



The Depository Trust & Clearing Corporation

ALERT® FOR TRUSTEE

OVERVIEW

To reduce risk and operational costs associated with trade failure, it is vital to have a complete and standardized process for storing, updating and communicating account and standing settlement instruction details (SSIs) – between counterparties. In fact, the industry estimates that 20-30 percent of trade failures are a direct result of inaccurate SSIs. This number is largely fueled by firms using manual processes for the management of SSIs.

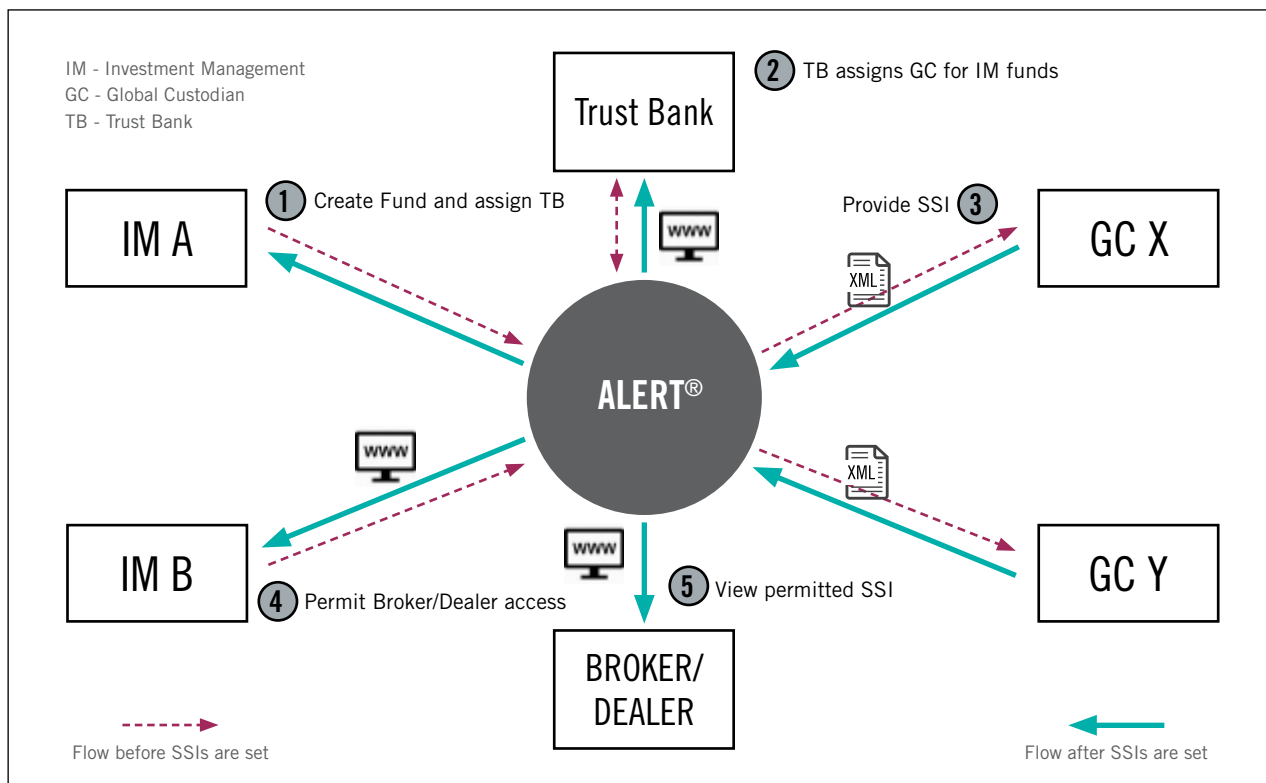
ALERT®, the industry's largest and most compliant web-based global database for the maintenance and communication of account and SSIs significantly reduces trade failure by enabling a community of investment managers, hedge funds, Broker/Dealers, Trustees, Prime Brokers and Custodian banks to share accurate account and SSI data automatically worldwide.

HOW IT WORKS

The ALERT Global Custodian Direct (GC Direct) workflow automates the exchange of SSIs between a Custodian/Prime Broker's central repository and the ALERT host using ISO 20022 compliant messages. It enables the Global Custodian/Prime Broker to own and manage the SSI data, effectively creating the "golden copy" in ALERT.

ALERT has incorporated new functionality which allows a Trustee (also known as a Trust Bank in Japan) to facilitate an Investment Manager's (IM) SSI request from the Custodian via GC Direct, using the ALERT for Trustee workflow. Global Custodians who have been managing SSIs via GC Direct did not previously support SSIs for funds which are Trustee affiliated. With the introduction of the ALERT for Trustee workflow, Trustees will participate in ALERT and will pass the

HOW ALERT FOR TRUSTEE WORKS





SSI request to the Global Custodians using the existing GC Direct linkage. GC Direct Custodians will be able to manage SSIs via the automated GC Direct process.

KEY BENEFITS

- Improved data quality – SSIs will be sent from source of the data – the Custodian/Prime Broker.
- Validated settlement instructions – Market rules and validations will be enforced through ALERT, which will reduce the risk of passing inaccurate or incomplete instructions to clients.
- Reduced manual effort, lowered operational costs and added security – Automating the manual process of sending SSIs by email will not only save all parties time, but also lower their operational costs and add security by providing an audit trail.
- Market settlement instructions can be set to become effective for settlement at a future date (Future Effective Settlement Date), saving Investment Managers time and adding efficiency to data maintenance.

KEY FEATURES

- Electronic Signature from the Trustee approving/rejecting the SSI request before sent from the IM to the GC Direct Custodian
- Real time email to Trustee when IM sending an SSI request their way
- Alerts (electronic notification) available for Trustee for every action a GC Direct Custodian(s) take with SSIs (create/update/delete)
- Comprehensive Dashboard available to IM and Trustee to monitor status of SSI requested
- Automated enrichment of SSI and account information in CTM®
- ALERT's intuitive interface validates new data entered against industry standard rules to ensure accurate SSI data. ALERT is continually enhanced to keep pace with ISO15022/MT54X fields for securities, and ISO7775/MT304, MT210 and MT202 messages for cash/FX trading
- Support for an LEI for the IM/BD and the underlying client

FOR MORE INFORMATION

View our video to learn more about how to create an account and assign to a Trustee.