



KPMG Asset Management Platform

Hedge Funds

Pioneering the
automation of tax
compliance and
planning with
innovative technology

[kpmg.com](https://www.kpmg.com)





The demands on the chief tax officer are growing

and now technology is available to assist and enable significant improvements.

KPMG's Asset Management Platform is leading-edge technology that can help you reimagine cost-effective, innovative ways to execute tax compliance and planning. Informed by our extensive, in-depth tax knowledge of pass-through structures, 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:

- Complete transparency into the status of tax deliverables and the capability to drill-down into calculations (not a black box)
- Reduced risk of missing tax compliance and investor reporting deadlines
- Increased operational efficiencies across all aspects of tax compliance (data collection, updating investor/tax info, creating reports, and tax filings)
- Shared access for client, KPMG, and authorized third parties
- Reduced rework time and enhanced reporting derived from one tax technology platform supporting all major asset classes for both federal and state
- Improved decision support enabled by scenario planning, modeling, estimates, and data analytics
- Removal of constraints on business growth and profitability by replacing manual processes and legacy systems.

For additional information including a demonstration of KPMG's Asset Management Platform, take a tour of our interactive website at [visit.kpmg.us/AMP](https://www.kpmg.us/AMP). For insights from our Asset Management practice, visit us at [home.kpmg/us](https://www.kpmg.us).

KPMG Asset Management Platform[®]

Inflows

Financial data

Investor data

Market data



Hedge specifics

- 704(c) aggregation (full or partial netting) and lot layering
- Support for multiple pools/side pockets
- Identification and treatment of wash sales, constructive sales, straddles, 1256 and 988 MTM, qualified dividend income, dividend received deduction, REIT dividend income reclassification, original issue discount and market discount
- Lot-level book and tax basis tracking of investments enabling tax aware investing
- Integration with fund administrators for automated consumption and validation of book data
- New feature: business intelligence software integration enables real-time visualizations and data analytics

Asset Management Platform[®] | Key Features

- Data Mapping/Validations
- Book to Tax Walk
- Investment & basis tracking
- Allocations & Tiering
- State withholding & composites
- Federal & State Tax Returns
- Dynamic Report Writer



Data analytics

- What-if scenarios & planning
- Estimates & data visualizations



Workflow/collaboration

- Milestones & resources
- Shared document workspace



Compliance & investor deliverables

- Fiscal, excise & interim tax provisions
- Tax reports & calculations for Form 1099 & NRA
- Tax Return & K-1 packages



