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CONFLUENCE SEES AUTOMATION AS KEY TO RISING ABOVE THE FINANCIAL SERVICES “REPORTING JUNGLE” IN 2008

Automating Fund Administration is Essential for Surviving Pile-On of New Reporting Requirements Affecting Managed Investment Products, while Reducing Risks and Costs

(PITTSBURGH, PA – December 17, 2007) Confluence, the global investment management industry’s leading provider of automated data management solutions, expects that 2008 will be the year that financial services organizations—from mutual funds to hedge funds—initiate a new wave of automation to manage an increasingly burdensome set of reporting and expense management requirements.

According to Kirk Botula, Executive Vice President and Chief Operating Officer, “There are many forces driving the automation of fund administration functions. These include the global expansion of fund companies, increased frequency of reporting across many different regulatory and accounting regimes, and heightened transparency demands.”

Mr. Botula can elaborate on the following issues:

- **Back-office shortages will intensify.**
In 2008, staffing shortages in fund companies’ and service providers’ back offices will intensify, as pressure to support additional mutual fund and alternative investment instruments places even more demands on a limited talent pool. Fund administrators will seek technology solutions that enable them to automate routine processes to reduce staff dependency and eliminate the risk of error.
- **Investor pressures will drive expense control.**
Market pressures have been driving down the operating costs that investors are willing to pay. Investors will continue to seek out low-cost products, and this price sensitivity will force fund companies to exert more cost control over their expenses. Leading service providers and fund companies will include the automation of expense payments and budgeting as key initiatives in 2008.

- **FAS 157 requirements “in full swing.”**

The Financial Accounting Standards Board’s (FASB) new fair valuation reporting rule, FAS 157, went into effect in November 2007. Fund companies’ fair value committees and their auditing firms continue to be pressured to have the proper data to support the valuations that they set for securities. As they incorporate the newly mandated FAS 157 Level 1, 2 and 3 disclosures into their reports in 2008, fund companies and service providers will demand that their accounting and fund administration systems automate the reporting process. This automation will help reduce the burden on back-office staff and lower the risk of error.

- **SEC continues focus on XBRL, short-form prospectus.**

The SEC continues to champion the XBRL language for electronic reporting, and that momentum will continue with its short-form prospectus initiative. This initiative is intended to improve mutual fund disclosure by providing investors with information in a clear and concise format. Confluence believes that, though a commendable endeavor to simplify investor disclosure, the short-form prospectus is another reporting requirement that will burden already-taxed administrative staff without technology to streamline the process.

Mr. Botula can also provide guidelines for implementing systems to improve operational efficiency. Companies automating fund administration processes need to pay special attention to issues of data integrity, as well as scalability. Confluence advocates a centralized, “platform-agnostic” database as the backbone of this process.

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.