X.X   T+1 SETTLEMENT (FUNNEL DOT 116) – HELPFILE ALIGNMENT

Background:

The Canadian securities industry moved to shorten the standard settlement cycle from Trade Date plus 3 days (T+3) to T+2 for most securities in September 2017.

In December 2021, it was announced that funds in the United States will reduce the settlement cycle again by one day to T+1 in 2024. The Canadian securities industry is also planning to make the transition on the same timeline as the U.S.

A working group was established to work and collaborate with Canadian investment fund industry participants to prepare for migration to T+1. Major proposed changes include:

1. Make necessary Fundserv Standards documentation changes to align with the T+1 changes for eligible products, and
2. Expand current In-Cash Transfer (ICT) functionality to support T+1 funds on the ICT Sell side. See **Section X.XX** for details.

This section summarizes the processing rule changes of Fundserv Standards for T+1 settlement.

.1   Documentation Changes

   .1   Update the Commission Rebate Processing paper to remove references to specific settlement periods.
      https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_com_rebate_process.htm

     a. Within the "Order Placement" section:
       "The fund purchased on the rebate transaction does not have to be in the same fund as the original transaction, but both funds must have the same settlement cycle ~~(i.e., T+2 or T+1)~~."

     b. Within the "Order Settlement" section of the "Commission File (WS) Reporting" section:
       "The manufacturer creates a BuyCon record reporting Transaction Type = 5 and Transaction Type Detail = 5 in the Settlement Instruction (FS) file.

       On ~~T+2~~ Settlement Date the manufacturer settles the trade and creates a confirmation record, reporting Transaction Type = 5 and Transaction Type Detail = 5 and sends it to the distributor in the Transaction Reconciliation (TS) file."

   .2   Update the Money Market Wire Order Processing paper in the "Redemption on accounts with no pre-authorized arrangements" section to remove references to specific settlement periods.

"Redemptions within accounts which are not covered under a pre-authorized arrangement:

- o receive a trade date equal to the placement date;
- o are processed when settlement documentation is received; and
- o are included in settlement on the first business day following the date that settlement documentation is received.

Normal wire order procedures are followed (i.e. placement, response, contract/reject, ~~3 or 1 day~~ settlement and confirmation)."

.3 On the Settlement Date (SettlDate) element page and myserv Transaction Detail Processing Rules page, update the description of the Settlement Date field to refer to the settlement period rather than a specific standard settlement timeline.

"The SettlDate element contains the latest (or expected) date that the manufacturer receives settlement documentation without going into offset (National Instrument 81-102, or T+X (where X is the Settlement Period) ~~T+2~~ depending on arrangements between the parties)."

.4 In the Glossary, update the "Settlement Date" description to align with industry standards for settlement periods.

"The date by which a person/institution must submit all documents and money necessary to complete a transaction. For most securities, settlement must be made on or before the business day following the transaction date (T+1) ~~(T+2). Some funds settle on T+1.~~

A banking holiday causes double settlement to occur. If November 11th falls on a weekday it is deemed a business day but not a settlement day. If it falls on a weekend, the next Monday is a business day, and a banking holiday, therefore no settlement occurs. Settlement day will fall on the Tuesday, and is a double-settlement day ~~(i.e., T+2)~~ for orders from both the previous Thursday and Friday settle.)"

.5 Align the Transaction Reconciliation (TS) Processing Rules paper to industry standards for settlement periods.

a. In the list of trade-related activities supported in the TS file, remove references to specific settlement periods for funds settling greater than T+1.

"The following trade-related activities are reported in the Transaction Reconciliation (TS) File:

- Buy and Sell Confirmations
- T+1
- ~~T+2~~ T+X (where X is the Settlement Period)
- Custom Priced Funds
- ICT
- Sell Segregated Maturity
- Asset Allocation
- Transfers
- External Transfer Confirmations
- Internal Transfer Confirmations
- Switches Confirmations
- Manual Trade Confirmations
- Bulk Money Movement Confirmations
- Distribution Confirmations
- Return of Capital (ROC)
- Share Reorganization (Reorg)
- Series Consolidation
- Series Split"

b. In the "File Timing and Creation Rules" section, update Processing Rule #1 to align with industry standards for TS file timing of different fund types and settlement periods.

