



Building the Best Clearing and Execution Services Firm in the World

PENSON FINANCIAL SERVICES, INC.

Global Presence Local Expertise



Person Financial Services is helping reinvent an industry.

WHO IS PERSON FINANCIAL SERVICES?

Person Financial Services, Inc. (PFSI) is a leading independent provider of execution, clearing, settlement and technology to the global financial services industry. Historically, we have offered our services to online, direct-access and traditional broker-dealers. However, in recent years we have expanded our offering to service large banks, institutional brokers, hedge funds, financial technology firms and members of the various exchanges.

Person's product and service mix provides a range of solutions that enable us to partner with broker-dealers in order to help them service their diverse and rapidly expanding customer base. In addition to our products and services, we bring a "can-do" attitude, deep industry knowledge and a desire to measure our success by the success of our partners.

With our first-rate people, technology and robust suite of products and services – in tandem with the most innovative customers – we're reinventing the clearing and execution services landscape.

Along with the other members of the Person Worldwide group of companies in the U.S., Canada, the U.K. and Asia, PFSI is committed to our parent company's overarching mission of building the best clearing and execution services firm in the world.

PFSI'S STRENGTHS AND CAPABILITIES

The character and capabilities of our people are our primary assets and are reflective of the integrity and experience of our founders. To support our team and correspondents, we invest heavily in technology and infrastructure. We pride ourselves on staying ahead of exploding trading volumes, and we focus on the demand for ever more sophisticated applications.

Our investment in people and technology gives us the flexibility to provide cost-effective solutions that make PFSI competitive by virtually every objective measurement and comparison.



HOW PERSON HAS GROWN

Person Financial Services was founded in Dallas in 1995 by Phil Pendergraft and Daniel P. Son, veteran entrepreneurs who've spent the majority of their professional lives in the securities industry. Their experience spans operations, finance, trading, sales and technology development.

Their focus when building Person centered on three core ideas. **ONE** – the industry needed to redefine the value proposition. Person set out to create efficiencies by offering scalable core services solutions. **TWO** – Person wanted to offer broker-dealers and other industry participants choices when outsourcing clearing, execution and related back-office functions so they could focus on investors. **THREE** – Person's overall motivating mission: we succeed only if our partners succeed.

These convictions presented Person with a large opportunity. Modest as our beginning was, our founders knew that there was a place for a strong, innovative and independent firm. They believed the possibilities were unlimited. Today, PFSI is a part of Person Worldwide, a network of six primary operating companies on three continents. Truly a global partner in the financial services space, we work hard to fulfill our mission of building the best clearing and execution services firm in the world.



Solutions customized to your needs

Penson Products and Services

Products

Equities and Options
Suite of Algorithms
Fixed Income
Mutual Funds
Access to Dark Pools
Trade Aggregation Capabilities
Foreign Exchange (FX)

Services

Multi-Asset Clearing, Settlement and Custody
Intelligent Execution Solutions
Portfolio Margining
Active/Retail Trader Platforms
Market Data Services
Prime Brokerage
Investment Advisor Services
International Execution Solutions

Penson Financial Services is about choice: from trading platforms, to execution services, trading partners and integration. We offer a range of securities processing infrastructure products and services, either unbundled or as a suite of end-to-end, fully integrated solutions. Our principal products and services categories include:

HIGH-CAPACITY CLEARING SERVICES – Scalable Process, Built on Service Excellence

PFSI was influenced by the demand of active trading clients for high-speed, high-volume clearing capabilities. Today, we clear for a large variety of quantitative, high-frequency correspondent firms, as well as institutional firms, floor brokers, agency execution desks and full-service retail firms. As electronic trading volumes and venues proliferate, Penson is well positioned and has the domain expertise, along with a mature infrastructure, to handle the volume from a pure processing standpoint while providing innovative value-added services.

CROSS-COLLATERALIZATION OF EQUITIES, OPTIONS AND FUTURES – Single Account Number, Multiple Asset Classes

As our world becomes flatter and trading becomes even more diverse, global investors are seeking a more efficient way to trade multiple asset classes. PFSI has embraced these seismic industry shifts by offering cross-collateralization of equities, options and futures using a single account number. Collectively, the Penson Worldwide group of companies makes it possible to efficiently execute and clear multiple asset classes across borders and in multiple currencies, while utilizing multi-lingual trading platforms.

ACCESS TO GLOBAL MARKETS – A Single Gateway to a World of Trading Opportunities

PFSI has experience and relationships with exchanges, brokers and technology-providers around the world, which allows us to offer our correspondents execution services for virtually any product on virtually any global market. Our global smart-routing technology is best-in-breed, and our cutting-edge technology services give our clients the ability to gain the upper hand in an increasingly global business.

PENSON TRADE AGGREGATION – Leveraging Our Size to Gain Advantage

PFSI's unique ability to aggregate order flow results in pricing advantages for both liquidity providers and takers. Our modular and fully integrated front-middle-to-back office incorporates trading solutions for our diverse correspondents, which include institutional and retail broker-dealers, proprietary trading firms and high-frequency program traders. Additionally, the quality of Penson's execution statistics consistently ranks among the highest in the industry.

We offer the following services:

- North American and European DMA equity trading and clearing
- International execution, clearing and custody solutions
- Worked-order desks for U.S., Canadian and European markets to help our correspondents manage their orders
- Sponsored access to all domestic execution venues
- Liquidity points supporting zero-added latency trading with high-message throughput and trade compliance
- Industry-leading proprietary-technology client order-entry trading systems

PORTFOLIO MARGINING SERVICES – Enhanced Leverage Options

As the industry began reconsidering how it viewed hedged positions and margin, and as regulatory agencies amended long standing margin and leverage rules, PFSI was again at the forefront. As a participant in the portfolio margining pilot program, PFSI was able to offer the service to its correspondents immediately upon its approval. Involvement in this program from its onset provided PFSI's correspondents with yet another competitive advantage.

The Penson Portfolio Margin Model employs, among other techniques, a Theoretical Inter-Market Margining system (TIMs) methodology that supplies the base margin computation for each eligible security. Equities and indices, with related options, are evaluated as a portfolio. In theory, a hedged portfolio with offsetting risks has the opportunity to qualify for lower overall margin requirements under this model.

For more information on PFSI, our products and services, our parent company and the Penson Worldwide network, please visit www.penson.com, or call 800-696-3585.



PENSON TECHNOLOGY

We cannot overstate the importance of technology. Penson's technology expertise and leadership are indispensable in today's markets. Whether it is Nexa Technologies, Inc. (Penson Worldwide's technology subsidiary) or our FIX certifications that give us the ability to process trade files and uploads from virtually every front-end, EMS and OMS, our technology edge is unequalled for seamless clearing solutions.



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Other members of the Penson Worldwide group of companies:

Penson Financial Services Canada Inc.

Member of the IIROC and CIPF

Montreal, Quebec

Penson Financial Services Ltd.

Authorized and Regulated by the FSA
and Member of the LSE

London

Penson Asia Limited

Hong Kong

Penson GHCO

FCM National Futures Association

Chicago, Illinois

Nexa Technologies, Inc.

Irvine, California