

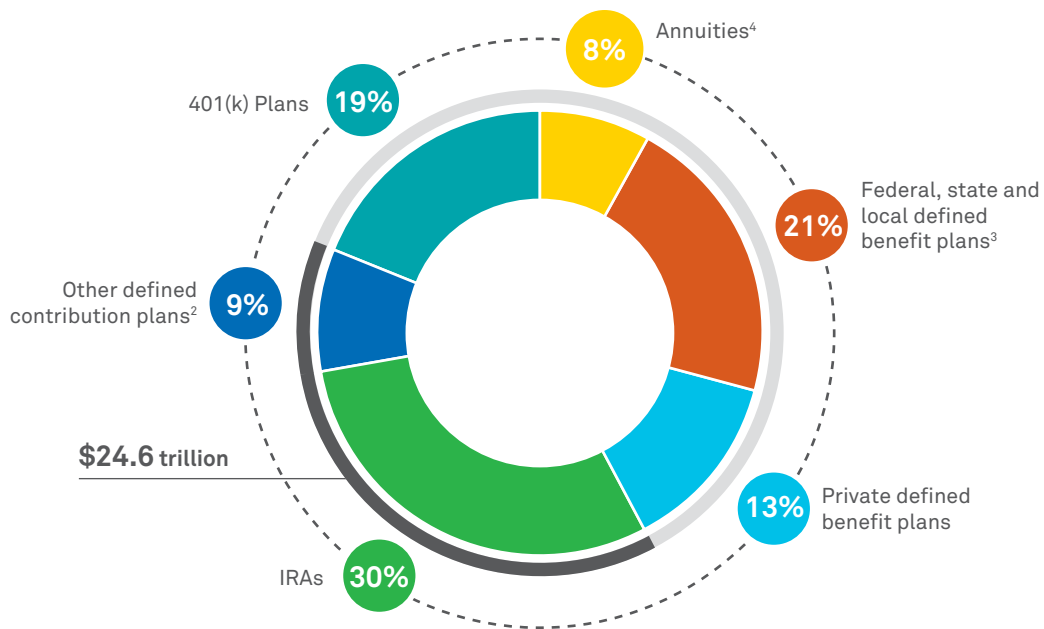
Position Your Business for Success in the New Retirement Reality

When it comes to employer-sponsored retirement plans, defined contribution (DC) is the new retirement reality for the majority of workers today—with more than 88 million Americans now covered by DC plans.¹ And, DC plans are a good fit for America's mobile workforce, in which workers tend to move from job to job, because these plans are portable. As these workers progress through their careers and retire, a portion of their assets is likely to roll over from their employer-sponsored plans to IRAs. In many cases, these rollovers will be done with the help of advisors with whom these investors already have relationships.

The growth in the DC industry represents a significant opportunity for those who want to expand their retirement plan business. New open-architecture platforms now provide access to professional recordkeepers, value-added tools and a broad range of investments, offering a true competitive edge.

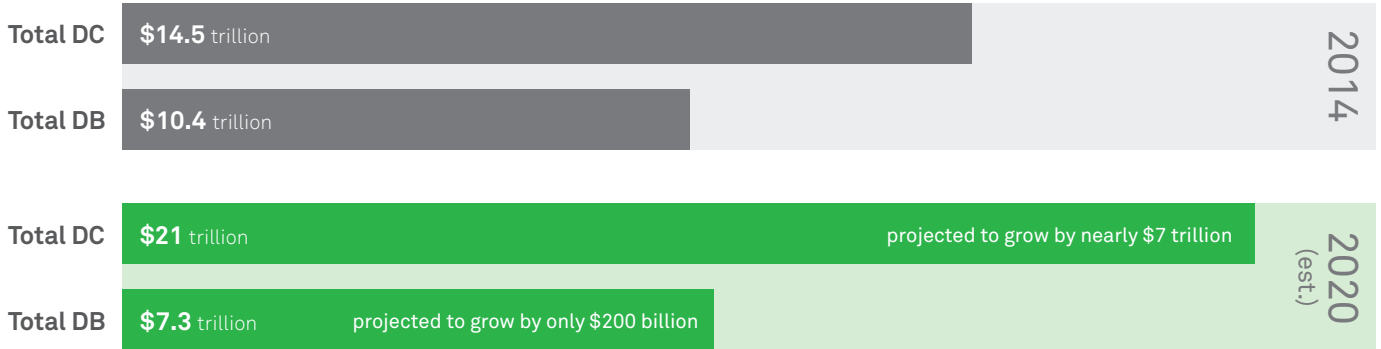
DC and IRAs: The New Power Couple

In 2015, the estimated combined DC and IRA plan opportunity totaled **\$14.6 trillion**—more than half of the \$24 trillion market total—with this number expected to grow rapidly over the next five years.