"The following table is a summary of the Transaction Reconciliation (TS) file timing expectation for Money Market, T+1, T+2, T+X, Switch, and Transfer reporting.

For example:

TFS Order Type	Trade Date (T)	Fundserv Assigned Settlement Date (S)	Process Date	TS File Received by Fundserv
Money Market	Jan 28 2018 T	Jan 29 2018 (T+1)	Jan 28 2018 T	Jan 29 2018 or by Jan 30 2018 (T+1) or by (T+2)
Regular T+1	Jan 28 2018 T	Jan 29 2018 S = T+1	Jan 29 2018 S	Jan 30 2018 By S+1
T+2	Jan 28 2018 T	Jan 30 2018 (T+2)	Jan 30 2018 (T+2)	Jan 31 2018 By (T+3)
T+X (Where X is the Settlement Period)	T	S = T+X	S	By S+1
Switch	Jan 28 2018 T	Jan 29 2018 (T+1)	Jan 28 2018 T	Jan 29 2018 (T+1)

Transfer (Internal and External)	Jan 28 2018 T	Jan 29 2018 (T+1)	Jan 28 2018 T	Jan 29 2018 (T+1)

.6 Update the NSR Bulk Money Movements paper in the "Distributor Sales Commission and Service Fee Payments" section to remove references to specific settlement periods for regular funds.
https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_add_money_move.htm

"Trade-related (trust account) activity includes:

- Money market (T+1) funds,
- Regular (T+2) funds,
- Late settlement,
- Dilutions,
- Segregated guarantee maturity top-up payments,
- Cash distributions, and
- Systematic withdrawal plan payments."

.7 Update the Non-N$M Intermediary Processing paper to remove references to specific settlement periods and align processing rules to support T+1 settlement.
https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_interm_nonnsm_pro_partcpt.htm
https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_interm_nonnsm_pro_lifcycl.htm

a. Within the "Distributor" section of the "Non-N$M Participants Responsibilities" paper:

"A distributor wanting to process intermediary business in an electronic environment must implement the following actions:
- confirm the Registered Code of the intermediary and confirm that the intermediary is capable of receiving all of the industry standard files, identifying contract/confirm records, differentiating between Settlement Source "D" and "I", settling Settlement Source "I" trades on Settlement Date T+3 (**Note**: non-N$M participating intermediaries cannot settle electronic money market trades);
- contact the intermediary before initiating orders under that intermediary's Registered Code in order to sign the Distributor/Intermediary Agreement;
- sign the Distributor/Intermediary Agreement before automated processing begins;
- be a member of the Fundserv network."

b. Within the "Intermediary" section of the "Non-N$M Participants Responsibilities" paper:

"An intermediary wanting to participate in this business relationship with the distributor must implement the following actions:
- sign the applicable Distributor/Intermediary Agreements and the Manufacturer/Intermediary Agreements with all management companies;
- be capable of receiving all applicable industry standard files identifying the file's contract/confirm records; and differentiating between Settlement Source "D" and "I";

- have adequate procedures in place to facilitate settlement with the management companies for Settlement Source 'I' wire orders on Settlement Date ~~T+3~~."

c. Within the "Modification and Cancellation" section of the "Order Lifecycle" paper:
"**Trade Date**
- Wire orders can only be modified or cancelled by the Order Source. In this case, it is the distributor. Modifications or cancellations can be made until 15:59:59 Eastern Standard Time on the Trade Date ~~day of placement~~.
- Standard wire order cancel/modify protocol is in effect for this process.

