



Alternative Investment Products

BEST PRACTICE GUIDE – POST TRADE REPORTING EDITION

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INTRODUCTION

This guide is intended to document best practices that have been agreed upon by subcommittees and/or the AIP Roundtable committee. It is not intended to provide mandatory system requirements or explain how transactions work – the AIP Data Dictionary and Transactions Flows, respectively, provide detailed information on each.

This guide documents common, agreed upon and/or expected client usage of AIP transactions that are not system requirements. The information contained here should be considered when transactions and records are being implemented.

AIP documentation, including this guide, the Data Dictionary and the Transactions Flows can be found on <http://www.dtcc.com/aip>.

SECURITY GENERAL PROFILE

Best Practice for the Share Class Usage on the Security General Profile

The Fund 'Share Class' will be populated in the Share Class field on the Security General Profile.

- For Example, the Share Class Field will only display the value 'A'.
- The word 'Class' will not be included in the Share Class field.
- The Share Class should be included in both the Security Issue Name and the Share Class field.

Best Practice for the Set-up of the Dummy CUSIP Number

Unregistered - When the fund is 'unregistered', it does not have a valid CUSIP, therefore the Security Identifier should be established with the value (4 = Custom).

- This is to identify the fund has an unregistered dummy number.
- A new NSCC Security Issue Number will be assigned for the unregistered fund.

Registered CUSIP - When the fund is 'registered' and has a valid CUSIP number, the Security Identifier should be changed to (3 = CUSIP) and the Security Issue ID should be updated with the valid CUSIP number.

- This is to identify that the fund has a valid registered CUSIP.
- An updated Security General Profile record will be sent with the new Security Identifier and Security Issue ID.
- Funds will also communicate the updated CUSIP to the firms outside of AIP to ensure they are aware of the change.

SECURITY CONTACT

The following fields must be provided on the Contact record, even though the fields are 'optional':

Field	Value
Contact Name/Address Line 1 of Record 1 through 5	Should only reflect the Contact Name
Address Line 1,2,3 of Record 1 through 5	Should only reflect the Street Address
Contact City of Record 1 through 5	Should reflect the City
Contact Zip/Postal Code of Record 1 through 5	Should reflect the Zip Code
Contact Telephone Number of Record 1 through 5	Should reflect the Telephone Number (no dashes i.e., 8134445555)
Contact Email address of Record 1 through 5	Should reflect the Email address, if applicable

ACTIVITY & DISTRIBUTION

Important Fields

Field	Description
Fund/Firm Account Number Field	<ul style="list-style-type: none"> Firm Account number should always be populated. Firms will accept and store Fund Account numbers if included in the record; both should be populated if available.
Effective Date (Business Date) Field (<i>short term solution</i>)	<p>Preferred Methods:</p> <ul style="list-style-type: none"> Populate with the Trade Date. Populate with the processing date, in which Trade Date will be listed in the “Original Trade Date/Payable Date for Adjustments” field. <p>Example 1: A dividend adjustment should contain:</p> <ul style="list-style-type: none"> Payable Date Field: 01/30/2017 (Date the adjustment is eligible to be paid) Effective Date Field: 01/30/2017 (New Trade Date) Original Trade Date/Payable Date for Adjustment Field: 12/30/2016 (Date of the original trade/distribution) <p>Example 2: A dividend adjustment should contain:</p> <ul style="list-style-type: none"> Payable Date Field: 12/30/2017 (Date the <u>adjustment</u> is eligible to be paid) Effective Date Field: 12/30/2017 (Process Date) Original Trade Date/Payable Date for Adjustment Field: 12/30/2017 (Trade Date)
Payable Date Field	This field is determined by the Fund
Share Quantity Field	<p>Share Quantity should always be populated to include Capital Balance as \$1 pershare with the exception for Cash Distributions or Cash Adjustments transactions(see table below for list of transactions).</p> <p>Example: Capital Bank Fund submitting Transaction Type = 01 Direct Purchase of 10000.00:</p> <ul style="list-style-type: none"> Share Quantity field: 10000.00 Money Amount field: 10000.00 Price per Share field: 1.0
Money Amount Field	<ul style="list-style-type: none"> Money Amount field should always be populated for Cash Distribution transactions. MRO Users must be aware of adding the additional 00 after the implied decimal.