DC on the Rise: Portability Is Propelling Growth

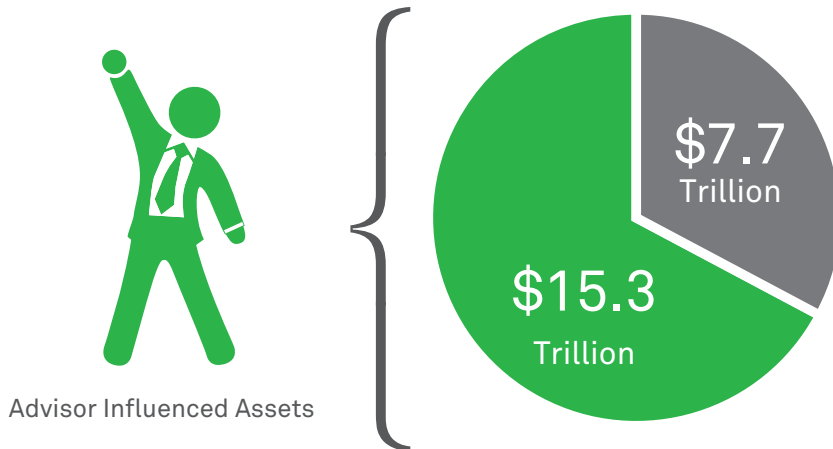
From the year 2002 to 2014, total DC plan assets increased by nearly \$9.1 trillion to reach \$14.5 trillion. Over the same period, total defined benefit (DB) plan assets increased by only a half as much, with growth of just \$5 trillion.⁵ And, by 2018, total DC plan assets are estimated to reach over \$21 trillion⁶, with total DB assets growing only incrementally.



Help Please: The Trend in Advisor-Influenced Assets

Plan sponsors value advice. According to Cerulli, two-thirds of total retirement market assets—\$15.3 trillion—are influenced by advisors and consultants.⁷

In addition, 69% of 1,700 advisors surveyed see retirement plans offering significant profit potential, with 67% planning to increase the number of clients they advise on retirement plans.⁸



