

DST SYSTEMS INC
Form DEFA14A
January 11, 2018

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the
Registrant

Filed by a
Party other
than the
Registrant

Check the
appropriate
box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**DST
SYSTEMS,
INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth (3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2)

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Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

DST Domestic Financial Services Client Letter

January 11, 2018

Dear Valued DST Client:

We have just announced a transaction under which DST will combine with SS&C Technologies to create a financial services leader with an enhanced breadth and depth of products and solutions, through which we expect to drive additional value for your business and your customers.

DST and SS&C offer complementary financial services solutions that will expand our existing full service capabilities. SS&C has particular strength in alternative assets and institutional and investment management, which will be enhanced by DST's leadership and scale in asset management, brokerage, retirement and wealth management solutions. As part of SS&C, we also expect to have access to the resources and innovative cloud and mobile technology to advance the progress DST has been making in recent years in key areas including security, compliance and technology.

In addition, DST and SS&C are already familiar with each other following the acquisition and seamless integration of DST Global Solutions by SS&C in 2014. We share a commitment to providing superior service and financial products to help advance our clients' financial management objectives, and we expect to continue building on this tradition as a combined organization.

As for next steps, the transaction is expected to close by the third quarter of 2018, subject to customary closing conditions and regulatory approvals. Until then, there will be no changes in your products, service, contract terms or the way we conduct business with you. I want to assure you that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing. If you have any questions, please reach out to your usual representative.

We are excited about opportunities this combination presents to continue helping our clients grow and your customers prosper. Thank you for your continued business and support.

Sincerely,

Steve Hooley

Chairman, President and Chief Executive Officer

Legend for Rule 14a-12 Soliciting Material Filings

Important Additional Information and Where to Find It

In connection with the proposed merger, DST Systems, Inc. (the “Company”) intends to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a preliminary proxy statement on Schedule 14A. Following the filing of the definitive proxy statement with the SEC, the Company will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the proposed merger. **STOCKHOLDERS ARE URGED TO CAREFULLY READ THESE MATERIALS IN THEIR ENTIRETY (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement and other relevant materials (when available), and any and all documents filed by the Company with the SEC, may be obtained for free at the SEC’s website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by the Company via the Company’s Investor Relations section of its website at www.dstsystems.com or by contacting Investor Relations by directing a request to the Company, Attention: Investor Relations, 333 W. 11th, 5th Floor, Kansas City, MO 64105, or by calling (816)435-4925.

Participants in the Merger Solicitation

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Cautionary Statement Regarding Forward-Looking Statements

This document may include "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements relating to the completion of the merger. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed merger and the anticipated benefits thereof. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements, including the failure to consummate the proposed merger or to make any filing or take other action required to consummate such merger in a timely matter or at all. The inclusion of such statements should not be regarded as a representation that any plans, estimates or expectations will be achieved. You should not place undue reliance on such statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, that: (1) the Company may be unable to obtain stockholder approval as required for the merger; (2) conditions to the closing of the merger, including obtaining required regulatory approvals, may not be satisfied or waived on a timely basis or otherwise; (3) a governmental entity or a regulatory body may prohibit, delay or refuse to grant approval for the consummation of the merger and may require conditions, limitations or restrictions in connection with such approvals that can adversely affect the anticipated benefits of the proposed merger or cause the parties to abandon the proposed merger; (4) the merger may involve unexpected costs, liabilities or delays; (5) the business of the Company may suffer as a result of uncertainty surrounding the merger or the potential adverse changes to business relationships resulting from the proposed merger; (6) legal proceedings may be initiated related to the merger and the outcome of any legal proceedings related to the merger may be adverse to the Company; (7) the Company may be adversely affected by other general industry, economic, business, and/or competitive factors; (8) there may be unforeseen events, changes or other circumstances

that could give rise to the termination of the merger agreement or affect the ability to recognize benefits of the merger; (9) risks that the proposed merger may disrupt current plans and operations and present potential difficulties in employee retention as a result of the merger; (10) there may be other risks to consummation of the merger, including the risk that the merger will not be consummated within the expected time period or at all; and (11) the risks described from time to time in the Company's reports filed with the SEC under the heading "Risk Factors," including the Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and in other of the Company's filings with the SEC. Such risks include, without limitation: the effects of competition in the businesses in which the Company operates; changes in customer demand and the Company's ability to provide products and services on terms that are favorable to it; and the impacts of breaches or potential breaches of network, information technology or data security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on the Company's financial condition, results of operations, credit rating or liquidity. These risks, as well as other risks associated with the proposed merger, will be more fully discussed in the proxy statement that will be filed with the SEC in connection with the proposed merger. There can be no assurance that the merger will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the merger will be realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which such statements were made. Except as required by applicable law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances arising after such date.

