KPMG Asset Management Platform

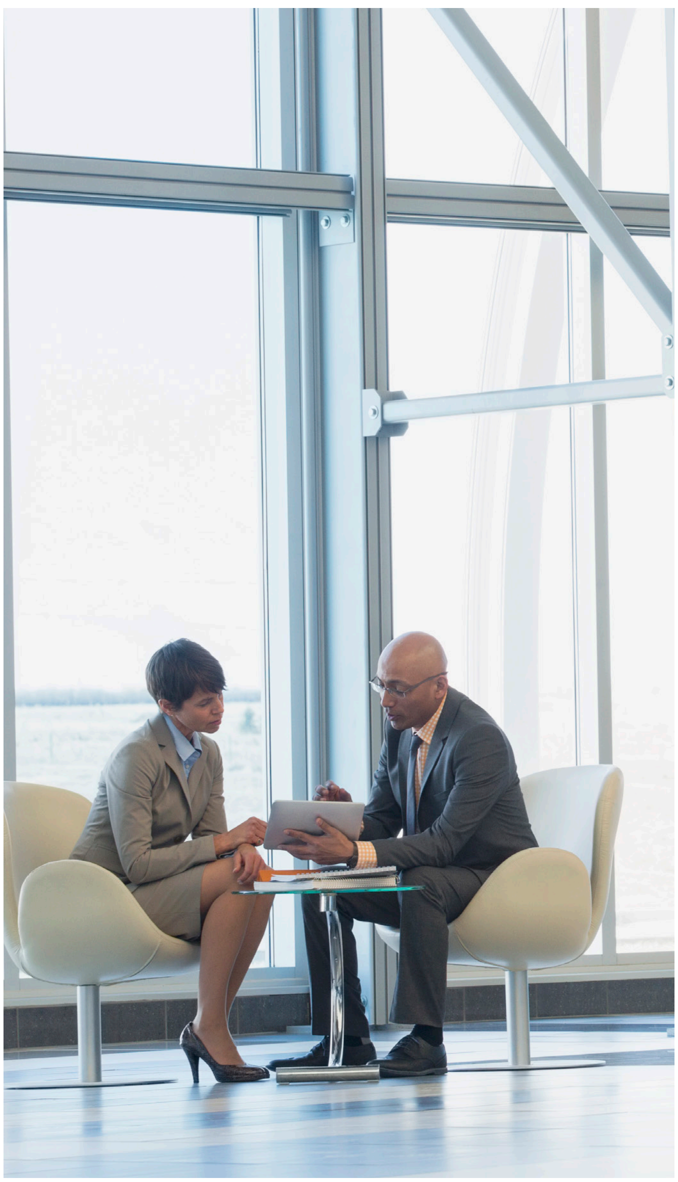
Regulated Investment Companies (RICs)

Pioneering the automation of tax compliance and planning with innovative technology

kpmg.com

> Chief Tax Officers (CTOs) who empower their teams to leverage emerging technologies will not only be better placed to manage budget and headcount constraints but also elevate the tax function to be an agent of transformation and strategic insights"
>
> —**Rema Serafi**
> Vice Chair Tax, KPMG LLP

For more on KPMG's CTO insights and surveys, please visit 2024 Chief Tax Officer Outlook (kpmg.com)



The demands on the chief tax officer are growing

and now technology enables strategic oversight.

