

CLIENT NOTIFICATION – TRANSITION TO T+1 SETTLEMENT CYCLE

Shortened Standard Settlement Cycle

In May 2024, North American markets will change to a shortened standard settlement cycle for most securities. The purpose of this change is to reduce settlement risk and to improve overall capital market liquidity and efficiency. This change will take effect in Canada on Monday, May 27, 2024, and in the United States on Tuesday, May 28, 2024.

After this change, the settlement period for most securities transactions will be accelerated from two business days after the trade date (T+2) to one business day after the trade date (T+1). This means that you have less time to settle the transactions in your Haywood account.

What to Expect After the Change to T+1

- The proceeds from a sale of securities in your account are available to you one day sooner. The funds to settle a purchase of securities in your account are required one day sooner.
- Your client statement will continue to reflect the date the trades in your account settled.

If you have questions or concerns about the affect T+1 will have on your account, please contact your Investment Advisor.

Institutional Clients

To ensure T+1 settlement in compliance with National Instrument 24-101, Haywood will require our institutional clients to provide us with their trade matching instructions during business hours on trade date. We will collaborate with our institutional clients as required to enhance the processes needed for same day allocations and matching instructions. To prepare for these changes, we ask our institutional clients to consider the following aspects of their operations:

- Be aware of the challenges and opportunities that the shorter settlement cycle will create for your foreign exchange (FX) transactions. You may need to either prefund the transaction with USD / CAD as applicable or arrange for a shorter T+1 FX settlement, which may have higher costs and risks.
- Be mindful of the time zone differences that will affect the timing of trade execution and confirmation, especially if they are operating in different time zones than the Eastern Time zone. You may need to extend your hours of operation in your local country or establish a local presence in North America to ensure timely and efficient settlement.
- Be aware of changes your settlement agent / custodian is making. Review these relationship agreements to address T+1 impacts to settlement, securities lending, and other components of your service arrangement.



- Leverage the industry's best practices and standards to enhance automation and standardization in the trade lifecycle, from order placement to settlement confirmation. Review your systems, processes and workflows to identify any gaps or inefficiencies that may hinder your readiness for T+1.

Haywood is working with our partners, vendors, and other industry participants to implement the challenges and changes required for a T+1 settlement standard. Please see the following for further information regarding this industry-wide change.

- Canadian Capital Markets Association: [CCMA T+1 FAQ](#)
- Canadian Depository for Securities: [CDS Migration to T+1](#)
- Depository Trust and Clearing Corporation: [Shortening the Settlement Cycle](#) information portal.