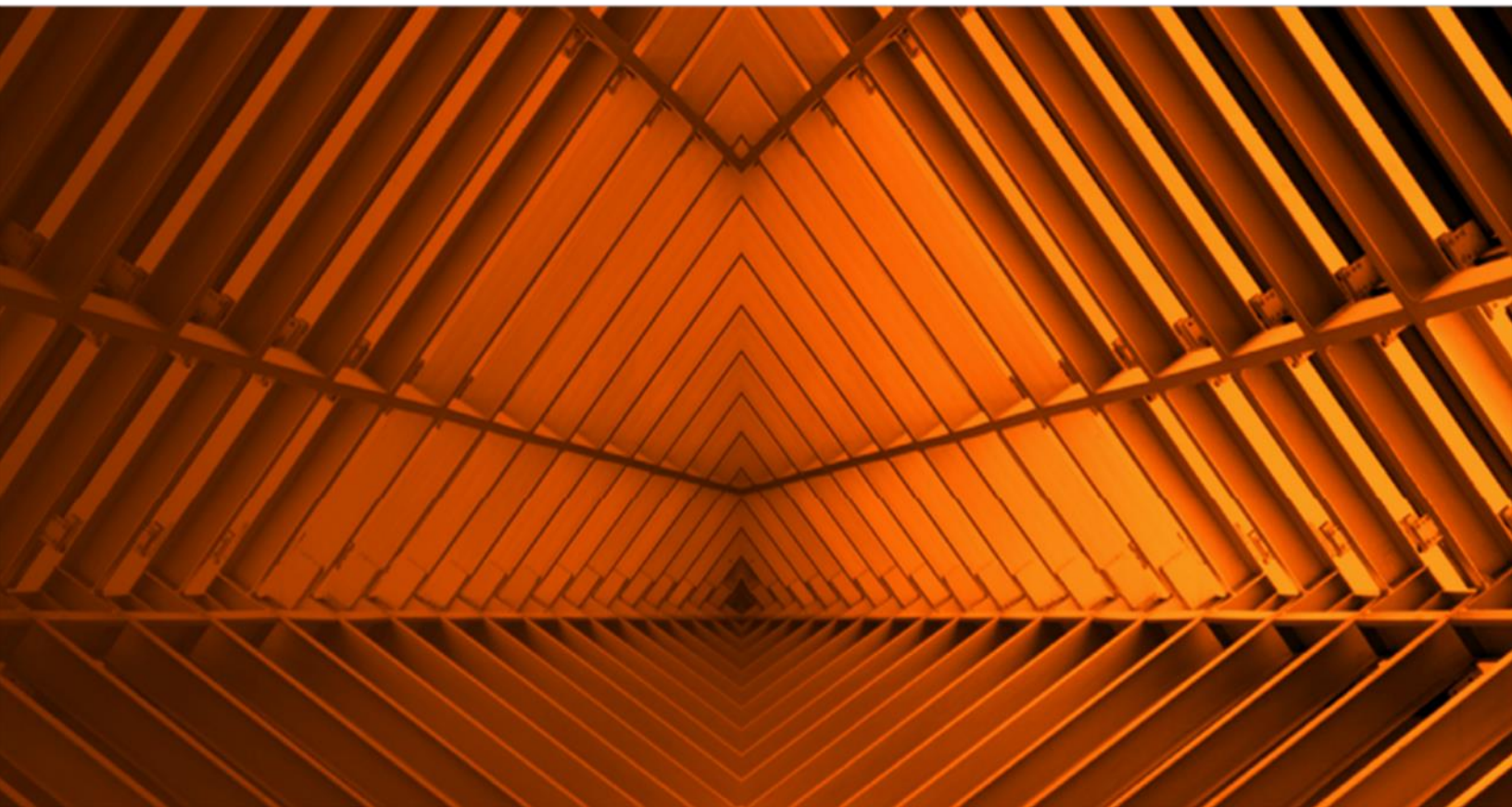


DTCC

ALTERNATIVE INVESTMENT PRODUCTS

BEST PRACTICE USER GUIDE – FULL EDITION

JULY 15, 2022



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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 ANNOUNCEMENT

Hedge Fund Purchases

1. Individual vs. Recurring Announcements – Rather than try to build complex and varying logic for recurring Security Announcements dates into the record, functionality is included in the AIP Web Platform to set-up future-dated announcements and should be used by Funds and Fund Administrators
2. Trade Date/Dealing Dates – There are two types of Trade Dates/Dealing Dates to accommodate existing convention and support system limitations. The two types are Trade Date/Dealing Date (Business Date) and Trade Date/Dealing Date (Calendar Date)

Trade Date/Dealing Date – (Business Date)

The Trade Date/Dealing Date – (Business Date) must be a valid settlement date and is generally used by the Firm to process trades.

