

# WEALTH MANAGEMENT SOLUTIONS

HELPING YOU GROW YOUR HIGH-NET-WORTH BUSINESS



PERSHING'S  
WEALTH  
MANAGEMENT  
SOLUTIONS MAY  
ENABLE YOUR  
CLIENTS TO  
EFFECTIVELY  
PROTECT AND  
INCREASE THEIR  
WEALTH

From alternative investments to a sophisticated trust platform, the full spectrum of Pershing's wealth management solutions may surprise you.

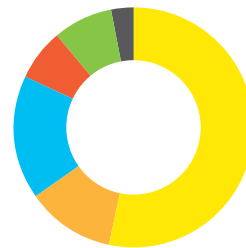
# THE WEALTH MANAGEMENT OPPORTUNITY

Provide your high-net-worth clients a full complement of wealth management solutions from Pershing, a BNY Mellon company. This will solidify your long-term relationships and consolidate more of your clients' business with your firm.

- › Fine-tune risk and return with Alternative Investment Solutions
- › Provide Cash Management Solutions to streamline your clients' financial lives
- › Help clients take advantage of illiquid wealth, such as preferred stock options with Corporate Executive Services
- › Increase clients' borrowing power or help them generate an additional revenue stream with Lending Solutions at competitive rates
- › Offer a diverse managed account portfolio through our Managed Investment platform
- › Support a flexible approach to charitable giving with Philanthropy Solutions
- › Manage clients' trust assets through an open-architecture Trust Network platform

## ON AVERAGE, 54 PERCENT OF MILLIONAIRE HOUSEHOLD ASSETS ARE INVESTABLE.<sup>1</sup>

### Distribution of total assets



- Total Investable Assets (54%)
- Restricted Stock (0%)
- Total Investment in Real Estate (7%)
- Privately Held Business (3%)
- Total Defined Contribution (12%)
- Principal Residence (17%)
- Total Insurance and Annuities (8%)

<sup>1</sup> Spectrem Group. Product Usage and Perceptions of Providers Vol. IV, © 2013

# ALTERNATIVE INVESTMENT SOLUTIONS

Alternative investments may provide compelling risk and return characteristics for client portfolios. With their historically low or negative correlation to traditional asset classes, alternative investments can help reduce exposure to market volatility inherent in conventional stock and bond investments. As such, alternative investments added to the investment strategy in your clients' portfolios can help fine-tune risk-adjusted returns.<sup>2</sup>

Pershing's Alternative Investment Network, which includes a no-fee platform, allows clients to consolidate and hold their alternative investments in qualified and non-qualified accounts.<sup>3</sup> Investments on Pershing's Alternative Investment Network must be processed via the Depository Trust & Clearing Corporation's (DTCC) Alternative Investment Product (AIP) service.<sup>4</sup> You can also easily add your firm's proprietary alternative investment products to the platform as long as they pass Pershing's eligibility review process.

Pershing provides access to alternative investments reflecting a wide combination of objectives. Keep in mind that alternative investments have a unique set of risk considerations. Therefore, not all investors are suitable for such investments.

## A COMPELLING SOLUTION:

- › **Business growth.** A centralized sales process provides more time for client service and business building. Having assets on one platform also facilitates advisory business.
- › **Ease of use.** A single account opening process with centralized servicing, combined account information and statements makes doing business more efficient.
- › **Increased transparency.** Increased transparency of firm-wide alternative investments exposure helps better plan for liquidity events.

# CASH MANAGEMENT SOLUTIONS

## CORESTONE ACCOUNT®

Corestone Account is a powerful asset management account that gives your clients a complete portfolio snapshot in one comprehensive statement. Corestone™ features unlimited check writing, online bill payment capabilities, daily cash sweep, direct deposit and more. Available in several tiers for individuals and corporations, the account provides enhanced benefits such as a Visa® debit card, ATM access, a loyalty rewards program and more. Corestone Accounts are considerably larger and have more cash than standard retail brokerage accounts.<sup>5</sup> The combination of banking and brokerage allows you to deliver a more holistic and satisfying advisory experience to your clients.

