ASSET SERVICES

IVORS PRODUCT GUIDE

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Overview

About IVORS

IVORS allows a UIT holder to surrender whole and fractional units for value via book-entry. The units' issuer (sponsor) and transfer agent (TA) can decide how the transaction will occur (as either a redemption for cash payment at the transfer agent or as a sale back to the sponsor). IVORS also allows TAs to create rollover announcements via PTS, and UIT holders can view the announcements and submit rollover election instructions.

Why Use IVORS?

IVORS provides a secure, timely and efficient redemption and sales service. It:

- **Eliminates unnecessary certificate movements**: Because IVORS redemptions take place in a book-entry environment, the physical securities can remain safely with the transfer agent.
- **Minimizes market exposure**: On transaction date, IVORS creates a position for the units in a pending account and locks-in that position until settlement date.
- **Reduces and simplifies cash movements**: IVORS transactions settle through DTC's Same Day Funds Settlement (SDFS) system, which eliminates the need to process individual checks, and provides payment on settlement date in Fed Funds.
- **Synchronizes the communication of decisions among all parties involved**: IVORS provides timely and accurate information on redemption processing. TAs and sponsors are notified via IVORS whenever a participant enters a redemption request for their UITs. Likewise, any action the sponsor or TA takes for that request (e. g. , entering settlement details or changing the settlement date) is quickly communicated through IVORS to the other parties.
- **Gives participants access to settlement information quickly and easily**: Through IVORS, the sponsor or TA can enter the redemption price and accrued dividend information as early as the transaction date (the day a participant enters its request). This information is available to participants and can be viewed via the IVORS inquiry function.

Key Players

The following parties can use the IVORS system:

- The DTC participants redeeming UITs held in their DTC accounts can enter redemption requests via the IVORS service.
- The transfer agent (TA) must be a member of DTC's Fast Automated Securities Transfer (FAST) program. The TA creates an IVORS Standing Instructions Database for UIT CUSIPs by entering certain information regarding the issue.

- The sponsor is the issuer of the UIT. The sponsor can modify standing redemption and settlement instructions for any of its UITs in the database. If a UIT has more than one sponsor, only the lead sponsor will be able to modify instructions.

Restrictions

IVORS is available only where:

- The UIT is DTC-eligible
- The UIT units are FAST issues
- The TA is a member of DTC's FAST program
- The FAST TA agrees to establish an account at DTC to settle IVORS transactions
- The UIT's lead sponsor (or its transfer agent) is authorized to participate in IVORS.

How IVORS Works

After the TA sets up a UIT's CUSIP in the Standing Instructions Database, a participant can enter a request to surrender the units or roll them over into another UIT. Either the TA or sponsor will supply the settlement details (such as the redemption price per unit or the rollover price per unit) for the request. Once all the necessary information has been entered and the processing requirements have been met, DTC processes and settles the transaction needed.

IVORS PTS Functions

IVORS consists of six PTS functions that allow TAs, sponsors and participants to perform all the necessary activities for successful UIT transactions.

- IVOR allows participants to enter requests for redemption or rollover. In addition, TAs can use IVOR to communicate with sponsors about redemptions taking place outside DTC.
- NIVR allows participants to enter redemption or rollover requests for next day processing. Like IVOR, TAs can use NIVR to communicate with sponsors about redemptions taking place outside DTC.
- IVIQ allows participants, sponsors, and TAs to inquire about requests. This function has seven inquiry options to help you specify the information you want to see.
- IVDB allows TAs to enter CUSIPs and initial standing instruction information into the database. Sponsors can modify these instructions as needed.
- IVRS allows sponsors to enter the settlement details and other information for those requests related to their UITs.
- IVRT allows TAs to enter settlement details and other information for those requests related to their UITs.

Product Topics

IVORS PTS Functions for Participants

The Investors' Voluntary Redemptions and Sales (IVORS) service includes the following three functions that you can use:

- Investors' Voluntary Redemptions (IVOR)
- Night Investors' Voluntary Redemptions (NIVR)
- IVORS Transaction Inquiry (IVIQ)

How the Function Chapters are Organized

Each chapter documents one PTS function. We recommend that you read the entire chapter prior to using the function and familiarize yourself with the screens you may see and the information you may need to provide.

Each chapter includes:

- An introduction, with an overview of the function, information about when to use the function and a list of screens comprising the function.
- Step-by-step instructions for accessing and using the function.
- A reference section that includes screen samples, field descriptions, other applicable information about the screens and how they are used, and a list of all messages you may encounter along with a suggested response for each.

