

Do Money Markets Pose A Systemic Risk?

Bloomberg Portfolio Manager Mash-Up

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Two Bad Choices

- Force money market funds to abandon stable \$1.00 net asset value
- Impose capital buffers, redemption freeze



Two Bad Choices

- Force money market funds to abandon stable \$1.00 net asset value
 - Undermines stability, convenience for investors
 - Creates an accounting nightmare—every transaction a taxable event
 - Drives assets out of money market funds
- Impose capital buffers, redemption freeze
 - Raises costs, cuts yields
 - Undermines check-writing, use of funds in sweep accounts, retirement plans, etc.

What's at Stake? Money Market Funds Hold ...

- 36 percent of commercial paper
- 57 percent of short-term state and local government debt
- 21 percent of large bank CDs
- 16 percent of Treasury bills

Speak Out

- www.ICI.org/mmfs
 - Resources on money market funds and the role they play for investors and the economy
- www.PreserveMoneyMarketFunds.org
 - Campaign site for business, municipal, investor, and other groups concerned about potential SEC changes