

**MFDA Form 1 *Financial Questionnaire and Report* – Market Value of a Security (Revised Definition)**

5. **"market value of a security ~~ies~~"** means:

- (a) For securities, precious metals bullion and commodity futures contracts quoted on an active market, the published price quotation using:
  - ~~(a)(i)~~ for listed securities, the last bid price of a long security and, correspondingly, the last ask price of a short security, as shown on a consolidated pricing list or the exchange quotation sheets as of the close of business on the relevant date or last trading date prior to the relevant date, as the case may be, subject to an appropriate adjustment where an unusually large or unusually small quantity of securities is being valued. If not available, the last sale price of a board lot may be used. Where not readily marketable, no market value shall be assigned.
  - ~~(ii)~~ for unlisted investment funds, the net asset value provided by the manager of the fund on the relevant date.
  - ~~(iii)~~ for all other unlisted ~~and debt securities (including unlisted debt securities)~~ ~~and precious metals bullion,~~ a value determined as reasonable from published market reports or inter-dealer quotation sheets on the relevant date or last trading day prior to the relevant date, or, in the case of debt securities, based on a reasonable yield rate. Where not readily marketable, no market value shall be assigned.
  - ~~(iv)~~ for commodity futures contracts, the settlement price on the relevant date or last trading day prior to the relevant date.
  - ~~(v)~~ for money market fixed date repurchases (no borrower call feature), the market price is the price determined by applying the current yield for the security to the term of maturity from the repurchase date. This will permit calculation of any profit or loss based on the market conditions at the reporting date. Exposure due to future changes in market conditions is covered by the margin rate.
  - ~~(vi)~~ for money market open repurchases (no borrower call feature), the prices are to be determined as of the reporting date or the date the commitment first becomes open, whichever is the later. The value Market price is to be determined as in (v) and the commitment price is to be determined in the same manner using the yield stated in the repurchase commitment.
  - ~~(vii)~~ for money market repurchases with borrower call features, the market price is the borrower call price.
- (b) Where a determination respecting market value is made pursuant to the provisions of 5(a)(i) – (vii), that determination must include any price adjustments considered by the Member to be necessary to accurately reflect the market value.
- (c) Where a reliable price for the security, precious metals bullion or commodity futures contract cannot be determined:

- (i) the value determined by using a valuation technique that includes inputs other than published price quotations that are observable for the security, either directly or indirectly; or
- (ii) where no observable market data-related inputs are available, the value determined by using unobservable inputs and assumptions; or
- (iii) where insufficient recent information is available and/or there is a wide range of possible values and cost represents the best value estimate within that range, cost.
- (d) Where a value cannot be reliably determined under subsections 5(a) and 5(c) above, no value shall be reported.

DM# 407013