



<b>B #:</b>	1315-15
<b>Date:</b>	August 5, 2015
<b>To:</b>	All Participants
<b>Category:</b>	Redemptions
<b>From:</b>	Global Operations & Client Services
<b>Attention:</b>	Operations, Reorg & Dividend Managers, Partners & Cashiers
<b>Subject:</b>	Preliminary Rates for Redemptions with a Make Whole Premium Provision

Effective October 1, 2015 DTC will be modifying its procedure regarding announcement of preliminary rates for redemptions with “make whole premium” provisions.

**Definition of Make Whole Premium Provision for Redemption**

This is a type of call provision on a bond allowing the borrower to pay off remaining debt early. The borrower has to make a lump sum payment derived from a formula based on the net present value (NPV) of future coupon payments that will not be paid because of the call.

**Current Process**

Currently when DTC receives an initial notice from the agent where it’s clearly specifying a make whole premium provision, DTC will announce the event with the most current rate information. Then close to the redemption date (usually two business days prior), DTC will receive an update from the agent with the new rate that includes the make whole premium, and will update the event accordingly.

**New Process**

When it is **clearly identified and known to DTC** that redemption has a “make whole premium” provision, DTC will initially announce the redemption without a rate until the final distribution rate is communicated to DTC. DTC will also update the comment field indicating that the event has a “make whole premium” provision.

Questions regarding this Important Notice should be directed to your relationship manager.

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