



KPMG **Asset Management Platform**

Hedge Funds

Pioneering the automation of tax
compliance and planning with
innovative technology

kpmg.com





The demands on the chief tax officer are growing

and now technology is available to assist and enable significant improvements.

The KPMG Asset Management Platform is a leading technology that can help you reimagine cost-effective, innovative ways to execute tax compliance and planning. Informed by our extensive, in-depth tax knowledge of pass-through structures, our Asset Management Platform enables efficiency and transparency, and helps normalize big data so you can save time, improve accuracy, and discover new tax value-adds for your organization. Key features include:

- Complete transparency into the status of tax deliverables and the capability to drill-down into calculations (not a black box)
- Reduced risk of missing tax compliance and investor reporting deadlines
- Increased operational efficiencies across all aspects of tax compliance (data collection, updating investor/tax info, creating reports, and tax filings)
- Shared access for client, KPMG, and authorized third parties
- Reduced rework time and enhanced reporting derived from one tax technology platform supporting all major asset classes for both federal and state
- Improved decision support enabled by scenario planning, modeling, estimates, and data analytics
- Removal of constraints on business growth and profitability by replacing manual processes and legacy systems.

For additional information including a demonstration of the KPMG Asset Management Platform, take a tour of our interactive website at visit.kpmg.us/AMP. For insights from our Asset Management practice, visit us at home.kpmg/us.

Dive into the Asset Management Platform

Data Automation Center

Automate Inflows

Financial Data

Market Data

Investor Data



Hedge Specifics

- 704(c) aggregation (full or partial netting) and lot layering
- Support for diverse allocation configurations of pools, side pockets, incentives, and periods.
- Identification and treatment of wash sales, constructive sales, straddles, 1256 and 988 MTM, qualified dividend income, dividend received deduction, REIT dividend income reclassification, original issue discount and market discount
- Lot-level book and tax basis tracking of investments enabling tax aware investing
- Integration with fund administrators for automated consumption and validation of book data

Asset Management Platform® | Key Features

- Automated consumption of book data
- Data mapping/validations
- Book to tax walk
- Investment and basis tracking
- Allocations & Tiering
- State withholding & composites
- Federal & State Tax Returns
- Schedules K-1/K-2/K-3
- US Withholding (1042/1042-S)
- Dynamic report writer
- Structure charts
- Full Client Access

Data Analytics

- What-if scenarios and planning
- Estimates and data visualizations

Workflow/Collaboration

- Milestones & resources
- Shared document workpapers
- Investor Portal

Compliance & Investor Deliverables

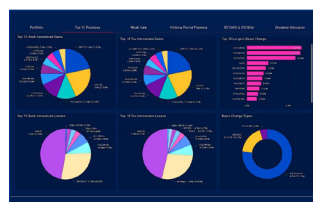
- Tax reports & calculations
- Tax Return, K-1, and K-3 packages
- Investor estimate letters

Tax Return Software

- Integrated mapping with GoRS/CCH
- Federal, State and Local forms
- Electronic filing

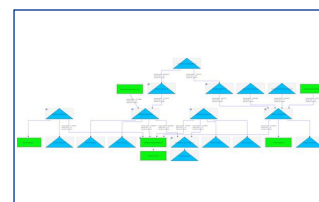
Hedge What-if scenario planning

Business intelligence



Securities Tax Computations

Multilevel tiering and complex allocations



Private Equity | **Hedge** | Real Estate | Funds of Funds | RICs | Energy | Credit | Infrastructure | Family Office | REIT

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Securities Analyzer

Securities Analyzer enables real-time tax analysis of securities transactions and the automation of the book-to-tax adjustments for compliance reporting and tax efficiency planning.

Securities Analyzer inflows

- Beginning-of-period holdings
- Purchases and realized G/L
- Corporate actions
- Security master
- End-of-period holdings
- Prior-period adjustments

Securities Analyzer trade analysis

Wash sale:

Applies IRC Sec 1091 to calculate loss deferral and reversal on substantially identical securities or options to acquire the same. The analysis incorporates IRC Sec 988 bond bifurcation netting rules.

Constructive sale:

Applies IRC Sec 1259 to calculate and track deemed sale events on appreciated financial positions. The analysis considers daily trade activity.

