DTCC | Important Notice
National Securities Clearing Corporation

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P&S:	8756
Date:	JULY 20, 2022
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 SPECIFICATION REPORTING TOOL

Mutual Fund Profile Service II – Profile Security database ("Profile Security") automates the creation of specification reporting by leveraging existing data populated within Profile Security. This functionality provides greater efficiencies when generating these reports, which are typically labor intensive and subject to errors due to the manual effort necessary to complete them.

Effective Monday, July 25, 2022, National Securities Clearing Corporation (NSCC) will introduce new specification reports, as well as enhanced specification report functionality, allowing customized reporting based on the Fund / Intermediary business need. These enhancements will provide Funds with improved data entry efficiencies and flexibility when generating specification reports:

1. **New Specification Reports**
   Ability for Funds to create a customized specification report template based on the Fund / Intermediary business need will be introduced. There are 12 sections and each one can be customized as needed:

   - Product Specification Report
   - Blue-Sky Information
   - Dividend Information
   - Miscellaneous Information
   - LOI Information
   - ROA Information
   - Jumbo / Finder's Fee Pricing Information
   - Exchange Processing and Policies Information
   - Transaction Processing Information
   - Share Class Roll Information
   - 12b-1 Processing Information
   - Short-Term Redemption Fee Information

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2. **Enhanced Specification Report Functionality**

   o **Ability to Create Intermediary Specific Templates**
   A new tab "Intermediary Template Profiles" allows Funds to create, edit or copy customized specification report templates by selecting which data point attributes should be provided in the specification report.

   DTCC will be expanding this functionality through additional phases to allow Intermediaries to create customized specification report templates.

   o **Updated Report Generation Process**
   Enhanced options for generating customized specification reports:
   • Step 1: Basic Information – Updated drop-down template selection
   • Step 2: Select Scope – Additional reporting capabilities for multiple security issue ids
   • Step 3: Select Template Fields – New process to add additional template fields
   • Step 4: Overrides – Updated override capabilities

   o **Improved Report Information**
   • Grouping of security issue ids into a common family based on identical data point attribute values for blue sky eligibility, breakpoint information and CDSC information
   • Indicator for when a data point was not selected as part of the customized specification report
   • Indication whether the data point values differ at the security issue id level versus the share class or fund portfolio level

Details illustrating the specific enhancements are included in the attached Appendix. ***The Appendix is for informational purposes and may not represent the final record layouts. NSCC reserves the right to make additional changes prior to implementation.***

There are no programming changes needed for clients to generate or receive the Specification Reports. To access the Specification Reporting tool, please log in to Profile Security and select the Specification Report menu option.

DOCUMENTATION
An updated User Guide will be available shortly. An email notification will be sent when revised documentation has been posted to our website.

TESTING
Effective Thursday, July 21, 2022, members can begin testing in the Participant Services Environment (PSE) region. Members are encouraged to test and must contact their Relationship Manager before testing begins if access to the PSE region has not been previously established.

Additional Questions and comments regarding this Important Notice may be directed to your Relationship Manager, Account Manager or Wealth Management Services at 212-855-8877.

Sharon Wilner
Product Manager

DTCC Wealth Management Services

Appendix

1. **New Specification Reports**

Ability for Funds to create a customized specification report template based on the Fund / Intermediary business need has been introduced. There are 12 sections and each one can be customized as needed.

- Product Specification Report – provides information at the security issue id level for key operational rules, such as breakpoint schedules, blue sky eligibility, purchase minimums, etc.
- Specific Processing Specification Reports - provides additional operational information on:
    i. Blue-Sky
    ii. Dividend
    iii. Miscellaneous
    iv. LOI
    v. ROA
    vi. Jumbo / Finder's Fee Pricing
    vii. Exchange Processing and Policies
    viii. Transaction Processing
    ix. Share Class Roll
    x. 12b-1 Processing
    xi. Short-Term Redemption Fee

