

# Cash Management Choice

The Power of Choice



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Volatility in the stock and bond markets has created the need for a portfolio stabilizer. This is even more acute for retiring Baby Boomers whose needs are shifting from capital accumulation to capital preservation. Today's investors are focused on whether their cash is working as hard as it can. This includes investment options such as FDIC insurance, competitive yields or even tax-advantaged options that seek to minimize state taxes.

Cash Management Choice, supported by Pershing, a BNY Mellon company, allows advisors to address clients' cash management needs through an array of sweep options. The options available on the Pershing platform allow you to select the specific sweep products that best suit your clients' needs and risk tolerances.

## A Variety of Cash Sweep Options

If you elect to offer a sweep option to a client and establish sweep instructions on his or her account, any remaining available credit balance is swept into a money market mutual fund or FDIC-insured bank deposit product. This gives your clients same-day liquidity and a way to earn income on uninvested cash in the account.

Cash Management Choice allows your firm to select from an outstanding array of sweep options, including FDIC-insured bank deposit options and money market funds of varying types of portfolios and multiple share classes, from eight industry-leading money market mutual fund providers:

› BlackRock	› Federated Investor Services	› Wells Fargo
› Deutsche Funds	› Goldman Sachs Asset Management	› Western Asset Management
› Dreyfus Funds	› Invesco	

## A Flexible Platform

Cash Management Choice, supported by Pershing, provides your firm an array of choices. Your firm can opt to make available a subset of investment choices (or all of them) and you can also request to have the daily rates conveniently displayed on Rateboard in NetX360®, our premier online platform that can be customized according to the options your firm chooses. Select from the following portfolios:

› Government	› Municipal (both general and state-specific)	› United States Dollar (USD) Offshore
› Treasury	› Tax-Advantaged	› FDIC-Insured Bank Deposits
› Prime		

Offshore funds have offering restrictions that your firm is required to comply with and some providers require your firm to execute an additional agreement prior to use. In addition, the money market mutual funds available as sweep options on the Pershing platform only include funds with a constant net asset value (CNAV) of \$1 per share. In order to comply with SEC rules governing money market funds (MMFs) that become effective October 2016, all non-government money funds that seek to maintain a CNAV of \$1 per share will be restricted to investment by retail investors only, defined as accounts registered to natural persons (not entities). This rule change will impact the list of funds available for sweep on Cash Management Choice.

Mutual funds are sold only by prospectus and all funds may not be available in all jurisdictions. Please consult the prospectuses of individual mutual funds for a complete explanation of risks, fees and investment minimums.

A deposit in an FDIC-insured deposit program is not protected by the Securities Investor Protection Corporation (SIPC®).

An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the funds seek to preserve the value of an investment at \$1 per share, it is possible to lose money by investing in a money market mutual fund. The prospectus contains this and other important information. Read the prospectus carefully before investing.

## Sweep Options for Retirement Accounts on the Pershing Platform

Sweep options that provide no-minimum-investment options are available for retirement accounts where Pershing is the custodian. Choose from a number of different alternatives to satisfy the retirement needs of your clients.

## Tax-Advantaged Options for Non-U.S. Residents

Non-U.S. residents can take advantage of options in Cash Management Choice that provide tax advantages for U.S. withholding tax on earned income (where permissible).

# FDIC-Insured Bank Deposit Programs

The FDIC-insured bank deposit programs supported by Pershing enable your firm to make available insured bank deposit sweep programs to investors who may be wary of keeping cash in a brokerage account. The sweep options available through these programs provide convenient FDIC insurance on swept balances up to \$2.5 million through a multi-bank investment approach.

If you elect to offer an FDIC-insured sweep option to a client and establish sweep instructions on the client's account, your client's available credit balance is swept and deposited daily among multiple banking institutions. To ensure that an investor's swept balance, in addition to accrued interest, receives FDIC insurance coverage, the principal amount of investor assets is held at each bank up to the allowable FDIC coverage limits, as recognized by the FDIC, to the extent possible within the parameters of the program.

Deposits in the FDIC-insured bank deposit programs are not considered securities and are not protected by SIPC or excess account coverage. Pershing works with the following providers to deliver this option:

Providers	Limit on FDIC Insurance	Corporate Accounts Eligible
Dreyfus Insured Deposits	\$2.5 million per eligible account type	No
Deutsche Bank Insured Deposits	\$2.5 million per eligible account type	Yes
InterLink Insured Deposits	\$2.5 million per eligible account type	Yes
Liquid Insured Deposits	\$2.5 million per eligible account type	Yes

## Choose From an Array of FDIC-Insured Products

Each of the FDIC-insured bank deposit programs available on the Pershing platform provides the choice of a single- or tiered-rate product. Single-rate products pay investors one yield, regardless of the amount of the deposit or size of the underlying brokerage account. Your firm also receives a flat revenue sharing rate.

Tiered-rate products provide different client yields and revenue sharing rates based on the total net worth of the investor. The total net worth includes not only the net worth of the account investing in the tiered-rate product, but also that of related brokerage accounts registered under the same Social Security number. This array of FDIC-insured products from multiple programs allows your firm to select the product best suited to your firm and clients.

Please note that Offshore funds have offering restrictions that your firm is required to comply with and some providers require your firm to execute an additional agreement prior to use.

Since your firm determines its Sweep Program by electing which sweep options to make available to your clients, it is your firm's responsibility to comply with many of the requirements related to the Treatment of Free Credit Balances in a Sweep Program detailed in 15c3-3, including the obligations to provide each client with "the general terms and conditions" of the products available through your Sweep Program and obtaining and documenting your clients' written affirmative consents.

**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, fund managers, registered investment advisory firms and wealth managers. 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 (member FINRA/NYSE/SIPC) is a BNY Mellon company. To learn more, visit [pershing.com](http://pershing.com).

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