

Optimizing ALERT[®] for the Buy-Side

AN ONLINE GLOBAL DATABASE FOR THE MAINTENANCE AND COMMUNICATION OF ACCOUNTS AND SSIs.

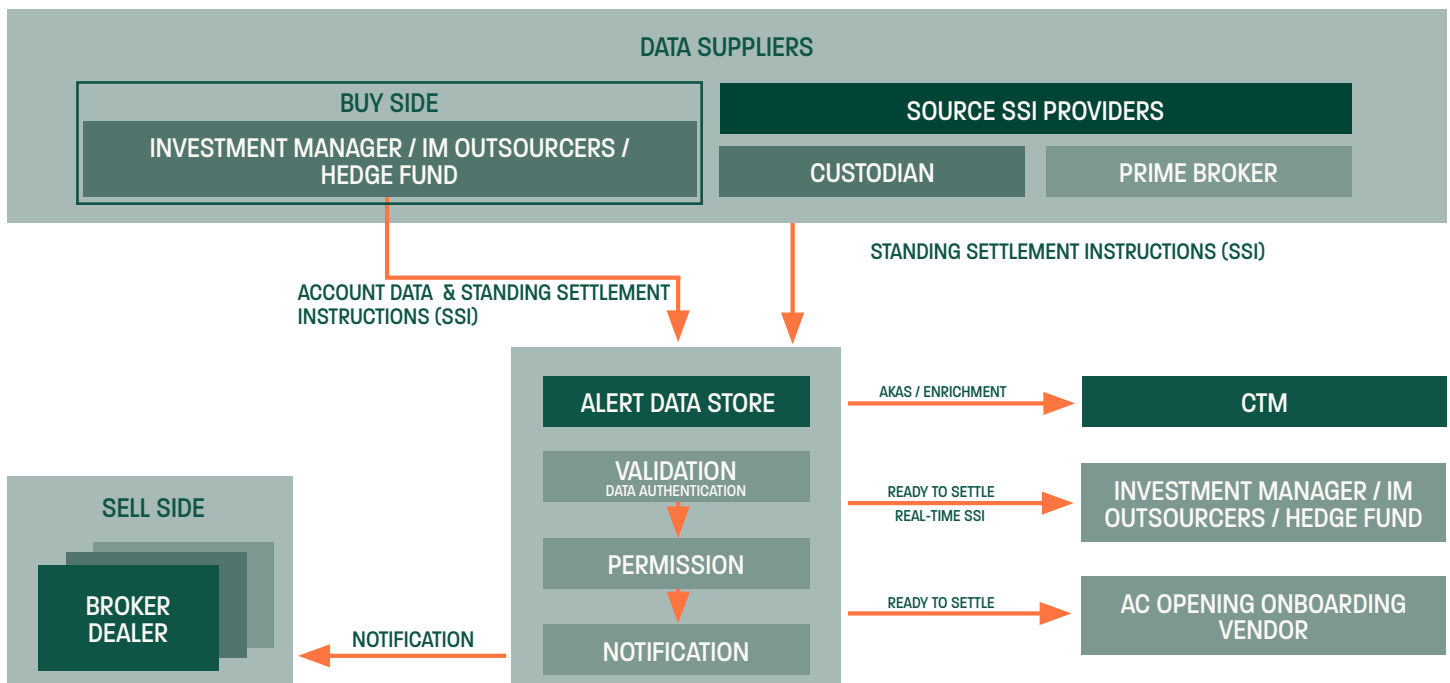
OVERVIEW

To reduce risk and operational costs associated with trade failure, it is vital to have a complete and standardized process for storing, updating, and communicating account and settlement details. In fact, the industry estimates that 30 percent of trade failures are a direct result of inaccurate settlement instructions. This number is fueled by firms using manual processes for the management of standing settlement instructions (SSIs). The ALERT platform is the industry's largest online global database for the maintenance and communication of account and SSIs. ALERT enables a community of end-user clients such as investment managers, investment manager outsourcers, hedge funds, brokers-dealers, and custodian banks who either input accounts and/or SSIs into ALERT or retrieve account and/or SSI data from ALERT. The use of ALERT to securely communicate account details and SSIs supports adherence to regulatory standards and furthermore, enables the industry's efforts in fraud prevention and mitigation of cybersecurity risks.

