

Wealth Management Solutions

HELPING YOU GROW YOUR HIGH-NET-WORTH BUSINESS



Your Business Without Limits™

Pershing®

AN AFFILIATE OF THE BANK OF NEW YORK MELLON





The Wealth Management Opportunity

As the level of wealth continues to grow among high-net-worth individuals, the need for more sophisticated advice and services to help them effectively manage, grow, and protect their wealth also increases.

Being able to offer your clients a full complement of wealth management solutions is critical to solidifying long-term relationships and potentially consolidating more of your clients' business with your firm. Leveraging the extensive experience and knowledge of our professionals, you can maximize the opportunities that wealthy clients present.

> Leverage Our Corporate Executive Services

Our dedicated team of experts can help you and your high-net-worth clients take full advantage of illiquid wealth.

Stock options and restricted securities may represent sizable, and somewhat illiquid, elements of compensation at executive or other senior management levels. Pershing's Corporate Executive Services provides seamless support of cashless stock option exercises, restricted and control stock transactions, securities-based lending opportunities, and employee stock option administrative capabilities via an automated web-based solution offered through The Bank of New York Mellon's Employee Stock Plan Services.

Stock Options

If your client wishes 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.

Restricted and Control Stock

Maintaining large holdings of restricted or control stock has its rewards—if a company does well, the value of these stock positions can rise significantly. But liquidating these positions can be difficult and must be done with a thorough knowledge of the regulations that pertain to these types of securities. The Corporate Executive Services team can help. Their in-depth knowledge of the rules and regulations regarding the disposition of restricted and control securities can be leveraged to help you and your clients determine the best way to generate liquidity from their positions. The team can assist with the process of filing restricted/control stock, which may consist of filing with the appropriate exchange, obtaining opinion of counsel, and facilitating the execution of the transfer. They can also prepare the required paperwork to satisfy the reporting requirements, such as SEC Rule 144, 145, or Shelf Registration.

Employee Stock Ownership Plans

The Bank of New York's Employee Stock Plan Services administers equity compensation programs and stock purchase plans for executives and employees around the globe, utilizing proprietary software that can be tailored to each client's specific requirements.

If your client wants to establish a plan, the professionals at The Bank of New York Mellon will be happy to assist with the design and ongoing administration. If your client already has a plan and only wants to execute trades, Pershing can easily facilitate that activity.

Equity Compensation Plans

- > Stock Options
- > Restricted Stock and Restricted Stock Units
- > Stock Appreciation Rights
- > Performance Shares

Employee Stock Purchase Plans

- > Qualified (Section 423) Plans
- > Non-Qualified
- > Save As You Earn Schemes
- > Leveraged Programs



> Offer a Charitable Giving Solution

Demand is growing for investment professionals who can help investors meet philanthropic as well as financial goals.¹

Thousands of charitable-minded investors have discovered donor-advised funds as an alternative to direct giving or creating private foundations.²

A donor-advised fund 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.

“There were \$15.5 billion in donor-advised funds as of the end of 2005.”
– *Chronicle of Philanthropy*

Pershing makes donor-advised funds available to you and your clients through an arrangement with American Endowment Foundation (AEF). AEF acts as a neutral platform for donor-advised funds, giving your clients the flexibility to contribute a wide range of assets, including cash, publicly-traded securities, closely-held stock, life insurance, and real estate.

Donor-advised funds give you an opportunity to:

- > Help your clients efficiently achieve their philanthropic objectives
- > Manage the assets in the donor-advised fund and custody those assets on your brokerage platform
- > Potentially consolidate more client assets with your firm
- > Establish new relationships with family members involved in determining grant applications

At the same time, your clients gain all of the benefits of a private foundation without the start-up and ongoing administrative costs. In addition, your clients can:

- > Receive a tax deduction for the allowable amount of the value of the donated assets on the date they are transferred to the fund
- > Establish a legacy of charitable giving that perpetuates their family name and values
- > Involve family members in recommending grants and encourage ongoing commitment to charitable endeavors

¹ Knight, Victoria, “Investors’ Giving Goals Take Focus,” *The Wall Street Journal*, October 24, 2006

² Mincer, Jilian, “Donor-Advised Funds Gain Assets, Popularity,” *The Wall Street Journal*, August 1, 2006

Powerful Lending Solutions

Liability management provides a holistic view of your clients' finances. Analyzing both sides of a client's balance sheet enables you to recommend investment and cash management strategies that a one-dimensional review might not have suggested. By implementing effective borrowing strategies, you can help your clients minimize taxes, improve cash flow, avoid liquidating securities, reduce high-cost debt, diversify their portfolios, and make the most of investment opportunities.

