Pershing®

AT A GLANCE

An Overview of Pershing's Products and Services

CORPORATE OVERVIEW

Providing the highest quality financial services to introducing broker-dealers, Pershing can provide vast resources and many competitive advantages to your financial organization to foster mutual success.

Experience

Since 1939, Pershing has been providing comprehensive brokerage execution, clearance, data processing, and financial products and services to introducing brokers-dealers worldwide.

People

Our team consists of more than 3,800 experienced people who are highly focused on supporting your needs.

Ownership

Pershing LLC is a member of BNY Securities Group and a subsidiary of The Bank of New York. The Bank of New York has branches and representative offices located in 25 countries and offers the support of nearly 23,000 professionals worldwide.

Financial Resources

With Pershing, The Bank of New York now has equity capital of $8 billion, and total assets of almost $90 billion.

Presence

With a strong presence on the New York Stock Exchange®, American Stock Exchange®, and major exchanges worldwide, Pershing commands a powerful industry presence.

Representation

To ensure that you are well informed and your views are effectively represented, Pershing executives hold over 70 member positions across more than 90 industry committees.

Account Protection

Your clients automatically receive unlimited account protection.[1]

[1] This account protection applies to the net asset value of securities and cash held in custody by Pershing for their accounts. The Securities Investor Protection Corporation (SIPC) provides the first $500,000 of coverage, including $100,000 for claims for cash. See www.sipc.org for additional information. The remaining excess coverage is provided by Pershing. While the excess coverage may be modified in the future, Pershing currently provides unlimited account protection through a commercial insurer. The account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against losses from the rise and fall in the market value of investments.

ELECTRONIC ACCESS

As the traditional business models expand to offer online trading and alternative delivery channels, Pershing taps into these new technologies to offer you the most advanced brokerage platforms available today.

Online

Enhance your business with the **NetExchange®** family of Internet-based brokerage platforms. You and your clients can 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.

NetExchange Pro®—available in both HTML and Windows® formats—is our online trading platform designed for the investment professional. And **NetExchange Client®** makes trading, news, and account information available to your clients around the clock to complement your personal advice.

Wireless

Empower your firm and your clients to place trades and manage accounts from virtually anywhere, using selected hand-held devices, with **NetExchange Pro Mobile™** and **NetExchange Client Mobile™** platforms. You can also offer **NetExchange Client Alert™**, and **NetExchange Pro Alert™** (available later this year) a wireless service that enables you to direct price, volume, and news updates to pagers, digital cellular telephones, and e-mail addresses.

Telephone-Based

Broaden your clients' accessibility to their accounts by offering **TelExchange®**, a touch-tone, telephone-based trading system.

FINANCIAL PRODUCTS AND SERVICES

To ensure that you are well equipped to serve the vast range of needs your clients present, from asset gathering strategies to flexible payment methods, Pershing continually enhances our menu of best-of-breed financial products and services, and launches new offerings as we forecast emerging trends.

Asset Management

Heighten the value of your services by offering **ProCash Plus™**, a comprehensive asset management account that combines all brokerage, checking, money market fund, and MasterCard® debit card activity into a cohesive package, and consolidates the assets and transactions on a monthly brokerage account statement. ProCash Plus is available in Gold or Platinum packages, each offering many valuable account features.

Borrowing Power

Establish the privileges of a margin account and help your clients unleash the potential of their brokerage account, leverage their investment assets, and obtain a line of credit at competitive interest rates. Additionally, enhance your ability to meet clients' credit and financing needs through **LoanAdvance™**, a securities-based lending program for most personal or business consumer needs.

Brokerage Checking

Enable your clients to access the assets in their brokerage accounts, including cash and all money fund shares, with a free checking service called **Resource Checking®**. To your clients who are the age of 59½ or older and maintain Traditional, Rollover, or Spousal individual retirement accounts (IRAs), with total equity of at least $500 in their accounts, can take advantage of unlimited check writing against their available funds through **IRA Resource Checking®**.

