

# IMPORTANT NOTICE

National Securities Clearing Corporation



**A#** 6660 Revised – July 10, 2009  
**P&S #** 6230  
**DATE:** July 18, 2008  
**TO:** ALL PARTICIPANTS  
**ATTENTION:** MANAGING PARTNER/OFFICER; OPERATIONS  
PARTNER/OFFICER; MANAGER P&S DEPARTMENT; MANAGER  
DATA PROCESSING DEPARTMENT  
**FROM:** PRODUCT MANAGEMENT  
**SUBJECT:** NSCC Enhances its Exchange Traded Fund (ETF)  
Process to Support both Cash Components and  
Shortened Settlement Processing

NSCC plans to enhance its Exchange Traded Fund (ETF) service to (1) support creates and redeems with “cash” consideration and (2) provide shortened a settlement cycle (T+1 and T+2 settlement) Subject to SEC approval, it is anticipated that these enhancements will be available beginning September 30, 2008. In order to meet the needs of the changing ETF marketplace, NSCC is expanding its create and redeem service to allow Agent Banks (‘Agents’) and, their subscribers’, to process creates and redeems through NSCC which currently are processed ex-clearing. Participants that do not intend to process creates and redeems on a shortened settlement cycle, or for cash, are not required to make any update as this service is optional.

Agents intending to provide cash create and redeem processing to its subscribers must provide NSCC with an additional data field on both the Portfolio Composition File (PCF) and instruction input. Participants planning to create and redeem versus cash with their Agents must be prepared to read an additional field on both the PCF and instruction output.

There are no changes for either Agents or their subscribers’ on the PCF for shortened settlement creates and redeems. However, Agents will inform NSCC on a new field on the instruction input if a create or redeem has a shortened settlement cycle. NSCC will report a shortened settlement create or redeem instruction in the existing trade date and settlement date fields on the instruction output.

NSCC will implement a new fee for shortened settlement creates and redeems of \$50.00. This fee will be applied to all shortened settlement instructions including ‘as of’ transactions.

NSCC is also expanding its ETF service to process all CNS eligible corporate and municipal bonds as well as UITs. These enhancements are described below:

An important notice will be released in late August 2008 with instructions for testing the new functionality.

**Expand the PCF and Create / Redeem Process to Include Cash as an Eligible ETF Component**

Currently NSCC only supports ETF creates and redeems where the underlying components are predominantly NSCC eligible securities (i.e. CNS eligible securities). The create/redeem process facilitates an in kind distribution where the creating broker receives the ETF from the Agent in exchange for the fund’s underlying components. This exchange is settled through NSCC’s Continuous Net Settlement (CNS) system.

NSCC is expanding its ETF service to allow create and redeem processing using cash as the sole underlying component. This enhancement will allow participants and their Agent to create and redeem ETF’s whose underlying components are not currently eligible for processing at NSCC (for example, commodity ETFs and ETNs).

**File Changes to Accommodate Cash ETF Processing**

NSCC has added new fields on its ETF PCF and instruction input and output to accommodate cash portfolio reporting as well as creates and redeems as shown in the table below. Agents that want to offer cash creates and redeems to their subscribers must enhance their NSCC input files to report cash processing on an ETF. In turn, participants that would like to use the cash create functionality should adjust their application to read the new cash fields on the NSCC output files.

<b>Agent Input (DATATRAK)</b>	<b>Field</b>	<b>Change</b>
11297 – Enhanced PCF 11299 - Supplemental PCF	Field 122 Cash / Security Indicator	<b>1 = Cash only</b> <b>2 = Cash or Securities</b> <b>Space = Securities only</b>
11522 - Instruction Creates Redeems	Field 72 Cash / Security Indicator	<b>1 = Cash only</b> <b>Space = Securities only</b>
<b>Participant Output (AutoRoute)</b>	<b>Field</b>	<b>Change</b>
02260193 - Enhanced PCF 02290256 - Supplemental PCF 02260269 - Enhanced PCF Custom 02290272 - Supplemental PCF Custom	Field 151 Cash / Security Indicator	<b>1 = Cash only</b> <b>2 = Cash or Securities</b> <b>Space = Securities only</b>
02262292 Index Instruction Detail	N/A	<b>No record 5 when Create / Redeem is done for Cash</b>

Specific details on the above formats can be found in the subsequent pages of this document. Mock-ups of the print image reports are included on the pages immediately following the record layouts.