> **CreditAdvance®**

CreditAdvance® is a multi-purpose, secured, revolving line-of-credit and a valuable margin lending tool. This source of leverage enables your clients to attain a higher level of investment than might otherwise be possible and utilize the liquidity gained for any purpose.

> **LoanAdvance®**

LoanAdvance® is a securities-based consumer lending tool designed to offer investors access to a loan at competitive interest rates with no fees, points, or closing costs. Investors can take advantage of the value and borrowing power of the investments in their brokerage or managed accounts to meet their financing needs. Best of all, the approval process is quick and easy.

> **RealAdvance™**

Available through NetExchange Pro® and NetExchange Client®, RealAdvance™ is a mortgage origination program offered through EverBank, which allows you to offer clients residential first and second mortgages, commercial property mortgages, construction-to-permanent loans, and home equity lines-of-credit to investors who reside in the United States. RealAdvance is also available to clients who reside in Puerto Rico and are buying properties in the United States. Through RealAdvance, you can expand your product offering, gather more client assets, and participate in new compensation streams.

Our Lending Solutions provide you with additional resources to deepen client relationships and handle more of your clients' finances—and most importantly, grow your business.

> Access Alternative Investments

Meet high-net-worth clients' growing demands for alternative investments.

For qualified clients, you can tap into a range of alternative investment products and strategies available through The Bank of New York Mellon, such as hedge fund of funds, real estate, and private equity fund of funds. Access to these types of products and strategies can support a variety of investor objectives including capital preservation, risk protection, leverage, and diversification.

BNY Asset Management, a division of The Bank of New York Mellon, offers qualified clients the opportunity to invest in private equity through a fund of funds program. Through a partnership with Abbott Capital, the advisor to the fund, clients can benefit from Abbot's private equity expertise and ability to access best-of-breed partnerships.

The professionals at The Bank of New York Mellon can work with you and your clients to create customized strategies that can potentially optimize the overall performance of your clients' portfolios.

Hedge Funds

Ivy Asset Management seeks to provide strong capital appreciation by employing a hedge-fund-of-funds approach. Starting with a universe of hedge fund managers who meet stringent due diligence criteria, Ivy Asset Management selects those managers who have a long record of solid performance in a number of hedge fund strategies, including market neutral, special situations, and long/short equity.

Real Estate

Urdang Capital is a real estate investment firm that utilizes a value-oriented investment process designed to uncover real estate opportunities that deliver competitive, risk-adjusted returns.

> Introduce Structured Products

Equity derivatives can help your clients achieve a wide variety of investment objectives.

The Bank of New York Mellon Equity Derivatives Group offers a number of strategies to help investors with concentrated equity holdings reduce their portfolio risk, hedge against market volatility, and increase liquidity.

An outright sale is the simplest way to manage a concentrated position, but it can result in a significant tax liability and the loss of the stock's upside potential. The professionals at The Bank of New York Mellon can work with you to design strategies for your clients that may be appropriate alternatives. Examples include:

- > Equity collars
- > Monetizing equity collars
- > Prepaid variable delivery forwards
- > Equity basket strategies
- > Index options

In addition, equity- and fixed income-linked investments are available to wealthy clients seeking decreased volatility, yield enhancement, and cost-efficient access to certain markets and asset classes.



> Attract and Retain High-Net-Worth Clients

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 doesn't have to be. Tap into our experience, knowledge, and expertise to help you grow your high-net-worth client business.



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Visit pershing.com today to learn more about how our *Wealth Management Solutions* can help you grow your business.

About Us

Pershing LLC is a leading global provider of financial business solutions to more than 1,150 institutional and retail financial organizations and independent registered investment advisors who collectively represent over five million active investors. Financial organizations, investment professionals, and independent registered investment advisors depend on Pershing's depth of experience and consultative approach to provide them with forward-thinking solutions that help them to grow their businesses. Located in 19 offices worldwide, Pershing is committed to service excellence and to providing dependable operational support, robust trading services, flexible technology, an expansive array of investment solutions, and practice management support. Pershing (member FINRA/NYSE/SIPC) is a member of every major U.S. securities exchange and its international affiliates are members of the Deutsche Borse, the Irish Stock Exchange and the London Stock Exchange. Pershing LLC is a subsidiary of The Bank of New York Mellon Corporation. Additional information is available at pershing.com.

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