



ANNUAL SURVEY FROM BOSTON FINANCIAL POINTS TO OVERSIGHT CHALLENGES FOR MUTUAL FUND COMPANIES

*2013 Results Indicate Need for Enhanced Oversight Programs As Reliance on Financial Intermediaries
Continues To Grow*

QUINCY, MA – June 26, 2013 – Boston Financial Data Services, Inc., a leading financial services provider, today announced the results of its third annual Financial Intermediary Administration Survey.

The 2013 survey measured mutual fund company opinions on their current Financial Intermediary (FI) practices, how they interact with their FIs, and what tools they use or need to manage their overall compliance and operational obligations. This year's results show that as omnibus processing and the reliance on FIs continue to increase, fund companies are facing ongoing challenges in overseeing their FI relationships.

Nearly all (96%) of the survey's respondents anticipate that their obligation to manage FI relationships will increase over the next three years, primarily due to SEC interest (92%) and interest at the fund Board level (69%). Notably, 98% of respondents said the greatest challenge in managing these FI interactions is Legal/Regulatory Risk – nearly double the 2012 number.

"It's clear that achieving transparency is critical to an effective Financial Intermediary oversight and risk management program," said Michael McNeill, a managing director at Boston Financial. "The survey tells us that the negative effects of not having a strong process in place are significant."

The 2013 survey also reported that just slightly more than 10% of respondents were 'Highly Satisfied' with their current internal oversight programs, indicating a desire by fund companies to enhance their existing programs.

As the largest provider of transfer agency services in the U.S., Boston Financial is uniquely positioned to gain input from fund companies on their needs and compile their views on the business landscape. The firm uses its annual survey results to develop timely and relevant solutions that assist mutual fund providers with a wide range of Financial Intermediary oversight needs.

In response to current business needs, Boston Financial recently introduced FIA™ Solutions to provide fund companies intermediary data and relationship information, to improve intermediary payment administration, and to simplify inspection and monitoring obligations.

About Boston Financial

Boston Financial Data Services, Inc. is one of the industry's premier outsourcing providers servicing the financial marketplace. Founded in 1973, Boston Financial is a joint venture between DST Systems, Inc. of Kansas City, MO. and State Street Corporation of Boston, MA. The joint venture has enabled Boston Financial's clients to utilize DST's industry-leading software and technology while benefiting from the institutional support and global reach of State Street. For more information, visit www.bostonfinancial.com/fia.

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