

Shareholder Compliance

A PROVEN SOLUTION FOR RULE 22C-2:

- Monitor trade activity and cash flows by share class
- Create a library of analytical tools for analyzing omnibus and shareholder trading activity
- Access and aggregate detailed data from all sources
- Track shareholder tax IDs across multiple platforms
- Submit and track data requests to intermediaries for sub-omnibus trading activity
- Log and track warnings and trade restrictions
- Process workflows created from trading activity alerts
- Create, maintain, and update known market timer lists, and watch lists
- Create custom reporting for mangers, boards and audits

A PROVEN SOLUTION

As a solution to SEC rules 38a-1 and 22c-2 within the Investment Company Act of 1940, the Broadridge Shareholder Compliance Module was created to provide users with the ability to analyze their omnibus accounts, sub-accounts and direct shareholder accounts to detect trading compliance exceptions and report the activity to managers and boards. Included is the ability to statistically analyze the cash flow of trading activity in omnibus accounts. The solution provides the ability to identify direct shareholders that are engaged in market timing and other types of short-term transactions that are in potential violation of the fund's abusive trading practices.

Broadridge's Shareholder Compliance provides compliance managers with detailed, accurate and timely information that they need to monitor shareholder trading activities across all of their distribution channels and enables them to craft compliance solutions unique to the needs of each fund.

CONFIGURE ANALYTICAL TOOLS TO PROSPECTUS TRADING RULES

Shareholder Compliance allows users to create compliance rules designed to monitor and detect market timers. Specific analytical tools for Trade Frequency, NAV Change, Account Liquidation, Trading Correlation, Trading Deviation, and Trade Pattern are available as part of the standard package. Each tool provides users the flexibility to configure rules to meet the specific requirements of each Fund prospectus. These tools are designed to analyze omnibus account transaction activity to identify situations that warrant the request of underlying individual shareholder transaction activity details.

AUTOMATED TRADE MONITORING

Shareholder Compliance aggregates all trading activity across all platforms received from the transfer agent and all distributors. Analytical tools are run overnight and the results are immediately available in the module. For each trading exception found, a workflow is created allowing the user to review and take action on the exception. Any data requests can be made directly in the front end either through SDR or secure email. Response files are processed overnight.

SHAREHOLDER COMPLIANCE WORKFLOW

Users are provided with a workflow and content management engine for shareholder account compliance resolution. The integrated compliance workflow capability maintains a queue of pending work that can be prioritized and assigned. The module enables complex business processes to be broken into manageable steps within the module. Through this feature, the users can detect suspect accounts for market timing, and record each action taken to resolve any shareholder compliance concerns.

DATA REQUEST PROCESSING

Shareholder Compliance provides omnibus account transparency by:

- Providing detail data requests from all sources
- Providing tools for user to monitor receipt, response and reconciliation of data requests
- Reconciling underlying shareholder detail back to an omnibus trade
- Normalizing data elements across multiple platforms
- Changing and updating file format requirements as needed
- Providing data retrieval to meet industry standard requirements
- Establishing a secure environment for data transfer
- Providing secure data storage capabilities including TIN encryption

A SECURE TECHNOLOGY SOLUTION

Broadridge Shareholder Compliance design combines industry specific ETL tools with a web native JAVA based analytical engine to provide access to secure, detailed, accurate, and timely information based on your firm's specific business requirements. The module provides a comprehensive and secure solution to storage and analytics, all based on a common, scalable architecture and view of critical transaction information derived from multiple sources.

Broadridge supports straight-through processing for clients and its intermediaries by facilitating the movement of detailed shareholder data from industry intermediary data source systems to the client's instance of SalesVision. All categories of intermediaries are supported including:

- Mutual Fund Supermarket Portals
- Broker Dealer Platforms
- Retirement and Trust Platforms
- Variable Annuity Platforms
- Transfer Agency Systems
- DTCC/NSCC Standard Data
- Custom feeds

INSIGHT SERVICES

For those clients interested in outsourcing 22c-2 trade monitoring so they can focus on revenue producing activities, Broadridge offers an optional outsourced solution.

Broadridge, a global fintech leader with over \$9 billion* in market capitalization, provides communications, technology, data and analytics solutions. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth. *As of November 2017

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