~~**Close of Business Trade Date +1 (T+2 Funds)**~~

After cut-off time on Trade Date

- Any corrections or cancellations that need to be made ~~on T+1 until 15:59:59 EST~~ before the cut-off time on SD - 1 (Settlement Date – 1) must be made by the settlement source (intermediary) directly with the management company.
- Any modification or cancellation of an order after trade date, whether it was initiated by the Settlement Source or by the management company (i.e., orders rejected in the overnight on trade date), must be communicated to both the intermediary and the distributor.
Note: Overnight rejects of Transfer orders are communicated in the Settlement Instruction FS file.
- These contracts will be included in the Settlement Instruction (FS) files for both the distributor and the intermediary."

d. Within the "Settlement" section of the "Order Lifecycle" paper:
"Settlement Source "D" orders on intermediary accounts are settled by the distributor according to their level of participation in N$M.

To assist intermediaries in settling Settlement Source "I" orders, the management companies must provide Batch/Mass Settlement Reports or their electronic equivalent to the intermediary on T+1.

Intermediaries must provide the management companies with a blanket Power of Attorney to facilitate settlement of electronically placed switches, redemptions, and transfers.

The intermediary must provide the management companies with one "bulk cheque" for the total of all Settlement Source "I" purchases and ensure receipt at the management company on Settlement Date ~~T+2~~.

Redemption proceeds on intermediary accounts must always be payable to the intermediary. The management company must issue one bulk cheque to the intermediary on each settlement date."

.8 Update the N$M Intermediary Processing paper to remove references to specific settlement periods and align processing rules to support T+1 settlement.
https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_interm_nsm_pro_partcpt.htm

> **Commented [A1]:** Do manufacturers still need to send the report to intermediaries? If yes, when should a non-N$M intermediary send the Batch/Mass Settlement Reports to manufacturers for T+1 orders?

> **Commented [A2]:** When (and how) should a non-N$M intermediary pay manufacturers for T+1 orders?

a. Within the "Distributor" section of the "N$M Participants Responsibilities" paper:

"A distributor wanting to process intermediary business in an electronic environment must implement the following actions:

- confirm the Registered Code of the intermediary and ensure that the intermediary is an N$M participant. That is, the intermediary is capable of receiving all of the industry standard files associated with N$M, identifying contract/confirm records, differentiating between Settlement Source "D" and "I", settling Settlement Source "I" trades on Settlement Date T+2 (T+1 in the case of Money Market fund trades);
- contact the intermediary before initiating orders under that intermediary's Registered Code in order to sign the Distributor/Intermediary Agreement;
- sign the Distributor/Intermediary Agreement before automated processing begins;
- be a member of the Fundserv network."

b. Within the "Intermediary" section of the "N$M Participants Responsibilities" paper:

"An intermediary wanting to process mutual fund business (order placement and settlement) via Fundserv must implement the following actions:

- sign the applicable Distributor/Intermediary Agreements and the application for Net Settlement Messaging (N$M);
- Note: In signing the above agreements, intermediaries understand the incumbent liability as an order originator and obtain the distributor's authorization to use the distributor's code in order transaction files.
- be capable of sending and receiving all applicable industry standard files associated with NSR; identifying the file's contract/confirm records; and differentiating between Settlement Source "D" and "I";
- have adequate procedures in place to reconcile NSR totals (available on Fundserv Web Services screens or through electronic equivalent) with their internal records to allow net settlement to take place on Settlement Date T+2 (T+1 in the case of Money Market fund trades);
- have adequate overdraft (settlement risk line) protection on their settlement account"

c. Within the "Order Modification and Cancellation" section of the "Order Lifecycle for Distributor Placed Intermediary Settled Orders" paper:

"**Trade Date**

- Wire orders can only be modified or cancelled by the order source. In this case, it is the dealer. Modifications or cancellations can be made until 15:59:59 Eastern Standard Time.
- Standard wire order cancel/modify protocol is in effect for this process.

