

OUTSOURCING SERVICES FOR FUNDS OF HEDGE FUNDS

SEI New ways.
New answers.®

Get more time to focus on adding value for your clients.

Funds of hedge funds continue to accumulate large mandates from institutional investors. The increase in institutional assets means managers need to be able to accommodate institutions' increasing demands for transparency, customized reporting and operational infrastructure.

With our innovative technology, proven infrastructure and knowledgeable professionals, we provide the global operating platform that institutions are increasingly demanding. With a client list full of some of the largest and most respected funds of hedge funds, we deliver a complete operations outsourcing solution that allows you to focus on the tasks that add value for your clients.

We can help your operating environment become scalable and flexible enough to handle the most sophisticated structures and strategies.

Our comprehensive solution:

Provides a comprehensive array of services.

Our online Funds of Hedge Funds Dashboard allows you to view, approve and manage financial statement and valuation information in real time throughout the month. It's just one example of the innovative capabilities designed specifically for the needs of funds of hedge funds.

Delivers the level of client experience and flexibility investors increasingly demand.

We are committed to delivering an exceptional client experience for you and your investors. From accurate, timely deliverables to enhanced reporting, our goal is to equip you with what you need to succeed.

Mitigates risk and increases the level of transparency into your operations.

Our Business Process Automation platform uses best-in-class technology and incorporates workflow, automation and compliance controls to create a consistent and process-driven operating environment. We undergo annual SOC 1 Type II certification examinations in accordance with SSAE 16 guidelines, and test our Disaster Recovery and Business Continuity Plans throughout the year. Our investor and investment subscription/redemption workflow technology minimizes manual processes, creates audit trails and increases transparency.

Increased transparency in monthly valuation and reporting.

Our platform provides greater levels of efficiency, collaboration and transparency in the monthly valuation and reporting process. It also allows you to view, approve and manage financial statement and valuation information in real time throughout the month. It includes a calendar function with automated reminders for key tasks and information, as well as a real-time trade blotter and status reports. You'll have access to an online approval process with a corresponding audit trail for accurate, secure and consistent reporting. Having a single point of record and enabling all communication to be tracked and approved online strengthens operational compliance and makes the monthly process more transparent.

Outsourcing services for funds of hedge funds:

Investment processing

- › Complete and distribute trade documentation to the fund for signature and confirmation of receipt
- › Set up and maintain funds in the accounting system
- › Maintain fund documentation (e.g., subscription documents, redemption notices, etc.) electronically
- › Execute payment for all cash movements to the funds and confirm receipt
- › Provide written authorization for all cash movements of the funds

Accounting services

- › Calculate net asset values (NAVs) independently
- › Maintain books and records of the fund in accordance with the fund's governing documents
- › Calculate performance and management fees
- › Reconcile and record expense and income accruals
- › Enter all security transactions, as well as investor subscriptions and redemptions, into the accounting records
- › Review and reconcile prime broker/custody agent's statements
- › Transmit portfolio and accounting records to the investment manager
- › Support multi-series, equalization and partnership accounting
- › Process fund investment transactions and gather fund valuations
- › Calculate performance returns at the investor level, and report fund and investor interests on a periodic basis

Investor servicing

- › Review and process investor confirmations and statements
- › Process investor subscriptions, redemptions and transfers
- › Facilitate investor money movement
- › Distribute reporting to fund manager for pending trade activity and investor account information
- › Distribute account activity, account value and fund-level reporting to end investors and interested parties
- › Assist in anti-money laundering (AML) and USA PATRIOT Act compliance

Administration services

- › Establish reporting requirements with client
- › Prepare financial statements and footnotes for annual audit
- › Liaise with auditors and coordinate audit timetables and audit schedule
- › Coordinate the completion of fund regulatory filing
- › Review income and expenses
- › Assist in fund exchange listing
- › Report to rating agencies and performance tracking services
- › Review draft offering documents and investor applications and provide recommendations regarding compliance issues, accounting and operational considerations

Trustee and custodial services

- › Provide safekeeping of assets
- › Perform compliance review of fund documentation in accordance with applicable regulatory agency, including any prospectus requirements
- › Review pricing process and NAV calculation
- › Prepare annual custody and trustee reports to shareholders/unit holders

Treasury services

- › Establish and maintain bank accounts
- › Reconcile cash daily with bank
- › Pay expense invoices, and asset and incentive-based fees
- › Process wire transfers to investors
- › Maintain file of wire transfers

Tax services

- › Provide tax support for U.S. partnerships
- › Provide partner demographics and account information in electronic format
- › Provide detailed portfolio investment transactions and year-end holdings in electronic format
- › Provide K-1s received from underlying funds

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 presently partners with more than 300 asset owners and investment managers of traditional, alternative and hybrid structures representing \$16.5 trillion in assets, including 36 of the top 100 managers worldwide. For more information, visit seic.com/ims.

About SEI

Now in its 50th year of business, SEI (NASDAQ:SEIC) is 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, 2017, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages, advises or administers \$861 billion in hedge, private equity, mutual fund and pooled or separately managed assets, including \$337 billion in assets under management and \$518 billion in client assets under administration. For more information, visit: seic.com.

For more information

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