DTCC | *Important Notice*
National Securities Clearing Corporation

A#:	**8825**
P&S:	**8398**
Date:	**March 10, 2020**
To:	**ALL MEMBERS AND LIMITED MEMBERS**
From:	**WEALTH MANAGEMENT SERVICES – MUTUAL FUNDS**
Attention:	**MANAGER MUTUAL FUNDS OPERATIONS, MANAGER DATA PROCESSING, MANAGER CASHIERS, MANAGER P&S DEPARTMENT**
Subject:	**Mutual Fund Profile Service II – Profile Security Database Enhancements**

Effective **Monday, March 23, 2020**, National Securities Clearing Corporation (NSCC) will implement enhancements to the Mutual Fund Profile Service II – Profile Security database (MFPS II- Profile Security). These enhancements provide security improvements, greater data entry efficiencies and increased reporting intelligence to support the data review process.   Clients are not required to make programming changes in order to process and receive the changes indicated below.

Below is a summary of the enhancements included in this release. Additional details illustrating specific enhancements are included in the attached Appendix. *The Appendix is for informational purposes and may not represent the final changes. NSCC reserves the right to make additional changes prior to implementation.*

I.   Enhanced Password Encryption
- Updated technology will be implemented to enhance encryption security governing password.
- Clients will be required to reset their login password and security questions for both the PSE and Production environments after the enhancements are implemented.

II.   Date of the Most Recent Prospectus or SAI Supplement Data Point
- Renamed data point to Recent Supplement Date for Prospectus or SAI
- Addition of bulk update functionality to allow Fund clients to update the data point across a Fund Portfolio(s)

III. Not in Document ("NID") Report Redesign
- NID datapoints refer to those data points that are not disclosed in a Prospectus or SAI (i.e. Blue-Sky information), or data points that are normally disclosed in a document but are now silent within the document. Since these data points cannot be extracted from a legal filing and cannot be validated against Profile Security, Fund clients are responsible to manually review and verify the data point values for accuracy. To assist Fund clients in the review process, the NID report has been updated to include a periodic process which now requires Fund clients to review and acknowledge the data point value.

DOCUMENTATION

The user guide will be available on or before Monday, March 23, 2020 and can be located on the DTCC.com website indicated below:

https://dtcclearning.com/products-and-services/mutual-fund-services.html?gated=wms-section

An email notification will be sent when revised documentation has been posted to our website.

TESTING

Effective **Thursday, March 12, 2020,** clients can begin testing the User Interface enhancements in the Participant Services Environment (PSE) test region.

Clients are encouraged to test and must contact their Relationship Manager before testing the user interface changes if access to the PSE region has not been previously established.

Additional Questions and comments regarding this Important Notice may be directed to Wealth Management Services at **212-855-8877**.

<div align="center">

Appendix
MFPS II – Profile Security Enhancements

</div>

Below are the details of the enhancements to the User Interface. There are no changes to batch files.

I. <u>**Enhanced Security Encryption**</u>
- Clients will be required to reset their login password and security questions for both the PSE and Production environments after the enhancements are implemented.
  i.   To update login information, select the reset password link on the login screen.

  ii. For additional guidance on the registration process and resetting your password, please review the *User Guide located on the DTCC learning or select the link:* https://www.dtcclearning.com/

II. <u>**Date of the Most Recent Prospectus or SAI Supplement**</u>

- Rename Data Point –
  i.   This data point has been renamed from "Date of the Most Recent Prospectus or SAI Supplement**"** to "**Recent Supplement Date for Prospectus or SAI**." This change provides additional clarity and eliminates confusion with the "Date of the Current Prospectus" data point attribute.

<div align="center">3</div>

- Bulk Update Functionality –
  i. Similar to the "Date of the Current Prospectus" data point, bulk processing has been added to this data point, allowing Fund clients to update the data point value for multiple Fund Portfolio(s) in one instance, rather than updating the value for each individual Fund Portfolio.
     i. Select the "Bulk Update" button

- The Bulk update screen will appear, allowing Fund clients to provide a new value and update the applicable Fund Portfolio(s) and underlining Security Issue IDs.

Bulk Update Recent Supplement Date for Prospectus or SAI

Bulk update allows you to select a new data point value and apply it across multiple records.

New Value

New Value 🗓

Select records to apply to:

☐	Type ⇕	Name ▲	Current Value ⇕
		demo	
☐	Fund Portfolio	Demo Discovery Fund	99991231
☐	Fund Portfolio	Demo Asset Fund	99991231
☐	Fund Portfolio	DEMO Durable Advantage Fund	99991231
☐	Fund Portfolio	Demo Emerging Markets Fund	99991231
☐	Fund Portfolio	Demo Fifth Avenue Growth Fund	99991231
☐	Fund Portfolio	Demo Focused Growth Fund	99991231
☐	Fund Portfolio	Demo Global Advantage Fund	99991231
☐	Fund Portfolio	Demo Growth Fund	99991231
☐	Fund Portfolio	Demo Health Care Fund	99991231

To finish updating this change, you must first select how you want this change to cascade to other securities under the selected records.