Dividend Reinvestment

Accumulate assets by demonstrating the value of dividend reinvestment to your clients. Through this program, dividends and capital gains from equities and closed-end funds are automatically reinvested to purchase additional whole and fractional shares of the same security.

Fee-Based Brokerage

Offer your clients advanced solutions for fee-based brokerage with **Avail®** and replace commissions with charges that are based on account value.

Fund Transfer

Facilitate the transfer of funds from your clients' checking accounts to their brokerage accounts, 24 hours a day, 7 days a week, through a touch-tone telephone using **EasyPay**.

Investment Manager Services

Elevate your business if you are a registered investment advisor (RIA) or a family office, by taking advantage of the unique blend of prime brokerage services and innovative technologies available through **Pershing Investment Manager Services™**.

Investment Research

Profit from the award-winning research and recommendations of experienced analysts, on a variable cost basis, with **Pershing Investment Research Online**. Offerings include a variety of services, reports, and analytical tools tailored to meet your needs, which you can conveniently access via the Internet at www.pirs.com.

Managed Accounts

Discover the asset-gathering potential and superior service of our **PEAK®** Managed Account programs which offers a complement of turnkey and private label solutions for the support of your high-net-worth clients. **PEAK I®** and **PEAK II®** are turnkey programs that offer premier clients access to some of the top-performing portfolio managers and mutual funds in the country. **PEAKSelect™** is a private label platform that enables you to customize a separately managed account program, and **PEAKAdvisor™** provides an open-architecture fee-based advisory platform that is designed specifically to support your registered investment advisors in the administration of client accounts. Lastly, to support your sales efforts, log on to **PEAKAccess®**—Pershing's online managed account workstation to facilitate prospecting, proposal generation, and client account management.There is a fee associated with setting up PEAKAccess for private label programs.

Money Funds

Intensify the growth potential of your clients' portfolios by offering the option to sweep their uninvested account balances to a money market fund in the **Alliance** family, or to a select group of **Federated** state tax-free money market funds.

No-Transaction-Fee Annuities

Streamline the way you sell, service, and maintain subscription products on behalf of your clients through **Subscribe®**. Processing fixed and variable annuities in this no-transaction-fee program is convenient through our centralized, online annuity-order-entry platform, which seamlessly interfaces with many of the country's leading insurance providers.

No-Transaction-Fee Mutual Funds

Maximize investment returns with access to over 1,400 mutual funds, from more than 100 fund families, through **FundVest®**. There are three distinct no-transaction-fee programs: **FundVest Focus®** offers individual investors no-load funds; **FundVest Institutional®** offers fee-based or managed accounts load funds at net asset value; and **FundVest Offshore®** offers non-U.S. clients, non-U.S. mutual funds.

Performance Measurement

Amplify your ability to monitor and control your clients' accounts with the **Portfolio Evaluation Service (PES®)**, which offers tax-lot accounting and performance measurement.

Retirement Products

Promote a full line of flexible, investor-focused accounts that offer a full range of self-directed investment choices. Your clients can take advantage of such products as a **Traditional IRA**, **Roth IRA**, and **Rollover IRA**, as well as an **Education Savings Account** and a **403(b)(7) custodial account**. Additionally, tap into a comprehensive range of employer-sponsored plans including **SEP, SARSEP, and SIMPLE** and qualified retirement plans including **401(k), profit sharing, and money purchase**.

Securities Lending

Apply our securities lending expertise to help achieve your clients' investment goals. Pershing's relationships with investment and lending firms worldwide translate into greater access to inventory and hard-to-borrow issues for your firm. Pershing also offers flexible financing solutions and tailored structures to accommodate a wide range of investment objectives. These include equity financing, repurchases, and enhanced leveraged vehicles.

Statements

Offer your clients the Pershing Brokerage Account statement, which provides a concise, comprehensive synopsis of their investments and displays attractive graphics to illustrate account holdings. At a glance, your clients can easily track their investments, monitor their activity, evaluate their asset allocation, and view any changes that occur in their account value. The brokerage account statement can be customized at the branch office, investment professional, or individual investor level. And your clients have flexible statement mailing alternatives through **SelectLink®** including combined household statements.

