



# FUNDCENTER<sup>®</sup>

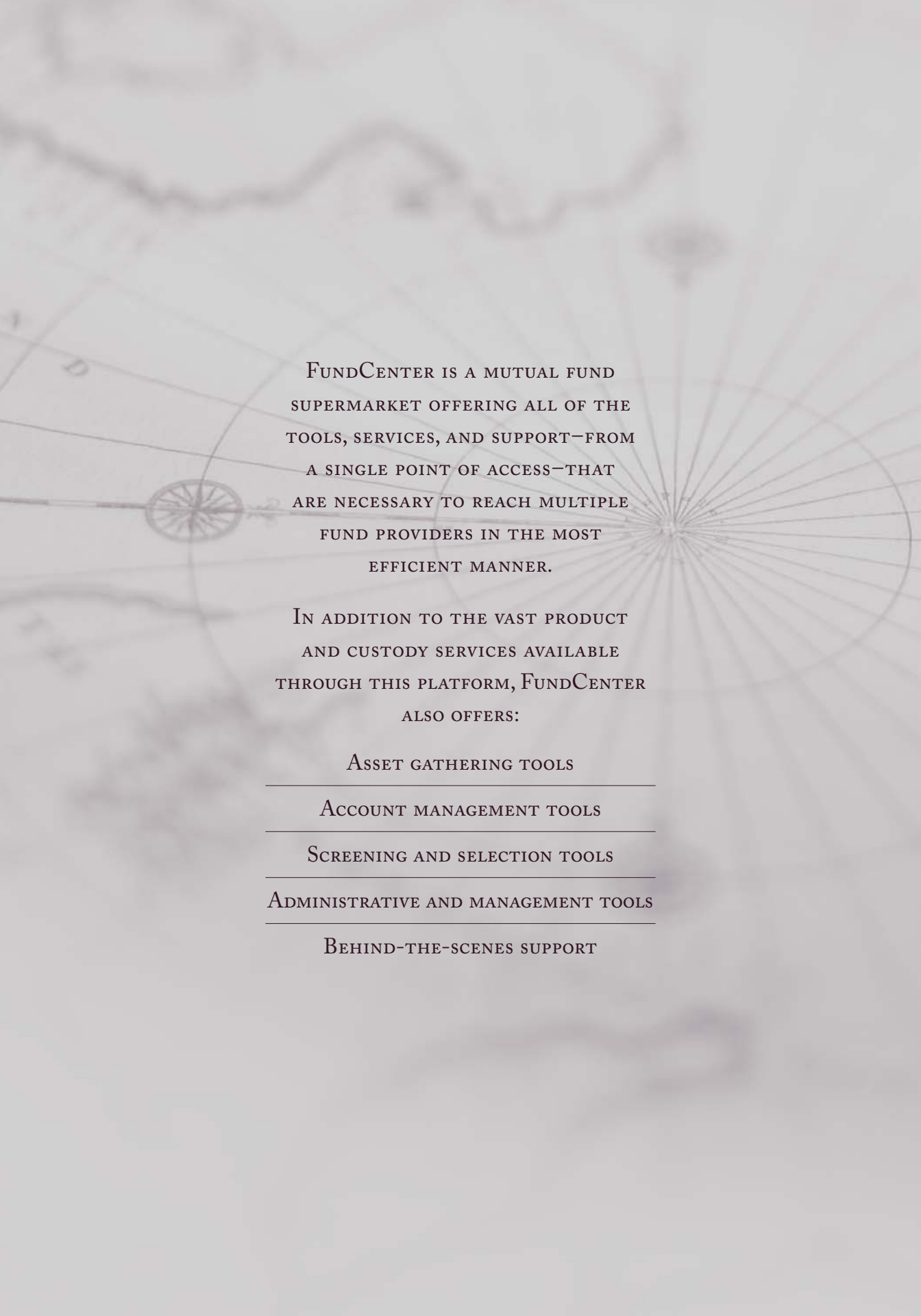
THOUSANDS OF FUNDS

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COMPREHENSIVE SERVICES

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A SINGLE SOURCE



FUNDCENTER IS A MUTUAL FUND  
SUPERMARKET OFFERING ALL OF THE  
TOOLS, SERVICES, AND SUPPORT—FROM  
A SINGLE POINT OF ACCESS—THAT  
ARE NECESSARY TO REACH MULTIPLE  
FUND PROVIDERS IN THE MOST  
EFFICIENT MANNER.

