

# Net shareholder activity

BlackRock®

2018 – 2023 lookback analysis

On August 3, 2023, the Securities and Exchange Commission ("SEC") posted to the Federal Register amendments to certain rules that govern money market funds under the Investment Company Act of 1940 (the "Reform").<sup>1</sup>

## Money market fund reform

**Under the Reform, every institutional prime and tax-exempt money market fund will be required to apply a mandatory liquidity fee on any given day that net redemptions in the fund exceed 5%, if liquidity costs are determined not to be *de minimis*.**

The SEC has noted that "an average of 3.2% of institutional funds would cross a 5% net redemption threshold on a given day", however, under normal market conditions the SEC anticipates a fund's liquidity costs will generally be *de minimis*.<sup>2</sup>

BlackRock has received client inquiries on how the new mandatory liquidity fee requirement will impact their money market funds, and in response to such requests, BlackRock has performed a five-year historical analysis on net redemptions across BlackRock Liquidity Funds: TempFund, BlackRock Liquidity Funds: TempCash, and Liquid Environmentally Aware Fund (LEAF®)

**Since June 2018, these three institutional prime funds have breached the 5% net redemption threshold 41 times in aggregate.**

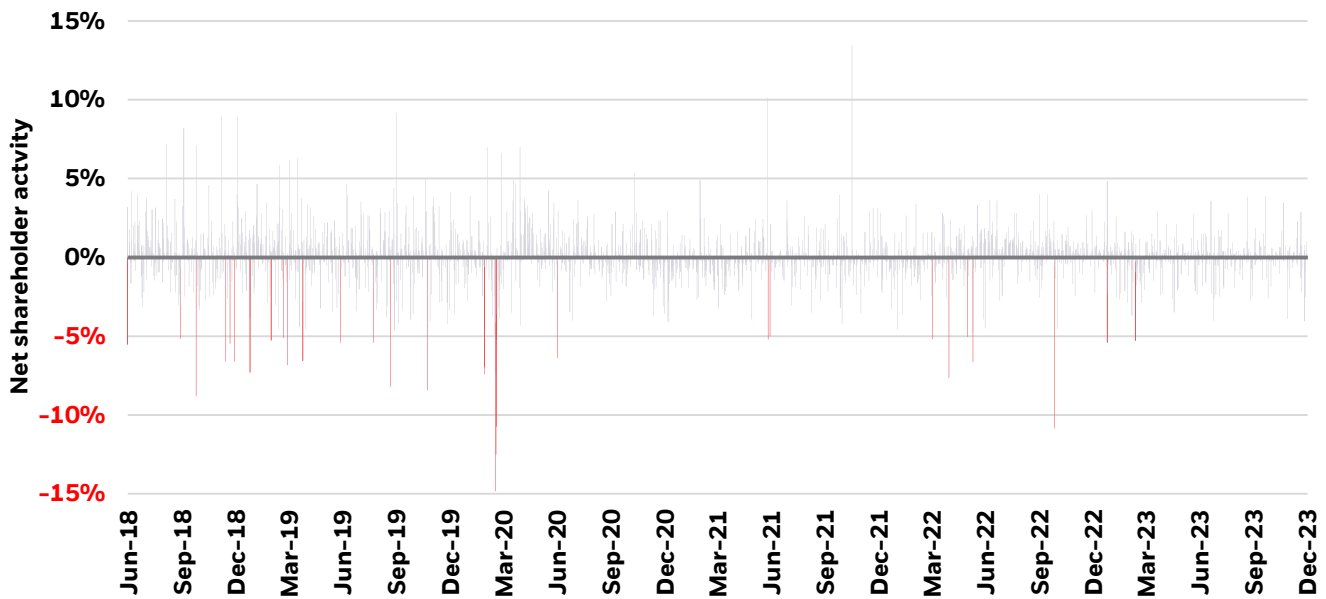
Although the funds experienced net redemptions above 5%, the liquidity of the funds was not found to be impaired during such periods and the funds continued to hold adequate amounts of daily and weekly liquid assets in order to meet redemptions.

