

EXCHANGE TRADED FUNDS (ETF) SOLUTION

Exchange traded funds (ETF) have become an increasingly popular investment option for financial advisors over the last few years. With their low costs, transparent pricing and wide range of modular fund options, ETFs provide a flexible, diversified set of investment options that can help meet advisors' investment objectives.

SunGard and iShares, a leading global ETF provider, have come together to create a solution for recordkeepers and third-party administrators (TPAs) to seamlessly incorporate ETFs as standard options in retirement plans. TPAs and advisors using SunGard's Omni and Relius recordkeeping platforms for benefits administration will be able to access and trade iShares ETFs through an integrated link to the SunGard Transaction Network (STN).

SunGard's ETF solution enables you to handle both ETFs and mutual funds within in the same plan, using the same system, thereby helping minimize your operational burden. This solution addresses multiple major operational barriers, while helping keep product costs down.

ADDRESSING OPERATIONAL BARRIERS

ETFs present several operational barriers to mutual fund driven recordkeeping operations including, settlement period differences, whole shares and uninvested cash management requirements. With SunGard's ETF solution, a custodian handles all the fractional shares processing and no additional TPA processing is required. In addition, your plans and participants will benefit from the solution's automated, institutional quality order and trade processing capabilities. There is no need for separate trading arrangements, either.

The SunGard ETF solution manages your organization's ETF assets through a partner custodian while your non-ETF assets can be managed through any current custodial relationship you already have in place. SunGard can work with your existing operations to tailor a solution to work with your existing operations and custodial relationships. Managing all ETF assets through our partner custodian allows trading efficiencies to manage costs and participants to be fully invested in ETFs using fractional shares at participant level.

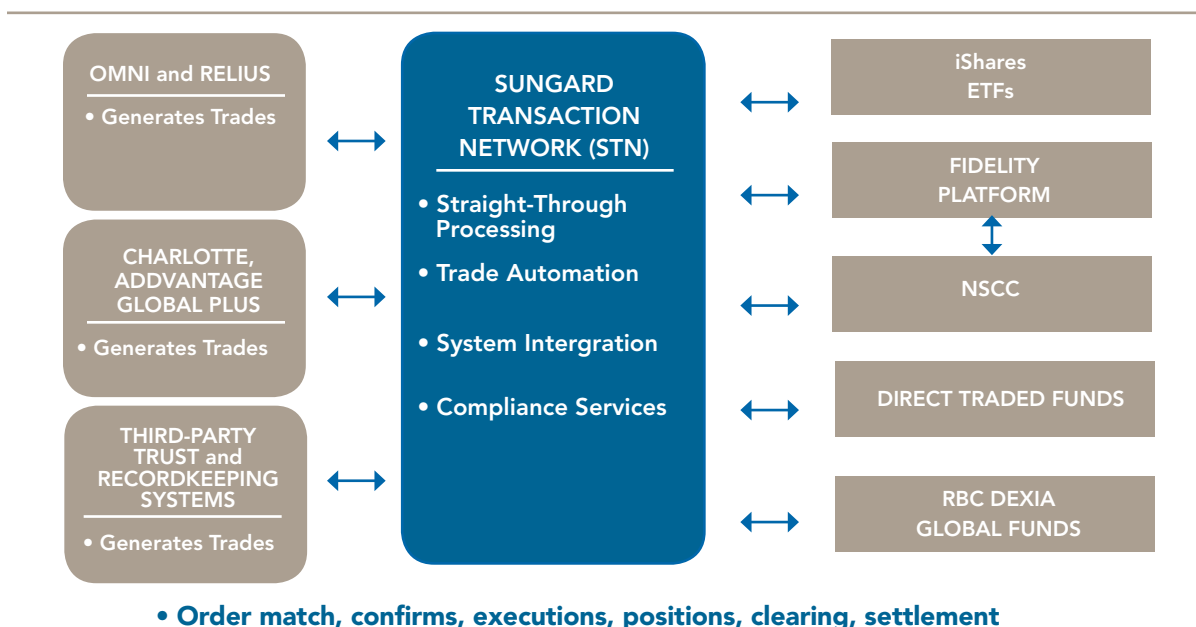
You can also establish ETF-only or ETF-mutual fund plans with a minimum of operational changes. In general, implementation of SunGard's ETF solution remains transparent to your clients. The solution purposely intertwines with the plans' and mutual funds' operational processes to help capitalize on your well-established and familiar methods. All your clients will see are the possible expanded capabilities and offerings that the new system makes possible.

The SunGard ETF Solution...

- Works operationally like a mutual fund
 - Enables both ETFs and mutual funds in the same plan
 - Allows participants to hold fractional ETF shares
 - Facilitates optional late-day trading
 - Helps reduce manual processing
 - Remains transparent to clients
 - Helps minimize operational and maintenance burdens on recordkeepers and TPAs
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ESTABLISHING A SEAMLESS, TRANSPARENT, END-TO-END PLATFORM

Your participants are comfortable with and understand the trading processes you use today, which is why it makes sense for SunGard's ETF solution to be fully integrated to make trading seamless to participants. The diagram below helps explain how SunGard's ETF solution works. This also is used as a base trading model for both the review and integration of your organization's system with the SunGard ETF solution.



The diagram above provides a common process for development of the model across your systems, while helping maximize opportunities to aggregate trade orders and minimize overall trading costs. When your actual clients are launched within the platform, additional flexibility may be available for their specific needs. For you, aggregating orders at as high a level as possible provides maximum trading scale (lower costs) and potentially delivers a competitive advantage.

IMPLEMENTING THE SUNGARD ETF SOLUTION SOLUTION

If you are a third-party administrator, you need to establish an STN Funds Routing Agreement with SunGard before starting any SunGard ETF solution integration. For custody and settlement services, SunGard is leveraging the ETFxChange platform provided by Mid-Atlantic Trust Company (MATC). You also need an MATC ETF Custody Service Agreement with your individual plan sponsors. To learn more about requirements and how to initiate your upgrade to SunGard's ETF solution, please talk to your SunGard account representative, or call STN Sales at 1-800-825-2518.