

# Money Market Insight™

Monthly money market industry analysis from the publisher of Money Fund Report™

## ◆ OFFSHORE MONEY-MARKET FUND ASSETS POISED FOR CONTINUED GROWTH

“The European money-market funds industry saw its assets under management surge by more than \$100 billion to \$366 billion (€281 billion, £186 billion) last year.” This was the lead sentence in an article published on Feb. 5 in the *Financial Times*, written by Steve Johnson.

Johnson stated, “And, if industry cheerleaders are to be believed, an extraordinary confluence of events could be set to fuel yet more explosive growth for this easily overlooked corner of the asset management landscape.”

“I believe we could be at a trillion dollars within four or five years,” noted Donald Aiken, chairman of the Institutional Money Market Funds Association.

Ronny Maiti, head of fund products at Abbey Financial Markets, a division of Spain’s Banco Santander and a new member of IMMFA, told FT, “Monetary aggregates suggest there is a significant chance of the European market being as big as, if not bigger than, that of the United States. Cash is a forgotten asset class.” Abbey launched its first money-market funds in September.

“A switch in behavior by pension funds and four legislative and regulatory changes have combined to thrust the low-key sector into the spotlight,” Johnson noted.

Another reason for such optimism is changes in rules on capital adequacy requirements for banks under the European Union’s Basel II-inspired Capital Requirements Directive. Triple-A-rated money funds now have an identical risk weighting to bank deposits and “could attract sizable investment flows,” according to Standard & Poor’s. Money funds have been treated the same as higher-risk equity funds, making MMFs less attractive than inter-bank deposits.

Robin Cresswell, managing principal at Payden & Rygel, told FT that “he has already seen clients such as corporates, pension funds and charities switch from deposits to money-market funds after being approached by their banks.” Payden & Rygel, advisers of the 2006 Money Fund Award winner Bunker Hill MMF, plan to launch three money funds later this month to take advantage of the growing popularity of MMFs in the offshore market place.

Another factor that could lead to additional asset growth in MMFs is the European Union’s Markets in Financial Instruments Directive. Under this directive, which is due to be introduced in November, “those holding money on behalf of clients will, for the first time, be able to use qualifying money-market funds, rather than simply relying on bank accounts.”

A decision made by the U.K.’s Financial Services Authority provided that “banks and building societies that fall inside its liquidity mismatch regime – a measure used to assess the divergence between likely short-term inflows and outflows – can now include 95 percent of the value of holdings within triple-A-rated money-market funds, putting them on a par with the highest quality of non-government debt securities.”

Aiken told FT that he is hopeful this ruling will be extended to

the U.K.’s largest banks, which fall under the FSA’s eligible stock regime, rather than the mismatch rules.

### Could Money-Market Funds Be Launched Onshore?

Aiken believes that “national regulators such as the FSA could pave the way for MMFs to be launched onshore as early as 2008. At present, the European industry is almost exclusively based in Luxembourg and Dublin as onshore regulations mean the portfolio assets of MMFs must be repriced on a mark-to-market basis, rather than simply being amortized.”

FT notes, “However, Mr. Aiken is confident the Committee of European Securities Regulators’ ongoing consultations on eligible assets under the UCITS regime will allow onshore MMFs to employ amortization.”

### MMFs Propel Worldwide Asset Growth in Q3 2006

“Mutual fund assets worldwide increased 4.1 percent to \$20.22 trillion at the end of the third quarter of 2006. Net new cash flow to all funds worldwide increased to \$252 billion in the third quarter, from \$106 billion in the second quarter of 2006,” reported the Investment Company Institute in its recently released quarterly report, “Worldwide Mutual Fund Assets and Flows, Third Quarter 2006.” The report continued, “Inflows to long-term funds were \$128 billion in the third quarter, about on par with the \$135 billion of inflows in the second quarter, but well below the first-quarter pace of \$409 billion. In contrast, inflows to money-market funds strengthened for the second consecutive quarter, reaching \$124 billion in the third quarter, compared to \$71 billion in the second quarter and \$28 billion in the first quarter. On a year-to-date basis, net cash flow to all funds was \$895 billion, \$208 billion higher than in the first three quarters of 2005.”