## MONEY MARKET MUTUAL FUND SWEEP OPTIONS AND FDIC-INSURED DEPOSIT PRODUCTS

Pershing has a variety of money market mutual fund sweep options through the Cash Management Choice Program. Your firm can choose from nearly 170 investment options from eight industry-leading money market mutual fund providers. This program provides your firm access to an array of asset classes, including government, Treasury, municipal, FDIC-insured and offshore money market mutual fund sweep options. You can use a subset of investment choices or all of them, with daily rates customizable and displayed on Rateboard on NetX360®.

<sup>2</sup> The information provided is not an offer to buy or sell, or the solicitation of an offer to buy or sell any instrument. Pershing LLC does not determine the suitability or appropriateness of any investment. The advisor is solely responsible for the determination of suitability. Alternative investments are not appropriate for all investors and the risks should be carefully evaluated. These investments are intended for investors who are willing to sustain the associated risks. Alternative investments often engage in leveraging and other speculative practices that may increase the risk of loss. They can be highly illiquid and often charge high fees.

<sup>3</sup> Only alternative investments processed through DTCC AIP's service are permitted in retail accounts at Pershing LLC.

<sup>4</sup> The listing of an alternative investment on the platform is solely based upon the ability to meet certain eligibility criteria and is not a recommendation or endorsement of any alternative investment, investment manager or strategy. Pershing LLC reserves the right to change or discontinue the availability of alternative investments on the platform at its sole discretion.

<sup>5</sup> Pershing LLC. Corestone Account and Standard Retail Brokerage Account Study as of 03/31/2014.

# CORPORATE EXECUTIVE SERVICES

Employee stock options and restricted securities may represent sizable, and somewhat illiquid, elements of compensation at executive or other senior management levels. Our dedicated team of experts can help your high-net-worth clients take full advantage of their illiquid wealth.

## **RESTRICTED AND CONTROL STOCK**

The Corporate Executive Services team's in-depth knowledge of the rules and regulations regarding the disposition of restricted and control securities can be leveraged to help your clients determine the best way to generate liquidity from their positions. The team can assist with the process of filing restricted and control stock, which may consist of filing with the appropriate exchanges, obtaining opinion of counsel and facilitating the execution of the transfer. The team can also assist with the preparation of the required paperwork to satisfy reporting requirements, such as SEC Rule 144, 144b(i), 701 and 904, or Shelf Registration.

## **EMPLOYEE STOCK OPTIONS**

If your clients wish to exercise their stock options without self-funding the transaction, Pershing can facilitate a number of alternatives. Your clients can exercise their stock options in a full or partial sale with the ability to margin all or a portion of the shares. The Corporate Executive Services team can assist in the coordination of grant eligibility confirmation, payment disbursement processing and tracking the timely delivery of shares, giving your clients prompt access to liquidity that can be used for further investment.

# LENDING SOLUTIONS

## **FULLY PAID SECURITIES LENDING**

This program allows affluent clients holding fully paid-for securities to loan those securities to Pershing.<sup>6</sup> Pershing can use those securities to satisfy both internal and external borrowing needs. This creative solution can generate incremental income, as a majority of the spread earned on the loaned securities becomes revenue for your participating client.<sup>7</sup>

- › By enrolling clients in this program, they earn the majority of the spread on the loaned securities, thereby increasing their income.
- › This specialized solution will enhance the level of service you provide to your clients and give you a competitive advantage in attracting new relationships.
- › This creative solution can increase your clients' potential returns by providing them with monthly income payments and substitute payments for dividends on shared loans, while allowing them to maintain control of loaned shares.

## **NONPURPOSE LENDING**

LoanAdvance<sup>®</sup> is a securities-based line-of-credit that can be used for most personal or business needs. LoanAdvance gives clients the flexibility to borrow up to 70% of the market value of qualified equity, mutual fund and investment-grade corporate or municipal bond securities, as well as up to 90% of the market value of U.S. Treasury securities that they own.

