

Liquidity & regulation: SEC 22e-4

Increasing liquidity challenges

New regulations and the compliance challenges they present call for agile solutions. SEC 22e-4 requires mutual funds and ETFs worth over \$1bn to implement a liquidity risk management system with enhanced disclosure on liquidity and redemption practices by December 1, 2018.

Are you regulation-ready?

For your firm to be regulation-ready, is it more effective to build or buy — and how will you select a vendor? Liquidity rules proposed for mutual funds and ETFs in SEC 22e-4 will prove challenging under existing systems, because firms will now need to report on activities and areas currently lacking in available, consistent data. You can't be truly prepared if your data isn't reliable and comprehensive.

Adding value beyond compliance

SEC 22e-4 and other global liquidity-related regulations for the buy side, such as AIFMD, UCITS and SFC (HK) add to the complexity of doing business. Our analytics provide deep insights into the liquidity of your holdings and our enterprise delivery efficiently supports you to get ready to navigate, manage and report market liquidity risk and align with global regulatory requirements.

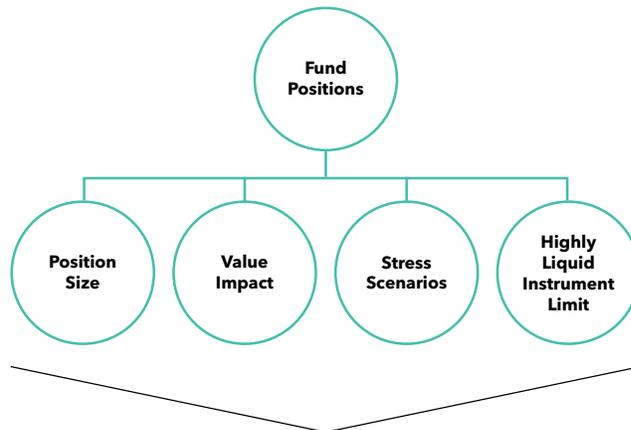
Global coverage	Fixed income, including government and supranational, agency, corporate and municipal bonds; and equities, including common stocks, ADR, GDR, ETFs and more.
Unrivaled data	Bloomberg is the leader in reliable data, offering you an edge with our trade, quote and reference data. And we extend that advantage with the most powerful suite of analytics and tools for taking data-driven solutions further.
Liquidity risk management & reporting	Bloomberg's solution for SEC 22e-4 offers best-practice liquidity analytics and the enterprise delivery environment enabling clients to consistently manage and report liquidity risk across multi-asset-class portfolios. Bloomberg Liquidity Assessment (LQA) is built on Bloomberg's award-winning approach to liquidity, designed to deliver on global regulatory requirements and add value to risk management and investment processes. We provide the ability to quantitatively evaluate market liquidity, even for instruments with limited trading activity.

How it works

Our SEC 22e-4 liquidity solution integrates easily into your workflow, converting your information into compliance-ready data feeds, dashboards and reports. As shown below, you input your information — including security ID(s) and optional client-specific assumptions. The Bloomberg LQA then calculates per security liquidity classification and analytics. Then, for those securities, LQA outputs a variety of liquidity related data points that can be consumed in multiple ways. With SEC 22e-4, simplicity will be hard to find — but you'll find it with Bloomberg's liquidity solutions.

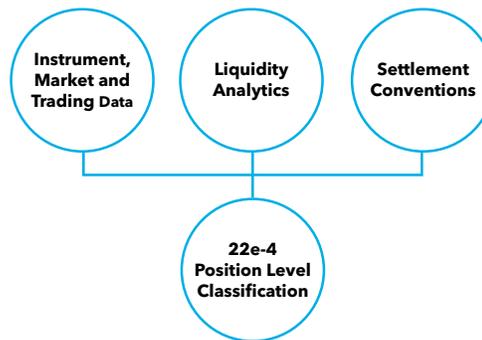
Fund Liquidation Determinants

- **Position Size**
Reasonable trade size based on expected redemptions.
- **Value Impact**
Constraints on liquidation cost.
- **Stress Scenarios**
Reflect foreseeably stressed market conditions.
- **Highly Liquid Instrument Limit**
Buffer to meet redemptions in both normal and stressed conditions.



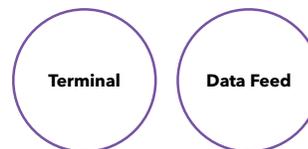
Bloomberg Liquidity Solution

- **Instrument, Market and Trading Data**
Sensitivities for Market, Trading and Investment Specific Data.
- **Liquidity Analytics**
Transparency into granular liquidity metrics such as Liquidation Cost, Liquidation Horizon and Available Volume.
- **Settlement Conventions**
Settlement periods and calendars.



Enterprise Delivery

- **Terminal**
Regular and ad-hoc monitoring of classification and limits. Single security transparency.
- **Data Feed**
Enterprise Risk and reporting applications.



Operational Efficiency

- **Governance & Compliance**
Facilitate oversight, alerting to potential limit breaches and record keeping.
- **Filing**
Pre-integrated streamlined Regulatory Filing.



Risk.net | Winner
Buy-Side Awards 2016 | Liquidity Risk

Take the next step.

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