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A BNY Securities Group Co.

Solutions from The Bank of New York

**Len Reinhart**

# **Lockwood's Strategic Plans 2006**



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## Quiz???

- \$1.6 Trillion ?
  - \$2.3 Trillion?
  - \$3.1 Trillion?
- 
- a) 401(k) Plans
  - b) IRA Accounts
  - c) Defined Benefit Pension Plans



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## Answers

- **\$1.6 Trillion – Defined Benefit Pension Plans**
- **\$2.3 Trillion – 401(k) Plans**
- **\$3.1 Trillion – IRA Accounts**



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## Trends Driving Our Decision Process

- Retirement of the Baby Boomers
- Consolidation of assets to wealth managers
- Redefining retirement – the creation of a 30-year “Living Plan”
- Shift from the performance sale to a solution-based sale
- The rise of the UMA and UMH to support the “Personal Pension Plan”

UMH = aggregation of multiple accounts and value-added services

Value-Added Services

Household Account

### Unified Managed Household (UMH)

Single Hhld Proposal System

Consolidated Performance Reporting

Coordinated Investment Management

• Multiple Accounts  
• Multiple Registrations

UMA

### Unified Managed Account

Other types of accounts, eg:  
• Low cost basis stock  
• Muni bond portfolio

Value-Added Services

Consolidated Performance Reporting

Rebalance

Product Neutral Fee

Single Proposal System

Tax Loss Mgmt

Account Structure

• Single Registration  
• Single Account  
• Multiple Products

Product Investment Sleeves

SMA's

Mutual Funds

Ind Secs/ETFs

Alt Invts

Other

*Will expand*

Source: The Money Management Institute and Dover Financial Research



## Major '06 Product Offerings

### UMA/UMH as Solution for Personal Pension Plan

#### 1. Lockwood Investment Strategies/Asset Allocation Portfolios

- Fully discretionary (Lockwood is fiduciary)
- Minimums \$250k/\$25 k
- With or without alternatives
- Low cost
- Drawdown strategies (guaranteed or not)
- Trust services
- Credit line attached

#### 2. Broker-Directed UMA/UMH

- Lockwood is not fiduciary
- Open-architecture platform
- Rules engine at firm or broker level
- Can include virtually any asset that can custody at Pershing
- Drift reporting
- Re-balancer



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## Major '06 Distribution Plan

### 1. Institutional Channel

- Firms who clear and custody at Pershing
- 52 clients in place represent 20,000 brokers
- On books of sponsor B/D
- Fiduciary and non-fiduciary offerings

### 2. R.I.A. Channel

- Pershing Advisor Solutions (B/D)
- 1,030 R.I.A. clients
- Fiduciary and non-fiduciary offerings