

MEMO# 1360

August 21, 1989

NASD CHANGES METHOD FOR CALCULATING YIELDS FOR MONEY MARKET FUNDS

August 21, 1989 TO: BOARD OF GOVERNORS NO. 50-89 MONEY MARKET FUND CHIEF
EXECUTIVE OFFICERS NO. 6-89 SEC RULES MEMBERS NO. 44-89 RE: NASD CHANGES
METHOD FOR CALCULATING YIELDS FOR MONEY MARKET FUNDS

The Board of Governors of the NASD has decided to change its method for calculating yields on money market funds participating in its mutual fund quotation service. Previously, the NASD had included capital gains and losses in its yield calculation. The revised method would adopt the SEC formula, which does not take into account capital gains or losses. The target date for implementing the new yield formula is November 1, 1989. A copy of the NASD notice to participating money market funds is attached. Craig S. Tyle Assistant General Counsel Attachment

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