For our buy-side clients, ALERT brings significant benefits including:

- The ability to add and maintain account and SSI data, including Legal Entity Identifiers (LEIs).
- Bulk upload of account and SSI data through an ALERT Plus subscription.
- Validation of SSIs upon entry and compliance with industry rules, ensuring critical data points needed for settlement are present.
- Data authentication workflow enabled for FX/CASH SSI maintenance, with ability to extend for Securities SSIs and account maintenance.
- Control of broker permissions, ensuring the correct sell-side participants can access account and SSI data.
- ALERT notifications generated and distributed to permissioned sell-side clients whenever your SSI or Account data is added, deleted, or changed.
- Ability to view ALERT notifications generated when your sell-side broker adds, edits, or deletes their delivery settlement instructions.

HOW IT WORKS



DATA SUPPLIERS: GOLDEN SOURCE DATA

Buy-side clients can leverage a range of source data providers to maintain their SSIs, connecting their accounts directly to custodian or prime brokers managed SSIs, alleviating the effort of maintaining this data themselves.

Global Custodian Direct (GCD): With GCD, investment managers can source SSI data directly from their global custodians who systemically update the ALERT platform. ALERT validation ensures the highest quality SSI data is available for consumption by investment managers. Brokers who have been granted access by an investment manager can retrieve this 'golden source' SSI data in real time.

Regional Custodian Web: Regional Custodian Web automates the input of SSIs between a custodian's central repository and the ALERT Platform. This enables the regional custodian to become the owner and maintainer of the SSI data.

Global Custodian Web: Global Custodian Web provides a web-based connection to allow global custodians who do not participate in GCD to upload their golden source data.

ALERT for Prime Brokers: ALERT for prime brokers allows hedge funds to link directly to prime broker-managed data. In this workflow, the Prime Broker manages most of the SSI data on behalf of the hedge fund and DTCC manages the remainder.

ALERT ENRICHMENT

With ALERT enrichment, investment managers who use CTM® can provide counterparties with their correct SSIs for use with specific transactions, PSET match on trade date, and adopt CTM's Match to Instruct (M2i) workflow which enables CTM match-agreed transactions to flow directly to DTC. These benefits allow for additional visibility into potential settlement location mismatches earlier in the trade lifecycle and more streamlined workflow.

With ALERT enrichment, clients submit the ALERT keys, "Country, Security, and Method" of an SSI to enrich CTM transactions with the most current ALERT SSI information available.

ALERT Key Auto Select (AKAS): AKAS automates the SSI selection process using smart enrichment. By leveraging AKAS for ALERT key selection, clients eliminate the need to maintain and send ALERT keys into CTM on a trade-by-trade basis.

Settlement Instruction Manager: Settlement Instruction Manager gives end-user clients the ability to automatically generate and send settlement instruction messages to an end-user clients' Custodian in industry standard formats to up to 15 predetermined recipients or interested parties.

ALERT APIS

Buy-side clients can now leverage data quality improvements by incorporating an Application Programming Interface (API) into their workflow. Our ALERT API suite includes:

Ready to Settle API: Buy-side clients can obtain a list of available market, security, depository (Country, Security and Method) combinations per account in support of account onboarding.

Real Time Settlement Instruction API: Buy-side clients can use this API to retrieve their own as well as their Broker's SSI data on a real time systemic basis for both standard and/or collateral settlement instructions.

ALERT SSI LIFT OUT

ALERT SSI Lift Out is a managed service that provides an alternate option for clients looking to leverage the ALERT platform for the communication of their account and settlement instructions. To free up valuable time and resources, ALERT SSI Lift Out will enable buy-side clients to leverage DTCC to maintain their instructions within the ALERT platform, helping to streamline internal workflows and processes.

FOR MORE INFORMATION

Please visit dtcc.com/institutional-trade-processing/itp/alert to learn more.