Examples:

- If the 1st of the month falls on a (Saturday, Sunday, or Holiday), the user will populate the TradeDate/Dealing Date – (Business Date) with the next available business date
- If the 1st of the month falls on a normal business date (Monday thru Friday), the user will populate the Trade Date/Dealing Date – (Business Date) with the 1st of the month.

Trade Date/Dealing Date – (Calendar Date)

The Trade Date/Dealing Date – (Calendar Date) is always the date specified in the fund documentation and can fall on a Saturday, Sunday, or Holiday. It is generally used by the Fund or Fund Administrators to process trades.

Examples:

- If the 1st of the month falls on a (Saturday, Sunday, or Holiday), the user will populate the Trade Date/Dealing Date (Business Date) with the next available business date. The Trade Date/DealingDate (Calendar Date) should be populated with the 1st of the month.
- If the 1st of the month falls on a normal business date (Monday thru Friday), the user will populate the Trade Date/Dealing Date (Business Date) with the same date as the Trade Date/Dealing Date(Calendar Date).

To avoid reporting and tax issues, the Trade Date/Dealing Date (Business Date) and Trade Date/Dealing Date (Calendar Date) should occur in the same month.

NTR/BDC Redemptions

1. There are two Security Announcement types that should be used as indicated below:
 - a. Quarterly or monthly redemptions should use Announcement Type = 01 Tender Offer/Redemption, which is a non-recurring event
 - b. Daily redemptions should use Announcement Type = 17 Recurring Redemption with a Recurring Transaction Frequency = 00 Daily
 - i. For these Orders, the Firm should specify the Trade Date and Settlement Date with recommended timing being T+3 to allow for processing (acknowledgement, confirmation, money settlement, etc.)
2. In cases where the redemption period is 'active', but the fund is restricting new redemption requests, the Security Announcement should remain active and the fund should reject orders as needed; the Security Announcement should not be deleted
3. In AIP, the last point for Firm (and Fund) Exits is C98 at 7pm ET, the processing day before the Settlement Date. However, this cut-off can be superseded if the Fund populates an earlier date for the Rescission Date, which should be treated as the last day for Firm Corrections or Firm Exits

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 thru 5	Should only reflect the Contact Name
Address Line 1,2,3 of Record 1 thru 5	Should only reflect the Street Address
Contact City of Record 1 thru 5	Should reflect the City
Contact Zip/Postal Code of Record 1 thru 5	Should reflect the Zip Code
Contact Telephone Number of Record 1 thru 5	Should reflect the Telephone Number (no dashes i.e. 8134445555)
Contact Email address of Record 1 thru 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
<i>Effective Date (Business Date) Field (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 <u>adjustment</u> 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 (TradeDate)
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 per share 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 a 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 <p>Adjustment Indicator field option “2 = Reversal” should be populated for distribution cancellations</p>
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, Call Event – Client Debit)
- 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

Adjustments					
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

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
Call Event - Crit Debit	72	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

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
Decrease LTG Cash	56	No	Yes	spaces	1

Adjustments					
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
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
Call Event – Client Debit	72	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 Reporting

Note:

These Best Practices are not effective yet. We are expecting an effective date of Q4 - 2022. Updates will be provided.

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 fields will be required
 - » 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)

POSITION

Field	Description
DOL Enhancement Fields	The following fields are optional but should be provided information if available: <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	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
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

ACCOUNT REGISTRATION

Field	Description
New Firm Account Number Field	<ul style="list-style-type: none"> The “New Firm Account Number” field should only be populated on 053 = Account Maintenance record Plan type or Owner type change should be processed as Account Transfers Correction to an account number should be sent as a 053 = Account Maintenance record. The old/incorrect account number will be populated on the “Firm Account Number” field and the new/correct account number in the “New Firm Account Number” field <p>Examples for field usage:</p> <ul style="list-style-type: none"> Account number changes which involve a new and previous account have same broker/advisor and same registration type (i.e. change from a self-managed account to a managed account or vice versa) Account number change – new and previous account have different broker/advisor and same registration type
Fund Account Number Field	Fund will provide on the 026 = Registration Acknowledgement record if available
Firm Account Number Field	Fund will populate on the 026 = Registration Acknowledgement record
Account Representative/Advisor Name Field	Firm should include Account Representative/Advisor Name
Account Representative/Advisor Number Field	Firm should include the Account Representative/Advisor Number
Branch ID Number Field	Branch ID Number field should be included if available
Firm CRD Number Field	Firm should avoid populating with all zeros when no CRD Number is available
Dividend Option Field	Firm should populate when known and applicable. If left blank fund will elect the fund default option
Owner DOB Field	Owner date of birth should be provided if available
Custodian Name Field	Custodian Name field should be populated
Custodian Tax Identification Number Field	Custodian Tax ID should be populated

