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| A#: | 9027 |
| P&S: | 8600 |
| Date: | June 21, 2021 |
| To: | ALL AIP MEMBERS |
| From: | WEALTH MANAGEMENT SERVICES – ALTERNATIVE INVESTMENT PRODUCT SERVICES |
| Attention: | ALTERNATIVE INVESTMENT RELATIONS ALTERNATIVE INVESTMENT OPERATIONS ALTERNATIVE INVESTMENT CUSTODY |
| Subject: | AIP ENHANCEMENTS - 2021 |

Effective **Friday, November 19, 2021** National Securities Clearing Corporation (NSCC) will implement enhancements to the **Alternative Investment Product Services (“AIP”)** into Production. AIP is scheduled to migrate the new coding and fields into production on Thursday, November 18, 2021 **after** the 7:00pm (ET) End of Day Processing Cycle.

Below is a comprehensive description of these enhancements. In addition, we have provided a link to Data Dictionary 19.0 that identifies the impacted records, fields, and values as part of this release. The updated Data Dictionary will be posted to the AIP website on or about Friday, July 23, 2021.

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AIP Enhancement Summary

(Mainframe, Web and Portal Users)

1. Activity Enhancements

Add the Below Existing Fields from the Position Record to the Activity Record

- Closing Money Value
- Closing Share Balance
- Closing Balance Date

2. Position Enhancements

Add a New Field Called 'Hybrid Responsibility Indicator', which will be 'Optional Conditional'

- Space = No
- 1 = Yes – Yes can only be populated if the Network Control Indicator is B = Broker Controlled

3. Account Registration/Maintenance Enhancements

Change the Condition on the 'Account Indicator' Field from 'Optional Conditional' to 'Required'

- The Account Indicator Field will become 'Required' for the Account Registration and Account Maintenance Records

Add a New Field Called 'Hybrid Responsibility Indicator' which will be 'Optional Conditional'

- Space = No
- 1 = Yes – Yes can only be populated if the Network Control Indicator is B = Broker Controlled AND the Record Type = 025 – Account Registration

4. Order/ Order W/Registration / Order Confirmation-Correction Enhancements

Add a New Value and Description to the Existing 'Breakpoint Change Reason Code'

- 1 = ROA/Side Letter Value at Fund
- 2 = LOI/Commitment Letter at Fund
- 3 = The Higher of Cost or Market value at Fund
- 4 = Householding Discount – New Value

Add a New Requirement to the Existing 'Load Type Indicator – (9 = Placement Fee)

If the 'Load Type Indicator – (9 = Placement Fee)' is populated, the following fields will become 'Required'

- Net /Gross Indicator
- Commission Amount
- Commission Percentage
- Gross Amount of Trade

Add New Values and Descriptions to the Existing 'Net/Gross Indicator'

- 3 = Gross Up - New
- 4 = Net Down – New

Rename the Following Fields on the Order Records

- Dealer Concession Renamed to 'Dealer Concession/Manager Paid Placement Fee Amount'
- Dealer Concession Percentage Renamed to 'Dealer Concession/Manager Paid Placement Fee Percentage'
- Commission Amount Renamed to 'Commission/Placement Fee Amount'
- Commission Percentage Renamed to 'Commission/Placement Fee Percentage'

5. Exchange/Switch Enhancements

Rename the Following Fields on the Exchange-Switch Record

Exchange 'From'

Exchange From Commission Amount renamed to Exchange From Commission/Placement Fee Amount

- Required if the Load Type Indicator is:
9 = Placement Fee

Exchange From Commission Percentage renamed to Exchange From Commission/Placement Fee Percentage

- Required if the Load Type Indicator is:
9 = Placement Fee

Exchange From Dealer Concession renamed to Exchange From Dealer Concession/Manager Paid Placement Fee Amount

Exchange 'To'

Exchange To Commission Amount renamed to Exchange To Commission/Placement Fee Amount

