

Treasury Extends Temporary Guarantee Program for Money Market Funds

Overview

The Secretary of the U.S. Department of the Treasury (“Treasury”) has extended the Temporary Money Market Fund Guarantee Program (“Program”) through April 30, 2009 (“Extension Period”). In short, the Program acts as a guarantee of a shareholder’s investment in a participating money market fund as of September 19, 2008. Subject to certain limitations, the Program guarantees the lesser of the number of shares held by an investor in a participating fund on (i) September 19, 2008 or (ii) the day the fund fails to maintain a market-based net asset value per share equal to or in excess of 99.5% of the price per share that the fund seeks to maintain (“Stable Share Price”).

Eligibility

Only money market funds enrolled in the Program during its initial term are eligible to participate in the Extension Period. Eligible funds must also meet the following criteria:

- The fund shall not have had a guarantee event under the Program during the initial period of the Program;
- The fund’s market-based net asset value per share on December 19, 2008 must be equal to or greater than 99.5% of the fund’s Stable Share Price; and
- The Board of Trustees, including a majority of its members who are not interested persons of the fund under the Investment Company Act of 1940, must determine that the fund’s continued participation in the Program is in the best interests of the fund and its shareholders.

Requirements

To participate in the Extension Period, a participating fund must submit to the Treasury by December 5, 2008 (i) a Program Extension Notice, and (ii) the applicable fee. In addition, by December 29, 2008, a fund must submit a Bring-Down Notice that effectively repeats, as of December 19, 2008, the representations and warranties made in the Guarantee Agreement the fund executed to participate in the Program.

Fees

Each fund should calculate the fee for its participation in the Program during the Extension Period on a class by class basis by multiplying either 0.00015 (if the class’ market-based net asset value per share on September 19, 2008 was greater than or equal to 99.75% of its Stable Share Price) or 0.00022 (if the class’ market-based net asset value per share on September 19, 2008 was less than 99.75% of its Stable Share Price) by the product of the number of the class’ outstanding shares on September 19, 2008 and the class’ Stable Share Price.

More Information

Please [click here](#) for the forms of Program Extension Notice and Bring-Down Notice and detailed instructions on how to apply to participate in the Program during the Extension Period, including how to calculate the applicable fee.

If you have any questions concerning the Program, please contact your usual Ropes & Gray advisor.

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