2. Enhanced Specification Report Functionality

A. Ability to Create Intermediary Specific Templates

A new "Intermediary Template Profiles" tab under the Specification Report section allows customized specification report templates to be created, viewed, edited, copied, or deleted. These customized templates will be utilized in the creation of the product specification report and/or specific processing specification reports.
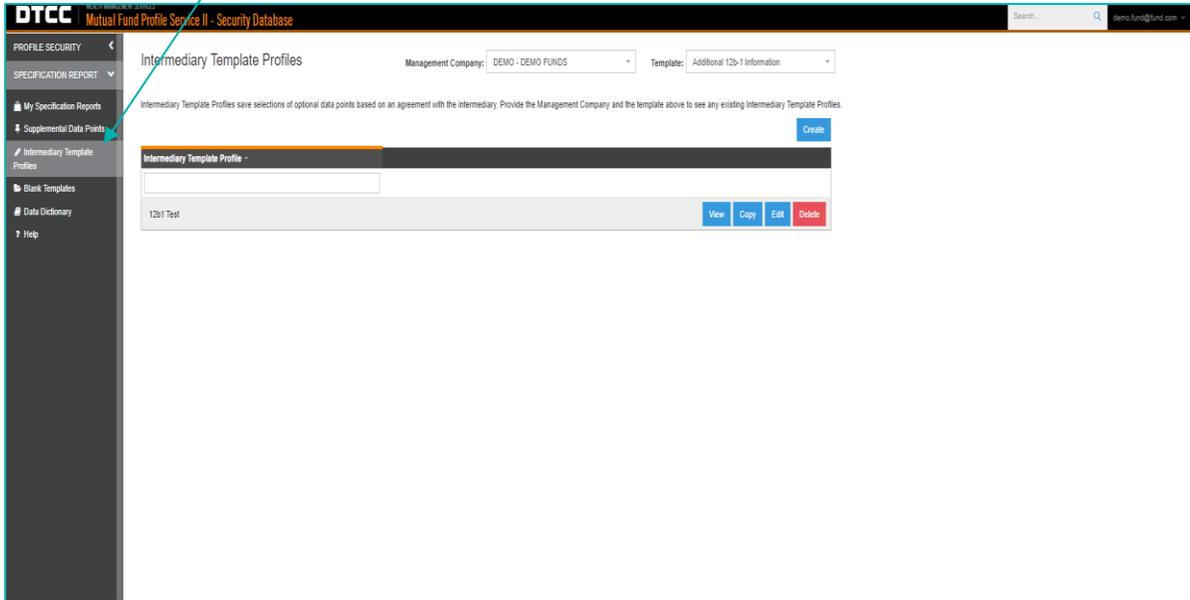
- Select the "Create" button
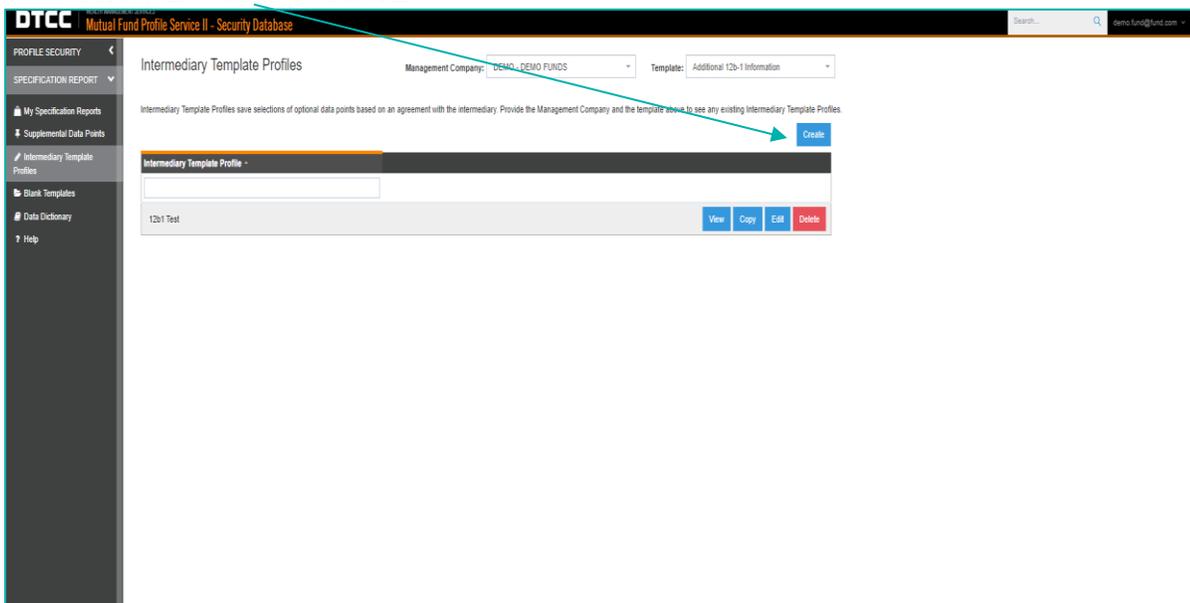
- Provide an "Intermediary Name," choose the report template from the dropdown list and select "Create"
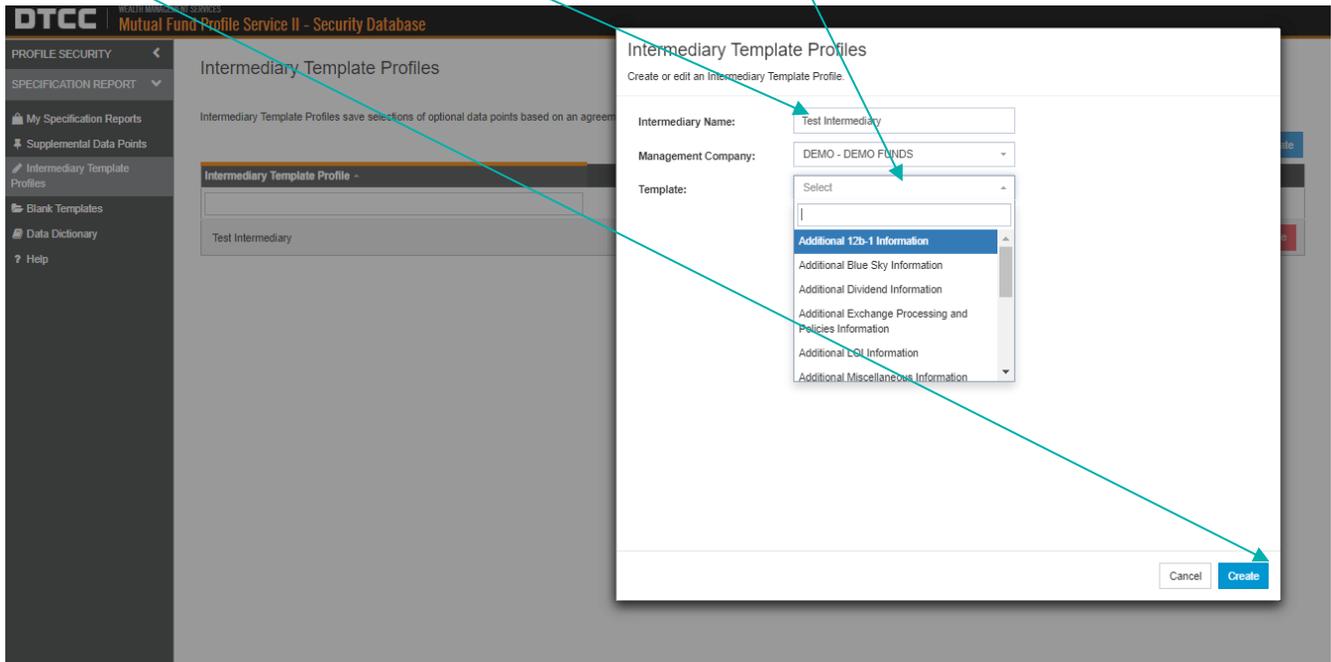
- A list of data point attributes applicable to that report template, along with the information provided, will be presented.
  - Each data points attribute has been assigned a "Classification"
    i. Required: These data point values will always be presented and cannot be de-selected
    ii. Optional: A user can select whether these data points are required for the report
    iii. Optional Group: Similar to optional data points, a user can select whether these data point groups are required for the report. Optional groups represent a collection of data point attributes, providing the user with greater efficiency and avoiding the user from having to select individual data points
  - The "Create" button will create the specification report template