Wealth Management and Liquidity Solutions

Realize the potential of wealth management and liquidity solutions offered through the **Private Client Group (PCG)** for select firms and special situations. A dedicated service team offers premium support for specialized transactions, including corporate stock option exercises, sales and transfers of restricted stock, and loans against restricted stock. In qualified circumstances, PCG coordinates hedging and liquidity solutions, such as collars and variable prepaid forwards. PCG also provides access to alternative investment vehicles for high-net-worth investors, such as hedge funds, private equity offerings, exchange funds, and equity and fixed income principal protected notes.

TRADING PRODUCTS

To produce results that your clients are looking for, you need access to a broad spectrum of trading products that are seamlessly processed and flawlessly executed. Pershing offers your firm and your clients access to all of the products listed below.

Fixed Income Products

Our full service fixed income trading desk provides personal support and a comprehensive array of domestic and foreign products. Our highly trained professionals hold an intimate knowledge of the markets and our inventory. They also foster trading relationships with primary and secondary regional dealers nationwide, giving the firms we serve enhanced buying power. For further support, our online order and execution system, **BondCentral®**, enables your firm to conduct fixed income business online.

Foreign Exchange

Support your clients' global investment initiatives with Pershing's foreign exchange service. Our desk enables your investors to efficiently send and receive funds internationally, as well as finance securities transactions in their brokerage accounts. By accessing the foreign exchange market through Pershing, you are one step closer to becoming your clients' single source for all of their financial needs.

International Securities

Today's marketplace can no longer be defined by national boundaries. That's why Pershing has execution capabilities in 24 countries throughout the world. Our international agency trading services include quality executions and settlement, comprehensive month-end reporting, and the ability to satisfy soft dollar obligations.

Listed Options

As 1 of the 10 largest execution and clearance firms for options, Pershing has the market presence to give your firm a unique advantage. Our professional and product-knowledgeable staff on all major exchanges, as well as in our home office, can provide your firm with the value-added service that you need to remain highly competitive.

Listed and Over-The-Counter (OTC) Securities

When it comes to trading on the New York Stock Exchange (NYSE®) and American Stock Exchange (AMEX®), Pershing's strategically-zoned network of floor brokers, combined with our professional block trading desk, further enhances our ability to provide outstanding execution results. Additionally, through electronic connections and voice technology, Pershing and Pershing Trading Company, Ltd. (PTC) provide your firm with access to the entire spectrum of OTC securities.

PTC is a registered market maker for more than 600 OTC securities, and through its Boston and Cincinnati Specialist Operations makes markets in over 400 listed securities. Trades in other securities are routed electronically to the trading desks of major market makers throughout the country, and to the other national securities exchanges.

Mutual Funds

Pershing offers mutual fund execution and clearance services for more than 11,000 load and no-load funds from over 450 fund families. Along with these services, we provide the facilities you need to process dividend reinvestment activity, fund exchanges, dollar-cost averaging, systematic redemptions, and prospectus mailings, as well as perform bulk transfers for positions held at the fund companies. And with our automated transfer system that interfaces directly with the National Securities Clearing Corporation (NSCC®), it is easy to transfer investors' mutual fund assets that are held at the fund companies into your control.

CLEARANCE AND EXECUTION

Your clients elected to do business with your firm based on your first-class reputation and your quality service. Pershing's experience in supporting fast, precise clearance and execution will help you to meet their expectations and retain their assets.

Expertise

For more than 60 years, Pershing's name has been synonymous with high-quality executions. Pershing offers flexible order entry, expert execution and settlement, and technology and resources that translate into prompt, professional trading.

Best Execution

Prerequisite to high-quality service, best execution is a top priority at Pershing. Seeking the most favorable terms available, Pershing considers many factors in each transaction, such as the opportunity for price improvement, the speed and certainty of execution, and the likelihood that limit orders will be executed. And to measure our ability to provide superior executions, Pershing employs third-party consulting firms, such as Elkins/McSherry LLC and Market Systems, Inc., to compare our execution quality and costs to those that are available elsewhere on a regular basis.

