



Whitepaper on Cost Basis Reporting Provides Critical Guidance to Mutual Fund Companies as Imminent Compliance Deadline Looms

Envision Financial Systems publishes 13-page report to advise fund companies on details of the law, deadlines, penalties and options

Irvine, CA. September 29, 2010 — Envision Financial Systems, Inc., a leading provider of technology solutions to the mutual fund industry, today announced the release of a new whitepaper on cost basis reporting. With the deadline of January 1, 2011 for compliance with the new IRS mandated cost basis requirement fast approaching, mutual fund companies are looking for an efficient and cost-effective solution to address regulatory needs.

In October of 2008, President Bush signed into law the “Bailout Bill” as it is commonly referred to. The bill mandates that all mutual fund companies provide shareholders the ability to select the cost basis upon which their investments are sold. This allows shareholders to better manage their tax strategy.

“In today’s era of increasing regulations and compliance requirements, fund companies face the hurdle of ensuring their technology can handle these new laws,” says Satnam Gambhir, Chief Executive Officer of Envision. “We position ourselves as a solution provider in the truest sense of the word, counseling fund companies on how the two realms of computers and compliance meet.”

The in-depth 13-page report, titled “Mutual Fund Cost Basis Reporting – Fast Track to Compliance”, addresses the following:

- Details on the new law and changes
- IRS guidance notices
- Who will benefit from the new law
- What mutual funds and brokers need to do to be in compliance
- Deadline dates and penalties
- Reporting requirements: cost basis tax lot relief methods
- Basis and Loss Adjustment Rules
- Critical decisions for fund companies

In the fall of 2009, Envision incorporated the ability to determine a shareholder’s cost basis under these new regulations into their award-winning PowerAgent transfer agency system. The calculations take into account sales, tax-free exchanges, inheritance transfers, load structures and more. Shareholders are able to select from a list of tax strategies such as “maximize gain – long-term then short-term.” PowerAgent will then select the best tax lots sell to achieve the desired results. “While shareholders stand to benefit from the new law the most in the long term, fund companies will face increasing pressure in the short term as deadlines loom,” continues Gambhir. “But with proper planning and execution, fund



companies can leverage these changes to distinguish themselves by offering premium services to their shareholders.”

You may request a complimentary copy of the whitepaper at <http://www.enfs.com/CostBasis.html>.

About Envision Financial Systems

Founded in 1994, Envision Financial Systems, Inc. is a leading provider of real-time shareholder accounting software solutions to the mutual fund and financial services industry. Using in-depth knowledge of the industry and listening to its customers, Envision provides its clients with real-time access to data that optimizes productivity, increases customer satisfaction and enables emerging business needs. Envision’s headquarters are in Irvine, California, with offices in Owings Mills, Maryland and Bangalore, India. For more information, visit www.enfs.com.

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