The statistics provided to ICI do not include data for offshore funds from any of the reporting countries. The current report contains statistics from 42 countries and includes data from “publicly offered open-end funds investing in transferable securities and money-market instruments,” according to an ICI spokesperson. The ICI compiles worldwide statistics on behalf of the International Investment Funds Association, an organization of national mutual fund associations.

### MMF Assets Increase

ICI reports, “The pace of flows into money-market funds accelerated in the third quarter to \$124 billion. The United States accounted for \$101 billion of money-market inflows in the third quarter, up from \$58 billion in the second quarter and from \$5 billion in the first quarter. Flows outside the U.S. also strengthened, rising to \$23 billion in the third quarter, up from \$13 billion in the second quarter.” In the first quarter of 2006, flows outside the U.S. were \$23 billion.

Despite the positive flows into money funds, the asset share of money-market funds stood at 18 percent at the end of September, unchanged from June and March. One year earlier, money-market funds also represented 18 percent. The bond funds’ asset share was

## MONEY FUND NEWS

---

18 percent, compared to 19 percent in June, and down from 20 percent one year ago. At the end of the third quarter of 2003, the asset share of money-market funds was 25 percent; that of bond funds was 23 percent.

By region, the Americas have been losing asset share since 2003. At the end of the third quarter of 2003, 58 percent of worldwide assets were in this region, 32 percent were in Europe and 10 percent in Africa and Asia/Pacific. Twelve months later, the Americas share had slipped to 57 percent; Europe had 33 percent, the Africa and Asia/Pacific share was unchanged. At the end of the third quarter of 2005, the Americas had 55 percent of worldwide assets, Europe had 34 percent and Africa and Asia/Pacific had 11 percent. As of the third quarter of 2006, 53 percent of worldwide assets were in the Americas, 35 percent were in Europe, and 11 percent were in Africa and Asia/Pacific. ♦

---

### ◆ ECB HINTS AT MARCH RATE INCREASE

Record-high money supply was among several inflation-related indicators referenced by European Central Bank president Jean-Claude Trichet at a recent ECB meeting.

While the outcome saw key rates remain steady at 3.5 percent, March may see a rate hike. ECB observers note that previous rate hikes have always followed Trichet pledging “strong vigilance” when it comes to inflation. At the Feb. 8 meeting, Trichet said, “We will be strongly vigilant in order to ensure that risks to price stability over the medium term do not materialize.”

Wage pressures and unstable oil prices were two other indicators of inflation risk cited by Trichet. The ECB, which sets policy for the 13 nations that use the euro currency, has raised borrowing costs six times since December 2005; the latest occurred on Dec. 7. Expectation is the rate will go up another 25 basis points to 3.75 percent next month.

Meanwhile, meeting the same day, the Bank of England’s Monetary Policy Committee voted to maintain the official Bank Rate at 5.25 percent. In January, the rate was raised 25 basis points. ♦

---

### ◆ J.P. MORGAN RELEASES “GLOBAL CASH SURVEY 2006”

Regulatory developments and market trends were cited in J.P. Morgan’s eighth annual report on global cash management trends. The “JPMorgan Asset Management Global Cash Survey 2006” was done in conjunction with the Association of Corporate Treasurers and with the support of the European Associations of Corporate Treasurers.

J.P. Morgan counted 200 respondents in its survey. While most of them were from Europe and North America, treasurers from countries as far as Zimbabwe, India and Jamaica also replied, according to Robert Deutsch, head of Global Cash JPMorgan Asset Management.

The survey also found a rise in the number of smaller companies participating; approximately 21 percent compared with 16 percent last year. The other end of the spectrum found nearly 40 percent with market capitalizations of more \$5 billion.

One of the survey’s more compelling statistics was a rise in the number of treasurers with five or fewer primary banking relationships. Eighty-three percent fell into that category in 2006 com-

pared with 69 percent in 2005 and 59 percent in 2004. The ability to facilitate credit banking was the No. 1 prerequisite for signing on with a bank, the survey found. Cash management and foreign exchange services ran a close second.

Cash management topped the list, with 45 percent citing it as the most important aspect of their job. Twenty-five percent answered cash forecasting and 16 percent said control issues and risk management were their top priorities.

