SS&C Technologies Holdings Inc
Form 10-K
February 27, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

Commission file number: 001-34675

SS&C TECHNOLOGIES HOLDINGS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**71-0987913**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

80 Lamberton Road

Windsor, CT 06095

(Address of Principal Executive Offices, Including Zip Code)

860-298-4500

(Registrant s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value per share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of June 30, 2013, the aggregate market value of the registrant s common stock held by non-affiliates was $1,932,188,147 based on the closing sale price per share of the registrant s common stock on The NASDAQ Global Select Market on such date.

There were 82,725,609 shares of the registrant s common stock outstanding as of February 24, 2014.

DOCUMENTS INCORPORATED BY REFERENCE:

Part III of this annual report on Form 10-K incorporates by reference certain information from the registrant s definitive proxy statement for the 2014 annual meeting of stockholders, which the registrant intends to file pursuant to Regulation 14A with the Securities and Exchange Commission not later than 120 days after the registrant s fiscal year end of December 31, 2013. With the exception of the sections of the definitive proxy statement specifically incorporated herein by reference, the definitive proxy statement is not deemed to be filed as part of this annual report on Form 10-K.

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SS&C TECHNOLOGIES HOLDINGS, INC.

ANNUAL REPORT ON FORM 10-K

For the Fiscal Year Ended December 31, 2013

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FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements within the meaning of the U.S. federal securities laws. All statements contained herein that are not statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial performance, funding requirements and liquidity; management s plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, competitive strengths or market position, acquisitions and related synergies; growth, declines and other trends in markets we sell into; the anticipated impact of adopting new accounting pronouncements; the anticipated outcome of outstanding claims, legal proceedings, tax audits and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; general economic conditions; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Without limiting the foregoing, the words believes , anticipates , plans , expects , estimates , p forecasts , may and should and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are not guarantees of future performance and actual results may differ materially from those envisaged by such forward-looking statements. The factors discussed under Item 1A. Risk Factors , among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. You should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call or other communication in which they are made. We expressly disclaim any obligation to update our forward-looking statements, whether as a result of new information, future events or circumstances, or otherwise, except as required by law.

The following are our registered trademarks and/or service marks in the United States and/or in other countries: ADVISORWARE, BENEFIX, DBC, FIXLINK, FUNDRUNNER, GLOBEOP, GORISK, MARGINMAN, MAXIMIS, PACER, PAGES, PORTIA, PORTPRO, RECON, SKYLINE, SYLVAN, TRADEDESK, TRADETHRU, TRADEWARE, TRADEWARE GLOBAL, and ZOOLOGIC. SS&C Technologies, Inc. and/or its subsidiaries in the United States and/or in other countries have trademark or service mark rights to certain other names and marks referred to in this annual report.

SS&C Technologies Holdings, Inc., or SS&C Holdings, is our top-level holding company. SS&C Technologies, Inc., or SS&C, is our primary operating company and a wholly-owned subsidiary of SS&C Technologies Holdings, Inc. We, us, our and the Company mean SS&C Technologies Holdings, Inc. and its consolidated subsidiaries, including SS&C.

Unless context otherwise requires, references to our common stock includes both shares of our common stock and shares of our Class A non-voting common stock.

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PART I

ITEM 1. BUSINESS

Overview

We are a leading provider of mission-critical, sophisticated software products and software-enabled services that allow financial services providers to automate complex business processes and effectively manage their information processing requirements. Our portfolio of software products and rapidly deployable software-enabled services allows our clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, performance measurement, reconciliation, reporting, processing and clearing. Our solutions enable our clients to focus on core operations, better monitor and manage investment performance and risk, improve operating efficiency and reduce operating costs. We provide our solutions globally to more than 6,900 clients, principally within the institutional asset management, alternative investment management and financial institutions vertical markets. In addition, our clients include commercial lenders, corporate treasury groups, insurance and pension funds, municipal finance groups and real estate property managers.

We provide the global financial services industry with a broad range of software-enabled services, which consist of software-enabled outsourcing services and subscription-based on-demand software that are managed and hosted at our facilities, and specialized software products, which are deployed at our clients facilities. Our software-enabled services, which combine the strengths of our proprietary software with our domain expertise, enable our clients to contract with us to provide many of their mission-critical and complex business processes. For example, we utilize our software to offer comprehensive fund administration services for alternative investment managers, including fund manager services, transfer agency services, fund of funds services, tax processing and accounting. We offer clients the flexibility to choose from multiple software delivery options, including on-premise applications and hosted, multi-tenant or dedicated applications. Additionally, we provide certain clients with targeted, blended solutions based on a combination of our various software and software-enabled services. We believe that our software-enabled services provide superior client support and an attractive alternative to clients that do not wish to install, manage and maintain complicated financial software.

Our business model is characterized by substantial contractually recurring revenues, high operating margins and significant cash flow. We generate revenues primarily through our high-value software-enabled services, which are typically sold on a long-term subscription basis and integrated into our clients business processes. Our software-enabled services are generally provided under non-cancelable contracts with initial terms of one to five years that require monthly or quarterly payments and are subject to automatic annual renewal at the end of the initial term unless terminated by either party. We also generate revenues by licensing our software to clients through either perpetual or term licenses and by selling maintenance services. Maintenance services are generally provided under annually renewable contracts. As a consequence, a significant portion of our revenues consists of subscription payments and maintenance fees and is contractually recurring in nature. Our pricing typically scales as a function of our clients assets under management, the complexity of asset classes managed and the volume of transactions.

Our contractually recurring revenue model helps us minimize the fluctuations in revenues and cash flows typically associated with up-front, perpetual software license revenues and enhances our ability to manage costs. Our contractually recurring revenues, which we define as our software-enabled services and maintenance revenues, represented 92% of total revenues in the year ended December 31, 2013. We have experienced average revenue retention rates in each of the last five years of greater than 90% on our software-enabled services and maintenance contracts for our core enterprise products. We believe that the high value-added nature of our products and services has enabled us to maintain our high revenue retention rates and significant operating margins.

We generated revenues of $712.7 million for the year ended December 31, 2013 as compared to revenues of $551.8 million for the year ended December 31, 2012. We generated 74% of our revenues in 2013 from clients in North America and 26% from clients outside North America. Our revenues are highly diversified, with our largest client in 2013 accounting for less than 5% of our revenues. Additional financial information, including geographic information, is available in our consolidated financial statements and Note 15 to our consolidated financial statements.

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Our industry

We serve a number of vertical markets within the financial services industry, including alternative investment funds, investment management firms, insurance companies, banks and brokerage firms. We believe that financial services providers will increasingly turn to information technology, or IT, solutions as a result of economic challenges and heightened regulatory requirements. Financial service firms are in a search for more risk-averse business strategies and simplified regulatory compliance. As a result, we believe the financial services industry will continue to increase its investments in IT solutions in 2014.

Opportunities

We believe that we are well positioned to address the ongoing business and regulatory needs of the clients we seek to serve in the financial services industry, taking into account a competitive environment that reflects the following competitive dynamics.

Asset Classes and Securities Products Growing in Volume and Complexity. Investment professionals must increasingly track and invest in numerous asset classes that are far more complex than traditional equity and debt instruments. These assets require more sophisticated systems to automate functions such as trading and modeling, portfolio management, accounting, performance measurement, reconciliation, reporting, processing and clearing. Manual tracking of orders and other transactions is not effective for these assets. In addition, as the business knowledge requirements increase, financial services firms see increasing value in outsourcing the management of these assets to firms such as SS&C that offer software-enabled services.

Increasing Regulatory Requirements and Investor Demand for Transparency. Recent market and economic conditions have led to new legislation and numerous proposals for changes in the regulation of the financial services industry, including significant additional legislation and regulation in the United States. Several high-profile scandals have also led to increased investor demand for transparency. The financial services industry must meet these complicated and burdensome requirements, and many financial service firms have struggled to do so. In addition, as the financial services industry continues to grow in complexity, we anticipate regulatory oversight will continue to impose new demands on financial services providersas hedge funds are experiencing similar regulatory pressures. In addition, financial services providers continue to face increasing regulatory oversight from domestic organizations such as the Financial Industry Regulatory Authority, U.S. Treasury Department, Securities and Exchange Commission, New York Stock Exchange, National Association of Insurance Commissioners and U.S. Department of Labor as well as foreign regulatory bodies such as the Office of Supervision of Financial Institutions in Ottawa, Canada, Financial Services Association in London, England and Ministry of Finance in Tokyo, Japan.

Increasing Willingness to Implement Solutions from Independent Software Vendors and Outsource IT Operations. Historically, financial services providers have relied in large part on their internal IT departments to supply the systems required to manage, analyze and control vast amounts of data. Rather than internally developing applications that automate business processes, many financial services providers are implementing advanced software solutions from independent software vendors to replace their current systems, which are often cumbersome, time-consuming to operate and expensive to implement, customize, update and support. Additionally, financial services providers globally are outsourcing a growing percentage of their business processes to benefit from best-in-class process execution, focus on core operations, quickly expand into new markets, reduce costs, streamline organizations, handle increased transaction volumes and ensure system redundancy. We believe that one of the key challenges faced by investment management industry participants is how to expand their use of third-party service providers to address the increasing complexity of new products and the growing investor and regulatory information demands. For example, many alternative investment firms lack the substantial in-house IT resources necessary to establish and manage the complex IT infrastructures their investment professionals require. These firms increasingly seek end-to-end solutions that enable them to outsource their operations from the front-office through the back-office.

Intense Global Competition Among Financial Services Providers. Competition within the financial services industry has become intense as financial services providers expand into new markets and offer new services to their clients in an effort to maximize their profitability. Additionally, a significant number of small- and medium-sized organizations, such as hedge funds, have begun to compete with large financial institutions as they seek to attract new clients whose assets they can manage. As traditional equity and debt instruments become more commoditized, financial services providers are expanding into more complex product and service offerings to drive profitability. In response to these increasingly competitive conditions worldwide, financial services organizations seek to rapidly expand into new markets, manage operational enterprise risk, increase front-office productivity and drive cost savings by utilizing software to automate and integrate their mission-critical and labor intensive business processes.

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Our competitive strengths

We believe that we have several key competitive strengths that position us well in the marketplace. These strengths include:

Enhanced Capability Through Software Ownership. We use our proprietary software products and infrastructure to provide our software-enabled services, strengthening our overall operating margins and providing a competitive advantage. Because we primarily use our own proprietary software in the execution of our software-enabled services and generally own and control our products source code, we can quickly identify and deploy product improvements and respond to client feedback, enhancing the competitiveness of our software and software-enabled service offerings. This continuous feedback process provides us with a significant advantage over many of our competitors, specifically those software competitors that do not provide a comparable model and therefore do not have the same level of hands-on experience with their products.

Broad Portfolio of Products and Services Focused on Financial Services Organizations. Our broad portfolio of over 80 software products and software-enabled services allows professionals in the financial services industry to efficiently and rapidly analyze and manage information, increase productivity, devote more time to critical business decisions and reduce costs. Our products and services automate our clients most mission-critical, complex business processes, and improve their operational efficiency. We believe our product and service offerings position us as a leader within the specific verticals of the financial services software and services market in which we compete. We provide highly flexible, scalable and cost-effective solutions that enable our clients to track complex securities, better employ sophisticated investment strategies, scale efficiently and meet evolving regulatory requirements. Our solutions allow our clients to automate and integrate their front-office, middle-office and back-office functions, thus enabling straight-through processing.

Independent Fund Administration Services. The third-party service providers that participate in the alternative investment market include auditors, fund administrators, attorneys, custodians and prime brokers. Each provider performs a valuable function with the intention of providing transparency of the fund s assets and the valuation of those assets. Conflicts of interest may arise when the above parties attempt to provide more than one of these services. The industry is increasingly recognizing these conflicts and, as a result, seeking independent fund administrators such as SS&C.

Scalable Software and Software-Enabled Services. We have designed our software and software-enabled services to accommodate significant additional business volumes with limited incremental costs. The ability to generate additional revenues from increased volumes without incurring substantial incremental costs provides us with opportunities to improve our operating margins.

Deep Domain Knowledge and Extensive Industry Experience. As of December 31, 2013, we had 3,854 development, service and support professionals with significant expertise across the eight vertical markets that we serve and a deep working knowledge of our clients businesses. We were founded in 1986 by William C. Stone, who has served as our Chairman and Chief Executive Officer since our inception. Our senior management team has a track record of operational excellence and an average of more than 15 years of experience in the software and financial services industries. By leveraging our domain expertise and knowledge, we have developed, and continue to improve, our mission-critical software products and services to enable our clients to overcome the complexities inherent in their businesses. For example, our Complete Asset Management, Reporting and Accounting, or CAMRA, software, which supports the entire portfolio management function across all typical securities transactions, was originally released in 1989 and has been continually updated to meet our clients new business requirements.

Trusted Provider to Our Highly Diversified and Growing Client Base. By providing mission-critical, reliable software products and services for more than 25 years, we have become a trusted provider to the financial services industry. We have developed a large and growing installed base within multiple segments of the financial services industry. Our clients include some of the largest and most well-recognized firms in the financial services industry. We believe that our high-quality products and superior services have led to long-term client relationships, some of which date from our earliest days of operations. Our strong client relationships, coupled with the fact that many of our current clients use our products for a relatively small portion of their total funds and investment vehicles under management, provide us with a significant opportunity to sell additional solutions to our existing clients and drive future revenue growth at lower cost.

Superior Client Support and Focus. Our ability to rapidly deliver improvements and our reputation for superior service have proven to be a strong competitive advantage when developing client relationships. We provide our larger clients with a dedicated client support team whose primary responsibility is to answer questions and provide solutions to address ongoing needs. We also offer the SS&C Solution Center, an interactive website that serves as an exclusive online client community where clients can find answers to product questions, exchange information, share best practices and comment on business issues. We believe a close and active service and support relationship significantly enhances client satisfaction, strengthens client relationships and furnishes us with information regarding evolving client issues.

