



DEVELOPMENT UNDERWAY FOR OPTIONS SYMBOLOGY INITIATIVE

SunGard's Brokerage and Clearance business has begun development on Phase3 and GMI to meet the requirements of the Options Symbology Initiative (OSI), which aims to correct the limitations of an outdated symbology that has been used for the past 25 years.

Identification and processing inefficiencies abound in the industry's current equity options set-up process, which imposes constant challenges to firms that engage in listed options trading.

The constraints and lack of standards have created manual processes and risk, increased potential for errors in the front-, middle- and back-office, require greater coordination between firms and exchanges, and continue to create investor confusion. In addition, currently, exchanges are required to designate their own symbology for FLEX options and Long-Term Equity Anticipation Securities (LEAPS), and no standards for the latter exist.

Created by a committee of brokers, dealers, exchanges, vendors and clearing entities, the new symbology will overhaul the existing method of identifying exchange-listed options contracts to improve processing efficiencies and provide the ability to identify a broader range of listed options and more transparent linkage to the underlying securities by 2010. It will likewise enhance the support of exchange-listed FLEX options and short-dated options with multiple expirations within a single month.

The new nomenclature will eliminate the use of OPRA (Options Price Reporting Authority) codes and change the format of strike prices from fractions to decimals.

Phase3 Development

Phase3's approach to converting to the new symbology is focused on the four distinct fields that are currently available in Phase3: option symbol, call/put, expiration date, and strike price.

The Phase3 approach is very flexible, in that customers will not be forced into a specific format. Phase3 will allow concatenation of the four different fields for better processing. Customers will likewise be allowed to submit the four fields separately. More importantly, the CUSIP functionality will continue to work as it does now, so customers can still use the Phase3 option CUSIP in trade entry, security master lookups, and other input and inquiry screens. Phase3's plans incorporate a 35-character free form field that will equate to the Phase3 CUSIP.

SunGard recognizes that a phased approach to the new symbology is the best way to minimize disruption to daily business and other initiatives and projects. The phased approach will also allow SunGard to share and test enhancements with customers as they are completed, as well as ensure that customers can conduct user acceptance testing earlier in the process.

Regular customer engagement via a working group is one other major component of the Phase3 approach. Phase3 believes that customer input and participation are critical to the success of an undertaking as massive as the OSI. Regular updates on OSI are also provided through various User Group Meetings.

SunGard has established a Phase3 Options Symbology Working Group to keep customers up to date and invite regular discussion on the project. The next Phase3 Options Symbology Working Group meeting is in April. Customers who would like to participate in the working group may contact their account manager or Susan Crozier at susan.crozier@sungard.com.

GMI Development

SunGard is in the process of enhancing its GMI system to interpret and support the new 21-character series key as proposed by The Options Clearing Corporation (OCC) and the Montreal Exchange (ME).

The GMI system will be enhanced to interpret the elements of the 21-character series key and construct a new GMI Options Product Identifier in the CUSIP and CUSIP2 fields of various GMI files, which are used in GMI sub-systems and daily processes. The GMI Option Product Identifier will contain either complete or intuitive representation for all elements of the 21-character series key.

SunGard has been working directly with its customers to develop this approach and has subsequently been able to release a GMI System Impact document for the OSI initiative. This document was released to the client base in the Q4 2008 and contains the enhancements that will be made to each sub-system of GMI. SunGard continues to hold monthly OSI user group meetings as a means to keep its client base informed as the project moves through the System Development Life Cycle.

In addition to holding its own user based meetings, GMI participates in various committees associated with the Options Symbology Initiative in order to stay on top of issues surrounding this important industry initiative and to better serve its customers.

SunGard is in the development phase of the project and intends to release the enhanced GMI software to clients in early July 2009. All questions and inquires regarding the Option Symbology Initiative can be sent to GMI.OSI.SUPPORT@sungard.com.

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