Field	Description												
Individual CRD/IARD Number Field	If a shared representative, the lead/primary presentative ID should be used												
Account Registration Name Field	<p>Begin with the Custodian Name</p> <p>Address information should not be included in the account registration field Include Account Type</p> <p>Formatting for domestic and foreign accounts should be the same</p>												
Address of Records fields (Until Enhancements are implemented)	<p>The City/State should go in the line(s) directly after the street address:</p> <table border="1" data-bbox="483 646 1455 930"> <thead> <tr> <th data-bbox="483 646 865 695">Field Name</th> <th data-bbox="865 646 1455 695">Data Populated</th> </tr> </thead> <tbody> <tr> <td data-bbox="483 695 865 743">Address of Record 1 Line 1</td> <td data-bbox="865 695 1455 743">2 Destiny Way</td> </tr> <tr> <td data-bbox="483 743 865 791">Address of Record 1 Line 2</td> <td data-bbox="865 743 1455 791">Westlake TX</td> </tr> <tr> <td data-bbox="483 791 865 840">Address of Record 1 Line 3</td> <td data-bbox="865 791 1455 840"></td> </tr> <tr> <td data-bbox="483 840 865 888">Address of Record 1 Line 4</td> <td data-bbox="865 840 1455 888"></td> </tr> <tr> <td data-bbox="483 888 865 930">Address of Record 1 Line 5</td> <td data-bbox="865 888 1455 930"></td> </tr> </tbody> </table>	Field Name	Data Populated	Address of Record 1 Line 1	2 Destiny Way	Address of Record 1 Line 2	Westlake TX	Address of Record 1 Line 3		Address of Record 1 Line 4		Address of Record 1 Line 5	
Field Name	Data Populated												
Address of Record 1 Line 1	2 Destiny Way												
Address of Record 1 Line 2	Westlake TX												
Address of Record 1 Line 3													
Address of Record 1 Line 4													
Address of Record 1 Line 5													
Phone Number of Record Field	<p>Phone Number should be provided</p> <p>If populated, should be left justified and include area code & country code for non-US Do not include dashes; pad with spaces not zeros</p>												
Email Address of RecordField	Email address should be provided												
Address Type of Record 2-5 Fields	<p>Funds should be notified via the Account Maintenance record of any temporary changes to mailing address</p> <p>If 02 = Secondary (Mailing) is selected, all account correspondence will go to that mailing address</p> <p>If the mailing address is not different from Primary address listed, it should not beduplicated on the same record</p> <p>Foreign addresses with Provinces should be included in the “City of Record” field</p>												

Account Responsibilities

Category	Definition and Examples
New Account Opening	Account creation, TOD, Beneficiary Designation, Trust Documents, etc.
Compliance/Regulatory	USA PATRIOT ACT: CIP, AML/KYC, OFAC, FINCEN (or applicable country's compliance and regulation)
Mailings	Includes mailings for tender offers, capital calls, proxies, and regulatory mailings; lost shareholder tracking
Tax Withholding	Includes B and C notices, tax levy/lien, all tax withholding (Federal and State mandated, NRA and FATCA/backup) and tax payments
Tax Reporting	Includes sending 1099's, cost basis reporting, etc. to the investor; for K-1 funds <u>all</u> tax reporting is done by the Fund to the investor regardless of the responsibility level
Financial Transaction Authorization	Includes processing requests or receiving instructions from the investor for purchases, redemptions, transfers, etc. and includes money settlement
Account Maintenance Authorization	Includes processing requests from the investor for address changes, distribution option changes, BIN changes, withholding changes, registration changes, introducing broker dealer changes, etc.
Front-End Commissions	Commissions paid to the broker/advisor
Back-End Payments	Payments made 'after the sale' to the broker/advisor, e.g., trailing type fees, service fees, etc.
Investor Reporting	Includes sending trade confirmations, statements, etc. to the investor
Distribution Payment Instructions	Who receives distribution payments and where they go
Escheatment	Responsible for regulatory filings, reporting, due diligence mailings, tracking of investor contact information and transfer of assets to the state on behalf of the investor
Document Retention	Specifies the party responsible for storing documents

Responsibility Models

Note:

Exceptions and additional details or clarifications should be defined in agreements outside of AIP.