Our growth strategy

We intend to be the leading provider of superior technology solutions to the financial services industry. The key elements of our growth strategy include:

Continue to Develop Software-Enabled Services, Cloud-Based Software and Mobility. Since our founding in 1986, we have focused on building substantial financial services domain expertise through close working relationships with our clients. We have developed a deep knowledge base that enables us to respond to our clients most complex financial, accounting, actuarial, tax and regulatory needs. We intend to maintain and enhance our technological leadership by using our domain expertise to build valuable new software-enabled services and solutions, continuing to invest in internal development and opportunistically acquiring products and services that address the highly specialized needs of the financial services industry. Our internal product development team works closely with marketing and client service personnel to ensure that product evolution reflects developments in the marketplace and trends in client requirements. In addition, we intend to continue to develop our products in a cost-effective manner by leveraging common components across product families. We believe that we enjoy a competitive advantage because we can address the investment and financial management needs of high-end clients by providing industry-tested products and services, including cloud-based services and related mobility platforms that meet global market demands and enable our clients to automate and integrate their front-, middle- and back-office functions for improved productivity, reduced manual intervention and bottom-line savings. Our software-enabled services revenues increased from $246.0 million for the year ended December 31, 2011 to $552.6 million for the year ended December 31, 2013, representing a compound annual growth rate of 49.9%.

Expand Our Client Base. Our client base of more than 6,900 clients represents a fraction of the total number of financial services providers globally. As a result, we believe there is substantial opportunity to grow our client base over time as our products become more widely adopted. We have a substantial opportunity to capitalize on the increasing adoption of mission-critical, sophisticated software and software-enabled services by financial services providers as they continue to replace inadequate legacy solutions and custom in-house solutions that are inflexible and costly to maintain.

Increase Revenues from Existing Clients. We believe our established client base presents a substantial opportunity for growth. Revenues from our existing clients generally grow along with the amount and complexity of assets that they manage and the volume of transactions that they execute. While we expect to continue to benefit from the financial services industry s growing assets under management, expanding asset classes, and increasing transaction volumes, we also intend to leverage our deep understanding of the financial services industry to identify other opportunities to increase our revenues from our existing clients. Many of our current clients use our products only for a portion of their total assets under management and investment funds, providing us with significant opportunities to expand our business relationship and revenues. We have been successful in, and expect to continue to focus our marketing efforts on, providing additional modules or features to the products and services our clients already use, as well as cross-selling our other products and services. Additionally, we intend to sell additional software products and services to new divisions and new funds of our existing client base. Our client services team is primarily responsible for expanding our relationships with current clients. Moreover, our high quality of service helps us maintain significant client retention rates and long-lasting client relationships.

Continue to Capitalize on Acquisitions of Complementary Businesses and Technologies. We intend to continue to employ a highly disciplined and focused acquisition strategy to broaden and enhance our product and service offerings, expand our intellectual property portfolio, add new clients and supplement our internal development efforts. We believe our acquisitions have been an extension of our research and development effort that has enabled us to purchase proven products and remove the uncertainties associated with software development projects. We will seek to opportunistically acquire, at reasonable valuations, businesses, products and technologies in our existing or complementary vertical markets that will enable us to better satisfy our clients rigorous and evolving needs. We have a proven ability to integrate complementary businesses as demonstrated by the 39 businesses we have acquired since 1995. Our experienced senior management team leads a rigorous evaluation of our targets to ensure that they satisfy our product or service needs and will successfully integrate with our business while meeting our targeted financial goals. As a result, our acquisitions have contributed marketable products or services that have added to our revenues. Through the broad reach of our direct sales force and our large installed client base, we believe we can market these acquired products and services to a large number of prospective clients. Additionally, we have been able to improve the operational performance and profitability of our acquired businesses, creating significant value for our stockholders.

Strengthen Our International Presence. We believe that there is a significant market opportunity to provide software and services to financial services providers outside North America. In the year ended December 31, 2013, we generated 26% of our revenues from clients outside North America. We are building our international operations in order to increase our sales outside North America. We plan to continue to expand our international market presence by leveraging our existing software products and software-enabled services. For example, we believe that the rapidly growing alternative investment management market in Europe presents a compelling growth opportunity.

Our acquisitions

As mentioned above, we intend to continue to employ a highly disciplined and focused acquisition strategy. Our past acquisitions have enabled us to expand our product and service offerings into new markets or client bases within the financial services industry. The addition of new products and services has also enabled us to market other products and services to acquired client bases. We believe our acquisitions have been an extension of our research and development effort and have enabled us add to our product and service offerings without incurring the uncertainties sometimes associated with software development projects.

Since 1995, we have acquired 39 businesses within our industry. These acquisitions have contributed marketable products and services, which have added to our revenues and earnings. We have generally been able to improve the operating performance and profitability of our acquired businesses. We seek to reduce the costs of the acquired businesses by consolidating sales and marketing efforts and by eliminating redundant administrative tasks and research and development expenses. In many cases, we have also been able to increase revenues generated by acquired products and services by leveraging our existing products and services, larger sales capabilities and client base.

We generally seek to acquire companies that satisfy our financial metrics, including expected return on investment. Through our acquisitions, we seek companies that:

- provide complementary products or services in the financial services industry;

- possess proven technology and an established client base that will provide a source of ongoing revenue and to whom we may be able to sell existing products and services;

- expand our intellectual property portfolio to complement our business;

- address a highly specialized problem or a market niche in the financial services industry;

- expand our global reach into strategic geographic markets; and

- have solutions that lend themselves to being delivered as software-enabled services.

We believe, based on our experience, that there are numerous solution providers addressing highly particularized financial services needs or providing specialized services that would meet our disciplined acquisition criteria.

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The following table provides a list of the most substantial acquisitions we have made since 1995:

Acquisition Date	Acquired Business	Contract Purchase Price	Acquired Capabilities, Products and Services
February 2005	EisnerFast	$ 25,300,000	Expanded fund administration services to the hedge fund and private equity markets
April 2005	Financial Models Company	$ 159,000,000	Expanded front-, middle- and back-office products and services to the investment management industry including Pacer, Pages, Recon and Sylvan products
October 2005	Open Information Systems	$ 24,000,000	Entered money market, custody and security lending market with Global Debt Manager, Information Manager and Money Market Manager products
November 2009	TheNextRound	$ 21,000,000	Expanded private equity client base with TNR Solution product
December 2009	Tradeware	$ 22,500,000	Expanded electronic trading offering in broker/dealer market
December 2010	TimeShareWare	$ 30,500,000	Added shared ownership property management platform to real estate offering
May 2012	Thomson Reuters PORTIA Business	$ 170,000,000	Added portfolio management software and outsourcing services for institutional managers
June 2012	GlobeOp Financial Services N.A.	$ 834,400,000	Expanded fund administration services in hedge fund and other asset management sectors

Products and services

Our products and services allow professionals in the financial services industry to automate complex business processes within financial services providers and are instrumental in helping our clients manage significant information processing requirements. Our solutions enable our clients to focus on core operations, better monitor and manage investment performance and risk, improve operating efficiency and reduce operating costs. Our portfolio of over 80 products and software-enabled services allows our clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, performance measurement, reconciliation, reporting, processing and clearing.

Portfolio management/accounting

Our products and services for portfolio management span most of our vertical markets and offer our clients a wide range of investment management solutions. Some of our portfolio management products include:

AdvisorWare. AdvisorWare software supports hedge funds, funds of funds and family offices with sophisticated global investment, trading and management concerns, and/or complex financial, tax, partnership and allocation reporting requirements. It delivers comprehensive multicurrency investment management, financial reporting, performance fee calculations, net asset value calculations, contact management and partnership accounting in a straight-through processing environment.

CAMRA. CAMRA (Complete Asset Management, Reporting and Accounting) software supports the integrated management of asset portfolios by investment professionals operating across a wide range of institutional investment entities. CAMRA is a multi-user, integrated solution tailored to support the entire portfolio management function and includes features to execute, account for and report on all typical securities transactions.

Debt & Derivatives. Debt & Derivatives is a comprehensive financial application software package designed to process and analyze all activities relating to derivative and debt portfolios, including pricing, valuation and risk analysis, derivative processing, accounting, management reporting and regulatory reporting. Debt & Derivatives delivers real-time transaction processing to treasury and investment professionals, including traders, operations staff, accountants and auditors.

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Global Wealth Platform. A web-based service, Global Wealth Platform combines our core asset management product functions with an innovative, easy-to-use interface. Global Wealth Platform provides an integrated suite with key components modeling, trading, portfolio accounting, client communications and other mission critical workflows as an on-demand, software-enabled service.

MAXIMIS. MAXIMIS is a real-time intranet-enabled portfolio management solution for insurance companies, pension funds and institutional asset managers. Its key product functions include portfolio analysis, investment management, trade processing, cash processing, multi-currency accounting, regulatory reporting, operations and analysis and management reporting.

Pacer. Pacer is a portfolio management and accounting system designed to manage diversified global portfolios and meet the unique management and accounting needs of all business streams, from institutional and pension management, to separately managed accounts, private client portfolios, mutual funds and unit trusts.

Pages. Pages is a client communication system that generates unique individual client statements and slide presentations for print, electronic or face-to-face meetings. Pages helps enhance customer services by producing client statements that automatically assemble data from portfolio management, customer relationship management, performance measurement and other investment systems.

PORTIA. PORTIA is a comprehensive middle-to-back office software and services designed to streamline the operations of global investment managers. PORTIA s functionality supports: a broad range of global asset types, fixed income analytics & analysis, multi-currency transaction processing, corporate actions and presentation-quality reporting, implemented with flexible deployment options. Built on an open architecture, PORTIA enables real-time integration with other systems, applications, data providers and counter parties to run operations more efficiently and effectively.

Recon. Recon is a transaction, position and cash reconciliation system that streamlines reconciliation by identifying exceptions and providing effective workflow tools to resolve issues faster, thereby reducing operational risk. Recon automatically reconciles transactions, holdings and cash from multiple sources.

Sylvan. Sylvan is a performance measurement, attribution and composite management platform that is designed to streamline the calculation and reporting of performance measurement requirements.

TNR Solution. TNR Solution is a software product for private equity, hedge funds, funds of hedge funds and family offices. Built around Microsoft s .NET platform, the product gives end users the flexibility to manage all aspects of their operations from contact management, fund raising, investor relations, fund, portfolio and deal management, general ledger and reporting.

Total Return. Total Return is a portfolio management and partnership accounting system directed toward the hedge fund and family office markets. It is a multi-currency system, designed to provide financial and tax accounting and reporting for businesses with high transaction volumes.

Trading/treasury operations

Our comprehensive real-time trading systems offer a wide range of trade order management solutions that support both buy-side and sell-side trading. Our full-service trade processing system delivers comprehensive processing for global treasury and derivative operations. Solutions are available to clients either through a license or as a software-enabled service. Some of our trading and treasury operations products include:

Antares. Antares is a comprehensive, real-time, event-driven trading and profit and loss reporting system designed to integrate trade modeling with trade order management. Antares enables clients to trade and report fixed-income, equities, foreign exchange, futures, options, repos and many other instruments across different asset classes. Antares also offers an add-on option of integrating Heatmaps data visualization technology to browse and navigate holdings information.

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MarginMan. MarginMan delivers collateralized trading software to the foreign exchange marketplace. MarginMan supports collateralized foreign exchange trading, precious metals trading and over-the-counter foreign exchange options trading.

MarketLook Information System (MLIS). MLIS allows traders anywhere in the world access to market color and size directly from traders on the trading floor of the New York Stock Exchange.

TradeThru. TradeThru is a web-based treasury and derivatives operations service that supports multiple asset classes and provides multi-bank, multi-entity and multi-currency integration of front-, middle- and back-office trade functions for financial institutions. TradeThru is available either through a license or as a software-enabled service. The system delivers automated front- to back-office functions throughout the lifecycle of a trade, from deal capture to settlement, risk management, accounting and reporting. TradeThru also provides data to other external systems, such as middle-office analytic and risk management systems and general ledgers. TradeThru provides one common instrument database, counterparty database, audit trail and end-of-day runs.

Financial modeling

We offer several powerful analytical software and financial modeling applications for the insurance industry. We also provide analytical software and services to the municipal finance groups market. Some of our financial modeling products include:

DBC Product Suite. We provide analytical software and services to municipal finance groups. Our suite of DBC products addresses a broad spectrum of municipal finance concerns, including general bond structures, revenue bonds, housing bonds, student loans and insured revenue bonds and securitizations.

Global Markets Risk. Global Markets Risk provides a comprehensive view of risk across all asset classes for banks, hedge funds, asset managers, insurance companies and pension funds. Risk Analytics is designed for risk managers who need better tracking, managing and reporting of value-at-risk and ex-ante risk measures across all asset classes.

Loan management/accounting

Our loan management/accounting products include:

LMS Loan Suite. The LMS Loan Suite is a single database application that provides comprehensive loan management throughout the life cycle of a loan, from the initial request to final disposition. We have structured the flexible design of the LMS Loan Suite to meet the most complex needs of commercial lenders and servicers worldwide. The LMS Loan Suite includes both the LMS Originator and the LMS Servicer, facilitating integrated loan portfolio processing.

Property management

Some of our property management products include:

SKYLINE. SKYLINE is a comprehensive property management system that integrates all aspects of real estate property management, from prospect management to lease administration, work order management, accounting and reporting. By providing a single-source view of all real estate holdings, SKYLINE functions as an integrated lease administration system, a historical property/portfolio knowledge base and a robust accounting and financial reporting system, enabling users to track each property managed, including data on specific units and tenants.

TimeShareWare. TimeShareWare Enterprise incorporates a Service Oriented Architecture (SOA) and provides the tools, structure, and performance needed to accommodate management of complex and demanding resort operations, including sales and marketing, management, contract processing, loan servicing and property management.

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Money market processing

Our money market processing products include:

Global Debt Manager. Global Debt Manager is a robust browser-based application for corporate and municipal bond accounting. Fully integrated with Money Market Manager (M3), Global Debt Manager offers processing for conventional and structured debt within a secure and flexible platform.