The survey also found that bank deposits outdistanced money-market funds in the race to park surplus cash. It found the average percentage allocation to bank deposits rose to 61 percent in 2006 from 51 percent in 2005. The report said reasons for this could be the high interest-rate environment along with a higher percentage of smaller companies participating in the survey. It also pointed out that treasurers who use bank deposits tend to have all their cash in deposits.

The use of pooled investments, aka money-market funds, dropped from the previous year. The average allocation for 2005 was 29 percent and for 2006 it was 22 percent. U.S. cash investors were more likely to use money-market funds, the survey said. That was not surprising as U.S. investors have traditionally used money-market funds for their cash management needs and have a greater choice of funds, it said.

While U.S. cash investors tended to use money-market funds, the report found that European treasurers had a higher money-market allocation than their U.S. counterparts. This was attributed to new International Financial Reporting Standard accounting rules and increased merger and acquisition activity necessitating very liquid investments. U.S. cash investors were reportedly more likely to use enhanced cash value funds than their counterparts across the pond.

Criteria for selecting a money-market fund found respondents much more concerned with brand name and reputation than fees. In fact, fees fell behind when replies were tallied. Pointing out the ability of U.K. cash managers to negotiate rebates and the difference among the funds when it comes to fees, the survey stated they should hold a higher priority than the results reflected.

Thirty percent of the treasurers said they would only invest in AAA-rated money funds while 15 percent said they would be willing to invest in unrated funds.

Nearly three-quarters of North American treasurers use automated sweeps while only a third use sweeps in the U.K. and Europe, the survey showed. The primary reason for not using sweep accounts was uncertainty over cash projections.

When it comes to the impending rollout of the Single Euro Payments Area, the survey reflected little concern on the part of respondents about its implementation and its impact on their day-to-day operations. SEPA was just one of several queries relating to what the future may bring.

Eighty-four percent said they would likely invest in money markets in the future. Expectations also included heightened automation via more sophisticated online business models. ♦

---

### ◆ NEW BOOK TAKES A LOOK AT OPTIMIZING COMPANY CASH

“*Optimizing Company Cash*” is a primer for financial professionals on cash management commissioned by the American Institute

## MONEY FUND NEWS

---

of Public Accountants. It is co-authored by Michele Allman-Ward and her husband, A. Peter Allman-Ward. Twenty-five years of cash management experience and two prior related books made Ms. Allman-Ward the obvious choice. Because the AICPA wanted a wide array of financial professionals to access the book, she suggested that her husband, an accountant and chief financial officer of a bank, join her in the endeavor.

Speaking to *MMI*, Ms. Allman-Ward said the pairing was important because, "The treasury and the accounting fields are coming closer and closer together."

Twenty years ago, cash managers would check balances in the morning and put orders through in the afternoon. Those days are long gone, she said, with cash managers utilizing sophisticated software, analyzing data and bringing much value to the table.

The rapid movement of cash is necessitating a fresh look at how companies do business. She says accountants and cash managers access the same information but process it very differently. Accountants look at it as accrued, while cash managers see availability or else, she adds, "we could go bankrupt, guys!"

"*Optimizing Company Cash*" is a collection of information combined with practical applications. A professed "labor of love," the time and effort to compile this comprehensive practical reference guide is more than apparent. It is impressive. Each chapter concludes with the practical application of information contained therein. The book serves as a reference guiding its users through the maze of optimum money management circa 2007.

There is also good background information. For example, a chapter about the U.S. banking system and explanations about cash flows are included. Investments and incorporating asset management with treasury workstations are also covered.

Allman-Ward says "larger companies" are at the forefront because they have the resources to carry out a thorough review of operations and the costs associated with making changes. However, there is hope for the midsized and smaller players. Once again, the Internet is enabling companies to accomplish more for less money. The simplicity of online connectivity supersedes the cumbersome process of in-house integration. However, interfacing among different systems such as foreign exchange and treasury remains a challenge.

"The less savvy a company is concerning these matters, the greater the opportunity," concludes Allman-Ward. She said there are huge inefficiencies today and now there is the wherewithal to address them and reduce the cost of doing business.

---

### ◆ POWER FINANCIAL PURCHASES PUTNAM

Speculation that Power Corp. of Canada would be the new owner of Putnam Investments was put to rest with the Feb. 1 announcement that Power Corp. would indeed be purchasing the Boston-based investment company for \$3.9 billion.

