

IMPORTANT NOTICE

National Securities Clearing Corporation



A#: 7279
P&S# 6849
Date: September 9, 2011
To: ALL PARTICIPANTS
Attention: MANAGING PARTNER/OFFICER
OPERATIONS PARTNER/OFFICER
MANAGER P&S DEPARTMENT
MANAGER DATA PROCESSING DEPARTMENT
From: Product Management
Subject: ACATS Modifications regarding Non-CNS ACATS Mutual Fund
Transactions (ACATS Settlement Location 10 – Fund/SERV)

In Important Notice #A7213, P&S# 6783 dated May 19, 2011 (Revised June 8, 2011) and Important Notice # A7244, P&S# 6814 dated July 13, 2011, National Securities Clearing Corporation (“NSCC”) outlined modifications to the Automated Customer Account Transfer Service (“ACATS”) system regarding the processing of mutual fund transactions that settle through NSCC’s ACATS-Fund/SERV interface. This notice recaps the testing and production implementation dates for these modifications.

I. Addition of Settle-Prep unto non-standard transfers that contain a mutual fund asset

Subject to approval from the U.S. Securities and Exchange Commission (“SEC”), NSCC will be implementing this modification into production after the close of business on **Thursday, October 20, 2011**. The modification will become effective to non-standard transfer types PTD, PTR and RCR that are not rejected while in Review Status 200 on **Friday, October 21, 2011**. These transfers will age to Settle-Prep Status 300 at the end of day. Testing of these modifications was made available in NSCC’s Participant Services Environment (PSE) beginning on **August 1, 2011**.

II. Settlement Category Code 007

NSCC will be implementing this modification into production after close of business on **Thursday, November 3, 2011**. Both ACATS Broker and Bank Members will see these changes displayed on the end of day ACATS Settlement Print Image Report (Autoroute# 02090712) issued **Friday, November 4, 2011 for settlement date Tuesday, November 8, 2011**. Brokers will begin to see the original incentive money charges for ACATS-Fund/SERV transactions applied to Settlement Category Code 007 on the NSCC Participant Account Statement on

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Tuesday, November 8, 2011. Broker and Bank Members can view the new ACATS Settlement Print Image Report by processing test transfer transactions that contain mutual fund assets in PSE and having them scheduled to age to **Settle-Prep Status 300** beginning **Friday, September 23, 2011.**

III. Two New Mutual Fund Reversal Files and New Settlement Category Code 034

NSCC will be implementing these modifications into production after the close of business on **Thursday, November 3, 2011.** Firms who have programmed to receive the ACATS Mutual Fund MRO Reversal File Autoroute # 02091076 will start receiving this file on **Friday, November 4, 2011.** Testing of both MRO Reversal files was made available in PSE “via canned” files beginning on **August 1, 2011.**

Additional Information

A copy of this Important Notice can be obtained from the web site of NSCC’s parent corporation, The Depository Trust & Clearing Corporation, at <http://www.dtcc.com>. If you have any questions regarding these enhancements, please contact your DTCC Relationship Manager.