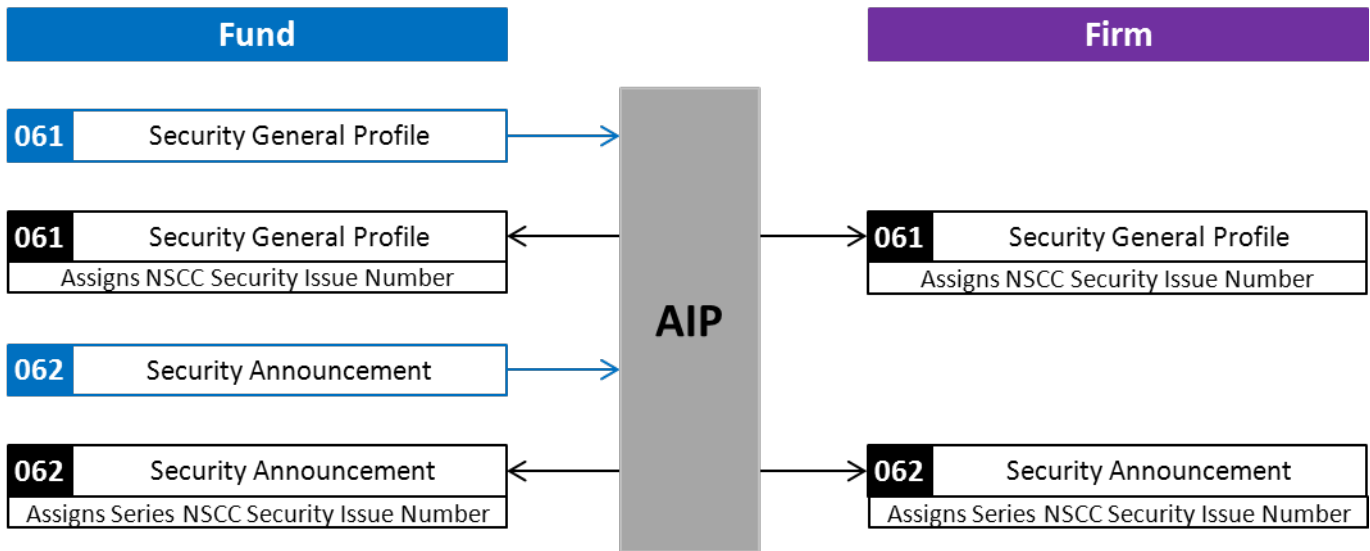


# ALTERNATIVE INVESTMENT PRODUCTS TRANSACTION FLOW

## SERIES CREATION



## SERIES CREATION

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For a Fund that issues series, the Series Creation transaction is used to establish unique series identifiers on the AIP system, enabling transactions on series such as positions, activity and orders. The Fund must be set-up on AIP first using the Security General Profile and then series are created for the Fund using the Security Announcement.

### Transaction Flow Details for Series Creation Transactions

- The Fund is required to transmit the Security General Profile (061) to AIP and the Series Eligible Indicator must be set to 1 = Yes
- Once received, AIP will validate for syntax errors (format, values, conditions, etc.)
  - If there is an error, AIP will reject the file back to the Fund with the appropriate reject reason code(s)
  - If there are no syntax errors, AIP will generate the 'NSCC Security Issue Number', which is shared with both Fund and Firm(s)
- The Fund transmits the Security Announcement (062) to AIP with pertinent fields populated including the 'NSCC Security Issue Number' generated above, the 'Series Name' and Announcement Type = 24 (Series Creation); if the 'Security Issue ID' and 'Security Identifier' are populated, they must match the values submitted on the Security General Profile
- Once received, AIP will validate for syntax errors (format, values, conditions, etc.)
  - If there is an error, AIP will reject the file back to the Fund with the appropriate reject reason code(s)
  - If there are no errors, AIP will generate the 'Series NSCC Security Issue Number', which is shared with both Fund and Firm(s)

**Note:** Please refer to 'AIP Security General Flow' and 'AIP Security Announcement Flow' for additional details

### Using the 'Series NSCC Security Issue Number'

- Both the Fund and Firm(s) must use the newly assigned Series NSCC Security Issue Number for all subsequent transactions pertaining to that series.
- In the event that the 'Series NSCC Security Issue Number' has not been created for a series eligible Fund, the submitter may use the 'NSCC Security Issue Number' for orders. After the Series 'NSCC Security Issue Number' has been created, the Fund can update all pending orders with the 'Series NSCC Security Issue Number' of the same Parent Company only through the confirmation process.

## Validation Rules for 'Series Name' and 'Requested Action Indicator' on Announcement Type=24

### Creating a New Series Creation Announcement

- During the creation of the 'Series NSCC Security Issue Number', the 'Series Name' on the submitted announcement record must be different from any existing active or future dated announcements that belong to the same Fund Company.
- If the 'Series Name' is not unique, the record will be rejected with Reject Code 0541 - Duplicate Series Name.
- The 'Requested Action Indicator' must equal '0' for add.

