



# Money Fund Intelligence

June 2009

Reprinted w/Permission

ISSN 1931-3497

## Portal News: Institutional Cash Distributors Update

Online money fund trading portal **Institutional Cash Distributors (ICD)** has been busy of late, buying out parent brokerage firm, **Merriman Curran Ford**, organizing its own LLC, filing as a new broker-dealer, expanding its European sales team, and hiring a new CEO. We got a brief update on the eve of the company's West Coast Client Conference from Co-Founder **Ed Baldry** and new CEO **Christopher Aguilar**.

We first asked, "How have portals and ICD weathered the crisis?" Baldry tell us, "We can't speak for everyone. Some players have struggled and even closed their doors or changed their look altogether. So we look at it as a time of change, evolution and turmoil, but it has been pretty positive for us. We've done tremendously. The firm has continued to grow in a very tumultuous market. We have more than doubled the size of money fund assets since last March, to over \$50 billion."

On the market turmoil, he says, "Over the last 12 months we could've removed the 'yield' column from our portal, and nobody would've noticed. We had fund company clients that we had done

business with historically, or prospects that we were talking with, that called up and said, 'How much can you handle and how quick?' in the government or Treasury space. And we have one of the largest, most comprehensive Treasury and government lineups in the industry."

Aguilar tells us, "I think one of the other key factors to success is that we go to our investor clients and we go to our fund clients. We go to them, we get in front of them, and I think that makes a big difference. We're small and nimble enough that when we organize a function with our clients, they can get close to our whole team. I think it makes a difference to know exactly who is on the other side of the telephone, and knowing that you've met them when they are tasked with acting as your broker."

We asked, "How have investors reacted to events?" Baldry says, "A lot of them definitely got very nervous and pulled back, which was a reasonable response to the marketplace environment. Events like **Reserve** simply made it impossible for clients to ignore the risk out there.

But, I think on the whole it will be good for the business. We look at some of the ways that the ICI is addressing the money fund business. We look at the transparency that it is promoting and driving in the industry.... The good news for the client is

**"Over the last 12 months we could've removed the 'yield' column from our portal, and nobody would've noticed."**

- ICD's Ed Baldry

that now more than ever they can really be heard by the fund companies, and we helped to deliver that message."

Finally, he says, "Our message never really changed. It has always been, 'Look at the holdings of the underlying funds. Don't buy a fund that doesn't have anything in it that you wouldn't buy yourself.' We are 100% agnostic, we're an independent provider, we're solely driven by the client. We offer a universe of funds and we do not have proprietary products, so that lends itself to an unbiased approach.... We are simply a facilitator for enhanced transparency, speed of due diligence, and breadth and depth of information.... When we started this business, we thought it was primarily a vehicle for people to maximize their returns. We've learned that it's now more of a reporting analytics and transparency play than ever before." ♦

Not FDIC insured. May lose value. No bank guarantee. Not NCUA or NCUSIF insured. May lose value. No credit union guarantee. The views expressed reflect those of Ed Baldry and Christopher Aguilar as of June 2009 and do not necessarily represent the views of ICD. Article copyright 2009 by Crane Data. Reprinted from the June 2009 issue by ICD with permission from Crane Data.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Before investing, consider the funds' investment objectives, risks, charges, and expenses. ICD123