Putnam announced that it would be acquired from Marsh & McLennan by Great-West Lifeco Inc., a subsidiary of Power Financial Corp. "With Power Financial, we become part of a long-established and successful organization that is deeply committed to investment management and financial services," said Putnam president and chief executive officer Charles E. Haldeman Jr.

Meanwhile, R. Jeffrey Orr, Power Corp.'s president and chief

executive officer, pledged that Putnam's leadership team "will continue to manage Putnam as a separate business, as is the practice with other companies in our group."

Founded in 1937, Putnam Investments is one of the nation's oldest and largest money-management firms. Trading scandals in 2003 resulted in billions of dollars leaving the firm. However, under Haldeman's leadership assets are climbing with north of \$190 billion under management as of December 2006. ♦

---

### ◆ STATE STREET ANNOUNCES CROSS-TOWN RIVAL TAKEOVER

State Street Corp. announced on Feb. 5 that it had signed a definitive agreement to acquire Investors Financial Services Corp. in a stock transaction valued at approximately \$4.5 billion.

Investors Financial Services, also Boston based, currently provides investment services for \$2.2 trillion in assets. "Investors Financial Services Corp. and State Street already share a similar focus, service model and customer type, which makes for a seamless and swift consolidation," Ronald Logue, State Street chairman and chief executive officer, said in a statement.

The acquisition is subject to regulatory and stockholder approval. It is expected to close by the third quarter. Its completion would result in State Street being the custodian of more than \$14 trillion. ♦

---

### ◆ SEC TAKES STEP TOWARD NEW LAW IMPLEMENTATION

The Securities and Exchange Commission has taken a step toward implementing changes outlined in the Credit Rating Agency Reform Act, signed into law by President Bush in September 2006.

At a Feb. 1 meeting, SEC commissioners voted unanimously to invite public comment on the new legislation. During the 30-day period, commissioners will seek feedback on regulations aimed at, among other things, stimulating competition in a credit rating world dominated by three agencies: Moody's Investors Service, Standard & Poor's Rating Service, and Fitch Ratings. These agencies are among five "Nationally Recognized Statistical Ratings Organizations." The other two are A.M. Best and Dominion Bond Rating Service Ltd.

The new law also requires agencies to register with the SEC if they want to become an NRSRO. Once approved, the agencies are subjected to disclosure requirements aimed at heightening transparency in the industry. ♦

---

### ◆ CACHEMATRIX ADDS THREE TO TECH TEAM

CacheMatrix Holdings LLC, in a Feb. 5 announcement, said that it has appointed three new officers to its technology firm, which provides turnkey money-market fund portal technology to banks and other financial services firms.

"With demand for our private-label solution growing rapidly, we continue to hire senior-level staff to manage our expansion," said George Hagerman, founder and chief executive officer. The additions are Steve Maegley, director of Business Analysis, John Shifty, director of Security and Infrastructure, and Robert Cassidy, director of Program Management. ♦

## 12-MONTH TREND ANALYSIS

### ◆ TAXABLE FUNDS

In January, the *Money Fund Report Average™*/All Taxable Monthly Yield and the Monthly Return slipped to 4.73% from 4.74%. The All Taxable 12-Month Yield and 12-Month Total Return climbed 9 basis points to 4.60%, the highest 12-month yield and return since September 2001. One year ago, the Average Monthly Yield and the Average Monthly Total Return stood at 3.72%; the Average 12-Month Yield and the 12-Month Total Return stood at 2.84%.

Assets of taxable money funds covered by *MMI* decreased to \$1.936 trillion, as \$9.51 billion flowed out in January. This was a decrease of 0.5%. Since January 2006 taxable assets have increased by \$284.54 billion, a gain of 17.2%. There were 1,265 taxable money funds reporting in January; 35 more than were reporting in December.

Since the end of January 2006, assets of

funds in the Prime (First Tier and Second Tier) Institutional categories have increased by \$142.79 billion, a gain of 19.7%. Assets of Government Institutional funds have increased by \$22.24 billion, a gain of 9.6% from one year ago. Taxable Institutional funds represent 57.9% of all taxable fund assets, the same percentage as one year ago.

Assets of funds in the Prime (First and Second Tier) Retail categories have grown by \$97.45 billion, a gain of 17.8% since January 2006. Government Retail funds have experienced a 12-month increase of \$22.06 billion, a gain of 15.0%.

