

TD AMERITRADE HOLDING CORP  
Form 10-Q  
February 06, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the quarterly period ended December 31, 2012**

OR

**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission file number: 1-35509

**TD Ameritrade Holding Corporation**

(Exact name of registrant as specified in its charter)

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**Delaware** **82-0543156**  
(State or other jurisdiction of **(I.R.S. Employer**  
incorporation or organization) **Identification No.)**  
**4211 South 102<sup>nd</sup> Street, Omaha, Nebraska, 68127**  
**(Address of principal executive offices) (Zip Code)**  
**(402) 331-7856**  
**(Registrant's telephone number, including area code)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 30, 2013, there were 549,106,521 outstanding shares of the registrant's common stock.

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TD AMERITRADE HOLDING CORPORATION

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors

TD Ameritrade Holding Corporation

We have reviewed the condensed consolidated balance sheet of TD Ameritrade Holding Corporation and subsidiaries (the Company) as of December 31, 2012, and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month periods ended December 31, 2012 and 2011. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of TD Ameritrade Holding Corporation and subsidiaries as of September 30, 2012, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated November 26, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of September 30, 2012, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

Chicago, Illinois

February 6, 2013

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**TD AMERITRADE HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

	December 31, 2012	September 30, 2012
	(In millions)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,852	\$ 915
Short-term investments	4	154
Cash and investments segregated and on deposit for regulatory purposes	4,682	4,030
Receivable from brokers, dealers and clearing organizations	948	1,110
Receivable from clients, net	8,799	8,647
Receivable from affiliates	180	85
Other receivables, net	110	118
Securities owned, at fair value	311	343
Investments available-for-sale, at fair value	91	70
Property and equipment at cost, net	469	444
Goodwill	2,467	2,467
Acquired intangible assets, net	909	932
Deferred income taxes	2	2
Other assets	194	196
<b>Total assets</b>	<b>\$ 21,018</b>	<b>\$ 19,513</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Liabilities:		
Payable to brokers, dealers and clearing organizations	\$ 1,941	\$ 1,992
Payable to clients	12,459	10,728
Accounts payable and accrued liabilities	564	632
Payable to affiliates	5	4
Notes payable	275	
Deferred revenue	23	28
Long-term debt	1,087	1,345
Capitalized lease obligations	4	5
Deferred income taxes	382	354
<b>Total liabilities</b>	<b>16,740</b>	<b>15,088</b>
Stockholders equity:		
Preferred stock, \$0.01 par value; 100 million shares authorized, none issued		
Common stock, \$0.01 par value; one billion shares authorized; 631 million shares issued; December 31, 2012 - 547 million shares outstanding; September 30, 2012 - 545 million shares outstanding	6	6
Additional paid-in capital	1,581	1,587
Retained earnings	3,924	4,100
Treasury stock, common, at cost: December 31, 2012 - 84 million shares; September 30, 2012 - 86 million shares	(1,264)	(1,286)
Net unrealized gain on investments available-for-sale	31	18
<b>Total stockholders equity</b>	<b>4,278</b>	<b>4,425</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 21,018</b>	<b>\$ 19,513</b>

See notes to condensed consolidated financial statements.

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**TD AMERITRADE HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

	Three Months Ended December 31,	
	2012	2011
	(In millions, except per share amounts)	
Revenues:		
Transaction-based revenues:		
Commissions and transaction fees	\$ 257	\$ 273
Asset-based revenues:		
Interest revenue	118	111
Brokerage interest expense	(2)	(2)
Net interest revenue	116	109
Insured deposit account fees	205	205
Investment product fees	56	44
Total asset-based revenues	377	358
Other revenues	17	22
Net revenues	651	653
Operating expenses:		
Employee compensation and benefits	168	173
Clearing and execution costs	24	20
Communications	28	28
Occupancy and equipment costs	39	38
Depreciation and amortization	20	17
Amortization of acquired intangible assets	23	23
Professional services	34	45
Advertising	52	57
Other	22	24
Total operating expenses	410	425
Operating income	241	228
Other expense (income):		
Interest on borrowings	6	7
Gain on sale of investments	(2)	
Total other expense (income)	4	7
Pre-tax income	237	221
Provision for income taxes	90	69

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Net income	\$	147	\$	152
Earnings per share - basic	\$	0.27	\$	0.28
Earnings per share - diluted	\$	0.27	\$	0.27
Weighted average shares outstanding - basic		546		550
Weighted average shares outstanding - diluted		551		555
Dividends declared per share	\$	0.59	\$	0.06
	See notes to condensed consolidated financial statements.			