Close of Business Trade Date + 1 (T+2 Funds)

After cut-off time on Trade Date

- Only the settlement source can notify the management company directly of a trade modification or cancellation ~~on T+1~~ after cut-off time on Trade Date.
- All modifications and cancellations must be received by the management company ~~before the end of business (15:59:59 EST) on T+1~~ before the cut-off time on SD - 1 (Settlement Date – 1).
- Any modification or cancellation of an order after trade date, whether it was initiated by the settlement source or by the management company (i.e., orders rejected overnight on trade date) must be communicated to both the intermediary and the dealer.
  Note: Overnight rejects of Transfer orders are communicated in the Settlement Instruction FS file.
- NSR matches orders to these contracts and updates the Intermediary's settlement amounts accordingly.
- These contracts are included in the Settlement Instruction (FS) files for both the dealer and the intermediary."

d. Within the "Order Settlement" section of the "Order Lifecycle for Distributor Placed Intermediary Settled Orders" paper:

"The NSR/N$M screens are updated daily with the contract and confirmation (i.e., switches, money market and transfers) information to provide the intermediary with settlement totals broken down by Net Matched, Net Contract and Late Settlement. Switches and transfers always indicate a settlement amount of zero.

All dealer placed wire orders with a Settlement Source of "I" and a valid intermediary code that have been matched to a contract/confirm are included in the settlement totals of the intermediary.

All T+1 settlements (i.e., switches, money market, and transfers), regular ~~T+3~~ settlements, and Late Settlements are combined and settled each day.
Note: switches and transfers always indicate a settlement amount of zero."

e. Within the "Order Modification and Cancellation" section of the "Order Lifecycle for Intermediary Placed Orders" paper:
   "**Trade Date**

- The Order Source (intermediary) may modify or cancel any order they have placed up until 15:59:59 Eastern Standard Time on ~~the day of placement~~ Trade Date.
- Standard wire order cancel/modify protocol is in effect for this process.

~~Close of Business Trade Date +1 (T+2 Funds)~~

After cut-off time on Trade Date

- If the wire order was rejected on the overnight processing at the management company, there may either be a contract with a reject code or no contract and the manufacturer will contact, at minimum, the order source (intermediary in this case) by telephone to identify the rejected item. Best practice indicates that both the distributor and the intermediary are notified.
  Note: Overnight rejects of Transfer orders are communicated in the Settlement Instruction FS file.
- Any corrections or cancellations that need to be made ~~on T+1 until 15:59:59 EST~~ before the cut-off time on SD – 1 (Settlement Date – 1) must be made by the Settlement Source (intermediary) directly with the management company.
- Corresponding amended contracts will be passed in the FS file on the next business day after the correction is made to both the intermediary and the distributor"

.9 Calculation of Trade and Settlement Dates paper
https://estandards.fundserv.com/secure/english/standards33/technical_papers/tx_tfsworkflow_price.htm

a. Update the example under Custom Settlement (Custom Pricing Frequency and Settlement) section

Example:
Assume a fund has been set up with a custom pricing frequency, BuyModel settlement period of ~~3~~ 1 and SellModel settlement period of custom. The corresponding custom settlement date is March 3. In this example, the custom trade date assigned to the order is January 10. TFS would assign settlement dates as follows:

Transaction	Trade Date	Settlement Date
Purchase	January 10	~~January 12 (T+2)~~ January 11 (T+1)
Redemption	January 10	March 3 (custom date)

.10 EPA Eligible Transactions paper
https://estandards.fundserv.com/secure/english/download/EPA_Eligible_Transactions_New_May_2022.pdf

a. Update the following statement under Redemption Processing section:

"Redemptions settled by cheque that are placed electronically will be guaranteed proceeds on T+2 by assigning a T+1 settlement date in the Transaction Reconciliation (TS) file. "

.11 Update the Manufacturer/Account Mergers Processing Rules to include sample timelines and processing rules for T+1 settling funds in the Pre-Integration Weekend Table – Order Processing; and the Post-Integration Weekend Table – Order Processing.
https://estandards.fundserv.com/secure/english/standards33/technical_papers/t_manf_acct_merg.htm

Commented [A3]: Is the following statement still correct for T+1 redemptions?

Refer to [Appendix A: Pre-Integration Weekend Table – Order Processing](#).
Refer to [Appendix B: Post-Integration Weekend Table – Order Processing](#).