**In order to use the cash create/redeem feature, Agents must convert to the new Enhanced PCF (11297, 11299) and Instructions Creates/Redeems file (11522) formats. If an Agent does not plan on offering its subscribers a cash create and redeem option, no changes are required.**

## **Introduce Shortened Settlement Cycles for Creates and Redeems**

Today the ETF create and redeem service only allows regular way (T+3) settlement. NSCC will provide new functionality that will allow a participant to create and redeem ETFs on a shortened settlement cycle.

In order to introduce the shortened settlement cycle in a cost effective manner for its customers, NSCC will revise its processing to address the timing of the NSCC trade guarantee for Next Day settlement of ETF creates and redeems. NSCC is planning to delay posting the shortened settlement creates and redeems to the Consolidated Trade Summary and thereby delay the CNS processing of such transactions until the CNS day cycle, on T+1, at 11:30 a.m. This will allow NSCC ample time to collect clearing fund prior to guaranteeing the transactions, yet still allows the trades to settle on T+1. Since clearing fund will be collected prior to the NSCC guarantee, there will be no need for NSCC to collect the 21-day look-back charge<sup>1</sup> for T+1 ETF settling transactions.

### **File Changes to Accommodate Shortened Settlement ETF Processing**

NSCC has added a new field on its ETF instruction input file to accommodate shortened settlement creates and redeems as shown in the table below. Agents that want to offer shortened settlement creates and redeems must adjust their NSCC input files to instruct a shortened settlement. There are no file changes to portfolio input or output or the instruction output files. Participants will know a create or redeem has a shortened settlement by reviewing the settlement date field on the instruction file output.

<b>Input (DATATRAK) – Agent Input</b>	<b>Field</b>	<b>Change</b>
11522 - Instruction Creates Redeems	Field 71 Settlement Instruction	<b>1 = Next Day Settlement</b> <b>2 = Two Day Settlement</b> <b>Space = Regular Way Settlement</b>

### **Expanded Coverage of Corporates, Municipals and UIT's (CMU's)**

NSCC has expanded its ETF security master file to capture less frequently traded corporate and municipal bonds and UITs. These items may be now included in create and redeem processing.

## **File Layout Changes**

### **Changes to Enhanced PCF Submissions (#11297, 11299)**

In field 122, a participant can indicate whether a portfolio can be created or redeemed for securities only, cash only, or for both, cash and securities.

<b>Cash or Security Indicator</b>	<b>1</b>	<b>122</b>	<b>122</b>	<b>A/N</b>	<b>1 = Cash only</b> <b>2 = Cash or Securities</b> <b>Space = Securities only</b>
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<sup>1</sup> In order to account for the risk of unknown positions, Risk Management performs a look back calculation to estimate shortened settlement volumes and values. The shortened settlement component is added to a participant's clearing fund requirement for 21-days after each shortened settlement occurs.

The header records for the Enhanced PCF and the Supplemental PCF (Datatrak Sys ID 11297 and 11299) are displayed below. Changes to the layout are bolded in *red*.