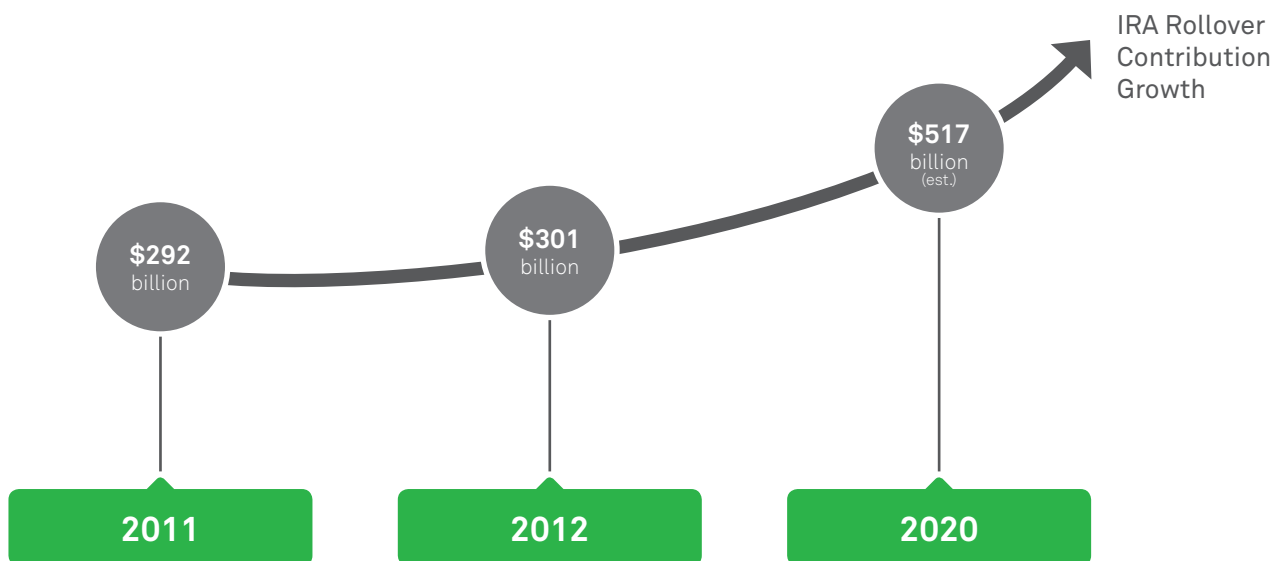
The Specialist Approach

More than six in 10 advisors currently report including some DC business in their portfolio. Meanwhile, 37% of all retirement specialists—those who receive more than 40% of their income from retirement plan business—were part of the RIA, independent broker-dealer and dually registered channels.⁹



Powering Future Growth: The Rollover Connection

The growing number of DC accounts (an estimated 14.4 million 401(k) accounts by 2020) for those who have retired or separated from a job represents a significant opportunity, as the assets held within these accounts are eligible to move or rollover at any time. Rollover contributions to IRAs totaled \$301 billion in 2012 and are estimated to reach \$517 billion in 2020.¹⁰



What Does It All Mean?

There are major shifts happening in the retirement marketplace. The retirement plan market represents one of the largest asset flows in retail financial services.¹¹ This could translate into a significant growth opportunity. Pershing is here to help with Retirement Plan Network—a new platform designed to streamline the sales and processing of retirement plans.

Position Yourself To Succeed With Pershing.

Today, more than 50% of the over 5.6 million accounts on the Pershing platform are retirement accounts.¹² That's why we've built one of the industry's most comprehensive retirement offerings. Pershing provides a suite of retirement products and services to help you meet the diverse needs of your clients. You also get the technology and support you need to successfully build and maintain your retirement business.

For more information about Pershing's Retirement Plan Network call (844) 291-1744 or email retirementplannetwork@pershing.com.

¹ Source: American Benefits Council, 401(k) Fast Facts, 2014.

² This category includes 403(b) plans, 457 plans and private employer-sponsored DC plans (including 401(k) plans).

³ Federal pension plans include U.S. Treasury security holdings of the civil service retirement and disability fund, the military retirement fund, the judicial retirement funds, the Railroad Retirement Board and the foreign service retirement and disability fund. These plans also include securities held in the National Railroad Retirement Investment Trust and Federal Employees Retirement System (FERS) Thrift Savings Plan (TSP). Although the TSP is similar to a 401(k) plan, assets held by the TSP are included in federal government retirement assets and are not included in the DC plan total. At year-end 2012, the TSP held \$335 billion in net assets. For more details regarding the TSP, see Clifton Larson Allen LLP 2013. The reported assets of federal pension plans for the second quarter of 2011 are adjusted for U.S. Treasury financing activities undertaken after reaching the legal limit on federal government borrowing. These actions temporarily reduced the amount of Treasury securities reported on the balance sheet of the Civil Service Retirement and Disability Fund. Similarly, reported assets of federal pension plans for the second and third quarter of 2013 are adjusted for U.S. Treasury financing activities.

⁴ Annuities include all fixed and variable annuity reserves at life insurance companies less annuities held by IRAs, 403(b) plans, 457 plans and private pension funds. Some of these annuity reserves represent assets of individuals held outside retirement plan arrangements and IRAs; however, information to separate out such reserves is not available. Because annuities held in IRAs, 457 plans and 403(b) plans are netted from the Flow of Funds Accounts annuities (life insurance pension fund reserves) figure and reported in their respective categories by ICI, ICI reports a lower annuities total than the Flow of Funds Accounts (see Federal Reserve Board 2013).

⁵ Source: ICI.org 2015.

⁶ Cerulli Retirement Markets 2015.

⁷ Source: Cerulli Retirement Markets 2015.

⁸ Source: Financial Advisor, November 2015.

⁹ Source: Cerulli Retirement Markets 2015.

¹⁰ Source: Cerulli Retirement Markets 2015.

¹¹ Source: McKinsey: Winning in the Defined Contribution Market of 2015: New Realities Reshape the Competitive Landscape.

¹² As of December 31, 2015.

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