Software-enabled services

Some of our software-enabled services include:

Evare. Evare is a leader in financial data acquisition, transformation and delivery services. Global managed services connect our clients and their counterparties using each firm s preferred method of connectivity, custom data formats, and industry standards. All parties utilize their existing systems and protocols without having to upgrade or install software.

e-Investor. SS&C s e-Investor provides an end-to-end investor transaction processing platform designed to automate the delivery, completion, submission, and tracking of all investor transactions. When coupled with SS&C s e-Fulfillment, the solution can deliver targeted marketing material and subscription documents through a secure web interface to potential investors, with detailed activity tracking. Once delivered, the prospect (or financial advisor) can complete the subscription document online, leveraging e-Investor s extensive and flexible data validation and dependency rules.

GoTrade+. GoTrade+ automates trade capture as trades occur over a real-time web-based portal that displays life cycle status, documents, valuations, exposures, collateral and cash positions. It enables clients to trade with confidence in the knowledge that the most complex trades are followed through by a highly experienced and expert team.

GoRisk. A cross-asset and cross strategy application, GoRisk allows portfolio and risk managers to monitor risk analytics across their trading strategies. GoRisk provides key risk analytics across fund of funds and managed account platforms.

SS&C Direct. We provide comprehensive software-enabled services through our SS&C Direct operating unit for portfolio accounting, reporting and analysis functions. Since 1997, SS&C Direct has offered ASP, business process outsourcing (BPO) and blended outsourcing services to institutional asset managers, insurance companies, hedge funds and financial institutions.

The SS&C Direct service includes:

- full BPO investment accounting and investment operations services,

- hosting of a company s application software, automated workflow integration,

automated quality control mechanisms, and

extensive interface and connectivity services to custodian banks, data service providers, depositories and other external entities.

SS&C GlobeOp. We provide comprehensive on- and offshore fund administration services to hedge fund and other alternative investment managers using our proprietary software products. SS&C GlobeOp offers fund manager services, transfer agency services, funds of funds services, tax processing, compliance services and accounting processing. SS&C GlobeOp supports all fund types and investment strategies. Market segments served include hedge funds, fund of funds and private equity firms.

SSCNet. SSCNet is a global trade network linking investment managers, broker-dealers, clearing agencies, custodians and interested parties. SSCNet s real-time trade matching utility and delivery instruction database facilitate integration of front-, middle- and back-office functions, reducing operational risk and costs.

SVC. SVC is a single source for securities data that consolidates data from leading global sources to provide clients with the convenience of one customized data feed. SVC provides clients with seamless, timely and accurate data for pricing, corporate actions, dividends, interest payments, foreign exchange rates and security master for global financial instruments.

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Tradeware FIXLink. Tradeware FIXLink is a FIX network for IOIs, trades, orders, and allocations, providing a reliable broker-neutral and platform-neutral FIX connectivity service to broker-dealers and institutions.

Professional services

We offer a range of professional services to assist clients. Professional services consist of consulting and implementation services, including the initial installation of systems, conversion of historical data and ongoing training and support. Our in-house consulting teams work closely with the client to ensure the smooth transition and operation of our systems. Our consulting teams have a broad range of experience in the financial services industry and include certified public accountants, chartered financial analysts, mathematicians and IT professionals from the asset management, real estate, investment, insurance, hedge fund, municipal finance and banking industries. We believe our commitment to professional services facilitates the adoption of our software products across our target markets. For the year ended December 31, 2013, revenues from professional services represented 4% of total revenues.

Product support

We believe a close and active service and support relationship is important to enhancing client satisfaction and furnishes an important source of information regarding evolving client issues. We provide our larger clients with a dedicated client support team whose primary responsibility is to answer questions and provide solutions to address ongoing needs. Direct telephone support is provided during extended business hours, and additional hours are available during peak periods. We also offer the SS&C Solution Center, a website that serves as an exclusive online community for clients, where clients can find answers to product questions, exchange information, share best practices and comment on business issues. Approximately every two weeks, we distribute via the Internet our software and services *eBriefings*, which are industry-specific newsletters in our eight vertical markets and in geographic regions around the world. We supplement our service and support activities with comprehensive training. Training options include regularly hosted classroom and online instruction, *Zoologic Learning Academy*, and online client seminars, or webinars, that address current, often technical, issues in the financial services industry.

We periodically make maintenance releases of licensed software available to our clients, as well as regulatory updates (generally during the fourth quarter, on a when and if available basis), to meet industry reporting obligations and other processing requirements.

Clients

We have over 6,900 clients globally in eight vertical markets within the financial services industry that require a full range of information management and analysis, accounting, actuarial, reporting and compliance software on a timely and flexible basis. Our clients include multinational banks, retail banks and credit unions, hedge funds, funds of funds and family offices, institutional asset managers, insurance companies and pension funds, municipal finance groups, brokers/dealers, financial exchanges, commercial lenders, real estate lenders and property managers. Our clients include many of the largest and most well-recognized firms in the financial services industry. During the year ended December 31, 2013, our top 10 clients represented approximately 16% of revenues, with no single client accounting for more than 5% of revenues.

Sales and marketing

We believe a direct sales organization is essential to the successful implementation of our business strategy, given the complexity and importance of the operations and information managed by our products, the extensive regulatory and reporting requirements of each industry, and the unique dynamics of each vertical market. Our dedicated direct sales and support personnel are located in various sales offices worldwide and routinely undergo product and sales training. We also use telemarketing to support sales of our real estate property management products and work through alliance partners that sell our software-enabled services to their correspondent banking clients.

Our marketing personnel have extensive experience in high tech marketing to the financial services industry and are responsible for identifying market trends, evaluating and developing marketing opportunities, generating client leads and providing sales support. Our marketing activities, which focus on the use of the Internet as a cost-effective means of reaching current and potential clients, include:

content-rich, periodic software and services *eBriefings* targeted at clients and prospects in each of our vertical and geographic markets,

regular product-focused webinars,

seminars and symposiums,

trade shows and conferences, and

e-marketing campaigns.

Some of the benefits of our shift in focus to an Internet-based marketing strategy include lower marketing costs, more direct contacts with actual and potential clients, increased marketing leads, distribution of more up-to-date marketing information and an improved ability to measure marketing initiatives.

The marketing department also supports the sales force with appropriate documentation or electronic materials for use during the sales process.

Product development and engineering

We believe we must introduce new products and offer product innovation on a regular basis to maintain our competitive advantage. To meet these goals, we use multidisciplinary teams of highly trained personnel and leverage this expertise across all product lines. We have invested heavily in developing a comprehensive product analysis process to ensure a high degree of product functionality and quality. Maintaining and improving the integrity, quality and functionality of existing products is the responsibility of individual product managers. Product engineering management efforts focus on enterprise-wide strategies, implementing best-practice technology regimens, maximizing resources and mapping out an integration plan for our entire umbrella of products as well as third-party products. Our research and development expenses for the years ended December 31, 2011, 2012 and 2013 were $35.7 million, $45.8 million and $53.9 million respectively. In addition, we have made significant investments in intellectual property through our acquisitions.

Our research and development engineers work closely with our marketing and support personnel to ensure that product evolution reflects developments in the marketplace and trends in client requirements. We have generally issued a major release of our core products during the second or third quarter of each fiscal year, which includes both functional and technical enhancements. We also provide an annual release in the fourth quarter to reflect evolving regulatory changes in time to meet clients year-end reporting requirements.

Competition

The market for financial services software and services is competitive, rapidly evolving and highly sensitive to new product introductions and marketing efforts by industry participants, although high conversion costs can create barriers to adoption of new products or technologies. The market is fragmented and served by both large-scale firms with broad offerings as well as firms that target only local markets or specific types of clients. We also face competition from information systems developed and serviced internally by the IT departments of large financial services firms. We believe that we generally compete effectively as to the factors identified for each market below, although some of our existing competitors and potential competitors have substantially greater financial, technical, distribution and marketing resources than we have and may offer products with different functions or features that are more attractive to potential customers than our offerings.

Alternative Investments: In our alternative investments market, we compete with multiple vendors that may be categorized into two groups, one group consisting of independent specialized administration providers, which are generally smaller than us, and the other including prime brokerage firms offering fund administration services. Major competitors in this market include CITCO Group and State Street Bank. The key competitive factors in marketing software and services to the alternative investment industry are the need for independent fund administration, features and adaptability of the software, level and quality of customer support, level of software development expertise and total cost of ownership. Our strengths in this market are our expertise, our independence, our ability to deliver functionality by multiple methods and our technology, including the ownership of our own software.

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Asset Management: In our asset management market, we compete with a variety of other vendors depending on client characteristics such as size, type, location, computing environment and functionality requirements. Competitors in this market range from larger providers of integrated portfolio management systems and outsourcing services, such as SunGard, BNY Mellon Financial (Eagle Investment Systems) and Advent Software, to smaller providers of specialized applications and technologies such as StatPro, Charles River Development and others. We also compete with internal processing and information technology departments of our clients and prospective clients. The key competitive factors in marketing asset management solutions are the reliability, accuracy, timeliness and reporting of processed information to internal and external customers, features and adaptability of the software, level and quality of customer support, level of software development expertise and return on investment. Our strengths in this market are our technology, our ability to deliver functionality by multiple delivery methods and our ability to provide cost-effective solutions for clients.

Insurance and Pension Funds: In our insurance and pension funds market, we compete with a variety of vendors depending on client characteristics such as size, type, location, computing environment and functionality requirements. Competitors in this market range from large providers of portfolio management systems, such as State Street Bank (Princeton Financial Systems) and SunGard, to smaller providers of specialized applications and services.

We also compete with outsourcers, as well as the internal processing and information technology departments of our clients and prospective clients. The key competitive factors in marketing insurance and pension plan systems are the accuracy, timeliness and reporting of processed information provided to internal and external clients, features and adaptability of the software, level and quality of customer support, economies of scale and return on investment. Our strengths in this market are our years of experience, our top-tier clients, our ability to provide solutions by multiple delivery methods, our cost-effective and customizable solutions and our expertise.

Real Estate Property Management: In our real estate property management market, we compete with numerous software vendors consisting of smaller specialized real estate property management solution providers and larger property management software vendors with more dedicated resources than our real estate property management business, such as Yardi Systems. The key competitive factors in marketing property management and timeshare systems are the features and adaptability of the software, level of quality and customer support, degree of responsiveness and overall net cost. Our strengths in this market are the quality of our software and our reputation with our clients.

Financial Institutions: In our financial institutions market, there are multiple software and services vendors that are either smaller providers of specialized applications and technologies or larger providers of enterprise systems, such as SunGard and Misys. We also compete with outsourcers as well as the internal processing and information technology departments of our clients and prospective clients. The key competitive factors in marketing financial institution software and services include accuracy and timeliness of processed information provided to clients, features and adaptability of the software, level and quality of customer support, level of software development expertise, total cost of ownership and return on investment. Our strengths in this market are our flexible technology platform and our ability to provide integrated solutions for our clients.

Commercial Lending: In our commercial lending market, we compete with a variety of other vendors depending on client characteristics such as size, type, location and functional requirements. Competitors in this market range from large competitors whose principal businesses are not in the loan management business, such as PNC Financial Services (Midland Loan Services), to smaller providers of specialized applications and technologies. The key competitive factors in marketing commercial lending solutions are the accuracy, timeliness and reporting of processed information provided to customers, level of software development expertise, level and quality of customer support and features and adaptability of the software. Our strength in this market is our ability to provide both broadly diversified and customizable solutions to our clients.

Financial Markets: In our financial markets, our competition falls into two categories the internal development organizations within financial enterprises and specialized financial vendors, such as SunGard and Fidessa. The key competitive factors in marketing financial markets technology solutions are a proven track record of delivering high quality solutions, level of responsiveness and overall net cost. Our strengths in this market are a successful track record of delivering solutions and our reputation with our clients.

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Proprietary rights

We rely on a combination of trade secret, copyright, trademark and patent law, nondisclosure agreements and technical measures to protect our proprietary technology. We have registered trademarks for many of our products and will continue to evaluate the registration of additional trademarks as appropriate. We generally enter into confidentiality and/or license agreements with our employees, distributors, clients and potential clients. We seek to protect our software, documentation and other written materials under trade secret and copyright laws, which afford limited protection. These efforts may be insufficient to prevent third parties from asserting intellectual property rights in our technology. Furthermore, it may be possible for unauthorized third parties to copy portions of our products or to reverse engineer or otherwise obtain and use proprietary information, and third parties may assert ownership rights in our proprietary technology. For additional risks relating to our proprietary technology, please see Risk Factors Risks Relating to Our Business If we are unable to protect our proprietary technology and other confidential information, our success and our ability to compete will be subject to various risks, such as third-party infringement claims, unauthorized use of our technology, disclosure of our proprietary information or inability to license technology from third parties.

Rapid technological change characterizes the software development industry. We believe factors such as the technological and creative skills of our personnel, new product developments, frequent product enhancements, name recognition and reliable service and support are more important to establishing and maintaining a leadership position than legal protections of our technology.

Employees

As of December 31, 2013, we had 4,194 full-time employees, consisting of:

- 540 employees in research and development;
- 3,196 employees in consulting and services;
- 146 employees in sales and marketing;
- 118 employees in client support; and
- 194 employees in finance and administration.

As of December 31, 2013, 2,472 of our employees were in our international operations. No employee is covered by any collective bargaining agreement. We believe that we have good relations with our employees.

Additional Information

We were incorporated in Delaware in July 2005, as the successor to a corporation originally formed in Connecticut in March 1986. Our principal executive offices are located at 80 Lamberton Road, Windsor, Connecticut 06095, and the telephone number of our principal executive offices is (860) 298-4500.

Our Internet website address is www.ssctech.com. We make available, free of charge, on our Internet website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments thereto that we have filed or furnished with the Securities and Exchange Commission, as soon as reasonably practicable after we electronically file them with the Securities and Exchange Commission. We are not, however, including the information contained on our website, or information that may be accessed through links on our website, as part of, or incorporating such information by reference into, this annual report on Form 10-K.

