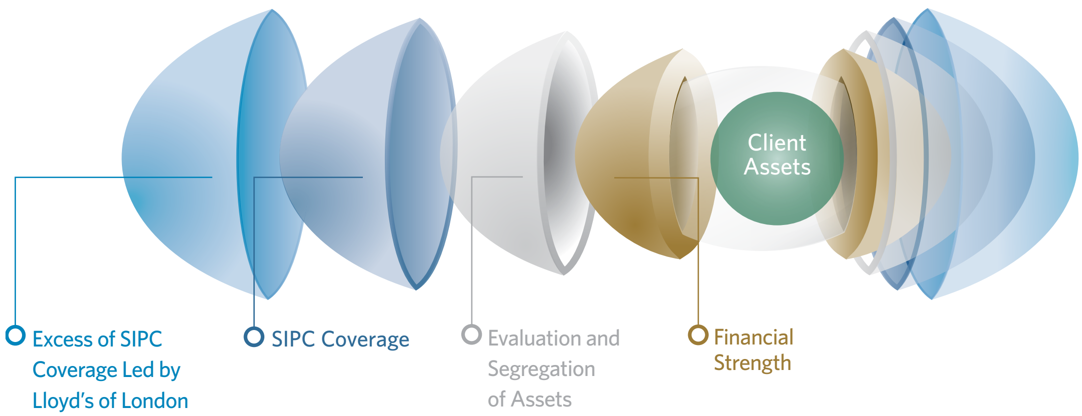
Understanding the Protection of Client Assets

Pershing's Strength, Stability and Focus

Pershing LLC has been a leading global provider of financial business solutions for over 70 years and serves many of the world's most respected financial organizations, remaining committed to the safekeeping, servicing, segregation and reporting of assets held in custody.

The Protection of Client Assets Remains at the Center of Our Focus



Financial Strength—June 30, 2010

Pershing's core financial strength provides the foremost measure of the protection of assets held in our custody. Our parent company, BNY Mellon, is a leading provider of financial services for institutions, corporations and high-net-worth individuals. Pershing's financial strength does not protect against loss due to market fluctuation.

Pershing

> Approximately $770.8 billion in assets held in custody

> Net capital of $1.2 billion—well above the minimum requirement

BNY Mellon

> $21.8 trillion in assets under custody and administration

> $1.0 trillion in assets under management

> Total assets: U.S. $235.7 billion

> Total shareholders' equity U.S.: $30.4 billion

> Tier 1 capital ratio: 13.5%

> Total capital ratio: 17.2%

> Tangible common equity to assets ratio: 6.3%

> Market capitalization U.S.: $30.0 billion

Evaluation and Segregation of Assets

As required, Pershing segregates investor assets, which are fully paid-for, from its own assets. Therefore, in the unlikely event of the financial failure of Pershing, investors' fully paid-for assets will remain separate from Pershing's own assets. In addition to this, Pershing takes the following measures to protect investors' assets:

> Annual audit by a major independent audit firm and the audit team at our parent company, BNY Mellon

> An annual SAS 70 Type II audit is performed (as required) by a major independent audit firm to provide additional evaluation of the design and operating effectiveness of Pershing's internal controls related to:

- Account transfers
- Clearance and settlement
- Confirmations and cash management functions
- Corporate actions
- Customer billing
- Foreign exchange and prime brokerage controls
- Interest
- Margin monitoring
- Order and trade processing
- Physical custody
- Pricing
- Statements

> Pershing is required to maintain enough liquid assets, net of any liabilities, to ensure the return of investors' fully paid-for assets in the event of Pershing's failure and liquidation

> Quarterly vault inspection and securities verification to confirm custody of fully paid-for investors assets

SIPC® Coverage

Pershing is a member of the Securities Investor Protection Corporation (SIPC®).

> As a result, securities in your account are protected up to $500,000 (of which $250,000 can be for claims for cash awaiting reinvestment). For details, please see www.sipc.org

> Please note that SIPC does not protect against loss due to market fluctuation

Excess of SIPC Coverage Led by Lloyd's of London

> In addition to SIPC protection, Pershing provides coverage in excess of SIPC from Lloyd's of London together with other insurers.[1] The current excess of SIPC policy is scheduled to expire on December 10, 2010.

> The excess of SIPC coverage provides the following protection for assets held in custody by Pershing and its London-based affiliate, Pershing Securities Limited:
- An aggregate loss limit of $1 billion for eligible securities—over all client accounts
- A per-client loss limit of $1.9 million for cash awaiting reinvestment—within the aggregate loss limit of $1 billion

> The $1 billion aggregate loss limit for eligible securities is the highest level of coverage that is available in the industry today.

> The excess of SIPC coverage does not protect against loss due to market fluctuation.

> An excess of SIPC claim would only arise when Pershing failed financially and client assets for covered accounts, as defined by SIPC (for Pershing LLC accounts) or the Financial Services Compensation Scheme (FSCS) (for Pershing Securities Limited accounts), cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules.

> The leader of the excess of SIPC coverage program is Lloyd's of London. Lloyd's currently has an A ("Excellent") rating with "Stable Outlook" from A.M. Best and an A+ ("Strong") rating with "Stable Outlook" from Fitch Ratings and Standard & Poor's® (S&P®). These ratings are based on the financial strength of the company and are subject to change by the rating agencies at any time. For more information about Lloyd's of London, please see www.lloyds.com.

What Is Covered Under SIPC and Excess of SIPC Coverage?

COVERED

SIPC and excess of SIPC coverage is available for the following products held in custody by Pershing:

- Bonds
- Cash balances
  - Up to $250,000 in cash awaiting reinvestment through SIPC
  - A per client loss limit of $1.9 million for cash awaiting reinvestment—within the aggregate loss limit of $1 billion—through the commercial insurance program led by Lloyd's of London
- CDs
- Mutual funds
- Notes
- Stocks

NOT COVERED

Among the investments that are ineligible for protection are:

- Antiques and collectibles
- Bank deposits
- Commodity futures contracts
- Fixed and variable annuity contracts
- Investment contracts (such as limited partnerships)
- Precious metals

Answers to frequently asked questions, as well as additional information about the financial strength of Pershing and the protection of assets held in our custody, are available within Resources via NetX360™, or visit www.pershing.com/strength_stability.html.

[1] Pershing's excess of SIPC coverage is provided by Lloyd's of London together with Axis Specialty Europe Ltd. and Munich Reinsurance Co.