

MEMORANDUM

To: Liquidity Risk Management Programs Proposal File

From: John Foley
Attorney-Adviser, Division of Investment Management

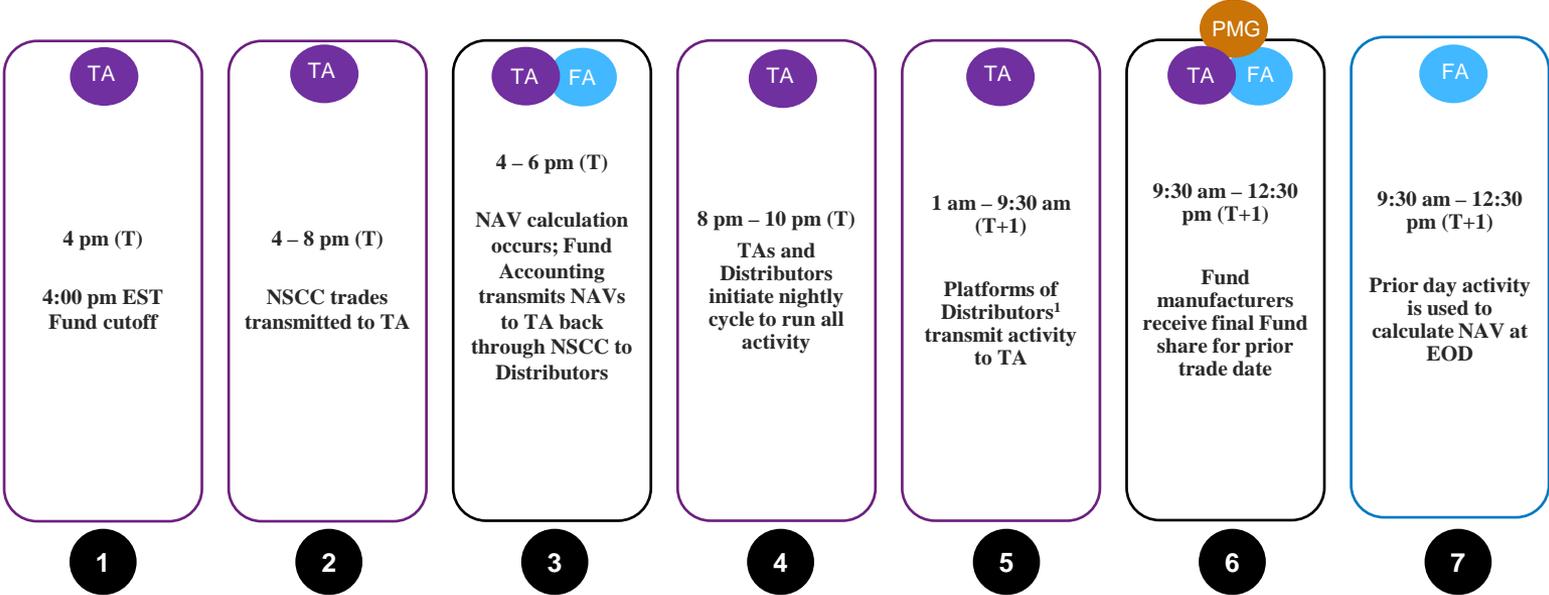
Date: March 17, 2016

Re: Meeting with Representatives of the Global Association of Risk Professionals

On March 17, 2016, Thoreau Bartmann (Branch Chief, Division of Investment Management (“IM”)), Kathleen Joaquin (Senior Fellow, IM), Sarah G. ten Siethoff (Assistant Director, IM) and other Commission staff members met with Rich Apostolik (President and CEO, Global Association of Risk Professionals (“GARP”) and representatives from several member firms of GARP’s Buy-Side Risk Managers Forum Swing Pricing Sub Committee. Among other things, the parties discussed the Commission’s proposal on liquidity risk management programs and swing pricing.