ITEM 1A. RISK FACTORS

You should carefully consider the following risk factors, in addition to other information included in this annual report on Form 10-K and the other reports we submit to the Securities and Exchange Commission. If any of the following risks occur, it could materially affect our business, operating results, cash flows and financial condition and possibly lead to a decline in our stock price. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies. Additional risks and uncertainties not currently known to us or that we currently believe are not material may also impair our business, operating results, cash flows and financial condition.

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Risks Relating to Our Business

Our business is greatly affected by changes in the state of the general economy and the financial markets, and uncertainty in the general economy or the financial services industry could disproportionately affect the demand for our products and services.

Over the past several years, the global economy has experienced a significant recession, severe disruptions in the credit markets, a heightened risk of sovereign debt defaults by European Union member countries and a downgrade of the U.S. credit rating by Standard & Poor s Financial Services LLC in connection with United States debt levels, all of which have had a material and adverse effect on the financial markets. While the United States economy may technically have come out of the recession, the recovery is fragile and may not be sustainable for any specific period of time, and the economy could slip back into an even more significant recession. Our clients include a range of organizations in the financial services industry whose success is linked to the health of the economy generally and of the financial markets specifically. Unfavorable or uncertain economic conditions, economic instability or economic downturns could: (i) cause our clients or prospective clients to cancel, reduce or delay planned expenditures for our products and services; (ii) impair our clients ability to pay for products they have purchased; or (iii) cause our clients to process fewer transactions through our software-enabled services, renegotiate their contracts with us, move their IT solutions in-house, switch to lower-priced solutions offered by our competitors or exit the industry. Fluctuations in the value of assets under our clients management could also adversely affect our revenues because pricing in many of our agreements is adjusted based on assets under management. We cannot predict the occurrence, timing or duration of any economic downturn, generally, or in the markets in which our businesses operate. Turbulence in the U.S. and international markets, renewed concern about the strength and sustainability of a recovery and prolonged declines in business consumer spending could materially adversely affect our business and financial statements, and the liquidity and financial condition of our clients.

Consolidations and failures in the financial services industry could adversely affect us by causing a decline in demand for our products and services.

If banks and financial services firms fail or consolidate, there could be a decline in demand for our products and services. Failures, mergers and consolidations of banks and financial institutions reduce the number of our clients and potential clients, which could adversely affect our revenues even if these events do not reduce the aggregate activities of the consolidated entities. Further, if our clients fail and/or merge with or are acquired by other entities that are not our clients, or that use fewer of our products and services, they may discontinue or reduce their use of our products and services. It is also possible that the larger financial institutions resulting from mergers or consolidations would have greater leverage in negotiating terms with us. In addition, these larger financial institutions could decide to perform in-house some or all of the services that we currently provide or could provide or to consolidate their processing on a non-SS&C system. The resulting decline in demand for our products and services could have a material adverse effect on our business and financial statements.

Our business has become increasingly focused on the hedge fund industry, and we are subject to the variations and fluctuations of that industry.

As a result of our acquisition of GlobeOp Financial Services S.A., or GlobeOp, in May 2012, a higher percentage of our clients are hedge funds or funds of hedge funds. These clients and our business relating to them are affected by trends, developments and risks associated with the global hedge fund industry. The market environment for hedge funds involves risk and has suffered significant turmoil in recent years, including as a result of substantial changes in global economies, stock market declines, credit crises, failures of financial institutions, government bail-out plans and new regulatory initiatives. Even in the absence of such disruptions to the global economy, the global hedge fund industry is subject to fluctuations in assets under management that are impossible to predict or anticipate. Such risks, if realized, could significantly and adversely affect some or all of our clients, which could adversely affect our business and financial statements. In addition, market forces have negatively impacted liquidity for many of the financial instruments in which hedge fund clients trade, which, in turn, could negatively impact our ability to access independent pricing sources for valuing those instruments.

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If we are unable to retain and attract clients, our revenues and net income would remain stagnant or decline.

If we are unable to keep existing clients satisfied, sell additional products and services to existing clients or attract new clients, then our revenues and net income would remain stagnant or decline. A variety of factors could affect our ability to successfully retain and attract clients, including:

- the level of demand for our products and services;
- the level of client spending for information technology;
- the level of competition from internal client solutions and from other vendors;
- the quality of our client service and the performance of our products;
- our ability to update our products and services and develop new products and services needed by clients;
- our ability to understand the organization and processes of our clients; and
- our ability to integrate and manage acquired businesses.

We face significant competition with respect to our products and services, which may result in price reductions, reduced gross margins or loss of market share.

The market for financial services software and services is competitive, rapidly evolving and highly sensitive to new product and service introductions and marketing efforts by industry participants. The market is also highly fragmented and served by numerous firms that target only local markets or specific client types. We also face competition from information systems developed and serviced internally by the IT departments of financial services firms.

Some of our current and potential competitors may have significantly greater financial, technical, distribution and marketing resources, generate higher revenues and have greater name recognition. Our current or potential competitors may develop products comparable or superior to those developed by us, or adapt more quickly to new technologies, evolving industry trends or changing client or regulatory requirements. It is also possible that our competitors may enter into alliances with each other or other third parties, and through such alliances, acquire increased market share. Increased competition may result in price reductions, reduced gross margins and loss of market share. Accordingly, our business may not grow as expected and may decline.

Catastrophic events may adversely affect our business.

A war, terrorist attack, natural disaster or other catastrophe may adversely affect our business. A catastrophic event could have a direct negative impact on us or an indirect impact on us by, for example, affecting our clients, the financial markets or the overall economy and reducing our ability to provide, our clients ability to use, and the demand for, our products and services. The potential for a direct effect on our business operations is due primarily to our significant investment in infrastructure. Although we maintain redundant facilities and have contingency plans in place to protect against both man-made and natural threats, it is impossible to fully anticipate and protect against all potential catastrophes. A computer virus, security breach, criminal act, military action, power or communication failure, flood, severe storm or the like could lead to service interruptions and data losses for clients, disruptions to our operations, or damage to important facilities. In addition, such an event may cause clients to cancel their agreements with us for our products or services. Any of these events could adversely affect our business and financial statements.

Our software-enabled services may be subject to disruptions or failures that could adversely affect our reputation and our business.

Our software-enabled services maintain and process confidential data on behalf of our clients, some of which is critical to their business operations. For example, our trading systems maintain account and trading information for our clients and their customers. Our internal technology infrastructure on which our software-enabled services depend may be subject to disruptions or may otherwise fail to operate properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control and that could adversely affect our ability to process transactions, provide services or otherwise appropriately conduct our business activities. Such events include information technology attacks or failures, threats to physical security, sudden increases in transaction volumes, electrical or telecommunications outages, damaging weather or other acts of nature, or employee or contractor error or malfeasance. In particular, cybersecurity threats have become prevalent in our industry as well as for many firms that process information. Cybersecurity threats are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, information security breaches or employee or contractor error or malfeasance and other electronic security breaches that could lead to disruptions in systems, unauthorized release or destruction of our or our clients or other parties confidential or otherwise protected information and corruption of data. In the last few years there have been many successful advanced pervasive threats that have damaged several prominent companies in spite of strong information security measures, and we expect that the risks associated with cyber-attacks and the costs of preventing such attacks will continue to increase in the future. Although we expend significant resources and oversight efforts in an attempt to ensure that we maintain appropriate safeguards with respect to cyber-attacks, there is no guarantee that our systems and procedures are adequate to protect against all security breaches.

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If our software-enabled services are disrupted or fail for any reason, or if our systems or facilities are infiltrated or damaged by unauthorized persons, our clients could experience data loss, financial loss, harm to their reputation and significant business interruption. If that happens, we may be exposed to significant liability, our reputation may be harmed, our clients may be dissatisfied and we may lose business. Given the unpredictability of the timing, nature and scope of such failures or disruptions, we could potentially experience significant costs and exposures, including production downtimes, operational delays, other detrimental impacts on our operations or ability to provide services to our customers, the compromising of confidential or otherwise protected information, misappropriation, destruction or corruption of data, security breaches, other manipulation or improper use of our systems or networks, financial losses from remedial actions, loss of business or potential liability, regulatory inquiries, enforcements, actions and fines and/or damage to our reputation, any of which could have a material adverse effect on our business and financial statements.

If third party service providers on which we rely, or other third parties with which we do business or which facilitate our business activities, suffer disruptions to their information technology systems, our business could be harmed.

In providing our software-enabled services to our customers, we depend upon information technology infrastructure that is primarily managed by our firm, but we also depend on third party service providers to provide some of the information technology infrastructure on which we rely. Although we seek to ensure that appropriate security and other standards are maintained by these third parties, these third parties are also subject to the risks discussed in the preceding risk factor, and there is no guarantee that they will maintain systems and procedures sufficient to protect against system failures and security breaches, including as a result of cyber-attacks.

In addition, the third parties with which we do business or which facilitate our business activities, including financial intermediaries, are susceptible to the risks described in the preceding risk factor (including regarding the third parties with which they are similarly interconnected), and our or their business operations and activities may therefore be adversely affected, perhaps materially, by failures, terminations, errors or malfeasance by, or attacks or constraints on, one or more financial, technology or infrastructure institutions or intermediaries with whom they are interconnected or conduct business.

We derive substantial revenues from the licensing of, or the provision of software-enabled services related to a limited number of software packages, and the provision of maintenance and professional services in support of such software.

The licensing of, and the provision of software-enabled services, maintenance and professional services relating to, our CAMRA, TradeThru, Pacer, AdvisorWare, Portia and Total Return software accounted for approximately 36% of our revenues for the year ended December 31, 2013. We expect that the revenues from these software products and services will continue to account for a significant portion of our total revenues for the foreseeable future. As a result, factors adversely affecting the pricing of or demand for such products and services, such as competition or technological change, could have a material adverse effect on our ability to sustain or grow our business and our financial statements.

Our role as a fund administrator has in the past, and may in the future, expose us to claims and litigation from clients, their investors, regulators or other third parties.

As a service provider, we are subject to potential claims and lawsuits from investors, regulators, liquidators, other third parties and our clients, some of which pursue high-risk investment strategies and all of which are subject to substantial market risk, in the event that the underlying fund suffers investment losses, becomes insolvent, files for bankruptcy or otherwise becomes defunct. Even if we are not ultimately found to be liable, defending such claims or lawsuits could be time-consuming, divert management resources, harm our reputation and cause us to incur significant expenses. These claims or lawsuits could have an adverse effect on our business and financial statements.

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The outcome of pending litigation in which GlobeOp is a defendant relating to a client for which GlobeOp performed services could have a material adverse effect on us.

Several actions, which we refer to as the Millennium Actions, have been filed in various jurisdictions against GlobeOp alleging claims and damages with respect to a valuation agent services agreement performed by GlobeOp for the Millennium Global Emerging Credit Fund, L.P. and Millennium Global Emerging Credit Fund Ltd., which we refer to collectively as the Millennium Funds. These actions include (i) a putative class action in the U.S. District Court for the Southern District of New York, or the U.S. Class Action, on behalf of a putative class of investors in the Millennium Funds filed in May 2012 asserting claims of $844 million (the alleged aggregate value of assets under management by the Millennium Funds at the funds peak valuation); (ii) an arbitration proceeding in the United Kingdom, or the UK Arbitration, on behalf of Millennium Global Investments Ltd. and Millennium Asset Management Ltd., the Millennium Funds investment manager and administrative manager, respectively, or the Millennium Managers, which commenced with a request for arbitration in July 2011, seeking an indemnity of $26.5 million for sums paid by way of settlement to the Millennium Funds in a separate arbitration to which GlobeOp was not a party, as well as an indemnity for any losses that may be incurred by the Millennium Managers in the U.S. Class Action; and (iii) a claim in the same arbitration proceeding by the liquidators on behalf of the Millennium Global Emerging Credit Master Fund Ltd., or the Master Fund, against GlobeOp for damages alleged to be in excess of $160 million. These actions allege that GlobeOp breached its contractual obligations and/or negligently breached a duty of care in the performance of services for the Millennium Fund and that, among other things, GlobeOp should have discovered and reported a fraudulent scheme perpetrated by the portfolio manager employed by the investment manager. The U.S. Class Action also asserts claims against SS&C identical to the claims against GlobeOp in that action. In the arbitration, GlobeOp has asserted counterclaims against both the Millennium Managers and the Master Fund for indemnity, including in respect of the U.S. Class Action.

Although the parties to the U.S. Class Action have entered into a settlement agreement, the settlement remains subject to approval by the United States District Court for the Southern District of New York court, and it may not be approved. Moreover, the settlement agreement does not affect the claims by the Master Fund against GlobeOp.

We are vigorously contesting the ongoing UK Arbitration. However, litigation is subject to inherent uncertainty and this matter could ultimately be decided against GlobeOp. We could be required to pay substantial damages, which could have a material adverse effect on our business and financial statements. In addition, because the UK Arbitration is an arbitration proceeding, it could result in a less predictable outcome than court litigation and is not subject to appeal, except for fundamental procedural defects. We have incurred, and during the pendency of the Millennium Actions, will continue to incur significant costs and, until resolved, these matters will continue to divert the attention of our management and other resources that would otherwise be engaged in other business activities.

We may not achieve the anticipated benefits from our acquisitions and may face difficulties in integrating our acquisitions.

We have acquired and intend in the future to acquire companies, products or technologies that we believe could complement or expand our business, augment our market coverage, enhance our technical capabilities or otherwise offer growth opportunities. However, acquisitions could subject us to contingent or unknown liabilities, and we may have to incur debt or severance liabilities or write off investments, infrastructure costs or other assets. Our success is also dependent on our ability to complete the integration of the operations of acquired businesses in an efficient and effective manner, which may be difficult to accomplish in the rapidly changing financial services software and services industry. We may not realize the benefits we anticipate from acquisitions, such as lower costs, increased revenues, synergies and growth opportunities, or we may realize such benefits more slowly than anticipated, due to our inability to:

combine operations, facilities and differing firm cultures;

maintain employee morale or retain the clients or employees of acquired entities;

generate market demand for new products and services;

coordinate geographically dispersed operations and successfully adapt to the complexities of international operations, including compliance with laws, rules and regulations in multiple jurisdictions;

integrate the technical teams of acquired companies with our engineering organization; or

incorporate acquired technologies, products and services into our current and future product and service lines.