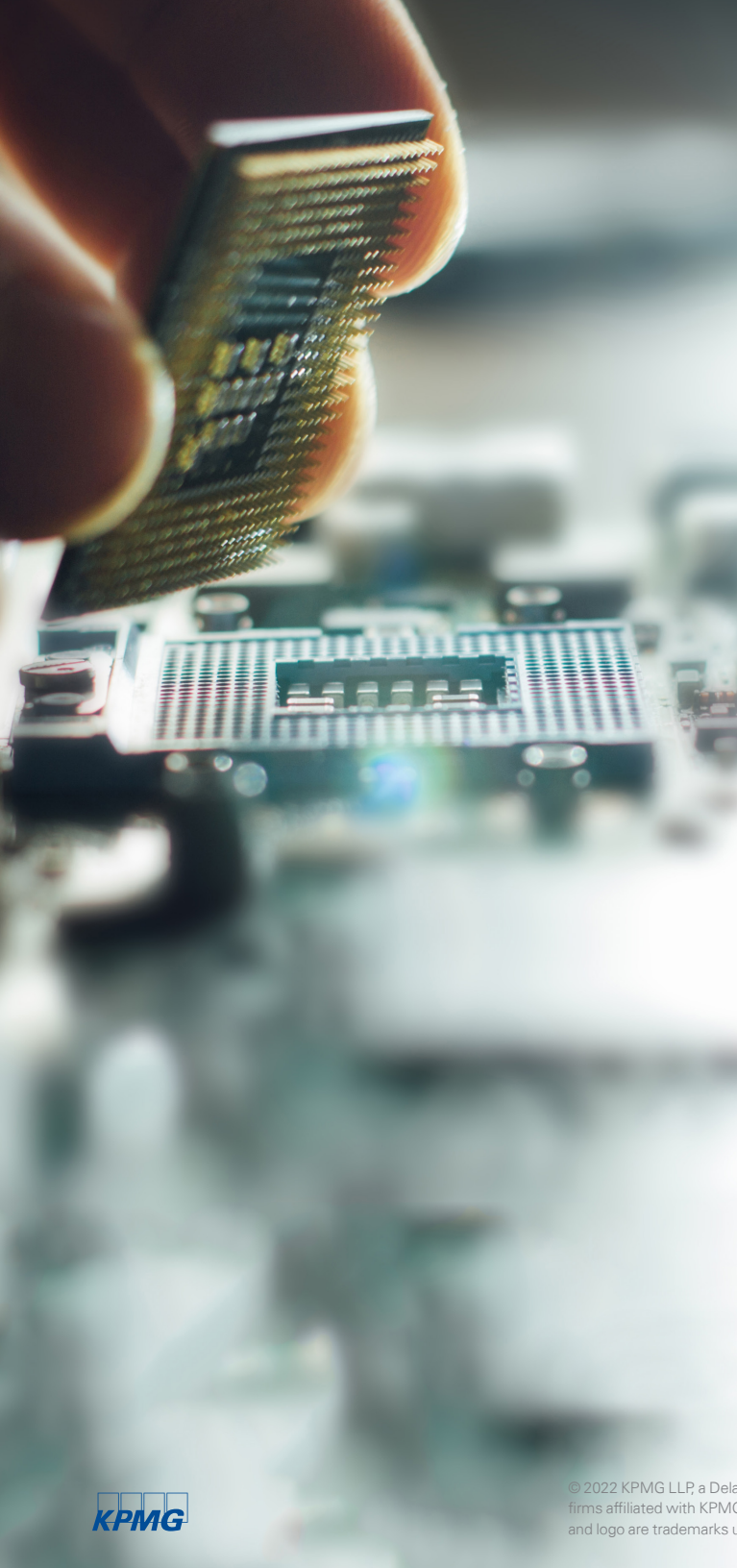
GoSystem Tax Return Software

- Integrated mapping
- Federal, State & Local forms
- Electronic filing

Private Equity | **Hedge** | Real Estate | Funds of Funds | RICs | Energy | Credit | Infrastructure

Key system attributes

- Data/document sharing and collaboration
- Workflow/project task tracking
- Dynamic fund/organization chart generation
- Section 704(c) allocation and side pockets
- Allocate daily, monthly, annually or based on investor capital activity
- Automated tiering in a multi-level structure
- Integrated federal and state calculations
- Graphic data visualizations for decision support
- K-1 production and state withholding vouchers, and state composite workpapers
- Data extraction for electronic filing of federal and state tax returns



Securities Analyzer functionality

Securities Analyzer enhances the Asset Management Platform by performing tax analysis of securities transactions, automating the associated book-to-tax adjustments necessary for tax compliance and enabling tax efficiency investing.



Securities Analyzer inflows

- Beginning-of-period holdings
- Purchases and realized G/L
- Corporate actions
- Security master
- End-of-period holdings
- Prior-period adjustments

Securities Analyzer trade analysis

Wash sale:

Applies IRC Sec 1091 to calculate loss deferral and reversal on substantially identical securities or options to acquire the same. The analysis incorporates IRC Sec 988 bond bifurcation netting rules.

Constructive sale:

Applies IRC Sec 1259 to calculate and track deemed sale events on appreciated financial positions. The analysis considers daily trade activity.