<sup>6</sup> To participate in the Fully Paid Securities Lending program, clients must maintain a minimum of \$250,000 in their brokerage accounts held with Pershing. Investors should consult their tax advisors prior to participating in this program.

<sup>7</sup> Enrollment in the Fully Paid Securities Lending program does not guarantee that Pershing will actually borrow securities from your clients. Pershing will borrow securities based on the needs of its business.

Assets in both retail and separately managed accounts can be used for LoanAdvance. Features of LoanAdvance include:

- › Quick, convenient access to funds
- › Competitive interest rates
- › No established repayment term
- › No fees

To extend the reach and value of your lending services, LoanAdvance is available to clients domiciled in over 15 countries outside the United States.

## MANAGED INVESTMENT SOLUTIONS

In today's marketplace, we believe the ability to provide fee-based managed investments is shifting from a competitive advantage to a competitive necessity. In fact, in 2015, 75% of advisors will have transitioned to fee-based compensation or be in the process of transition.<sup>8</sup>

At Pershing, we believe the competitive pressure to provide managed investments has never been more critical.

Pershing and our affiliate, Lockwood Advisors, Inc. (Lockwood)<sup>9</sup>, represent one of the largest and most comprehensive end-to-end solutions providers.<sup>10</sup> We work with you to build customized, integrated managed account platform solutions designed to reflect your firm's needs, brand and culture.

Whether you are a seasoned financial institution that wants to add to your well-established managed account program or a firm that is considering expanding into the fee-based marketplace, Pershing and Lockwood have solutions that are designed to fit your situation.

A broad range of customizable managed account capabilities help you gain a greater share of clients' investable assets, improve client retention and create a more productive and efficient business model—as well as make your organization highly competitive in attracting and retaining premier advisors who are focused on the managed account space.

### PRODUCTS AND SERVICES INCLUDE:

- › Separately Managed Accounts, Flexible/Fixed Mutual Fund (MF)/Exchange Traded Fund (ETF) wrap accounts, Fixed/Flexible Unified Managed Accounts and Advisor Directed accounts
- › Investment advisory and overlay services
- › Distribution and business development support provided by Lockwood
- › Middle- and back-office operational services
- › Separately Managed Account manager outsourcing<sup>11</sup>

<sup>8</sup> Transitioning to Fees: An Investment Professional's Guide, Pershing, GDC Research and Best Practice Research, October 2009.

<sup>9</sup> Lockwood Advisors, Inc. is an investment adviser registered in the United States under the Investment Advisers Act of 1940 and is an affiliate of Pershing LLC, each subsidiaries of The Bank of New York Mellon Corporation. Pershing LLC, member FINRA, NYSE, SIPC. SEC registration neither implies nor asserts the SEC or any state securities authority has approved or endorsed Lockwood or the contents of this disclosure. In addition, SEC registration does not carry any official imprimatur or indication Lockwood has attained a particular level of skill or ability.

<sup>10</sup> The Cerulli Edge, Managed Accounts Edition, 1Q 2012 Issue. Lockwood/Pershing is listed as the largest Non-Advisory Third-Party.

<sup>11</sup> Separately managed account manager outsourcing provided by Lockwood Solutions, Inc., an affiliate of Pershing LLC, each subsidiaries of The Bank of New York Mellon Corporation. Lockwood Solutions, Inc. is not a registered investment adviser and does not offer investment advisory products, programs or services.

# PHILANTHROPY SOLUTIONS

A donor-advised fund (DAF) is a charitable-giving vehicle set up under the tax umbrella of a sponsoring public charity. An individual, family or corporation makes an irrevocable, tax-deductible contribution of personal assets to the sponsoring charity and, at any time thereafter, can recommend grant distributions to qualified charitable organizations. Whether your client is seeking to contribute to a DAF, or your firm or institutional clients are seeking to create their own DAF, Pershing provides access to the right solutions.

