

Pershing brokerage accounts defined as inactive will be charged the annual inactive custody fee. To avoid this fee the account must meet the active account criteria defined below. Retirement accounts, managed accounts and accounts holding “book-entry” only positions or money market funds only will not be charged.

The information below provides definitions of an inactive versus active account. Several reports are available to help manage the inactive accounts. Please review the information and reporting available prior to the activity deadline of December 29, 2023.

Pershing will act and charge the fees to specified accounts on January 15, 2024, however you still can avoid the fee. See below for details.

Definition

Inactive accounts are defined as accounts holding a security position for a calendar year (January 1 through December 31) without generating a trade, free credit or margin interest of at least \$100.

Fees

- Mutual Funds Only - \$25.00
- All other accounts - \$50.00

Exemptions

- Accounts that earn \$100.00 in free credit interest or incur margin interest charges of at least \$100.00 during the calendar year
- Accounts that held an average monthly balance of \$10,000.00 in a sweep money market
- Systematic mutual fund investments and exchanges during the calendar year **are** considered “trades” and would negate the fee. However, dividend reinvestment activity is **not** considered as “trade activity”.
- Managed accounts
- Accounts with fixed income assets only, that are part of a managed account household valued at \$500,000
- Clients who are exempt from the inactive account fee may qualify for an exception on additional accounts within their household who are subject to the fee. To request an exception please contact the cashiering team.

Active Account Activities

- A simple periodic investment set up and executed prior to year-end or any executed trade prior to the end of the calendar year. **Trades must SETTLE by 12/29/2023.**
- An annual investment of \$25.00 or \$50.00 in a periodic manner will avoid the fee.
- This can be an opportunity to reach out to inactive clients to perhaps expand the business they have with you.
- De-networking funds from a non-qualified account does not create a transfer fee. Please coordinate with the New Accounts Team to close an emptied account.
- Pershing reserves the right to charge the fee if an account transfers out or is closed prior to year-end. Example: An account was open all year and then closed 12/24, Pershing hit the closed account with an inactivity fee creating a debit balance in the closed account.

Identifying Accounts Subject to the Inactivity Fee

To view a list of your clients that could be subject to Pershing’s Annual Custody (Inactive) Fee please follow the following procedure:

1. Go to Unio, under the **Tools** tab click on NetX360.
2. Once you are on NetX360, click on **Analytics**. Under **Report Center** click on **All Reports**.
3. Type **GLB820M3** in the search box located in the upper right-hand corner.
4. Select the report link **Preliminary Inactive Account Detail Report by Off/IP**
5. You will be prompted to select the **IBD, Office** and **IP# (Rep#)**.
6. In addition, select a date range for your report.
7. A preliminary list of inactive accounts at the office/investment professional level will display.
8. Locate report by searching for report **GLB820M3**.
9. Enter the three-digit office range in "OFF" and the rep id in "IP" and click on **display**.
10. When you see the report, you requested listed, click on **view**.

Please contact the Cashiering department for questions or assistance.