Straddle:

Applies IRC Sec 1092 to calculate loss deferral and reversal on offsetting positions. Integrated basis tracking avoids duplication of loss deferral with wash sales and other tax adjustments. Supports identified and unidentified straddles.

Securities Analyzer dividend analysis

Qualified dividend, dividend received deduction:

Analyzes dividend payments for preferential tax treatment qualification under IRC Sec 1(h)(11) or IRC Sec 243

Calculate REIT dividend and basis adjustment:

Automates the calculation of return of capital gain, long-term capital, and IRC Sec 1250 amounts paid on REIT securities; tracks basis adjustments on securities sold and calculates the appropriate gain or loss

Short dividend analysis:

Analyzes when a payment made in lieu of dividends on a short position requires a cost basis adjustment under IRC Sec 263(h) and tracks the effect of such adjustment on wash sales, constructive sales, or straddles

1256 Contracts:

Applies IRC Sections 1256 & 988 accordingly to calculate mark-to-market and realized gain/(loss) on futures, options and forwards.

Securities Analyzer debt analysis

Key features:

- OID, market discount, and bond premium computations
- Debt with multiple embedded put and call options
- 988 income bifurcation of total gain/loss into 988 and non-988 gain/loss on disposition of principal
- Accelerated principal payments

Elections:

- Taxpayer level {bond premium offset; market discount as accrued}
- Securities instrument level {CYM; all-OID}

Coming soon:

- Variable-rate debt instruments
- Multiple scheduled principal payments
- Notional principal contracts analysis

Securities Analyzer highlights

- SOC 1 annual certification
- Six years in production for client deliverables
- Analyze for wash sales, REITs, constructive sales, straddles, QDI/DRD/FTC, IRC Sec 263(h), 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

Metrics that matter

KPMG's Asset Management Platform offers established performance and a depth of client engagement.



1,240

Total clients



20,000

Entities



3,000

External users



\$150M+

Investment to date



Over **8M**

K-1s generated in 2020



7 years

serving funds

Our people serving you

KPMG's Asset Management Platform, coupled with the power of Securities Analyzer and our tax experience serving asset management firms can help keep your compliance, planning, and reporting on track.

The partners and professionals of KPMG's Pass-through Services practice have extensive experience helping numerous partnership, RIC, and REIT structures 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:

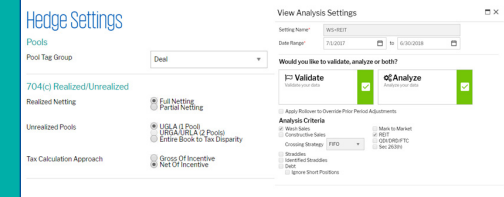
- Modeling
- Transactions
- Entity formation structuring
- Tax planning
- Legislative and regulatory developments.

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 investor and entity data
- Reviewing system-generated fund/organization charts for accuracy
- Tailoring reports to serve your management team and investor demands.

KPMG Asset Management Platform provides:

Hedge allocations and securities analysis



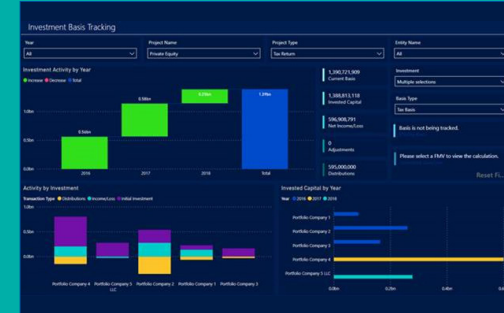
What-if scenario planning

Greenwill Capital Fund I LP 2018 Estimate to Tax Return Summary				Estimate/Hypothetical			
Partner	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Variance
Four LP	7,814,140	255,810	8,069,950	7,814,140	255,810	8,069,950	(13,353,911)
Greenwill Capital Fund I Biotech LLC	39,070,700	1,279,155	40,349,855	39,070,700	1,174,586,702	156,123,400	(115,779,549)
Greenwill Capital LP I LP	44,533,520	1,390,320	45,863,840	44,533,520	121,744,052	166,277,579	(120,410,730)
LP Inv.	24,004,520	107,000	24,111,520	24,004,520	70,333,228	84,337,748	(60,407,228)
LP Inv.	10,070,200	311,600	10,381,800	10,070,200	40,411,400	42,481,600	(32,110,800)
One LP	18,407,870	1,227,900	19,635,770	18,407,870	111,276,320	129,684,200	(111,148,900)
Temp LP	11,256,510	4,000	11,270,510	11,256,510	19,644,900	23,901,400	(12,631,640)
Total	201,000,990	6,395,740	207,486,730	201,000,990	585,293,520	786,984,510	(578,897,780)

Greenwill Capital GP LP 2018 Estimate to Tax Return Summary				Estimate/Hypothetical			
Partner	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Variance
Greenwill Capital Management LLC	21,987,020	644,640	22,631,660	21,987,020	58,933,282	80,920,300	(58,288,640)
One GP Member	22,884,570	879,620	23,764,190	22,884,570	40,349,842	63,234,410	(39,469,220)
Temp GP Member	953,250	4,000	957,250	953,250	2,644,320	3,597,570	(2,641,320)
Total	44,533,520	1,390,320	45,863,840	44,533,520	121,744,052	166,277,579	(120,410,730)

Greenwill Co-Investors LLC 2018 Estimate to Tax Return Summary				Estimate/Hypothetical			
Partner	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Ordinary / Interest Income	Capital Gains/Divs	Total Taxable Income	Variance
Greenwill Co-Investors LLC	21,987,020	644,640	22,631,660	21,987,020	58,933,282	80,920,300	(58,288,640)
One GP Member	22,884,570	879,620	23,764,190	22,884,570	40,349,842	63,234,410	(39,469,220)
Temp GP Member	953,250	4,000	957,250	953,250	2,644,320	3,597,570	(2,641,320)
Total	44,533,520	1,390,320	45,863,840	44,533,520	121,744,052	166,277,579	(120,410,730)

Business intelligence



Data Automation

Data Automation Center																							
Client Configuration	Scheduler	Process Queue List																					
Generic Feed <input type="checkbox"/> USA and TR Investment <input type="checkbox"/> Global TR Investment <input checked="" type="checkbox"/> Geneva to Securities Analyzer	Scheduler <input checked="" type="checkbox"/> Generic Feed <input type="checkbox"/> Add New Schedules	Process Queue List <table border="1"> <thead> <tr> <th>PROCESSED BY</th> <th>CLIENT FILE NAME</th> <th>FILE DATE</th> <th>FILE</th> <th>INITIATED BY</th> </tr> </thead> <tbody> <tr> <td>ST000</td> <td>Geneva_PBC_BioPharmaceuticals</td> <td>Geneva_PBC</td> <td>Geneva_PBC_Securities_Analyzer</td> <td>Process Using</td> </tr> <tr> <td>ST000</td> <td>Geneva_PBC_BioPharmaceuticals</td> <td>Geneva_PBC</td> <td>Geneva_PBC_Securities_Analyzer</td> <td>Checkable Status</td> </tr> <tr> <td>ST000</td> <td>Geneva_PBC_BioPharmaceuticals</td> <td>Geneva_PBC</td> <td>Geneva_PBC_Securities_Analyzer</td> <td>Process Using</td> </tr> </tbody> </table>	PROCESSED BY	CLIENT FILE NAME	FILE DATE	FILE	INITIATED BY	ST000	Geneva_PBC_BioPharmaceuticals	Geneva_PBC	Geneva_PBC_Securities_Analyzer	Process Using	ST000	Geneva_PBC_BioPharmaceuticals	Geneva_PBC	Geneva_PBC_Securities_Analyzer	Checkable Status	ST000	Geneva_PBC_BioPharmaceuticals	Geneva_PBC	Geneva_PBC_Securities_Analyzer	Process Using	
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