- Once the specification report template has been created, it can be viewed, copied, edited, or deleted on the Intermediary Template Profile page by selecting the report from the drop-down list.
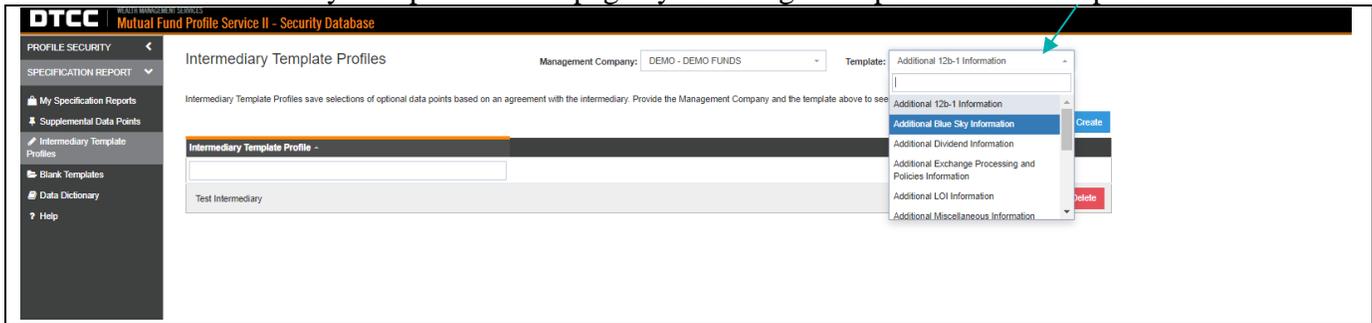
B. **Updated Report Generation Process**