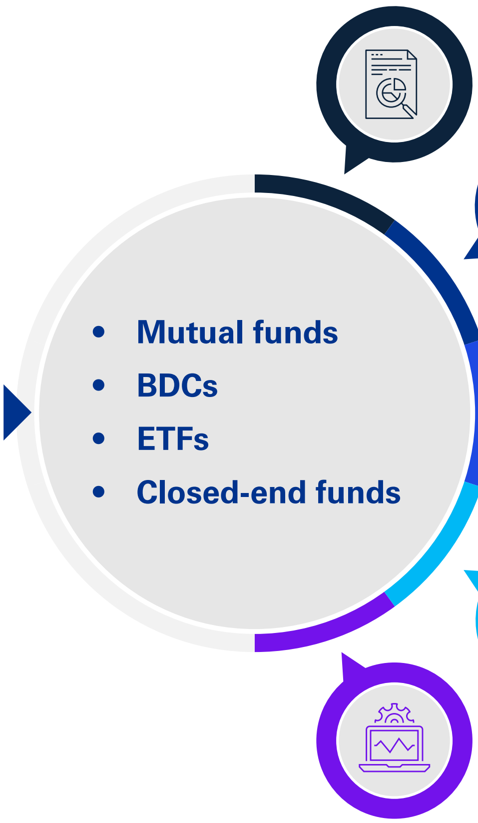
KPMG's Asset Management Platform is an advanced technology tool that will enable CTOs to align with business goals, drive strategic value, increase transparency, and improve the efficiency of tax operations. Informed by our extensive, in-depth tax knowledge of Regulated Investment Companies (RICs), including mutual funds, BDCs, ETFs, and closed-end funds, 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:

- **Proprietary, web-based platform—** SOC 2 annual certification; client accessible, document share e-room
- **Workflow management—** real-time status of current and upcoming deliverables
- **Data Automation Center—** steamlines data ingestion from client and fund adminstrator(s); enrich data with our market data partners; customize structured reports to support downstream automations (ie...financial reporting, treauser's office, and more)
- **Securities analyzer integration—** SOC 1 certified, calculate on-demand adjustments for wash sales, REITs, PFICS, straddles, constructive sales, QDI, DRD, and more.
- **Data Analytics and Microsoft Power BI integration—** provides interactive visualization and business intelligence capabilities. Enables valuable insights for tax planning, risk-based reviews, and oversight
- **Federal and state tax forms integration—** concurrently prepare tax forms with fiscal year tax provision and excise distribution requirements.

30%+ of U.S. regulated investment companies' assets under management (AUM) are using the KPMG Asset Management Platform

Asset Management Platform process flow

Inflows
- Financial data
- Investor info
- Market data
- Schedule K-1s



- **Mutual funds**
- **BDCs**
- **ETFs**
- **Closed-end funds**

Data Analytics and Visualizations
- What-if scenarios and planning
- Excise 2% cushion, IRC 855(a) verification
- Periodic estimates for realized gain/loss, QDI, REIT, and more

Workflow
- Milestones and resources
- Electronic file room

Securities Analyzer
- Wash Sales, REITs, PFICs, Straddles,
- IRC 1256/988 Contracts, Contructive Sales
- QDI, DRD, FTC, & more

Compliance & investor deliverables
- Fiscal, excise, and interim tax provisions
- Shareholder reporting tax characteristics (Form 1099 and NRA)

GoSystem tax
- Tax form production

RIC highlights

- Automates fiscal year tax provisions and excise distribution requirements
- Tax security master data mining
- Periodic estimates for realized gain/loss, QDI, REITs, and more
- Data Automation Center—normalize and reconcile financial data before ingestion
- Shareholder reporting tax characteristics (Form 1099 and NRA)
- Excise 2% cushion, 855(a), and distribution reallocation analytics
- Customize reports for downstream automation for financial reporting, marketing, front office, and more
- Run on-demand queries across your funds
- SOC 2 annual certification

KPMG Securities Analyzer

KPMG Securities Analyzer automates the tax analyses of securities transactions using data feeds that flow into AMP. These interwoven tax calculations provide accurate book-to tax adjustment results for compliance and enables tax-efficient investing and planning. For example, the calculation of wash sales incorporates basis adjustments for Real Estate Investment Trusts (REITs) and Passive Foreign Investment Companies (PFICs).

Our deep knowledge in wash sale and other financial product taxation issues such as constructive sales and straddles, along with our robust, SOC 1 certified, KPMG Securities Analyzer tool, can help even the most sophisticated fund managers improve their portfolio management and tax compliance.

