

Sample Advisor and Client-Facing T+1 Communications Material

Note: Below and attached are explanations that can be tailored as appropriate for the use of mutual fund and segregated fund dealers, as well as investment dealers, to help train advisors and provide information to customers in various contexts:

- This first page provides background and a short statement that can be used as explained below.
- The second page, which can be used to train advisors, takes the form of an FAQ for self-serve clients to access online, and for dealers to use on their websites.
- The third page can be linked to from website, the shorter statement, or the FAQ.

This material was prepared with input from members of the CCMA Communications & Education Working Group to help CCMA members provide clear and consistent, plain-language communications to advisors and retail clients regarding the move from a standard industry two-business-day (T+2) settlement period to T+1 on May 27, 2024. Messaging was similarly prepared for the move from T+3 to T+2 in 2017. However, the information to share regarding T+1 is more complex than in 2017, because for the first time in decades, there will no longer be a single standard settlement cycle for stocks, bonds, exchange-traded funds (ETFs), mutual funds, segregated funds, and certain other investment funds. Instead, fund manufacturers can choose on a fund-by-fund basis whether each fund will move to T+1 on May 27, 2024 with stocks, bonds, ETFs, and other securities, or will stay on a two-day cycle.

There are two new situations that may create communications complexities:

1. When a client wants to buy a T+1 fund or receive their money next day by selling a fund that settles on a T+2 basis
2. When a manufacturer that has decided to leave a fund to settle on a T+2 basis on May 27 later decides to change the fund's settlement cycle to a next-business-day basis or has moved a fund to settle on T+1 and then decides to move it back to a two-day cycle.

3.

Messaging timing and delivery channels for effective T+1 communications with advisors and customers will depend on each firm's business model and customer profile.

Typical communication approaches to dealers and investors include developing training and other material for advisors (who will best know which affected clients will likely want to know of the change and their communications preferences), as well as call centre staff and virtual online assistants. Notification material includes website notices, online account prompts/ messages, text on statements or statement "stuffers," in-office/branch (where applicable) signs and flyers, and social media posts.

The following two options (one short and one long) are provided as a general structure that can be tailored by each firm as required to help minimize confusion for clients who may hold accounts at different firms.

Sample: Short statement notice/in-branch sign

IMPORTANT NOTICE: On and after **Monday, May 27, 2024**, you will have to pay for and will receive the investments you buy – or you must deliver the securities you sell and will receive payment – on the next business day instead of in two business days' time. This change applies to all stocks, bonds, exchange-traded funds (ETFs), and some investment funds that all currently are purchased and sold or redeemed two business days after the trade or transaction. **Exception:** Some mutual, segregated, and other investment funds will continue to be purchased or redeemed on a two-day basis. To find out how this may affect you, please visit *[enter URL; see sample on next page]*.

Sample: Notice to help train advisors and for website

CLIENT NOTICE – IMPORTANT CHANGES WHEN YOU BUY OR SELL SECURITIES

What is changing?

Today, the standard time for you to pay for and receive stocks, bonds, exchange-traded funds (ETFs), and other investment funds you buy – or to receive payment for and deliver investments you sell or redeem – is two business days (called T+2¹) after the date you place your order. A securities rule change effective for transactions on and after May 27, 2024 sets the standard number of business days to “settle up” for transactions in most security types from two days to one: you will have to pay for (and will receive) the investments you bought, or must deliver the securities you sold (and will receive payment), on a next-day basis (called T+1). There is a similar rule change in the U.S. In Canada, unlike in the U.S., there are some exceptions to the standard.

What are the exceptions?

Companies that issue mutual funds, segregated funds, and other investment funds (other than ETFs) are *not* required to change from T+2 to T+1. Each fund issuer must decide whether all, some, or none of its funds will settle on a next-day (T+1) basis.

How will I know if a fund can be purchased or redeemed in one day or two days?

Your dealer or advisor can tell you, or you can find out for yourself by clicking [here](#). *[see next page]*

I invest with an investment dealer: what does this change mean for me?

If you invest in **stocks, bonds, ETFs, or funds**, payment must be made, or securities must be delivered, a day earlier than now, that is, on the day after the trade. You have two options.

- If you have extra cash or other holdings you can sell for next-day settlement, or if you can borrow against a margin account, you will likely notice no difference.
- If you *don't* have enough cash, credit, or securities that can be sold to settle on the same or next day, or if you have securities certificates in physical form, you will have to either:
 - Deliver the payment or securities to your dealer early enough to be entered into the dealer's systems and processed by the 4:00 p.m. ET cutoff on the business day after the trade/transaction OR
 - Delay your purchase until the cash or securities are in your account ready for exchange.

I invest with a mutual fund or segregated fund dealer: what does this change mean for me?