<b>NSCC PORTFOLIO</b>				<b>HEADER</b>	
<b>DATATRAK 11297 / 11299</b>				<b>Record Length 150</b>	
<b>Description</b>	<b>Length</b>	<b>Start</b>	<b>End</b>	<b>Type</b>	<b>Comments</b>
Header Record – Record Type 1					
Record Type	2	1	2	A/N	01 = Record Type 1
Domestic Unit CUSIP	9	3	11	A/N	Instruction CUSIP, NSCC assigned
Estimated Cash Amount Per Creation Unit	14	12	25	N	999,999,999,999.99
Sign Field For Estimated Cash Amount Per Creation Unit	1	26	26	A/N	“ - “ indicates negative value; otherwise assumes positive.
Component Count	8	27	34	N	99,999,999
Estimated Cash Amount Per Index Receipt	8	35	42	N	999,999.99
Sign Field For Estimated Cash Amount Per Index Receipt	1	43	43	A/N	“ - “ indicates negative value; otherwise assumes positive.
Net Asset Value Per Creation Unit	13	44	56	N	99,999,999,999.99
Sign Field For Net Asset Value Per Creation Unit	1	57	57	A/N	“ - “ indicates negative value; otherwise assumes positive.
Net Asset Value Per Index Receipt	16	58	73	N	99,999,999,999,999.99
Sign Field For Net Asset Value Per Index Receipt	1	74	74	A/N	“ - “ indicates negative value; otherwise assumes positive.
Total Cash Amount Per Creation Unit	16	75	90	N	99,999,999,999,999.99
Sign Field For Total Cash Amount Per Creation Unit	1	91	91	A/N	“ - “ indicates negative value; otherwise assumes positive.
Total Shares Outstanding Per Index Receipt	12	92	103	N	999,999,999,999
Dividend Amount Per Index Receipt	13	104	116	N	99,999,999,999.99
Sign Field For Dividend Amount Per Index Receipt	1	117	117	A/N	“ - “ indicates negative value; otherwise assumes positive.
Trustee	4	118	121	A/N	NSCC Member Number
<b>Cash or Security Indicator</b>	<b>1</b>	<b>122</b>	<b>122</b>	<b>A/N</b>	<b>1 = Cash only 2 = Cash or Securities Space = Securities only</b>
Future Use	28	123	150	A/N	Spaces
					<b>End of Record</b>

There are no changes required to any of the PCF detail, trailer or custom header records on the Datatrak Sys ID's 11297 and 11299.

**Changes to the Enhanced PCF Machine Readable Output (MRO) AutoRoute (Standard -02260193, Custom 02260269, Supplemental - 02290256 and Supplemental Custom - 02290272)**

Information on whether a portfolio can be created or redeemed for cash can be found on the PCF MRO output (02260193, 02290256, 0226029 and 02290272) in field 151.

<b>Cash or Security Indicator</b>	<b>Alphanumeric</b>	<b>1</b>	<b>151</b>	<b>151</b>	<b>1 = Cash only 2 = Cash or Securities Space = Securities Only</b>
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You will find the Enhanced PCF MRO header on the following page. Changes to the layout are bolded and highlighted in *red*.

**PCF Machine Readable Output (MRO) AutoRoute (Standard -02260193, Custom 02260269, Supplemental - 02290256 and Supplemental Custom - 02290272)**

**BASKET HEADER**

<b>Name</b>	<b>Type</b>	<b>Length</b>	<b>Start</b>	<b>End</b>	<b>Description</b>
Record Type	Alphanumeric	2	1	2	01=Basket Header
Index Receipt Symbol	Alphanumeric	15	3	17	Trading Symbol
Index Receipt CUSIP	Alphanumeric	9	18	26	S&P Assigned CUSIP
<b>Name</b>	<b>Type</b>	<b>Length</b>	<b>Start</b>	<b>End</b>	<b>Description</b>
When Issued Indicator	Alphanumeric	1	27	27	0=Regular Way 1=When Issued
Foreign Indicator	Alphanumeric	1	28	28	0=Domestic 1=Foreign

