

IMPORTANT NOTICE

National Securities Clearing Corporation



A# 6171
P&S # 5741
DATE: December 21, 2005
TO: ALL PARTICIPANTS

ATTENTION: MANAGER MUTUAL FUNDS OPERATIONS,
MANAGER DATA PROCESSING, MANAGER
CASHIERS, MANAGER P&S DEPARTMENT
FROM: DISTRIBUTION SERVICES - MUTUAL FUNDS
SUBJECT: ENHANCEMENTS TO MUTUAL FUND PROFILE
SERVICE II (PROFILE) FOR MAINFRAME AND
PCWEB DIRECT

Effective Monday, March 27, 2006, National Securities Clearing Corporation (NSCC) will be implementing enhancements to Mutual Fund Profile Service II (Profile) to assist funds in populating the Security Issue database more efficiently.

The changes are as follows:

1. Optional fields in Security Issue General Profile Record (020) to become Required

The following fields will become required for input:

- Security Type
- Load Type
- Blue Sky Record Applies
- CDSC Information Record Applies
- Breakpoint Schedule Record Applies
- Commission Data Record Applies
- Breakpoint Linkage Rules Applies

Requiring population of these fields will provide firms the data necessary to apply proper operational rules regarding a security issue.

It is highly recommended that funds populate these seven fields prior to implementation if they do not want default values to be applied. Post implementation, funds should review these fields to validate that values are correct. Funds can change the value by processing a “Change” transaction.

Data currently on the Profile database in these fields, will remain as is when the required edit for these fields becomes effective in March.

However, if the field is a space/blank on implementation date, default values will be applied as noted below:

Security Type - If blank, the default value for this field will be “04 = Load Mutual Fund.”

Load Type - If blank, the default value for this field will be “0 = Front-end Load.”

NOTE: If the Load Type field is blank **and** the Security Type field contains 05 = No Load, then the default value in the Load Type field will be “5 = No Load.”

To determine the default values for the fields below:

- Blue Sky Record Applies
- CDSC Information Record Applies
- Breakpoint Schedule Record Applies
- Commission Data Record Applies
- Breakpoint Linkage Rules Applies

NSCC will determine if associated Record Types are populated and default accordingly. For example, NSCC will determine if Record type 023 Breakpoint Schedules is populated. If this record contains data, then NSCC will default to value “1 = Yes,” in the field called “Breakpoint Schedules Record Applies,” if blank in the 020 General Profile record. If Record Type 023 does not contain data, then NSCC will default to value “0 = No,” in the Breakpoint Schedule Record Applies field, if blank.

In this same way, NSCC will determine whether the 021 Blue Sky record, the 022 CDSC Information record, the 024 Commission Data record, and the 029 Breakpoint Linkage Rules record are populated and then default to the appropriate yes or no values in their associated fields in the 020 General Profile record.

NOTE: When NSCC defaults to “0 = Front-End Load” in Load Type, then NSCC will also default to “1 = Yes” in the Breakpoint Point Schedule Record Applies and the Breakpoint Linkage Rules Applies, if blank.

2. Deletion of Record type 025, Security Issue Announcement Data, and Record type 026, Portfolio Manager Data, in Security Issue Profile

The 025 and 026 record types will be deleted. Participants will no longer be able to submit or receive these two record types. They will not be available for query. DTCC will reject any submission of these record types.

Any existing data in these records will be designated as history on the database. When participants request a User File Request, these two records will no longer be part of the output.

3. Fields in General Profile (Record type 020) to be Deleted

The following fields have been categorized as “not needed” and will be deleted:

020 General Profile fields to be Deleted and made Filler

1. Objective Goal Type
2. Objective Sub Goal type 1
3. Objective Sub Goal Type 2
4. Date of Last Annual
5. Date of Last Semi- Annual Report
6. Date of Last Proxy
7. Date of Next Board of directors Meeting
8. Regulation “T” Requirements Met
9. Minimum Trade Size in \$
10. Minimum Redemption Amount
11. Telephone Redemption Eligible
12. Minimum Telephone Redemption Amount
13. Maximum Telephone Redemption Amount
14. Short Settlement Minimum
15. Short Settlement Maximum
16. IRA Maintenance Fee
17. Wire Transfer Fee
18. Redemption Closeout Indicator
19. Exchange Closeout Indicator
20. Transfer Closeout Indicator
21. PAC Cycle Indicator
22. PAC Cycle Include/Exclude Indicator
23. SWP Cycle Indicator (ACH)
24. SWP Cycle Include /Exclude Indicator (ACH)
25. Check Writing Option Indicator
26. Minimum Check Writing Amount
27. Certificates Available
28. ToRA Eligibility Indicator
29. 403(B) ToRA Eligibility Indicator
30. SWP Networking Cycle Indicator
31. SWP Networking Cycle Include/Exclude Indicator
32. SWP Checking Cycle Indicator
33. SWP Checking Cycle Include/Exclude Indicator

34. Min Account Balance For IRA SWP Monthly
35. Min Account Balance For IRA SWP Quarterly
36. Min Account Balance For IRA SWP Semi-Annually
37. Min Account Balance for IRA SWP Annual
38. Min Account Balance For Non-IRA SWP Monthly
39. Min Account Balance For Non-IRA SWP Quarterly
40. Min Account Balance For Non-IRA SWP Semi-Annually
41. Min Account Balance for Non-IRA SWP Annual
42. NAV Other
43. Share Class Conversion Date (of last conversion)
44. Price Ratio from last conversion (rate)
45. Maximum Defined Contribution Amount for Next Day Settlement
46. NAV Other Description
47. NAV Error Correction

- Deleted fields will be replaced with Filler (space) on the (020) record layout
- Deleted fields that currently contain data and are on the production database will become history and output will indicate spaces. There will be no changes to the output format.
- If a participant queries the 020 record, these fields will indicate a space/blank
- If a participant submits a User File Request, the output will indicate a space/blank.
- As a business practice, funds should not populate these new Filler fields. DTCC will not edit this data and output will indicate a space/blank.

4. PCWeb Direct

Editing requirements on screens will change for the seven fields changed from optional to required (see change #1 above)

Record types 025 and 026 and related functions, i.e. input, query, etc. will be removed from screens (see change #2 above)

Deleted fields on the 020 General Profile record will be removed from screens (see change #3 above)

Testing

Effective **Tuesday, March 14, 2006** testing of the new record layouts and functionality will be accommodated in the Participant Services Environment (PSE) region. Participants will be affected by these changes and are advised to test. Participants wishing to test must contact the Enterprise Service Center (ESC) by calling the NSCC Production Support Hotline at 212-855-1144, option 5, option 2. To ensure proper set up for the PSE region, it is requested that at least three days prior notice be provided to ESC.

Revised Record Layouts

The revised fixed length and variable length record layouts for Mutual Fund Profile Service II (Profile) will be available shortly and can be found at [http:// funds.dtcc.com](http://funds.dtcc.com).

Any questions or concerns regarding this Important Notice can be directed to Mutual Fund Marketing at 212-855-8877, your relationship manager, or the undersigned.

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212-855-5677