

NAVIGATING MONEY MARKET FUND REFORM

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Given our commitment to engage and proactively communicate with our clients on an ongoing basis, we are sharing an update on money market fund (MMF) reform with developments as of October 2, 2023.

To recap, the US Securities and Exchange Commission (SEC) approved long-anticipated MMF reform¹ on July 12, 2023. This reform, which we refer to here as MMF amendments, modifies certain rules that govern MMFs under the Investment Company Act of 1940, as amended (1940 Act), and is designed to improve the resiliency, liquidity and transparency of money market funds, thereby benefiting underlying investors. We support the MMF amendments.

Dreyfus is part of a comprehensive, multi-workstream working group which involves all areas of BNY Mellon that support the money market fund industry. Please see the following timeline and status updates from the Dreyfus team.

Amendment	Product(s) Impacted	Dreyfus Status Update
Effective October 2, 2023		
Rule 2a-7: Removal of redemption gates	MMFs	Implemented. No operational challenges to report.
Rule 2a-7: Removal of tie between liquidity fees and thresholds	MMFs	Implemented. No operational challenges to report.
Rule 2a-7: Reverse distribution mechanism (RDM) permitted when gross yields are negative²	Retail & Government MMFs	Although RDM is now permitted, we continue to work with clients and operational partners on processing and refining workflows. Additionally, we, and the industry, are patiently waiting for the Internal Revenue Service (IRS) to advise on tax treatment implications if RDM is utilized. Stay tuned—there will be more to come on the RDM front.

Amendment	Product(s) Impacted	Dreyfus Status Update
Effective April 2, 2024		
Rule 2a-7: Discretionary liquidity fee	Non-government MMFs	Discretionary fees are not new to MMFs; however, we are establishing a framework around this particular amendment internally. No operational challenges to report.
Rule 2a-7: Increased portfolio liquidity requirements	MMFs	No operational challenges to report. We are prepared to manage portfolios with these higher liquidity percentages: <ul style="list-style-type: none"> • At least 25% of the fund's total assets in daily liquid assets (increase from 10%) • At least 50% of the fund's total assets in weekly liquid assets (increase from 30%)
Rule 2a-7: Calculation of weighted average maturity (WAM)³ / weighted average life (WAL)⁴	MMFs	We agree with the SEC's determination that standardized calculations for WAM and WAL should be based on the market value of securities. We are prepared to make these changes where necessary. No operational challenges to report.
Effective June 11, 2024		
Forms N-MFP⁵, N-CR⁶	MMFs	We are in the process of working through these MMF amendments internally. No challenges to report.
Effective October 2, 2024		
Rule 2a-7: Mandatory liquidity fee	Institutional Prime and Tax-Exempt Funds	We are evaluating client needs and expectations, including how to best support the imposition of a mandatory liquidity fee from an operational and timing standpoint. If you have any views on this topic, please connect with us through your Dreyfus sales representative.

While expected, the SEC's money market fund reform is a significant regulatory change. We strongly believe Dreyfus is well positioned to continue to be a trusted partner by delivering high-quality cash management investment solutions in the space.



John Tobin
Chief Investment Officer

John is the Chief Investment Officer for Dreyfus. John is responsible for the investment management for Dreyfus’ money market mutual funds, Undertakings for Collective Investment in Transferable Securities (UCITS), cash separately managed accounts (SMAs) and ultra short ETF. He also manages the firm’s collective short-term investment trusts.

John returned to Dreyfus from J.P. Morgan Asset Management, where he was Managing Director, Global Head of Portfolio Management for the Global Liquidity business, a position he had held since 2001. In that role, John oversaw the Global Cash portfolio management teams across the U.S., EMEA, and Asia. His team was responsible for AUM across seven currencies. While at J.P. Morgan, John was a senior member of the Global Liquidity Operating Committee (GLOC). He also held the Vice-Chairman role for both the Global Cash Investment Policy Committee (GCIPC) and Trading Practices Oversight Committee (TPOC).

John began his financial career at Dreyfus in 1991, trading money market securities. Subsequently, he spent three years as a principal and senior portfolio manager at State Street Global Advisors, managing short duration portfolios prior to joining J.P. Morgan in 2001.

