

# The Guide to Rule 2a-7

## A Map Through the Maze for the Money Market Professional

*with Practical Applications*

**Updated  
3rd Edition**

Retired Counsel Joan Ohlbaum Swirsky, Esq. | Stradley Ronon Stevens & Young, LLP

*Background text is excerpted from Stradley Ronon's archival copy of the report of the 1939 hearings on the legislation that became the Investment Company Act of 1940. Stradley Ronon name partner Andrew B. Young attended the hearings and the report bears his comments.*

### 3rd Edition – Newly Revised and Expanded to Reflect the Fundamental Reform of Rule 2a-7

Rule 2a-7 is a complex, often puzzling array of stringent requirements, further complicated by the 2014 reforms. This unique **Guide** will help you understand the impact of the reforms and help you achieve your goals relating to money market fund issues.

#### THIS FREE **GUIDE** WILL HELP YOU:

- Optimize procedures for fees and gates.
- Address troubled securities in a money market portfolio.
- Review new and revised products being offered for investment by money market funds for compliance with Rule 2a-7.
- Respond to inquiries from the SEC staff relating to money market fund management.
- Troubleshoot a money market fund's compliance system.

#### ADDRESS CHALLENGES UNDER RULE 2A-7, INCLUDING:

- Is your fund ready to comply with SEC guidance regarding fees and gates?
- Is your retail fund accurately categorizing shareholders as retail or institutional?
- Does your fund's compliance system incorporate the latest SEC commentary on stress testing?
- Does your fund's compliance system adequately reflect the elimination of references to ratings in Rule 2a-7?

#### DISCOVER READER-FRIENDLY, JARGON-FREE GUIDANCE, INCLUDING:

- Practical interpretations useful in everyday practice.
- Crystallization of ideas scattered throughout the Rule.
- Insight for structuring a portfolio and ensuring compliance, enabling you to:
  - issue-spot as new products come to market;
  - be prepared to address SEC inquiries; and
  - maintain high standards of risk-management assessment.

#### WHO SHOULD READ THE **GUIDE**:

- Portfolio Managers
- Compliance Professionals
- Credit Analysts
- Fixed-Income Personnel
- Money Market Fund Administration/Marketing Staff
- Legal Practitioners
- Accountants





### ABOUT THE AUTHOR:

Retired Counsel Joan Ohlbaum Swirsky represented clients for more than 35 years, including more than 25 years advising investment companies on regulatory compliance and general corporate matters under the Investment Company Act of 1940.

Ms. Swirsky also represented clients on a diverse range of investment company matters, with a specialty in issues related to money market funds operated in accordance with Rule 2a-7 under the Investment Company Act of 1940.

### SAMPLE FROM TABLE OF CONTENTS:

- When the Stable Share Value or Liquidity is Threatened
- Board Action Upon Signification Deviation; Material Dilution or Unfair Results
- Breaking the Dollar
- Portfolio Management – Quality, Diversification, Maturity and Liquidity
- Some Complexities of the Floating NAV
- Fees and Gates
- Stress Testing

### OUR EXPERIENCE:

Stradley Ronon is nationally recognized for having one of the premier investment management practices in the United States, representing investment company clients with more than 1,500 separate funds and assets under management

exceeding \$3 trillion. Our Investment Management Group provides assistance with respect to the full range of investment company products, including registered and unregistered open-end mutual funds, exchange-traded funds, money market funds, closed-end funds, interval funds, business development companies and unit investment trusts. We also act as counsel to investment advisers, hedge fund sponsors, managers, administrators and underwriters/distributors, as independent legal counsel to investment company independent directors/trustees, and as special counsel to other law firms with regard to complex issues arising under the Investment Company Act of 1940.

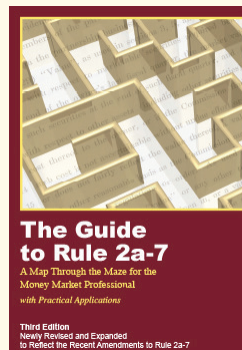
We have prepared the *Guide* based on our extensive experience with money market funds – analyzing their investments, advising money market professionals, and shaping and interpreting new regulatory requirements. We are eager to share our knowledge with you through the *Guide*.

If you have questions regarding Money Market Funds, please contact **Jamie M. Gershkow** at [jgershkov@stradley.com](mailto:jgershkov@stradley.com) or 212.404.0654.

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