

Collective Trust Funds

A Low-Cost, Less-Regulated, Still-Diversified Component of Retirement Investment Portfolios

Collective Trust Funds (CTFs) are a strong and growing market. Although they can share similarities with mutual funds in terms of portfolio holdings and investment strategies, CTFs differ distinctly from their '40 Act cousins. First of all, unlike mutual funds, a Collective Trust Fund is exempt from SEC registration. CTF trustees/sponsors are banks or non-depository trust companies regulated by federal or state regulators. In addition, CTFs may only serve qualified retirement and governmental plans, including defined benefit (DB) and defined contribution (DC) plans.

Compared with mutual funds, CTFs can provide you with access to new markets, lessen your burdens related to increasingly complex regulations and oversight requirements, give you a faster time to market and lower costs to investors.

Flexible solutions

At Citi, we deliver to CTF sponsors the same disciplined best-practices support and control environment as we do with mutual funds, from product creation through full continual servicing of your CTF assets. Our service model and operational platforms will accommodate the demands of your expanding business needs and growing fund assets. In addition, we'll ensure reliable and efficient operations that are seamless to your clients and compatible with third-party providers.

Our approach to Collective Trust Fund administration ensures a more transparent service model and facilitates better fiduciary oversight, more streamlined operations and a greater ability to support your fund's asset growth. Based upon your business needs, you can select one or more individual components of our CTF servicing model or opt for the efficiencies of a bundled solution. Our focus remains on what matters most to you: **Efficiency, Ease of Trading, Compliance and Value.**

Disciplined Support and Control Structure

At Citi, we believe that – although CTFs are not subject to 40 Act regulations and reporting requirements – a service provider should deliver the same disciplined support and control environment as we do with mutual funds, from product creation through full continual servicing of your CTF assets. In this way, you can leverage the best practices of mutual funds while cost-effectively bringing new products to market.

Startup Services

If you are new to the CTF market, Citi will help you through the creation of a new Collective Trust Fund, including:

- Securing the right partnerships
- Policy and procedure establishment
- Comprehensive fund setup and implementation

Global Custody

Citi is the trusted custodian of nearly US\$12 trillion in assets, resulting from our full range of world-class domestic and global custody services.

Our industry-leading proprietary network gives us in-depth local market knowledge and expertise, while our regional service centers and advanced processing technologies allow us to deliver excellence in quality and

Benefits at a Glance

Our Collective Trust Fund services include the following key capabilities:

- Full DTCC/NSCC and DCC&S capabilities
- Proven, top-quality fund accounting model
- Robust Global Custody Infrastructure
- Financial administration and audit support services
- Compliance focus with mutual fund-like reviews including over 200 separate monitoring tests
- Integrated technology platforms providing accurate, reliable data access, seamless industry interfaces, and sophisticated settlement functionality



execution, as well as tailored services, to our clients.

Staffed with our own experts, the proprietary Citi network spans 92 markets worldwide. Our clients therefore benefit from services that other custodians simply cannot match. These benefits include:

- Superior quality through consistency in our technology, operations and customer service across markets
- More favorable cutoff times
- One of the highest straight-through processing (STP) rates in the industry, averaging more than 95%
- Faster problem resolution
- Local market knowledge and market advocacy on behalf of our clients, to help lead market and industry progress

Recordkeeping

With our comprehensive control structure, third-party audit review, rigorous service and quality control, Citi provides superior recordkeeping services. Among the benefits that we can offer you are:

- Superior plan-level recordkeeping/servicing
- Accurate and timely transaction processing
- Meticulous internal and external independent audit review
- Stringent quality standards and controls

Fund Compliance

Citi's dedicated team of fund compliance professionals provides comprehensive portfolio compliance monitoring, audit preparedness and support, and regulatory tracking and communications.

Our CTF compliance services include:

- Comprehensive compliance monitoring and reporting
- Customized, fund specific tests for compliance with offering document restrictions
- Daily testing based upon fund accounting source data, such as security type, issuer and industry codes, security maturity and ratings
- Web-based access

Fund Administration Services

Citi is among the world's largest providers of fund administration services. We take an active role in developing, implementing and continuously training associates on best practice policies and procedures. As result you are well positioned to focus on building a profitable, compliant fund offering, knowing that Citi's sound infrastructure and dedicated administration service team is behind them.

Financial Administration

Our financial administration services include:

- Preparation of annual financial statements
- Preparation of annual expense budgets and periodic accrual analysis
- Coordination of expense payments
- Preparation and distribution of portfolio performance
- Independent audit coordination
- Implementation and guidance on best practices for internal controls, disclosure controls and procedures, and accounting and regulatory matters

Fund and Portfolio Accounting Services

Citi utilizes best-in-breed systems combined with surrounding

applications and interfaces, virtually eliminating the potential for obsolete platforms. Integrated with our Fund Accounting System, Citi's Web-based report distribution system allows real-time Internet access to core fund accounting and performance data.

Our Fund Accounting Services include:

- Daily accounting services
- Client and industry reporting
- Books and records maintenance
- Security pricing and fair valuation support
- Corporate actions
- Industry publication surveys

Why Partner with Citi

Citi has a keen understanding of the market and the business requirements of CTF servicing. We provide best-in-class operational support from product creation through full continual servicing of your trust assets.

Strength of Citi

Citi and Citi's Global Transaction Services are capable of handling end-to-end transactions on a global scale that no other financial institution can match.

As the global leader in banking, capital markets and transaction services, with a presence in over 100 countries, Citi is the complete financial partner to corporations, financial institutions, institutional investors and governments. By providing cutting-edge ideas, best-in-class products and solutions, and unparalleled access to capital and liquidity, Citi enables clients to achieve their strategic financial objectives.

Global Transaction Services
www.transactionservices.citi.com

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