MEMORANDUM

TO: File

FROM: Adam Bolter
        Senior Counsel
        Division of Investment Management

DATE: March 14, 2013

RE: Money Market Fund Regulation and Special Study on Money Market Funds

On March 13, 2013, staff from the Division of Investment Management ("IM") met with the following representatives of The Vanguard Group, Inc.: Laura Merianos; Pam Tynan; and David Glocke.

The following SEC staff participated in the meeting:

Norman Champ, IM
Diane C. Blizzard, IM
Sarah G. ten Siethoff, IM
Sharon Pichler, IM
Brian Murphy, IM
Thoreau Bartmann, IM

Among other matters, the meeting participants discussed Vanguard’s comment letter on the FSOC’s proposed recommendations regarding money market mutual fund reform.
Vanguard Visit to SEC - Wednesday, March 13, 2013

Vanguard Participants

<table>
<thead>
<tr>
<th>Laura Merianos</th>
<th>Principal, Legal Department</th>
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<tr>
<td>Pam Tynan</td>
<td>Principal, Fixed Income Group</td>
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<td>David Glocke</td>
<td>Principal, Fixed Income Group</td>
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Agenda

11:00 am   Treasury, Government and Municipal MMFs

   Prime MMFs

   Retail vs. Institutional Prime MMFs

   Standby Liquidity Fee

   Credit Ratings & R. 2a-7
Laura J. Merianos

Laura Merianos is a Principal at Vanguard in Valley Forge, PA, where she oversees a team of investment management attorneys and legal analysts. Laura works closely with Vanguard’s portfolio managers and traders on various money market fund matters, most recently the 2010 amendments to Rule 2a-7. She represents Vanguard on various trade association committees at the ICI and ISFMA, and has spoken at various industry conferences covering topics such as money market fund reform, municipal bond matters, the Volcker Rule and systemic risk. Prior to joining Vanguard, Laura was an associate with the law firm of Jones Day in Washington, D.C. She holds a B.A. in Spanish and Political Science from the University of Virginia and a J.D. from American University Washington College of Law. Laura is a member of the bar in the District of Columbia, New York and Pennsylvania.

Pamela Wisehaupt Tynan

Pamela Tynan is a Principal and Head of the Short Term Municipal Group at the Vanguard Group of Investment Companies. Pam joined Vanguard in 1982 and has oversight management responsibilities for all the tax exempt money market portfolios in the Fixed Income Group with total assets of approximately $28 billion. Pam also directly manages the Vanguard Short Term Tax Exempt Fund and Vanguard’s Tax Exempt Money Market totaling approximately $30 billion in assets. Pam has an undergraduate degree in Accounting from Temple University and earned an Executive MBA degree from St. Joseph University’s Haub School of Business. Pam has over 25 years of fixed income management experience, is a member of the ICI Money Market Advisory Committee, and has represented Vanguard at various conferences on the topics of municipal money market and bond fund management.

David R Glocke

David R. Glocke is a Principal and Portfolio Manager in the Fixed Income Group of the Vanguard Group of Investment Companies. He joined The Vanguard Group in 1997 and currently manages the Short, Intermediate and Long-Term Treasury Bond Funds. In addition, he manages the Prime and Admiral Treasury Market Funds and is Head of the Taxable Money Market Group. Mr. Glocke earned a B.S. in Finance and Economics from the University of Wisconsin and has been in the investment field since 1990.
Muni Retail Funds

Largest 10 Muni Retail Funds as of September 9, 2008
Change in Net Assets
Sept. 9 - Sept. 16, 2008

Top 10 funds = 65% of Muni Retail Market
Top 10 funds decline in assets = -1.3%

Source: iMoneyNet
Muni Retail Funds

Largest 10 Muni Retail Funds as of September 9, 2008
Change in Net Assets
Sept. 16 - Sept. 23, 2008

Top 10 funds = 65% of Muni Retail Market
Top 10 funds decline in assets = -3.6%

Source: iMoneyNet
Vanguard Tax-Exempt MMF: Weekly Liquidity

Percentage of fund assets with maturities of less than 7 days

New SEC-imposed liquidity requirement
Prime Institutional Funds

Largest 25 Prime Institutional Funds
Change in Net Assets
Sept. 9 - Sept. 16, 2008

Source: iMoneyNet

Top 25 funds = 67% of Prime Institutional Market
Top 25 funds average decline in assets = -10%
Prime Institutional Funds

Largest 25 Prime Institutional Funds
Change in Net Assets
Sept. 16 - Sept. 23, 2008

Top 25 funds = 66% of Prime Institutional Market
Top 25 funds average decline in assets = -24%

Source: iMoneyNet
Prime Retail Funds

Largest 25 Prime Retail Funds
Change in Net Assets
Sept. 9 - Sept. 16, 2008

Top 25 funds = 75% of Prime Retail Market
Top 25 funds average change in assets = 0%

Source: iMoneyNet
Prime Retail Funds

Largest 25 Prime Retail Funds
Change in Net Assets
Sept. 16 - Sept. 23, 2008

Top 25 funds = 75% of Prime Retail Market
Top 25 funds decline in assets = -3%

Source: iMoneyNet