

AIP CLIENT UPDATE

The Depository Trust & Clearing Corporation

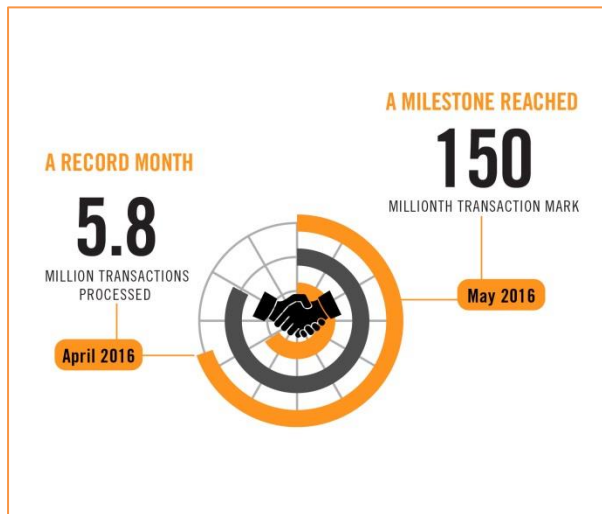
The AIP Client Update offers a snapshot of the latest developments from DTCC's [Alternative Investment Product \(AIP\) Services](#). In this bi-annual newsletter, we provide enhancement overviews, data benchmarks and industry updates to help you keep pace with the evolution of AIP and the alternatives marketplace.

Summer 2016

During the first half of 2016 we launched two important updates to AIP. The first is a new web interface for AIP and the second is a service enhancement aimed at helping clients report valuations and comply with FINRA Regulatory Notice 15-02. We also held our AIP Summit in June, where we brought market participants together to highlight the progress and benefits of implementing AIP.

These developments reinforce our commitment to providing you with the critical infrastructure needed to speed processes, reduce risk and increase efficiency.

Transaction Volumes Gain Momentum



A record 5.8 million transactions were processed in April, up more than 1.1 million compared to April 2015. This robust growth continued in May when AIP processed its 150-millionth transaction since inception. The strongest momentum in volume was in the marketplace for non-listed REITs and Hedge Funds.

These transaction numbers show that electronic processing of alternative investments continues to grow as the market matures and expands. The upward trend also illustrates how AIP has evolved to meet client needs by providing the scalable infrastructure

and automation required to support development in this competitive marketplace.

Not a member of AIP yet? Want to find out how you can start to connect more easily with your global market partners?

[Learn how](#)

Access AIP on the Web

Clients can now access AIP through an integrated web platform that makes the service immediately accessible. We designed the new interface to help you simplify your fund set-up, valuation reporting and order processing, as well as reduce errors that are common to older, manual routines. The web platform is especially helpful for distribution firms seeking to connect and integrate purchase processing more seamlessly with their large fund partners.

Shortly, we will be releasing a video on the [AIP product page](#) under 'Essentials' that provides highlights of the platform and shows its key functionalities. If you're interested in gaining access, please [contact our team](#).

Heard at the AIP Summit



Ann Bergin reports on AIP's growth



Justin Schwartz talks about development

On June 7th we hosted a group of alternatives-market participants, representing a broad cross-section of the industry, at DTCC's Jersey City location for the second **AIP Summit**.

At this morning event we shared information about the latest developments in AIP, gave a live demonstration of the new web platform, and provided time for networking and Q&A session.

The AIP team also shared details about AIP's growth in the industry, noting that the number of entities using the service has more than doubled in the last three years, totaling 607. As Ann Bergin remarked during the session opening:

"AIP is very much in the tradition of DTCC; we exist for the purpose of lowering cost and risk for our clients. The infrastructure of the current alternatives market cannot accommodate the great interest among investors – but with AIP's strong platform comes the scale to manage increasing volumes with automated, streamlined processes."

The Summit also gave DTCC an opportunity to hear about the challenges faced by our current and prospective clients so we can continue to evolve AIP to meet your needs.

AIP Enhancements

In addition to the new web platform, which went live on June 17, we have made two recent updates to AIP to better serve you and help you comply with key regulations.

Valuation Changes for FINRA 15-02

Updates to the Valuation record help **funds** and **broker-dealers** comply with FINRA Rule 2310 and NASD Rule 2340 to address values of direct participation programs (DPPs) and unlisted real estate investment trusts (REITs).

Now, instead of using complex spreadsheets, emails and cumbersome faxes to send valuation changes, funds can deliver the same information through a fully-automated process to their trading partners on AIP.

These changes are also supported by the new **AIP web platform**, making it very easy to input and transmit prices to distribution partners.

New Money Settlement Options for Fund Administrators

In December of 2015, the SEC approved a new option for Fund Administrators to participate in AIP money settlement. Previously, Fund Administrator members of AIP were obligated to settle transactions on behalf of their fund clients. With this new option, the clients can settle money in AIP independently with no obligation to their administrator.

[Contact us](#)

What's Next

We continue to listen to our clients and work with them to source enhancements for automating alternative investment processing. Currently, we are focused on improving the functionality for activity reporting and enhancing redemption processing as well as defining industry best practices for AIP. We will keep you informed as this work progresses.

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