<sup>1</sup> Securities and Exchange Commission, "Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A," SEC.gov, August 3, 2023, <https://www.sec.gov/files/rules/final/2023/33-11211.pdf>

<sup>2</sup> Id page 54

# TempFund

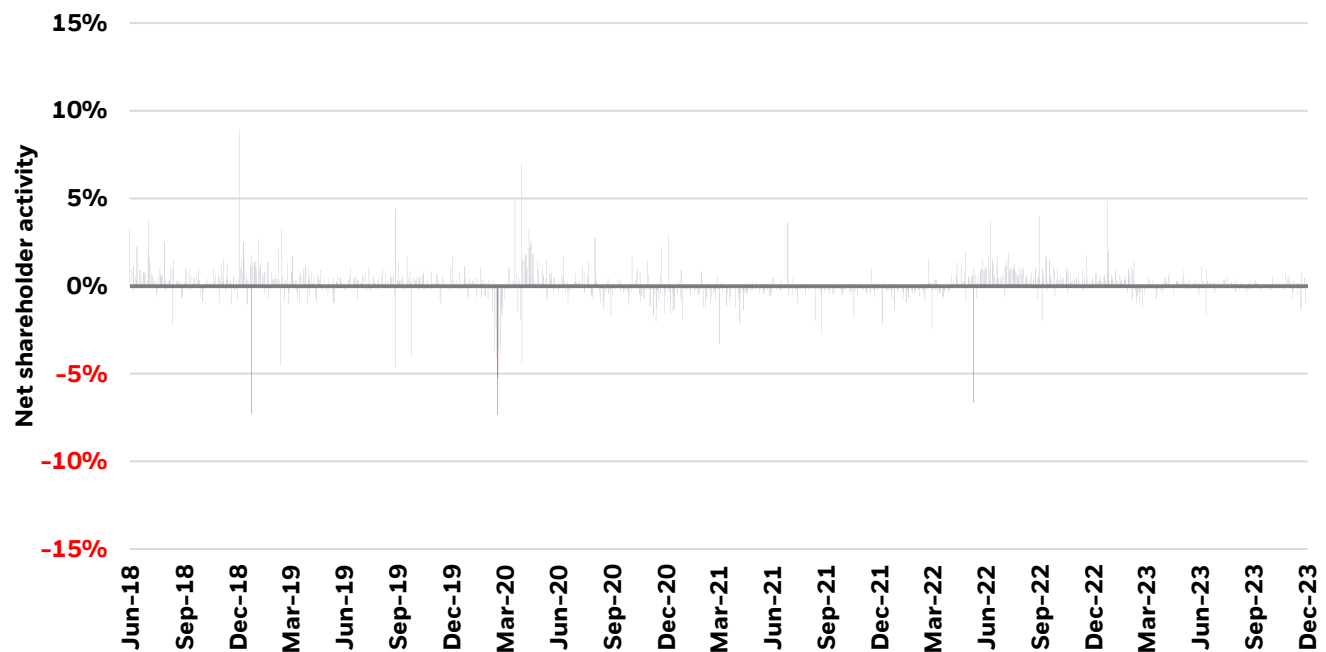
From June 1, 2018–December 31, 2023, there were **28 trading days** where net redemptions exceeded 5%, **representing 2% of the total number of trading days**.



Source: BlackRock as of December 31, 2023. Shareholder activity data are estimates of intraday trade data based on the day over day change in the net asset value (NAV) of the fund. Under the new rule, the fund will use information about its net flows for the day that are available within a reasonable period of time after the last pricing time of that day. **Past redemptions may not be indicative of future redemption patterns.**