Steps to generate a specification report under the "My Specification Reports" tab have been updated to accommodate the new reports.

Under the My Specification Reports tab, select "Create New"
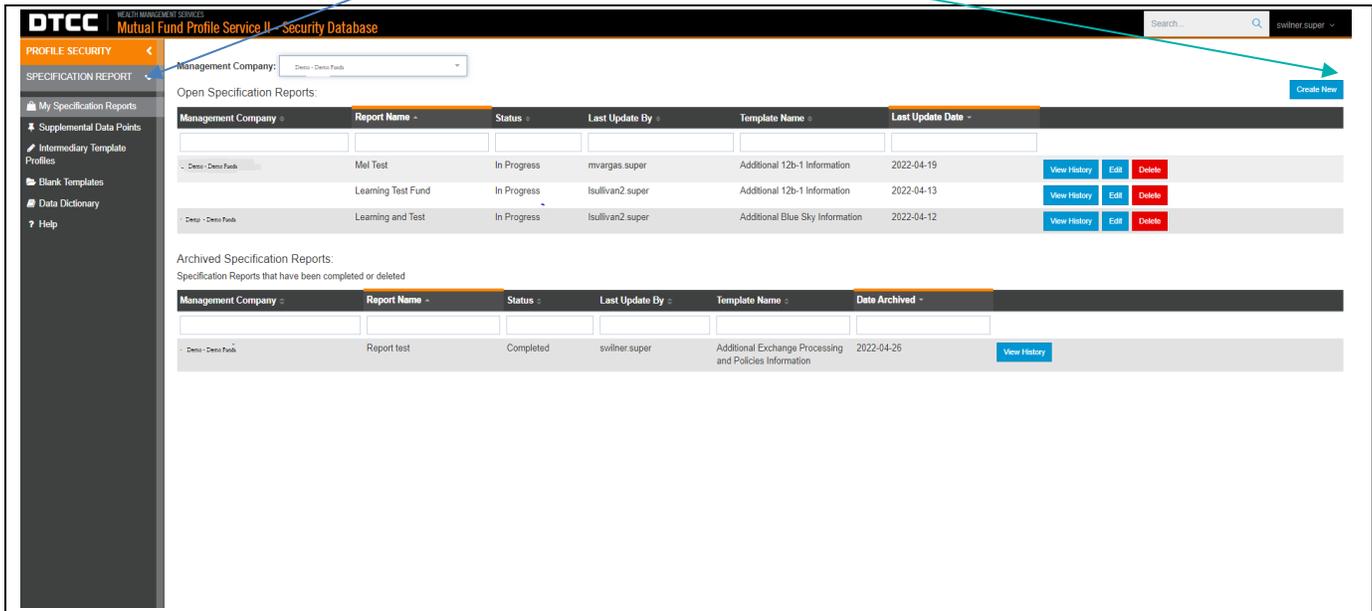
- **Step 1 - Basic Information**:
  Current Functionality:
  A listing of available specification reports is presented. These reports cannot be customized.

