APPENDIX A

Table 1

Comparison of Proposed Swing Pricing and the Release's Mandatory Liquidity Fee

	Proposed Swing Pricing	Mandatory Liquidity Fee
Description of mechanism	The fund's NAV is adjusted downward by a swing factor when the fund has net redemptions.	A mandatory fee is charged to redeeming investors when the fund has net redemptions above 5% of net assets.
Affected funds	Institutional prime and institutional tax-exempt money market funds.	Institutional prime and institutional tax-exempt money market funds.
Affected investors	The NAV is adjusted downward for both redeemers and subscribers. Redeeming investors' redemption proceeds are reduced, and subscribing investors purchase at a discounted price, compared to the unadjusted NAV they both otherwise would have received.	Redeeming investors are charged a liquidity fee. The liquidity fee does not affect subscribing investors.
Threshold for applying a charge	At any level of net redemptions for a pricing period, the swing factor includes spreads and certain other transaction costs (*i.e.*, brokerage commissions, custody fees, and any other charges, fees, and taxes associated with portfolio security sales). If net redemptions for a pricing period exceed 4% of net assets divided by the number of pricing periods per day, or such smaller amount of net redemptions as the swing pricing administrator determines, the swing factor also includes market impact costs.	Fees are triggered when the fund has total daily net redemptions that exceed 5% of net assets based on flow information available within a reasonable period after the last computation of the fund's net asset value on that day, or such smaller amount of net redemptions as the board determines.
Charge duration and application	The price is adjusted for all shareholders transacting in the fund's shares during the relevant pricing period.	The fund must apply a liquidity fee to all shares that are redeemed at a price computed on the day the fund has total daily net redemptions that exceed 5% of net assets.
Charge size	The swing factor would be determined by making good faith estimates of the spread, other transaction and market impact costs the fund would incur, as applicable, if it were to sell a *pro rata* amount of each security in its portfolio to satisfy the amount of net redemptions.	The size of the fee generally is determined by making a good faith estimate of the spread, other transaction and market impact costs the fund would incur if it were to sell a *pro rata* amount of each security in its portfolio to satisfy the amount of net redemptions.

	Proposed Swing Pricing	Mandatory Liquidity Fee
	Affected money market funds could estimate costs and market impact factors for each type of security with the same or substantially similar characteristics and apply those estimates to all securities of that type in the fund's portfolio, rather than analyze each security separately.	Affected money market funds can estimate costs and market impacts for each type of security with the same or substantially similar characteristics and apply those estimates to all securities of that type in the fund's portfolio, rather than analyze each security separately. If the estimated liquidity costs are less than 0.01% of the gross value of the shares redeemed, a fund is not required to apply a fee under the *de minimis* exception. If the fund cannot estimate the costs of selling a *pro rata* amount of each portfolio security in good faith and supported by data, a default liquidity fee of 1% of the gross value of shares redeemed applies.
Maximum charge	The swing factor has no upper limit.	The fee has no upper limit.
Party who administers the provision	The board must approve swing pricing policies and procedures. The swing pricing administrator is charged with administering the swing pricing requirement. The swing pricing administrator is the fund's investment adviser, officer, or officers responsible for administering the fund's swing pricing policies and procedures, as designated by the fund's board. The administrator can be an individual or a group of persons.	The board is responsible for administering the liquidity fee requirement, but the board can delegate this responsibility to the fund's investment adviser or officers, subject to written guidelines established and reviewed by the board and ongoing board oversight.

Table 2
Comparison of Existing Discretionary Liquidity Fee and the Release's Discretionary Liquidity Fee

	Current Rule 2a-7 Discretionary Liquidity Fee	Release's Discretionary Liquidity Fee
Description of mechanism	A discretionary fee may be charged to redeeming investors when the fund's weekly liquid assets decline below 30% and the board determines that a fee is in the best interests of the fund.	Irrespective of liquidity or redemption levels, a discretionary fee is charged to redeeming investors when the board determines that the fee is in the best interests of the fund.
Affected funds	Prime and tax-exempt money market funds. Government money market funds may opt in.	Prime and tax-exempt money market funds. Government money market funds may opt in.
Affected investors	Redeeming investors are charged a liquidity fee. The liquidity fee does not affect subscribing investors.	Redeeming investors are charged a liquidity fee. The liquidity fee does not affect subscribing investors.
Threshold for applying a charge	If weekly liquid assets fall below 30%, then a fund may institute a fee if the board determines that the fee is in the best interests of the fund.	If the board determines that doing so is in the best interests of the fund, the board must impose a liquidity fee.
Duration and application of the charge	Once imposed, the discretionary fee must be applied to all shares redeemed and remain in effect until the fund's board determines that imposing a fee is not in the best interests of the fund. If the fund has invested 30% or more of its total assets in weekly liquid assets as of the end of a business day, the fund must cease charging a fee effective the beginning of the next business day.	Once imposed, the discretionary fee must be applied to all shares redeemed and remain in effect until the fund's board determines that imposing such fee is no longer in the best interests of the fund.