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## Notice to Clients Regarding COVID-19

*March 17,2020*

As the impact of the novel coronavirus (COVID-19) continues to evolve, we wanted to assure you that our operations at Mid Atlantic are business as usual. These are, of course, extremely challenging and unprecedented times for all of us, and regular communication is going to be paramount. We have assembled several key updates below that we wanted to share with you and your colleagues at this time and we will continue to provide you with updates as the situation warrants. Of course, we also encourage you to reach out to us with any questions or concerns at any time.

### **Expansion of Remote Work Policy**

In compliance with CDC guidance on social distancing, Mid Atlantic has expanded the number of its employees working from home. Our office phones are being forwarded to the cell phones of those team members working from home. To help us more efficiently triage and resolve your support needs, please enter support issues on the TNS home page (<https://secure.macq.com> ) or email your designated Admin team.

We recognize that many of you are also transitioning to work from home. We request that you notify us if your firm's escalation contacts have changed, particularly if your key contacts will only be available via cell phone.

For your convenience, we have posted our [business continuity plan](#) and [pandemic readiness statement](#) on our public website.

### **Trade Operations**

All trade operations are at full capacity at MATC and are operating as business as usual, including trade settlement. Please ensure that you are monitoring your settlement obligations each day. You must have backup contacts in place to expedite any potential delays with your banking institutions for funding of trade settlement.

## **Impact of Market Volatility on Fund Orders**

As you are aware, the stock market has been extremely volatile these last few days. Circuit breakers are in place to halt trading on the exchanges when losses hit certain intervals. For example:

- The NYSE will temporarily halt trading for 15 minutes at 7% and 13% flux from the prior day's close.
- A total market drop of 20% will result in a halt to trading for the remainder of the day.
- If a 20% market drops occurs, the exact time that all trading ceases on NYSE becomes the official market close time for the day and no more trades will be executed on the market for that trading day.

In the case of an early halt to trading for the day, you must stop accepting any participant-directed trades or other orders for that trade date at that time. For example, if the 20% drop circuit breaker is tripped at 2:37 pm ET during trading, the market will be closed until the next trading day. Therefore, you must ensure your systems are configured to allow manual override of the normal 4 pm ET market close to reflect the actual market close time.

For those of you who trade after hours with us, please note that normal overnight cycle times apply. However, it is your obligation to ensure that you have not accepted orders originating after whatever time the market has closed on a specific trade date.

If you trade ETF open market orders with us, please note that we are subject to whatever close time applies on that date. We may also be unable to execute ModelxChange rebalances for that date if the market closes before 2:30 pm ET. Again, these market restrictions are entirely beyond our control. We will be in touch with you if any unexpected market close applies to your accounts.

We have been told by several funds that in the event they receive large trades on a day when market trading has been halted before 4 pm due to extreme volatility, they reserve the right to audit the time stamp of the original transaction to verify it was received by you before the official market close.

## **Delays and Adjustments to NAVs**

Given the turmoil on the exchanges, we are seeing more frequent nightly delays in mutual fund company prices. We are also experiencing a higher rate of adjusted NAVs and rebooked trades. Funds have their own proprietary pricing policies and an obligation to their shareholders to reprice if the underlying portfolio valuation is incorrect.

Please know that these events are beyond our control. We strongly encourage you to pay close attention to your daily position and cash reconciliations and to reach out to us if you detect any unexplained variances or require intervention resolving a dispute with a fund.