SUNGARD INVESTIER

INVESTIER

SunGard's InvesTier is a global partnership and investor accounting and reporting solution, used by hedge funds, funds of funds and their administrators to support both U.S. domestic partnerships and offshore, unitized investment corporations. From fund inception and investor subscriptions to tax accounting and reporting distribution, InvesTier helps fund accountants and managers, as well as third party administrators, improve client service while reducing the costs, complexity, and risks associated with error prone manual processing.

MANAGE YOUR GLOBAL INVESTMENTS BUSINESS FROM A SINGLE SOLUTION

As a comprehensive solution for partnership and investor accounting, InvesTier tracks investor transactions, allocates income, and calculates both fees and partnership tax allocations, and supports both onshore and offshore entities (including master/feeder funds with complex structures). When combined with complementary SunGard solutions, such as SunGard's VPM for portfolio management and accounting, InvesTier presents hedge funds with a single solution to manage their entire investments business. For funds of funds, InvesTier is a full back-office solution, delivering portfolio accounting (tracking underlying fund investments), fund-level accounting and partnership/shareholder accounting as a single integrated solution. InvesTier leverages a scalable, open architecture that simplifies the integration and extension to other applications, allowing InvesTier to fit within each firm's unique architecture.

InvesTier at a Glance

- Provides support across multi-manager, multi-strategy, multi-class and multi-series funds.
- Multi-currency double-entry general ledger stores all investment activity with complete audit trail, promoting transparency and supporting accurate auditing and reporting.
- Improves efficiency, with automated processes and streamlined workflows for accounting and reporting that present critical information in real-time.
- Utilizes industry-standard technology that allows InvesTier to operate in concert with alternative portfolio accounting solutions as well as allocation, investor relations and due diligence software.

BUSINESS CHALLENGES AND SOLUTIONS

Respond to Investor Inquiries

As performance results have compressed, investors are requiring both strong performance metrics and the ability for fund managers to demonstrate a continuing, up-to-date understanding of each fund's and investor's account performance.

InvesTier's general ledger posts and updates capital transactions in real-time and accrues expenses and fee calculations daily. *For hedge funds*, it can import daily updates of P&L and gain/loss daily from your portfolio accounting system; *for funds of funds*, valuations can be updated as frequently as desired.

Fund estimates and allocations to investors can be performed as frequently as desired. Account balances and performance can be calculated at any point during the month. With this flexibility, firms can respond to investor inquiries – accurately, immediately, and with confidence – applying industry and working group Best Practice guidelines.

Meet Sophisticated Due Diligence Requirements

Managers and their administrators need to demonstrate compliance with the strategy, diversification, risk and other parameters promised in the offering memorandum, both in advance of the investor's initial subscription – and on a continuing basis.

For funds of funds, InvesTier tracks:

- Each underlying fund investment in detail, including each individual subscription and redemption.
- Each position, by strategy, sector, currency and additional user-defined classification fields.

For all fund types, InvesTier demonstrates consistency in compliance and transparency reporting, valuation, calculation of P&L and every other process and procedure, helping to fulfill common and key concepts recommended in industry and working group's Best Practice guidelines.

New Operations Requirements Side Pockets, Gates, and Lock-up Restrictions

In response to market conditions, InvesTier offers a host of functionality to manage side pockets and special purpose vehicles, calculate redemptions and process gates.

Manage Side Pockets: For firms seeking to segregate their illiquid positions, InvesTier provides the ability to manage side pockets and special purpose vehicles. InvesTier provides for the creation of unlimited numbers of side pockets, and moving investments and investors. It also manages the introduction of new, limited-time investor fee structures designed to retain current capital or draw additional investment – whether applied to the fund as a whole or discretely (e.g., to the main fund or to one or more side pockets).

Calculate Redemptions: InvesTier helps fund managers estimate potential redemption requests. InvesTier tracks the lock-up for each subscription, for each investor, and can calculate both potential unrestricted redemption requests and penalties to be charged to investors redeeming early. For funds of funds, InvesTier also tracks the lock-up for subscriptions in underlying fund investments, helping to match the liquidity of your investments with the liquidity required to satisfy potential redemption requests.

Process Gates: InvesTier also processes gates – creating adjusted, pro rata reductions in redemption requests to meet the gate cap – and any exceptions defined by the fund manager.

Designed to Support Alternative Investments

- Hedge Funds
- Funds of Funds
- Multi-Manager Funds
- Multi-Currency Funds
- Multi-Class and Series Funds
- Master-Feeder and Nested Funds
- Side Pockets
- Segregated Portfolio Companies
- US Limited Partnerships and Offshore Corporations, OEICs, and Unit Trusts
- Registered 1940 Act Hedge Funds and Funds-of-Funds

Increased Management of Operational Risk

InvesTier features have a strong focus on mitigating operational risk:

- Demonstrates a systematic means of documenting procedures and transactions.
- Limits the potential for fraud through system access controls and audit trails.
- Limits reconciliation and data integrity issues, through more integrated solutions and minimizing manual entry through data imports and export interfaces.
- InvesTier's availability via ASP leverages SunGard's role as a premier provider of business continuity services, protecting against hardware failure and loss of data or system availability.

WHAT CAN INVESTIER OFFER YOU?

InvesTier offers robust features and a broad range of benefits.

InvesTier

For hedge funds, fund of funds, and third-party administrators:

- Delivers a single, truly global investor accounting solution, capable of supporting both capital-account-balance-based U.S. partnerships and unitized offshore investment corporations (whether they utilize share series or equalization).
- Mitigates operational risk, delivering consistent, documented procedures and controls, tracking investor transactions, allocating income, calculating partnership tax allocations – in a secure, stable systems environment.
- Effortlessly manages the creation of side-pockets, moving capital and adjusting fee calculations, lock-ups and allocations as required.
- Manages lock-up restrictions and liquidity calculations – critical in today's market conditions.
- Satisfies investor due diligence requirements for a comprehensive investor accounting solution.
- Provides the ability to immediately respond to mid-period investor inquiries, offering daily NAVs and investor capital balances.

