

MEDIA ADVISORY

FAS 157 REPORTING RULE NOW IN EFFECT: EXPERT AVAILABLE

**NEW DISCLOSURE REQUIREMENTS IMPACT ADMINISTRATIVE REPORTING, OFFER NEW CHALLENGES FOR
FUND COMPANIES AND ACCOUNTING FIRMS**

(PITTSBURGH, PA -- November 19, 2007) The Financial Accounting Standards Board's (FASB) new fair valuation reporting rule, FAS 157, which is now in effect, will require quick action from investment management companies and their auditors. Starting immediately, there will be added pressures on companies' fair value committees and their auditing firms to ensure that they have the proper data to support the valuations and disclosures that FAS 157 mandates. This added pressure requires immediate technical support of their accounting and financial reporting systems.

Kirk Botula, COO of Confluence, the global investment management industry's leading provider of automated data management solutions, can comment on the technical data management reporting challenges associated with producing holdings reports that meet these new, complex requirements and their impact on fund administrators. The goal of FAS 157 is to provide investors with a better understanding of pricing methods, and the exposure of their investments to these different strategies.

Mr. Botula can also comment on how funds can use automation to quickly address the new reporting requirements, and to mitigate the risk of errors inherent to the process. Many fund companies handle reporting through manual spreadsheets, which are labor-intensive and error-prone.

"The process of setting valuations alone will be extremely complex, especially for alternative investments and hedge funds," he noted. "Companies will require automation to help them standardize and streamline this reporting, while improving data integrity."

FAS 157 defines new requirements for establishing the "fair values" of financial instruments such as mutual funds, hedge funds, stocks, derivatives, and private equity funds. It also requires that funds disclose their valuation methods. Companies will be required to lay out their valuation practices, assign a valuation standard (Level One, Two, or Three) to each holding, and produce two schedules summarizing their funds' exposures and activity. These schedules will be required in both quarterly holdings reporting (for registered funds) and within annual and semi-annual reports. The rule goes into effect for annual reporting periods that begin after November 15, 2007. As a result, the first report date possible is February 29, 2008, for funds that have a November 30, 2007 fiscal year end.



Confluence is integrating automated support for FAS 157 reporting within its Unity™ Holdings solution, with no additional license fees. Unity Holdings is an automated reporting system designed to address every phase of holdings report generation, using cleansed data from a centralized database. The enhanced product will leverage data from accounting systems to provide standard reports that incorporate the new guidelines, and provide valuation committees with full visibility into each instrument's pricing.

Journalists who would like to speak with Kirk Botula can contact Robert Minicucci, Warner Communications, at 603-488-5856 or robert@warnerpr.com.

About Confluence

Founded in 1991, Confluence is the global investment management industry's leading provider of automated data management solutions. Confluence helps investment management companies gain unprecedented control by automating every step of the fund administration process—including the collection, creation, confirmation, and delivery of investment product data while maintaining control of the process. Results are lower costs, reduced risk, decreased reporting turnaround times, and the scalability to automate more processes without additional resources. Confluence's solutions are used by 40 percent of the leading global investment managers, and more than 60 percent of U.S. mutual funds. Unity™, the Confluence platform, addresses a wide range of problems from performance measurement to customized reporting for a full array of domestic and international managed investment products, including mutual funds, funds of funds, collective funds, separate accounts, and variable products, as well as hedge funds and other alternative investments. Major fund companies such as Evergreen and Merrill Lynch and service providers like JP Morgan, PFPC and Bank of New York rely on Confluence. Confluence, headquartered in Pittsburgh, PA, serves the international fund industry with key locations in London and Luxembourg. For more information, visit www.confluence.com or email info@confluence.com.

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