

## **Mutual Fund Fees and Revenue Sharing**

Pershing may receive servicing fees from mutual funds that participate in Pershing's mutual fund no-transaction-fee program (FundVest®) in lieu of clearance charges to Pershing Advisor Solutions. Participation by Pershing Advisor Solutions in this program is optional and Pershing Advisor Solutions may share with Pershing in such fees. These fees may be considered revenue sharing, are a significant source of revenue for Pershing and may be a significant source of revenue for Pershing Advisor Solutions. These fees are paid in accordance with an asset-based formula. Pershing Advisor Solutions may share a portion of these fees with certain turnkey asset management providers that provide operational and related services to Pershing Advisor Solutions, for both Employee Retirement Income Security Act (ERISA) and non-ERISA accounts administered within the providers' programs.

Pershing also receives operational reimbursements from mutual funds in the form of networking or omnibus processing fees. These are fees for the work it performs on behalf of the funds, which may include, but are not limited to: subaccounting services, dividend calculation and posting, accounting, reconciliation, client confirmation and mailing. These fees are a significant source of revenue for Pershing.

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