

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7016
P&S# 6587
Date: June 24, 2010
To: ALL PARTICIPANTS
Attention: MANAGERS MUTUAL FUND OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P & S DEPARTMENT
From: WEALTH MANAGEMENT SERVICES – MUTUAL FUND SERVICES
Subject: MUTUAL FUND PROFILE SERVICE II – PROFILE SECURITY DATABASE REDESIGN AND CONVERSION FOR DTCC WEBDIRECT AND MAINFRAME USERS

The DTCC Profile Security database component of Mutual Fund Profile Service II has been redesigned. This notice provides an overview of the redesign as well as information to assist with conversion to the new database. A webshow is being scheduled to describe details of the new features.

The newly designed database and web interface will be available in the test environment (“PSE”) on Monday, July 19, 2010. The redesigned product will be LIVE and in production on Monday, August 23, 2010. **The existing database will be decommissioned on August 23, 2010.**

NEW WEB INTERFACE AND DATABASE FEATURES

- user friendly navigation for ease of data input
- additional front end edits for improved data accuracy
- online data dictionary and best practices guidelines

All users will access the Profile Security Issue Database via DTCC WebDirect in the same manner as they do today. After logging into the service, the user will be automatically directed to the new web interface.

Non-Confidential

DTCC is now offering enhanced access to all important notices via a new, Web-based subscription service. The new notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

DATABASE CONVERSION PROCESS

1. Data Scrubbing Prior to Database Conversion

Funds should continue to review and modify any existing data elements in the current production environment to ensure the accuracy of the data that will be converted to the newly designed product. Existing integrity reports and tools are available and described below:

- **Data Integrity Reports** - Funds utilize these reports to remove all Hard and Soft edits. Funds are encouraged to receive these reports. Please contact your WMS Relationship Manager to obtain access.
- **Charting Function** –Funds can use the Charting Capability to graph data points that are inconsistent from the majority of the fund’s other Security Issue ID’s indicating potential data errors.

*Note- Refer to June 2009 Profile Bulletin on the WMS website under “MFPS Manuals” for step by step instructions.

- **Hierarchical Reports** – These reports provide fund participants the ability to view Security Issue ID’s with blank fields and invalid values within the hierarchical structure. The following reports are available for download from the web:

- Required Fields with Blanks
- Fields with Invalid Values

- **User File Requests** – A fund can request a full data file of the data elements for their Security Issue ID’s. The output file is available for download from the web in CSV or MRO format.

2. Funds are urged to review and correct data in the current production database until 3pm on Saturday, August 14, 2010.

Clients will be permitted to test the new Profile Security database and new web screens in PSE starting on July 19th. The data available in PSE on July 19th will have been copied from production.

Funds can continue to review and correct data in the current production environment until August 14th. On August 23rd, Production data will be converted to the new Profile Security Database and new web screens will be available.

3. Freeze Period for PSE – Monday, July 12th – Saturday, July 17th for both Funds and Firms

Input

Funds **will not** have access to current web screens in the **PSE region** and **will not** be able to enter data **during this period**.

Batch file users

Funds that transmit data via batch files should not submit files during this period.

Output

Output records will not be generated, with the exception of Record 027 - Fund/SERV master file information (**AutoRoute # 02980824** - Global Security). This record is generated from participant changes made to the Fund/SERV master files.

4. Converted Production Data Available in PSE on Monday, July 19, 2010

New web screens will be available to Funds in the PSE region. Funds should review their converted production data and become familiar with the new application.

- DTCC will load “current” Production data into the PSE region. Funds should use the “PSE conversion results” as a guide **to make corrections in the current Production database**

Note: Funds should not enter future effective data and should not input a future “Profile Effective Date” that falls within the freeze period of August 16th through August 21st

- The PSE region and the Production region are separate and independent environments. Any changes made in the PSE region **will not be** carried over to the Production region.

5. Freeze Period in the Current Production Region - Monday, August 16, 2010 – Saturday, August 21, 2010

Input

Funds will not have access to web screens in the current Production region and will not be able to enter data.

Batch file users

Funds that transmit data via batch files should not submit files to Production during this period.

Output

Output records will not be generated, with the exception of Record 027 - Fund/SERV master file information (**AutoRoute # 02980824** - Global Security). This record is generated from participant changes made to the Fund/SERV master files.

6. Converted Data Available in Production on Monday, August 23, 2010

New web screens and database will be in Production. Funds will have access to the screens and may review and update converted production data.

7. Data Base Conversion Rules:

New Cross Edits And General Profile Data points:

New up-front cross edits have been built into the web application to enhance data integrity and completeness of a fund’s data. The cross editing of data is guided by the fund’s information in the General Profile.

- **Data Groupings:** In the new database and web application, the data elements entered are driven by the rules in the General Profile. For instance, there are several “**Rules Apply Code**” fields in General Profile that require a value of “**Yes**” or “**No**” i.e. CDSC Rules Apply Code, Breakpoint Rules Apply Code, STR Rules Apply Code, etc

Conversion Example:

- On conversion date, if a fund’s data indicates a value “Yes” to the “Breakpoint Rules Apply Code” field and no Breakpoint Schedule data exists, post conversion the user will be required to either input Breakpoint Schedule data or change the applicable “Breakpoint Rules Apply Code” field in General Profile to “No”.
- **Incomplete General Profile Data:** Any incomplete General Profile information including blanks will be converted. In the new application, edit messages will be generated requiring action by the fund.

