

Memo

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To: Norm Champ, Director
David Grim, Deputy Director
Sarah ten Siethoff, Senior Special Counsel,
Diane Blizzard, Associate Director for Rulemaking
Sharon Pichler, Senior Financial Analyst
Marian Fowler, Senior Counsel
Rich Rodgers, Senior Special Counsel,
Jennifer McHugh, Senior Advisor to the Chairman
Tom McGowan, Associate Director
Craig Lewis, Chief Economist and Director

From: Peter J. Germain 

Date: March 28, 2014

RE: Follow up on Information Requested During our
Meeting of March 11, 2014

I am writing as a follow up to our visit with the SEC staff on March 11th. First, I wanted to thank you for taking time out of your schedules to meet with us on the subject of money market fund reform.

As you may recall, during our meeting a request was made for information as to the total amount of cash sweep assets in prime money market funds. Since the date of our meeting we have made numerous attempts to ascertain that information. For example, we queried IMoneyNet, the ICI, Peter Crane and Treasury Strategies. Unfortunately, there does not appear to be reliable industry data indicating the total amount of sweep assets in prime money market funds.

Federated has looked at its own records and has been able to determine that as of January 31, 2014, it had approximately \$48.8 billion in prime sweep assets out of a total of \$89.7 billion in prime assets. You may want to consider looking at the 54.4% of prime sweep assets as a rough proxy for industry numbers in the absence of other available data.

There is a consensus that prime sweep cannot be adapted for a floating NAV fund. It also presents a challenge for implementing an retail exemption, due to its omnibus nature. Bank products are the most common alternatives to prime funds in sweep programs, followed by retail repurchase agreements, so any sweep money leaving prime funds would likely migrate to these products.

I hope this information is helpful. Please call me at the number below if you have any questions. Thank you again for meeting with us.