Exchange Indicator	Alphanumeric	1	29	29	0=NYSE 1=AMEX 2=OTC
Portfolio Trade Date	Numeric	8	30	37	CCYYMMDD (Field updated from 6 bytes to 8 bytes)
Component Count	Numeric	8	38	45	99,999,999
Create/Redeem Units per Trade	Numeric	8	46	53	99,999,999
Estimated T-1 Cash Amount Per Creation Unit	Numeric	14	54	67	999,999,999,999.99
Sign field for Estimated T-1 Cash Amount Per Creation Unit	Alphanumeric	1	68	68	"-" = negative value "+" = positive value (Negative and Positive sign values added)
Estimated T-1 Cash Per Index Receipt	Numeric	13	69	81	99,999,999,999.99
Sign field for Estimated T-1 Cash Amount Per Index Receipt	Alphanumeric	1	82	82	"-" = negative value "+" = positive value (Negative and Positive sign values added)
Net Asset Value Per Creation Unit	Numeric	13	83	95	99,999,999,999.99
Sign field for Net Asset Value Per Creation Unit	Alphanumeric	1	96	96	"-" = negative value "+" = positive value (Negative and Positive sign values added)
Net Asset Value Per Index Receipt	Numeric	13	97	109	99,999,999,999.99
<b>Name</b>	<b>Type</b>	<b>Length</b>	<b>Start</b>	<b>End</b>	<b>Description</b>
Sign field for Net Asset Value Per Index Receipt	Alphanumeric	1	110	110	"-" = negative value "+" = positive value (Negative and Positive sign values added)

Total Cash Amount Per Creation Unit	Numeric	13	111	123	99,999,999,999.99
Sign field for Total Cash Amount Per Creation Unit	Alphanumeric	1	124	124	"-" = negative value "+" = positive value (Negative and Positive sign values added)
Total Shares Outstanding Per ETF	Numeric	12	125	136	999,999,999,999 (New optional field which signifies the number of shares outstanding for a particular ETF. This field is meant to assist participants in calculating NAVs.)
Dividends Amount Per Index Receipt	Numeric	13	137	149	999,999,999,999 (New optional field which signifies the dividends paid by an ETF. This field is meant to assist participants in calculating NAVs.)
Sign field for Dividend Amount Per Index Receipt	Alphanumeric	1	150	150	"-" = negative value "+" = positive value (Negative and Positive sign values added)
<b>Cash or Security Indicator</b>	<b>Alphanumeric</b>	<b>1</b>	<b>151</b>	<b>151</b>	<b>1 = Cash only 2 = Cash or Securities Space = Securities only</b>
Future Use	Alphanumeric	30	152	180	Spaces (The length of the record has gone from 133 bytes to 180 bytes)

**There are no changes to the component detail or trailer record for the PCF MRO file.**

**Changes to Index Instructions Create / Redeem DataTrack Submissions (#11522)**

DATATRAK input will be modified to support next day (T+1) and (T+2) create and redeem settlement. The instruction acceptance and validation process will be modified to assign a non-standard settlement date based on the numeric value received on the DataTrack submission. The table below shows how the settlement dates will be assigned based upon these values: ‘ ‘, 1, 2, for T+3, T+1, T+2, respectively, submitted by the Agent on the create/redeem instruction.

NSCC currently distributes several ETF's on its PCF file that are coded as non-create / redeem eligible. Agents who wish to create and redeem these ETF's for cash after these enhancements are released, must contact NSCC Underwriting to change the create / redeem eligibility on NSCC control tables.

**CREATE AND REDEEM INSTRUCTIONS WITH A SAME DAY SETTLEMENT WILL BE REJECTED BY NSCC.**

Submitted Value on the create/redeem instruction	PROCESS DATE	TRADE DATE	Accepted /Rejected	SETTLEMENT DATE
' '	Today	Today	Accepted	T+3
'1'	Today	Today	Accepted	T+1
'2'	Today	Today	Accepted	T+2
' '	Today	-1 ( Yesterday)	Accepted	T+2
'1'	Today	-1 ( Yesterday)	Rejected	N/A
'2 '	Today	-1 ( Yesterday)	Accepted	T+1
' '	Today	-2 ( Two Days Ago)	Accepted	T+1
'1'	Today	-2 ( Two Days Ago)	Rejected	N/A
'2 '	Today	-2 ( Two Days Ago)	Rejected	N/A

**Shortened Settlement-Position 71** of the Create/Redeem Instruction (Datatrack Id #11522) can be used to designate whether a portfolio will settled regular way (submitted value is ' '), Next Day (submitted value is '1'), or T+2 (submitted value is '2').