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**TD AMERITRADE HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)

	Three Months Ended December 31,	
	2012	2011
	(In millions)	
Net income	\$ 147	\$ 152
Other comprehensive income:		
Change in net unrealized gain on investments available-for-sale:		
Net unrealized gain	21	
Income tax effect	(8)	
Total other comprehensive income	13	
Comprehensive income	\$ 160	\$ 152

See notes to condensed consolidated financial statements.

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**TD AMERITRADE HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

2012	Three Months Ended December 31, 2011		(In millions)
Cash flows from operating activities:			
Net income	\$ 147	\$	152
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	20		17
Amortization of acquired intangible assets	23		23
Deferred income taxes	20		15
Gain on sale of investments	(2)		
Stock-based compensation	7		10
Excess tax benefits on stock-based compensation	(7)		(8)
Other, net	1		(1)
Changes in operating assets and liabilities:			
Cash and investments segregated and on deposit for regulatory purposes	(652)		(3,551)
Receivable from brokers, dealers and clearing organizations	162		6
Receivable from clients, net	(151)		393
Receivable from/payable to affiliates, net	(94)		(9)

Other	
receivables, net	8
Securities	32
owned	

**V. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE**

In carrying out its duties and responsibilities, the Audit Committee's policies and procedures will remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The following are the duties and responsibilities of the Audit Committee:

**(a) Oversight of the Auditor's Engagement/Independence**

- (i) Approve the selection and retention (subject to ratification by a majority of the Independent Trustees), termination and compensation of the Independent

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Auditor to audit the books and accounts of the Trust and their subsidiaries, if any, for each fiscal year;

(ii) Review and, in its sole discretion, approve the Independent Auditor's annual engagement letters as related to any audit or permitted non-audit services, including the proposed fees contained therein, prior to the commencement of the audit or delivery of non-audit services;

(iii) Pre-approve

(A) all engagements for audit services to be provided by the Independent Auditor to the Trust; and

(B) all engagements ( Covered Non-Audit Engagements ) for non-audit services to be provided by the Independent Auditor

(i) to the Trust; and/or

(ii) to the Trust's investment adviser or any entity ( Related Entity ) controlling, controlled by or under common control with an investment adviser; *provided*

1. that such pre-approval shall be required only with respect to non-audit services (i) related directly to the operations and financial reporting of the Trust and (ii) provided to a Related Entity that furnishes ongoing services to the Trust;

2. that such pre-approval shall not apply to non-audit services provided to any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser;

3. that pre-approval by the Audit Committee of such non-audit services shall be effected pursuant to the pre-approval procedures described in Section VI; and

4. this Charter shall not be violated if pre-approval of any such non-audit service is not obtained in circumstances in which the pre-approval requirement is waived under applicable rules promulgated by the SEC or the NYSE, in accordance with the Sarbanes Oxley Act.

(iv) Ensure receipt of a formal written statement delineating all relationships between the Independent Auditor and the Trust, as consistent with applicable standards adopted by the Public Company Accounting Oversight Board ( PCOAB Standards );

(v) RESERVED

(vi) In connection with the pre-approval of audit services to be provided to the Trust by the Independent Auditor, review the qualifications, performance and independence of the Independent Auditor with a view to forming a basis for

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decisions regarding the retention, replacement or termination of the Independent Auditor when circumstances warrant;

(vii) Oversee the independence of the Independent Auditor by, among other things:

(A) actively engaging in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the Independent Auditor, and taking appropriate action to satisfy itself of the Independent Auditor's independence;

(B) monitoring compliance by the Independent Auditor with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;

(C) setting clear hiring policies for compliance by the Trust, their investment adviser and the Independent Auditor with the employee conflict of interest requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder, which policies may be set forth in the terms of the engagement letter pursuant to which the Independent Auditor conducts its audit and as approved by the Audit Committee, or otherwise; and

(D) considering whether there should be a regular rotation of the Independent Auditor; and

(viii) Instruct the Independent Auditor that the Independent Auditor is ultimately accountable to the Audit Committee, and that the Audit Committee is responsible for the retention, compensation, and termination of the Independent Auditor.

**(b) Oversight of the Audit**

(i) Review the annual audit plan of the Independent Auditor, including the scope of audit activities, monitor such plan's progress, changes thereto and results, periodically during the year and review the results of the year-end audit of the Trust, including any comments or recommendations of the Independent Auditor;

(ii) Obtain, at least annually, from the Independent Auditor and review a report describing:

(A) all critical accounting policies and practices used for the Trust;

(B) the Independent Auditor's internal quality-control procedures;

(C) any material issues raised by the most recent internal quality-control review, or peer review of the Independent Auditor;

(D) any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the Independent Auditor and any steps taken to deal with any such issues;