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The process of integrating the operations of acquired companies could disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and harm our business or financial statements. Acquisitions may also place a significant strain on our administrative, operational, financial and other resources. In addition, certain of our acquisitions have generated disputes with stockholders or management of acquired companies that have required the expenditure of our resources to address or have led to litigation; any such disputes may reduce the value we hope to realize from our acquisitions, either by increasing our costs of the acquisition, reducing our opportunities to realize revenues from the acquisition or imposing litigation costs or adverse judgments on us. Acquisitions may also expose us to litigation from our stockholders arising out of the acquisition, which, even if unsuccessful, could be costly to defend and serve as a distraction to management.

We have substantial operations and a significant number of employees in India and we are therefore subject to regulatory, economic and political uncertainties in India.

We currently have approximately 1,800 employees located in India. The economy of India may differ favorably or unfavorably from the United States economy and our business may be adversely affected by the general economic conditions and economic and fiscal policy in India, including changes in exchange rates and controls, interest rates and taxation policies. In particular, in recent years, India s government has adopted policies that are designed to promote foreign investment, including significant tax incentives, relaxation of regulatory restrictions, liberalized import and export duties and preferential rules on foreign investment and repatriations. These policies may not continue. In addition, we are subject to risks relating to social stability, political, economic or diplomatic developments affecting India in the future.

India faces major challenges in the years ahead sustaining the economic growth that it has experienced over the past several years. These challenges include the need for substantial infrastructure development and improving access to healthcare and education. Our ability to recruit, train and retain qualified employees and develop and operate our facilities in India could be adversely affected if India does not successfully meet these challenges.

We expect that our operating results, including our profit margins and profitability, may fluctuate over time.

Historically, our revenues, profit margins and other operating results have fluctuated from period to period and over time primarily due to the timing, size and nature of our license and service transactions. See Management s Discussion and Analysis of Financial Condition and Results of Operations for further discussion on fluctuations in revenues, profit margins and other operating results. Additional factors that may lead to such fluctuation include:

- the timing of the introduction and the market acceptance of new products, product enhancements or services by us or our competitors;

- the lengthy and often unpredictable sales cycles of large client engagements;

- the amount and timing of our operating costs and other expenses;

- the financial health of our clients;

- changes in the volume of assets under our clients management;
- cancellations of maintenance and/or software-enabled services arrangements by our clients;
- changes in local, national and international regulatory requirements;
- acquisitions during the relevant period;
- implementation of our licensing contracts and software-enabled services arrangements;
- changes in economic and financial market conditions; and
- changes in the types of products and services we provide.

We are dependent on our senior management and their continued performance and productivity.

We are dependent on the continued efforts of the members of our senior management. The loss of any of the members of our senior management may cause a significant disruption in our business, jeopardize existing customer relationships, impair our compliance efforts as a public company, and have a material adverse effect on our business objectives. We do not maintain key man life insurance policies for any senior officer or manager.

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If we cannot attract, train and retain qualified employees, we may not be able to provide adequate technical expertise and customer service to our clients.

We believe that our success is due in part to our ability to attract, train and retain highly skilled employees. Competition for qualified personnel in the software and hedge fund industries is intense, and we have, at times, found it difficult to attract and retain skilled personnel for our operations. Our failure to attract and retain a sufficient number of highly skilled employees could prevent us from developing and servicing our products at the same levels as our competitors; therefore, we may lose potential clients and suffer a decline in revenues.

If we are unable to protect our proprietary technology and other confidential information, our success and our ability to compete will be subject to various risks, such as third-party infringement claims, unauthorized use of our technology, disclosure of our proprietary information or inability to license technology from third parties.

Our success and ability to compete depends in part upon our ability to protect our proprietary technology and other confidential information. We rely on a combination of patent, trade secret, copyright and trademark law, nondisclosure agreements, license agreements and technical measures to protect our proprietary technology and other confidential information. We have registered trademarks for some of our products and will continue to evaluate the registration of additional trademarks as appropriate. We generally enter into confidentiality agreements with our employees, distributors, clients and potential clients. These efforts may be insufficient to prevent third parties from misappropriating or asserting rights in our intellectual property and technology. Furthermore, it may be possible for unauthorized third parties to copy portions of our products or to reverse engineer or otherwise obtain and use our proprietary information.

Existing patent and copyright laws afford only limited protection. Third parties may develop substantially equivalent or superseding proprietary technology or may offer equivalent products in competition with our products, thereby substantially reducing the value of our proprietary rights. A number of third parties hold patents and other intellectual property rights with application in the financial services field. Consequently, we are subject to the risk that such third parties will claim that our products infringe their intellectual property rights, including their patent rights. Such claims, if successful, could result in expensive and time-consuming litigation and impair our intellectual property rights.

We incorporate open source software into a limited number of our software products. We monitor our use of open source software in an effort to avoid subjecting our products to unfavorable conditions or conditions we do not intend. Although we believe that we have complied with our obligations under the applicable licenses for open source software that we use, there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses. As a result, the potential impact of these terms is uncertain and may result in unanticipated obligations or restrictions regarding those of our products, technologies or solutions affected.

We have acquired and may acquire important technology rights through our acquisitions and have often incorporated and may incorporate features of these technologies across many of our products and services. As a result, we are subject to the above risks and the additional risk that the seller of the technology rights may not have appropriately protected the intellectual property rights we acquired. Indemnification and other rights under applicable acquisition documents are limited in term and scope and therefore provide us with only limited protection.

In addition, we rely on third-party software in providing some of our products and services. If we lose our licenses to use such software or if such licenses are found to infringe upon the rights of others, we will need to seek alternative means of obtaining the licensed software to continue to provide our products or services. Our inability to replace such software, or to replace such software in a timely manner, could significantly disrupt our business and our ability to deliver products and services to our clients, and adversely affect our financial results.

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We could become subject to litigation regarding intellectual property rights, which could seriously harm our business and require us to incur significant costs.

In recent years, there has been a high incidence of litigation in the United States involving patents and other intellectual property rights. We are from time to time a party to litigation to enforce our intellectual property rights or as a result of an allegation that we infringe a third party s intellectual property rights, including patents, trademarks and copyrights. From time to time, we have received notices claiming our technology may infringe third-party intellectual property rights or otherwise threatening to assert intellectual property rights. These claims and any resulting lawsuit, if successful, could subject us to significant liability for damages and invalidation of our proprietary rights. These lawsuits, regardless of their success, could be time-consuming and expensive to resolve, adversely affect our revenues, profitability and prospects, and divert management time and attention. These claims and threats could also cause us to undertake to re-engineer our products or services or obtain a license of third-party technologies on unfavorable terms.

We may be unable to adapt to rapidly changing technology and evolving industry standards and regulatory requirements.

Rapidly changing technology, evolving industry standards and regulatory requirements and new product and service introductions characterize the market for our products and services. Our future success will depend in part upon our ability to enhance our existing products and services and to develop and introduce new products and services to keep pace with such changes and developments and to meet changing client needs. The process of developing our software products is complex and is expected to become increasingly complex and expensive in the future due to the introduction of new platforms, operating systems and technologies. Current areas of significant technological change include mobility, cloud-based computing and the processing and analyzing of large amounts of data. Our ability to keep up with technology and business and regulatory changes is subject to a number of risks, including that:

- we may find it difficult or costly to update our services and software and to develop new products and services quickly enough to meet our clients needs;

- we may find it difficult or costly to make some features of our software work effectively and securely over the Internet or with new or changed operating systems;

- we may find it difficult or costly to update our software and services to keep pace with business, evolving industry standards, regulatory requirements and other developments in the industries in which our clients operate; and

- we may be exposed to liability for security breaches that allow unauthorized persons to gain access to confidential information stored on our computers or transmitted over our network.

Our failure to enhance our existing products and services and to develop and introduce new products and services to promptly address the needs of our clients and a changing marketplace could adversely affect our business and financial statements.

Undetected software design defects, errors or failures, or employee errors, may result in defects, delays, loss of our clients data, litigation against us and harm to our reputation and business.

Our software products are highly complex and sophisticated and could contain design defects or software errors that are difficult to detect and correct. Errors or bugs in our software may affect the ability of our products to work with other hardware or software products, delay the development or release of new products or new versions of products, result in the loss of client data, damage our reputation, affect market acceptance of our products or result in the rejection of our products by the market, cause loss of revenues, divert development resources, increase product liability and warranty claims, and increase service and support costs. We cannot be certain that, despite testing by us and our clients, errors will not be found in new products or new versions of products. Moreover, our clients engage in complex trading activities and this complexity increases the likelihood that our employees may make errors. Employee errors, poor employee performance or misconduct may be difficult to detect and deter. These product defects or errors in the product operations, or employee errors, poor performance or misconduct, could cause damages to our clients for which they may assert claims or lawsuits against us. The cost of defending such a lawsuit, regardless of its merit, could be substantial and could divert management s attention and result in reputational harm. In addition, if our business liability insurance coverage proves inadequate with respect to a claim or future coverage is unavailable on acceptable terms or at all, we may be liable for payment of substantial damages. Any or all of these potential consequences could have an adverse impact on our business and financial statements.

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Our business is subject to evolving regulations and increased scrutiny from regulators.

Our business is subject to evolving and increasing regulation, and our relationships with our clients may subject us to increased scrutiny from a number of regulators, including the Bermuda Monetary Authority (BMA), British Virgin Islands Financial Services Commission (BVIFSC), Centrale Bank van Curacao en Sint Maarten, Commodity Futures Trading Commission (CFTC), Federal Trade Commission (FTC), Cayman Islands Monetary Authority (CIMA), Commission de Surveillance du Secteur Financier (CSSF), Financial Industry Regulatory Authority (FINRA), Financial Conduct Authority (FCA), Central Bank of Ireland (CBI), National Futures Association (NFA), Ontario Securities Commission (OSC), the Securities and Exchange Commission (SEC), Securities Commission of the Bahamas (SCB), U.S. Treasury Department and other government entities that regulate the financial services, hedge fund and hedge fund services industry in the United States, the United Kingdom and the other jurisdictions in which we operate. These regulations may limit or curtail our activities, including activities that might be profitable, and changes to existing regulations may affect our ability to continue to offer our existing products and services, or to offer products and services we may wish to offer in the future. As a result of the changes in the global economy and the turmoil in global financial markets in recent years, the risk of additional government regulation has increased.

The European Union s Alternative Investment Fund Managers Directive (AIFMD) and the United States Dodd-Frank Wall Street Reform and Consumer Protection Act, among other initiatives, pose significant changes to the regulatory environment in which we and our clients operate. The impact of these regulatory changes remain uncertain. If we fail to comply with any applicable laws, rules or regulations, we may be subject to censure, fines or other sanctions, including revocation of our licenses and/or registrations with various regulatory agencies, criminal penalties and civil lawsuits.

The U.S. Foreign Corrupt Practices Act and anti-bribery laws in other jurisdictions, including the U.K. Bribery Act, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. While our policies mandate compliance with these anti-bribery laws, reckless or other inappropriate acts committed by our affiliates, employees or agents that violate anti-bribery laws could result in severe criminal or civil sanctions.

A failure to comply with these laws, rules or regulations, or allegations of such noncompliance, could adversely affect our business, reputation and financial statements.

Additional tax expense or additional tax exposures could affect our future profitability.

We are subject to income taxes in the United States and various international jurisdictions. Changes in tax laws and regulations, as well as changes in related interpretations and other tax guidance could materially impact our tax receivables and liabilities and our deferred tax assets and deferred tax liabilities. Additionally, in the ordinary course of business we are subject to examinations by various authorities, including tax authorities. In addition to ongoing investigations, there could be additional investigations launched in the future by governmental authorities in various jurisdictions, and existing investigations could be expanded. The global and diverse nature of our operations means that these risks will continue to exist and additional investigations, proceedings and contingencies will arise from time to time. Our business and financial statements may be affected by the outcome of investigations, proceedings and other contingencies that cannot be predicted with certainty.

A substantial portion of our revenues are derived, and a substantial portion of our operations are conducted, outside the United States.

For the years ended December 31, 2011, 2012 and 2013, international revenues accounted for 30%, 35% and 35%, respectively, of our total revenues. We sell certain of our products, such as MarginMan and Pacer, primarily outside the United States. Our international business is subject to a variety of risks, including:

- potential changes in a specific country s or region s political or economic climate;
- the need to comply with a variety of local regulations and laws, U.S. export controls, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act;
- fluctuations in foreign currency exchange rates;
- application of discriminatory fiscal policies;
- potential changes in tax laws and the interpretation of such laws; and
- potential difficulty enforcing third-party contractual obligations and intellectual property rights.

Such factors could adversely affect our business and financial statements.

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We are exposed to fluctuations in currency exchange rates that could negatively impact our operating results and financial condition.

Because a significant portion of our business is conducted outside the United States and significant revenues are generated outside the United States, we face exposure to adverse movements in foreign currency exchange rates. Fluctuations in currencies relative to currencies in which our earnings are generated also make it more difficult to perform period-to-period comparisons of our reported results of operations. Because our consolidated financial statements are reported in U.S. dollars, translation of sales or earnings generated in other currencies into U.S. dollars can result in a significant increase or decrease in the reported amount of those sales or earnings. In addition, we incur currency transaction risk whenever we enter into either a purchase or a sales transaction using a currency other than the local currency of the transacting entity. Given the volatility of exchange rates, we cannot be assured we will be able to effectively manage our currency translation or transaction risk, and significant changes in the value of foreign currencies relative to the U.S. dollar could adversely affect our financial statements. See Management s Discussion and Analysis of Financial Condition and Results of Operations for further discussion on the foreign currency translation impact on operating results and financial condition.

We do not currently engage in hedging activities. Changes in economic or political conditions globally and in any of the countries in which we operate could result in exchange rate movements, new currency or exchange controls or other restrictions being imposed on our operations.

Risks Relating to Our Indebtedness

Our substantial indebtedness could adversely affect our financial health.

