

ICI Memorandum

June 11, 2009

TO: ACCOUNTING/TREASURERS MEMBERS No. 25-09  
END OF DAY PRICING FORUM No. 9-09  
PRIMARY CONTACTS - MEMBER COMPLEX No. 7-09

RE: NEW MUTUAL FUND QUOTATION SERVICE DEADLINE - 8:00 P.M.

Effective November 16, 2009, the deadline for transmission of daily fund prices to NASDAQ OMX's Mutual Fund Quotation Service (MFQS) will change from 6:05 p.m. to 8:00 p.m. This extension of the MFQS deadline represents a final step following a series of deadline extensions that the Institute and interested members obtained over a multi-year period. We anticipate that those newspapers that publish daily NAV data will continue to obtain NAV information from MFQS as they do today, by 6:05 p.m. [\[1\]](#)

**BACKGROUND**

The Institute, its members, market data vendors, NASDAQ OMX, and the media have convened regularly over the last 15 years to discuss the daily process of pricing open-end mutual funds and disseminating the associated net asset values to the investing public. The end-of-day deadline time was originally put in place to provide qualifying mutual funds the opportunity to appear in the mutual fund columns of the nation's newspapers. During this period the various parties have worked closely and cooperatively with the overriding goal of providing accurate and timely NAV data to the investing public. As such, since 1994 the end-of-day deadline has been moved incrementally from 5:30 to 6:05 in an attempt to keep pace with the significant structural changes and other developments in the financial markets and the increased complexity of pricing mutual funds. Much of the complexity and resulting deadline pressures have been due to funds of funds, increased use of more complex securities, and more frequent application of fair value pricing procedures. Each time the deadline was moved only provided temporary relief to the process of pricing and disseminating thousands of mutual fund NAVs within a limited time frame.

In the past, newspapers were the traditional media that displayed mutual fund information. The major daily papers would routinely show thousands of mutual funds and their associated performance data in their financial sections. Over the years the mutual fund columns have decreased substantially so that today, some major newspapers do not display any mutual fund data. Those newspapers that continue to carry mutual fund data typically print only the largest 250 funds by asset value. During this same period, financial websites have evolved and today represent the main source for detailed mutual fund NAV and related

information. The increased usage of financial websites by mutual fund shareholders provides investors with a real-time, 24 hour resource. Due to their flexibility, these websites are better suited to accept and display net asset value information that requires more time to calculate.

As such, rather than extend the deadline by a handful of minutes again in an attempt to meet a deadline misaligned with mutual fund investors' information requirements, the Institute, its members, and NASDAQ OMX have agreed to have one Session with a nightly deadline of 8:00 p.m.

## **IMPACT**

This change means mutual fund NAV data can be entered into MFQS when it is ready whether that is 6:00 p.m. or 8:00 p.m. NASDAQ OMX will continue to disseminate the NAV information on a rolling basis. Therefore, if a NAV is entered at 6:00 p.m. it is disseminated at that time. Likewise, NAV data entered at a later time is disseminated as it is entered into the system.

While we expect the majority of mutual fund NAV data will continue to be entered in to MFQS by 6:05 p.m., some newspapers may not have the ability to include NAV data entered into MFQS beyond 6:05 p.m. in their mutual fund tables. Therefore, each newspaper will decide for itself whether to wait for a later pricing file. Financial websites and other sites that display mutual fund NAV data can present this information as it becomes available.

Please contact me at [salmon@ici.org](mailto:salmon@ici.org) or 202-326-5869 if you have any questions.

Peter G. Salmon

Director - Operations/Technology

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## **ENDNOTES**

[1] The current deadline for getting NAVs into next day newspapers is 6:05 p.m. with a Second Session for late or corrected prices that begins 10 minutes after the end of the Primary Session and ends at 8:00 p.m. Effective November 16, 2009 there will no longer be a Second Session. MFQS subscribers will have the opportunity to enter daily NAV data in one continuous session until 8:00 p.m.