IN ADDITION TO THE VAST PRODUCT  
AND CUSTODY SERVICES AVAILABLE  
THROUGH THIS PLATFORM, FUNDCENTER  
ALSO OFFERS:

ASSET GATHERING TOOLS

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ACCOUNT MANAGEMENT TOOLS

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SCREENING AND SELECTION TOOLS

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ADMINISTRATIVE AND MANAGEMENT TOOLS

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BEHIND-THE-SCENES SUPPORT

## HELPING YOU BUILD YOUR MUTUAL FUND BUSINESS

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The number of mutual funds available today now exceeds the total number of equities on both the New York Stock Exchange® and the American Stock Exchange® combined. And as the rich diversity in choice continues to grow, you are in a unique position to support your clients and grow your mutual fund business. But does your firm have the infrastructure that is necessary to meet your clients' needs in a seamless and cost-effective manner? Do you have access to the tools it takes to successfully compete for these assets?

If you are looking for a single solution that provides all of the services and support required to manage the complexities of your mutual fund business, you should leverage FundCenter®. This comprehensive mutual fund platform can help your firm to retain existing clients and attract new assets.

With FundCenter, you can leverage the vast resources and cutting-edge technologies—including online, wireless, and telephone-based platforms—that lead to significant workflow efficiencies. FundCenter delivers benefits to you and your firm on all levels:

- From a business perspective, FundCenter can lower the cost of processing and simplify the overall management of increasing industry regulation with rules-driven systems and administrative reports.
- From a sales perspective, FundCenter provides the tools you need to make informed investment decisions on behalf of your clients and serves as a centralized source for building your clients' portfolios through mutual funds.
- From a service perspective, FundCenter can streamline the relationship responsibility that is inherent in accessing mutual funds from hundreds of individual fund companies.

FundCenter represents one of the largest and most diverse pools of mutual funds in the industry, encompassing nearly 12,000 funds from more than 450 fund companies.

### Asset Gathering Tools

FundCenter gives your firm access to competitive investment solutions that help you build diversified portfolios on behalf of your clients, while you increase assets under management. These programs include:

**FundVest®.** Maximize investment returns through FundVest®, which includes three distinct no-transaction-fee programs giving you access to 1,500 mutual funds from 160 fund families. FundVest Focus® allows your clients to conduct transactions in a wide variety of no-load funds. FundVest Institutional® and FundVest Offshore® are designed for those of your clients in the fee-based or managed account arenas, offering access to a wide variety of load-waived mutual funds at net asset value.<sup>1</sup>

**Dividend Reinvestment.** Accumulate additional assets when your clients automatically reinvest dividends and capital gains from open-end funds to purchase additional whole and fractional shares of the same CUSIP®.

**Fund Transfer.** Offer EasyPay to facilitate asset transfers for new mutual fund purchases from your clients' checking accounts to their brokerage accounts—24 hours a day, 7 days a week—using touch-tone telephone technology.

**Systematic Reinvestment.** Position clients to take advantage of dollar cost averaging, a time-proven strategy that is valuable in volatile markets when commitments to long-term investment goals may be undermined by pricing instability. The Systematic Reinvestment Program can help your clients to not only build a sizable investment portfolio over time, but also obtain a range of prices, some higher some lower, resulting in a lower average cost over time. Your clients will be able to establish automatic investments in their existing mutual fund

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<sup>1</sup>For additional information on any fund available through the FundVest programs, including charges and expenses, please consult the respective fund's prospectus. Positions acquired without a transaction fee must be held for a six-month period to be eligible for a no-fee redemption. Any redemption made prior to the position's six-month anniversary, in any program, will incur a short-term redemption fee (unless otherwise specified by your firm). Pershing reserves the right to discontinue the FundVest programs at any time, at its sole discretion. In addition, Pershing reserves the right to change the funds available at any time.

positions and schedule these investments to occur once or twice per month, regardless of whether the fund's price is declining or ascending, with investment minimums as low as \$50.<sup>2</sup>

## Account Management Tools

With FundCenter, you and your clients benefit from the ability to leverage Pershing's turnkey account administration platforms and services such as:

**Online Platforms.** Enhance your firm's business with the NetExchange<sup>®</sup> family of Internet-based brokerage platforms. NetExchange Pro<sup>®</sup>, which is available in HTML and Windows<sup>®</sup> formats, empowers you and your investment professionals to review account information; place orders; get quotes, news, and research; and seamlessly access a variety of industry-leading content in an intuitive, point-and-click environment. You and your investment professionals can even create, save, and activate block orders for one or more mutual funds or securities within one or more accounts through the order-blasting feature. And as a compliment to your personal advice, your firm can also offer NetExchange Client<sup>®</sup>, giving your clients access to online trading, news, and account information around the clock.