To complete our acquisitions of GlobeOp and Thomson Reuters PORTIA Business, or the PORTIA Business, we incurred approximately an additional $1,072 million of debt under a senior credit facility. Borrowings under this facility totaled approximately $782 million as of December 31, 2013. The existence of this indebtedness could have adverse consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund acquisitions, working capital, capital expenditures, research and development efforts and other general corporate purposes;
- increase our vulnerability to and limit our flexibility in planning for, or reacting to, change in our business and the industry in which we operate;
- expose us to the risk of increased interest rates as borrowings under our senior credit facility are subject to variable rates of interest;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.

In addition, the agreement governing our senior credit facility contains financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

To service our indebtedness, we require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

We are currently obligated to make periodic interest payments on our senior debt of approximately $23 million annually. Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

If our business fails to generate sufficient cash flow from operations and future borrowings are not available to us under our senior credit facility, we may not be able to pay our indebtedness or fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. We may not be able to effect such actions, if necessary, on commercially reasonable terms or at all.

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Restrictive covenants in the agreement governing our senior credit facility may restrict our ability to pursue our business strategies.

The agreement governing our senior credit facility limits our ability, among other things, to:

- incur additional indebtedness;
- sell assets, including capital stock of certain subsidiaries;
- pay dividends;
- consolidate, merge, liquidate or dissolve;
- acquire companies, products or technologies;
- enter into transactions with our affiliates; and
- incur liens.

In addition, our senior credit facility includes other covenants that, subject to permitted exceptions, prohibit us from making investments, loans, dispositions and other advances, changing the nature of our business, modifying our organizational documents and prepaying our other indebtedness while indebtedness under our senior credit facility is outstanding. The agreement governing our senior credit facility also requires us to maintain compliance with a specified leverage ratio. Our ability to comply with this ratio may be affected by events beyond our control.

The restrictions contained in the agreement governing our senior credit facility could limit our ability to plan for or react to market conditions, meet capital needs or otherwise conduct our business activities and plans.

A breach of any of these restrictive covenants or our inability to comply with the leverage ratio could result in a default under the agreement governing our senior credit facility. If such a default occurs, the lenders under our senior credit facility may elect to declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable. The lenders also have the right in these circumstances to terminate any commitments they have to provide further borrowings. If we are unable to repay outstanding borrowings when due, the lenders under our senior credit facility also have the right to proceed against the collateral, including our available cash, granted to them to secure the indebtedness. If the indebtedness under our senior credit facility were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness.

Risks Relating to Ownership of Our Common Stock

If equity research analysts do not publish or cease publishing research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price and trading volume of our common

stock could decline.

The trading market for our common stock is influenced by the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The price of our stock or trading volume in our stock could decline if one or more equity analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing regular reports about us or our business.

The market price of our common stock may be volatile, which could result in substantial losses for investors in our common stock.

Shares of our common stock were sold in our initial public offering, or IPO, at a price of $15.00 per share on March 31, 2010, and our common stock has subsequently traded as high as $46.61 and as low as $13.27. An active, liquid and orderly market for our common stock may not be sustained, which could depress the trading price of our common stock. In addition, the market price of our common stock may fluctuate significantly. Some of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of any of our products to achieve or maintain market acceptance;
- changes in market valuations of similar companies;
- success of competitive products;

changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;

announcements by us or our competitors of significant products, contracts, acquisitions or strategic alliances;

regulatory developments in any of our markets;

litigation involving our company, our general industry or both;

additions or departures of key personnel;

investors general perception of us; and

changes in general economic, industry and market conditions.

In addition, if the market for technology stocks, financial services stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to class action lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

William C. Stone, our Chairman of the Board and Chief Executive Officer, exerts significant control over our company.

As of February 24, 2014, William C. Stone, our Chairman of the Board and Chief Executive Officer, beneficially owned approximately 20.1% of the outstanding shares of our common stock. We are party to a stockholders agreement with Mr. Stone, pursuant to which Mr. Stone has the right to nominate two members of our board of directors, one of which will be Mr. Stone for so long as he is our Chief Executive Officer, and controls the right (formerly held jointly by Mr. Stone and Carlyle) to nominate two additional board members. As a result, Mr. Stone has significant influence over our policy and affairs and matters requiring stockholder approval.

SS&C Holdings is a holding company with no operations or assets of its own and its ability to pay dividends is limited or otherwise restricted.

SS&C Holdings has no direct operations and no significant assets other than the stock of SS&C. The ability of SS&C Holdings to pay dividends is limited by its status as a holding company and by the terms of the agreement governing our senior credit facility. See Risk factors Risks relating to our indebtedness Restrictive covenants in the agreement governing our senior credit facility may restrict our ability to pursue our business strategies. Moreover, none of the subsidiaries of SS&C Holdings is obligated to make funds available to SS&C Holdings for the payment of dividends or otherwise. In addition, Delaware law imposes requirements that may restrict the ability of our subsidiaries, including SS&C, to pay dividends to SS&C Holdings. These limitations could reduce our attractiveness to investors.

Our management has broad discretion in the use of our existing cash resources and may not use such funds effectively.

Our management has broad discretion in the application of our cash resources. Accordingly, our stockholders will have to rely upon the judgment of our management with respect to our existing cash resources, with only limited information concerning management s specific intentions. Our management may spend our cash resources in ways that our stockholders may not desire or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business.

Provisions in our certificate of incorporation and bylaws might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our certificate of incorporation and bylaws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- a classified board of directors so that not all members of our board are elected at one time;
- advance notice requirements for stockholder proposals and nominations;
- the inability of stockholders to call special meetings;
- the ability of our board of directors to make, alter or repeal our bylaws;
- the ability of our board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used to institute a rights plan, or a poison pill, that would work to dilute the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors; and
- a prohibition on stockholders from acting by written consent.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that our stockholders could receive a premium for their shares of common stock in an acquisition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease our corporate offices, which consist of approximately 93,500 square feet of office space located in 80 Lamberton Road, Windsor, CT 06095. In 2013, we extended the lease term through October 2022. We utilize facilities and offices in twenty-six other locations in the United States and have offices in Toronto, Canada; Montreal, Canada; Mississauga, Canada; Kitchener, Canada; London, England; Dublin, Ireland; Luxembourg; Amsterdam, the Netherlands; Kuala Lumpur, Malaysia; Singapore; Curacao; Grand Cayman; Bermuda; Bangalore, India; Mumbai, India; Hong Kong; and Sydney, Australia. We lease all of our facilities and offices except for our offices in Yorktown, New York, and Harrison, New York, which we own. We believe that our facilities are in good condition and generally suitable to meet our needs for the foreseeable future; however, we will continue to seek additional space as needed to satisfy our growth.

ITEM 3. LEGAL PROCEEDINGS

As described below, our subsidiary, GlobeOp, is a defendant in pending litigation relating to several clients for which GlobeOp performed services.

Fairfield Greenwich-Related Actions

In April 2009, GlobeOp was named as a defendant in a putative class action, which we refer to as the Anwar Action, filed by Pasha S. Anwar in the United States District Court for the Southern District of New York against multiple defendants relating to Greenwich Sentry L.P. and Greenwich Sentry Partners L.P., or the FG Funds, and the alleged losses sustained by the FG Funds investors as a result of Bernard Madoff s Ponzi scheme. The complaint alleged breach of fiduciary duties by GlobeOp and negligence in the performance of its duties and sought to recover as damages the net losses sustained by investors in the putative class, together with applicable interest, costs, and attorneys fees. GlobeOp served as administrator for the Greenwich Sentry fund from October 2003 through August 2006 and for the Greenwich Sentry Partners fund from May 2006 through August 2006, during which time the approximate net asset value of the Greenwich Sentry Fund was $135 million and the Greenwich Sentry Partners Fund was $6 million. In February 2013, the U.S. District Court for the Southern District of New York granted the plaintiffs motion for class certification of a class consisting of all net loss investors in the litigated funds (excluding investors from a number of enumerated foreign countries). GlobeOp petitioned the Court of Appeals to permit an interlocutory appeal of the class certification order, but subsequently requested that the Court of Appeals hold its petition in abeyance pending the consummation of a settlement, as detailed below.

GlobeOp was also named as one of five defendants in two derivative actions, which we refer to as the Derivative Actions, that were initially filed in New York State Supreme Court in February 2009. Following initial motion practice, the court ordered the plaintiffs to arbitrate the claims asserted against GlobeOp. A litigation trustee on behalf of the bankrupt FG Funds subsequently substituted in as the plaintiff in these actions, which relate to the same losses alleged in the Anwar Action. The litigation trustee sought unspecified compensatory and punitive damages, together with applicable interest, costs, and attorneys fees, as well as contribution and indemnification from GlobeOp for the FG Funds settlement with the Irving Picard, trustee for the liquidation of Bernard L. Madoff Investment Securities, LLC. GlobeOp maintained that the prior orders compelling arbitration apply to the litigation trustee.

In August 2013, GlobeOp and the plaintiffs in the Anwar Action and the Derivative Actions, as well as certain insurers that have agreed to provide GlobeOp with coverage for these claims, entered into a settlement agreement resolving all disputes and claims between and among the parties. After notice and certification of a settlement class, the settlement was approved by an order of the United States District Court for the Southern District of New York on November 22, 2013, or the Settlement Order. No appeals of the Settlement Order were filed by the January 27, 2014 deadline and, accordingly, the settlement is now final. On January 28, 2014, a notice of voluntary dismissal with prejudice was filed in the New York State Court overseeing the Derivative Actions. On or about January 30, 2014, the settlement amount was released from two escrow accounts to the plaintiffs in the Anwar Action and the Derivative Actions. The entirety of the settlement amount was funded by GlobeOp s insurers. Accordingly, the settlement of the Anwar Action and the Derivative Actions has been consummated and the matters are concluded.

Millennium Actions

Several actions, which we refer to as the Millennium Actions, have been filed in various jurisdictions against GlobeOp alleging claims and damages with respect to a valuation agent services agreement performed by GlobeOp for the Millennium Global Emerging Credit Fund, L.P. and Millennium Global Emerging Credit Fund Ltd., which we refer to collectively as the Millennium Funds. These actions include (i) a putative class action in the U.S. District Court for the Southern District of New York, or the U.S. Class Action, on behalf of a putative class of investors in the Millennium Funds filed in May 2012 asserting claims of $844 million (the alleged aggregate value of assets under management by the Millennium Funds at the funds peak valuation); (ii) an arbitration proceeding in the United Kingdom, or the UK Arbitration, on behalf of Millennium Global Investments Ltd. and Millennium Asset Management Ltd., the Millennium Funds investment manager and administrative manager, respectively, or the Millennium Managers, which commenced with a request for arbitration in July 2011, seeking an indemnity of $26.5 million for sums paid by way of settlement to the Millennium Funds in a separate arbitration to which GlobeOp was not a party, as well as an indemnity for any losses that may be incurred by the Millennium Managers in the U.S. Class Action; and (iii) a claim in the same arbitration proceeding by the liquidators on behalf of the Millennium Global Emerging Credit Master Fund Ltd., or the Master Fund, against GlobeOp for damages alleged to be in excess of $160 million. These actions allege that GlobeOp breached its contractual obligations and/or negligently breached a duty of care in the performance of services for the Millennium Fund and that, inter alia, GlobeOp should have discovered and reported a fraudulent scheme perpetrated by the portfolio manager employed by the investment manager. The U.S. Class Action also asserts claims against SS&C identical to the claims against GlobeOp in that action. In the arbitration, GlobeOp has asserted counterclaims against both the Millennium Managers and the Master Fund for indemnity, including in respect of the U.S. Class Action.

A hearing on the merits of the claims asserted in the UK arbitration was conducted in London in July and August 2013. The hearing has been adjourned and is not expected to be reconvened until September 2014.

GlobeOp has secured insurance coverage that provides reimbursement of various litigation costs up to pre-determined limits. In 2012 and 2013, GlobeOp was reimbursed for litigation costs under the applicable insurance policy.

In January 2014, GlobeOp, SS&C, the Millennium Managers and the plaintiff in the U.S. Class Action entered into a settlement agreement resolving all disputes and claims between and among the parties (including a separate mutual release between and among GlobeOp and SS&C, on the one hand, and the Millennium Managers on the other). The parties have presented the settlement agreement for approval by the United States District Court of the Southern District of New York. As part of the settlement, GlobeOp and the Millennium Managers have agreed to withdraw their claims against each other in the UK Arbitration upon approval of the settlement agreement by the United States District Court. Pending that approval, the UK Arbitration has been stayed in relation to the claims between Millenium and GlobeOp. The settlement agreement does not affect the claims, counterclaims and/or defenses as between

GlobeOp and the Master Fund.

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GlobeOp s insurers have agreed to fund the entirety of the settlement amount contemplated to be contributed by GlobeOp.

The Company cannot predict the outcome of these matters. The Company believes that it has strong defenses in the U.S. Class Action and the UK Arbitration and is vigorously contesting the UK Arbitration (as described above, the U.S. Class Action is subject of a pending settlement agreement). The amount of any potential loss, if any at all, cannot be reasonably estimated at this time.

In addition to the foregoing legal proceedings, from time to time, the Company is subject to other legal proceedings and claims that arise in the normal course of its business. In the opinion of the Company s management, the Company is not involved in any other such litigation or proceedings with third parties that management believes would have a material adverse effect on the Company or its business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on The NASDAQ Global Select Market under the symbol SSNC . The following table sets forth, for the periods indicated, the high and low sales prices of our common stock as reported by The NASDAQ Global Select Market:

	High	Low
2013		
Fourth quarter	$ 44.26	$ 34.67
Third quarter	$ 39.94	$ 32.51
Second quarter	$ 34.44	$ 27.54
First quarter	$ 30.24	$ 22.22

	High	Low
2012		
Fourth quarter	$ 25.84	$ 21.00
Third quarter	$ 27.04	$ 21.55
Second quarter	$ 25.27	$ 20.50
First quarter	$ 23.61	$ 17.80

On February 24, 2014, the closing price reported on The NASDAQ Global Select Market of our common stock was $38.96 per share. As of February 24, 2014, we had approximately 20 holders of record of our common stock.