Performing Specific Tasks

The following are the tasks that you can perform using the IVORS functions.

To perform this task	Use
Enter redemption, sale, or rollover requests.	IVOR
Enter requests for next-day processing.	NIVR
Inquire about IVORS transactions.	IVIQ

Using IVORS

Prerequisites

In order to use the IVORS system, you must have an authorized PTS sign on ID and password. Contact your Relationship Manager.

Entering Requests

You can enter requests via the PTS functions IVOR and NIVR.

For a request to be considered same-day (the Transaction Date (T) is the day the request is entered into the system), you must enter it via IVOR by 4 p. m. eastern time. You can enter next-day or overnight requests (where T is the next business day) via NIVR up to 6 p. m. eastern time.

Note

You can declare an item submitted during the day as a night item, if you want T to be the following business day, by entering it via NIVR.

Accepting Requests

Before IVORS can process your request, you must confirm that the information in the request is correct by accepting it. See IVOR, or NIVR, for procedures.

Note

Once you have accepted a transaction, you will *not* be able to cancel it. Only the sponsor or TA (transfer agent) for an issue can cancel transactions. If you want to cancel a transaction you have already accepted, contact the sponsor or TA.

Pending Transactions

You must have sufficient position of a UIT in your account to satisfy a request. If sufficient position is not available, you have the option of pending (recycling) the transaction until 4 p. m. eastern time on the transaction date.

If there is still insufficient position at that time, IVORS drops the transaction, and you must submit another request.

Note

Pending transactions can be viewed via the IVIQ function.

Receiving Payments

You will receive proceeds at 4 p. m. eastern time on settlement date via DTC's Same Day Funds Settlement (SDFS) system.

Settlement date typically occurs two business days after a request is entered (T). However, the TA and sponsor have the option of modifying this date to be anywhere from one to thirty business days after T.

Note

Modified settlement dates can be viewed via IVIQ.

Deactivated CUSIPS

When an issue is temporarily ineligible for redemption, the TA or sponsor may deactivate it in the IVORS database. You will not be able to enter requests for the issue while it is inactive.

Once the issue is reactivated, you can enter requests.

Unwound Transactions

The sponsor or TA must enter the redemption price per unit and accrued dividend per unit for your transaction no later than 11 a. m. eastern time on settlement date. If that information is not entered by then, the transaction is unwound (dropped from the system) and the units are returned to your free account.

You can use the IVIQ function to view your unwound transactions.

Inquiring about your Requests

The IVORS inquiry function (IVIQ) allows you to inquire about your requests. In this function, you can view:

- All requests you've entered for a specific CUSIP
- All your requests still in the IVORS system
- Pending requests
- Requests unwound (dropped) from the IVORS system
- Requests with modified settlement dates
- Requests awaiting settlement.

Settlement Information

IVORS transactions are subject to normal DTC settlement controls. All debits and credits are included in your overall net debit or credit figure to be settled at the end of DTC's SDFS processing day, as usual.

Note

These transactions will also appear as a separate line item with the code 026-08 (IVOR DO) on your daily settlement statement.

SPONSORS AND TAS

Overview

About IVORS

The Investors Voluntary Offering and Sales (IVORS) system allows a unit investment trust (UIT) holder to surrender whole and fractional units for value via book-entry. The units' issuer (sponsor) and transfer agent (TA) can decide how the transaction will occur (as either a redemption for cash payment at the TA or as a sale back to the sponsor). IVORS also allows TAs to create rollover announcements via PTS, and UIT holders can view the announcements and submit rollover election instructions.

Why Use IVORS?

IVORS provides a secure, timely and efficient redemption and sales service. It:

- **Eliminates unnecessary certificate movements:** Because IVORS redemptions take place in a book-entry environment, the physical securities can remain safely with the TA.
- **Minimizes market exposure:** On transaction date, IVORS creates a position for the units in a pending account and locks-in that position in the settlement date.
- **Reduces and simplifies cash movements:** IVORS transactions settle through DTC's Same Day Funds Settlement (SDFS) system, which eliminates the need to process individual checks, and provides payment on settlement date in Fed Funds.
- **Synchronizes the communication of decisions among all parties involved:** IVORS provides timely and accurate information on redemption processing. TAs and sponsors are notified via IVORS whenever a participant enters a redemption request for their UITs. Likewise, any action the sponsor or TA takes for the request (e. g. , entering settlement details or changing the settlement date) is quickly communicated through IVORS to the other parties.
- **Gives participants access to settlement information quickly and easily:** Through IVORS, the sponsor or TA can enter the redemption price and accrued dividend information as early as the transaction date (the day a participant enters its request). This information is available to participants and can be viewed via the IVORS inquiry function.

