Dimensional Fund Advisors LP
6300 Bee Cave Rd., Building One
Austin, TX 78746

April 11, 2022

Vanessa A. Countryman
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Money Market Fund Reforms

Dear Ms. Countryman,

Dimensional Fund Advisors LP ("Dimensional") welcomes the opportunity to provide the US Securities and Exchange Commission (the "Commission") with our views on its proposed Money Market Fund Reforms.[1] Generally, we agree with the recommendations made by the Investment Company Institute (the "ICI") in its April 11, 2022 comment letter. In particular, we strongly encourage the Commission to exempt nonpublic institutional prime money market funds ("Nonpublic MMFs") from any mandatory swing pricing requirements.

As the ICI explains in its letter, shareholders of Nonpublic MMFs do not need special protections, because Nonpublic MMFs are generally designed for a very specific purpose—to manage the cash of other funds in the same fund complex. Dimensional serves as the investment advisor to one such Nonpublic MMF, The DFA Short Term Investment Fund ("DSTIF"). Currently, DSTIF is offered only to Dimensional funds and is used primarily to invest the cash collateral received for securities loans made by the Dimensional funds.

Because Nonpublic MMFs are typically used as internal cash management vehicles, they simply do not face the concerns that the proposed swing pricing requirements are designed to address—*i.e.*, that the costs associated with meeting redemptions will incentivize shareholders to redeem quickly to avoid losses, particularly in times of market stress. DSTIF's redemptions, for example, are driven by the securities lending activities of the Dimensional funds, not by shareholders worried about a run on the fund. Furthermore, the concern that a shareholder might seek a first mover advantage does not exist in this context—Dimensional, as the investment advisor to the Dimensional funds, owes a fiduciary duty to *all* of DSTIF's shareholders. Requiring Nonpublic MMFs to implement swing pricing each time the fund experiences net redemptions over a pricing period will be costly for funds and their shareholders without much, if any, corresponding benefit.[2]

To be clear, we are not opposed to swing pricing in all cases. On the contrary, we believe swing pricing could be a useful tool for funds to prevent the dilution of the interests of non-

1 *Money Market Fund Reforms*, Release No. IC-34441 (Dec. 15, 2021).

2 For example, if the proposed rules had been in effect, DSTIF would have had to implement swing pricing on 121 days in 2021 and 129 days in 2020, about half of the trading days each year.

redeeming shareholders. However, we believe that it should be up to a fund's board and advisor to determine whether implementing swing pricing is in the best interests of the fund and its shareholders.

For these reasons, we believe that imposing mandatory swing pricing—or any other mandatory anti-dilution mechanisms—on Nonpublic MMFs is unnecessary, and we strongly encourage the Commission to exempt Nonpublic MMFs from any requirement to implement swing pricing.

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If we can be of further assistance, please do not hesitate to contact Stephanie Hui, Vice President and Counsel. We would welcome the opportunity to expand on our discussion of these issues.

Sincerely,

Gerard O Reilly

Gerard O'Reilly
Co-CEO and Chief Investment Officer