

Bold, Underlined text indicates additions.
~~Bold, Strikethrough~~ text indicates deletions.

The Depository Trust Company

Settlement Service Guide

Settlement of Participants Fund Deposits

The Required Participants Fund Deposit for each Participant is re-calculated daily. ~~If, in the daily calculation, the amount of the difference between the prior day's Required Participants Fund Deposit and the newly calculated Required Participants Fund Deposit is equal to or exceeds \$500,000 and the difference represents 25 percent or more of the newly calculated required fund deposit, the affected Participant must (to the extent any excess amount of the Participant's Actual Participants Fund Deposit does not already satisfy the new requirement) deposit the difference in the Participants Fund on the same Business Day that the difference was calculated and a report or other notification of the change is made available to the Participant.~~

Settlement of Required Participants Fund Deposits Calculated at the End of a Month

~~In addition, after~~ **After** settlement on the last ~~business day~~ **Business Day** of each month, DTC calculates each Participant's ~~requirement~~ **Required Participants Fund Deposit**. Each Participant will be notified of ~~their~~ **its** new ~~requirement~~ **Required Participants Fund Deposit** on the first ~~business day~~ **Business Day** of the ~~following~~ **following** month. If a Participant's ~~requirement~~ **Required Participants Fund Deposit, as calculated on the last Business Day of a month, exceeds its Actual Participants Fund Deposit, has increased beyond the value it currently has on deposit at DTC, a debit transaction will process in its settlement account and this deficit will be collected with their DTC settlement that day. If the Participant is required to increase its deposit, then** the Participant will be notified **of the increase,** and the amount **representing the difference between the Participant's Required Participants Fund Deposit and Actual Participants Fund Deposit** will be systematically charged to the settlement account of the ~~affected~~ **Participant.** **The amount, once collected through settlement, (a) will be treated as a Deposit by the Participant to the Participants Fund and (b) will be noted on applicable information and/or reports made available to the Participant** as a Participants Fund contribution (Activity Code 70-01).

Collection of Required Participants Fund Deposits Calculated on an Intra-month Basis

A Participant is required to Deposit the difference between its Actual Participants Fund Deposit and its Required Participants Fund Deposit calculated on an intra-month basis, i.e., on a Business Day other than the last Business Day of a month, only if the Participant:

- (a) **has not been placed on the Watch List (as defined pursuant to Rule 1) and the difference between the Participant's Required Participants Fund Deposit and a reference amount (the determination of which is described below) ("Reference Amount") (i) is equal to or**

exceeds \$500,000 and (ii) represents a percentage increase of 25 percent or more over the Reference Amount (“Standard Threshold”), or

- (b) has been placed on the Watch List and the difference between the Participant’s Required Participants Fund Deposit represents a percentage increase of 10 percent or more over the Reference Amount (“Watch List Threshold”).

The Participant shall satisfy any deficit in its Required Participants Fund Deposit that it is required to satisfy pursuant to this subsection, on the same Business Day that the difference is calculated and a report or other notification of the deficit is made available to the Participant.

The Reference Amount equals the Participant’s Required Participants Fund Deposit as previously calculated on the latter of:

- (a) the last Business Day of the prior month;
- (b) the most recent Intra-month Business Day (prior to the then current Business Day), when the amount resulting from daily calculation of the Participant’s Required Participants Fund Deposit met or exceeded either the Standard Threshold or the Watch List Threshold and a deficit collection was effectuated; and
- (c) the most recent intra-month Business Day (prior to the then current Business Day) when DTC effected an adjustment to the Participant’s Required Participants Fund Deposit in accordance with Rule 9(A).

~~If the deposit requirement of a Participant decreases, the Participant will be notified at least quarterly, but the Participant can inquire and withdraw excess deposits monthly. This allows a Participant to leave excess cash in the Participants Fund and reduce the level of administration that would otherwise be necessary. DTC will also accept voluntary excess deposits to the Participants Fund for this purpose.~~

Return of Excess Deposits

At least quarterly, if a Participant’s Actual Participants Fund Deposit is greater than its Required Participants Fund Deposit, DTC will so notify the Participant. The Participant may request, on a monthly basis, the return of any part of its excess deposit. A Participant may maintain an excess deposit (i.e., Voluntary Participants Fund Deposit) that could reduce administration or activity caused by the monthly calculation or intra-month calculation.

This section shall apply only to the calculation and collection of Participants Fund Deposits, as described above, and does not supersede or limit any provisions of the DTC Rules or any rights of DTC in accordance with applicable law and DTC’s Rule and Procedures, including but not limited to with respect to transactions in securities and money payments.