- Required if the Load Type Indicator is:
9 = Placement Fee

Exchange To Commission Percentage renamed to Exchange To Commission/Placement Fee Percentage

- Required if the Load Type Indicator is:
9 = Placement Fee

Exchange To Dealer Concession renamed to Exchange To Dealer Concession/Manager Paid Placement Fee Amount

6. Participant Web Platform Enhancements

- Create Screens to allow the Funds the ability to 'Acknowledge and Confirm' existing Order transactions via the AIP Participant Web Platform
- Create Screens to allow the Funds the ability to 'Acknowledge' the Account Registration records, which they are the 'recipients' – This functionality is for Funds Only
- Add a 'View' in the AIP Web Dashboard to allow both Firms and Funds the ability to view the full details of their Account Registration records
- Add the ability to 'Export' specific Lists and Reports to Excel via the Web Platform

7. New or Updated NSCC Reject Codes/Descriptions

- New Reject Codes in **Green**
- Updated Descriptions in **Red**

| Reject Code | Description |
|-------------|---|
| 0041 | Commission/Placement Fee Amount missing/invalid |
| 0042 | Commission/Placement Fee Percentage missing/invalid |
| 0043 | Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0066 | Exchange From - Commission/Placement Fee Amount missing/invalid |
| 0067 | Exchange From - Commission/Placement Fee Percentage missing/invalid |
| 0068 | Exchange From - Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0076 | Exchange To - Commission/Placement Fee Amount missing/invalid |
| 0077 | Exchange To - Commission/Placement Fee Percentage missing/invalid |
| 0078 | Exchange To - Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0143 | Gross Amount of Trade missing/invalid |
| 0540 | Dealer Concession/Manager Paid Placement Fee Percentage invalid |
| 0633 | Net/Gross Indicator missing/invalid |
| 0637 | Hybrid Responsibility Indicator invalid |

8. New or Updated Firm-Fund Reject-Exit Codes/Descriptions

- New Reject Codes in **Green**
- Updated Descriptions in **Red**

| Reject Codes | Description |
|--------------|---|
| 0041 | Commission/Placement Fee Amount missing/invalid |
| 0042 | Commission/Placement Fee Percentage missing/invalid |
| 0043 | Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0066 | Exchange From - Commission/Placement Fee Amount missing/invalid |

| | |
|-------------|--|
| 0067 | Exchange From - Commission/Placement Fee Percentage missing/invalid |
| 0068 | Exchange From - Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0076 | Exchange To - Commission/Placement Fee Amount missing/invalid |
| 0077 | Exchange To - Commission/Placement Fee Percentage missing/invalid |
| 0078 | Exchange To - Dealer Concession/Manager Paid Placement Fee Amount invalid |
| 0143 | Gross Amount of Trade missing/invalid |
| 0540 | Dealer Concession/Manager Paid Placement Fee Percentage invalid |
| 0633 | Net/Gross Indicator missing/invalid |
| 0637 | Hybrid Responsibility Indicator invalid |

Testing information on next page

Testing

Effective Friday, October 22, 2021 participants can begin testing these AIP Enhancements in the first AIP cycle of the day at 9:00AM (ET).

Participants are encouraged to test and must contact AIP Product Management before testing begins for proper setup in the PSE region. AIP Product Management should be contacted at least three (3) days prior to testing.

Documentation

The updated AIP Industry Document & Data Dictionary 19.0 (Record Layouts) will be available on or about July 23, 2021 on DTCC's Wealth Management Services website located under the PSE Enhancement Testing section of the AIP website <http://www.dtcc.com/aip>. In addition, all impacted records, fields, and values are highlighted in 'red' in Data Dictionary 19.0 for your reference.

The record and field format information provided within this Important Notice is for informational purposes only and does not constitute the final Record Layouts. NSCC reserves the right to make additional changes to the Record Layouts prior to implementation.

Questions and comments regarding this Important Notice may be directed to Michelle McLean at 212-855-2443.

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