  Updated Functionality:
  When selecting the product specification report or specific processing report templates, a secondary drop-down list will become available to select the appropriate Intermediary template
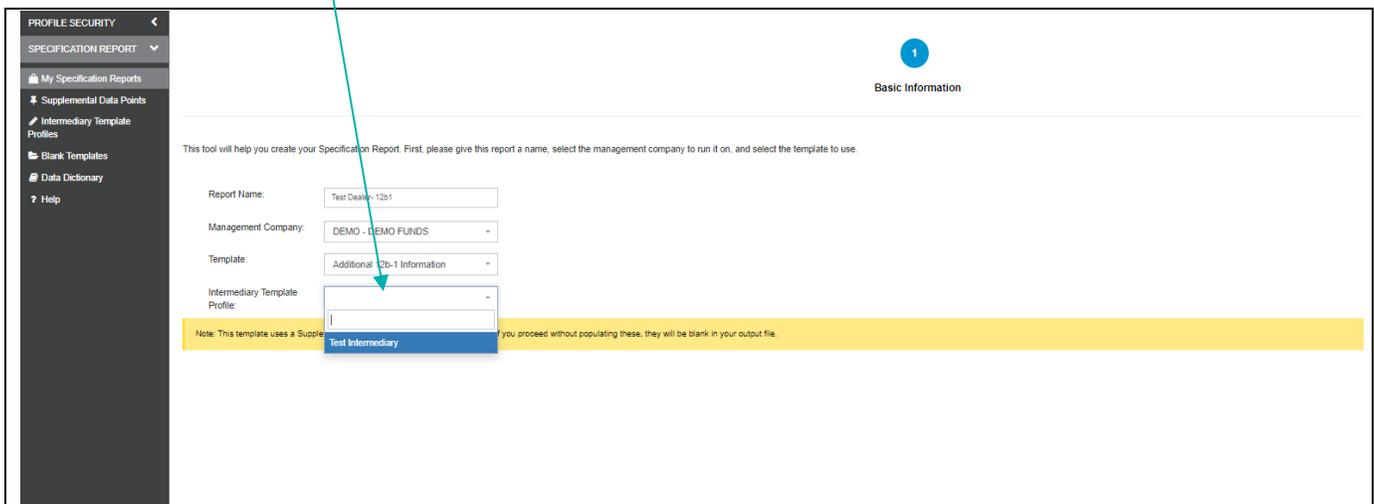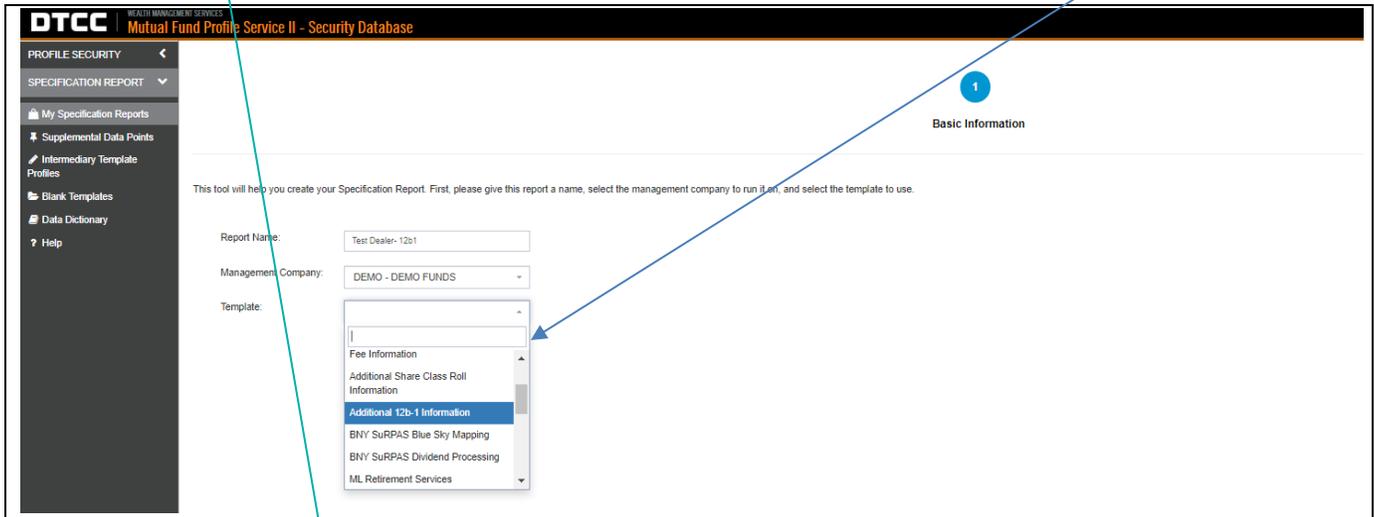
- **Step 2- Select Scope**:
  Current Functionality
  The current specification reports only allow for one security issue id to be selected