Key Players

The following parties can use the IVORS system:

- DTC participants redeeming UITs held in their DTC accounts can enter redemption requests via the IVORS service.
- Transfer agents (TA) who are members of DTC's Fast Automated Securities Transfer (FAST) program can create an IVORS Standing Instructions Database for UIT CUSIPs by entering certain information regarding the issue.

- Sponsors (issuers of UITs) can modify standing redemption and settlement instructions for any of its UITs in the database. If a UIT has more than one sponsor, only the lead sponsor will be able to enter and modify instructions.

Restrictions

IVORS is available only where:

- The UIT is DTC-eligible
- The UIT units are FAST issues
- The TA is a member of DTC's FAST program
- The FAST TA agrees to establish an account at DTC to settle IVORS transactions
- The UIT's lead sponsor (or its TA) is authorized to participate in IVORS.

How IVORS Works

After the TA sets up a UIT's CUSIP in the Standing Instructions Database, a participant can enter a request to surrender the units or roll them over into another UIT. Either the TA or sponsor will supply the settlement details (such as the redemption price per unit or the rollover price per unit) for the request. Once all the necessary information has been entered and the processing requirements have been met, DTC processes and settles the transaction.

IVORS PTS Functions

IVORS consists of six PTS functions that allow TAs, sponsors and participants to perform all the necessary activities for successful UIT transactions.

- IVDB allows TAs to enter CUSIPs and initial standing instruction information into the database. Sponsors can modify these instructions as needed.
- IVIQ allows participants, sponsors, and TAs to inquire about requests. This function has seven inquiry options to help you specify the information you want to see.
- IVRS allows sponsors to enter the settlement details and other information for those requests related to their UITs.
- IVRT allows TAs to enter settlement details and other information for those requests related to their UITs.
- IVOR allows participants to enter requests for redemption or rollover. TAs can use IVOR to communicate with sponsors about redemptions taking place outside DTC.
- NIVR allows participants to enter redemption or rollover requests for next day processing. TAs can use NIVR to communicate with sponsors about redemptions taking place outside DTC.

Product Topics

IVORS PTS Functions for Sponsors and TAs

About the IVORS Functions

The Investors' Voluntary Redemptions and Sales (IVORS) service includes the following four functions for sponsors and TAs:

- IVORS Standing Instructions Database (IVDB)
- IVORS Transaction Inquiry (IVIQ)
- IVORS for Sponsors (IVRS)
- IVORS for Transfer Agents (IVRT)

How The Function Chapters Are Organized

Each chapter documents one PTS function. We recommend that you read the entire chapter prior to using the function and familiarize yourself with the screens you may see and the information you may need to provide.

Each chapter includes:

- An introduction, with an overview of the function, information about when to use the function and a list of screens comprising the function.
- Step-by-step instructions for accessing and using the function.
- A reference section that includes screen samples, field descriptions, other applicable information about the screens and how they are used, and a list of all messages you may encounter along with a suggested response for each.

Performing Specific Tasks

The following are the tasks that you can perform using the IVORS functions.

To	Use
Add an issue to the IVORS database (TAs only). Add rollover CUSIPs for an issue (TAs only). Enter standing instructions for an issue (TAs only). Modify an IVORS database standing instruction (sponsors only). Deactivate or reactivate an issue in the IVORS database (TAs and sponsors).	IVDB
Inquire about IVORS transactions.	IVIQ
Enter and modify settlement details. Override a settlement date.	IVRS (sponsors only)
Enter and modify settlement details. Override a settlement date.	IVRT (TAs only)

Using IVORS

IVORS Prerequisites

In order to use the IVORS system, you must have an authorized PTS sign on ID and password. Contact your Relationship Manager or Corporate Trust Services representative.

The IVORS Standing Instructions Database

When a UIT CUSIP first becomes available, the transfer agent (TA) creates a record for the issue in the IVORS database. After that, the sponsor or TA can enter instructions that reflect how DTC should process participants' requests (for example, redemption for cash payment). These standing instructions can be modified at any time.

