Press Release

IMMFA

INSTITUTIONAL MONEY MARKET FUNDS ASSOCIATION

For immediate release: 14 December 2009

IMMFA ANNOUNCES REVISIONS TO CODE OF PRACTICE

The Institutional Money Market Funds Association (IMMFA) has today announced changes to its Code of Practice, to come into force in January 2010. In light of the events over the last two years, the IMMFA Code has been revised to provide additional protection to investors in money market funds, through improved standards for maturity, credit quality, liquidity and disclosure.

The IMMFA Code of Practice is a set of best practice standards for the management and operation of triple-A money market funds and compliance with the Code is mandatory for IMMFA members. The revised Code will help compliment the requirements currently imposed by individual EU regulatory authorities.

Commenting Gail Le Coz, Chief Executive of IMMFA, said:

> *"The IMMFA Code of Practice is increasingly used as a benchmark by which money market funds are measured. The revisions are a proactive step by the industry to enhance the existing money market fund framework and will help ensure the resilience of money market funds, allowing them to continue to deliver against their objectives of capital security and liquidity."*
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> *"The revisions reflect the conclusions of a working group of industry experts, which has conducted detailed analysis of the appropriate risk limitations within a money market fund. This honest assessment highlighted a number of improvements which should be made, and we are satisfied that the revised Code of Practice will lead to more robust funds which provide additional benefits to investors, markets and fund management companies."*

-Ends-

Notes to editors:

1. The revisions will apply from 1 January 2010. A transitional period of twelve months will apply after which all IMMFA members must be compliant with the obligations contained within the revised Code.

2. About IMMFA - IMMFA was established on 14 June 2000, and currently has 35 members. It is the trade association for providers of triple-A rated money market funds, and covers nearly all of the major providers of this type of fund outside the US. Funds under management exceed €425 billion as at November 2009.
   .immfa.org

3. The revised IMMFA Code of Practice includes new provisions which limit liquidity, interest rate, and credit risk, and imposes additional disclosure obligations on funds. These include:

   a. Credit risk management
      Funds must have a weighted average final maturity (WAFM) of not more than 120 days. Funds must respect the AAA-rating credit criteria established by the credit rating agencies.

b. Interest rate risk management
Funds must have a weighted average maturity (WAM) of not more than 60 days Individual securities must have a final maturity of 397 days (non-Governments) / 762 days (Governments).

c. Liquidity risk management
Funds must maintain a minimum of 5% in overnight securities and 20% in securities maturing within one week. Funds must follow a Board-approved liquidity policy. Fund providers must manage shareholder concentration.

d. Disclosure to investors
Funds must disclose their WAM, WAFM, liquidity ladder and performance data monthly. Funds must make available the percentage held by the top ten shareholders upon request.

4. Money market funds are a vital cash management tool for institutional investors across Europe. Investors appreciate the diversification, same-liquidity and segregation of assets offered by these funds. By virtue of their investment in high quality, short-term money market securities, these funds also help provide businesses with access to lower cost financing and contribute liquidity to the European money markets.

5. A copy of the IMMFA Code of Practice is available at .immfa.org.

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