IMPORTANT NOTICE

National Securities Clearing Corporation

The Depository Trust & Clearing Corporation

A#6667
P&S #6237

DATE:	**July 29, 2008**
TO:	**ALL PARTICIPANTS**
ATTENTION:	**MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&S DEPARTMENT**
FROM:	**WEALTH MANAGEMENT SERVICES**
SUBJECT:	**ACATS Mutual Fund Transfer Service**

Introduction

On December 1, 2008, (subject to U.S. Securities and Exchange Commission ("SEC") approval), National Securities Clearing Corporation ("NSCC") will be introducing enhancements to the Automated Customer Account Transfer Service ("ACATS") and ACATS-Fund/SERV to support transfers of mutual fund assets between firms and fund companies. Please see the associated notices for additional detail:

- Important Notice A#6620, P&S#6190 dated May 20, 2008
- Important Notice A#6653, P&S#6223 dated July 7, 2008

These enhancements will be **voluntary** and are subject to SEC approval.

The Process

Using the existing framework of ACATS and ACATS-Fund/SERV, firm initiated transfers of mutual fund positions can now be accomplished directly between a fund and a firm. A firm acting as a receiver or deliverer will use a new transfer type in ACATS, Position Transfer Fund (PTF), for firm initiated in-kind transfers.

The two types of transfer scenarios supported by PTF are:

- A Fund Transfers a Mutual Fund Asset to a Firm (Firm Initiated)
- A Firm Transfers a Mutual Fund Asset to a Fund (Firm Initiated)

Please Note: PTF transfers are free and will not settle with money.

Requirements

For a fund to participate in this new service, the following must occur:

- The fund member must join the ACATS Service.
  - Funds members can contact their Relationship Manager to be set up as an ACAT member. (The Membership process for ACATS will be explained in another Important Notice to follow.)
- The fund member must be ACATS-Fund/SERV eligible.
  - Fund members can contact their Relationship Manager and request that their fund member number be ACATS-Fund/SERV eligible.
- The fund's security issue(s) must be ACATS-Fund/SERV eligible.
  - Fund members can contact their Relationship Manager and request that their security issues become ACATS-Fund/SERV eligible.
- The fund security issue must belong to the mutual fund member identified as the contra-party in the transfer transaction.

The following fields will be added to the registration instruction (Fund/SERV- ACATS Transfer Record, Record Type 018) to assist the funds in re-registering the fund asset. The value in these fields will be passed on each '018' record when the firm or fund is acting as receiver. They are:

Field Name	Proposed Record Location		Number of Bytes	Type
	Fixed Length Record #8	**Variable Length**		
Social Security/Tax Identification Number of Customer	78-86	733-741	9	A/N
ACATS Account Type (see Appendix A)	87-88	742-743	2	A/N
Gift/Donation Indicator 0 = No, not a gift or donation. 1 = Yes, it is a gift or donation. Default for this optional field is Space/No	89-89	744	1	A/N

<u>Please Note</u>: Funds choosing not to participate in this new service will not have to "program defensively," for the new fields, since they will contain spaces. No testing or program changes are necessary for these funds. Fund companies who are participating in this service must be prepared to accept the new data fields on the '018' record sent from ACATS-Fund/SERV.

Participant Testing

NSCC will make available its Participant Services Environment (PSE) for testing the modifications for this enhanced functionality by November 27, 2008. Testing of these enhancements will continue to be available in NSCC's participant test region after production implementation. Participants wishing to test must contact the Enterprise Service Center (ESC) by calling the NSCC Production Support Hotline at 212-855-1144, option 5, option 2. To ensure proper set up for the PSE region, it is requested that at least three days prior notice be provided to ESC.

Documentation

The Fund/SERV and ACATS-Fund/SERV Technical Manuals and Record Layouts will be updated by the end of July 2008. The Best Practice Guides will be updated and made available to participants early in the forth quarter 2008 on the WMS website at http://www.dtcc.com/products/wealthmgmt.

For additional questions related to ACATS, please contact your Relationship Manager or Louis J. Lepore at (212) 855-4223.

For additional questions related to this service, Fund/SERV® or ACATS-Fund/SERV, please contact your Relationship Manager or the undersigned at (212) 855-5674.

Randy W. Solomon
Wealth Management Services
Mutual Funds - Product Management

APPENDIX A

ACATS - ACCOUNT TYPES

ACCOUNT TYPE CODES	DEFINITIONS
IR	IRA
4B	403B
RI	Roth IRA
SI	Simple IRA
EI	Coverdell IRA (name change from Educational IRA)
SS	SARSEP
BI	Beneficiary
BR	Beneficiary Roth IRA
4K	401K
5P	529 Plan
7B	457 plan
AG	Agency
BC	Bank Custody
CO	Corporate
CT	Co-Trustee
CU	Custodian (UMGA)
DR	Direct Rollover
ES	Estate
HS	Health Savings Account
JT	Joint
MS	Medical Savings Account
OT	Other
QP	Qualified Plan
SN	Single
TR	Trust