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Confluence Helps Fund Administrators Navigate “Uncharted Waters” of Money Market Fund Reform Rule

New Whitepaper Offers a Readiness Guide for Facilitating
Timely, Accurate XML-Based Reporting

(Pittsburgh, PA – May 26, 2010) Confluence, a global leader in investment management data automation, is offering a new whitepaper that addresses the impact of new Money Market Fund Reform Rule Reporting requirements for fund administrators, and provides guidelines for facilitating timely and accurate compliance.

To mitigate risk and provide greater transparency to investors, the U.S. Securities and Exchange Commission (SEC) recently approved Release IC-29132, commonly referred to as the Money Market Mutual Fund Reform Rule. In addition to placing limits on investments to be held in money market mutual fund portfolios, the rule requires radical changes in the frequency, content, timeliness, and delivery format of holdings reporting. There are also additional costs to fund companies. The SEC estimates that the filing “would impose 152 burden hours at a cost of \$42,712 per money market fund for the first year, and 120 burden hours at a cost of \$33,720 per money market fund in subsequent years.”

“Complying with these new requirements creates significant issues for administrators relying on manual processes,” said Scott Powell, Product Manager at Confluence. “When tackled manually, it is a daunting task, requiring countless hours for data collection, report creation, content confirmation, and report delivery. And with the tighter timeframes in which to file these reports, ensuring data accuracy is also a major concern.”

In addition to filing pre-existing quarterly holdings reporting through a Schedule of Investments (SEC Form N-Q), money market mutual fund administrators must now also:

- Provide monthly reporting of specific portfolio holdings information via the fund's Web site;
- Deliver designated fund-specific and portfolio holdings information to the SEC via the new eXtensible Markup Language (XML)-based Form N-MFP;
- Complete both reporting functions within five business days of month end; and
- Begin monthly Web site reporting on October 7, 2010 for the period ending September 30, 2010, as well as monthly XML Form N-MFP reporting on December 7, 2010 for the period ending November 30, 2010. A voluntary Form N-MFP period begins October 7, 2010.

The Confluence whitepaper provides more detail on the requirements and associated challenges of complying with them; a definition of the new Form N-MFP and the data involved; information on XML content tagging; and differences between XML and XBRL. It also offers guidance on companies' XML data tagging options, including source content tagging, which Confluence believes will emerge as the de facto industry standard for XML filings. In addition, the whitepaper includes a "readiness checklist" and appendices detailing the public Web site and Form N-MFP content and data requirements as noted in the Money Market Mutual Fund Reform Rule.

"Money Market Fund Reform is just the beginning. We believe the amount of data that administrators must disclose will radically increase, while the timeframe in which to report that data will rapidly decrease," said Kirk Botula, Executive Vice President and Chief Operating Officer of Confluence. "These market dynamics, coupled with the introduction of complex data delivery formats like XML as required reporting formats, underscore the need for automated solutions that enhance process control while reducing costs, eliminating risk, increasing scalability and elevating service levels."

To obtain a free copy of "Money Market Mutual Fund Reform Rule: An Administrator's Guide to Money Market Mutual Fund Reform Reporting," please visit: the [Resource Center](#) at www.confluence.com.

About Confluence

Founded in 1991, Confluence is a global leader in fund administration automation. 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. Results are lower costs, reduced risk, decreased reporting turnaround times, and the scalability to automate more processes without additional resources. Confluence solutions are used by 40 percent of the leading global investment managers, and more than 60 percent of U.S. mutual funds. The Unity platform from Confluence 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. Headquartered in Pittsburgh, PA, Confluence serves the international fund industry with key locations in London and Luxembourg. For more information, visit www.confluence.com or e-mail info@confluence.com.