Fund Responsibility Model			
Network Control Indicator	Hybrid Responsibility Indicator	Responsibility Category	Responsible Party
C = Customer Controlled	Space = No	New Account Opening	Fund
		Compliance/Regulatory	Fund
		Mailings	Fund
		Tax Withholding	Fund
		Tax Reporting	Fund
		Financial Transaction Authorization	Fund
		Account Maintenance Authorization	Fund
		Front-End Commissions	Fund
		Back-End Payments	Fund
		Investor Reporting	Fund
		Distribution Payment Instructions	Fund
		Escheatment	Fund
		Document Retention	Fund

Firm Responsibility Model			
Network Control Indicator	Hybrid Responsibility Indicator	Responsibility Category	Responsible Party
B = Broker Controlled	Space = No	New Account Opening	Firm
		Compliance/Regulatory	Firm
		Mailings	Firm
		Tax Withholding	Firm
		Tax Reporting	Firm
		Financial Transaction Authorization	Firm
		Account Maintenance Authorization	Firm
		Front-End Commissions	Firm
		Back-End Payments	Firm
		Investor Reporting	Firm
		Distribution Payment Instructions	Firm
		Escheatment	Firm
		Document Retention	Firm

Hybrid Responsibility Model			
Network Control Indicator	Hybrid Responsibility Indicator	Responsibility Category	Responsible Party
B = Broker Controlled <hr/> Note: 'Hybrid' can only be selected if the Network Control Indicator is B = Broker Controlled <hr/>	1 = Yes	New Account Opening	Determined by Fund & Firm
		Compliance/Regulatory	
		Mailings	
		Tax Withholding	
		Tax Reporting	
		Financial Transaction Authorization	
		Account Maintenance Authorization	
		Front-End Commissions	
		Back-End Payments	
		Investor Reporting	
		Distribution Payment Instructions	
		Escheatment	
		Document Retention	

'Hybrid Responsibility Indicator' Usage

- Because responsibilities are usually defined in agreements and have important impact, Firms can't change the *Hybrid Responsibility Indicator* by sending an Account Maintenance record with a new value for the Hybrid Responsibility Indicator; this should be done outside of AIP

ORDERS

Hedge Fund Purchases - Order with Registration

Fund Acknowledgement

- The Order and Account Registration should be Fund Acknowledged within 24 hours to either 'accept' or 'reject' the trade.

Load Types

- If the Load Type Indicator is populated to 9 = Placement Fee, either the Commission Amount or Commission Percentage should be populated but the Commission Amount is preferred
- If the Load Type Indicator is populated to 3 = Front End Load, the following fields are used to populate the amount in conjunction with specifying the breakpoints on the Security General Profile:
 - Breakpoint Limit Number
 - Dealer Concession Percentage & Dealer Concession Amount

Registration Fields

- The 'Address Type of Record 1' should be populated to (01 = Primary). The 'Address of Record 1 Line' should reflect the shareholder's physical address used for state reporting.
- The following fields should be populated to assist in establishing the shareholder's registration.
 - SSN/TIN/EIN Indicator
 - SSN/TIN/EIN Number
 - Owner Date of Birth

Contract Note

- For hedge fund purchases, the Contract Note record will not be used

NTR/BDC Redemptions – Order

- For Orders sent on Security Announcement Type = 17 Recurring Redemption, Firms should specify the Trade Date and Settlement Date with recommended timing being T+3 to allow for processing, acknowledgement, confirmation, money settlement, etc.
- Orders should be sent as a Full Redemption or a Partial Redemption Request
- The Share Lot Identifier fields on the Order record should not be used
- The Dealer Concession, CDSC Amount and Redemption Fee should not be populated on the Firm Order; only the Fund will populate them on the Confirmation if needed

- For ‘exception’ cases where the Redemption Reason won’t be 01 = Regular, Firms should use one of the following Redemption Reason codes:
 - 02 = Death
 - 03 = Disability
 - 04 = Hardship
 - 05 = Odd lots
 - 06 = RMD - Required Minimum Distribution
- Firms should not use Redemption Reason 07 = Other/Unknown Exception unless absolutely necessary
- ‘Exceptions’ are expected to require paperwork such as death certificate, etc.; however, some firms will send documentation on all redemptions
 - Documentation will be sent outside AIP until the AIP E-Doc functionality is implemented, at which time it should be used with redemption orders

Fund Exits

- If a Fund will be exiting a redemption, they should contact the Firm directly to explain why they are sending an exit, which will cancel the transaction

Miscellaneous

- Sponsors should have primary exception reasons specified on their paper redemption forms
- Paying a dividend (or similar event) within a redemption period should be discouraged; however, if it happens or extra shares are accrued, they should be included in the request, so that there isn’t money left in the account after a full redemption request was processed
 - If a distribution is made after a full redemption is processed, a separate settling Activity record should be sent by the Fund

