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<b>Date:</b>	<b>November 29, 2016</b>
<b>To:</b>	<b>ALL MEMBERS AND LIMITED MEMBERS</b>
<b>From:</b>	<b>WEALTH MANAGEMENT SERVICES – MUTUAL FUNDS</b>
<b>Attention:</b>	<b>MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&amp;S DEPARTMENT</b>
<b>Subject:</b>	<b>Settlement Cycle Modifications to Facilitate Industry Move to T+2</b>

The U.S. T+2 Industry Steering Committee, organized by The Depository Trust & Clearing Corporation and co-chaired by the Securities Industry and Financial Markets Association and the Investment Company Institute, announced the industry target date of September 5, 2017 for the U.S. move from a T+3 to a T+2 settlement cycle.

To facilitate the move to T+2 and avoid significant client impact, National Securities Clearing Corporation (NSCC) will systematically update the Mutual Funds Fund/SERV system for specific securities with a settlement cycle of T+3 to T+2, **effective September 5, 2017**. The modifications will only **pertain to the following Fund/SERV domestic security types:**

- 15 - UIT (Unit Investment Trust)
- 24 - Money Market Fund
- 25 - Load Mutual Fund
- 26 - No – Load Mutual Fund
- 27 - Closed End Fund
- 55 - GIC (Guaranteed Investment Contract)
- 56 - Stable Value Fund
- 57 - Separate Account
- 58 - Bank Collective Investment Trust
- 60 - BIC (Bank Investment Contract)
- 61 - Section 529 Account- Qualified Tuition Program

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For the aforementioned Security Types, the following settlement cycles will be updated to T+2 in instances where the settlement cycle is T+3:

- Order
- As of Order
- Cash Adjustment
- Exchange
- Alternate Order

The following non-U.S. Fund/SERV Security Types will be **excluded** from the systematic update to T+2:

- 59 - Offshore U.S. dollar (NRA)
- 62 - Offshore U.S. dollar
- 63 - Offshore Non-U.S. dollar

Updates may be requested for these security types through the existing process of submitting a Fund/SERV Security Issue ID Modify Form.

### **Important Notes:**

- The USD and USN Currency Type codes for a security will not be modified. For additional information on USD and USN codes please refer to Fund/SERV Technical Manual Chapter 2 (Section A - "USD/USN Currency Type Considerations").
- Firms will continue to have the ability to override the settlement date on individual Fund/SERV orders by populating the 'Anticipated Settlement Date' field.
- Only domestic securities with a T+3 settlement cycle will be modified to a T+2 settlement cycle.
- Domestic securities with a settlement cycle less than or greater than T+3 will not be modified.
- After NSCC performs the systematic updates to T+2, Funds will continue to have the ability to change a security's settlement cycle through the existing process of submitting a Fund/SERV Security Issue ID Modify Form.
- For additional information on the industry move to T+2, please visit [www.ust2.com](http://www.ust2.com)

### **SECURITY EXCLUSIONS**

A qualifying Fund or a specific security can be excluded from the systematic update to T+2. To accomplish this, the Fund will be required to list each security id to be excluded on a new *T2 Mutual Fund Security Exclusion Form*, and email the completed form to the NSCC [WMST2@dtcc.com](mailto:WMST2@dtcc.com) mailbox. All exclusions must be submitted to NSCC by **August 18, 2017**.

This form is available on the DTCC.com website at:

<http://www.dtcc.com/~media/Files/Downloads/Investment-Product-Services/user%20documentation/T2-Mutual-Fund-Security-Exclusion-Form.xlsx>

## **TESTING**

Clients have the ability to test a variety of settlement cycles, including T+2 today in the Participant Services Environment (PSE) region. Securities with T+3 settlement cycles will **NOT** be systematically modified to T+2 in PSE. Fund clients may request a security's settlement cycle be modified to T+2 by submitting a Fund/SERV Security Issue ID Modification form and include a note in the Special Instructions field stating the change is applicable to PSE only.

This Important Notice serves as the initial announcement of the aforementioned changes to Fund/SERV securities and processes therein. Follow up notifications will be sent as a reminder.

Questions and comments regarding this Important Notice should be directed to Wealth Management Services at **(212) 855-8877**.

Therese Leahy  
Product Manager

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DTCC Wealth Management Services