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- (E) (to assess the Independent Auditor's independence) all relationships between the Independent Auditor and the Trust;
- (F) all alternative treatments within United States Generally Accepted Accounting Principles for policies and practices related to material items that have been discussed with management of the Trust, including (1) ramifications of the use of such alternative disclosures and treatments, and (2) the treatment preferred by the Independent Auditor; and
- (G) other material written communications between the Independent Auditor and management of the Trust, such as any management letter or schedule of unadjusted differences;
- (iii) Review, as the Audit Committee may deem appropriate to carry out its oversight functions, with the Independent Auditor, the chief financial officer of the Trust and such other officers of the Trust or its investment adviser as may be responsible for the Trust's internal audit function and for assisting with the preparation of the Trust's financial statements:
- (A) the Trust's annual audited financial statements and interim financial statements, and any major issues related thereto;
- (B) critical accounting policies and such other accounting policies of the Trust as are deemed appropriate for review by the Audit Committee prior to any interim or year-end filings with the SEC or other regulatory body, including any financial reporting issues which could have a material impact on the Trust's financial statements;
- (C) the effect of regulatory, accounting and financial reporting initiatives on the financial statements of the Trust; and
- (iv) Review on a regular basis with the Independent Auditor any problems or difficulties encountered by the Independent Auditor in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the Independent Auditor's activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Audit Committee will review with the Independent Auditor the following:
- (A) any accounting adjustments that were noted or proposed by the Independent Auditor but were rejected by management (as immaterial or otherwise);
- (B) any communications between the audit team and the Independent Auditor's national office respecting auditing or accounting issues presented by the engagement; and
- (C) any management or internal control letter issued, or proposed to be issued, by the Independent Auditor to the Trust;

- (v) Attempt to resolve all disagreements between the Independent Auditor and management regarding financial reporting; and
- (vi) Review information obtained from the Independent Auditor pursuant to Section 10A of the Securities Exchange Act of 1934, as amended.

**(c) Oversight of Internal Audit Function and Controls and Procedures**

- (i) To the extent, and at such times, as deemed appropriate by the Audit Committee in light of its oversight functions, review periodically with the Trust's chief executive officer, chief financial officer and Independent Auditor the following:
  - (A) all significant deficiencies in the design or operation of internal controls relating to financial reporting of the Trust and any Related Entity, or, to the knowledge of such persons, other service providers, which could adversely affect the Trust's ability to record, process, summarize, and report financial data, including any material weaknesses in internal controls identified by the Independent Auditor;
  - (B) any fraud, whether or not material, that involves management or other employees of the Trust, Related Entities, or, to the knowledge of such persons, other service providers to the Trust who have a significant role in the Trust's internal controls; and
  - (C) any significant changes in internal controls relating to financial reporting or in other factors that could significantly affect such internal controls over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses related to the Trust, the Related Entities, or, to the knowledge of such persons, other service providers to the Trust.

**(d) Compliance**

- (i) Establish and maintain free and open means of communication between and among the Board, the Audit Committee, the Independent Auditor and the Trust's management (including the chief financial officer, management of the Trust's investment adviser and management of other relevant service providers of the Trust) and ensure that such procedures afford such parties with appropriate opportunities to meet separately and privately with the Audit Committee on a periodic basis and as the Audit Committee may deem necessary or appropriate;
- (ii) Establish procedures for
  - (A) the receipt, retention and treatment of complaints received by the Trust regarding accounting, internal accounting controls or auditing matters, and

(B) the confidential, anonymous submission by employees of the Trust's investment adviser and other service providers responsible for such services, or other persons, of concerns regarding questionable accounting or auditing matters;

(iii) Consistent with the Audit Committee's authority as set forth in Section IV of this Charter, secure independent expert advice to the extent the Audit Committee determines it to be appropriate, including retaining, with or without further approval of the Board, independent counsel, accountants, consultants or others, to assist the Audit Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Trust.

(iv) Discuss policies with respect to risk assessment and risk management; and

(v) Discuss generally the Trust's dividends press releases, as well as related financial information and guidance provided to analysts and rating agencies, if any.

(e) **Miscellaneous**

The Audit Committee shall:

(i) Report regularly to the Board on its activities, as appropriate;

(ii) Perform such additional activities, and consider such other matters, within the scope of its duties and responsibilities, as the Audit Committee or the Board deems necessary or appropriate; and

(iii) Perform an annual performance evaluation of the Audit Committee.

**VI. PRE-APPROVAL POLICY/PROCEDURES**

All audit and non-audit services shall be specifically pre-approved by the Audit Committee to be provided to the Trust or, to the extent set forth in Section V of this charter, to its investment adviser and/or any Related Entity.

Requests for pre-approval of Covered Non-Audit Engagements should be submitted to the Audit Committee by the Independent Auditor and by the chief financial officer of the Related Entity for which the non-audit services are to be performed. Such requests should include a statement as to whether, in the view of the Independent Auditor and such officer, (a) the request is consistent with the SEC's rules on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request submitted between scheduled meetings of the Audit Committee should state the reason that approval is being sought prior to the next regularly scheduled meeting of the Audit Committee.