Private Equity – Order

Commitment Order Process

- Fund should leverage the “Call/Commitment Fund Indicator” on the Security General Profile to identify whether the fund is a call/commitment fund prior to the opening of a Security Announcement for a Commitment Order
- The Security Announcement should be open-ended/future dated for the Settlement Date and other applicable fields so the Fund can apply the correct Settlement Date in the Order process once the close date is known
- Subsequent Commitment Orders that have previously sent an Account Registration for the Commitment order will be sent as stand-alone Order and will not require registration but will require the “Account Registration Name” field to be populated
- Trade Date (Business Date) will be populated with the commitment close out date
- Settlement Date will be needed to close out the transaction in AIP although there is no money settlement
- Money Amount will be populated with the investor commitment amount

- Trade Date (Calendar Date) may be used in certain scenarios when necessary
- Firms will expect Total Commitment, Fulfilled Commitment and Remaining Commitment fields to be populated on the 052 = Position record once Commitment Orders are completed
 - Reporting should begin after initial call has been made and the commitment period has been closed
- Placement fees and commission fields will remain optional and may be populated if necessary
- In the case of prorated commitment amounts, the Fund will send multiple Order Confirmation records

Capital Call Order Process

- The Security Announcement should be open-ended/future dated for the Settlement Date and other applicable fields so the Fund can apply the correct Settlement Date in the Order process when known
- Activity and Distribution Transaction Type 72 = Call Event Client Debit
 - Firms that leverage the information received in this Activity record will populate Settlement Date and Activity Related Control Number on the Capital Call Order
 - Firms that don't leverage the information received in this Activity record will need the Fund to update the correct Settlement Date on the Order Confirmation record
- Trade Date (Business Date) on the order should be populated with be the date the Capital Call Order is submitted
- Settlement Date should be the funding due date
- If necessary, Funds will provide updated Share Amount on the Order Confirmation record
- If commission amount for the transaction is not known, the Commission Amount field on the order should be left blank (do not populate with 0's)
- Although not required, RIA/RR information may be provided to the Fund on the order
 - If a new RIA/RR information needs to be reported, it should be updated via the Account Maintenance record
- After the Capital Call Order is complete, the Firm will expect the Fund to report the invested balance that is pending valuation on the "Pending Money Value" field on the Position record

Placement Fee Order Processing

- If Load Type Indicator '9 = Placement Fee' is indicated on the transaction, the Net/Gross Indicator, Commission Amount, Commission Percentage and Gross Amount of Trade fields will become 'Required' to populate

Net/Gross Indicator Usage

Below is a list of the Net/Gross Indicators and their descriptions which outlines what the Funds should populate as the Money Amount on the Confirmation Record when the Net/Gross Indicator field is populated on the transaction.

Net/Gross Indicator

- 1 = Net – Money Amount being settled is **Net** of Commissions, Fees etc.
- 2 = Gross – Money Amount being settled is **Gross** of Commissions, Fees etc.

- 3 = Net Down – Commission/Placement Fee Amount is added to the Gross Amount of Trade amount and Money Amount being settled is **Net** of Commissions, Fees etc.
- 4 = Gross Up – Commission/Placement Fee Amount is added to the Gross Amount of Trade amount and Money Amount being settled is **Gross** of Commissions, Fees etc.

Field Name	Values	Definition
Record Length		
Originator Type	B = Firm F = Fund	
Firm Number		The NSCC ID of the Firm.
Fund Number		The NSCC ID of the
Record Type	001 = Firm Order 002 = Fund Order 032 = Prepaid Firm Order	
NSCC Security Issue Number	ppppppppnnnnnnnn Where: pppppppp = Fund Number nnnnnnnn = Unique sequential number assigned by NSCC Required if Series NSCC Security Issue Number not populated	The NSCC Security Issue Number initial Security Generation Announcement record The combination of the Security Issue Number Identifier field and the Security Issue Number creation of this number If NSCC Security Issue Number Security Issue Number the transaction.
NSCC Sidepocket ID		Sidepockets are created for portfolio illiquid and redemptions.
Share Class	The class of Shares represented by the Security Issue Number	The Funds' designation
Security Identifier	1 = ISIN 2 = SEDOL 3 = CUSIP 4 = Custom	The NSCC Security Issue Number identifier, but Fund information.
Security Issue ID	The number associated with the Security Identifier.	The NSCC Security Issue Number identifier, but Fund information.
Control Number	ppppppppyydddnnnnnn Where: pppppppp = Originator Participant Number yy = Year ddd = Julian Date nnnnnnn = Unique Sequential Number	The unique control number identify the trade.
Correction Indicator	Space = No Correction P = Post Settlement Correction	This field can be used to been previously set If this is a Correction Settlement). The original be populated.