<b>Settlement Instruction</b>	<b>Alphanumeric</b>	<b>1</b>	<b>71</b>	<b>71</b>	<b>1 = Next Day Settlement 2 = Two day Settlement Space = Regular Way Settlement</b>
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**Cash or Security Creations-Position 72** of the Create/Redeem Instruction's detail record (Datatrack Id #11522) can be used to indicate whether a create and redeem instruction is against securities (submitted value is ' ') or cash (submitted value is 1).

<b>Cash or Securities Indicator</b>	<b>Alphanumeric</b>	<b>1</b>	<b>72</b>	<b>72</b>	<b>1 = Cash only Space = Securities only</b>
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**Cash Amount-Position 42** Agents need to provide the total cash amount of a cash create and redeem in field 42 on the Instructions Creates / Redeems (DATATRAK Sys Id 11522). The amount entered in this field should represent the total cash amount required to create an ETF for cash inclusive of any dividends or adjustments that would normally be accounted for in this field. The total amount for the entire transaction must be entered when creating or redeeming multiple units. In other words, if a



participant is creating five baskets, the total cash field will represent the cash amount for all five baskets; the application will not multiply the money amount per basket.

In the current process, this field represents cash in lieu of securities plus any transaction fee, and is reported on the clearing participant’s Final Settlement Statement (print image report - AutoRoute Product 02130058) with the unique identifier “Code 54 – Index Receipt Money Settlement.” The cash amount for creates and redeems processed for cash will now settle in CNS, while the transaction fee will continue to settle through Money Settlement.

<b>Cash Amount</b>	<b>Numeric</b>	<b>16</b>	<b>42</b>	<b>57</b>	<b>99,999,999,999,999.99</b>
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**INSTRUCTIONS CREATES/REDEEMS  
DATATRACK ID 11522**

<b>NSCC Instruction Create/Redeem</b>					<b>Detail</b>
<b>DATATRACK 11522</b>					<b>Record Length 80</b>
<b>Description</b>	<b>Type</b>	<b>Length</b>	<b>Start</b>	<b>End</b>	<b>Comments</b>
Record Type	Alphanumeric	1	1	1	02=Instruction Detail Record
Transaction code	Alphanumeric	1	2	2	C=Create R=Redeem
Transaction type	Alphanumeric	1	3	3	T=T Trade A=As Of Trade
Trustee	Alphanumeric	4	4	7	Issuer
Contra Clearing Firm	Alphanumeric	4	8	11	Broker/Dealer
Trade Date	Alphanumeric	8	12	19	MMDDCCYY
Unit Quantity	Numeric	9	20	28	999,999,999
Currency Indicator	Alphanumeric	3	29	31	Literal 'USD'
Transaction Fee	Numeric	10	32	41	99,999,999.99
<b>Cash Amount</b>	<b>Numeric</b>	<b>16</b>	<b>42</b>	<b>57</b>	<b>99,999,999,999,999.99</b>
Cash Amount Sign Indicator	Alphanumeric	1	58	58	+ = Positive - = Negative

Instruction Unit CUSIP	Alphanumeric	9	59	67	Instruction Cusip, assigned by NSCC;
When Issued Indicator	Alphanumeric	1	68	68	0 = Regular Way 1 = When Issued
Foreign Indicator	Alphanumeric	1	69	69	0 = Domestic
Exchange Indicator of Primary Market	Alphanumeric	1	70	70	0 = NYSE 1 = AMEX 2= OTC
<b>Settlement Instruction</b>	<b>Alphanumeric</b>	<b>1</b>	<b>71</b>	<b>71</b>	<b>1 = Next Day Settlement 2 = 2 day Settlement Space = Regular Way Settlement</b>
<b>Cash or Security Indicator</b>	<b>Alphanumeric</b>	<b>1</b>	<b>72</b>	<b>72</b>	<b>1 = Cash only Space = Securities only</b>
Future Use	Alphanumeric	8	73	80	Spaces