John earned a BBA in finance from Hofstra’s Zarb School of Business and an MBA from the MIT Sloan School of Management.



Christine Algozzini
Chief Operating Officer

Christine is the Chief Operating Officer for Dreyfus responsible for operational oversight of Dreyfus money market/short duration fixed income products.

Prior to her current role, Christine was the Director of Operations for Dreyfus where she supported the growth and maintenance of all Dreyfus money market funds, offshore liquidity funds, private money funds, subadvised money market funds, and BNY Mellon short-term collective funds.

Christine joined the Dreyfus Investment Accounting & Support department in 2002 as an accountant. From 2008 through 2016, she served as Operations Manager with responsibilities focused on cash availability, buying power and reconciliations.

Christine holds the Series 7 and 24 FINRA licenses. She earned a Bachelor of Business Administration from Hofstra University.



Francisco Gutierrez

Director, Head of Portfolio Management & Trading

Frank is the head of portfolio management & trading for Dreyfus. Frank is the lead portfolio manager overseeing the Dreyfus portfolio management and trading teams for Dreyfus money market funds, BNY Mellon offshore liquidity funds, sub-advised money market funds, and BNY Mellon’s collective investment funds. With a career spanning more than two decades, Frank has deep expertise in government and credit portfolio management and trading as well as Federal Reserve policy and macroeconomics.

Previously, Frank was a senior portfolio manager and trader with J.P. Morgan Asset Management in Global Liquidity. He had direct responsibility for the day-to-day management of over \$250 billion in assets, across U.S. treasury, government and credit in various vehicles including money market funds, Undertakings for Collective Investment in Transferable Securities (UCITS), and separately managed accounts (SMAs). He has also developed deep expertise in repurchase agreements, repo blockchain, Federal Reserve policy and macroeconomics. Frank has been in the investment industry since 1999.

Frank earned a BA from Rutgers University with a major in economics. Frank is also a board member for Dominicans on Wall Street (DOWS), a nonprofit focused on financial literacy, education and professional development of Hispanic professionals and students.



Oksana Miller

VP, Senior Product Strategist

Oksana is a senior product strategist responsible for new product development and product management of Dreyfus’ suite of money market funds, separately managed accounts and exchange-traded fund. She is also responsible for driving innovation throughout our product suite.

Oksana joins us from VanEck where she was a senior product manager, covering active equity and debt strategies as well as ESG and sustainable investing. She was responsible for new product development, product management and client coverage. With over a decade of experience in the asset management and private equity space, Oksana held various positions in research, new product development, product management and global client coverage.

Oksana is a member of the CFA Institute and CFA Society New York. She received a Master of Public Administration from New York University and a Bachelor of Arts from Horlivka State Institute in Ukraine.

Endnotes

- ¹ Source: The SEC. <https://www.sec.gov/files/rules/final/2023/33-11211.pdf>
- ² RDM is the process of reducing a fund's number of shares outstanding while the fund maintains a stable net asset value per share. RDM is essentially the mirror image of dividend reinvestment. Instead of using dividends to purchase additional shares, RDM covers negative yields by canceling shares. Source: BNY Mellon.
- ³ WAM is a measure of the average effective maturity of all of the underlying money market instruments in the fund, weighted to reflect the relative percentage ownership of each instrument. WAM calculations allow for the maturities of certain securities with periodic interest rate resets to be shortened. Generally, for money market funds, WAM can be used primarily as a measure of relative sensitivity to interest rate changes.
- ⁴ WAL is a measure of the average final maturity of all of the underlying market instruments in the fund, weighted to reflect the relative percentage ownership of each instrument. Unlike WAM, WAL calculations do not allow maturities to be shortened for periodic interest rate resets. Accordingly, WAL will generally be higher than WAM.
- ⁵ Form N-MFP is used for monthly reports of money market funds to report information about the fund and its portfolio holdings for the preceding month.
- ⁶ Form N-CR is the public reporting form that is to be used for current reports of money market funds required by section 30(b) of the 1940 Act and rule 30b1-8 under the 1940 Act.

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