DST Domestic Financial Services Client Talking Points

What We Announced

- As you may have seen, DST recently announced an agreement to combine with SS&C Technologies.
- SS&C is an ideal partner as it shares our commitment to providing superior service and financial products to help advance our clients' financial and operational objectives.

Together, DST and SS&C will create a financial services leader with an enhanced breadth and depth of products and solutions to help support our clients.

Benefits for Clients

DST and SS&C offer complementary financial services solutions that will expand our existing full service capabilities and provide substantial benefits – for you and for your customers.

SS&C has particular strength in alternative assets and institutional and investment management, which will be enhanced by DST's leadership and scale in asset management, brokerage, retirement and wealth management solutions.

As part of SS&C, we also expect to have access to the resources and innovative cloud and mobile technology to advance the progress we have been making in recent years in key areas including security, compliance and technology.

Next Steps

· It's important to remember that we are still in the very early stages of this process.

Until the transaction closes, which we expect to occur in the late second quarter of this year, there will be no changes in your products, services, contract terms or the way we conduct business with you.

Most importantly, I want to assure you that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing.

As we work to bring the companies together, we look forward to sharing important updates about DST as part of SS&C.

Conclusion

I hope you share in our excitement about the opportunities this combination presents to continue helping you grow and your customers prosper.

Of course, you should feel free to reach out with additional questions.

On behalf of our team at DST, we value our relationship with you and thank you for your continued support.

Legend for Rule 14a-12 Soliciting Material Filings

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DST International Financial Services Client Letter

January 11, 2018

Dear Valued DST Client:

We have just announced a transaction under which DST will combine with SS&C Technologies to create a financial services leader with an enhanced breadth and depth of products and solutions for our clients.

We expect the combination with SS&C to provide substantial benefits to you and your customers as we become part of the largest hedge fund administrator in the world. As a leader in global financial solutions, DST will bring a significant international presence to SS&C, now backed with expanded scale and resources to further enhance and expand our international offerings for you. SS&C has particular strength in alternative assets and institutional and investment management, and combined with our broad offering, deep understanding of international operating environments and unique regional service requirements, we expect to drive additional value for your business and your customers.

DST and SS&C are familiar with each other following the acquisition and seamless integration of DST Global Solutions by SS&C in 2014. We share a commitment to providing superior service and financial products to help advance our clients' financial and operational objectives, and we expect to continue building on this tradition as a combined organization.

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As we work to bring the companies together, we look forward to sharing more specific details about DST as part of SS&C.

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Sincerely,

Steve Hooley

Chairman, President and Chief Executive Officer

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Together, DST and SS&C will create a financial services leader with an enhanced breadth and depth of products and solutions to help support our clients.

Benefits for Clients

We expect the combination with SS&C to provide substantial benefits – for you and for your customers – as we become part of the largest fund administrator in the world.

As a leader in global financial solutions, DST will bring a significant international presence to SS&C, now backed with expanded scale and resources to further enhance and expand our international offerings for you.

- SS&C also has particular strength in alternative assets and institutional and investment management services.

We expect that SS&C, combined with DST's broad offering, deep understanding of international operating environments and unique regional service requirements, will enable us to drive additional value for your business and your customers.

Next Steps

- It's important to remember that we are still in the very early stages of this process.

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Of course, you should feel free to reach out with additional questions.

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the solicitation of proxies from the stockholders of the Company in connection with the proposed merger. Information about the persons who may, under the rules of the SEC, be considered to be participants in the solicitation of the Company's stockholders in connection with the proposed merger, and any interest they have in the proposed merger, will be set forth in the definitive proxy statement when it is filed with the SEC. Additional information regarding these individuals is set forth in the Company's proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on March 24, 2017, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the SEC on February 28, 2017. These documents may be obtained for free at the SEC's website at www.sec.gov, and via the Company's Investor Relations section of its website at www.dstsystems.com.