Submission Date	mmdccyy	Order Placements u Day.
Trade Date/Dealing Date – (Business Date)	mmdccyy	Order Details are se Subscription/Reden Subscription/Reden Announcement Rec
	<p>Required if Transaction Code is:</p> <p>01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p>	Trade Date/Dealing Date.
	<p>And</p> <p>For <u>all</u> security types on the security general profile <u>except</u> the following:</p> <p>01 = Hedge Fund 02 = Fund of Funds 12 = Registered Hedge Fund</p>	Order Details are se Subscription/Reden Subscription/Reden Announcement Rec
	<p>If not provided in the Order, then it is pulled from the Security Announcement record</p>	<u>For Hedge Fund Pro</u> The Trade Date/Dea validated against th * Holidays and We
	<p>HF Security Types (01,02,12) - Backdating is <u>not</u> allowed Non-Hedge Funds - Backdating is allowed</p>	
Registration Indicator	<p>Required if Transaction Code is:</p> <p>01 = Initial purchase 06 = Commitment</p> <p>Otherwise, if not provided, Registration will not be allowed.</p> <p>0 = No Registration Required 1 = Registration required 2 = Registration submitted before 3 = Registration attached (populated by NSCC on output for the following record types: 011, 012, 043)</p> <p>Must be 2 on Firm Order (Record Type = 001), Prepaid Firm Order (Record Type = 032), and Fund Order (Record Type = 002) if original purchase (Transaction Code = 01).</p>	
NSCC Reject Indicator	<p>Input: Spaces Output: Populated by NSCC</p> <p>Space = Accepted by NSCC 1 = Rejected by NSCC 2 = Accepted with errors</p>	

NSCC Reject Reason Code 1	<p>Input: Spaces Output: Populated by NSCC</p> <p>Space = Accepted by NSCC Reject Code = Rejected by NSCC</p>	
NSCC Reject Reason Code 2	<p>Input: Spaces Output: Populated by NSCC</p> <p>Space = Accepted by NSCC Reject Code = Rejected by NSCC</p>	
NSCC Reject Reason Code 3	<p>Input: Spaces Output: Populated by NSCC</p> <p>Space = Accepted by NSCC Reject Code = Rejected by NSCC</p>	
NSCC Reject Reason Code 4	<p>Input: Spaces Output: Populated by NSCC</p> <p>Space = Accepted by NSCC Reject Code = Rejected by NSCC</p>	
Transaction Code	<p>01 = Initial purchase 02 = Subsequent purchase 03 = Partial Redemption Request 04 = Full Redemption Request 05 = Capital Call 06 = Commitment</p>	The type of transaction
Settlement Date	<p>mmdccyy</p> <p>Required if the Settlement Date is 'blank' on the Security Announcement.</p>	<p>REIT's will use Settlement Date if the Settlement Date is finalized and where the Order is finalized.</p> <p>Hedge Funds will use Settlement Date if the Order is finalized and where the Order is finalized.</p> <p>Hedge Fund Tender Settlement Date as the Order is finalized.</p> <p>Subscriptions/Purchases will use Settlement Date if the Order is finalized.</p> <p>confirmation records will use Settlement Date if the Order is finalized.</p> <p>Hedge Fund Tender Settlement Date as the Order is finalized.</p> <p>out (at the end of the tender process).</p>
Settlement Indicator	<p>1 = Settling 2 = Non-Settling</p>	Designates whether the Order is Settling or they may be Non-Settling. NSCC or they may be Non-Settling. NSCC transactions will occur.
Settlement Date Override Indicator	<p>1 = Yes Allowed only on Fund generated trades</p>	Funds, on Fund generated trades, will use the established "Settlement Date" from the Security Profile Announcement.