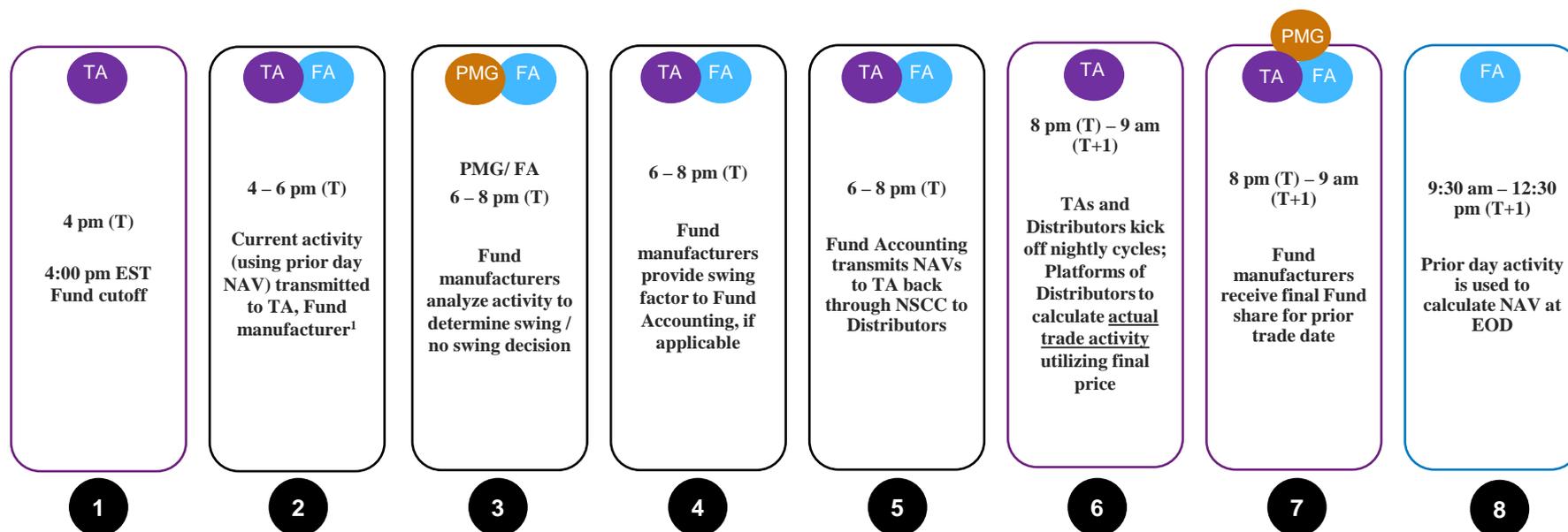
Swing Pricing Indicative Flows

Current US Model



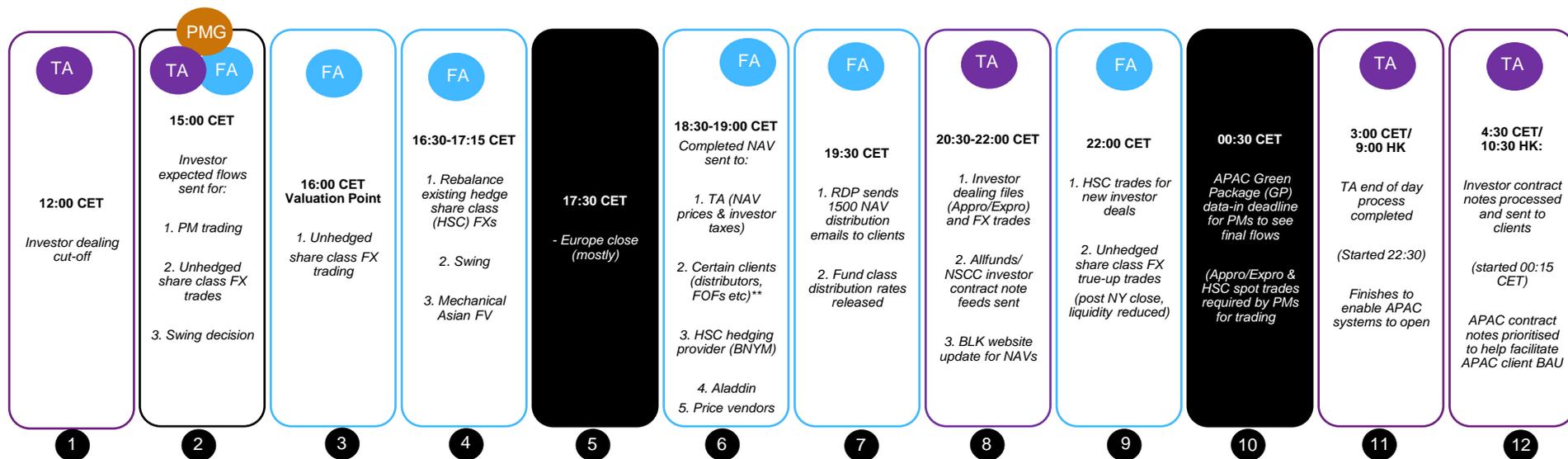
¹ Platforms of distributors = Recordkeepers, Insurance, Trust Companies, and Third Party Administrators

