

OUTSOURCING SERVICES FOR EXCHANGE TRADED FUNDS

SEI New ways.
New answers.®

Position yourself for future growth in Exchange Traded Funds.

Exchange Traded Funds (ETFs) are one of the fastest-growing investment products in the market today. As of November 2019, ETF assets under management was estimated at \$6 trillion¹ and industry experts project accelerated growth with assets surging to \$50 trillion by 2030.²

Savvy investors—from individuals to institutions—have reaped the benefits of investing in an ETF. Benefits can include transparency, flexibility, risk management, potential tax benefits and aiding in portfolio diversification. It is critical as the ETF industry continues to expand, the products you offer are positioned to capture future growth. Our integrated, turnkey solution includes fund accounting and administration, authorized participant (AP) processing, custody and index receipt agent, distribution services, and compliance support.

We continue to maintain our position at the forefront of the ETF industry by staying ahead of industry trends, meeting industry needs and providing a superior commitment to helping clients like you succeed.

The experience you need to navigate the ETF marketplace with ease.

Whether you're an investment manager launching a new ETF or an experienced industry player looking to grow your ETF, we are in a unique position to successfully help guide you through the ETF marketplace. Our entire infrastructure is designed to meet the data needs of sponsors today and prepare them to thrive tomorrow.

Our team of innovative and experienced staff, along with our end-to-end solution, is customized to fit your products and your existing systems. This allows you to create a more satisfying experience for your investors and investigate new sectors and markets for future ETF development.

Our platform offers full fund accounting and administrative services, including production of the Portfolio Composition File ("PCF"), or "basket," which is maintained in our investment accounting system. Our team reviews and maintains the basket for nightly dissemination and works closely with the portfolio management team to accurately record any corporation actions.

Building a strategic partnership with us allows you to focus on your core investment-related activities while using our broad resources to manage the middle- and back-office functions required to support an ETF product launch.

Benefit from increased efficiency and transparency.

As the ETF sector continues to grow, you need an industry leader dedicated to providing innovative and transformational capabilities. As a pioneer in the ETF industry, we bring a deep understanding and expertise to the growing complexities of distribution, compliance and product strategy. Our fully automated, web-based processing system for ETFs can help increase your overall efficiency and transparency by connecting the authorized participants (APs), sponsor, distributor, custodians and transfer agents in one straight-through electronic process.

¹Lord, James. "ETF industry surpasses \$6tn AUM milestone." ETFStrategy, December 18, 2019, <https://www.ETFstrategy.com/ETF-industry-surpasses-6tn-aum-milestone-48595/>.

²Li, Yun. "ETF assets to surge tenfold in 10 years to \$50 trillion, Bank of America predicts." CNBC, December 12, 2019, <https://www.cNBC.com/2019/12/12/ETF-assets-to-surge-tenfold-in-10-years-to-50-trillion-bank-of-america-predicts.html>

The speed and convenience you need to succeed.

- › Streamline submission and review of ETF creation and redemption transactions with our centralized order entry location.
- › Enhanced flexibility for users allows APs to easily replace an order prior to cutoff times, and participants can effortlessly access their historical records.
- › An instantaneous affirmation process acknowledges orders, followed by an electronic confirmation process.

The right risk mitigation strategies.

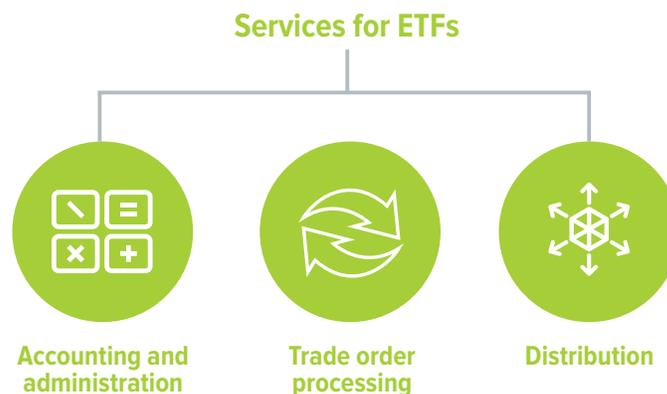
- › To prevent erroneous trades, we created a multifaceted process that introduces numerous checks and balances while maintaining a seamless and efficient user experience.
- › Fund parameters and exceptions set by the sponsors are incorporated into the system and automatically assist the AP with the trade input.
- › Our centralized operations team performs multiple tolerance reviews based on mutually agreed-upon standards.

Additional transparency for sponsors.

- › Log in throughout the day to monitor your activity.
- › View a more accurate snapshot of your business as transactions occur.

ETF services designed to keep you ahead of the competition.

You need customizable technology nimble enough to fit your current specific operating needs and also adapt to the future of the ETF business. We can supply that infrastructure as well as the services you need to keep you ahead of the competition. Our middle- and back-office functions include:





Accounting and administration

Our platform offers full fund accounting and administration services:

- › Regulatory report production and distribution
- › Portfolio composition file production
- › Portfolio compliance support
- › Production of the premium and discount calculations
- › Board support and management
- › Verification of current day's dividend and corporate actions activity
- › Tax services
- › Performance reporting



Trade order processing

Our system incorporates fund parameters and exceptions set by the sponsors to automatically assist with trade input. Our innovative platform also allows APs to:

- › Submit and review ETF creation and redemption transactions through our secure web-based platform
- › Easily update an order prior to cutoff time and access historical records
- › Acknowledge and confirm orders through an instantaneous affirmation process followed by an electronic confirmation process



Distribution

Legal support

- › Provide compliance training and support
- › Address day-to-day legal and regulatory questions
- › Liaise with Trust counsel on matters that include registration and reporting requirements on behalf of the Trust
- › Manage Board of Trustees meetings

Marketing and sales

- › Generate, profile and qualify leads
- › Educate advisors, research teams and decision makers about your product and brand
- › Build relationships and develop business within various distribution channels
- › Manage SEC and FINRA legal review and filing of marketing materials
- › Provide assistance with product design, structure, underwriting support and distribution

Call/contact center

- › Staffed by Series 7 licensed registered representatives
- › Provide broker-dealer and investor services
- › Generate responses to inbound, outbound and email queries
- › Perform targeted calling campaigns and surveys
- › Perform lead capture activities

About SEI's Investment Manager Services Division

Investment Manager Services supplies investment organizations of all types with advanced operating infrastructure they must have to evolve and compete in a landscape of escalating business challenges. SEI's award-winning global operating platform provides investment managers and asset owners with customized and integrated capabilities across a wide range of investment vehicles, strategies and jurisdictions.

Our services enable users to gain scale and efficiency, keep pace with marketplace demands, and run their businesses more strategically. SEI partners with more than 550 traditional and alternative asset managers, as well as sovereign wealth managers and family offices, representing over \$24.5 trillion in assets, including 45 of the top 100 asset managers worldwide. For more information, visit seic.com/ims.

About SEI

After 50 years in business, SEI (NASDAQ:SEIC) remains a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of December 31, 2019, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages, advises or administers \$1 trillion in hedge, private equity, mutual fund and pooled or separately managed assets, including \$352 billion in assets under management and \$683 billion in client assets under administration. For more information, visit seic.com.

For more information

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