X.XX SUPPORT IN CASH TRANSFER (ICT) FOR T+1 DAILY FUNDS

Background:

Currently, ICT eligible fund products on the Sell side are restricted to T+2 and T+3 funds only.

To prepare for T+1 move, the working group has recommended to expand ICT for T+1 daily funds on both the Buy and Sell sides of the transaction.

Upon implementation of these proposed changes, the Fundserv system will be upgraded to process daily T+1 funds in the following way:

1. ICT Sell transaction will have a Settlement Period of 2 (instead of 1).
2. ICT Buy transaction will have a Settlement Period of 1

Other T+X daily funds (i.e., T+2 and T+3 daily funds) continue to have a settlement period of X.

Below summarize some existing key processing rules:

1. Dealer can only submit ICT order on TFS network. Fund-initiated ICT is not supported.
2. Fundserv stamps the Settlement Date for the entire ICT order (sell and buy side) based on the settlement period of the ICT sell side funds.
   a. For the sell side, all funds must be ICT Sell eligible and must have the same settlement period.
   b. For the buy side, the funds must be ICT Buy eligible and have a settlement period equal to the ICT sell side funds or one day less than the sell side funds.
3. Dealer can cancel (CAN) an ICT order before cut-off time on Trade Date.
4. Once the relinquishing manufacturer sends the contract for the Sell side, dealer can still cancel (CAX) a contracted ICT order if it is received before cut-off time on SD-1 (Settlement Date - 1).

For funds which are not eligible for ICT Sell transactions due to regulatory/compliance reasons, manufacturers must send Fund Setup/Product Update (FD/MD) files to restrict their funds for ICT Sell where applicable.

.1 Proposed Changes

.1 Update all necessary edits and processing rules to support ICT for T+1 funds.

.2 Validation Changes

.1 Update ICT Edit for Fund Identifier field in the From Investment Details Section to allow daily T+1 funds for ICT Sell transactions.

"Must be a fund with a settlement period of T+1, T+2 **OR** T+3 only."

.2 Add an ICT Edit for Fund Identifier field in the From Investment Details Section to disallow a mixed of T+1 and T+3 funds.

"**IF** there is any T+1 fund within the From Account Details section, **THEN** T+3 fund must **NOT** exist in the From Account Details section.

(NOTE: Fundserv system will default T+1 daily funds to have a settlement period of T+2 for ICT Sell transactions to allow both sides of the two-sided transaction (buy and sell) to settle on the same day.)"

.3 Update an existing ICT Edit for Fund Identifier field in the From Investment Details Section to enforce that Settlement period of funds within the From Account Details section must be the same if there is no T+1 funds in the From Account Details section.

"**IF** there is no T+1 fund in the From Account Details section, **THEN** Settlement period of funds within the From Account Details section must be the same."

.3 Documentation Changes

.1 Update In Cash Transfer (ICT) Processing Rule #15 to add T+1 daily funds as ICT Eligible Fund Products.

"ICT eligible Fund Products are restricted to daily priced funds that are:

a. For the sell side, T+1, T+2 or T+3 settling and all funds must have the same settlement period. (Exception: Fundserv allows any combination of T+1 and T+2 funds on the sell side because T+1 funds have a calculated settlement period equivalent to a T+2 fund for ICT Sell transactions.)

b. For the buy side, the funds must have a settlement period equal to the ICT sell side funds or one day less than the sell side funds*.