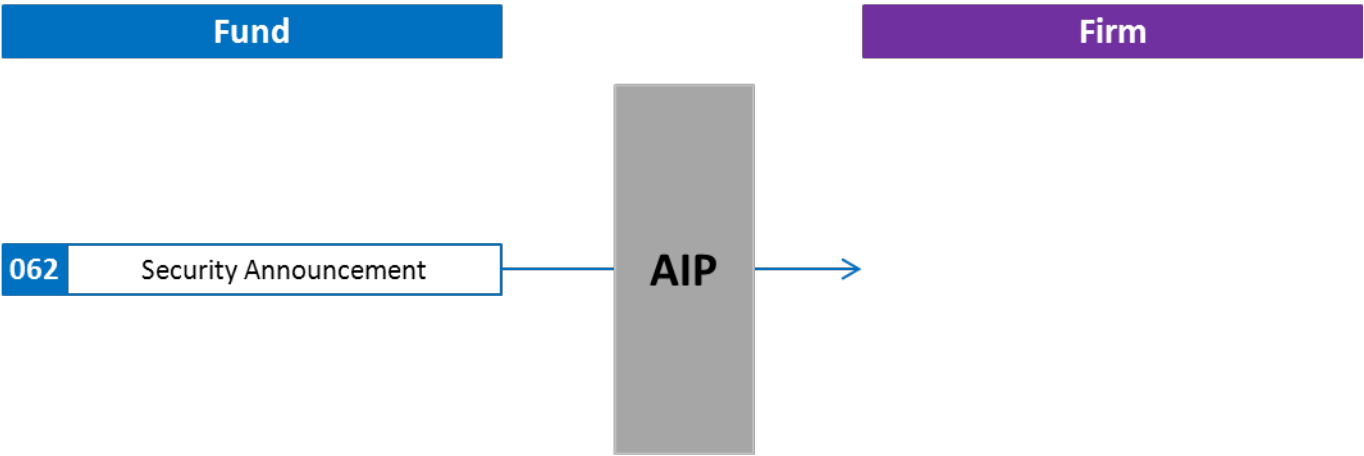
### Updating an Existing, Active Series Creation Announcement

- If the 'Series Name' is blank, the Series Name in the AIP database will not be updated and output will be populated with the Series Name from the AIP database.
- If a 'Series Name' is provided, it will not be validated for uniqueness; the AIP database will be updated with the name, which will also be populated on output.
- AIP does not retain information from the original series creation or previous update transactions. Information on the newest update will overlay previously submitted information, including blank fields so all information on the original announcement must be provided, except for 'Series Name' as noted above.
- The 'Series NSCC Security Issue Number' field is required in order to update the series and the 'Requested Action Indicator' must equal '2' for update.

### Deleting an Existing, Active Announcement

- The 'Series Name' will not be validated.
- The 'Series NSCC Security Issue Number' is required and the 'Requested Action Indicator' must equal '1' for delete.
- Submitting this transaction will delete the series creation request and the 'Series NSCC Security Issue Number' will not be created.
- Once it is deleted, AIP cannot retrieve the deleted 'Series NSCC Security Issue Number'.

SERIES ROLL-UP



## SERIES ROLL-UP

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For a Fund that issues series, the Series Roll-up transaction is used to 'roll-up' the series into the Fund on the AIP system. This transaction can only be used on series that were previously created on AIP using the Series Creation transaction.

### Transaction Flow Details for Series Roll-up Transactions

- The Fund transmits the Security Announcement (062) to AIP with pertinent fields including the 'Series NSCC Security Issue Number', Announcement Type = 25 (Series Roll-up) and the 'Series Roll-up Date'
- Once received, AIP will validate for syntax errors (format, values, conditions, etc.)
  - If there is an error, AIP will reject the file back to the Fund with the appropriate reject reason code(s)
  - If there are no syntax errors, AIP will transmit the Security Announcement to the Recipient(s) indicated on the file

**Note:** A series must be created on AIP before it can be rolled up. Please refer to 'AIP Series Creation Flow' for additional details.

### Pending Order Impact on Series Roll-up

If the 'Series Roll-up Date' is before the 'Settlement Date' of a series order, the order will be rejected after roll-up is complete. To prevent order rejection in this scenario:

- Submit an update to change the 'Series Roll-up Date' to a date after the 'Settlement Date' of the order
- Submit an update to the order to add the 'NSCC Security Issue Number' of the Fund and remove the 'Series NSCC Security Issue Number' (this requires a Subscription Offer Announcement to be submitted for the Fund first)

### Validation Rules for 'Series Name' and 'Requested Action Indicator' on Announcement Type=25 Creating a New Series Roll-up Announcement

- The 'Series Name' will not be validated and the 'Series NSCC Security Issue Number' will be rolled up in the AIP database regardless of the 'Series Name' populated.
- The 'Series NSCC Security Issue Number' field is required and the 'Requested Action Indicator' must equal '0' for new.

### Update of an Existing, Active Series Roll-up Announcement

- If the 'Series Name' is blank, the Series Name in the AIP database will not be updated and output will be populated with the Series Name from the AIP database.
- If a 'Series Name' is provided, it will not be validated for uniqueness; the AIP database will be updated with the name, which will also be populated on output.
- AIP does not retain information from the original series creation or previous update transactions. Information on the newest update will overlay previously submitted

information, including blank fields so all information on the original announcement must be provided, except for 'Series Name' as noted above.

- The 'Series NSCC Security Issue Number' field is required in order to update the series and the 'Requested Action Indicator' must equal '2' for update.

#### Delete an Existing, Active Series

- The 'Series Name' will not be validated.
- The 'Series NSCC Security Issue Number' is required and the 'Requested Action Indicator' must equal '1' for delete.
- Submitting this transaction will delete the Series Roll-up request but will not delete the series from AIP.