Advancements

Pershing supports the latest developments in execution. For instance, extended-hours trading offers the ability to trade approximately 7,000 securities—both before and after the regular market session—through a partnership in the Archipelago℠ electronic communications network. We offer Nasdaq® Level II quotes at the investment professional level. And we have plans to enhance our front-end systems, order-routing mechanisms, and pricing models to accommodate investor choice in order routing.

Global Capabilities

Through our worldwide facilities, Pershing provides integrated, multilingual, multicurrency capabilities, including execution, clearing, settlement, custody, and reporting services to help you profit from cross-border opportunities. Our worldwide network of custodial agents and local specialists help ensure fast, accurate service.

SYSTEMS AND TECHNOLOGY

Pershing applies breakthrough thinking in our technological development and we set our standards high, striving to make our systems available to you and your clients 24 hours a day, 7 days a week with superior reliability.

Trading Technology

Our strategic systems architecture provides a basis for efficient, responsive, and flexible trading. Comprehensive security methods safeguard confidential data and account information at all times. Well-planned applications have the capacity to handle four times our peak volume. Using IBM® technology, we can deliver business continuity that is nearly seamless to you and your clients.

Automated Solutions

Pershing's Technology Group (PTG), which is responsible for our Internet-based and mainframe platforms, achieved a Level III rating from Carnegie Mellon University's Software Engineering Institute (SEI). This rating reflects our pursuit to develop higher-quality software products for your firm, demonstrates our ability to keep pace with the incredible speed of technology, and affirms that we use reliable and repeatable processes when implementing state-of-the-future technology. For instance, our straight-through processing initiatives offer workflow efficiencies that allow you to focus on your clients. Some of our current solutions and near-term deliverables include:

- A new section in NetExchange Pro, called **NetExchange Office™**, that offers OpsCenter, an easy-to-use, front-end platform which utilizes the Internet to bridge the gap between your firm and our mainframe systems. And it also includes access to Items for Attention (IFA), a section designed to present issues affecting your clients' accounts that require immediate attention.
- Our Advanced Trade Order Management System, known as **ATOMS**, that handles sophisticated routing and higher capacity.
- An online, rules-based vehicle, known as the Asset Movement Processing System **(AMPS)**, for entering nontrade-related asset movements and processing them on an intraday basis.
- An **e-Document Suite™** that enables you and your clients to view statements, trade confirmations, and tax statements online.
- An online, Individual Retirement Account System, known as **IRAS**, that enables you to view reportable and nonreportable transactions at both summary and detail levels in retirement accounts for which Pershing LLC acts as custodian or servicing agent.
- A custody system, known as Pershing Custody Administrative System **(PCAS)**, that enables you to enter securities and, for the first time, legal items and nonnegotiable securities for deposit, through this application. It also offers a legal guidance, documentation, and certificate tracking capability, and provides confirmations on the receipt of securities and documents.
- An automatic trade processing system, known as **The Rules Engine™** that enables you to direct equity, option, mutual fund, and fixed income orders through order management rules that address a variety of regulatory, credit, and business issues. Orders that pass through The Rules Engine are automatically approved and directed to the market for execution.

VALUABLE ADVANTAGES

Maximize The Power of Pershing® by making use of the many value-added services we offer.

- **Events and Meetings**, including Pershing's Annual Products and Services Conference.
- **External Resources**, including access to many third-party content providers and programs.
- **Informative Updates**, including letters, Bulletins, and quarterly newsletters, such as *The Corresponding View®* and *The Pershing Press®*.
- **Marketing Support**, including an extensive selection of materials that are available to your firm at no charge, such as brochures, fact sheets, sales kits, and statement inserts.
- **Online Reference Tools**, including operational forms, Product Suites, Quick References, and sales support materials.
- **Product Support**, including direct access to experts who are available for conference calls and meetings with investment professionals.
- **Training**, including User Guides, computer and Internet-based training, and personal instruction for Pershing's technologies, policies, and procedures.

Pershing®

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

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Baltimore | Boston | Charlotte | Chicago
Los Angeles | San Francisco | Scottsdale | London

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