◉ Cascade this change to all records without a manual override
◯ Cascade this change to all records, regardless of manual overrides

Cancel   Schedule Change   Draft Change   Apply

IV. Not in Document ("NID") Report Redesign

- NID Report Generation
    i. All clients can generate this report
        - Firms will need to select a Management Company prior to generating the report
    ii. The "Select a Start Date" and "Select an End Date" criteria have been removed. The report will include all NID data points, regardless of when the data point was classified as NID
    iii. The report can be generated for the following NID data points:
        - Extractable - Data points that are normally in a prospectus but have become silent
        - Non-extractable (excluding Social Codes) - Those pre-defined data points that are never disclosed in the prospectus.
        - All (excluding Social Codes) - both extractable and non-extractable data points, excluding Social Codes
        - Only Social codes

Not In Document Report

It is the fund's responsibility to regularly review and acknowledge Not In Document data points to ensure they are accurate.

Select a Company:

[Select a Company ▾]

Select Data Point:
○ Extractable   ○ Non-extractable (Excluding Social Codes)   ● All (excluding Social Codes)   ○ Only Social Codes

[Run Report]

- NID Report Information – the report will reflect:
    - Fund Portfolio
    - Share Class
    - Ticker
    - Security Issue ID
    - Data Point
    - Profile Value
    - Extractable – Indicates whether the data point is considered an extractable data point or pre-determined NID data point
    - Acknowledgement (reflects review status of data point)
        o "Yes" – Data point value has recently been reviewed and acknowledged
        o "No" – Data point has recently just been classified as NID and has not been reviewed and acknowledged and the review period has not past yet
        o "Review Required" – Review period has past; the data point value needs to be reviewed and either acknowledged as accurate or updated to the correct value

NOTE: Initially the review period will default to a 365-day review process. To change the review period, a new tab, "Settings" has been added to Profile Security User Interface. By selecting the edit button, Fund clients update the review period to occur between every 1 to 365 days.

- Acknowledged By: Indicates the user who reviewed and acknowledged the data point value
- Acknowledged Date: The date the data point was acknowledged
- NID Effective Date: Date that the data point became NID

Not In Document Report

It is the fund's responsibility to regularly review and acknowledge Not In Document data points to ensure they are accurate.

Select a Company:
4862 - Demo Fund

Select Data Point:
○ Extractable ○ Non-extractable (Excluding Social Codes) ⦿ All (excluding Social Codes) ○ Only Social Codes

Run Report

Save as: Excel

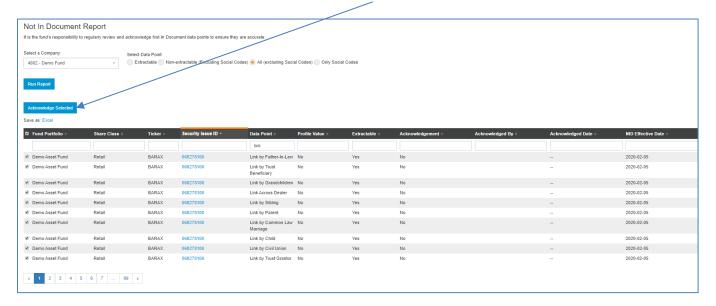| Fund Portfolio	Share Class	Ticker	Security Issue ID	Data Point	Profile Value	Extractable	Acknowledgement	Acknowledged By	Acknowledged Date	NID Effective Date
				link						
Demo Asset Fund	Retail	BARAX	068278100	Link by Father-In-Law	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Trust Beneficiary	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Grandchildren	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link Across Dealer	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Sibling	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Parent	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Common Law Marriage	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Child	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Civil Union	No	Yes	No		--	2020-02-05
Demo Asset Fund	Retail	BARAX	068278100	Link by Trust Grantor	No	Yes	No		--	2020-02-05

« 1 2 3 4 5 6 7 ... 99 »
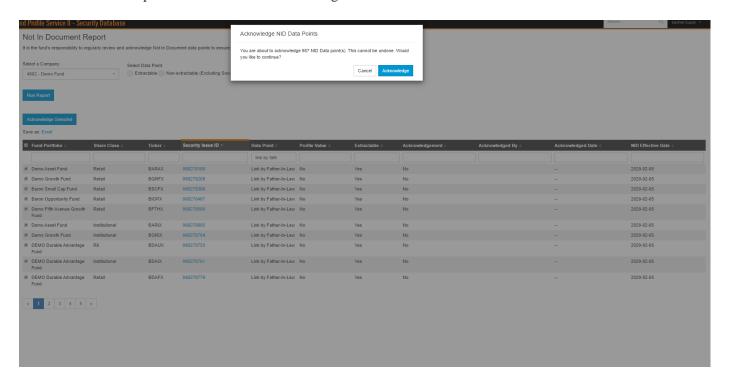
- **Reviewing and Acknowledging NID Data Point Values:**
  i. Fund clients are required to review and acknowledge the data point value on a periodic basis
  ii. The report results can be sorted or filtered by typing criteria in the selected column. While Funds have multiple sort and review methods available to select from, below are some recommended methods for reviewing the data:
    - Sort by Data Point attribute, then Profile Value
    - Sort by Share Class, then Data Point attribute followed by Profile Value
    - Sort by Fund Portfolio, then Data Point attribute followed by Profile Value
  iii. Fund clients can acknowledge individual data point values by selecting the check box next to the data point attribute or bulk acknowledge multiple data point values at once by selecting the check box next to the Fund Portfolio column.
    NOTE: If a data point value needs to be updated, the Fund clients can select the Security Issue ID, which will present the Fund details page to perform the update.
  iv. Once a selection has been made, the "Acknowledge Selected" button will be activated

Not In Document Report

It is the fund's responsibility to regularly review and acknowledge Not In Document data points to ensure they are accurate.