Proposed US Model



¹ Platforms of distributors will use prior day's NAV to provide estimated Fund share activity; broker-dealers and clearing firms' will provide current day activity

Representative Luxembourg Range NAV Timeline

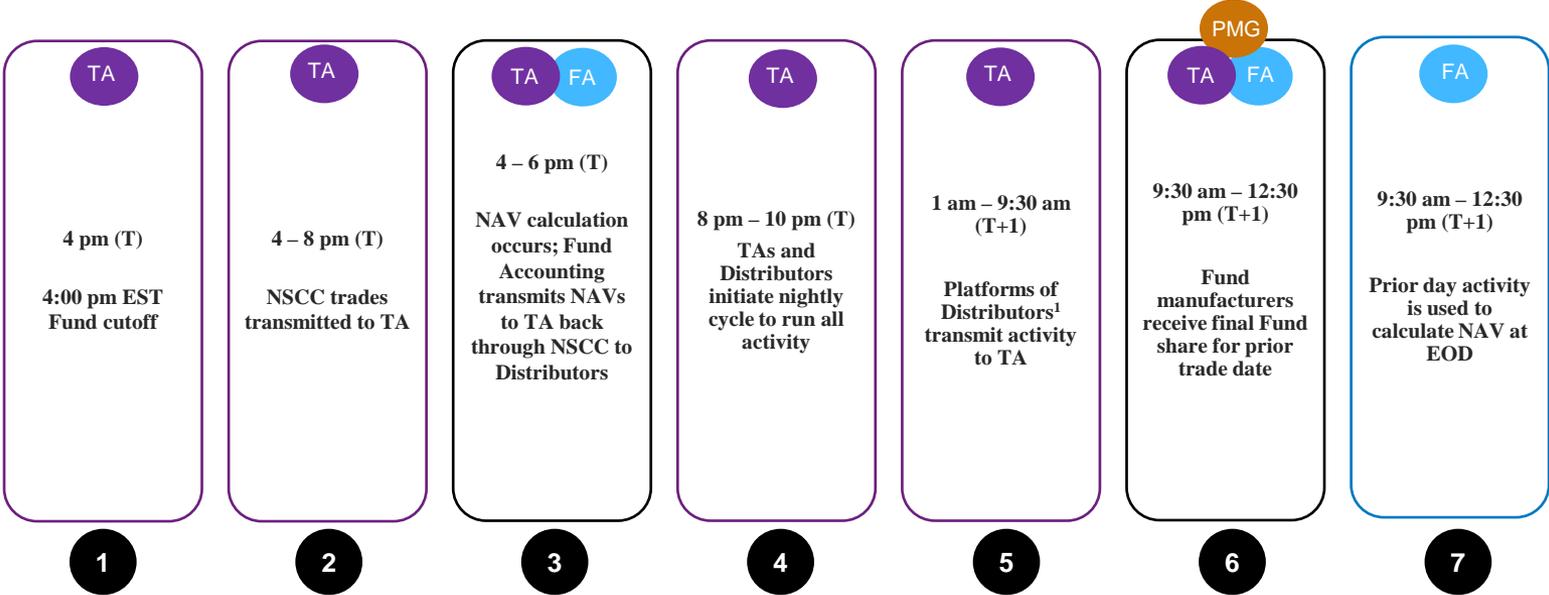


Key Deadlines:

- 6 19:00 CET: Client SLAs to receive NAVs
- 9 22:00 CET: Hedge/spot FX trades to be done before NY close to ensure adequate liquidity
- 10 00:30 CET: GP deadline to enable APAC PMG to view new investor deals
- 12 04:30 CET: APAC clients receive contract notes to update systems & make payments