Field	Description
Price per Share	<ul style="list-style-type: none"> Should be populated for Direct Purchases. Capital Balance Funds should be populated as \$1 per share. <p>Example: Capital Bank Fund submitting Transaction Type = 01 Direct Purchase of 10000.00:</p> <ul style="list-style-type: none"> Share Quantity field: 10000.00 Money Amount field: 10000.00 Price per Share field: 1.00
Estimated or Actual Value Indicator	<ul style="list-style-type: none"> Funds should send actual values vs. estimated values for transactions. If an estimated value is sent, should be populated with “1 = Estimated”. Records sent with this value blank will be assumed as “Actual”.
Account Registration Name –Extended Field	<p>If this field is used, the account registration must start from the beginning (full account registration name) and entered in its entirety.</p> <ul style="list-style-type: none"> <i>*Account Registration Name formatting is usually driven by what is sent by the firm*</i>
Related Control Number Field	When available this field should be populated for Cancellations, and distribution adjustments/reversals, if available.
SSN/EIN/TIN Number Field	Although not required, the investor SSN, TIN, or EIN should be populated as best practice.
Record Date Field	Should be populated for distributions of funds with record dates.
Adjustment Indicator Field	<ul style="list-style-type: none"> Related control number should be provided if available. Adjustment Indicator field option “1 = Adjustment” should be populated for AIP distribution adjustments. Adjustment Indicator field option “2 = Reversal” should be populated for distribution cancellations.
Dividend Reporting	<p>Use Transaction Type “59 = Dividend Cash” for cash dividend distributions and 60.</p> <ul style="list-style-type: none"> = Stock Dividend for dividends paid in shares

(Share & Money) Debit/Credit Indicator

The Activity & Distribution is used by Funds and Fund Administrators to report periodic reconciliation of the investors share and account balance to the Firms. This will ensure that both the Fund and Firms books are reflecting the most recent information for the investor's statements.

Step 1: The Fund is responsible to send an Activity & Distribution record to report any financial or non- financial transactions at the investor level.

Step 2: The Fund will send the appropriate Activity Transaction Type to report a Distribution, Adjustment, Activity or Withholdings for the investor.

Step 3: The Fund will provide the appropriate Share Debit/Credit and/or Money Debit/Credit Indicator to reflect which party will be debited or credited for the transaction.

Note:

The Activity & Distribution transaction can be settling, which means monies will be debited and credited via AIP. If the transaction is 'non-settling', the monies will be settled outside of the AIP application.

Step 4: If the Fund is 'Unitized' the Share Debit/Credit Indicator will be populated.

Share Debit/Credit Indicator

- 1 = Debit Firm/Credit Fund – Decrease SHARE to FIRM (Redemption, Reversals, Adjustments, Purchase Cancellation)
- 2 = Debit Fund/Credit Firm – Increase SHARE to FIRM (Purchase, Adjustments, Redemption Cancellation, Dividend Reinvestments)

Step 5: If the Fund is 'Capital Balance' the Money Debit/Credit Indicator will be populated.

Money Debit/Credit Indicator

- 1 = Debit Firm/Credit Fund – Decrease MONEY to FIRM (Purchase, Reversals, Adjustments, Redemption Cancellation)
- 2 = Debit Fund/Credit Firm – Increase MONEY to FIRM (Redemption, Adjustments, Purchase Cancellation, Cash Dividends)

Note:

For Reinvested Distributions, both the Share Debit/Credit and Money Debit/Credit Indicator will be populated.

Step 6: Below is a list of various AIP Transaction Types and their descriptions which outlines what the Funds will populate in the Share Quantity, Money Amount, Share Debit/Credit and/or Money Debit/Credit Indicator fields, when transmitting the Activity & Distribution record to the Firms. The chart is separated based on if the fund is Capital Balance (Non-Unitized) or Unitized.

Capital Balance Funds – Debit/Credit Indicators

Adjustments					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Div Reinvest	29	Yes	Yes	2	2
Decrease Div Reinvest	29	Yes	Yes	1	1
Increase Div Cash	59	No	Yes	Spaces	2
Decrease Div Cash	59	No	Yes	Spaces	1
Increase LTG Reinvest	55	Yes	Yes	2	2
Decrease LTG Reinvest	55	Yes	Yes	1	1
Increase LTG Cash	56	No	Yes	Spaces	2
Decrease LTG Cash	56	No	Yes	Spaces	1
Increase STG Reinvest	57	Yes	Yes	2	2
Decrease STG Reinvest	57	Yes	Yes	1	1
Increase STG Cash	58	No	Yes	Spaces	2
Decrease STG Cash	58	No	Yes	Spaces	1