Example:

Scenario	ICT Sell Fund Settlement Period	ICT Buy Funds Settlement Period	Result
1	All T+2	All funds = T+1 or T+2	Accepted Calculated Settlement Date = T+2
2	All T+2	Fund 1 = T+1 Fund 2 = T+2 Fund 3 = T+3	Rejected — Error Code 005 Reason: Fund 3 must not be greater than the ICT Sell Fund settlement period.
3	All T+1	T+1	Accepted Calculated Settlement Date = T+2

			NOTE: Fundserv system defaults T+1 daily funds to have a settlement period of T+2 for ICT Sell transactions before calculating the settlement date. Rejected — Error Code 005 Reason: ICT Sell Fund settlement period must = T+2 or T+3
4	Fund 1 = T+2 Fund 2 = T+3	All T+1	Rejected — Error Code 005 Reason: ICT Sell Fund settlement period must all be the same
5	All T+3	Fund 1 = T+2 Fund 2 = T+3	Accepted Calculated Settlement Date = T+3
6	All T+3	Fund 1 = T+1 Fund 2 = T+3	Rejected — Error Code 005 Reason: ICT Buy Fund 1 is invalid, settlement period can be less than the sell side settlement period by one day only (e.g. T+2 since the sell side is T+3).
7	All T+4	Fund 1 = T+2 Fund 2 = T+3	Rejected — Error Code 005 Reason: ICT Sell Fund has an invalid settlement period. Must be T+2 or T+3 only.
8	T+1 and/or T+2 funds	T+1 and/or T+2 funds	Accepted. Calculated Settlement Date = T+2 NOTE: Fundserv system defaults T+1 daily funds to have a settlement period of T+2 for ICT Sell transactions before calculating the settlement date.

*Note: Fundserv stamps the Settlement Date for the entire ICT order (sell and buy side) based on the settlement period of the ICT sell side funds. (Special handling: To support T+1 funds on ICT Sell side, Fundserv will use T+2 as the settlement period when calculating the Settlement Date of the order.) Therefore, regardless of the settlement period of the funds on the ICT buy side, they must all settle on the same Settlement Date assigned by Fundserv. Typically in the ICT process, the buy side funds settle early by one day assuming all funds on the order (buy and sell side) have the same settlement period e.g. T+2.
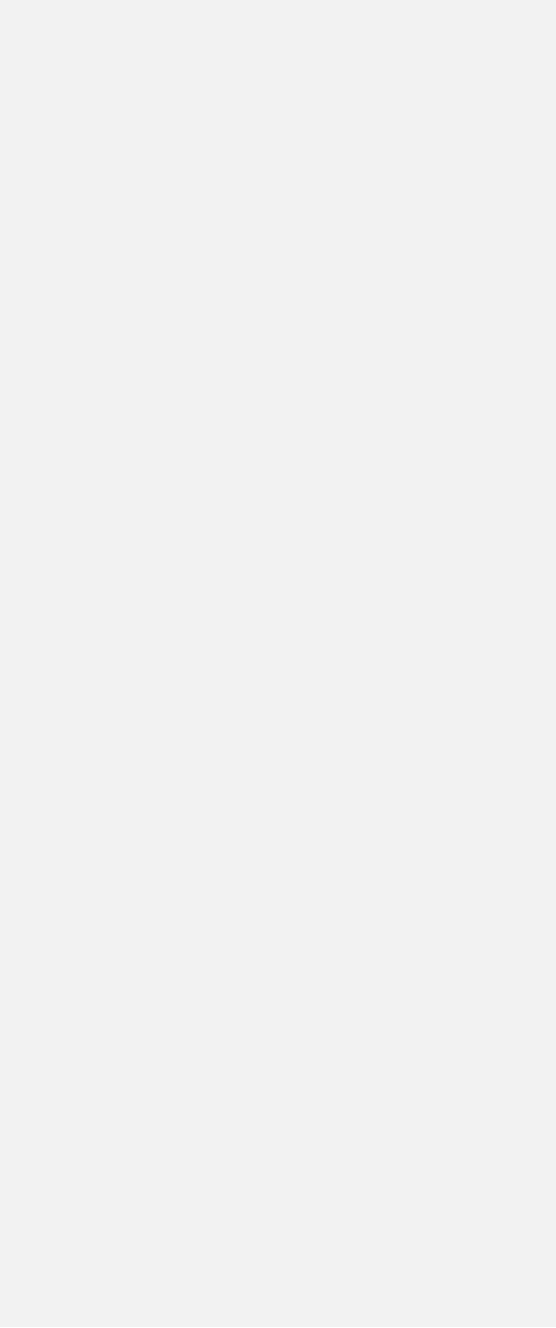
It is manufacturer's responsibility to restrict their products for ICT where applicable. For example, if a T+1 daily fund (such as money market) cannot support ICT Sell (which defaults to settle on T+2) due to regulatory/compliance reason, the manufacturer must submit a Fund Setup/Product Update (FD/MD) file to restrict ICT Sell (EligICTOut) transaction on this fund."

