

1st Worldwide Financial Partners – SUBSCRIBE PRODUCT

What Is an Annuity?

Issued by a life insurance company, an annuity is a special type of investment policy that is designed to help individual investors accumulate money for retirement. This type of investment vehicle is flexible, as it offers a number of options for receiving payment. Investors of annuities may choose the time when they would like the payments to begin, and they may specify the number of years for which they want to receive payments. Also, depending on policy provisions and keeping in mind the possible tax consequences of withdrawal, investors may be able to withdraw some or all of their money from the annuity prior to retirement.

Why Is Interest in Annuities Growing?

Simple. Investment professionals like you, who want to ensure that sufficient retirement income is available for your clients during their golden years, are looking for tax-advantageous ways to supplement individual retirement accounts (IRAs) and employer-sponsored retirement plans. The Tax Reform Act of 1986 and further legislation in 1993 eliminated most tax shelters and many deductions. In addition to offering tax advantages, annuities represent a sophisticated investment alternative. As a result, annuities have become increasingly important to all long-term investors.

Who Is the Target Audience for Annuities?

There are a number of investors who benefit from annuities. This includes investors who are characterized as any of the following (those who are):

- In a 31 percent or higher tax bracket
- Paying state and local taxes
- Considered long-term investors
- Retirement-oriented, with taxable investments
- Already contributing the maximum amount to their employer-sponsored retirement plans and IRAs

To help you benefit from the opportunity this presents, Pershing[®] offers Subscribe, a no-transaction-fee annuity program.

What Is Subscribe?

A no-transaction-fee annuity program, Subscribe can help you to consolidate assets that your clients have traditionally viewed separately from their brokerage account statements, while offering you the benefits of time savings and enhanced client service. Subscribe gives you access to the fixed and variable annuities that are available from many of the country's leading insurance companies who participate in the program. And with its seamless interface and user-friendly environment, Subscribe can streamline the way you sell, service, and maintain annuity products on behalf of your clients.

What Are the Features of Subscribe?

A Simple, Point-and-Click Environment. Available through NetExchange Pro[®] and NetExchange Pro for Windows[®], Subscribe gives you easy access to the annuity

information you need to monitor and support your clients' accounts. You can view daily pricing for eligible annuities, for instance, or browse annuity transactions and holdings to the subaccount investment level.

Streamlined Processing. The Annuity Order-Entry feature that is available via the NetExchange Pro platforms can help you to streamline the annuity purchasing process (as permitted by state). For participating insurance companies and eligible products, you can: trade initial and subsequent purchases; automatically rebalance accounts; perform dollar-cost averaging; and view subaccount investment level performance data supplied by Lipper, Inc., a Reuters Company.

Brokerage Account Linking Capabilities. You can electronically link your clients' existing, eligible annuity assets to their Pershing brokerage accounts through a transfer feature that is now available to your firm. Contact your financial organization for more information about how to link an annuity in Subscribe to a Pershing brokerage account.

Consolidated Brokerage Account Statements. With Subscribe, you can include annuity holdings along with the equity, fixed income, and mutual fund investments reported on your clients' brokerage account statements, thereby providing them with a more complete financial picture. And as part of our complementary SelectLink™ service, you can also offer those of your clients sharing the same mailing address additional consolidation—giving them the ability to receive all of their statements in a single package.

What Are the Benefits of Subscribe?

Asset-Building Tool. Giving you greater access to investments that have traditionally been viewed separately from your clients' brokerage accounts, Subscribe makes it easier for you to expand your product line and gather additional client assets.

Integrated Information Source. NetExchange Pro and NetExchange Pro for Windows provide direct access to the annuity product information you need—in a centralized location that ensures data consistency and integrity. With Subscribe, you can also present your clients' annuity holdings comprehensively, along with the other investments on their Pershing brokerage account statements.

Time Savings. Subscribe streamlines the annuity purchasing process for participating insurance companies and eligible products (as permitted by state), making it easier for you to include and maintain annuities in your clients' portfolios, which saves valuable time for both you and your clients.

Improved Client Service. Giving you easy access to the information your clients need to better understand and track overall investment activity, Subscribe can help you to improve the level of service you provide.

For More Information

To learn more about how you and your clients can benefit from Subscribe, please contact your financial organization. You can also visit the Annuities Product Suite via The Source in NetExchange Pro and NetExchange Pro for Windows for additional program details.