Activity (Non-Distribution)					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Reinvested Div	29	Yes	Yes	2	2
Cash Dividend	59	No	Yes	Blank	2
Redemption	02	Yes	Yes	1	2
Cancel Redemption	25	Yes	Yes	2	1
Purchase	01	Yes	Yes	2	1
Cancel Purchase	24	Yes	Yes	1	2
Exchange In	01	Yes	Yes	2	1
Exchange Out	02	Yes	Yes	1	2
Cancel Exchange In	24	Yes	Yes	1	2
Cancel Exchange Out	25	Yes	Yes	2	1
Non-Taxable Exchange Purchase	23	Yes	Yes	2	1
Non-Taxable Exchange Redeem	02	Yes	Yes	1	2
Cancel Non- Taxable Exchange Purch	24	Yes	Yes	1	2
Cancel Non- Taxable Exch Redeem	25	Yes	Yes	2	1

Withholding					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Dividend w/h	59, 60	Yes	Yes	2	2

Withholding					
Decrease Dividend w/h	29, 55, 57	Yes	Yes	1	1
Withholding for Reinvested Accounts	63	No	Yes	Blank	2

Withholding Adjustments					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Withholding for Reinvested Accounts	63	No	Yes	Blank	2
Decrease Withholding for Reinvested Accounts	63	No	Yes	Blank	1

Unitized Funds – Debit/Credit Indicators

Adjustments					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Div Reinvest	29	Yes	Yes	2	2
Decrease Div Reinvest	29	Yes	Yes	1	1
Increase Div Cash	59	No	Yes	Spaces	2
Decrease Div Cash	59	No	Yes	Spaces	1
Increase LTG Reinvest	55	Yes	Yes	2	2
Decrease LTG Reinvest	55	Yes	Yes	1	1
Increase LTG Cash	56	No	Yes	Spaces	2

Adjustments					
Decrease LTG Cash	56	No	Yes	Spaces	1
Increase STG Reinvest	57	Yes	Yes	2	2
Decrease STG Reinvest	57	Yes	Yes	1	1
Increase STG Cash	58	No	Yes	Spaces	2
Decrease STG Cash	58	No	Yes	Spaces	1
Increase Stock Div	60	Yes	No	2	Spaces
Decrease Stock Div	60	Yes	No	1	Spaces

Activity (Non-Distribution)					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Reinvested Div	29	Yes	Yes	2	2
Cash Dividend	59	No	Yes	Blank	2
Redemption	02	Yes	Yes	1	2
Cancel Redemption	25	Yes	Yes	2	1
Purchase	01	Yes	Yes	2	1
Cancel Purchase	24	Yes	Yes	1	2
Exchange In	01	Yes	Yes	2	1
Exchange Out	02	Yes	Yes	1	2
Cancel Exchange In	24	Yes	Yes	1	2
Cancel Exchange Out	25	Yes	Yes	2	1
Non-Taxable Exchange Purchase	23	Yes	Yes	2	1

Activity (Non-Distribution)					
Non-Taxable Exchange Redeem	02	Yes	Yes	1	2
Cancel Non- Taxable Exchange Purch	24	Yes	Yes	1	2
Cancel Non- Taxable Exch Redeem	25	Yes	Yes	2	1

Withholding					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Dividend w/h	59, 60	Yes	Yes	2	2
Decrease Dividend w/h	29, 55, 57	Yes	Yes	1	1
Withholding for Reinvested Accounts	63	No	Yes	Blank	2

Withholding Adjustments					
Transaction Description	AIP Transaction Types	Share Quantity	Money Amount	Share Debit/Credit Indicator	Money Debit/Credit Indicator
Increase Withholding for Reinvested Accounts	63	No	Yes	Blank	2
Decrease Withholding for Reinvested Accounts	63	No	Yes	Blank	1

Withholding Reporting

Note:

The effective date for industry implementation will be 3rd Quarter 2024.

Reinvested Distributions with Withholding when the Firm is the Withholding Agent would be processed as two separate transactions in the same cycle:

- Transaction #1
 - **Transaction Type 29 = Dividend Reinvestment** would be used to report a reinvested dividend transaction with withholding (non-settling).
 - The following fields should be populated:
 - » Backup Withholding Indicator
 - » Backup Withholding Amount
 - » Total Distribution Amount (will reflect the total taxable amount of the transaction)
- Transaction #2
 - **Transaction Type 63 = Withholding for Reinvested Accounts** would be used to report the withholding component and would be linked to Transaction Type 29 = Dividend Reinvestment by the Related Control Number (can be settling or non-settling).
 - The following field should be populated:
 - » Total Distribution Amount (will reflect the withholding amount)
 - The following fields will be required:
 - » Backup Withholding Indicator
 - » Backup Withholding Amount
 - » Related Control Number