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This document may include "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements relating to the completion of the merger. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," "sin expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed merger and the anticipated benefits thereof. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements, including the failure to consummate the proposed merger or to make any filing or take other action required to consummate such merger in a timely matter or at all. The inclusion of such statements should not be regarded as a representation that any plans, estimates or expectations will be achieved. You should not place undue reliance on such statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, that: (1) the Company may be unable to obtain stockholder approval as required for the merger; (2) conditions to the closing of the merger, including obtaining required regulatory approvals, may not be satisfied or waived on a timely basis or otherwise; (3) a governmental entity or a regulatory body may prohibit, delay or refuse to grant approval for the consummation of the merger and may require conditions, limitations or restrictions in connection with such approvals that can adversely affect the anticipated benefits of the proposed merger or cause the parties to abandon the proposed merger; (4) the merger may involve unexpected costs, liabilities or delays; (5) the business of the Company may suffer as a result of uncertainty surrounding the merger or the potential adverse changes to business relationships resulting from the proposed merger; (6) legal proceedings may be initiated related to the merger and the outcome of any legal proceedings related to the merger may be adverse to the Company; (7) the Company may be adversely affected by other general industry, economic, business, and/or competitive factors; (8) there may be unforeseen events, changes or other circumstances that could give rise to the termination of the merger agreement or affect the ability to recognize benefits of the merger; (9) risks that the proposed merger may disrupt current plans and operations and present potential difficulties in employee retention as a result of the merger; (10) there may be other risks to consummation of the merger, including the risk that the merger will not be consummated within the expected time period or at all; and (11) the risks described from time to time in the Company's reports filed with the SEC under the heading "Risk Factors," including the Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and in other of the Company's filings with the SEC. Such risks include, without limitation: the effects of competition in the businesses in which the Company operates; changes in customer demand and the Company's ability to provide products and services on terms that are favorable to it; and the impacts of breaches or potential breaches of network, information technology or data security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks,

any of which could have a material adverse effect on the Company's financial condition, results of operations, credit rating or liquidity. These risks, as well as other risks associated with the proposed merger, will be more fully discussed in the proxy statement that will be filed with the SEC in connection with the proposed merger. There can be no assurance that the merger will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the merger will be realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which such statements were made. Except as required by applicable law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances arising after such date.

DST Financial Services Client FAQ

1. What was announced?

We announced that we have entered into a definitive agreement under which DST will combine with SS&C Technologies. This transaction, which represents an important milestone for our company, delivers significant cash value to DST shareholders and supports our continued growth.

2. What is SS&C?

Headquartered in Windsor, Connecticut, SS&C is a global provider of investment and financial services and software for the global financial services industry. They also own businesses such as GlobalOp, Portia and Advent Genesis. As the largest hedge fund administrator in the world, SS&C brings the resources and innovative cloud and mobile technologies to best position DST for long-term success within the financial services market.

We have a successful history of working with SS&C through its acquisition of DST Global Solutions in 2014.

3. What does this announcement mean for DST's Domestic Financial Services clients?

We expect this combination with SS&C to provide substantial benefits for our clients and for their customers as DST becomes part of the largest hedge fund administrator in the world.

DST and SS&C offer complementary financial services solutions that will expand our existing full service capabilities. SS&C has particular strength in alternative assets and institutional and investment management, which will be enhanced by DST's leadership and scale in asset management, brokerage, retirement and wealth management solutions.

Together, we expect clients will have access to an enhanced breadth and depth of products and solutions, through which we expect to drive additional value for your business and customers.

As part of SS&C, we also expect to have access to the resources and innovative cloud and mobile technology to advance the progress DST has been making in recent years in key areas including security, compliance and technology.

Importantly, DST and SS&C share a commitment to providing superior service and financial products to help advance our clients' financial and operational objectives, and we expect to continue building on this tradition as a combined organization.

While we believe that the benefits for DST clients are compelling, today's announcement is just the first step. Until closing the transaction, DST will remain a separate company, and we will continue to conduct business as usual:

- o Your teams and day-to-day support at DST will remain the same;
- o Client projects will move forward on existing schedules; and
- o There will be no change in how we work with or serve you.

As we work to bring the companies together, we look forward to sharing more specific details about DST as part of SS&C.

4. What does this announcement mean for DST's International Financial Services clients?

We expect this combination with SS&C to provide substantial benefits for our clients and for their customers as DST becomes part of the largest fund administrator in the world. Overall, we expect clients to have access to an enhanced breadth and depth of products and solutions.

