

Axioma Reporting Solutions

FORM N-PORT **A New Reporting Requirement for U.S. '40 Act Funds**

As part of the SEC Modernization reforms (effective January 2017), the SEC introduced Form N-PORT. It enables the SEC to evaluate various risks to a particular fund or sector, as well as the risk across the entire fund industry.

Form N-PORT replaces the current reporting requirement (FORM N-Q). It mandates that all U.S. Registered Investment Companies (e.g. mutual funds and exchange-traded funds) report data and risk analytics on their fund portfolio composition to the SEC on a monthly basis. This new report is submitted in a structured data format similar to the SEC Form PF (private fund reporting). Monthly reporting of the fund's investments should include:

- Data related to the pricing of portfolio securities
- Information regarding repurchase agreements, securities lending activities, and counterparty exposures
- Terms of derivatives contracts

Mutual Funds are now also required to establish a liquidity protocol and a Liquidity Risk Management program (LRM) Additionally, beginning in June 2019, funds will be required to assign a liquidity category for each of its holdings based on:

- Differences in Liquidity characteristics
- Differences in sub-advisor classifications
- Full Liquidation

The first submission of N-PORT to the SEC is due in April 2019.

REQUIRED INFORMATION TO BE REPORTED

- General information about the fund
- Fund assets and liabilities
- Certain portfolio-level metrics (including certain risk metrics)
- Fund's liquidity profile (including the liquidity classification of assets)
- Information regarding securities lending counterparties
- Monthly returns
- Flow information
- Information regarding each investment held in the portfolio
- Miscellaneous securities (if any)

KEY DATES FOR IMPLEMENTATION

Submission deadline:
30 days after each month end

Reporting begins:

Funds \geq \$1bn - June 2018
Funds $<$ \$1bn - June 2019

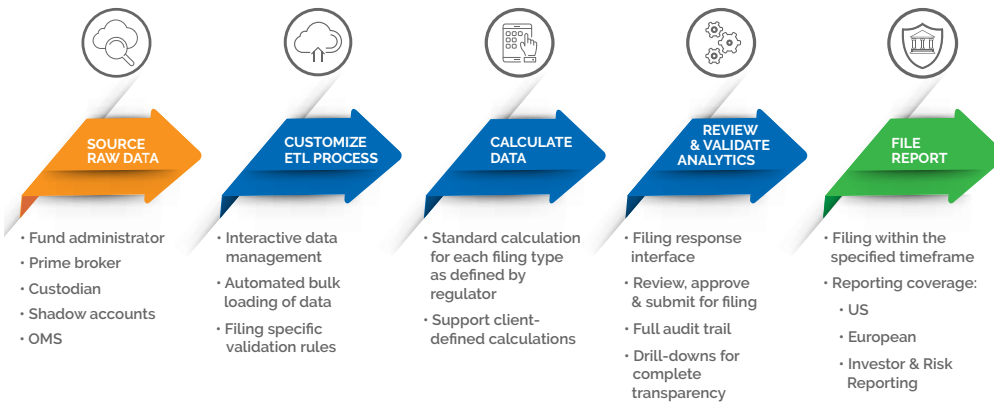


THE MANAGED SERVICE

On top of a powerful technology offering, the Axioma Reporting Solutions managed service takes pain out of clients' hands. Axioma offers a completely outsourced regulatory reporting service, driven by experienced and knowledgeable regulatory experts. We pair the Technology Platform with our proven Managed Service, which includes customization of a workflow between Axioma, client team and any additional vendors needed to produce client reports.

- **Identification of necessary data sources**, typically originating from a combination of Fund Administration raw output of positional information, prime broker counterparty data and internal client systems.
- **Build of a custom extraction, translation and loading process** ("ETL") to receive raw data from identified sources and map it to a necessary format in the Data Console.
- **Validation of data once in the Data Console** and generation of specified report(s).
- **Maintenance and update of workflows** to account for raw data changes from client input.

THE AXIOMA INTEGRATED WORKFLOW



WHY AXIOMA?

Axioma, Inc. is the leading provider of innovative risk-management and portfolio-construction solutions to financial institutions worldwide. With an emphasis on innovation, outstanding service and open-platform technology, Axioma gives its clients more choice, greater flexibility and increased performance. Founded in 1998, Axioma is headquartered in New York, with offices in Atlanta, Frankfurt, Geneva, Hong Kong, London, Melbourne, Paris, San Francisco, Singapore, Sydney and Tokyo.



Axioma at a Glance

- Founded in 1998
- Headquartered in New York with 11 regional offices
- 250+ employees
- 7000+ professional users

Awards

Buy-Side Market Risk Management Product of the Year – Risk.net Market Technology Awards 2018

Appeared on the Chartis RiskTech100® 2018, a ranking of the world's most significant risk and compliance technology companies

Risk Management System of the Year – 2017 Global Investor Investment Excellence Awards

Sebastian Ceria, CEO, was named to Institutional Investor's Tech 40 List of "Financial Technology Leaders" for the 4th consecutive year – 2017

Contact us to learn more about how Axioma can help you better manage risk and enhance your investment process.

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