



**Important Notice**  
**National Securities Clearing Corporation**

<b>A#:</b>	a9272
<b>P&amp;S:</b>	8845
<b>Date:</b>	03/03/2023
<b>To:</b>	All Participants
<b>From:</b>	Equity Risk
<b>Attention:</b>	Director of Operations, CFM Contacts
<b>Subject:</b>	Changes to Volatility Haircut Schedule for Illiquid Securities and Unit Investment Trusts

Effective March 20, 2023, NSCC will implement changes to the volatility charge haircuts applicable to positions in Illiquid Securities and unit investment trusts. The changes are the result of NSCC's annual recalibration. Following implementation of these changes, the calculation of these components of the Clearing Fund will remain within the parameters set forth in Procedure XV, Section I(A)(1)(a) and (2)(a) of the NSCC Rules and Procedures. The changes, which could have an impact on the calculated margin for certain portfolios, include the following:

- The haircut-based volatility charge applicable to positions in unit investment trusts will change from 5% to 6% (see Procedure XV, Section I(A)(1)(a)(ii)(B)(II) and (2)(a)(ii)(B)(II)).
- The haircut-based volatility charge applicable to Illiquid Securities will change as set forth in the table below (see Procedure XV, Section I(A)(1)(a)(ii)(B)(I) and (2)(a)(ii)(B)(I)):

<b>Price Range</b>	<b>Current Haircut Rate</b>	<b>New Haircut Rate</b>
<= \$0.01, Long	50%	52%
<= \$0.01, Short	105%	119%
\$0.01 - \$1.00	63%	59%
\$1.00 - \$5.00	37%	37%
> \$5.00	16%	18%

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