



DTCC

DTCC PAYMENT AXIS®

DTCC Payment aXis® automates and streamlines the processing of commissions and various mutual fund fee types, including the transmission and settlement of invoices for broker controlled and retirement plan accounts, simplifying this critical process for fund companies and intermediaries. DTCC Payment aXis also allows firms active in retirement plan processing to service firm-to-firm commissions in the same efficient manner that is available for fund-to-broker commissions.

OVERVIEW

Advancing the benefits of standardization and automation, DTCC Payment aXis is a regeneration of the former Mutual Fund Commission Settlement service, a tried and tested service since 1992 which eliminates the manual, time intensive and costly processes of exchanging fee information via fax or mail/email. DTCC Payment aXis vastly improves upon those processes by transmitting data through our trusted, centralized platform.

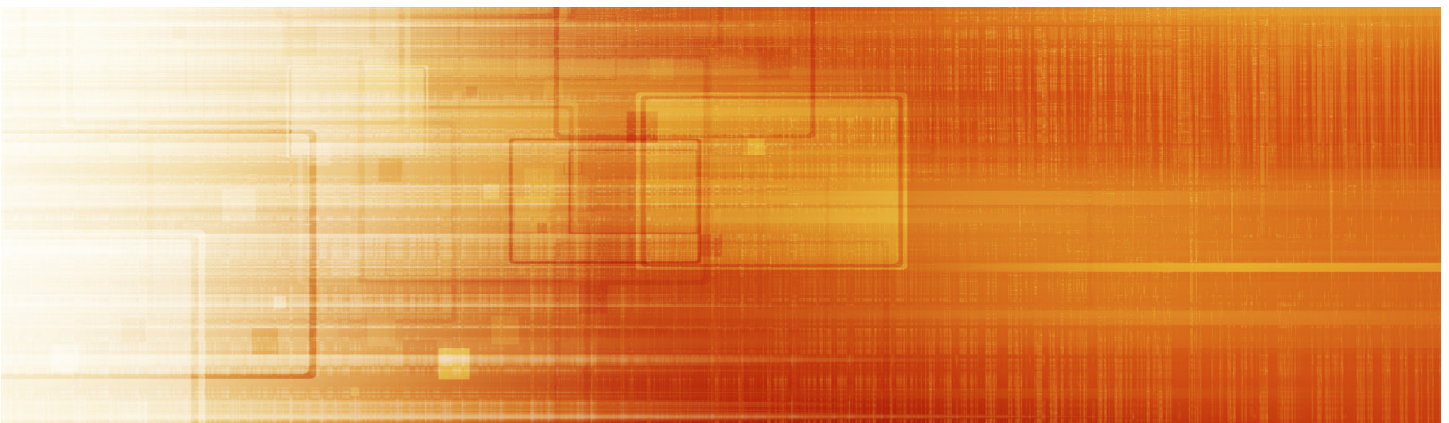
Aligned with the latest trends and demands in the marketplace, DTCC Payment aXis supports various commissions and fees, including Contingent Deferred Sales Charge (CDSC) payouts, 12b-1 fees (or trail commissions) and many other fee types. The service also simplifies the processing of commissions and other fee payments for both broker controlled accounts and retirement plan accounts.

WHO CAN USE THE SERVICE

Any interested financial organization that meets the qualifications of DTCC's National Securities Clearing Corporation (NSCC) subsidiary can use this service.

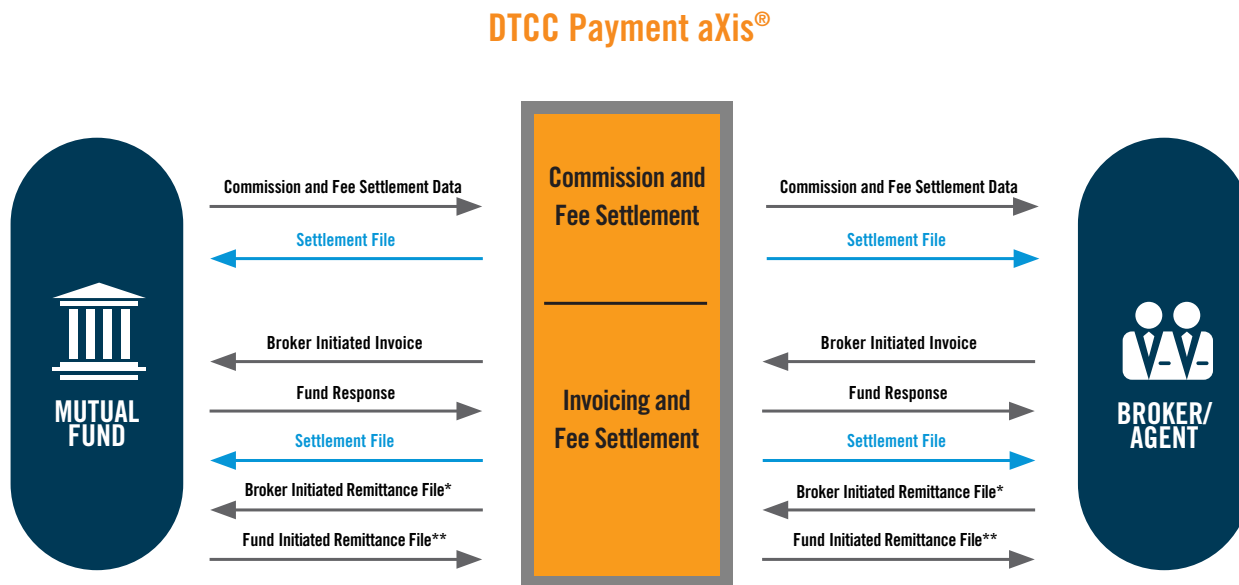
BENEFITS

- Expedites the distribution and settlement of commissions and various fees for mutual funds
- Automates and standardizes the invoicing and fee settlement process
- Simplifies the reconciliation process by providing standardized formats for the exchange of records between funds and firms
- Lowers costs associated with manual processing of commission and fee payments
- Reduces risks related to manual processing of commissions and fees
- Accommodates single-batch processing
- Consolidates money settlement with other NSCC net settlement activity



HOW THE SERVICE WORKS

DTCC Payment aXis is accessible via mainframe over DTCC's SMART connection, with settlement processes leveraging NSCC's net settlement system.



* Includes payments for transactional fees that do not require an invoice or release to settlement (e.g., CDSC remittance)

** Includes payments that do not require invoices or release to settlement. Typically Networking Service Fees

1. Input from Funds or Firms: Single-batch files are sent to NSCC for processing Monday through Saturday. Errors can be corrected through a reversal of the transmission by sending a new file with a credit/debit to the counterparty.

2. Output to Funds or Firms: Two single-batch files of detailed and summary data are sent Monday through Saturday.

3. Settlement: Settlement for accepted files transmitted to NSCC occurs the following business day. One day prior to settlement date, NSCC notifies both funds and firms of their settlement obligations. Commissions and fees are netted with other NSCC net settlement activity at the end of the day, and settlement takes place through the Federal Reserve System's National Settlement Service.

FOR MORE INFORMATION

Please contact your Relationship Manager or the Account Management Team at (212) 855-8877.

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