Initial Documentation Status Indicator	<p>1 = Document Sent Via AIP 2 = Document Not Sent 3 = Document Sent Outside AIP</p>	<p>Indicates if the document was sent. This value isn't valid for Electronic Documentation</p>
Money Amount	<p>Required if Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p> <p>For Purchases settling through NSCC, the money amount must be greater than zero.</p> <p>Required for Transaction Code - 03 = Partial Redemption Request if Share Quantity is not populated</p> <p><u>Both the Share Quantity and Money Amount fields cannot be provided for - 03 = Partial Redemption Request</u></p> <p>Zeros are not allowed for Transaction Code (03 - Partial Redemption Request)</p> <p><u>Not</u> allowed for Transaction Code - 04 = Full Redemption Request</p> <p>99999999999999.99 Maximum is 99999999999999.99 per day This amount will be settled by NSCC if Settlement Indicator = 1</p>	<p>The dollar amount of the transaction is "settled" by NSCC will add to the total. Example value is 99999999999999.99</p>
Reporting Currency	ISO Compliant	<p>Currency the Fund is Reporting</p> <p>It is important for a reporting currency of international investments.</p> <p>For example USD = US Dollar GBP = Great Britain</p>
Settlement Currency Share Quantity	<p>ISO Compliant 99999999.999999</p> <p>Required for Transaction Code - 03 = Partial Redemption Request if Money Amount is not populated.</p> <p><u>Both the Share Quantity and Money Amount fields cannot be provided for - 03 = Partial Redemption Request</u></p> <p>Zeros are not allowed for Transaction Code (03 - Partial Redemption Request)</p>	<p>The settlement currency of the transaction. The share quantity of the transaction.</p>

Network Control Indicator	B = Broker Controlled C = Customer Controlled	Designates the account controlled. If the account originated orders with
Firm Account Number	Required if the Network Control Indicator = B Special characters are allowed	The Broker Dealer account is Broker Controlled provide the Firm Account records.
Fund Account Number	Required if Firm Account Number field is blank Special characters are allowed	The Fund or Fund Account records.
Contract Note Date	mmdccyy	Hedge Funds will use date the Order is firm Subscriptions/Purchase payment record.
Series Roll Up Date	mmdccyy	Hedge Fund Tender Contract Note Date sent out (at the end REIT's process.
Custodian Account Number	Special characters are allowed	The Series Roll Up Date are consolidated into usually the first Series Watermark is achieved
Account Type	<u>See tab 'Account Type' for list</u>	The account number the customer account
Account Registration Name	Required if Transaction Code is: 01 = Initial Purchase 06 = Commitment	The type of account The name of the account
Original Control Number	Special characters are allowed	If this is a Correction Settlement), this field original control number
RIA/RR Indicator	1 = Registered Investment Advisor 2 = Registered Representative Required if Trading Model = 2 And If Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment	The representative

<p>Introducing Broker Dealer Firm Name / Registered Investment Advisor Firm Name</p>	<p>Required if Trading Model = 2</p> <p>And</p> <p>If Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p> <p>Special characters are allowed</p>	<p>The name of the firm Dealer or Registered responsibilities on t</p>
<p>Account Representative/Advisor Name</p>	<p>Required if the following fields are provided: Trading Model = 2 RIA/RR Indicator = 2</p> <p>And</p> <p>If Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p> <p>Special characters are allowed</p>	<p>The name of the reg on the account.</p>
<p>Account Representative/Advisor Number</p>	<p>Required if the following fields are provided: Trading Model = 2 RIA/RR Indicator = 2 and Individual CRD/IARD Number is <u>not</u> populated.</p> <p>And</p> <p>If Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p> <p>Special characters are allowed</p>	<p>The Account Repres Dealer) or advisor's</p>
<p>Branch ID Number</p>	<p>Required if the following fields are provided: Trading Model = 2 RIA/RR Indicator = 2</p> <p>And</p> <p>If Transaction Code is: 01 = Initial purchase 02 = Subsequent purchase 05 = Capital Call 06 = Commitment</p> <p>Special characters are allowed</p>	<p>The branch id of the</p>
<p>Branch Address 1 Branch Address 2 Branch Address 3 Branch Address 4</p>	<p>Special characters are allowed Special characters are allowed Special characters are allowed Special characters are allowed</p>	<p>The branch address The branch address The branch address The branch address</p>

Branch Address 5
Branch Postal Code/Zip Code

Special characters are allowed
Required if Branch Address Line 1 is entered

The branch address
The postal code of t

Special characters are allowed

Branch Country

Required if Branch Address Line 1 is entered.
ISO Compliant

Related Trade Indicator 1

1 = Fund
2 = Firm

Indicates the if the
to the Fund or Firm

Related Account Number 1

Required if Related Trade Indicator 1 is provided

Indicates the Relate
trade.

