

**MEMO# 8147**

August 13, 1996

## **NASDAQ TO IMPLEMENT ROLLING DISSEMINATION OF MUTUAL FUND PRICES STARTING AUGUST 26, 1996.**

August 13, 1996 TO: ACCOUNTING/TREASURERS MEMBERS No. 22-96 BANK AND TRUST ADVISORY COMMITTEE No. 27-96 BROKER/DEALER ADVISORY COMMITTEE No. 16-96 OPERATIONS MEMBERS No. 38-96 TRANSFER AGENT ADVISORY COMMITTEE No. 47-96 RE: NASDAQ TO IMPLEMENT ROLLING DISSEMINATION OF MUTUAL FUND PRICES STARTING AUGUST 26, 1996.

As has previously been communicated (Accounting Treasurers Members 18-96; Operations Members 30-1996), over the past year, Nasdaq, Inc. has been significantly enhancing its technology platform, including its Mutual Fund Quotation Service (MFQS). As part of this enhancements effort, effective Monday, August 26, 1996, Nasdaq will implement the real-time, rolling dissemination of mutual fund prices. (See attached Nasdaq communication announcing the launch of the service.) This service will allow fund prices entered into Nasdaq's MFQS to pass in real time to Nasdaq's Level 1 customer base, which includes data vendors (Reuters, Bridge, etc.) and the newswire services (the Associated Press and Tribune Media Services). This enhancement represents a step forward in Nasdaq's ability to deliver mutual fund prices to its customers. Additionally, its implementation will eventually replace certain manual and semi-automated steps attendant to current procedures in Nasdaq's mutual fund price reporting efforts. As such, the process improvements that real-time rolling dissemination offers may ultimately result in an extension of the current 5:40pm Eastern Time price reporting deadline. It is important to remember, however, that real time rolling dissemination of mutual fund prices means that Nasdaq will no longer batch and hold fund prices until the prices reporting deadline. Instead, fund prices will pass to Nasdaq's Level 1 customers as soon as they are entered. End of day will be signaled in the rolling dissemination environment by the transmission of a file which summarizes the last update of each mutual fund price. Given these changes, the ICI has worked closely with Nasdaq to ensure that Nasdaq customers appreciate that fund prices may be subject to updating in the period between 4:00pm and 5:40pm daily. To further ensure the accuracy and consistency of mutual fund prices, the ICI and Nasdaq have made the following recommendations: 1. That newswire services not deliver any prices to their constituent newspapers until the close of the MFQS. 2. That data vendors take steps to either suppress the data until the daily close of the service, or label prices disseminated prior to the daily close of the service as preliminary. To date, the newswire services have indicated their intention to withhold dissemination of prices until the daily close of the service, and the ICI and Nasdaq continue to work with Nasdaq data vendors to ensure that their understanding of the nuances of mutual fund pricing leads to timely, accurate and responsible price

reporting on their part. If you have any questions or concerns regarding real-time rolling dissemination of mutual fund prices, or the Nasdaq Mutual Fund Quotation Service, please do not hesitate to contact Don Boteler at 202/326-5845, or the undersigned at 202/326-5848. Thank you. Kevin Farragher Director - Operations Distribution & Service  
Enclosure

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