There is no established public trading market for shares of our Class A non-voting common stock. As of February 24, 2014, William C. Stone, our Chairman and Chief Executive Officer, was the only holder of record of our Class A non-voting common stock. Each share of Class A non-voting common stock automatically converts into one share of our common stock upon (i) the expiration, with respect to a holder of Class A non-voting common stock, of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, such that such holder could acquire shares of common stock issuable upon conversion of such holder s shares of Class A non-voting common stock in compliance with the HSR Act, (ii) any other event, the occurrence of which results in the ability of a holder of Class A non-voting Common Stock to acquire the shares of common stock issuable upon conversion of the Class A non-voting common stock pursuant in compliance with the HSR Act or (iii) the sale of such share of Class A non-voting common stock to a person or entity (x) that would not be required to make a filing under the HSR Act to acquire an equal number of shares of common stock or (y) for which the waiting period under the HSR Act applicable to such person acquiring an equal number of shares of common stock has expired.

We have never declared or paid dividends, and we do not expect to pay dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Our ability to pay dividends is limited by our status as a holding company and by the terms of the agreement governing our senior credit facility, insofar as we may seek to pay dividends out of funds made available to us by our subsidiaries, because our debt instruments directly or indirectly impose certain limitations on our subsidiaries ability to pay dividends or make loans to us. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

Our equity plan information required by this item is incorporated by reference to the information in Part III, Item 12 of this annual report on Form 10-K.

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Performance graph

This performance graph shall not be deemed soliciting material or to be filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of SS&C Technologies Holdings, Inc. under the Exchange Act.

The following graph shows a comparison from March 31, 2010 (the date our common stock commenced trading on The NASDAQ Global Select Market) through December 31, 2013 of cumulative total return for our common stock, the NASDAQ Composite Index and the NASDAQ Computer and Data Processing Index. Such returns are based on historical results and are not intended to suggest future performance. Data for the NASDAQ Composite Index and the NASDAQ Computer and Data Processing Index assume reinvestment of dividends.

COMPARISON OF CUMULATIVE TOTAL RETURN*

Among SS&C Technologies Holdings, Inc., the NASDAQ Composite Index

And the NASDAQ Computer and Data Processing Index

* $100 invested in stock on 3/31/2010. Return calculations of indices assume the reinvestment of dividends. We did not pay dividends in the periods depicted.

	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
SS&C Technologies Holdings, Inc.	100	106	105	136	135	132	95	120
NASDAQ Composite-Total Returns	100	88	99	112	117	117	102	111
NASDAQ Computer & Data Processing Index	100	84	99	113	117	116	105	110

	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
SS&C Technologies Holdings, Inc.	155	166	167	153	199	218	253	294
NASDAQ Composite-Total Returns	132	125	134	130	141	148	164	183
NASDAQ Computer & Data Processing Index	126	121	129	125	135	143	154	180

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Issuer Purchases of Equity Securities

The following is a summary of our repurchases of our common stock in the fourth quarter of 2013:

Period(1)	(a) Total Number of Shares Purchased(2)	(b) Average Price Paid per Share(3)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(4)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under Plans or Programs(5)
October 1, 2013 October 31, 2013		$		$ 100,000,000
November 1, 2013 November 30, 2013		$		$ 100,000,000
December 1, 2013 December 31, 2013	23,900	$ 39.46	23,900	$ 99,056,838
Total	23,900		23,900	

(1) Information is based on settlement dates of repurchase transactions.
(2) Consists of shares of our common stock, par value $0.01 per share.
(3) Includes commissions paid.
(4) In October 31, 2013, we announced that our Board of Directors had approved a one-year stock repurchase program for up to $100.0 million of our common stock from time to time commencing in October 2013 on the open market or in privately negotiated transactions. See Note 4 to our consolidated financial statements included elsewhere in this annual report on Form 10-K.
(5) Dollar amounts represented reflect $100.0 million minus the total aggregate amount purchased in such month and aggregate commissions paid in connection therewith.

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ITEM 6. SELECTED FINANCIAL DATA

The five-year selected financial data set forth below should be read in conjunction with our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations appearing elsewhere in this annual report on Form 10-K.

	2013(5)	2012(4)	2011(3)	2010(2)	2009(1)
	(In thousands, except per share data)				
STATEMENT OF COMPREHENSIVE INCOME					
Revenues	$ 712,702	$ 551,842	$ 370,828	$ 328,905	$ 270,915
Operating income	182,968	123,216	93,777	79,840	67,103
Net income	117,895	45,820	51,021	32,413	19,018
Earnings per share					
Basic	$ 1.45	$ 0.59	$ 0.67	$ 0.47	$ 0.31
Diluted	$ 1.38	$ 0.55	$ 0.63	$ 0.44	$ 0.30
Weighted average shares outstanding					
Basic	81,195	78,321	76,482	69,027	60,381
Diluted	85,616	82,888	80,709	73,079	63,653
Cash dividends declared per share					
BALANCE SHEET					
Total assets	$ 2,275,324	$ 2,362,905	$ 1,207,608	$ 1,275,726	$ 1,185,641
Total long-term debt, including current portion	774,507	1,012,138	100,000	290,794	397,259
Stockholders equity	1,231,708	1,075,503	980,103	857,183	645,987

(1) On March 20, 2009, we acquired the assets and business of Evare, LLC. On May 29, 2009, we acquired the assets and business associated with Unisys Corporation s MAXIMIS software. On November 19, 2009, we acquired all of the outstanding stock of TheNextRound, Inc. On December 31, 2009, we acquired Tradeware Global Corp., through the merger of TG Acquisition Corp., our wholly-owned subsidiary, with and into Tradeware Global Corp., with Tradeware Global Corp., being the surviving company and becoming our wholly-owned subsidiary.

(2) On February 3, 2010, we acquired the assets and business associated with Geller & Company LLC s Geller Investment Partnership Services division. On October 1, 2010, we acquired all of the outstanding stock of thinkorswim Technologies, Inc. On December 6, 2010, we acquired the all of the outstanding stock of PC Consulting d/b/a TimeShareWare.

(3) On March 10, 2011, we acquired all of the outstanding stock of BenefitsXML, Inc. On September 8, 2011, we acquired all of the outstanding stock of BDO Simpson Xavier Fund Administration Services Limited, a division of BDO. See Note 12 to our consolidated financial statements.

(4) On May 9, 2012, we acquired the assets and business associated with Thomson Reuter s PORTIA Business. In the second quarter of 2012, we acquired of all of the outstanding stock of GlobeOp Financial Services, S.A. On September 27, 2012, we acquired the assets and business of Gravity Financial. See Note 12 to our consolidated financial statements.

(5) On October 1, 2013, we acquired all of the outstanding stock of Prime Management Limited. See Note 12 to our consolidated financial statements.

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading provider of mission-critical, sophisticated software products and software-enabled services that allow financial services providers to automate complex business processes and effectively manage their information processing requirements. Our portfolio of software products and rapidly deployable software-enabled services allows our clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, performance measurement, reconciliation, reporting, processing and clearing. Our solutions enable our clients to focus on core operations, better monitor and manage investment performance and risk, improve operating efficiency and reduce operating costs. We provide our solutions globally to more than 6,900 clients, principally within the institutional asset management, alternative investment management and financial institutions vertical markets. In addition, our clients include commercial lenders, corporate treasury groups, insurance and pension funds, municipal finance groups and real estate property managers.

Since 2010, through a combination of strategic acquisitions and internal development of new products and services, we have expanded our presence in current markets and entered new markets, increased our contractually recurring revenues, more than doubled our operating income and expanded our reach in the financial services market. Our acquisitions since 2010 have expanded our offerings for alternative investment managers and added to our portfolio management systems. Our acquisitions of GlobeOp and the PORTIA Business in 2012 significantly expanded our geographic footprint, most notably in Europe and Asia, and our client base and added broader employee expertise.

Our contractually recurring revenues, which we define as our maintenance revenues and software-enabled services revenues, were $656.0 million in 2013, compared to $500.2 million and $324.3 million in 2012 and 2011, respectively. In 2013, contractually recurring revenues represented 92.0% of total revenues, compared to 90.6% and 87.4% in 2012 and 2011, respectively. We believe our high level of contractually recurring revenues provides us with the ability to better manage our costs and capital investments. Our revenues from sales outside the United States were $246.0 million in 2013, compared to $191.4 million and $111.1 million in 2012 and 2011, respectively.

As we have expanded our business, we have focused on increasing our contractually recurring revenues. Since 2010, we have seen increased demand in the financial services industry for our software-enabled services from existing and new customers. We have taken a number of steps to support that demand, such as automating our software-enabled services delivery methods, expanded our service offerings and providing our employees with sales incentives. We have also acquired businesses that offer software-enabled services or have a large base of maintenance clients. Our software-enabled services revenues increased from $246.0 million in 2011 to $552.6 million in 2013. Our maintenance revenues increased from $78.3 million in 2011 to $103.4 million in 2013. Maintenance customer retention rates have continued to be in excess of 90% for our core enterprise products, and we have maintained both pricing levels for new contracts and annual price increases for existing contracts. To support the growth in our software-enabled services revenues and maintain our level of customer service, we have added personnel, expanded our facilities and invested in information technology. These investments and automation improvements in our software-enabled services have served to improve gross margins, although our acquisitions of GlobeOp and the PORTIA Business in 2012 have added a significant amount of amortization expense related to intangible assets, which has resulted in an initial decrease in gross margins. Gross margins have decreased from 50.3% in 2011 to 45.4% in 2013.

In connection with the acquisitions of GlobeOp and the PORTIA Business in the second quarter of 2012, we entered into a new credit agreement, which is described below in Liquidity and Capital Resources , to fund a portion of the purchase prices and refinance amounts outstanding under our prior senior credit facility.

We generated $208.3 million in cash from operating activities in 2013, compared to $134.4 million and $110.4 million in 2012 and 2011, respectively. In 2013, we used our operating cash flow and existing cash to repay $239.0 million of debt, invest $11.9 million in capital equipment in our business, acquire Prime Management Limited for $3.7 million and invest $2.4 million in internally-developed capitalized software.

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Acquisitions. To supplement our growth, we evaluate and execute acquisitions that provide complementary products or services, add proven technology and an established client base, expand our intellectual property portfolio or address a highly specialized problem or a market niche. Since the beginning of 2011, we have spent approximately $991 million to acquire eight businesses in the financial services industry, using a combination of cash and debt financing (as discussed in Notes 6 and 12 to our consolidated financial statements).

The following table lists the businesses we have acquired since January 1, 2011:

Acquired Business	Acquisition Date	Acquired Capabilities, Products and Services
Prime Management Limited	October 2013	Expanded fund administration services in the insurance linked securities market
Hedgemetrix LLC	October 2012	Expanded fund administration services in southwest USA
Gravity	September 2012	Expanded fund administration services in northeast USA
GlobeOp	June 2012	Expanded fund administration services in hedge fund and other asset management sectors
The PORTIA Business	May 2012	Added portfolio management software and outsourcing services for institutional managers
Acquisition of Teledata Communications, Inc. Software	December 2011	Added background search and credit retrieval software-as-a-service
Ireland Fund Admin	September 2011	Expanded fund administration services to UCITS funds
BenefitsXML	March 2011	Added employee benefits administration solutions

The discussion in this Part II, Item 7 of this Annual Report on Form 10-K includes the operations of the business listed in the table above for the respective time periods each was owned by SS&C.

Results of Operations

Revenues

Our revenues consist primarily of software-enabled services and maintenance revenues, and, to a lesser degree, software license and professional services revenues. As a general matter, fluctuations in our software-enabled services revenues are attributable to the number of new software-enabled services clients as well as total assets under management in our clients portfolios and the number of outsourced transactions provided to our existing clients, while our software license and professional services revenues tend to fluctuate based on the number of new licensing clients. Maintenance revenues vary based on the rate by which we add or lose maintenance clients over time and, to a lesser extent, on the annual increases in maintenance fees, which are generally tied to the consumer price index.

The following table sets forth the percentage of our total revenues represented by each of the following sources of revenues for the periods indicated:

	Year Ended December 31, 2013	2012	2011
Revenues:			
Software-enabled services	78%	74%	67%
Software licenses	4	4	6
Maintenance	14	17	21
Professional services	4	5	6
Total revenues	100.0%	100.0%	100.0%

The following table sets forth revenues (dollars in thousands) and percent change in revenues for the periods indicated:

	Year Ended December 31,			Percent Change from Prior Period	
	2013	2012	2011	2013	2012
Revenues:					
Software-enabled services	$ 552,565	$ 406,477	$ 246,007	36%	65%
Software licenses	28,687	22,466	23,507	28	(4)
Maintenance	103,409	93,760	78,266	10	20
Professional services	28,041	29,139	23,048	(4)	26
Total revenues	$ 712,702	$ 551,842	$ 370,828	29	49

Fiscal 2013 versus Fiscal 2012. Our revenues increased in 2013 as compared to 2012 primarily due to revenues related to our 2012 acquisitions of GlobeOp and the PORTIA Business, for which revenues increased $119.2 million, reflecting a full year of activity, as well as a continued increase in demand for our hedge fund and private equity services from alternative investment managers. These increases were partially offset by the unfavorable impact from foreign currency translation of $2.0 million, which resulted from the strength of the U.S. dollar relative to currencies such as the Canadian dollar and the Australian dollar. Our software licenses revenues in 2013 increased by $6.2 million from 2012 due to increased demand for our PORTIA, CAMRA, and Pages software products, which increased 2013 by approximately $4.8 million in the aggregate, as compared to 2012. Additionally, revenues associated with term licenses increased. Maintenance revenues experienced a substantial increase due to revenues related to the PORTIA Business, which increased $9.6 million in 2013, reflecting a full year of activity.

Fiscal 2012 versus Fiscal 2011. Our revenues increased in 2012 as compared to 2011 primarily due to revenues related to our acquisitions of GlobeOp and the PORTIA Business, which contributed $168.1 million in revenues, as well as a continued increase in demand for our hedge fund and private equity services from alternative investment managers. These increases were partially offset by the unfavorable impact from foreign currency translation of $0.9

million, resulting from the strength of the U.S. dollar relative to currencies such as the Canadian dollar, the Euro and the British pound. Our maintenance and professional services revenues experienced substantial increases due to revenues related to the PORTIA Business, which contributed $16.4 million in 2012 and $3.1 million, respectively. Additionally, professional services revenues experienced an increase in product implementation projects.