**Wireless Platforms.** Manage accounts and place mutual fund and other trades from virtually any location using selected hand-held devices with NetExchange Pro Mobile<sup>®</sup>. Your firm can also benefit from NetExchange Pro Alert<sup>™</sup>, a wireless service that entitles you and your investment professionals to receive price, volume, and news updates to pagers, digital cellular telephones, and e-mail addresses. And through NetExchange Client Mobile<sup>®</sup> and NetExchange Client Alert<sup>™</sup>, you can offer these same advantages to your clients.

<sup>2</sup> Purchase minimums in each fund's prospectus may be different and may be enforced by the fund.

## Account Types

There are many account types that make suitable vehicles for gathering mutual fund assets. Here is a quick summary of account types you can make available to your clients when your firm participates in FundCenter:

**Asset Management Accounts.** ProCash Plus<sup>™</sup> combines brokerage, checking, money market fund, and MasterCard<sup>®</sup> debit card activity into a cohesive package for your clients, consolidating these assets and transactions on a monthly brokerage account statement. Asset management accounts typically gather two times the assets of standard brokerage accounts.

**Fee-based Brokerage Accounts.** As an alternative to traditional brokerage accounts for your clients, Avail<sup>®</sup> replaces commissions with fees that are based on account value. Fee-based brokerage accounts represent one of the fastest growing asset-gathering account types our customers offer—and a significant percentage of the assets they are bringing in represent new business to their firms.

**Retirement and Savings Accounts.** Retirement plans, such as individual retirement accounts, Education Savings Accounts, and qualified retirement plans provide a stabilizing factor for your business, since typically, these accounts involve automatic contributions and clients view these investments as long-term. Retirement accounts are great tools for establishing long-term client relationships.

**Margin Accounts.** After a brief waiting period, margin accounts allow your clients to borrow funds using the market value of their mutual fund shares as collateral for the loan in order to purchase additional shares or to use the money for other purposes. Your clients with a CreditAdvance™ account receive competitive margin rates<sup>3</sup>. Additionally, the ability to margin mutual fund assets is not a service that is available when dealing directly with a mutual fund company.

**Traditional Brokerage Accounts.** Traditional brokerage accounts offer basic features and functionality for your clients, including consolidated brokerage account statements that reflect all of your clients' activity in an easy-to-read format.

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<sup>3</sup> CreditAdvance may not be appropriate for all investors and the risks should be carefully evaluated. Purchasing securities on margin can expose you to the potential for higher losses, and you can lose more funds than you deposit in your CreditAdvance account.


If the market value of your portfolio depreciates, you may be required to deposit additional funds or marginable securities into your account. Failure to satisfy account maintenance requirements will result in restrictions on your account and liquidation of sufficient securities to bring your account to an acceptable equity level.

**Telephone-Based Platforms.** Provide your clients with real-time quotes, account information, and mutual fund or other order-entry access through TelExchange Client®. Using this touch-tone, telephone-based trading system, your clients can easily retrieve information about their mutual funds and other investments from anywhere, anytime.

**Statement Services.** Utilize our statement services to present a comprehensive brokerage account statement to your clients, offering a detailed synopsis of their mutual fund and other investments, along with attractive graphics to illustrate account holdings. And through SelectLink®, you can allow those of your clients who share the same mailing address to combine brokerage account statements into one package with an easy-to-read summary of the household's account information. You can also give your investment professionals and your clients access to brokerage account statements, trade confirmations, and tax statements online via e-Document Suite™.

**Consolidated Reporting.** Leverage our tax-reporting services to lend additional support to your clients, helping them to accurately report their mutual fund or other investment activity when filing returns. Annual support materials include a year-end tax information statement and an award-winning, comprehensive reference guide that contains examples, explanations, and illustrations from Internal Revenue Service (IRS) schedules.

You and your investment professionals can also benefit from the Report Center, which is located within the Office tab of NetExchange Pro. With Report Center, you can run, view, and download a summary or detail of mutual fund holdings by family and class at the firm, office, investment professional, and account level. This easy-to-use tool helps you and your investment professionals to quickly identify mutual fund assets held within client brokerage accounts and analyze the distribution of those assets across different mutual fund families and load styles within each fund family.



**Portfolio Evaluation Service (PES®).** Manage your clients' accounts more effectively with Pershing's tax-lot accounting and performance measurement service. Of the many key features available, PES gives you the ability to enter historical cost basis through NetExchange Pro and provides access to average cost accounting for mutual funds. Average cost accounting reflects a rolling average cost per share, considering all tax lots of a mutual fund, including those no longer held. Using the average cost accounting method results in a simpler, more concise report of your clients' cost basis for mutual funds on monthly brokerage account statements.

