



<b>B #:</b>	0065-14
<b>Date:</b>	January 22, 2014
<b>To:</b>	All Participants
<b>Category:</b>	Reorganization
<b>From:</b>	Product Management
<b>Attention:</b>	Managing Partner/Officer Cashier/Operations Management
<b>Subject:</b>	Mandatory Corporate Action Events – Real Time Adjusted Segregated Capture

On March 28, 2013, The Depository Trust Company (“DTC”) will be implementing further enhancements to the - process by which it captures adjustments to segregated positions related to mandatory corporate actions.

Current Process

The evening prior to the Anticipated Payment date (allocation date -1) of a mandatory corporate action, DTC captures position to process entitlements resulting from mandatory corporate actions across a Participant’s entire DTC position.

On allocation date, DTC removes the Participant’s original position from either its segregation account or free account depending on the position location at the close of business on allocation date -1. The new entitlement will be allocated to either the Participant’s segregation account or free account, (depending on where the old position was held). If a Participant’s position is split between the free account and segregated position both accounts will be decremented proportionally. Fractional share disposition resulting from the reorganization will be processed in both the segregated and free position accounts.

New Process

The evening prior to the allocation of a mandatory corporate action, DTC will invoke position capture to determine the allocation amount for participants, including segregated positions. The new process will introduce an additional real time position capture immediately prior to allocation to compensate for any adjustments participants made prior to allocation.

## **ART Activity Codes**

### **No Changes to Current Processing Codes**

When an allocation is processed across a participant's entire position (Free and Segregated Accounts) the ART activity will display as a Redemption code (Representing the Free move) and a Seg code (Representing the Segregated Position).

All questions regarding this Important Notice should be directed either to Christopher Scotto at 813-470-1233 or [cscotto@dtcc.com](mailto:cscotto@dtcc.com) or to your Relationship Manager.

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<sup>1</sup> The Sub-Accounting Service allows Participants to protect securities on deposit at DTC by moving them from their general free account to their segregated account. The securities remain segregated and unavailable for any transactions until the Participant authorizes DTC to release them and return them to their general free account.