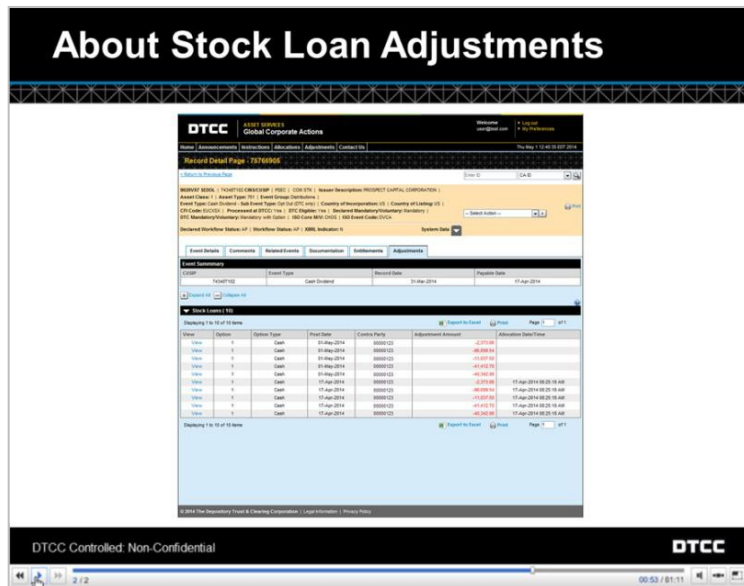


ASSET SERVICES

ABOUT STOCK LOAN ADJUSTMENTS



Stock loan adjustments, also called income-tracked securities lending adjustments, are individual cash debits or credits to your account.

A cash distribution event can include stock loan adjustments for a number of reasons.

For example, they may include your account being credited or debited on the post date due to a stock loan payment or charge against your account.

Stock loan adjustments that are pending or allocated appear under the **Stock Loan** twisty on the **Adjustments** tab.

An **Event Summary** at the top of the Adjustments tab shows the **CUSIP**, **Event Type**, **Record Date**, and **Payable Date** for the distribution.

The area under the Event Summary lists all adjustments to the event. You can see more than one adjustment type here, listed out in separate tables. This example shows you a Stock Loan table, but if there were other adjustments to this event, you'd see those in this space. These tables contain slightly different information, depending on the adjustment type.

For stock loan adjustments, you can see information about the option on the event that the adjustment applies to, as well as when the adjustment is scheduled to pay. For stock loan and repo adjustments, the allocation will happen intraday.

Specifically, this includes:

- The **Option Number**
- The **Option Type**
- The **DTC Post Date**, or the date on which DTC is scheduled to make the adjustment to your account.
- The **Contra Party**
- The **Adjustment Amount**, and
- The **Allocation Date/Time**

If you hold a long stock loan net position, you will receive a credit adjustment on the payable date for any periodic principal and income distributions. If you have a short stock loan net position, you will receive a debit adjustment on the payable date. As is the case with repo adjustments, the allocation will occur intraday.

Please note that the **Post Date** may not reflect the **Payable Date**: the Post Date is when DTC anticipates applying the adjustment to your account.

To see additional information regarding debits and credits to be applied, click any of the **View** hyperlinks. Each link opens a window that shows details of a Stock Loan adjustment.

For these adjustments, you will notice that the “prepared by” field will often read “Customer Service.” The Customer Help Center’s phone number is provided here – you can call for more information if you need it.

Here, we see that on May 1st, your firm was debited \$2,373.06 for a stock loan entered into with contra 0123. This stock loan adjustment was recorded by DTC’s Automated Transaction Processor (“ATP”) system.

Please note that for stock loan and repo adjustments, you can take additional actions on this detail window.

Sometimes, you may need to modify a tracked adjustment. For instance, you may know of a rate difference. That’s where the CA Web gives you the ability to do an adjustment payment order, or “APO.” An APO is a client modification to the cash portion of a stock lending or repo adjustment.

Using this feature, you can create cash adjustments to a pending or past (“historical”) stock loan adjustment. You can credit or debit yourself against the same contra participant.

If you and the contra agree to modify the adjustment amount, you can enter an adjustment payment order. Click the **Create APO** button and fill out the requested information. Only the contra party will have the ability to reject the APO.

Check out the Help topics to learn more about APOs.

You can see the adjustment amount in the stock loan table. If you created an APO, you will see a new twisty on the page containing this information.

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