This information is entered via the IVDB function.

Standing Instructions

In the IVORS Standing Instructions Database, you can choose:

Transaction Options:

You can choose to have participants redeem units through the TA, sell them back directly to the sponsor, or roll them over into a new UIT.

To change the transaction type for one specific request (such as change a Redemption to a Sale) without modifying the standing instructions for the issue, use the IVRS (sponsors) or IVRT (TAs) function. You have until 11 a. m. eastern time on the settlement date.

Note

You cannot change a rollover transaction to a redemption or sale.

Redemption Payment Options:

Only cash redemptions are available.

Settlement Options:

You can elect to have the TA, sponsor or both provide price per unit and accrued dividend information.

Note

If the price per unit and accrued dividend information for a request are not received by 11 a. m. eastern time on the settlement date, the request is unwound (dropped from the IVORS system).

Sponsor Redemption/Buyback Decisions:

If you selected Redemption as the transaction type, you can choose to have the sponsor buy units back from the TA as participants redeem them, or have the TA retire the units.

If you selected Sale to Sponsor as the transaction type, you can choose to have the sponsor redeem purchased units at the TA, or have the units remain with the sponsor.

To buy back or redeem one specific request without modifying the standing instructions for the issue, use the IVRS (sponsors) or IVRT(TAs) function. You have until 11 a. m. eastern time on the settlement date.

Processing IVORS Transactions

How an IVORS transaction is processed depends on the options you set up in the Standing Instructions Database and whether or not you changed the transaction type or sponsor decision for that transaction. There are four possible transaction combinations:

- Redemption: The units are redeemed at the TA.
- Redemption with a buyback: The units are redeemed at the TA, then bought by the sponsor.
- Sale to Sponsor: The units are bought back by the sponsor.
- Sale to Sponsor with a redemption: The units are bought back by the sponsor, then redeemed at the TA.
- Rollover: The units are rolled over into another UIT.

Refer to the charts below to see how each of these transactions is processed.

How a Redemption is Processed

The following chart describes how redemptions are processed.

Step	Performed by	Action taken
1	Redeeming participant	Enters a redemption request via IVOR or NIVR.
2	The IVORS system	Edits the request to determine that: The participant has sufficient free position available. The CUSIP is eligible for IVORS transactions. Moves units to the redeeming participant's Pending Redemption Sub-Account.
3	The IVORS system	Notifies TA and/or sponsor of the request via IVIQ, IVRS or IVRT.
4	TA or sponsor	Enters the redemption price and accrued dividend per unit no later than 11 a. m. eastern time on the settlement date via IVRS (sponsor) or IVRT (TA). *Note-* If this information is not entered by the settlement date cutoff, the request is unwound (dropped from the system).

Step	Performed by	Action taken
5	The IVORS system	Calculates the settlement value of the redemption. Moves the units from the participant's pending sub-account to the TA's participant account.
6	The IVORS system	Generates a withdrawal instruction for delivery of the units to the TA for retirement.
7	DTC	Credits the participant and debits the TA on the settlement date.

How a Redemption with a Buy Back is Processed

The following chart describes how redemptions in which the sponsor is buying back the units from the TA are processed.

Step	Performed by	Action taken
1	Redeeming participant	Enters a redemption request via IVOR or NIVR.
2	The IVORS system	Edits the request to determine that: There is sufficient free position available. The CUSIP is eligible for IVORS transactions. Moves units to the redeeming participant's pending redemption sub-account.
3	The IVORS system	Notifies TA and/or sponsor of the request via IVIQ, IVRS or IVRT.
4	TA or sponsor	Enters the redemption price and accrued dividend per unit no later than 11 a. m. eastern time on the settlement date via IVRS (sponsor) or IVRT (TA). *Note-* If this information is not entered by the settlement date cutoff, the request is unwound (dropped from the system).
5	The IVORS system	Calculates the settlement value of the redemption. Moves the units from the participant's pending sub-account to the TA's participant account.
6	The IVORS system	Moves the units from the TA's account to the sponsor's account. *Note-* The units will remain in this account until the sponsor decides to redeem the units or sell them on the secondary market.
7	DTC	Credits the participant and debits the sponsor on the settlement date.

How a Sale to the Sponsor is Processed

The following chart describes how sales to the sponsor are processed.