Dealer Concession/Manager Paid Placement Fee Percentage
Net/Gross Indicator

Special characters are allowed
999.999

Required if the Load Type Indicator is:
9 = Placement Fee

Identifies if the mo
or gross of Commis

1 = Net
2 = Gross
3 = Net Down
4 = Gross Up

(See the Best Practi
of Net/Gross Indica

Commission Structure Net/Gross Trade Cases

Order Record					
	Trade A	Trade B	Trade C	Trade D	Trade E
Money Amount	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Net/Gross Indicator	1 = Net	2 = Gross	3 = Net Down	4 = Gross Up	Blank
Load Type Indicator	9 = Placement Fee	9 = Placement Fee	9 = Placement Fee	9 = Placement Fee	Blank
Commission/Placement Fee Amount	\$5,000	\$5,000	\$5,000	\$5,000	Blank
Gross Amount of Trade	\$100,000	\$100,000	\$105,000	\$105,000	Blank
Confirmation Record					
Money Amount (Settling)	\$95,000	\$100,000	\$100,000	\$105,000	\$100,000

ACCOUNT TRANSFER

Transaction Type Descriptions

Account Transfer – Non-ACATS Transfer of shares that is staying within the same firm and the account requires to be re-registered

Broker to Customer Transfer – Non-ACATS Transfer of shares when the account is Broker Controlled at the Firm and the client is requesting to ‘denetwork’ the account to be Customer Controlled directly at the Fund (Re-registering the account to reflect only the customer’s name)

- No Registration is required to be transmitted via AIP
- The Broker is required to provide the Receiving Fund Account Number on the Transfer
- The Fund will ‘Reject’ a Broker to Customer Transfer
 - If the Fund cannot find the Delivering or Receiving Account
 - Share amount exceeds the balance of the account
- The Firm will ‘Exit’ a Broker to Customer Transfer
 - If the Customer requests to cancel the transfer and stays with the broker
 - If the Firm is required to balance their books based upon the request from Corporate Actions

Customer to Broker Transfer – Non-ACATS Transfer of shares when the account is Customer Controlled at the Fund and the client is requesting to be Broker Controlled at the Firm (Re-registering the account to reflect the firm FBO the client)

- The Broker is required to provide the Delivering Fund Account Number on the Transfer
- The Broker can send either a New or Existing Registration to establish the Receiving Firm Account
- The Registration must be set-up before or at the same time the Transfer is received at the fund
 - If not, it will be rejected by the Fund

Broker to Broker Transfer - Non-ACATS Transfer when the entire book of business is moving within one AIP Firm

Miscellaneous

- A Security Announcement is not required to transmit an Account Transfer
- Transfers using the same account type are not required to provide the paperwork from the sponsors
 - If it is not the same account type, the paperwork is required or else the Transfer cannot occur
- The ‘Money Amount’ field will be used to support capital balance funds
- The Firms will use the ACATS Related Control Number to support Cost Basis
- The Transfer Reason Codes are needed for Cost Basis Purposes
 - If the Transfer Reason Code is both Death and a Custodian Change, the firm should send two (2) separate Transfer records

Transfer Types

- Transfer Types designate if the Transfer is a Full Position Transfer or Partial Position Transfer
- If the Transaction Type is populated to **01 – Full Fund Position Transfer**, the Share Quantity field should be left 'blank' or populated with zero (0)
 - If the fund is capital balance, the money amount should be populated with zero (0)
 - The Fund will provide the Share Quantity and/or Money Amount in the Confirmation Process

NOTE: *If the intent is to close the account, please designate the Transfer Type as a Full Position Transfer*

- If the Transaction Type is populated to **02 – Partial Fund Position Transfer**, the Share Quantity is required to be populated
 - If the fund is capital balance, the Money Amount must be provided

Process Flow Types

Daily Funds – Process Flow Indicator (0 – REITS/BDC Processing)

- Daily funds are any funds that are priced (for example, Non-Traded REITs & BDCs)
- Process Flow Indicator 0 will be used for all daily funds
- The 'Effective Date' should be populated with the Trade Date of the transfer, but can be past or future dated
- The Fund will transmit the acknowledgements within 24 hours
- The anticipated Transfer Completion Date on the acknowledgement will be populated with the next business date
- The Firm can cancel the transfer by either transferring the account back to the original account or reaching out to the Fund to transmit a Fund Reject

Periodic Funds – Process Flow Indicator (1 – Hedge Fund Processing)

- Periodic funds are any funds that are not priced (for example, Hedge Funds)
- Process Flow Indicator 1 will be used for all periodic funds
- The 'Effective Date' should be populated with the Trade Date of the transfer, but can be past or future dated
- The Fund will transmit the acknowledgement within 24 hours
 - The anticipated Transfer Completion Date on the acknowledgement will be populated with the next business date
- Once the confirmation is successfully transmitted the shares will be moved

Account Registration

- The Registration record will be required if there is no account established at the firm
- If there is an existing account established with shares at the firm, the Registration record should not be submitted

FOR MORE INFORMATION

Visit us on the web at:

www.dtcc.com/ajp