The Average Maturity for all taxable funds stood at 42 days at the end of January, unchanged from December. One year ago, the WAM stood at 38 days. ♦

### ◆ TAX-FREE FUNDS

The *Money Fund Report Average™*/All Tax-Free Monthly Yield declined to 3.03% from 3.07% and the Monthly Total Return decreased to 3.04% from 3.08% in December. The taxable equivalent yield is 4.21% for the 28% Federal tax bracket and 4.52% for the 33% bracket.

Both the Average 12-Month Yield and 12-Month Total Return climbed 5 basis points to 2.95%. In January 2006, the Average 12-Month Yield and 12-Month Return stood at 1.98%. The average 12-month total return of the National Institutional sector increased by 6 basis points to 3.17%. The National Retail sector's average 12-month total return increased by 5 basis points to settle at 2.86%.

Tax-free assets increased by \$5.46 billion in January to a record-high \$378.64 billion, an increase of 1.5% for the month. During the last 12 months, tax-free and municipal funds' assets have gained \$30.29 billion, an increase of 8.7%. The number of tax-free funds reporting increased by one to 543 funds.

Net assets of the National Institutional group stood at \$118.49 billion as of Jan. 31, down from \$120.18 billion at the end of December. Assets of National and State-Specific Institutional funds have decreased by \$2.85 billion since January 2006, a loss of 2.1%. Market share of institutional funds, including State-Specific funds, decreased to 35.6% from 39.5% a year ago. National Retail fund assets totaled \$136.41 billion as of January; State-Specific Retail fund assets were \$107.49 billion. Since January 2006, assets in the Retail tax-free sectors have

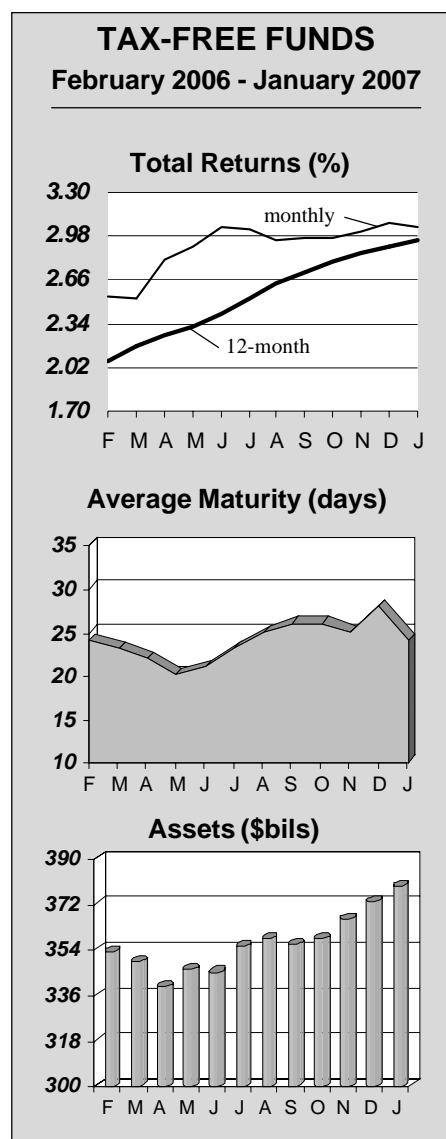
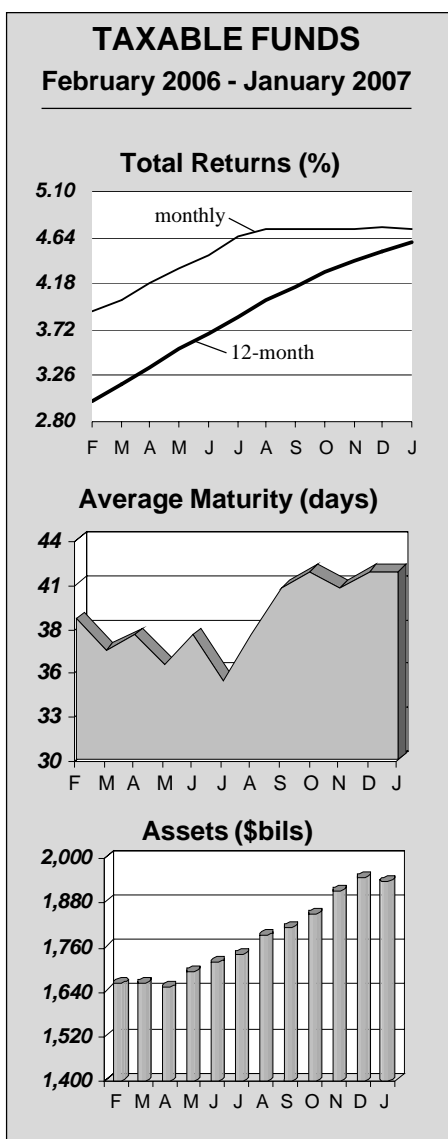
increased by \$33.15 billion, a gain of 15.7%.