Step	Performed by	Action taken
1	Selling participant	Enters a redemption request via IVOR or NIVR.
2	The IVORS system	Edits the request to determine that: • There is sufficient free position available. • The CUSIP is eligible for IVORS transactions and/or redemption. Moves units to the selling participant's pending sale sub-account.
3	The IVORS system	Notifies the sponsor and/or TA of the request via IVIQ, IVRS or IVRT.
4	TA or sponsor	Enters the purchase price and accrued dividend per unit on or before 11 a. m. eastern time on the settlement date via IVRS (sponsor) or IVRT (TAs). **Note** If this information is not entered by the settlement date cutoff, the request is unwound (dropped from the system).
5	The IVORS system	Calculates the settlement value of the sale. Moves the units from the sponsor's participant account. **Note** The units will remain there until the sponsor decides to redeem them or sell them on the secondary market.
6	DTC	Credits the participant and debits the sponsor on the settlement date.

How a Sale to the Sponsor with a Redemption is Processed

The following chart describes how sales to the sponsor with redemptions are processed.

Step	Performed by	Action taken
1	Selling participant	Enters a redemption request via IVOR or NIVR.

Step	Performed by	Action taken
2	The IVORS system	Edits the request to determine that: There is sufficient free position available. The CUSIP is eligible for IVORS transactions and/or redemption. Moves units to the selling participant's pending sale sub-account.
3	The IVORS system	Notifies the sponsor and TA of the request via IVIQ, IVRS or IVRT.
4	TA or sponsor	Enters the purchase price and accrued dividend per unit on or before 11 a. m. eastern time on the settlement date via IVRS (sponsor) or IVRT (TAs). **Note** If this information is not entered by the settlement date cutoff, the request is unwound (dropped from the system).
5	The IVORS system	Calculates the settlement value of the sale. Moves the units from the sponsor's participant account.
6	The IVORS system	Moves the units from the sponsor's account to the TA's participant account. Generates a withdrawal instruction to remove the units from the TA's and DTC's systems.
7	DTC	Credits the participant and debits the TA on the settlement date.

How a Rollover is Processed

The following chart describes how rollovers are processed.

Step	Performed by	Action taken
1	TA	Enters rollover CUSIP number (s) for the maturing UIT via IVDB, and also creates an announcement.
2	The IVORS system	Feeds the RAMS system and creates a preliminary envelope using the new RIPS activity code for rollovers.
3	DTC's Reorganization Department	Receives a report alerting them to any new announcements and updates the announcement to an active and completed status.
4	Participant	Views the RIPS announcement and enters a rollover request via IVOR or NIVR.

Step	Performed by	Action taken
		A separate instruction must be entered for each different CUSIP being rolled into.
5	The IVORS system	Edits the request to determine that: • There is sufficient free position available • The CUSIP is eligible for IVORS transactions. Moves units to the participant's pending redemption account (RPG) to await settlement.
6	TA	Enters via IVRT: • Redemption price • Accrued income • Purchase price of new UIT • Concession fee • Cash-in-lieu on T+1 but not later than 12:00 p.m. on the settlement date.
7	The IVORS system	Calculates the entitlement of the new trust. Releases the redeeming participant's segregated position to the general free account. Moves the units from the redeeming participant's general free account to the TA's participant account. **Note** The cash value credited to the participant's account includes the concession fee and/or any cash-in-lieu.
8	The IVORS system	Creates a deposit journal of the rollover CUSIP and its share quantity onto the TA's participant account and generates a deliver order from the TA's account to the participant's account. Reduces the FAST balance of the redeeming CUSIP and increases the FAST balance for the rollover CUSIP.

Inquiring About Transactions

The IVIQ function allows you to inquire about transactions involving those UITs for which you are responsible. You should use IVIQ daily to check for any requests that require your attention.

Using IVORS to Communicate "Non-Settlement" Redemptions

TAs can use the IVORS system to communicate with sponsors about redemptions taking place outside DTC.

The TA uses its participant number to enter a redemption request via the IVOR or NIVR function, the same way participants enter their IVORS requests. IVORS recognizes the TA's participant number and marks the transaction as "information only." The units are **not** moved from the TA's account.

IVORS notifies the sponsor, via the IVRS or IVIQ function, that the request was entered. Either the TA or the sponsor enters the price per unit and accrued dividend information, and IVORS calculates the settlement value of the transaction. However, because it is an "information only" transaction, automated settlement does not occur.

These transactions will remain in the IVORS system until the settlement date and can be viewed via the IVIQ function.

FOR MORE INFORMATION