If you invest in **mutual funds, segregated funds, or certain other fund-like products** that settle on a next-day basis, you will notice no difference. If you want to use the proceeds from redeeming a fund that takes **two days** to settle to buy a fund or other security that settles in **one day**, your advisor will have to make a switch for you or you will have to:

- Have cash or T+1-settling funds in your account or deposit cash into your account according to current deadlines OR
- Sell the funds that settle on a two-day (T+2) cycle immediately and delay your purchase of the one-day cycle funds by one business day so proceeds of the redemption will be received in time to pay for the new fund you are buying. During this one-day delay in purchasing, the price of the fund you are purchasing may go up or down.

Talk to your advisor who will help you understand your options and may be able to set up both the redemption today and the purchase tomorrow at the same time *[Note: this refers to in-cash transfers if your firm offers these]*.

I invest in funds on my own online: what does this change mean for me?

If you invest electronically on a self-directed platform, you will need to find out the number of days it will take to settle the investment funds you hold today or buy on or after May 27, 2024 (see [link](#) *[next page]*).

¹ **Note:** Some securities already settle on a same-day (e.g., T-bills) or one-day (e.g., money market funds) basis or, in rarer cases, on a longer cycle (three days or more). These will not change.

Sample Link Text: Instructions for finding a fund's settlement cycle


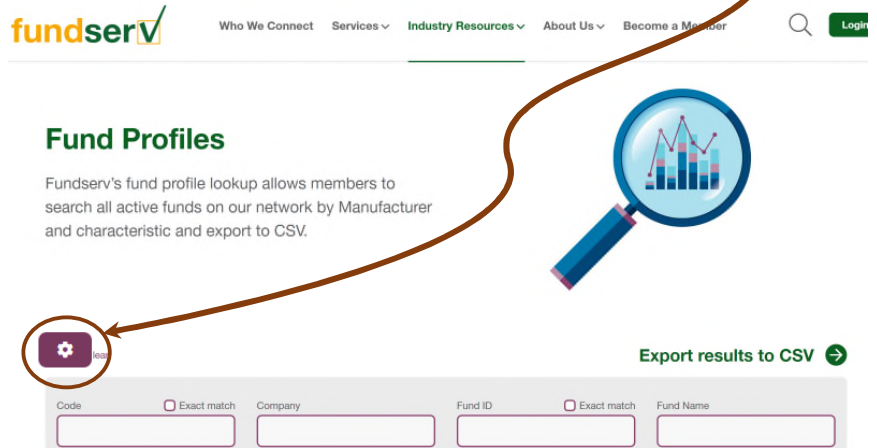

1. Visit Fundserv's Fund Profiles page (<https://www.fundserv.com/industry-resources/fund-profiles/>) – see **Image 1**. **Note:** If you do not see the Image1 search boxes below, click on the gear icon: 
2. Choose how you would like to search, e.g., **Fund ID #**, **Fund Name**, **Settlement** (Cycle), or other option and enter, for example, T+1 or T+2 in the Settlement cycle box.
3. Scroll down to below the choice option boxes and partial list until you see a **scroll bar**. Scroll right until you see a column for Settlement cycle.
4. If you want to do more detailed analysis, you also can **export** from the Fund Profiles to CSV/Excel (identify yourself as a non-Fundserv member, enter contact details when prompted, and, as purpose of use, choose Other; save results as an Excel file, and then search for or scroll right to Settlement (Column K), where you can sort by T+1, T+2, T+3, Custom) as desired.

Image 1: Fundserv Fund Profiles Page



Searching using Fundserv Fund Profiles page

[Export results to CSV](#) 

Code <input type="checkbox"/> Exact match	Company	Fund ID <input type="checkbox"/> Exact match	Fund Name
Currency	Load	Product Type	OEO Eligible
CDIC Flag	Member Institution	Settlement	Cut Off Time
Classification	Money Market Flag	Commission	PAC/SWP
Distribution	OEO Equivalent Fund ID <input type="checkbox"/> Exact match		

Showing 1 to 10 of 108,066 results

Results per page:

Code	Company	Fund ID	Fund Name	Currency	Load	Product Type	OEO Eligible
AAM	AlphaNorth Asset Management	300	ALPHANORTH PARTNERS FUND INC CL F	CDN	NL	Hedge fund	N/A
AAM	AlphaNorth Asset Management	301	ALPHANORTH PARTNERS FUND INC CL F	CDN	NL	Hedge fund	N/A
AAM	AlphaNorth Asset Management	400	ALPHANORTH PARTNERS FUND INC CL G	CDN	NL	Hedge fund	N/A

[First](#) [Previous](#) [1](#) [2](#) [3](#) [4](#) [5](#) ... [10,807](#) [Next](#) [Last](#)