

# The Guide to Rule 2a-7

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

*with Practical Applications*

Updated  
2nd Edition

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.

### 2nd Edition – Newly Revised and Expanded to Reflect the Recent Amendments to Rule 2a-7

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

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

- 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.

#### GET ANSWERS TO CHALLENGING **RULE 2a-7** QUESTIONS, INCLUDING:

- Is your fund complying with SEC guidance regarding maturity and liquidity calculations?
- Is your fund providing the Board all relevant information regarding the shadow price?
- Does your fund's compliance system recognize that when a fund purchases a security with a guarantee or a demand feature, four provisions of Rule 2a-7 are called into play?
- Is your fund's compliance system adequate to address the Rule 2a-7 requirement to review long-term ratings of a security in two situations?

#### 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:

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Joan Ohlbaum Swirsky is of counsel in Stradley Ronon’s Investment Management/ Mutual Funds Practice Group. Ms. Swirsky has counseled clients for more than 25 years, including more than 15 years advising investment companies on regulatory compliance and general corporate matters under the Investment Company Act of 1940.

Ms. Swirsky represents 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 is Threatened
- Board Action Upon Signification Deviation; Material Dilution or Unfair Results
- Breaking the Dollar
- Portfolio Management – Quality, Diversification, Maturity and Liquidity for Tax Exempt Funds, Tax Exempt Funds Which are Single State Funds and Taxable Funds
- Quality Tests – Minimal Credit Risks, Eligible Security Rating Quality and Limit on Second Tier Securities
- Liquidity
- 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 700 separate mutual funds and assets under management totaling nearly \$1 trillion.

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. A major focus of our practice for more than 15 years has been advising money market professionals on compliance issues.

Our attorneys provide an experienced perspective and analysis, and we are eager to share our knowledge with you through the *Guide*.

Please send me a free copy of:

***The Guide to Rule 2a-7 (2nd Edition):***  
***A Map Through the Maze for the Money Market Professional***  
***with Practical Applications***

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Yes, I would also like to receive copies of Stradley Ronon’s Investment Management Group’s newsletter, *Fund Alert*.

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