The Average Maturity for all tax-free funds shortened by four days to 24 days at the end of January; one year ago the WAM was 26 days. ♦

### ◆ ALL MONEY MARKET FUNDS

Total money fund assets retreated from December's record high of \$2.319 trillion. A net outflow of \$4.05 billion in January was a loss of almost 0.2%. The 12-month change was a net increase of \$314.84 billion, a gain of 15.7%. One year ago, the 12-month asset increase was \$125.27 billion, a gain of 6.7%.

Since January 2006, the number of Taxable Institutional funds has increased by 33 funds. There were 16 fewer Taxable Retail funds in January than were reporting one year ago. The number of Tax-Free Institutional funds, 221, is four less than a year ago. There were 322 Tax-Free Retail funds reporting to *MMI*, up from 318 funds one year ago. ♦



## SUMMARY OF MONEY FUND ACTIVITY

Month Ending January 31, 2007

# of Funds	Net Assets (\$mls)		Monthly		12-Month To-Date	
			Yield (%)	Total Return (%)	Yield (%)	Total Return (%)
40	44,240.1	100% U.S. Treasury	4.30	4.30	4.16	4.16
55	32,407.9	U.S. Treasury & Repo	4.45	4.45	4.30	4.31
<u>119</u>	<u>92,261.9</u>	U.S. Government & Agencies	4.55	4.55	4.41	4.41
214	168,909.9	Total Government Assets				
<b>MONEY FUND REPORT AVERAGES™/Government</b>			<b>4.48</b>	<b>4.48</b>	<b>4.33</b>	<b>4.34</b>
347	548,549.1	First Tier	4.53	4.53	4.39	4.39
7	97,132.0	Second Tier	4.47	4.47	4.36	4.36
355	253,248.5	Government Institutional	4.83	4.83	4.71	4.71
341	852,035.4	First Tier Institutional	5.00	5.00	4.88	4.88
1	16,482.5	Second Tier Institutional	5.03	5.03	4.91	4.91
<u>697</u>	<u>1,121,766.4</u>	Total Institutional Assets & Averages	4.91	4.91	4.79	4.79
1,265	1,936,357.4	Total Taxable Assets				
<b>MONEY FUND REPORT AVERAGES™/All Taxable</b>			<b>4.73</b>	<b>4.73</b>	<b>4.60</b>	<b>4.60</b>
127	136,408.4	Stockbroker & General Purpose	2.95	2.95	2.86	2.86
136	118,485.0	Institutional	3.25	3.25	3.17	3.17
195	107,489.4	State-Specific SB & GP	2.91	2.91	2.83	2.83
<u>85</u>	<u>16,252.2</u>	State-Specific Institutional	3.10	3.10	3.03	3.03
543	378,635.0	Total Tax-Free Assets				
<b>MONEY FUND REPORT AVERAGES™/All Tax-Free</b>			<b>3.03</b>	<b>3.04</b>	<b>2.95</b>	<b>2.95</b>
1,808	2,314,992.4	Grand Total - All Funds				

Reproduction in any form without written permission is strictly forbidden.