Withholding Adjustments when the Firm is the Withholding Agent would be processed as one transaction (can be settling or non-settling):

- **Transaction Type 63 = Withholding for Reinvested Accounts** would be used to report the adjusted withholding component and would be linked to the original Transaction Type 29 = Dividend Reinvestment by the Related Control Number.
- The following fields should be populated:
 - » Adjustment Indicator should be 1 = Adjustment
 - » Total Distribution Amount (will reflect the withholding adjustment amount)
- The following fields will be required:
 - » Original Trade Date/Payable Date for Adjustment (Required if Adjustment Indicator is 1 = Adjustment)
 - » Backup Withholding Indicator
 - » Backup Withholding Amount
 - » Related Control Number

Reinvested Distributions with Withholding when the Fund is the Withholding Agent would be processed as one non-settling transaction:

- **Transaction Type 29 = Dividend Reinvestment** would be used to report a reinvested dividend transaction with withholding
- The following fields should be populated:
 - » Backup Withholding Indicator
 - » Backup Withholding Amount
 - » Total Distribution Amount (will reflect the total taxable amount of the transaction)

Cash Distributions with Withholding when the Firm or Fund is the Withholding Agent would be processed as one settling or non-settling transaction:

- **Transaction Type 59 = Dividend Cash** would be used to report a cash dividend transaction with withholding.
- The following fields should be populated:
 - » Backup Withholding Indicator
 - » Backup Withholding Amount
 - » Total Distribution Amount (will reflect the total taxable amount of the transaction)

Backup Withholding Scenarios:

- **Firm W/H Agent** – Two Activity records are required to execute a Reinvested Distribution with Withholding. One Activity record is required to execute a Cash Distribution with Withholding.

Fields	Dividend Reinvestment Transaction Values	Withholding Only Transaction with Related Control Number Values	Cash Dividend Transaction Values
Record Type	50 = Activity & Distribution	50 = Activity & Distribution	50 = Activity & Distribution
Transaction Type	29 = Dividend Reinvestment	63 = Withholding for Reinvested Accounts	59 = Dividend Cash
Control Number	00009429100200000001	00009429100200000002	00009429100200000005
Account Number	FH736B2	FH736B2	FH736B2
Settlement Indicator	2 = Non-Settling (ONLY)	1 = Settling or 2 = Non-Settling	1 = Settling or 2 = Non-Settling

Fields	Dividend Reinvestment Transaction Values	Withholding Only Transaction with Related Control Number Values	Cash Dividend Transaction Values
Backup Withholding Indicator (Required for Withholding Only Transaction)	1 = NRA, 2 = Tefra Backup, 3 = Tefra Pension	1 = NRA, 2 = Tefra Backup, 3 = Tefra Pension	1 = NRA, 2 = Tefra Backup, 3 = Tefra Pension
Backup Withholding Amount (Required for Withholding Only Transaction)	10.00	10.00	10.00
Money Amount	100.00	10.00	110.00
Share Quantity	9.0000	Blank	Blank
Total Distribution Amount	110.00	10.00	110.00
Share Debit/Credit Indicator	2 = Debit Fund / Credit Firm	Blank	Blank
Money Debit/Credit Indicator	2 = Debit Fund / Credit Firm	2 = Debit Fund / Credit Firm	2 = Debit Fund / Credit Firm
Related Control Number (Required for Withholding Only Transaction)	Blank	00009429100200000001 * *Ties back to the original reinvest transaction	Blank

- **Firm W/H Agent** – One Activity record is required to execute a Withholding Adjustment.

Fields	Withholding Adjustment Only Transaction with Related Control Number Values
Record Type	50 = Activity & Distribution

Fields	Withholding Adjustment Only Transaction with Related Control Number Values
Transaction Type	63 = Withholding for Reinvested Accounts
Control Number	00009429100200000008
Account Number	FH736B2
Settlement Indicator	1 = Settling or 2 = Non-Settling
Backup Withholding Indicator (Required for Withholding Only Transaction)	1 = NRA, 2 = Tefra Backup, 3 = Tefra Pension
Backup Withholding Amount (Required for Withholding Only Transaction)	15.00
Money Amount	15.00
Share Quantity	Blank
Total Distribution Amount	15.00
Share Debit/Credit Indicator	Blank
Money Debit/Credit Indicator	1 = Debit Firm / Credit Fund (Decrease withholding) 2 = Debit Fund / Credit Firm (Increase withholding)
Related Control Number (Required for Withholding Only Transaction)	00009429100200000001* *Ties back to the original reinvest transaction

- **Fund W/H Agent** – One Activity record is required to execute a Reinvested Distribution with Withholding. One Activity record is required to execute a Cash Distribution with Withholding.

