

SUNGARD HELPS HILLIARD LYONS TO ACHIEVE SUCCESS IN ITS NEW LIFETIME WEALTH MANAGEMENT BUSINESS MODEL

SunGard's WealthStation provides modular flexibility for a range of advisor skill sets and high-net-worth client needs

As financial services companies vie for control of Baby Boomers' retirement assets, financial consultants and advisors are constantly faced with the challenge of offering a diverse set of financial products while providing a personalized, consultative service.



John Deglow, Vice President
and Director of Wealth Strategies
at Hilliard Lyons

According to an April 2005 Forrester Research report by Tom Watson called "The Forrester Wave: Financial Planning Software, Q2 2005," today's financial planning process remains time-consuming, rigid, and frozen in time. In the report, Watson highlighted the financial planning arena's need for tools that can provide consistent, meaningful advice across an organization of advisors, and established that the best planning software needs to be easy to use, flexible, and fluid. In the end, the software should help a customer's financial plan to remain meaningful and relevant over time, which is necessary for creating a living financial plan.

This is precisely the reason why Hilliard Lyons turned to SunGard. The Louisville, Kentucky-based full service investment firm needed a solution to support its new integrated wealth management business model, while helping its 450 financial consultants of varying skill levels, plus another 150 at its PNC Investment subsidiary, become more efficient in managing the diverse assets of clients and improving level of service.


Hilliard Lyons has 250,000 clients, 151 years of experience providing financial advice, and 74 branches in more than a dozen mid-west, central and southeast states. Hilliard Lyons prides itself on its ability to provide one-on-one advice on stocks, bonds, options, retirement plans, mutual funds, trust and estate planning, and investment management seamlessly to its clients. In 1998, the company was acquired by The PNC Financial Services Group, Inc., combining the two company's strategies for offering an integrated, lifetime investment and wealth management approach to reaching the personal and financial goals of its clients.

"Several years ago, we began the transition from a product and commission-based model to one that is more consultative and fee-based in nature," said John Deglow, Vice President and Director of Wealth Strategies at Hilliard Lyons. "Today, we are successfully competing on that front, targeting the higher net worth clients that demand personalized advisor services."

Striving Toward Integrated, Lifetime Wealth Management

In keeping true to its direction and goals, Hilliard Lyons needed to be able to target clients with varying amounts to invest, starting with \$100,000 and reaching as much as \$5 million or more. With this range comes a wider set of client needs to address, and an urgent need for flexible planning and wealth tools to help its financial consultants succeed.

Hilliard Lyons and PNC Investments, the parent company's bank-based brokerage division, recognized that the integrated, lifetime wealth management approach they were seeking to provide called for powerful and flexible automated tools.



"We needed a solution that would fit the firm's new wealth management strategy and help us to take the necessary steps to add value through advice, rather than just placing trades," explained Deglow.

In the past, Hilliard Lyons relied on a variety of separate financial planning and analytic software tools that lacked modularity, integration, and a suitable range of sophistication for advisors with varying skill levels, from introductory to more complex planning capabilities. These tools, none of which communicated with each other or with the back office, made for a data-entry intensive, productivity challenged environment. More importantly, very few of Hilliard Lyons' 450

financial consultants actually used the systems—in fact, many did most of their work on paper.

In 2004, Hilliard Lyons and PNC Investments turned to SunGard's WealthStation solution to help support their transition to the consultative fee-based approach, and provide a tool that its financial consultants would value and use every day. By February 2005, the rollout of the SunGard solutions to its 450 financial consultants and advisors at both firms was complete.

Integrated Solution Helps Advisors to Offer Improved Service

SunGard's WealthStation is an integrated, Web-based wealth management solution offered in an ASP, enterprise-wide environment. Helping financial advisors manage the diverse assets of high-net-worth clients, WealthStation acts as a dashboard to SunGard's PlanningStation and AllocationMaster solutions to provide Hilliard Lyons and PNC Investments with a single platform to meet the various needs of both business units, while facilitating efficient integration with their back office systems.

