

MEMO# 24289

May 11, 2010

ICI Files Statement with SEC Investor Advisory Committee Regarding Money Market Funds

[24289]

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 17-10
SEC RULES MEMBERS No. 43-10 RE: ICI FILES STATEMENT WITH SEC INVESTOR
ADVISORY COMMITTEE REGARDING MONEY MARKET FUNDS

In a statement filed yesterday with the Securities and Exchange Commission, ICI offered its views to the SEC's Investor Advisory Committee on money market funds and the issue of net asset value ("NAV"), an agenda item for the May 17 Committee meeting. The statement notes ICI's strong opposition to the notion of forcing money market funds to abandon their objective of maintaining a stable per-share value. The statement explains that: (1) a floating NAV could lead to substantial and far-reaching negative consequences for the money market; (2) a floating NAV is unlikely to reduce systemic risk; and (3) a \$1.00 stable NAV provides far more benefits to money market fund investors than a floating NAV. The statement also notes ICI's opposition to requiring money market funds to publicly disclose market-value based information on a real-time basis. It explains ICI's belief that such disclosure would not be helpful to fund shareholders and could, in fact, increase systemic risks.

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[Attachment](#)

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