Cost of Revenues

Cost of software-enabled services revenues consists primarily of the cost related to personnel utilized in servicing our software-enabled services clients and amortization of intangible assets. Cost of software license revenues consists primarily of amortization of completed technology, royalties, third-party software, and the costs of product media, packaging and documentation. Cost of maintenance revenues consists primarily of technical client support, costs associated with the distribution of products and regulatory updates and amortization of intangible assets. Cost of professional services revenues consists primarily of the cost related to personnel utilized to provide implementation, conversion and training services to our software licensees, as well as system integration and custom programming consulting services.

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The following table sets forth each of the following cost of revenues as a percentage of their respective revenue source for the periods indicated:

	Year Ended December 31, 2013	2012	2011
Cost of revenues:			
Cost of software-enabled services	58%	58%	52%
Cost of software licenses	18	28	29
Cost of maintenance	40	43	45
Cost of professional services	70	65	67
Total cost of revenues	55	54	50
Gross margin percentage	45	46	50

The following table sets forth cost of revenues (dollars in thousands) and percent change in cost of revenues for the periods indicated:

	Year Ended December 31,			Percent Change from Prior Period	
	2013	2012	2011	2013	2012
Cost of revenues:					
Cost of software-enabled services	$ 322,719	$ 234,214	$ 126,921	38%	85%
Cost of software licenses	5,302	6,336	6,825	(16)	(7)
Cost of maintenance	41,046	40,394	34,993	2	15
Cost of professional services	19,733	18,973	15,549	4	22
Total cost of revenues	$ 388,800	$ 299,917	$ 184,288	30	63

Fiscal 2013 versus Fiscal 2012. Our gross margin decreased slightly in 2013 primarily due to an increase in amortization expense related to intangible assets acquired in the acquisitions of GlobeOp and the PORTIA Business, partially offset by cost synergies with respect to the acquired businesses. Our total cost of revenues increased in 2013 primarily due to our acquisitions of GlobeOp and the PORTIA Business. These increases were partially offset by a decrease in costs of $3.0 million related to the favorable effect of foreign currency translation resulting from the strength of the U.S. dollar relative to currencies such as the Indian rupee and the Canadian dollar. Additionally, cost of software-enabled services revenues increased to support the increased demand for our hedge fund and private equity services from alternative investment managers.

Fiscal 2012 versus Fiscal 2011. Our gross margin decreased in 2012 primarily due to amortization expense related to intangible assets acquired in the acquisitions of GlobeOp and the PORTIA Business. Our total cost of revenue increased in 2012 primarily as a result of costs associated with acquired businesses. These increases were partially offset by a decrease in stock-based compensation due to the final vesting of performance-based stock options in 2011 and in costs of $0.7 million related to the favorable effect of foreign currency translation. Additionally, cost of software-enabled services revenues increased to support the increased demand for our hedge fund and private equity services from alternative investment managers.

Operating Expenses

Selling and marketing expenses consist primarily of the personnel costs associated with the selling and marketing of our products, including salaries, commissions and travel and entertainment. Such expenses also include amortization of intangible assets, the cost of branch sales offices, trade shows and marketing and promotional materials. Research and development expenses consist primarily of personnel costs attributable to the enhancement of existing products and the development of new software products. General and administrative expenses consist primarily of personnel costs related to management, accounting and finance, information management, human resources and administration and associated overhead costs, as well as fees for professional services. Transaction costs consist primarily of legal, third-party valuation and other fees related to our acquisitions of GlobeOp and the PORTIA Business.

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The following table sets forth the percentage of our total revenues represented by each of the following operating expenses for the periods indicated:

	Year Ended December 31,		
	2013	2012	2011
Operating expenses:			
Selling and marketing	6%	6%	8%
Research and development	8	8	10
General and administrative	6	6	8
Transaction costs		3	
Total operating expenses	20	23	25

The following table sets forth operating expenses (dollars in thousands) and percent change in operating expenses for the periods indicated:

	Year Ended December 31,			Percent Change from Prior Period	
	2013	2012	2011	2013	2012
Operating expenses:					
Selling and marketing	$ 41,885	$ 33,858	$ 28,892	24%	17%
Research and development	53,862	45,779	35,650	18	28
General and administrative	45,187	34,797	28,221	30	23
Transaction costs		14,275		(100)	
Total operating expenses	$ 140,934	$ 128,709	$ 92,763	9	39

Fiscal 2013 versus 2012. The increase in total operating expenses in 2013 was primarily due to costs related to GlobeOp and the PORTIA Business, reflecting a full year of activity, and an increase in stock-based compensation, partially offset by a decrease in costs of $0.9 million related to the favorable impact from foreign currency translation, resulting from the relative strength of the U.S. dollar to currencies such as the Indian rupee.

Fiscal 2012 versus 2011. The increase in total operating expenses in 2012 was primarily due to our acquisitions and the transaction costs associated with our acquisitions of GlobeOp and the PORTIA Business, partially offset by a decrease in stock-based compensation expense and a decrease in costs of $0.4 million related to the favorable effect of foreign currency translation.

Comparison of Fiscal 2013, 2012 and 2011 for Interest, Taxes and Other

Interest income and interest expense. We had interest expense of $42.4 million in 2013 compared to $32.9 million in 2012 and $14.7 million in 2011. The increase in interest expense in 2013 reflected a full year of interest associated with the credit facility that we entered into during the second quarter of 2012 in connection with our acquisitions of GlobeOp and the PORTIA Business, partially offset by a decrease in average interest rates. We had interest income of $1.1 million in 2013 compared to $0.4 million in 2012 and $0.1 million in 2011. The increase in interest income in 2013 and 2012 resulted from higher average cash balances. The increase in interest expense in 2012 reflects the higher average debt balance resulting from the credit facility that we entered into in connection with our acquisitions of GlobeOp and the PORTIA Business, and the related amortization of an original issue discount. The credit facility is discussed further in Liquidity and Capital Resources.

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Other income (expense), net. Other income, net for 2013 consisted primarily of foreign currency transaction gains. Other expense, net for 2012 consisted primarily of foreign currency transaction losses and a loss recorded on foreign currency contracts associated with our acquisition of GlobeOp, which is discussed further in Note 12 to our consolidated financial statements. Other (expense) income, net for 2011 consisted primarily of changes in accrued earn-out liabilities and foreign currency transaction gains and losses.

Loss on extinguishment of debt. Loss on extinguishment of debt in 2012 consisted of write-offs of deferred financing costs associated with the repayment of our prior senior credit facility. Loss on extinguishment of debt in 2011 consisted of note redemption premiums and write-offs of deferred financing costs associated with the redemption of the remaining $133.3 million of our 11 $\frac{3}{4}$% senior subordinated notes due 2013. The redemption of our notes is discussed further in Liquidity and Capital Resources.

Provision for Income Taxes.

The following table sets forth the provision for income taxes (dollars in thousands) and effective tax rates for the periods indicated:

	Year Ended December 31,		
	2013	**2012**	**2011**
Provision for income taxes	$ 27,292	$ 24,665	$ 22,918
Effective tax rate	19%	35%	31%

Our 2013, 2012 and 2011 effective tax rates differ from the statutory rate primarily due to the effect of our foreign operations. The decrease in effective rate from 2012 to 2013 was primarily due to an increase in operations outside the United States, which are subject to lower tax rates than the U.S. statutory rate, research and development tax credits, a release of an uncertain income tax position, a decrease in the impact of foreign valuation allowances and non-deductible transaction costs in 2012. The increase in effective rate from 2011 to 2012 was primarily due to the impact of a valuation allowance recorded on deferred tax assets and non-deductible transaction costs, partially offset by the favorable impact of a rate change in the United Kingdom. We had $128.7 million of deferred tax liabilities and $25.9 million of deferred tax assets at December 31, 2013.

Our effective tax rate includes the effect of operations outside the United States, which historically have been taxed at rates lower than the U.S. statutory rate. While we have income from multiple foreign sources, the majority of our non-U.S. operations are in Canada, India and the United Kingdom, where the statutory rates were 26.5%, 34.0% and 23.3%, respectively, in 2013 and 26.5%, 32.4% and 24.5%, respectively, in 2012. The statutory rates for Canada and the United Kingdom were 28.2% and 26.0% in 2011. A future proportionate change in the composition of income before income taxes from foreign and domestic tax jurisdictions could impact our periodic effective tax rate.

Liquidity and Capital Resources

Our principal cash requirements are to finance the costs of our operations pending the billing and collection of client receivables, to fund payments with respect to our indebtedness, to invest in research and development and to acquire complementary businesses or assets. We expect our cash on hand and cash flows from operations to provide sufficient liquidity to fund our current obligations, projected working capital requirements and capital spending for at least the next twelve months.

Our cash and cash equivalents at December 31, 2013 were $84.5 million, a decrease of $1.7 million from $86.2 million at December 31, 2012. The decrease in cash is due primarily to cash used for repayments of debt and capital expenditures, partially offset by cash provided by operations and proceeds from stock option exercises and the related income tax benefits.

Net cash provided by operating activities was $208.3 million in 2013. Cash provided by operating activities primarily resulted from net income of $117.9 million adjusted for non-cash items of $79.7 million and changes in our working capital accounts (excluding the effect of acquisitions) totaling $10.7 million. The changes in our working capital accounts were driven by changes in income taxes prepaid and payable and an increase in accrued expenses and a decrease in accounts receivable, partially offset by an increase in prepaid expenses and other current assets and decreases in accounts payable and deferred revenues. The change in income taxes prepaid and payable was primarily related to the utilization of prepaid taxes in 2013. The decrease in accounts payable was primarily due to timing of payments.

Investing activities used net cash of $17.9 million in 2013, primarily related to $11.9 million in cash paid for capital expenditures, $3.7 million in cash paid for our acquisition of Prime Management Limited, and $2.4 million in cash paid for capitalized software.

Financing activities used net cash of $189.8 million in 2013, representing $239.0 million in repayments of debt, $1.9 million in deferred financing costs, and $0.9 million in the purchases of common stock for treasury, partially offset by proceeds of $27.8 million from stock option exercises and income tax windfall benefits of $24.2 million related to the exercise of stock options.

We have made a permanent reinvestment determination in certain non-U.S. operations that have historically generated positive operating cash flows. At December 31, 2013, we held approximately $55.3 million in cash and cash equivalents at non-U.S. subsidiaries where we had made such a determination and in turn no provision for U.S. income taxes had been made. At December 31, 2013, we held approximately $24.0 million in cash by subsidiaries of SS&C Technologies Holdings Europe S.A.R.L., or SS&C Sarl, the foreign borrower under our credit facility that will be used to facilitate debt servicing of SS&C Sarl. At December 31, 2013, we held approximately $19.3 million in cash at our Indian operations that if repatriated to our foreign debt holder would incur distribution taxes of approximately $3.3 million.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2013 that require us to make future cash payments (in thousands):

Contractual Obligations and Other Commitments	Total	Payments Due by Period Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	All Other
Short-term and long-term debt	$ 782,000	$ 23,212	$ 61,015	$ 160,231	$ 537,542	$
Interest payments(1)	117,635	24,286	46,222	39,420	7,707	
Operating lease obligations(2)	84,186	13,878	26,060	18,900	25,348	
Purchase obligations(3)	14,501	6,889	5,217	2,395		
Uncertain tax positions and related interest(4)	7,760					7,760
Total contractual obligations	$ 1,006,082	$ 68,265	$ 138,514	$ 220,946	$ 570,597	$ 7,760

(1) Reflects interest payments on our Credit Facility at an assumed interest rate of one-month LIBOR of 0.17% plus 2.50% for U.S. dollar loans on our Term A-2 facility and 3.25% on our Term B-1 and B-2 facilities. On

February 12, 2014, we completed a repricing of our Term A-2 facility. See Note 17 to our consolidated financial statements.

(2) We are obligated under noncancelable operating leases for office space and office equipment. The lease for the corporate facility in Windsor, Connecticut expires in 2022. We sublease office space under noncancelable leases. For the years ended December 31, 2011, 2012 and 2013 we received rental income under these leases of $1.3 million, $1.4 million and $1.2 million, respectively. The effect of the rental income to be received in the future has not been included in the table above.

(3) Purchase obligations include the minimum amounts committed under contracts for goods and services.
(4) As of December 31, 2013, our liability for uncertain tax positions and related net interest payable was $7.6 million and $0.1 million, respectively. We are unable to reasonably estimate the timing of such liability and interest payments in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions.

Credit Facility

On March 14, 2012, in connection with our acquisition of GlobeOp, we entered into a credit agreement with SS&C and SS&C Sarl as the borrowers, which we refer to as the Credit Agreement. The Credit Agreement has four tranches of term loans: (i) a $0 term A-1 facility with a five and one-half year term for borrowings by SS&C, (ii) a $325.0 million term A-2 facility with a five and one-half year term for borrowings by SS&C Sarl, (iii) a $725.0 million term B-1 facility with a seven year term for borrowings by SS&C and (iv) a $75.0 million term B-2 facility with a seven year term for borrowings by SS&C Sarl. In addition, the Credit Agreement had a $142.0 million bridge loan facility, of which $31.6 million was immediately drawn, with a 364-day term available for borrowings by SS&C Sarl and has a revolving credit facility with a five and one-half year term available for borrowings by SS&C with $100.0 million in commitments. The revolving credit facility contains a $25.0 million letter of credit sub-facility and a $20.0 million swingline loan sub-facility. The bridge loan was repaid in July 2012 and is no longer available for borrowing.

The term loans and the revolving credit facility bear interest, at the election of the borrowers, at the base rate (as defined in the Credit Agreement) or LIBOR, plus the applicable interest rate margin for the revolving credit facility. The term A loans and the revolving credit facility initially bore interest at either LIBOR plus 2.75% or at the base rate plus