

Compliance with SEC Rule 22c-2 remains a complex yet necessary part of a fund company's operations. The increasing use of financial intermediaries and the industry-wide migration towards omnibus accounting only compounds the challenges of obtaining appropriate trading data. But getting good data is just the first step. Without robust analytical tools and strong rules-based testing capabilities, your compliance efforts may fall short.

Leveraging our industry-recognized strengths in transfer agency and shareholder services, Boston Financial can help. Our 22c-2 Full Service Solution brings together sophisticated technologies and deep industry expertise. We offer specific omnibus account transparency solutions and clear, easily-actionable reports that help you monitor – and take action against – market timing and/or abusive traders.

Over the past five years, since the new requirements under Rule 22c-2 were introduced, we've been strengthening our offering, continually keeping one-step ahead of the evolving marketplace.

Deep Experience with Intermediary Data

Good analysis starts with good data. Boston Financial has data linkages with the majority of the industry's financial intermediaries. As the largest transfer agent in the U.S., we have well-developed operating procedures that verify received data is as accurate as possible. Our dedicated Trade Surveillance Group performs regular data analysis to verify completeness. The Team also works closely with the NSCC and all intermediaries to log and assess position and trade-level detail. Boston Financial not only ensures that all transmissions have been received, but we also check that they have been successfully accepted into the DST TA2000 Omnibus Transparency™ environment. Our thoroughness with the data input guarantees better results for you with the output and analysis.

By leveraging DST's 22c-2 data portal, we can convert even the most elementary data files and convert them to an SDR file format to ensure maximum throughput and automated analysis. Additionally, we have the capability to receive multiple file formats in addition to SDR, including DSA and PR3 formats.

Omnibus Processing: Promoting Transparency

Trading patterns and trading volumes can differ dramatically across funds and intermediaries. Boston Financial applies our decades of experience to a multi-faceted approach to data review. We employ asset-based and event-based methods that provide added levels of oversight to the analysis process:

- **Asset-Based:** Boston Financial tests position and transaction activity at varying periods, according to the size of the asset base. Asset-based trading promotes greater transparency, and review can be continuous (with no gaps in time). Testing periods range from 30 days to 90 days.
- **Event-Based:** Supporting the asset-based test, daily event-based reports identify all accounts that match specific trading patterns or thresholds. Tests look for short-term buy/sells with significant percentage gains as well as trade activity that occurs above a two standard-deviation threshold.

We utilize DST's Short Term Trader and Excessive Trader Change in Direction engines to analyze all activity on your register. As these are the same technologies that can be used on the rest of your (non-omnibus) activity, you can be assured that fund trading and market timing restrictions are consistently applied across your total register.

*Boston Financial's
22c-2 Full Service
Solution simplifies
your trade testing
requirements,
freeing you to
focus your
internal resources
on other critical
business matters.*

Flexible Reporting, Customized Results

Our approach to reporting is complete and flexible. We offer standard reporting on exceptions and analysis of actual results. For exceptions, the Trade Surveillance Group uses the AWD® work-flow system to log and document documents and actions. A series of reports provide summary and detailed information on potential violations. For analysis, the Omnibus Transparency solution offers daily short-term market-timing reports on trading and fee activity (at both an individual and dealer level), as well as daily reports on excessive trading.

On a monthly basis, we summarize the activity associated with Rule 22c-2 compliance and report this to you.

Effective Results on a Single Platform

A single-platform solution creates efficiencies in how data is processed and simplifies how you access the results. The 22c-2 compliance offering is part of the TA2000® platform, our transfer agency technology. By using existing infrastructure, all current fund rules, data rules, connectivity and reporting are consistent. You benefit from single sign-on access via TA2000 Desktop™ and total integration with AWD, which leads to a complete – and auditable –start-to-finish process.

With all of Boston Financial's technology built on a single-rules engine, there are no downstream integration issues or testing needs. You save time and costs by not needing to manage system releases or upgrades.

Maintaining Security and Confidentiality

Data security is more important than ever. Your shareholders expect you to maintain their confidentiality and to take all steps to promote a secure operating environment. At Boston Financial, we operate all systems and technology in a highly controlled environment. Technology solutions incorporate encryption and security access protections. You can rely on a secure data center that operates on a 24/7 basis, with state of the art backup capabilities. Because we use TA2000, we minimize additional outbound data transmission files, keeping critical information in-house. Boston Financial associates understand the importance of confidentiality and ethics and operate with the highest standards of integrity.

Helping You Manage

Boston Financial's 22c-2 Full Service Solution simplifies your trade testing requirements, freeing you to focus your internal resources on other critical business matters. Our platform offers a high degree of transparency. Whether you choose to regularly monitor activity or to rely on our advanced management reporting and analytics for periodic review, we give you the freedom to determine your own level of oversight. We bring together simple yet robust technology and a deep knowledge of shareholder servicing to offer you an industry-leading compliance solution.