February 7, 2013

SIGNET JEWELERS

Financial Stability Oversight Council
Attn: Amias Gerety, Deputy Assistant
Secretary for the Financial Stability Oversight Council
Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, DC 20220

RE: Docket ID: FSOC-2012-0003

Dear Mr. Gerety:

We appreciate the opportunity to provide comments to the Financial Stability Oversight Council ("FSOC") on the proposals for money market reform. Signet Jewelers Ltd is a $3.7B specialty retail jeweler operating in the US and the UK. As a Company with no outstanding debt, we are investing our cash daily in various money market and treasury funds. We support regulatory efforts such as those implemented after the 2008 financial crisis to ensure the safety, liquidity, and transparency of these important investment vehicles that are widely used by us and by many other companies for day-to-day liquidity needs. However, we have concerns about the options provided by the FSOC and the harm that floating NAV and restrictions on cash retrieval from money market funds ("MMF") would have on our business.

<u>Alternative One: Floating NAV</u>
The floating NAV option is problematic for both companies and funds. Although we understand that a floating NAV will result in minor changes to the NAV, there are inherent issues to the floating NAV to corporations. For most companies, as with ours, our policy states that safety of principal is the first goal, second is liquidity, and return is third. Although we realize there is the risk of loss when investing, having even small daily principal changes would be of great enough concern so as to potentially preclude us from using money market funds as an investment vehicle. The floating NAV would fail to meet the primary objective of investing – safety of principal. In fact, our policy is quite clear that safety of principal is the key priority, which could preclude us from investment in an instrument with a floating NAV. Additionally, this would be an administratively burdensome rule as well and could potentially create unnecessary volatility to a company's financial statements.

There are also accounting implications that would pose serious issues for companies. Money market funds are included as cash and cash equivalents due to their fixed share price and daily liquidity. Under this alternative, companies could potentially be prohibited from including these investments as cash and cash equivalents. This could also threaten a company's compliance with debt covenants that mandate certain levels of cash equivalents, as well as creating rating agency and investor concerns. In our view, these factors would make money market funds less desirable as an investment vehicle.

We do not believe that the floating NAV addresses the concern regarding a "run" on the fund. If most companies saw a fund's floating NAV trending down and creating loss of principal, a company would likely draw out of the investment before a significant loss was incurred. This would likely be incorporated into a company's investment policy if the floating NAV was adopted.

Alternative Two: Stable NAV with NAV Buffer and Minimum Balance at Risk

The option of tying up 3% of a corporate investment for 30 days will make this type of investment undesirable from a corporate perspective. One of the advantages to fund investing is its immediate liquidity. Monies invested in money market funds by corporations are a part of the day to day cash management operations given the safety, convenience, and simplicity of these investments. They are used specifically for liquidity management, so having a portion unavailable to draw for 30 days could for many companies, create severe operational issues including potentially having a need to incur financing costs while waiting for liquidation thus making these funds impractical for daily use. Additionally, this portion potentially may not be able to be classified as Cash and Marketable Securities from a GAAP perspective.

Alternative Three: Stable NAV with NAV Buffer and Other Measures

We believe in this low interest rate environment that a 3% buffer would make it difficult for funds which have low margins currently to be profitable and could therefore, reduce the amount of viable funds and/or reduce yield even further.

Recently, JPMorgan, Blackrock, and Goldman Sachs funds have begun providing their floating NAV to investors each day. This accomplishes the transparency to investors that the FSOC desires while the share value remains stable. Making this reporting change alone while maintaining a stable share price eliminates the negative aspects of the floating NAV proposal. Investors can see daily a floating NAV, but share price, safety of principal, accounting treatment, covenants, and administration are not impacted. We would support the FSOC putting in place a rule that requires money market funds to daily publish their shadow floating NAV, while maintaining a fixed stable share value.

Thank you for providing the opportunity to share our thoughts on this set of recommendations. If you have any questions about our comments, please contact me at 330-668-5931 or mhart@jewels.com.

Sincerely,

Melody Joy Hart

Melody Joy Hart, CPA, CTP
Treasurer
Signet Group Treasury Services, Inc.
Signet Jewelers Ltd.