# Global Products and Services | At A Glance

Pershing®

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

## 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 broker-dealers worldwide.

**People**

Our team consists of more than 4,400 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 Company, Inc. BNY Securities Group is the global agency brokerage, clearing, and financial services outsourcing sector of The Bank of New York. The Bank of New York has branches and representative offices located in 32 countries and offers the support of over 23,000 professionals worldwide.

**Financial Resources**

With Pershing, The Bank of New York Company, Inc. has equity capital of $9.3 billion and total assets of over $96.5 billion.

**Presence**

Pershing LLC (member NYSE®/NASD®/SIPC) is a member of every major U.S. securities exchange, and its international affiliates are members of the Frankfurt, Irish, and London Stock Exchanges.

**Representation**

To ensure that you are well-informed and your views are effectively represented, 340 Pershing executives serve on 202 industry boards, working committees, and self-regulatory organizations.

## Electronic Access

As the traditional business models have expanded to offer online trading and alternative delivery channels, Pershing taps into these 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 web and Windows® formats—is our online brokerage 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. NetExchange Client custom sites are available in French, Arabic, Spanish, and Chinese.

**Telephone-Based**

Broaden your clients' accessibility to their accounts by offering **TelExchange Client®**, a touch-tone, telephone-based trading, and account management tool.

# Financial Products and Services

To ensure that you are well-equipped to serve the vast range of needs your clients have, 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, including a rewards program and online bill payment and presentment.[1]

### Borrowing Power

Establish the privileges of a margin account through **CreditAdvance™** 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.[2]

### 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®**.

### Fee-Based Brokerage

Diversify and improve your firm's revenue stream and give your clients an alternative to traditional commission-based retail pricing by offering a fee-based brokerage account. Through the **Avail®** platform, your firm can design a competitive fee-based brokerage program that fits the needs of your business.

### 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 and custodial services and innovative technologies available through **Pershing Advisor Solutions™**.

### Managed Accounts

Discover the asset-gathering potential and superior service of **Lockwood® Managed Accounts**, which offer a full complement of turnkey and private label solutions for the support of your high-net-worth clients. Offer premier clients access to top-performing mutual funds, separately managed accounts, and overlay separate account portfolios—single portfolios whose assets are allocated among multiple money managers.

With **Managed Account Advisor™**, you benefit from a turnkey solution that you can brand as your own. **Managed Account Command™**, our private label platform, enables you to customize many aspects of your sponsor or advisor-driven program, including fees, investment options, asset and style allocations, client profiling criteria, proposals, and quarterly performance reports.

Comprehensive online workstation capabilities—in support of your turnkey and private label programs—will facilitate prospecting, proposal generation, and client relationship management, as well as individual investor access to client account information and performance. **Managed Account Exchange™** gives your firm access to a network of best-of-breed third-party asset management providers in partnership with Pershing, thereby enabling you to consolidate managed account assets and satisfy a larger range of investment professionals' and clients' needs.

### Money Funds

Intensify the growth potential of your clients' portfolios by offering the option to sweep their uninvested account balances to a taxable or tax-free money market fund, or a Federal Deposit Insurance Company-insured money market deposit account.

*(continued on next page)*

[1] The bill payment and presentment feature is available for payees located in the United States.

[2] This product or service only applies to U.S. securities, is subject to credit approval, and is available for assets held at Pershing only.

### No-Transaction-Fee Mutual Funds

Maximize investment returns with access to over 1,750 mutual funds from more than 150 fund families through **FundVest®**. There are three distinct no-transaction-fee programs: **FundVest Focus®** offers no-load funds to individual investors; **FundVest Institutional®** offers load funds at net asset value to fee-based or managed accounts; and **FundVest Offshore®** offers non-U.S. mutual funds to non-U.S. clients.[3]

### 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.[4] With PES, investment professionals can monitor a portfolio's performance online through NetExchange Pro® and clients will receive a comprehensive, quartely performance report.

### 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.[5]

### 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. You can customize the brokerage account statement at the branch office, investment professional, or individual investor level. Pershing's brokerage account statement is also available in Spanish.

### Wealth Management and Liquidity Solutions

Realize the potential of wealth management and liquidity solutions. Through our partnership, The Bank of New York provides trust administration services as trustee, working closely with you to direct the investment decisions of your clients' trust portfolios. Get premium support for specialized transactions, including corporate stock option exercises, sales and transfers of restricted stock, and loans against restricted stock. In qualified circumstances, you may also access additional liquidity solutions, such as collars, variable prepaid forwards, and The Bank of New York asset management and alternative investments for high-net-worth investors, including hedge funds and private equity offerings.

