

TA2000

*Omnibus Transparency*TM

Industry regulations on best pricing and market timing demand a new level of omnibus oversight – and a new set of questions for mutual funds to consider:

- Are your oversight procedures under increased internal or external regulatory scrutiny?
- Are you and your omnibus partners prepared for greater oversight obligations?
- Do you have the tools and processes in place to ensure all fund activity complies with prospectus rules?

To help you answer these questions in the affirmative, DST offers within our proven TA2000® shareholder recordkeeping system the tools to manage and process daily omnibus feeds from a variety of subaccounting platforms. This feature, TA2000 Omnibus Transparency™, provides funds with a single platform for uniformly enforcing prospectus rules on the universe of accounts held in your funds, including omnibus detail positions, Matrix Level 3 accounts and fully disclosed accounts.

Funds can leverage their existing oversight business processes and the wealth of shareholder information and fund rules already resident in TA2000 – while incorporating daily omnibus feeds from each of their broker-dealer and TPA relationships. With TA2000 Omnibus Transparency, funds can:

- Rely on DST to manage omnibus detail transmissions received from various subaccounting platforms and standardize the unique data feeds into a consistent format.
- Include the omnibus detail in key nightly TA2000 processes and receive outbound files including consolidated sales reporting enriched by DST's Universal Dealer Service.
- Gain timely insight to the individual shareholder accounts held at the broker-dealer or third-party administrator (TPA) level.

- Improve your ability to comply with current FINRA and SEC guidelines for the funds' responsibilities concerning fair pricing based on Rights of Accumulation (ROA), fee assessment, and short-term/excessive trading activities.
- Automatically apply existing prospectus rules and provide you with the information to enforce these policies on trade date or when detail data is received.

Omnibus Detail

Omnibus accounts present a challenge for funds trying to enforce policies in a timely manner. Distribution agreements with broker-dealers and TPAs accommodate some access to this information, such as periodic feeds to fund sales reporting systems. But in the new era of fiduciary obligation, periodic feeds may not be timely enough.

With TA2000 Omnibus Transparency, DST positions funds to receive and process information from subaccounting systems on or shortly following the original trade date. This daily integrated access to omnibus information enables funds to include the necessary account and trade-level detail in existing TA2000 processes and reporting functions.

DST receives and manages two data files from each subaccounting platform and stores them in the TA2000 Omnibus Transparency database. These files include details for each:

- Individual transaction included in an omnibus trade as well as information linking the individual trades to the applicable omnibus trade.
- Subaccounted position whenever there is a change in a shareholder's balance.

This detail, along with the existing account information and fund rules in TA2000, enables funds to evaluate the subaccounted trades for pricing based on ROA, short-term trading activity, and excessive trading activity. Additionally, funds can include the trade-date position and transaction detail from omnibus accounts in other TA2000 processes, including PowerSelect™ ad hoc reporting, risk management reporting, and sales reporting.

Single Access Point

TA2000 Omnibus Transparency provides funds with a single access point for managing feeds from their various omnibus relationships along with fully disclosed accounts. This integrated solution enhances your ability to ensure that the policies and prospectus provisions are universally applied to all of your shareholders across distribution channels and recordkeeping platforms. It also enables you to demonstrate to your regulators your efforts to fulfill your regulatory obligations in this regard.

As TA2000 receives the omnibus feeds, it acts as the rules engine to standardize the variable data, using the fund options already in the platform. As a leading provider of shareholder recordkeeping solutions and services, DST currently maintains ROA and short-term and excessive trader rules for the fully disclosed accounts in more than 280 fund companies on the TA2000 platform.

Parallel Account Structure

The TA2000 Omnibus Transparency feature utilizes a parallel architecture within the existing TA2000 account structure. The new database stores an abbreviated record, or “accountlet,” for each unique shareholder position received from the omnibus data feeds.

The accountlet structure enables funds to apply the same rules that are normally applied to a fully disclosed account and maintain a current view across all account activity. Additionally, the abbreviated nature of the information stored helps to maximize the benefits of a parallel account structure, while minimizing additional fees for fund companies and their shareholders.

New Features

DST Systems is currently developing a dealer ROA return file. This file will enable omnibus intermediaries to incorporate other qualifying shareholder assets into the broker recordkeeping system to facilitate best pricing at the point of purchase. This feature underscores our continuing commitment to enhancing the relationships between funds and their financial intermediaries through innovative business processes.

For more information on this solution, please contact Jeff Tyner at 816-435-8933, or jatyner@dstsystems.com.