

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 6744
P&S# 6314
Date: November 21, 2008
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER
OPERATIONS PARTNER/OFFICER
MANAGER P&S DEPARTMENT
MANAGER DATA PROCESSING DEPARTMENT
MANAGER, MUTUAL FUND OPERATIONS
MANAGER CASHIERS
From: Louis Lepore, Clearance & Settlement Product Management
Subject: Mutual Fund Transfer Enhancement – Revised Implementation

In Important Notice A#6653, P&S#6223 dated July 7, 2008, Important Notice A#6667, P&S#6237 dated July 29, 2008 and Important Notice A#6736, P&S# 6306 dated November 7, 2008, the National Securities Clearing Corporation (NSCC) outlined proposed modifications to support the re-registration of mutual fund assets directly between distribution firms and mutual fund companies. This new voluntary enhancement is subject to approval by the U.S. Securities and Exchange Commission (SEC).

Both distribution firms and mutual fund members are advised that NSCC has revised the implementation date for this enhancement to early first quarter 2009. A subsequent important notice will be issued with the exact date. However, firms and funds are advised that participant testing will begin as scheduled, on **November 28, 2008** in NSCC's Participant Service Environment (PSE) region.

Honest Fund Process

To accommodate firms that would like to test these modifications independently, that is, without a mutual fund testing partner, NSCC will play the role of the fund. Fund Number 5119, the "Honest Fund" will reply to firm input. The process runs in the **PSE testing region only**. A firm may initiate a **Position Transfer Fund (PTF)** transfer request using one of the securities identifiers listed below. Once an ACATS control number is produced, the firm, acting as receiver, can submit a Fund Registration (FR) record which then gets converted to an ACATS Transfer (Record Type 018). In response, the "Honest Fund" will create an ACATS Acknowledgement (Record Type 019). In the case that the firm is the deliverer, the same process is followed with the exception that ACATS will produce a registration instruction on behalf of the fund.

Listed below are the security issues that belong to Fund 5119 and can be used for the process:

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In order to test the reject function, security issue 000003202 has been set up to respond with a reject code 98 on the ACATS Acknowledgment (Record Type 19).

This Important Notice is available on DTCC's website at the following URL address: <http://www.dtcc.com>. For additional questions related to this service regarding Fund/SERV®, please contact your Relationship Manager or Randy Solomon at (212) 855-5674 or Rita Gribben at (212) 855-5677. For additional questions related to ACATS, please contact your Relationship Manager or Bill Kapogiannis at (212) 855-5667 or the undersigned at (212) 855-4223.

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