[3] 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.

[4] This product or service is available for U.S. securities only.

[5] Where regulations permit.

# 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.

### Equity Services

When it comes to trading equities, whether on an exchange or through a market center, customers know that they can rely on Pershing's trading desks to facilitate their executions. Pershing's professional trading desks have a documented history of providing high quality execution results. Pershing is a registered market maker for more than 2,500 over-the-counter (OTC) securities; and National Stock Exchange (formerly the Cincinnati Stock Exchange), over 100 listed securities, and over 300 preferred issues. In these roles, Pershing provides price improvement and liquidity enhancement (subject to market conditions), resulting in better executions for your clients' orders.

### 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, **BondCentral®**, allows you to review fixed income inventory from more than 40 dealers online.

### Foreign Exchange

Support your clients' global investment initiatives with Pershing's foreign exchange service. Our desk allows 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 is why Pershing has execution capabilities in 45 countries throughout the world. Our international agency trading services include 24-hour accessibility, quality executions and settlement, American depository receipts (ADR) conversions and trading strategies, comprehensive month-end reporting, and the ability to satisfy soft dollar obligations.

### Listed Options

As one of the largest execution and clearance firms for options, Pershing has the market presence to give your firm a unique advantage. Our professional and knowledgeable staff provide your firm with the value-added service that you need to remain highly competitive in today's environment.

### Mutual Funds

Pershing offers mutual fund execution and clearance services for more than 11,500 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

A 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 on a regular basis our execution quality and costs to those that are available elsewhere.

### 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. 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 helps to 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.

### 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 global Capability Maturity Model (CMM) Level V 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 include:

- A section in NetExchange Pro, called **Office**, that offers OpsCenter, an easy-to-use, graphical interface which utilizes the Internet to bridge the gap between your firm and our operations and processing systems. An account management tool, called Items for Attention (IFA), is designed to present issues affecting your clients' accounts that require immediate attention. The asset movement functions processed via the Asset Movement system provide an online input, browse, and approval facility for nontrade related asset movements and account transfers. Requests are validated through **The Rules Engine**™ and if they do not violate any rules, continue for final processing without manual intervention. Requests requiring approval will be routed within your firm and Pershing. Additionally, the status of these transactions can be monitored and tracked online at any stage of the transaction. Proper use of these rules could help your firm comply with its obligation to maintain a rigorous, auditable anti-money laundering program.

- A section in NetExchange Pro, called **The Source,** that provides your firm with greater flexibility to support the changing business needs of your firm and allows you to place orders for selected marketing materials and track the status of the orders. Access information to support your business from various areas within Pershing, including Marketing and Communications, Training, and Product Management and Development.
- Our Advanced Trade Order Management System, known as **ATOMS**, that handles sophisticated routing. Trades processed through ATOMS are validated through **The Rules Engine** that checks orders for a variety of regulatory, credit, and business issues. Orders that pass through The Rules Engine may be automatically approved and directed to the market for execution, allowing your firm to be more efficient.
- **e-Document Suite**™ is a feature that allows you and your clients to view brokerage statements, trade confirmations, and tax documents online.
- A business-to-business communications service, **NetExchange Services**™, offers you an open architecture approach to Pershing, giving you real-time access to data and information via your firm's proprietary front-end software or a third-party solution provider. NetExchange Services is ideal for introducing broker-dealers, retail banks, registered investment advisors, and institutional firms that have grown accustomed to a specific platform but still want to take advantage of Pershing's core strengths through our underlying applications.

## Valuable Advantages

Maximize The Power of Pershing® by making use of the many value-added services we offer, such as:

- **Conferences and Events**, including Pershing INSITE, our annual financial products and services conference, Compliance Forums, product workshops, and technology workshops.
- **External Resources**, including access to many third-party content providers and programs.
- **Electronic Files,** including your choice of any material in portable document format (PDF) or in native format enabling your firm to customize marketing support materials to meet your specific needs.
- **Informative Updates**, including letters, Bulletins, Pershing Updates, 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 online and via hard copy at no charge, such as brochures, Fact Sheets, sales kits, and statement inserts.
- **Product Support**, including direct access to experts who are available for conference calls and meetings with investment professionals.
- **Training Services**, including Participant Guides, Task Reference Sheets, computer and Internet-based training, and personal instruction for Pershing's technologies, policies, and procedures.

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