Straddle:

Applies IRC Sec 1092 to calculate loss deferral and reversal on offsetting positions. Integrated basis tracking avoids duplication of loss deferral with wash sales and other tax adjustments. Supports identified and unidentified straddles.



Securities Analyzer dividend analysis

Qualified dividend, dividend received deduction:

Analyzes dividend payments for preferential tax treatment qualification under IRC Sec 1(h)(11) or IRC Sec 243

Calculate REIT/NonREIT dividend and basis adjustment:

Automates the calculation of return of capital, long-term capital gain, and IRC Sec 1250 amounts paid on REIT/NonREIT securities; tracks basis adjustments on securities sold and calculates the appropriate gain or loss

Short dividend analysis:

Analyzes when a payment made in lieu of dividends on a short position requires a cost basis adjustment under IRC Sec 263(h) and tracks the effect of such adjustment on wash sales, constructive sales, or straddles

1256 Contracts:

Applies IRC Sections 1256 & 988 accordingly to calculate mark-to-market and realized gain/(loss) on futures, options and forwards.

PFIC Mark to Market analysis:

Applies IRC Section 1296 accordingly to calculate mark-to-market, track unreversed inclusion, and determine income reclass adjustments for securities identified as PFICs.

Securities Analyzer debt analysis

Key features:

- OID, market discount, and bond premium computations
- Debt with multiple embedded put and call options
- 988 income bifurcation of total gain/loss into 988 and non-988 gain/loss on disposition of principal
- Accelerated principal payments

Elections:

- Taxpayer level (bond premium offset; include accrued market discount as current income)
- Securities instrument level (Constant-yield for market discount)

Securities Analyzer highlights

- SOC 1 annual certification
- Eight years in production for client deliverables
- Calculate on-demand adjustments for wash sales, REITS, PFICS, straddles, constructive sales, QDI, DRD, and more
- Analyze sufficiently similar securities on options, warrants, convertibles, and equities
- Interwoven cost basis and holding period analytics
- Book-to-tax adjustments flow real-time to your analysis by break period
- Client access to on-demand reports
- Process what-if portfolios for tax aware planning
- Customize reports for downstream automation



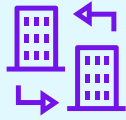
Metrics that matter

The KPMG Asset Management Platform offers established performance and a depth of client engagement.



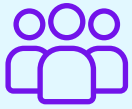
2,602

Total clients



47K+

Entities



3,400

External users



\$247M

Investment to date



Over **40M**

K-1s generated
in 2023



10 years

serving funds



Our people serving you

The KPMG Asset Management Platform, coupled with the power of Securities Analyzer and our tax experience serving asset management firms can help keep your compliance, planning, and reporting on track.

The partners and professionals and professionals of our Pass-through Services practice have extensive experience helping numerous partnership, RIC, and REIT structures overcome their unique tax challenges. Working with our State and Local and Washington National Tax teams, we help you realize tax advantages and maintain compliance by adding clarity through:

- Modeling
- Transactions
- Entity formation structuring
- Tax planning
- Legislative and regulatory developments.

As part of the delivery model, a member of the tax technology team will be available to you throughout the transition planning, client onboarding, and service stages. Some of the key tasks that will be performed during your onboarding includes:

- Understanding your current process, data, and systems
- Identifying key milestones to track
- Reviewing and importing your investor and entity data
- Reviewing system-generated fund/organization charts for accuracy
- Tailoring reports to serve your management team and investor demands.

KPMG Asset Management Platform provides:

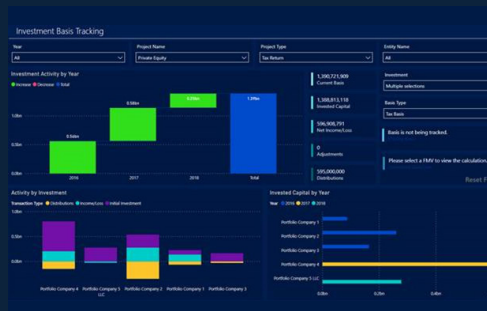
Hedge allocations and securities analysis

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What-if scenario planning

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Business intelligence



Data Automation

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