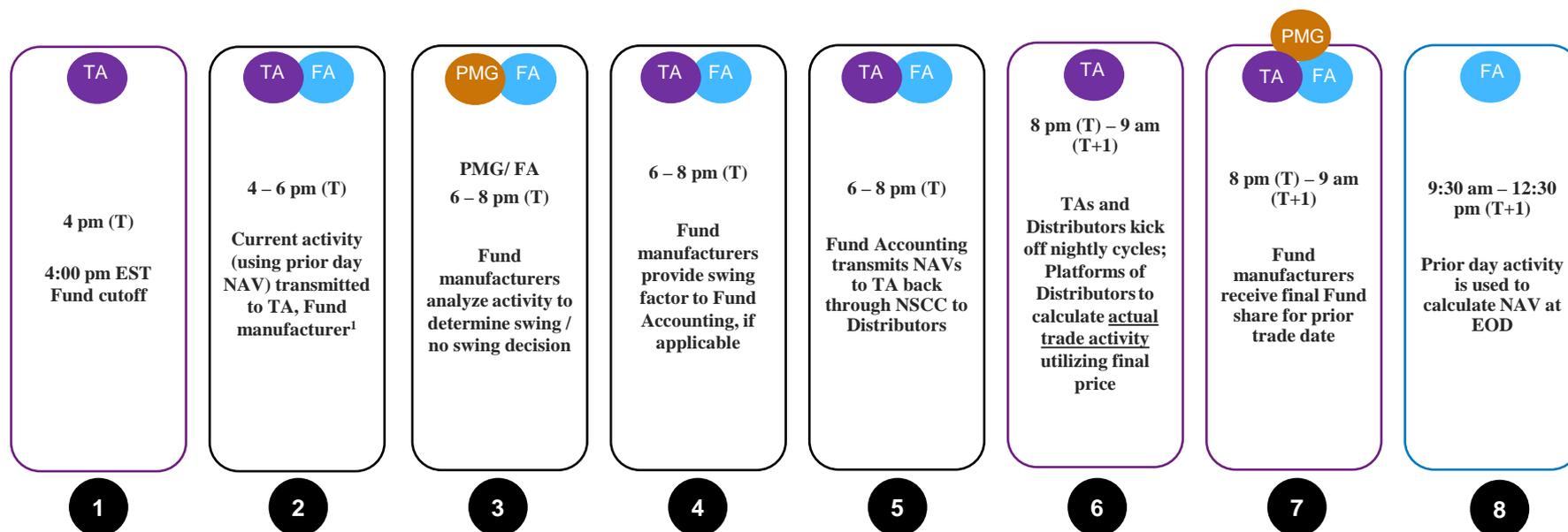
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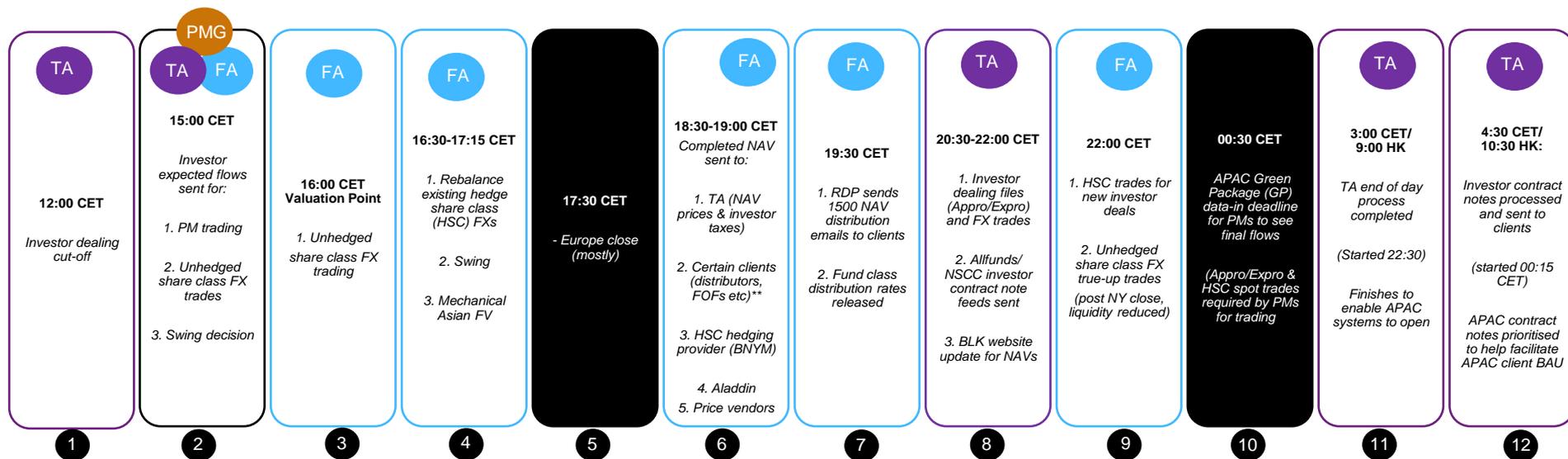
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