PlanningStation offers interactive, real-time financial planning and covers more than 20 financial concepts to provide single-issue, goal-based planning, cash flow planning, scenario comparison,

what-if modeling, and Monte Carlo simulation. AllocationMaster provides asset allocation, analytics and modeling capabilities to handle from basic to complex needs of clients, to help optimize portfolios, profile clients, and forecast and simulate results.

Running on real-time data, WealthStation seamlessly brings all of these capabilities together in one dashboard, which Hilliard Lyons' financial consultants use to access all the functionality they need to help meet the financial goals of a vast range of clients.

The client account positions and prices are updated and available every day, even as asset allocations change."

A Hilliard Lyons financial consultant shared one of his experiences with WealthStation: "An attorney came in and he was unhappy with the service and performance he was receiving from his bank. Using the risk tolerance and asset allocation features of SunGard, I was able to show him that had he been properly allocated, he would have done much better in 2004. He was also concerned with his retirement time frame, so I ran a Retirement

Foundation plan for him, and he was very impressed. The net result is two new good sized accounts!"

Deglow and Hilliard Lyons' financial consultants are not alone in their assertions of SunGard's strengths. Tom Watson, a Forrester Research



"With the integrated WealthStation solution, our financial consultants can more effectively and efficiently provide the best guidance to their clients and make better decisions," said Deglow. "Integration with the back office provides for single source data entry, so our consultants don't need to enter data repetitively into separate sys-

tems. The client account positions and prices are updated and available every day, even as asset allocations change." analyst, concluded that, "SunGard is a well-integrated solution that breaks down planning issues into bite-sized pieces, each for a different financial product. This approach is perfect for a large institution that wants to assign different product-sale responsibilities to different reps. It is also good at integrating customer data—both internally

among the many modules and externally with systems of record.”

Flexibility for Multiple User Levels Is Key

Hilliard Lyons recognizes that the essential benefits of SunGard's WealthStation are its modular approach to financial planning, and its ability to meet the needs of financial consultants of multiple skill sets. The firm needed a tool that would suit a vast range of planning needs, from 5-minute retirement foundation plans to the full gamut of estate planning.

“Many of the other financial planning systems out there were either cumbersome or too narrowly focused for our financial consultants,” said Deglow. “SunGard was the only choice in terms of quality and the ability to appeal to hundreds of financial consultants that want to be able to use it a thousand different ways.”

Deglow recognizes that it is unlikely that one consultant will use every capability offered by WealthStation, but appreciates that every consultant will find something of value depending on what their needs are at any particular moment.

“New financial consultants will use it initially to do simple advisory functions, such as asset allocation, education and retirement planning,” said Deglow. “As they become more experienced, they get into more comprehensive advising, such as insurance,

estate planning, employee stock options, and charitable strategies. So over the course of a financial consultant's career, the system is flexible enough to follow along with their developing skills and the complexity of portfolios they manage.”

Forrester Research also agrees, describing in its April 2005 report that, “SunGard is among the ideal applications for multiple levels of advisors. Institutions that want to serve both newly minted, product-oriented reps and experienced financial planners with the same software need a tool that is modular and can enforce strict workflow guidelines. SunGard is among the applications that will work well in such an environment.”

The Value Is In the Bottom-Line Results

WealthStation helps Hilliard Lyons' financial consultants to monitor their clients' portfolios and manage a diverse range of client assets. With collaboration, workflow and report generation tools, WealthStation helps advisors improve their level of service and strengthen trusted relationships. Hilliard Lyons' management believes the value of the SunGard solutions is in the bottom line results.

“SunGard has been instrumental in helping us to transition to a client-centric, advisory based business, and the proof is in the feedback we've received from our financial consultants and their success in meeting our wealth management goals one client at a time,” said Deglow.