Customized reports

KPMG has developed a number of reports that can be customized to the specific needs of each fund manager. The following is a sample of some information that can be tracked in the KPMG tool:

- Investment tax basis tracking
- Holding period tracking and adjustment
- Short term recategorization to long term
- Per-share tax liability calculations including adjustment
- Tax lot relief identification including basis adjustment.

Service options

- KPMG managed service calculations
- KPMG hosted: client self-service calculations
- Client hosted: on-site software installation

Tax calculations

- Wash Sales
- Income Reallocation (REITs/RIC/Other Investments)
- Straddles (Unidentified and Identified)
- Constructive Sales
- IRC Section 263(h) Short Sales
- IRC Section 1256 Contracts with IRC 988 overlay
- Qualified Dividend Income (QDI)
- Dividend Received Deduction (DRD)
- Passive Foreign Investment Companies (PFICS)
- Foreign Tax Credit (FTC)
- Accretion of Original Issued Discount
- Accretion of Market Discount
- Amortization of Bond premium

Securities Analyzer highlights

- SOC 1 annual certification
- 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
- Securities Analyzer Center of Excellence team works closely with client and/or administrator technology leads to automate data ingestion with KPMG Data Automation Center
- Reconciles trade data and corporate actions to ending holdings before processing tax calculations

Our people serving you

KPMG's Asset Management Platform, coupled with our tax experience serving RICs and executing consistent processes, can help keep your compliance, planning, and reporting on track.

The partners and professionals of KPMG's Asset Management practice have extensive experience helping RIC structures, including mutual funds, BDCs, Master-Feeder Funds, ETFs and closed-ended funds, 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.

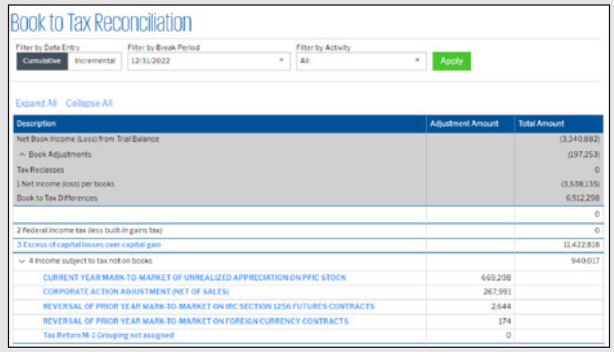
As part of the delivery model, a member of the tax technology team will be available to you throughout the transition planning, client onboarding, and service stages. Some of the key tasks that will be performed during your onboarding includes:

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

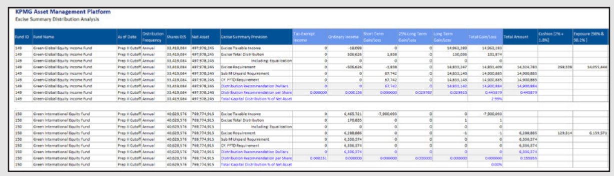
For additional information including a demonstration of KPMG's Asset Management Platform, take a tour of our interactive website at **http://visit.kpmg.us/AMP**. For insights from our Asset Management practice, visit us at **https://kpmg.com/us/en/industries/financial-services/asset-management.html**.

KPMG Asset Management Platform provides:

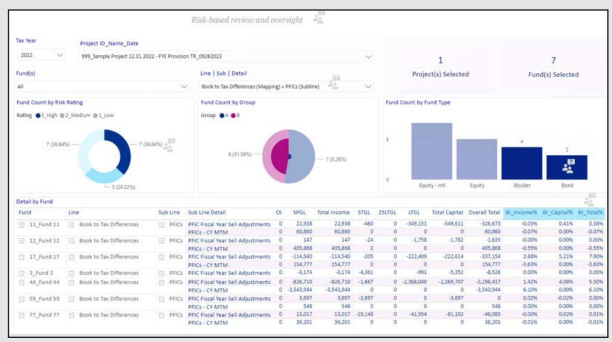
Integrated tax return coding



On-demand summary reports



Business intelligence



Digital Gateway (Enterprise Dashboard)

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