# TempCash

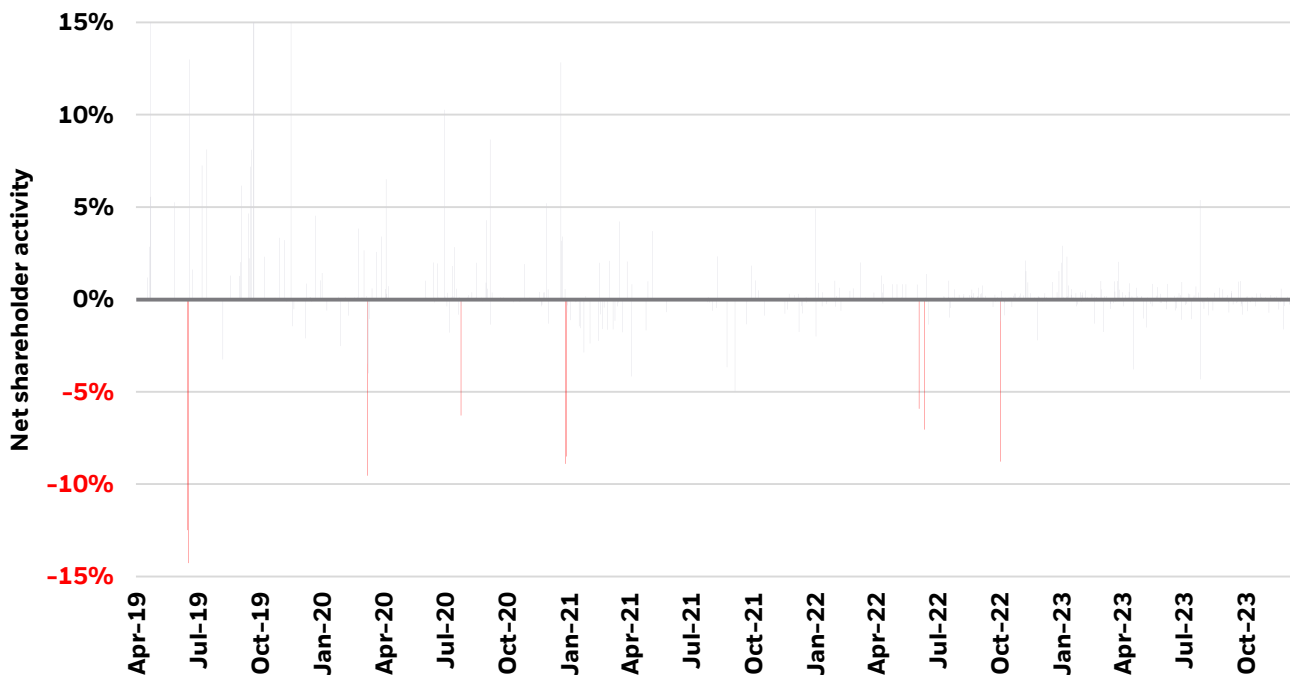
From June 1, 2018–December 31, 2023, there were **4 trading days** where net redemptions exceeded 5%, **representing <1% of the total number of trading days**.



Source: BlackRock as of December 31, 2023. Shareholder activity data are estimates of intraday trade data based on the day over day change in the net asset value (NAV) of the fund. Under the new rule, the fund will use information about its net flows for the day that are available within a reasonable period of time after the last pricing time of that day. **Past redemptions may not be indicative of future redemption patterns.**

# Liquid Environmentally Aware Fund (LEAF®)

From fund inception on April 9, 2019–December 31, 2023, there were **9 trading days** where net redemptions exceeded 5%, representing **1% of the total number of trading days**.



Source: BlackRock as of December 31, 2023. Shareholder activity data are estimates of intraday trade data based on the day over day change in the net asset value (NAV) of the fund. Under the new rule, the fund will use information about its net flows for the day that are available within a reasonable period of time after the last pricing time of that day. Past redemptions may not be indicative of future redemption patterns.

## Want to know more?

[blackrock.com/cash](https://blackrock.com/cash) | [cashmgmt@blackrock.com](mailto:cashmgmt@blackrock.com) | 800-441-7450

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**Disclosures related to TempFund, TempCash, and Liquid Environmentally Aware Fund (LEAF®): You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares. The Fund generally must impose a fee when net sales of Fund shares exceed certain levels. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.**

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