/Govt/InsSel k	0.05	195.0
Morgan Stanley ILF/Govt/Inst k	0.05	16,886.8
Western Asset Inst Govt Res/Inst k	0.05	10,223.1
PFM Funds: Government Series k	0.04	194.1
DWS CAT: Govt&Agen Secs/Instit k	0.03	2,432.3
Invesco Govt & Agency Port/Cash Mgt k	0.03	722.4
Invesco Govt & Agency Port/Corp k	0.03	738.8
Invesco Govt & Agency Port/Instit k	0.03	4,288.1
Invesco Govt & Agency Port/Private k	0.03	428.4
Invesco Govt & Agency Port/Reserve k	0.03	240.8
Invesco Govt & Agency Port/Resource k	0.03	137.4
Morgan Stanley ILF/Treas/Adv k	0.03	240.5
Morgan Stanley ILF/Treas/CashMgt k	0.03	439.7
Morgan Stanley ILF/Treas/Inst k	0.03	7,062.5
State Street Inst US Govt MMF/Inst	0.03	6,802.1

Prime Institutional Funds (173 Funds)

Fund	12-Month Total Return	Assets ($mils)
Reich & Tang Natixis Liq Prime/Trea k	0.23%	$141.5
BlackRock Cash Funds: Instit/l k	0.22	1,221.0
Deutsche Daily Assets/Instit k	0.22	5,502.3
State Street Inst Liq Resvs/MetLife	0.22	2,357.0
Fidelity Instit MMF/Cl F k	0.21	2,170.3
Fidelity Instit MMF/Instit k	0.21	38,032.3
PFM Funds: Prime Series/Instit	0.21	2,395.0
BlackRock Cash Funds: Prime/I k	0.20	4,170.0
State Street Inst Liq Resvs/Inst	0.20	28,712.1
Oppenheimer Institutional MMF/Cl E	0.19	6,269.2

Tax-Free National Retail Funds (40 Funds)

Fund	12-Month Total Return	Assets ($mils)
Alpine Municipal MMF/Inv k	0.09%	$198.7
Vanguard Tax-Exempt MMF	0.04	17,544.4
BMO Tax Free MMF/Class Y k	0.03	149.7
CAT: T-E Port/DWS T-E Money Fund k	0.03	261.9
CAT: T-E Port/Tax Free Inv Class k	0.03	358.1
Wells Fargo Adv Muni MMF/Cl A k	0.03	146.4
Wells Fargo Adv Muni MMF/Inv k	0.03	158.2
Wells Fargo Adv Muni MMF/Swp k	0.03	426.3
JPMorgan Tax-Free MMF/Eagle k	0.02	1,363.6
Reich & Tang DIF Muni/Advantage k	0.02	226.5
Reich & Tang DIF Muni/Retail k	0.02	222.3
Wells Fargo Adv Natl T-F MMF/Cl A k	0.02	265.3
Wells Fargo Adv Natl T-F MMF/Svc k	0.02	261.7

Tax-Free National Institutional Funds (63 Funds)

Fund	12-Month Total Return	Assets ($mils)
BMO Tax Free MMF/Class I k	0.21%	$823.5
Federated Muni Oblig Fund/Instit k	0.10	1,628.5
BlackRock Liquidity:MuniCash Inst k	0.09	211.3
JPMorgan Muni MMF/Instit k	0.08	203.0
BofA Muni Reserves/Capital k	0.07	1,170.8
Wells Fargo Adv Muni Cash Mgmt/Inst k	0.07	1,526.9
Invesco T-F Cash Reserve/Instit k	0.06	624.4
Western Asset Inst T-F Reserve/Inst k	0.06	930.6
Wells Fargo Adv Muni Cash Mgmt/Svc k	0.05	128.2
Western Asset Inst AMT Free Muni k	0.05	728.2

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