December 8, 2014

SEI Introduces AIFMD Annex IV Reporting Solution to Help Alternative Managers Meet New Transparency Rules

Many Private Fund Managers Face Jan. 31 Deadline for Filing Year-End Reports

OAKS, PA -- (Marketwired) -- 12/08/14 -- SEI (NASDAQ: SEIC) has expanded the regulatory compliance component of its global operating platform to include new capabilities that help alternative investment fund managers meet Annex IV transparency reporting requirements under the European Union Alternative Investment Fund Managers Directive (AIFMD). SEI's Investment Manager Services division is a global supplier of customized operating infrastructure and services to investment organizations, representing more than $13 trillion in assets under management.

The new reporting requirements apply to all asset managers who manage and/or market alternative funds (other than UCITS) within the EU, including private equity and hedge funds. For managers who registered with regulators by July 22, 2014, their initial Annex IV reports must be submitted to national competent authorities no later than Jan. 31, 2015, for the period ending Dec. 31, 2014. This gives managers only 30 days to prepare and submit forms, rather than the 60-day filing period allowed for Form PF. Further adding to compliance headaches, national regulators may require different versions of the AIFMD forms.

"SEI has been helping our clients comply with regulatory requirements and client mandates for decades, and investment managers have long identified regulatory compliance as one of their biggest concerns. For this reason, finding new ways to enhance and scale the compliance function remains a top priority as we continually advance our global operating platform," said Philip Masterson, Senior Vice President and Managing Director for SEI's Investment Manager Services division in Europe.

SEI's AIFMD Annex IV services include:

- ***Data aggregation*** - compiling all necessary information from internal and external sources including the manager's operating platform, other managers, counterparties, lenders, and borrowers
- ***Regulatory filings*** - preparing and handling all aspects of form filings, including customizing data and calculation methods that may vary among national regulators

and fund type
- ***Project and workflow management*** - developing and managing a proprietary project plan specific to the client organization, detailing the procedures, inputs, timelines, roles, and responsibilities necessary to meet filing requirements and deadlines
- ***Quality assurance*** - coordinating with client staff and external data sources to ensure integrity of the data and calculations
- ***Specialized expertise*** - providing access to a compliance team and regulatory specialists with expertise in resolving issues and interpreting nuances of European requirements.

While there is some overlap between AIFMD Annex IV reporting and Form PF, the new European rules demand significantly more data, including detailed information on compensation, risk exposure, and liquidity. Moreover, the Annex IV reports use different definitions and calculation methods than Form PF, further complicating the compliance effort. For example, interest-rate derivatives must be reported as 10-year equivalents on Form PF, but as notional amounts for purposes of the AIFMD.

"While clients have tried to manage the complexities of AIFMD compliance in-house, they quickly realize the immense level of effort and coordination it entails," said Masterson. "SEI has the advantage of its existing global operating platform and data warehouse, plus our deep expertise in both U.S. and European regulatory regimes. We've also designed the regulatory component of our platform with the flexibility to capitalize on all possible synergies across different reports and to meet new requirements as they come on line."

SEI currently provides regulatory and compliance services to more than 150 clients, including 70 private fund managers. Having launched its Form PF solution in 2012, the company has been helping alternative managers deal with regulatory demands since the onset of the heightened scrutiny resulting from the Dodd-Frank Act. In the last two years, SEI has added capabilities for meeting requirements of the Foreign Account Tax Compliance Act (FATCA), Form CPO-PQR for commodity pool operators, and AIFMD.

Development of SEI's AIFMD Annex IV solution was an 18-month long effort that drew on more than half-a-dozen teams within the company, including fund administration, accounting, risk, portfolio accounting, and compliance specialists globally.

About SEI's Investment Manager Services Division
Investment Manager Services supplies investment organizations of all types with advanced operating infrastructure they must have to evolve and compete in a landscape of escalating business challenges. SEI's award-winning global operating platform provides asset managers with customized and integrated capabilities across all investment vehicles, strategies, and jurisdictions. Our services enable investment managers to gain scale and efficiency, keep pace with marketplace demands, and run their businesses more strategically. SEI presently partners with more than 300 traditional, alternative and sovereign wealth managers representing $14 trillion in assets, including 28 of the top 100 managers worldwide. Clients choose us because our people are problem-solvers with the deep industry knowledge and technological acumen to help them succeed. For more information visit www.seic.com/ims.

About SEI
SEI (NASDAQ: SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth.

As of September 30, 2014, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $612 billion in mutual fund and pooled or separately managed assets, including $249 billion in assets under management and $363 billion in client assets under administration. For more information, visit seic.com.

Company Contact:
Dana Grosser
SEI
+1 610-676-2459
dgrosser@seic.com

Media Contact:
Jason Rocker
Braithwaite Communications
+1 215-564-3200 x 110
jrocker@gobraithwaite.com

Source: SEI