



FUND COMPANY BOARDS INCREASINGLY CONCERNED ABOUT INTERMEDIARY OVERSIGHT ACCORDING TO BOSTON FINANCIAL SURVEY

QUINCY, MA – June 19, 2014 – Boston Financial Data Services, Inc., a leading financial services provider, today announced the results of its 4th Annual Financial Intermediary Administration Survey of mutual fund companies.

The 2014 survey, which was designed to provide insight into how the industry is addressing the challenges of financial intermediary (FI) oversight related to shareholder activity, indicates that legal/regulatory risk remains far and away the greatest concern faced by fund companies.

Of particular note this year, 71% of survey respondents identified reputational risk as an increasing area of attention, up from 63% in 2013. In addition, approximately 70% of survey participants indicated that their fund boards have intensified focus on FI-specific oversight and management activities in the last year.

According to Mike McNeill, managing director of Boston Financial's Financial Intermediary Administration (FIA™) business, effective intermediary oversight is clearly perceived as a serious need at the Board level.

"Regulators recognize that many funds have more shareholder positions on the FI recordkeeping systems than their transfer agent system," says McNeill, "and we are all aware that they're working to better understand the interactions between intermediaries and the fund companies.

As a result, and confirmed in the survey, boards are asking the funds to enhance financial intermediary oversight processes to ensure they can better understand and manage all aspects of these relationships."

The survey also indicates that the vast majority of respondents – 91% – expect the need for effective FI oversight will continue to grow. While SEC activity is almost universally identified as the primary reason, 83% believe fund board interest will drive this increase as well, up sharply from 67% last year.

As the largest provider of transfer agency services in the U.S., Boston Financial is uniquely positioned to gain input on current fund company needs and service gaps and to monitor sentiment about the

business landscape. Boston Financial's FIA Solutions provides fund companies with data and relationship management information and tools to improve FI payment administration and to simplify inspection and monitoring obligations.

For additional information on the survey's Key Findings, visit

www.bostonfinancial.com/fia/survey/2014/.

About Boston Financial

Boston Financial Data Services is one of the industry's premier outsourcing providers servicing the financial marketplace. Boston Financial is a joint venture between DST Systems, Inc. (NYSE: DST) of Kansas City, Mo., and State Street Corporation (NYSE: STT) of Boston, Mass. This 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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