## MONEY FUNDS WITH HIGHEST RETURNS – JANUARY 2007

### Government Retail Funds (110 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Bunker Hill MMF k	4.97%	\$520.2
Vanguard Federal MMF	4.90	6,695.0
Fidelity US Govt Reserves	4.86	3,172.8
Gabelli US Treasury MMF k	4.86	668.6
Vanguard Admiral Treasury MMF	4.80	16,800.9
Fidelity Government MMF	4.79	480.7
SSgA US Govt MMF/CI A	4.78	1,094.8
DWS Govt & Agency Money Fund	4.77	433.3
Marshall Govt MMF/Class Y k	4.75	151.9
Dreyfus BASIC US Govt MMF k	4.72	393.3
Selected Daily Govt Fund/CI D	4.72	103.8

### Prime Institutional Funds (236 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Credit Suisse Instit MMF/Prime/CI A k	5.20%	16,905.1
BGI Instit MMF/Instit I k	5.19	4,501.5
Morgan Stanley Inst Liq/MMP/Inst k	5.18	6,916.8
Amer Beacon MM Select Fund	5.17	10,949.2
Vanguard Prime MMF/Instit	5.17	8,951.0
AIM STIT STIC Prime/Instit k	5.16	4,586.5
BGI Prime MMF/Instit k	5.15	5,351.0
DWS MM Series/Institutional k	5.15	11,884.7
Monarch Daily Assets Cash/Preferred k	5.15	116.5
Morgan Stanley Inst Liq/Prime/Inst k	5.15	24,978.7
State Street Instit Liquid Reserves k	5.15	6,129.5

### Prime Retail Funds (142 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Vanguard Prime MMF/Investor	4.98%	72,446.5
McMorgan Principal Preservation k	4.96	175.1
TIAA-CREF Money Market Fund	4.96	700.8
PayPal Money Market Fund k	4.94	854.3
Harbor Money Market Fund k	4.92	205.0
MFS Money Market Fund k	4.91	1,060.0
Fidelity Money Market Fund	4.88	7,112.2
TCW Money Market Fund	4.86	646.1
Fidelity Cash Reserves	4.84	89,541.9
SSgA MMF/CI A k	4.84	8,036.4

### Tax-Free Retail Funds (67 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Alpine Municipal MMF/Investor k	3.48%	\$505.9
Vanguard Tax-Exempt MMF	3.43	19,685.9
Fidelity AMT Tax-Free Money Fund k	3.25	3,186.5
Fidelity Municipal MMF k	3.17	17,964.9
DWS Tax-Exempt Money Fund	3.16	638.4
Marshall Tax Free MMF/Class Y k	3.16	243.8
Dreyfus BASIC Muni MMF k	3.14	332.6
BlackRock Muni MMP/Hilliard Lyons k	3.13	141.8
Fidelity Tax Free Money Market k	3.13	3,001.0
Amer Century T-F MMF/Inv Class	3.12	276.1

### Government Institutional Funds (208 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Morgan Stanley Inst Liq/Govt/Inst k	5.14%	\$2,919.5
BGI Treasury MMF/Instit k	5.13	100.1
Amer Beacon US Govt MM Select k	5.12	677.6
Reserve US Govt Fund Instit	5.10	1,314.8
AIM STIT Govt & Agency/Instit k	5.07	1,576.8
BGI Govt MMF/Premium k	5.07	118.2
Janus Govt MMF/Instit Shrs k	5.07	489.4
AMF MMF/Class I k	5.04	103.4
Goldman Sachs FS Govt Fund/Inst	5.04	2,968.1
JPMorgan US Govt MMF/Capital k	5.04	4,621.9

### Tax-Free Institutional Funds (81 Funds)

Fund	12-Month Total Return	Assets (\$mls)
Lehman Bros Natl Muni MF/Reserve k	3.45%	\$183.6
Evergreen Instit Muni MMF/Instit	3.43	7,015.3
Morgan Stanley Inst Liq/T-E/Inst k	3.43	702.7
Federated/Muni Oblig Fund/Instit k	3.42	3,762.3
Columbia Muni Reserves/Capital k	3.41	4,114.7
Marshall Tax Free MMF/Class I k	3.41	206.2
Reserve Interstate T-E Instit k	3.41	761.3
BlackRock Liquidity:MuniCash Inst k	3.38	1,057.8
Fifth Third Muni MMF/Instit k	3.38	205.6
Goldman Sachs FS T-F MMF/Inst	3.38	6,830.1
Lehman Bros Tax-Free MF/Reserve k	3.38	1,228.3

Note: Rankings exclude restricted funds (\*r' footnote) and funds with assets less than \$100 million.