To assist with data integrity or completeness of the General Profile, a fund can submit a “User File Request” in CSV format via the system.

Batch file users are also impacted by these new cross edits. Funds must submit complete General Profile records for Security Issue IDs before any other record types submitted can be processed.

8. Required Fields with Blanks

- Funds should continue to eliminate blank fields in the current production database. Security Issue ID(s) containing blank fields on conversion date will be converted Post conversion, a message will appear on screen informing the user to complete the blank field(s) for the data grouping(s). Fields that were optional or optional conditional became “required” (Please refer Important Notice #6614 dated May 14, 2008).

The DTCC Hierarchy report - “Required Fields with Blanks” can be downloaded by funds. Please contact your WMS Relationship Manager if you need assistance accessing these reports.

9. “Closed - Liquidated” and “Closed - Merged” Security Issue ID(s) to Be Deleted By DTCC from the production database on **Tuesday, June 29, 2010**

DTCC will delete Security Issue IDs with a “Fund Status Code “of

- 1 = Closed - Liquidated
- 2 = Closed - Merged

DTCC will send deleted transactions for these affected Security Issue IDs to firms on June 29th. (AutoRoute # 02110824). It is highly recommended for auditing and compliance purposes, that Funds submit a User File Request (full data file) **prior to June 29th**. This historical record of the Fund’s Security Issue IDs can be maintained at the fund company for future reference.

After Tuesday, June 29th, funds changing a Security Issue ID’s “Fund Status Code” to

- 1 = Closed - Liquidated or
- 2 = Closed - Merged

will be included in the conversion. After conversion, these Security Issue IDs, as well as newly updated closed Security issue IDs will be available in the database as “Closed - Liquidated” or “Closed – Merged.” The Best Practices Guide suggests the Security Issue IDs remain available in the database for one year past their closing date.

10. Funds That Have Not Released their Data Must Authorize Release Before Tuesday, June 29, 2010

All funds using the Profile service that have not yet authorized the release of their data to DTCC must send an authorizing email to DTCC **on or before Tuesday, June 29th**. If an authorizing e-mail is not received, the fund’s data **will not be converted**.

11. No Record Layout Changes

There will be no changes to the fixed or variable record layout formats for funds and firms.

TIMELINE - IMPORTANT DATES TO REMEMBER

Start Date	End Date	Activity
	Tuesday, June 29, 2010	DTCC will delete Security Issue IDs with “Fund Status Code” as Closed – Liquidated or Closed – Merged from current database.
	Tuesday, June 29, 2010	Last day for DTCC to receive an authorizing email to release a fund’s data. If not released fund data will not be converted.
	3:00PM ET, Saturday, July 10, 2010	Last time/day for Funds to enter data to the current test database in the PSE (test) region.
Monday, July 12, 2010	Saturday, July 17, 2010	<u>Freeze period</u> – No Fund entry to current PSE test database. Output file contains only Record 027 - Fund/SERV master file changes.
Monday, July 19, 2010	On-going	Converted production data to New Profile Security database and new web screens live in PSE (test) region.

	3:00PM ET, Saturday, August 14, 2010	Last time/day for Funds to enter or modify data in the current Production database.
Monday, August 16, 2010	Saturday, August 21, 2010	<u>Freeze period</u> – No Fund entry to current Production database. Output file contains only Record 027 - Fund/SERV master file changes.
Monday, August 23, 2010		LIVE – Converted production data to the new Profile Security Database and new web screens region.

LEARNING TOOLS AND DOCUMENTATIONS

Training Guides and Simulations

DTCC is preparing a Web Interactive User Guide (WIG) and 17 new Profile Security Training Simulations covering the technical aspects of the new web application. You can access the WIG and the Simulations under the new Wealth Management Services Learning Center <http://dtcclearing.com/learning/wealthmanagement> in early July. The following topics will be covered:

- About the Profile Security Database
- What information does the Profile Security database contain?
- Who Can I contact with questions regarding the Profile Security database?
- From the Broker's Point of View
- From the Fund's Point of View
- Setting Up Default Data at the Management Company Level
- Setting Up Default Data at the Share Class Level
- Setting Up Default Data at the Fund Portfolio Level
- Adding a Security Issue ID
- Changing the Management Company Level Information
- Changing the Share Class Level Information
- Changing the Fund Portfolio Information
- Modify a Security Issue ID
- Setting Up Future Dated changes to Profile Information
- Override Management Company Default Values for a Share Class
- Override Management Company Default Values for a Fund Portfolio
- Override Management Company, Share Class, or Fund Portfolio Default Values for a Security Issue ID
- Deleting Data/Records
- Display a Field Definition
- About the Data Dictionary
- Best Practices Guidelines, Data Dictionary Supplement, Abbreviations

- Use the Quick Search
- Push Down Values
- View Existing Values
- View Change History
- Cut-Off Time Warning

Any questions regarding this Important Notice can be directed to your WMS Relationship Manager, Wealth Management Services Marketing at 212- 855- 8877, or the undersigned.

Rita A. Gribben
Director Product Management
DTCC Wealth Management Services
212- 855-5677