For hedge funds and their administrators

- With its open systems architecture, interfaces to and operates in concert with your portfolio accounting system.

For funds of funds and their administrators

- Represents a single, comprehensive, and integrated portfolio accounting, general ledger and partnership/shareholder accounting solution.
- Offers flexibility in receiving and processing valuations for underlying fund investments, as frequently as daily and in any form (percent change, NAV, capital balance, etc.).
- Processes Schedule K-1 for underlying fund investments, effortlessly reclassing income and expenses from investments to facilitate production of your own partnership tax allocations.

For third-party administrators

- Offers flexibility in defining fund structures, allocation rules, and fee calculations – critical for supporting the disparate requirements of each new fund client.

ADDITIONAL BENEFITS WITH INVESTIER

Tax Allocations & Reporting for Onshore and Offshore Funds

InvesTier features extensive tax allocations and reporting capabilities with a 1065 worksheet for U.S. partnership income reporting; and economic and partnership tax methodologies for automated K-1s. InvesTier also tracks the underlying K-1s of funds of funds, automatically reclassifying income at year-end. Combined, these powerful features help save significant time and expense for day-to-day tasks as well as year-end tax audits and reporting.

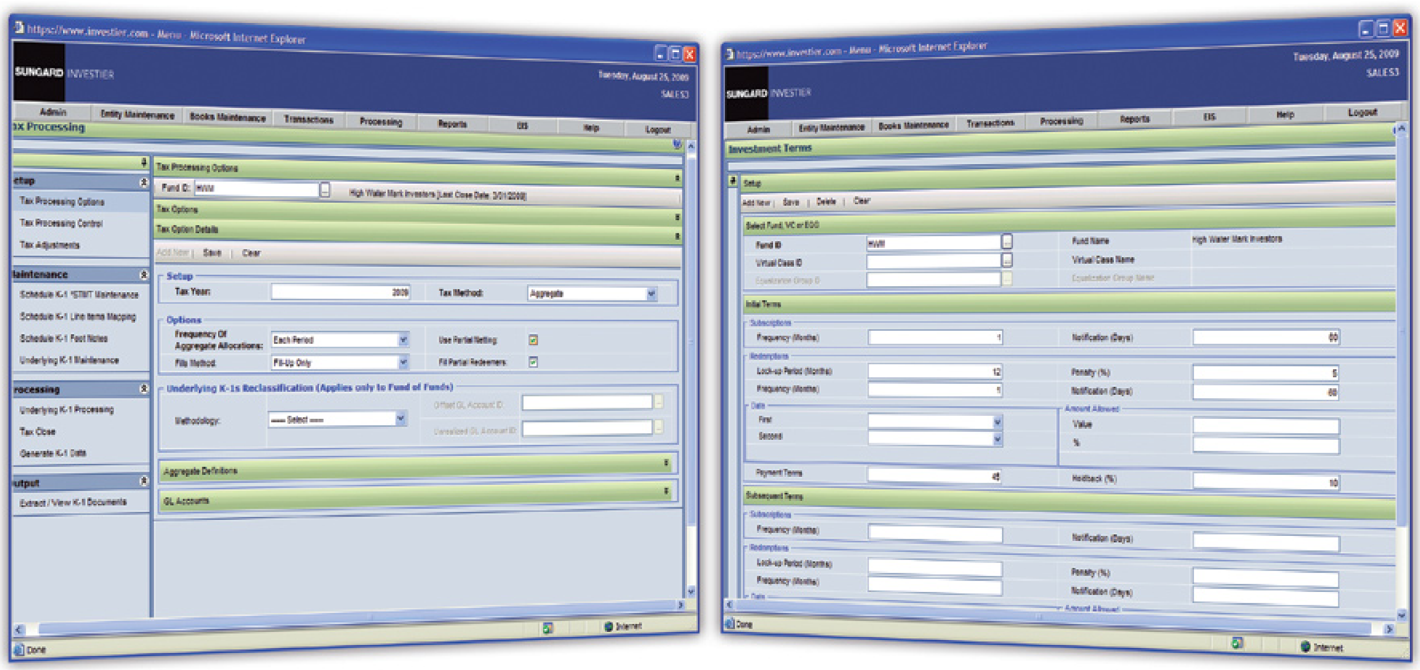
Help Minimize Compliance Risk

InvesTier is easily adaptable, helping users to meet new regulatory and compliance mandates. Fund managers can use system reports to proactively monitor compliance breaches, such as when ERISA allocation limits have been triggered. InvesTier time stamps changes by user ID whenever data is accessed or modified. Data can easily be exported to complementary risk management tools to further help manage risk within your operations.

Fund of funds Capabilities

For fund of funds, InvesTier comprises a complete back office solution, encompassing both investment and partner/shareholder accounting and reporting. InvesTier provides a range of capabilities specific to fund of funds, including:

- Prior period price adjustments.
- Flexibility in tracking pricing for underlying fund investments (updated capital account balances, share prices, MTD performance, segregation of ‘new issue’ income and prior period adjustments).
- Produce reports for outside funds whose underlying trades are not held within the system, but whose returns must be tracked over time.



InvesTier offers broad flexibility in defining each fund -- including options for the basis for income allocation, segregating each subscription for calculating incentive fees, and frequency of break periods -- in addition to extending flexibility on management and incentive fees.
InvesTier also supports a range of partnership allocation methodologies and investment terms, including lock-ups, liquidity and gates.

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