**Changes to Index Instruction Detail MRO (Autoroute#02262292)**

Participants will not be required to make any changes for receipt of the Index Instruction Detail as a result of the cash create / redeem or shortened settlement enhancement. Participants should note the following:

- For cash creates and redeems, this report will not contain record 5 the Trade Component Record. Records one through four and six will continue to be distributed for cash creates and redeems.
- For shortened settlement creates and redeems, participants can note the trade date in field 7-14 and settlement date in field 15-22 on the Index Instruction Detail MRO output. (Autoroute # 02260292)

**The complete set of ETF formats can be found at the following DTCC website:  
[http://www.dtcc.com/products/documentation/cs/formats\\_indexproducts.php](http://www.dtcc.com/products/documentation/cs/formats_indexproducts.php)**



**Changes To The PCF Print Image Report Autoroute ID#02260293**

Highlighted in boldface below are the changes to the existing reports that reflect the new functionality related to processing cash portfolios.

**1. Available for Cash or Securities**

NATIONAL SECURITIES CLEARING CORPORATION

PAGE 1

DOMESTIC INDEX RECEIPT TRADE  
 PORTFOLIO REPORT  
 TRADE DATE OF 01/30/08

DOMESTIC BASKET  
 SYMBOL - KRE DESCRIPTION - SPDR SER TR KBW REGIONAL BKG E CUSIP - 78464A698001  
 EST. CASH AMOUNT PER CREATION UNIT : 189,641.65 N.A.V. PER INDEX RECEIPT : 37.60  
 EST. CASH AMOUNT PER INDEX RECEIPT : 3.79 TOTAL CASH AMOUNT PER CREATION UNIT : 190,386.34  
 N.A.V. PER CREATION UNIT : 1,880,062.17  
 SHARES OUTSTANDING PER ETF : 11,300,100 DIVIDEND AMOUNT PER INDEX RECEIPT : 0.00  
**AVAILABLE FOR CASH: YES**

PORTFOLIO COMPONENT:		NEW SECURITY		SHARE QUANTITY
SYMBOL	CUSIP	INDICATOR	DESCRIPTION	
ASBC	045487105002		ASSOCIATED BANC CORP	1,468
BXS	059692103000		BANCORPSOUTH INC	2,042
BOH	062540109000		BANK OF HAWAII CORPORATION	962
BPFH	101119105002		BOSTON PRIVATE FINL HLDGS INC	1,620
BRKL	11373M107002		BROOKLINE BANCORP INC DEL	3,139
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TOTAL COMPONENTS		50		

**#2 Available for Securities Only**

NATIONAL SECURITIES CLEARING CORPORATION

PAGE 1

DOMESTIC INDEX RECEIPT TRADE  
 PORTFOLIO REPORT  
 TRADE DATE OF 01/30/08

DOMESTIC BASKET  
 SYMBOL - FPX DESCRIPTION - FIRST TRUST IPOX 100 INDEX FD CUSIP - 336920103001

EST. CASH AMOUNT PER CREATION UNIT :	262.42	N.A.V. PER INDEX RECEIPT :	22.26
EST. CASH AMOUNT PER INDEX RECEIPT :	0.01	TOTAL CASH AMOUNT PER CREATION UNIT :	295.10-
N.A.V. PER CREATION UNIT :	1,113,082.20		
SHARES OUTSTANDING PER ETF :	900,002	DIVIDEND AMOUNT PER INDEX RECEIPT :	0.00