Fields	Dividend Reinvestment Transaction Values	Cash Dividend Transaction Values
Record Type	50 = Activity & Distribution	50 = Activity & Distribution
Transaction Type	29 = Dividend Reinvestment	59 = Dividend Cash
Control Number	00009429100200000003	00009429100200000007
Account Number	FH736B2	FH736B2
Settlement Indicator	2 = Non-Settling (ONLY)	1 = Settling or 2 = Non-Settling
Backup	1 = NRA, 2 = Tefra Backup, 3 = Tefra	1 = NRA, 2 = Tefra Backup, 3 = Tefra

Fields	Dividend Reinvestment Transaction Values	Cash Dividend Transaction Values
Withholding Indicator	Pension	Pension
Backup Withholding Amount	10.00	10.00
Money Amount	100.00	100.00
Share Quantity	9.0000	Blank
Total Distribution Amount	110.00	110.00
Share Debit/Credit Indicator	2 = Debit Fund / Credit Firm	Blank
Money Debit/Credit Indicator	2 = Debit Fund / Credit Firm	2 = Debit Fund / Credit Firm

Class-to-Class Conversions

- Share Class Exchanges within the same fund family:
 - Funds send two Activity Records via AIP in the same file:
 - » 1st record: 51 = Share Class Exchange Out
 - » 2nd record: 22 = Share Class Exchange In
 - *Both transactions should be sent in the same AIP cycle*
 - » Non-settling
 - » *Taxable Indicator* should be 0 = No
 - » *Related Control Number* field should be provided for each corresponding “Share Class Exchange” transaction
- Feeder Exchanges within the same fund family:
 - Funds send two Activity records via AIP in the same file:
 - » Activity Type 46 = Swap Out
 - » Activity Type 45 = Swap In
 - » Non-settling
 - » *Taxable Indicator* should be 1 = Yes
- Fund Mergers:
 - If the new fund will be on AIP, utilize Activity Type 23 = Fund Merger Activity with New NSCC ID and populate the new NSCC ID in the *Cross Security NSCC ID* field.

- If the new fund will not be on AIP, utilize Activity Type 71 = Fund Merger Activity without New NSCC ID and do not populate the *Cross Security NSCC ID* field since it's not on AIP.
- Activity Type 68 = Cash-in-Lieu should be settling and used to return any partial shares as cash.

Fund Assessed Fee

The Fund Assessed Fee Amount should be processed as one transaction.

Fund Assessed Fee Scenarios:

- **Fund Assessed Fee** – One Activity record is required to execute this process.

Fields	Dividend Reinvestment Transaction Values	Cash Dividend Transaction Values
Record Type	50 = Activity & Distribution	50 = Activity & Distribution
Transaction Type	29 = Dividend Reinvestment	59 = Dividend Cash
Control Number	00009219100200000005	00009219100200000006
Account Number	FH736B2	FH736B2
Settlement Indicator	2 = Non-Settling (ONLY)	1 = Settling or 2 = Non-Settling
Fund Assessed Fee Amount	10.00	10.00
Money Amount	100.00	100.00
Share Quantity	9.0000	Blank
Total Distribution Amount	110.00	110.00
Share Debit/Credit Indicator	2 = Debit Fund / Credit Firm	Blank
Money Debit/Credit Indicator	2 = Debit Fund / Credit Firm	2 = Debit Fund / Credit Firm

POSITION

Field	Description
DOL Enhancement Fields	<p>The following fields are optional but should be provided information if available:</p> <ul style="list-style-type: none"> • Account Open Date • Account Type • Account Representative/Advisor Number • Account Representative/Advisor Name • Branch ID Number
Negative Balance Reporting	Negative Position Balances are not allowed in AIP
NAV Effective	Should be populated if not utilizing the valuation record with last reported NAV Date
NAV Field	Should be populated if not utilizing the valuation record with last reported NAV
Fund/Firm Account Number Field	<p>Firm Account number should always be populated</p> <p>Firms will accept and store Fund Account numbers if included in the record; both should be populated if available</p>
Closing Share Balance Field	Should always be populated for both Capital Balance and Unitized funds
Closing Money Amount Field	Should be populated for Capital Balance funds
Invested Value Field	If populated, should be populated with the total contribution amount
Account Registration Name – Extended Field	When populated should start the name from the beginning
SSN/TIN/EIN Number Field	Although not required, the investor SSN, TIN, or EIN should be populated as best practice

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