Appendix A

Pre-Integration Weekend Table – Order Processing

Scenario	Fundserv Order Processing (for T+1 and T+2 Orders) – Pre-Integration Weekend (Manufacturer/Account Mergers)		
	Thursday	Friday	Integration Weekend
Order Placed on Thursday Before Integration Weekend	(T - Order Trade Day) No change to order submission process. Submit COMPANY A and COMPANY B orders via Fundserv using current fund identifiers and fund account identifiers. You will receive immediate responses and there will be no impact on contract records or NSR Settlement process for these records.	(T+1 - Contract Day for T+2 orders) No change to Settlement Instruction (FS) files. A separate FS file will be issued for COMPANY A and COMPANY B orders as per usual industry standard file naming conventions. No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. Any amendment requests (L.O.I.'s or L.O.D's) to unsettled orders submitted on T must be received at COMPANY A or COMPANY B by 4 pm on T+1. For any adjustment requests submitted after 4pm, T+1, the Dealer or Intermediary will be expected to settle the trade before the request is processed. (T+1 – Contract and Settlement Day for T+1 orders) No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. Wire orders for regular funds submitted with COMPANY A and COMPANY B on T, will be settled through regular NSR settlement process or upon receipt of proper settlement documentation. You will still see NSR settlement separated for both COMPANY A and COMPANY B on the settlement screens.	The following steps MUST BE COMPLETED. **Step One** Process final set of separate COMPANY A and COMPANY B files from Friday. (FS, TS, WS and any Price files that you import for COMPANY A and COMPANY B funds.) This step must be completed before steps 2 to 5. **Step Two** Change any duplicate fund account identifiers (if necessary) via the Fund Account Identifier Conversion File (AE). (NOTE: Some Software Vendors may provide a utility to complete steps 2-5.) **Step Three** Change any fund code identifiers (if necessary) and ensure that you avoid duplication between the two fund families. **Step Four** Change management company code on your system from COMPANY B to COMPANY A to reflect COMPANY A's sole management company code.

| Order Placed on Friday Before Integration Weekend | | (T - Order Trade Day)
No change to order submission process. Submit COMPANY A and COMPANY B orders via Fundserv using current fund identifiers and fund account identifiers. You will receive immediate responses and there will be no impact on contract records or NSR Settlement process for these records. Fundserv will remove Company B from the order flow process effective 4pm. All subsequent orders under a COMPANY B management company code will be rejected.

COMPANY A orders will continue to be accepted at "Network" and forwarded to COMPANY A in a batch file. You may not receive "Fund Company" responses until after the integration weekend.
NSR Settlement will continue separately for both COMPANY A and COMPANY B until all orders submitted prior to the Integration weekend are settled. | **Step Five**
Import Special Transaction Reconciliation File to convert fund positions from four decimal places to three or vice versa (if necessary). |