  Updated Functionality:
  The number of entries has increased. The scope for the new reports allow up to 2,500 security issue ids to be selected. In addition, the scope can also be defined for the specific processing reports at either the Management Company, Fund Portfolio, or Share Class level to facilitate report generation as follows:
    i. Additional Blue-Sky Information – Management Company
    ii. Additional Dividend Information – Fund Portfolio
    iii. Additional Miscellaneous Information – Only security issue id
    iv. Additional LOI Information – Share Class
    v. Additional ROA Information – Share Class
    vi. Additional Jumbo / Finder's Fee Pricing Information – Share Class
    vii. Additional Exchange Processing and Policies Information – Share Class
    viii. Additional Transaction Processing Information – Share Class
    ix. Additional Share Class Roll Information – Share Class
    x. Additional 12b-1 Processing – Share Class
    xi. Additional Short-Term Redemption Fee Information – Fund Portfolio

Once the specification report template has been selected in Step 1, the reporting scope must be identified. If the report provides information at multiple levels, the scope (Management Company, Fund Portfolio, Share Class) for these must be selected first.

- The "Select All Checkbox" selects all the entries on one page. To choose the maximum number of available entries, select "Click Here"
- Once the scope has been chosen, select "Next"

- **Step 3 - Select Template Fields**
  <u>Current Functionality:</u>

  Additional data points cannot be added to a template during the report generation process.

  <u>Updated Functionality:</u>
  A new step has been added allowing additional data point attributes to be populated in a specific report without impacting the Specification Report Template. Only new fields can be added; data points that were part of the original template cannot be removed. NOTE: This step is only visible when producing a product specification report and/or specific processing reports.

- **Step 4 – Override**

  <u>Current Functionality:</u>

  Data point values can be overridden at both the security issue id and intermediary levels

  <u>Updated Functionality:</u>

  Overrides can also be created at the fund portfolio or share class level, in addition to the security issue id or intermediary level. The report level will indicate the level of the data point override value

C. Improved Report Information

- To streamline reporting of information, security issue ids having the same values are grouped together into a common family and assigned a unique Family number. Family numbers only pertain to the reports that provide:
  - Blue-Sky Eligibility – All security issue ids that have the same eligibility status for all 50 states plus District of Columbia, Puerto Rico, Guam, and US Virgin Islands will be grouped into a family
  - CDSC Schedule Families – Security issue ids that have the same CDSC Schedules and Advanced Commission Rate will be grouped into a family
  - Breakpoint's schedules for security issue ids where load type is Front-end load and the Finder's fee / Jumbo blending applies will be grouped into a family
- If a data point was not selected as part of the Product Specification report or a specific processing report, it will be shaded gray on the report. This indicates that a value is not missing but rather was not selected to be part of the specification report. The following message has been added to the reports: "*NOTE: If column is shaded GRAY, then data point was not selected for this report*"
- If the data point does not contain a value, it will be left blank

GENERAL SECURITY ISSUE ID INFORMATION

NOTE: If column is shaded GRAY, then data point was not selected for this report   Return to Table of Contents

Fund Portfolio Name	Fund ID	Share Class	Security Issue ID	Ticker Symbol	ROA / LOI Aggregation Allowed	Load Type	Breakpoint Schedule Family
Demo International Growth Fund	6803	Class R6	123456789	AVCDD		No Load	
Demo International Growth Fund	6804	Institutional Class	234567890	DCBFS		No Load	
Demo Strategic Income Opportunities Fund	6510	Class A	345678912	FREWT		Front-End Load	Family_5849
Touchstone Strategic Income Opportunities Fund	6511	Class C	987654321	FDGBH		Level Load	
Demo Strategic Income Opportunities Fund	6512	Class Y	345675432	FGMHD		No Load	
Demo Strategic Income Opportunities Fund	6513	Institutional Class	395967329	FQDLG		Front-End Load	Family_5849
Demo Sands Capital Emerging Markets Growth Fund	525	Class R6	3459T9078	TSRMX		No Load	
Demo Balanced Fund	6204	Class R6	567432190	TBARX		No Load	

- The specific processing reports that provides information at either the share class or fund portfolio levels, in addition to the security issue id level, will identify the level at which the information is being provided and whether the values differ at the security issue ID level

Share Class Level / Security Issue ID Level	Fund Name	Fund ID	Share Class	Security Issue ID	Ticker Symbol	12b-1 Eligible	Are there Pending Changes; if so, please provide	Is Security Issue ID Different than Share Class
Share Class Level			Institutional Class				No	
Security Issue ID Level	Demo Strategic Income Opportunities Fund	6510	Institutional Class	89154M306	TQPAX	Yes		Yes