A financial consultant in Tennessee recently sat down with an existing client for review of his account. "I shared with him the Portfolio Management Report that I created using SunGard WealthStation. After reviewing the account, the client was so impressed with the SunGard technology and the services I could provide, that the client immediately invested an additional

\$200,000 of assets with me."

Another financial consultant said: "What I like about SunGard is that it allows me to watch my clients' performance and they know I'm watching and they appreciate it. This has and will continue to lead to more production and higher client satisfaction—which is why we are in this business."

Financial consultants at Hilliard Lyons and PNC Investments share their individual experiences using SunGard's WealthStation:

Winning more assets and achieving higher client satisfaction

"The SunGard Retirement Plan reports look very professional, and were easy to read and understand. After reviewing the plan with my client on a Saturday morning, they called and wanted to transfer their account to us. The bottom line is that they are moving about \$450,000 away from another brokerage firm to Hilliard Lyons."

"A client of ours signed the ACAT form to transfer in \$1.5MM in additional retirement assets (this is 3 times more than he had with us at the time). This was due in part to the fact that I demonstrated how we could model and monitor his overall situation using SunGard. The money is coming over in cash to be invested in fee-based accounts. We appreciate all of your help and are already seeing the benefits of this new tool."

"I've presented 3 Retirement Advisor plans and all 3 are moving their accounts here! The numbers aren't huge (\$100,000, \$150,000, and \$150,000), but 3 for 3 isn't bad. It gives some nice credibility to those of us that are not quite as 'seasoned.' The latest client has a complete [other firm] portfolio, but is moving it to us due to SunGard."

"I have a client who has a large position in one stock within her 401(k), and she had not heard of the benefits of NUA. I called the Financial Planning department about where to find a Compliance-approved NUA presentation piece. The Planning team worked with me using SunGard, and within 30 minutes, I had a finished presentation piece, tailored to the client, which demonstrates saving the client over \$23,000 in taxes. Not only will I use this value-added tool to obtain more of her assets, I have increased credibility with my client."

Gaining the trust and confidence of CPAs and attorneys

A financial consultant in TN expressed his satisfaction with the available calculator modules Charitable Remainder Trust calculations, Qualified Personal Residence Trust calculations, life expectancy tables, and many more illustrations for my clients. Recently, after seeing SunGard's capabilities, a CPA in my area consulted with me on running a few hypothetical scenarios. The CPA was very impressed with the quality of services that I could provide, and I look forward to a better working relationship with the CPA."

"The Stock Option feature in SunGard provided the detail and complexity I needed to reinforce my value and build on my credibility with an existing client who is looking to exercise \$600,000 in incentive stock options (ISO). We used SunGard's retirement planning advisor feature to show the impact of his stock option strategy as an integral part of his retirement options. In addition, we collaborated with his CPA to determine the alternate minimum tax (AMT) exposure. This experience demonstrated to the client (and the CPA) that I can offer more than just 'traditional' brokerage services."

SunGard provides an integrated suite of services to help advisors meet the financial and wealth management needs of high-net-worth investors. By providing an array for client profiling and financial planning, asset allocation and portfolio management, securities processing and asset accounting, consolidated reporting and performance measurement, SunGard helps advisors to deliver a more holistic and consultative client experience.

About SunGard's WealthStation

A workstation for financial advisors serving high-net-worth individuals, WealthStation provides a single solution for viewing and managing investors' diverse assets. Wealth management professionals use WealthStation to aggregate, allocate, optimize, and monitor client portfolios. They rely on its collaboration, workflow, and report generation tools to help them improve their client service and strengthen their client relationships.

About SunGard

SunGard is a global leader in integrated software and processing solutions, primarily for financial services and higher education. SunGard also helps information-dependent enterprises of all types to ensure the continuity of their business. SunGard serves more than 25,000 customers in more than 50 countries, including the world's 50 largest financial services companies. SunGard (NYSE:SDS) is a member of the S&P 500 and has annual revenue of \$3 billion. Visit SunGard at www.sungard.com.