Select a Company:
4862 - Demo Fund

Select Data Point:
○ Extractable ○ Non-extractable (Excluding Social Codes) ● All (excluding Social Codes) ○ Only Social Codes

[Run Report]

[Acknowledge Selected]

Save as: Excel

☑ Fund Portfolio	Share Class	Ticker	Security Issue ID ▲	Data Point	Profile Value	Extractable	Acknowledgement	Acknowledged By	Acknowledged Date	NID Effective Date
				link						
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Father-In-Law	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Trust Beneficiary	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Grandchildren	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link Across Dealer	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Sibling	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Parent	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Common Law Marriage	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Child	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Civil Union	No	Yes	No		--	2020-02-05
☑ Demo Asset Fund	Retail	BARAX	068278100	Link by Trust Grantor	No	Yes	No		--	2020-02-05

« 1 2 3 4 5 6 7 ... 99 »

v. By selecting the "Acknowledge Selected" button, a message will appear verifying the number of data point attributes to be acknowledged.

vi. Once the acknowledgements have been processed, a "Success" message will appear indicating the number of NID data points that have been acknowledged

vi. Once processed, the following columns will be updated:
- "Acknowledgement" Column will be updated to reflect "YES"
- "Acknowledged By" will reflect the users name
- "Acknowledged Date" will be updated.

Not In Document Report

It is the fund's responsibility to regularly review and acknowledge Not In Document data points to ensure they are accurate.

Select a Company:
[4862 - Demo Fund ▼]

Select Data Point:
○ Extractable ○ Non-extractable (Excluding Social Codes) ● All (excluding Social Codes) ○ Only Social Codes

[Run Report]

[Acknowledge Selected]

Save as: Excel

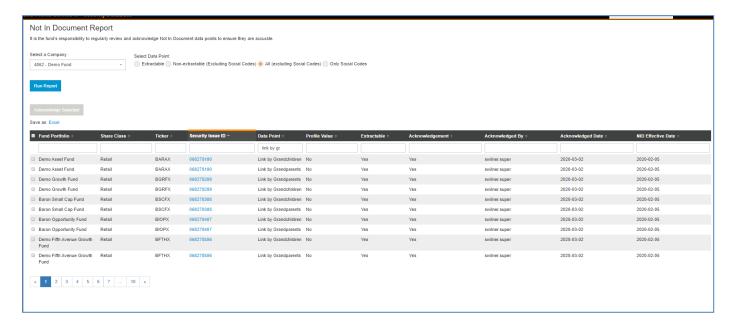| ☐ Fund Portfolio	Share Class	Ticker	Security Issue ID ▲	Data Point	Profile Value	Extractable	Acknowledgement	Acknowledged By	Acknowledged Date	NID Effective Date
				link by gr						
☐ Demo Asset Fund	Retail	BARAX	068278100	Link by Grandchildren	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Demo Asset Fund	Retail	BARAX	068278100	Link by Grandparents	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Demo Growth Fund	Retail	BGRFX	068278209	Link by Grandchildren	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Demo Growth Fund	Retail	BGRFX	068278209	Link by Grandparents	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Baron Small Cap Fund	Retail	BSCFX	068278308	Link by Grandchildren	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Baron Small Cap Fund	Retail	BSCFX	068278308	Link by Grandparents	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Baron Opportunity Fund	Retail	BIOPX	068278407	Link by Grandchildren	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Baron Opportunity Fund	Retail	BIOPX	068278407	Link by Grandparents	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Demo Fifth Avenue Growth Fund	Retail	BFTHX	068278506	Link by Grandchildren	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05
☐ Demo Fifth Avenue Growth Fund	Retail	BFTHX	068278506	Link by Grandparents	No	Yes	Yes	swilner.super	2020-03-02	2020-02-05

« 1 2 3 4 5 6 7 … 10 »

10

vii.   To help facilitate the review of these data points, once the number of review days has passed and the NID data point is labeled as "Review Required NIDs", the Daily Variance Summary Email will reflect the number of NIDs data points that require review

Hello,

You have unaddressed items needing your attention:

- Variances: **8** New (**14** total)
- Validation Warnings: **18**
- Validation Errors: **0**
- Review Required NIDs: **374859**

Please log into MFPS II Profile Security through the DTCC Portal for more information and to resolve these issues.

If you have any questions or concerns, please contact your relationship manager. Do not respond to this email address, as it is not monitored.

Regards,

MFPS II Team