We expect that SS&C, combined with DST's broad offering, deep understanding of international operating environments and unique regional service requirements, will enable us to drive additional value for their business and customers.

SS&C has particular strength in alternative assets and institutional and investment management, and combined with our broad offering, deep understanding of international operating environments and unique regional service needs, we expect to drive additional value for your business and clients. As a leader in global financial solutions, DST will bring a significant international presence to SS&C, now backed with expanded scale and resources to further enhance our international offering for clients.

As part of SS&C, we also expect to have access to expanded resources and innovative cloud and mobile technology to advance the progress DST has been making in recent years in key areas including security, compliance and technology.

Importantly, DST and SS&C share a commitment to providing superior service and financial products to help advance our clients' financial and operational objectives, and we expect to continue building on this tradition as a combined organization.

While we believe that the benefits for DST clients are compelling, today's announcement is just the first step. Until closing the transaction, DST will remain a separate company, and we will continue to conduct business as usual:

- o Your teams and day-to-day support at DST will remain the same;
- o Client projects will move forward on existing schedules; and
- o There will be no change in how we work with or serve you.

As we work to bring our companies together, we look forward to sharing more specific details about DST as part of SS&C.

5. When will the transaction be completed? What are the next steps?

The transaction is expected to close by the third quarter of 2018 and is subject to the approval of a majority of DST shareholders and other customary closing conditions.

Until the transaction is completed, DST and SS&C will continue to operate as separate companies.

6. Will there be any changes in client contracts as a result of this transaction?

Until the transaction closes, there will be no changes in your products, service, contract terms or the way we conduct business with you.

Rest assured that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing.

7. What are SS&C's plans for integrating DST? Will there be any changes to DST's product offering or pricing as part of SS&C?

Until the transaction closes, there will be no changes in your products, service, contract terms or the way we conduct business with you.

Rest assured that serving our clients remains our top priority, and we expect a seamless transition for you and your clients upon closing.

Together with SS&C, we will establish an integration team that will work to determine how best to bring the two businesses together.

It is important to remember that we have only just announced the agreement and many decisions about how we will combine the two companies have not yet been finalized.

As we work to bring the companies together, we look forward to sharing more specific details about the combination of DST and SS&C.

8. Should I start to conduct business with SS&C now?

No. You should continue to conduct business with DST as you always have.

Until the transaction closes, we remain separate companies and there will be no changes in your products, service, contract terms or the way we conduct business with you.

Rest assured that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing.

9. Why should I enter into an agreement with DST if you're being acquired?

We expect the combination with SS&C to provide substantial benefits for our clients and for their customers as DST becomes part of the largest fund administrator in the world. The combined company will offer an enhanced breadth and depth of products and solutions while building on the significant industry leadership of both companies.

As part of SS&C, we expect to be able to accelerate innovation and provide a more fully- integrated front, middle and back office offering for our clients.

Together, we expect clients will have access to an enhanced breadth and depth of products and solutions, through which we expect to drive additional value for your business and customers.

We anticipate access to innovative cloud and mobile technologies will advance the progress DST has been making in recent years in key areas including security, compliance and technology.

Importantly, DST and SS&C share a commitment to providing superior service and financial products to help advance our clients' financial and operational objectives, and we expect to continue building on this tradition as a combined organization.

As a result, we are confident that clients will experience even more benefits by signing on with DST now.

10. What will happen to DST's client management, client support and sales teams after the transaction closes?

This transaction is about growth, and SS&C recognizes the importance of strong client, sales and service teams supporting clients.

Rest assured that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing.

11. Will my company contacts change?

Until the transaction closes, there will be no changes in your products, service, contract terms or the way we conduct business with you.

This announcement will not have any impact on our day-to-day operations and it remains business as usual. Your contacts remain the same.

12. How can I get more information?

As we work to bring the companies together, we look forward to sharing more specific details about DST as part of SS&C.

