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March 9, 2012

The Honorable Luis A. Aguilar, Commissioner
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Commissioner Aguilar:

I am writing to express our concerns about recent proposals for additional regulation of Money Market Funds.

DST Systems is a registered Transfer Agent under SEC Rule 17Ad and the largest provider of transfer agency and related recordkeeping services and systems to the U.S. Mutual Fund Industry. Since 1969, we have built and supported extensive business relationships with the Mutual Fund Industry. Today, we service, as Transfer Agent, 85 million shareholder accounts. We also have an excellent record of regulatory compliance and assistance to the SEC with regulatory initiatives over the years. Our longstanding relationship with the Mutual Fund Industry provides us with a strong basis for our perspective on the importance of the role of money market vehicles in today's financial markets.

We are aware of the liquidity challenges faced by certain Money Market Funds during the recent financial crisis. The changes the Commission adopted during 2010 to Rule 2a-7 addressed the issues that surfaced during this time period. However, we are concerned that the proposals now under consideration, particularly the floating NAV and "redemption holdback" proposals, will severely limit the usefulness of Money Market Funds to their investor base.

Today approximately \$2.7 trillion are held in Money Market Funds. These funds play a key role in market liquidity. We believe either of the proposals named above will dramatically alter the characteristics of Money Market Funds, potentially eliminating these products as an option for short term cash management. We feel strongly that the Mutual Fund Industry has appropriate oversight and that additional regulation will ultimately drive investors to less well-regulated products. This will increase systemic and individual investor risk.

We urge the Commission to reject the proposals that have been reported in the press and more fully study the changes that have already been implemented.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas A. McDonnell'.

Thomas A. McDonnell
Chief Executive Officer