

Four Pressures Driving Introducing Broker-Dealers to Pursue New Advisory Strategies

The number of hybrid registered investment advisors—those who operate independently but are affiliated with introducing broker-dealers (IBD)—continues to rise. Make it easy for advisors to stay at your firm with a solution that addresses fiduciary pressures, satisfies advisors and impacts your bottom line.

1 | INVESTOR PREFERENCES



Integrated Wealth Management



Fee Only + Commission



RIA + IBD

Delivering the integrated wealth management investors want requires fee-only and commission solutions delivered by a hybrid platform.

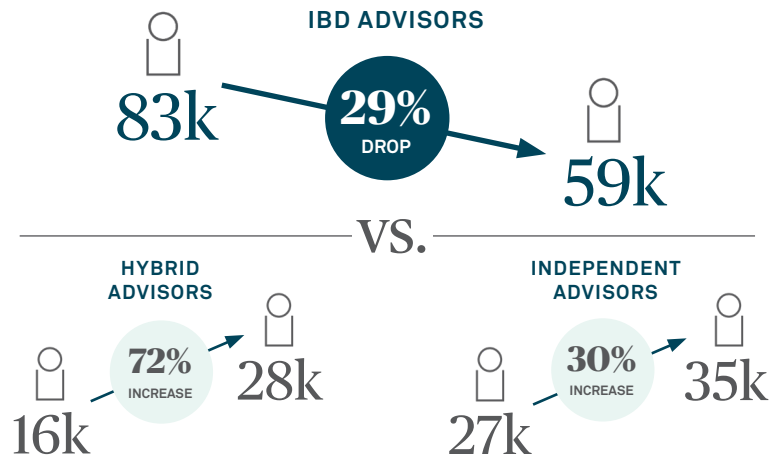
2 | ADVISOR RETENTION

What's behind the continued growth of Hybrid RIAs? Independence, flexibility and support offer the best of all worlds for an increasing number of advisors.

Declining IBD Headcount as Advisors Seek Independent and Hybrid RIAs

2008 THROUGH 2018

Source: Cerulli, U.S. Advisor Metrics 2019

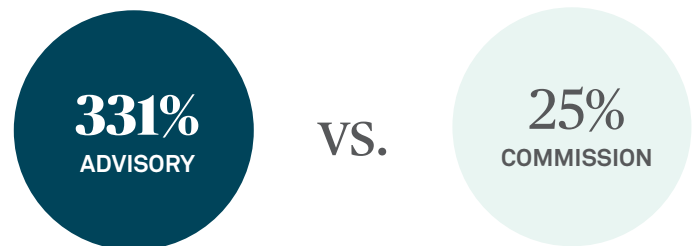


3 | SHIFT IN REVENUE MIX

Advisory Fee Growth Outpaces Brokerage

FEE GROWTH SINCE 2007

Source: Financial-Planning.com, *Which IBDs are Leading the Shift to Fee-Based Revenue?* 2019



Top 50 IBD Firms generated \$13B in fees and \$11B in commissions in 2018

4 | ASSET MIX

Hybrid RIAs Hold Majority of Assets Under Their Independent RIA

Source: Cerulli, U.S. RIA Marketplace 2019



IS YOUR FIRM EXPERIENCING THESE CHALLENGES?



PRICING

Unpredictability and embedded conflicts



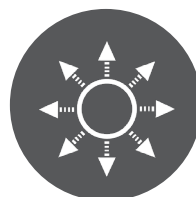
ADVISOR RETENTION & RECRUITING

Difficulty in retaining or recruiting to support sustained growth



REGULATORY & COMPLIANCE

Greater regulatory and compliance oversight, disclosures and increased business complexity



EXPENSE MANAGEMENT

The cost of certain operational functions outweighs the benefits and limit firms efficiency

How does your value proposition compare to the independent RIA option?



How has your mix of advisory and commission assets shifted?



Is your compliance model for advisory business still rooted in a IBD-centric perspective?



Where can you free up resources to invest in growth?



To discuss challenges you'd like to solve, contact your Relationship Manager or Pershing's Head of Corporate and Hybrid RIA Business Strategy, Adam Roosevelt at 908-274-5919 or adam.roosevelt@pershing.com.

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