**AVAILABLE FOR CASH: NO**

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PORTFOLIO COMPONENT:	NEW SECURITY		SHARE QUANTITY
SYMBOL	CUSIP	INDICATOR	DESCRIPTION
AYR	G0129K104000		AIRCASTLE LIMITED COM 184
AWH	G0219G203000		ALLIED WORLD ASSURANCE COMPANY HOLD 142
AGO	G0585R106000		ASSURED GUARNATY LTD 159
COV	G2552X108000		COVIDIEN LTD COM 1,166
G	G3922B107000		GENPACT LIMITED 496
HLF	G4412G101000		HERBALIFE LTD 159
LAZ	G54050102000		LAZARD LTD 253
MF	G60642108000		MF GLOBAL LTD 280
OB	G67742109000		ONEBEACON INSURANCE GROUP LTD CL-A 233
-----			3,696
TOTAL COMPONENTS	100		

**#3 Available for Cash Only**

NATIONAL SECURITIES CLEARING CORPORATION

PAGE 1

DOMESTIC INDEX RECEIPT TRADE  
PORTFOLIO REPORT  
TRADE DATE OF 01/30/08

DOMESTIC BASKET  
SYMBOL - JKD DESCRIPTION - ISHARES MORNINGSTAR LARGE CORE CUSIP - 464287127002  
EST. CASH AMOUNT PER CREATION UNIT : 5,565.74 N.A.V. PER INDEX RECEIPT : 75.03  
EST. CASH AMOUNT PER INDEX RECEIPT : 0.11 TOTAL CASH AMOUNT PER CREATION UNIT : 5,422.46  
N.A.V. PER CREATION UNIT : 3,751,383.98  
SHARES OUTSTANDING PER ETF : 2,150,000 DIVIDEND AMOUNT PER INDEX RECEIPT : 0.00

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\* \* \* \* \* C A S H O N L Y \* \* \* \* \*

**#4 Available for Cash Only with component details listed.**

NATIONAL SECURITIES CLEARING CORPORATION

PAGE 1

DOMESTIC INDEX RECEIPT TRADE  
 PORTFOLIO REPORT  
 TRADE DATE OF 01/30/08

DOMESTIC BASKET  
 SYMBOL - JKD DESCRIPTION - ISHARES MORNINGSTAR LARGE CORE CUSIP - 464287127002  
 EST. CASH AMOUNT PER CREATION UNIT : 5,565.74 N.A.V. PER INDEX RECEIPT : 75.03  
 EST. CASH AMOUNT PER INDEX RECEIPT : 0.11 TOTAL CASH AMOUNT PER CREATION UNIT : 5,422.46  
 N.A.V. PER CREATION UNIT : 3,751,383.98  
 SHARES OUTSTANDING PER ETF : 2,150,000 DIVIDEND AMOUNT PER INDEX RECEIPT : 0.00

\*\*\*\*\* C A S H O N L Y \*\*\*\*\*

PORTFOLIO COMPONENT:	NEW SECURITY	DESCRIPTION	SHARE QUANTITY
SYMBOL	CUSIP	INDICATOR	
AYR	G0129K104000	AIRCASTLE LIMITED COM	184
AWH	G0219G203000	ALLIED WORLD ASSURANCE COMPANY HOLD	142
AGO	G0585R106000	ASSURED GUARNATY LTD	159
COV	G2552X108000	COVIDIEN LTD COM	1,166
G	G3922B107000	GENPACT LIMITED	496
HLF	G4412G101000	HERBALIFE LTD	159
LAZ	G54050102000	LAZARD LTD	253
MF	G60642108000	MF GLOBAL LTD	280
OB	G67742109000	ONEBEACON INSURANCE GROUP LTD CL-A	233
			3,696

TOTAL COMPONENTS 100

**TEST OUPUT FOR PCF and Index Instruction Detail MRO FILES for Index Receipt Agents and Participants**

Test output for the Enhanced PCF and Index Instruction Detail MRO's will be available in the middle of third quarter of 2008. NSCC will publish information on testing in a subsequent important notice.

If you have additional questions, please contact your Relationship Manager.