Pershing provides access to DAFs for you and your clients through the American Endowment Foundation (AEF). AEF acts as a neutral platform giving your clients the flexibility to contribute a wide range of assets and to recommend you as the manager of their charitable assets.

DAFs give you an opportunity to:

- › Help your clients efficiently achieve their philanthropic objectives
- › Manage the assets in the fund and custody those assets on the brokerage platform
- › Consolidate more client assets with your firm
- › Establish new relationships with family members involved in grant recommendations

If your firm is interested in providing its own charitable platform as an alternative to outsourced programs, Pershing also provides access to Crown Philanthropic Solutions' DonorFirst™ technology. DonorFirst enables your firm to have a private-labeled DAF solution for both your individual and institutional clients and expand your engagement and exposure across intergenerational relationships. This can help you to gather additional assets under management. All assets, whether through AEF or Crown, can be consolidated under your existing relationship with Pershing.



# TRUST NETWORK

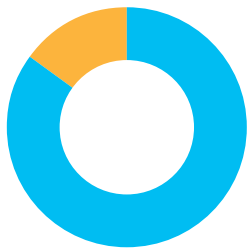
Trusts are one of the most important planning tools for households with more than \$1 million in investable assets. Pershing's Trust Network provides your firm with a variety of trust services available through a choice of corporate trustees. This open architecture program provides a full menu of solutions geared to meet virtually any personal trust need, whether full trustee, agent for trustee or trust reporting services.

Affording you maximum flexibility to meet your clients' specific needs, Trust Network provides access to a wide range of services through some of the nation's most highly regarded trust companies. Services include:

- › Administration of the trust
- › Distribution of principal and income in accordance with the terms of the trust
- › Custody of trust assets
- › Fiduciary accounting and record keeping
- › Preparation and filing of tax returns

Since all marketable securities and investable cash are held at Pershing, you have complete access to all account functions, resources and data via NetX360.

Investors With a Will



■ Yes (85%)  
■ No (15%)

Investors With a Trust



■ Yes (27%)  
■ No (73%)

While 87 percent of millionaires have a will, **only 27 percent have a trust**. Potential estate tax law changes may result in severe consequences to their estate.<sup>12</sup>

<sup>12</sup> Spectrem Group. Product Usage and Perceptions of Providers Vol. IV, © 2013

## TAKE ADVANTAGE OF SOME OF THE INDUSTRY'S LEADING WEALTH MANAGEMENT SOLUTIONS

Building, managing and preserving wealth for your high-net-worth clients can be a challenge. With Pershing, it does not have to be. To learn more about our wealth management solutions, please visit [perishing.com](http://perishing.com) or contact your Relationship Manager.

**WE ARE PERSHING. WE ARE BNY MELLON.**

Pershing, a BNY Mellon company, and its affiliates provide global financial business solutions to advisors, asset managers, broker-dealers, family offices, financial organizations, fund managers and registered investment advisory firms. A financial services market leader located in 23 offices worldwide, we are uniquely positioned to provide advisors and firms global insights into industry trends, regulatory changes and best practices, as well as shifts in investor sentiment and expectations. Pershing provides solutions—including innovative programs and business consulting—that help create a competitive advantage for our clients.

**PERSHING LLC**

As the New Model Clearing Firm™, Pershing LLC provides a broad suite of financial business solutions so advisors and broker-dealers can drive their business forward in a dynamic industry and regulatory environment. We are the #1 clearing firm in the U.S.\* and our clients range from full service, institutional and independent firms to self-directed and bank-affiliated broker-dealers and span the globe. With a keen eye on delivering dependable operational support, robust trading services, flexible technology, an expansive array of investment solutions, practice management support and service excellence, our solutions help advisors and firms manage their businesses efficiently and serve their clients effectively. Pershing LLC (member FINRA/NYSE/SIPC) is a BNY Mellon company. To learn more, visit [pershing.com](http://pershing.com).

\*Based on number of broker-dealer clients, *InvestmentNews* August 2013

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