Appendix B

Post-Integration Weekend Table – Order Processing

Scenario	Fundserv Order Processing (for T+1 and T+2 Orders) – Post-Integration Weekend (Manufacturer/Account Mergers)			
	Integration Weekend	**Monday**	**Tuesday**	**Wednesday**
Order Placed on Thursday Before Integration Weekend	The following steps MUST BE COMPLETED. **Step One** Process final set of separate COMPANY A and COMPANY B files from Friday. (FS, TS, WS and any Price files that you import for COMPANY A and COMPANY B funds.) This step must be completed before steps 2 to 5. **Step Two** Change any duplicate fund account identifiers (if necessary) via the Fund Account Identifier Conversion File (AE). (NOTE: Some Software Vendors may provide a utility to complete steps 2-5.) **Step Three** Change any fund code identifiers (if necessary) and ensure that you avoid duplication between the two fund families.	(T+2 - Settlement Day for T+2 orders) No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. Wire orders for regular funds submitted with COMPANY A and COMPANY B on T, will be settled through regular NSR settlement process or upon receipt of proper settlement documentation. You will still see NSR settlement separated for both COMPANY A and COMPANY B on the settlement screens. (T+2 – Confirmation Day for T+1 orders) You will receive one Transaction Reconciliation TS file containing settled records for regular fund orders placed with COMPANY A and COMPANY B on T. The file name will follow industry-standard naming conventions with COMPANY A management company code. All records will reflect the new fund identifiers and COMPANY A management company code even if they were originally contracted under the COMPANY B management company code.	(T+3 - Confirmation Day for T+2 orders) You will receive one Transaction Reconciliation TS file containing settled records for regular fund orders placed with COMPANY A and COMPANY B on T. The file name will follow industry-standard naming conventions with COMPANY A management company code. All records will reflect the new fund identifiers and COMPANY A management company code even if they were originally contracted under the COMPANY B management company code.	
Order Placed on Friday Before Integration Weekend	**Step Four** Change management company code on your system from COMPANY B to COMPANY A to reflect COMPANY A's sole management company code. **Step Five** Import Special Transaction Reconciliation File (TS) to convert fund positions from four decimal places to three or vice versa (if	(T+1 - Contract Day for T+2 orders) No change to Settlement Instruction (FS) files. A separate FS file will be issued for COMPANY A and COMPANY B orders as per usual industry standard file naming conventions. These FS files will be available on the weekend and should be imported before changing fund identifiers and fund account identifiers. No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. L.O.I.s and/or L.O.D.s will not be accepted on contracted (unsettled) COMPANY B orders prior to the integration weekend. For any	(T+2 - Settlement Day for T+2 orders) No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. Wire orders submitted with COMPANY A and COMPANY B on T, for regular funds will be settled separately through regular NSR settlement process or upon receipt of proper settlement documentation. You will still see NSR	(T+3 - Confirmation Day for T+2 orders) You will receive one Transaction Reconciliation TS file containing settled records for regular fund orders placed with COMPANY A and COMPANY B on T. The file name will follow industry-standard naming conventions with a COMPANY A management company code. All records will reflect the new fund identifiers and COMPANY A management company even if they

necessary).		adjustment requests submitted after 4p.m. on Friday, the Dealer or Intermediary will be expected to settle the trade before the request is processed. (T+1 – Contract and Settlement Day for T+1 orders) No change to N$M settlement or regular settlement procedures. Continue to settle separately with COMPANY A and COMPANY B. Wire orders submitted with COMPANY A and COMPANY B on T, for regular funds will be settled separately through regular NSR settlement process or upon receipt of proper settlement documentation. You will still see NSR settlement separated for both COMPANY A and COMPANY B on the settlement screens.	settlement separated for both COMPANY A and COMPANY B on the settlement screens. (T+2 – Confirmation Day for T+1 funds) You will receive one Transaction Reconciliation TS file containing settled records for regular fund orders placed with COMPANY A and COMPANY B on T. The file name will follow industry-standard naming conventions with a COMPANY A management company code. All records will reflect the new fund identifiers and COMPANY A management company even if they were originally contracted under the COMPANY B management company code.	were originally contracted under the COMPANY B management company code.
Order Place on Monday After Integration Weekend		(T - Order Trade Day) Submit COMPANY A and COMPANY B orders via Fundserv using new fund identifiers and fund account identifiers. Fundserv will reestablish connection with COMPANY A to enable interactive fund company responses. COMPANY B fund identifiers will be under the COMPANY A management company code prefix for NSR settlement starting with trades submitted today.	(T+1 - Contract Day for T+2 orders, and Contract and Settlement Day for T+1 orders) One Settlement Instruction FS file will be placed in directory for all contracted orders. The file name will follow industry standards with COMPANY A management company code.	