Legend for Rule 14a-12 Soliciting Material Filings

Important Additional Information and Where to Find It

In connection with the proposed merger, DST Systems, Inc. (the “Company”) intends to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a preliminary proxy statement on Schedule 14A. Following the filing of the definitive proxy statement with the SEC, the Company will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the proposed merger. **STOCKHOLDERS ARE URGED TO CAREFULLY READ THESE MATERIALS IN THEIR ENTIRETY (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement and other relevant materials (when available), and any and all documents filed by the Company with the SEC, may be obtained for free at the SEC’s website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by the Company via the Company’s Investor Relations section of its website at www.dstsystems.com or by contacting Investor Relations by directing a request to the Company, Attention: Investor Relations, 333 W. 11th, 5th Floor, Kansas City, MO 64105, or by calling (816)435-4925.

Participants in the Merger Solicitation

This document does not constitute a solicitation of proxy, an offer to purchase or a solicitation of an offer to sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. the Company, its directors, executive officers and certain employees may be deemed to be participants in the solicitation of proxies from the stockholders of the Company in connection with the proposed merger. Information about the persons who may, under the rules of the SEC, be considered to be participants in the solicitation of the

Company's stockholders in connection with the proposed merger, and any interest they have in the proposed merger, will be set forth in the definitive proxy statement when it is filed with the SEC. Additional information regarding these individuals is set forth in the Company's proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on March 24, 2017, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the SEC on February 28, 2017. These documents may be obtained for free at the SEC's website at www.sec.gov, and via the Company's Investor Relations section of its website at www.dstsystems.com.

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discussed in the proxy statement that will be filed with the SEC in connection with the proposed merger. There can be no assurance that the merger will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the merger will be realized. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which such statements were made. Except as required by applicable law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances arising after such date.

Healthcare Services Client Letter

January 11, 2018

Dear Valued DST Client:

I'm writing to share some important information with you. We have just announced a transaction under which DST will combine with SS&C Technologies to create a financial and healthcare services leader with an even deeper offering of solutions for our clients.

SS&C is a global provider of services and software for the financial services industry. Through this transaction, DST will provide SS&C with a well-respected healthcare services business. They are particularly excited about the addition of our Health business to their offerings. DST and SS&C are ideal partners as we share a commitment to superior service, innovation, a culture of excellence and a strong track record of performance. Through this combination, we expect DST's healthcare services businesses to deliver enhanced value for our healthcare clients as part of a company with greater scale and resources. SS&C is a proven operator in high volume, highly regulated, secure markets, and we expect that, combined with DST's deep knowledge of the healthcare industry and our range of solutions, the combined company will have an even stronger platform for your business and customers.

Overall, we believe the combined resources of the companies will accelerate new Healthcare Services opportunities for value creation in helping you to optimize individual consumer health outcomes and drive increased revenues, while managing costs and risks. As part of SS&C, we will also have access to innovative cloud and mobile technologies to advance the progress DST has been making in key areas including security, compliance and technology, to serve you even better.

DST and SS&C are already familiar with each other following the acquisition and seamless integration of DST Global Solutions by SS&C in 2014. We share a commitment to providing superior service and products to help personalize and improve our clients' care strategy through integrated technology and analytic solutions, and we expect to continue building on this tradition as a combined organization.

As for next steps, the transaction is expected to close by the third quarter of 2018, subject to customary closing conditions and regulatory approvals. Until then, there will be no changes in your products, services, contract terms or the way we conduct business with you. I want to assure you that serving our clients remains our top priority, and we expect a seamless transition for you and your customers upon closing. As we work to bring our companies together, we look forward to sharing more specific details about DST as part of SS&C.

We are excited about opportunities this combination presents to continue helping our clients grow and your customers prosper. Thank you for your continued business and support.

Sincerely,

Steve Hooley

Chairman, President and Chief Executive Officer

Legend for Rule 14a-12 Soliciting Material Filings

Important Additional Information and Where to Find It

In connection with the proposed merger, DST Systems, Inc. (the “Company”) intends to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a preliminary proxy statement on Schedule 14A. Following the filing of the definitive proxy statement with the SEC, the Company will mail the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting relating to the proposed merger. **STOCKHOLDERS ARE URGED TO CAREFULLY READ THESE MATERIALS IN THEIR ENTIRETY (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement and other relevant materials (when available), and any and all documents filed by the Company with the SEC, may be obtained for free at the SEC’s website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by the Company via the Company’s Investor Relations section of its website at www.dstsystems.com or by contacting Investor Relations by directing a request to the Company, Attention: Investor Relations, 333 W. 11th, 5th Floor, Kansas City, MO 64105, or by calling (816)435-4925.