### Screening and Selection Tools

FundCenter offers your firm a variety of resources, strengthening your ability to carefully screen mutual funds and select the most appropriate investments for your clients. You and your investment professionals benefit from:

**FundScan®.** Use FundScan to specify criteria and generate a list of investments that meet precise parameters from a database of nearly 12,000 mutual funds. With the ability to sort mutual funds by investment objective, load, no-load, and no-transaction-fee, you can narrow down the subset even further, simplifying the process of selecting funds on behalf of your clients. You can also offer your clients access to FundScan via NetExchange Client. **Access:** FundScan is available online via NetExchange Pro, NetExchange Client, and via [www.pirs.com](http://www.pirs.com).

**Mutual Fund Research.** Access in-depth mutual fund research, including top analyst expertise, mutual fund reports, hypothetical and screening tools, fund manager interviews and profiles, and much more. **Access:** This subscription service is available online via NetExchange Pro.

**Pershing Investment Research.** Profit from objective, actionable investment research and recommendations of experienced, award-winning analysts from Pershing Investment Research. Features include access to mutual fund performance information as well as a recommended list of select mutual funds that are chosen based on their ability to potentially outperform the S&P 500®. **Access:** This subscription service is available online via NetExchange Pro and via [www.pirs.com](http://www.pirs.com).

**The Rankings Service™.** View research that applies a unique method to mutual fund coverage. This service tracks the performance of the fund manager over the span of the manager's career instead of tracking fund performance. The service includes lists of the top 100 fund managers, top 10 managers by 15 different fund types, and fund manager profiles—all updated daily.

### Administration and Management Tools

FundCenter enhances the administration and management of your firm's mutual fund business, giving you access to the following types of systems and reports:

**The Rules Engine™.** Direct the mutual fund orders your investment professionals enter via NetExchange Pro through The Rules Engine—a database of powerful order management rules that are designed to automate the order approval process—to address a variety of regulatory, credit, and business issues. Orders that flow through The Rules Engine are automatically approved and directed to the market for execution.

**Pershing OnDemand™.** Electronically search, view, and print a variety of reports and documents that capture mutual fund activity, including brokerage account statements and trade confirmations through Pershing OnDemand.

**Commission and Payout System (CAPS).** Capture revenue data resulting from mutual fund trades, calculate the resulting payout, produce online and hard copy revenue and commission reports, and collect all 12b-1 commission trail entries through CAPS.

**InfoDirect FTP™.** Download ASCII-formatted Pershing files right from your computer, seven days a week, for access to the account and trading information you need to manage your mutual fund business, analyze trends, and measure results.

**Standard Files.** Obtain mutual fund balances, mutual fund descriptions, and mutual fund transfers through a set of daily standard file reports.

**Mutual Fund Disclosure Statement.** Alert investors about breakpoint opportunities, the methods to determine breakpoint discount eligibility, and details related to other mutual fund and money fund operational service fees and revenue sharing arrangements using Pershing's Mutual Fund Disclosure Statement. It is recommended that this disclosure statement be provided to each investor at the time of or prior to the purchase confirmation of front-end load shares and annually thereafter. On your behalf, Pershing includes the breakpoint disclosure in the Disclosure Statement sent to every client when a new account is opened and annually with the brokerage account statement.

## PROVIDING BEHIND-THE-SCENES SUPPORT

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FundCenter combines all of the resources you need to skillfully conduct mutual fund transactions in your clients' brokerage accounts. With FundCenter, your firm benefits from the added value of behind-the-scenes professional services such as:

## Mutual Fund Transfer System (MFTS)

Utilize MFTS to enter and monitor instructions online via NetExchange Office to transfer your clients' mutual fund assets that are held directly at the fund companies into their brokerage accounts. MFTS interfaces directly with the National Securities Clearing Corporation (NSCC®), reducing the time it takes to transfer mutual fund assets into your control.

## Mutual Fund Trading Desk

Expect timely, efficient, and quality customer service from our highly trained representatives. The experienced professionals on Pershing's Mutual Fund Trading Desk are ready to serve all of your mutual fund trading needs.

## Prospectus Fulfillment

Eliminate the inconvenience of maintaining an inventory of mutual fund prospectuses at your place of business by taking advantage of FundCenter's prospectus fulfillment service. Through this service, your firm can remain in compliance with the NASD® prospectus delivery requirements and order prospectuses for the mutual funds available through FundCenter, or elect to have prospectuses automatically mailed to your clients after each respective mutual fund transaction occurs.

## GROWING YOUR MUTUAL FUND BUSINESS

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Take the next step in building your mutual fund business. Use the comprehensive services FundCenter offers—asset-gathering tools, account management tools, screening and selection tools, and more—to attract new business, retain your existing clients, and secure your success.

# Pershing®

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A BNY Securities Group Co.  
Solutions from The Bank of New York

One Pershing Plaza  
Jersey City, New Jersey 07399

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