Between regularly scheduled meetings of the Audit Committee, the Committee Chairman or Audit Committee financial expert shall have the authority to pre-approve Covered Non-Audit Engagements, provided that fees associated



with such engagement do not exceed \$10,000 and the services to be provided do not involve provision of any of the following services by the Independent Auditor: (i) bookkeeping or other services related to the accounting records or financial statements of the audit client; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions; (vii) human resources; (viii) broker dealer, investment advisor or investment banking services; (ix) legal services; or (x) expert services unrelated to the audit.

#### **VII. REPORTING**

The Audit Committee shall report its activities to the Board on a regular basis, so that the Board is kept informed of its activities on a current basis. In connection therewith, the Audit Committee will review with the Board any issues that arise with respect to the quality or integrity of the Trust's financial statements, the Trust's compliance with related legal or regulatory requirements, the performance and independence of the Independent Auditor, or the performance of the Trust's internal audit function. In particular, the Audit Committee will also report to the Board its conclusions with respect to matters the Audit Committee considers to be of interest or the Board requests. Reports to the Board may take the form of an oral report by the chairperson of the Audit Committee or any other member of the Audit Committee designed by the Audit Committee to make this report.

The Audit Committee shall approve the Audit Committee Statement required by the rules of the SEC to be included in the Trust's annual proxy statement and determine to its satisfaction that the Audit Committee has: (a) reviewed and discussed the audited financial statements with management of the Trust; (b) discussed with the Independent Auditor the matters required to be discussed under applicable PCOAB Standards; (c) received the written disclosures and the letter from the Independent Auditor required under applicable PCOAB Standards and have discussed with the Independent Auditor the auditor's independence; and (d) made a recommendation to the Board as to whether the financial statements should be included in the Trust's annual report for the past fiscal year, as filed with the SEC.

#### **VIII. RESOURCES**

The Board shall ensure that the Audit Committee has adequate resources, as determined by the Audit Committee, with which to discharge its responsibilities, including for the payment of (a) compensation (i) to any firm of Independent Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, and (ii) to any advisors employed by the Audit Committee, including independent counsel, consultants or other advisors, as the Audit Committee determines necessary to

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carry out its duties, and (b) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

#### **IX. LIMITS ON ROLE OF AUDIT COMMITTEE**

The function of the Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting, and the Independent Auditor's responsibility to plan and carry out a proper audit. Specifically, management is responsible for: (1) the preparation, presentation and integrity of the Trust's financial statements; (2) the maintenance of appropriate accounting and financial reporting principles and policies; and (3) the maintenance of internal controls over financial reporting and other procedures designed to assure compliance with accounting standards and related laws and regulations. The Independent Auditor is responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of its engagement letter. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Trust's service providers, including the Independent Auditor.

The review of the Trust's financial statements by the Committee is not an audit, nor does the Committee's review substitute for the responsibilities of management for preparing, or the Independent Auditor for auditing, the financial statements. Members of the Committee are not full-time employees of the Trust and, in serving on the Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures.

In discharging their duties, the members of the Committee are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers of the Trust whom the Committee members reasonably believe to be reliable and competent in the matters presented; (2) legal counsel, public accountants or other persons as to matters the Committee member reasonably believes are within the person's professional or expert competence; or (3) a Board committee of which the Committee member is not a member.

**CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

**NOMINATING COMMITTEE CHARTER**

There shall be a nominating committee of the Board of Trustees which shall be composed of all of the Trustees (the Independent Trustees ) who are not interested persons of the investment advisor to the investment company named above.

The function of the nominating committee is to search for appropriate candidates for nomination as independent trustees to the Board of Trustees when vacancies occur or the Board is seeking to increase the size of the Board, to review the qualifications of individuals recommended as potential nominees and to develop procedures and policies regarding minimum qualifications of Trustees, sources of recommendations and processes for considering recommendations.

The nominating committee may, if it so chooses, also review periodically the functioning of the Board and Trustees subject to re-election.

The nominating committee shall act by majority of its members present at a meeting at which at least half of its members are present or by written consent of a majority of its members.

The nominating committee is authorized to consult independent counsel and other service providers and to subscribe for or otherwise obtain information it considers useful in performing its responsibilities.

The committee shall review and reassess the adequacy of this charter on an annual basis and propose any changes for approval by the Independent Trustees.

**PROXY TABULATOR**

**P.O. BOX 9112**

**FARMINGDALE, NY 11735**

**To vote by Internet**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Go to website **www.proxyvote.com**
- 3) Follow the instructions provided on the website.

**To vote by Telephone**

- 1) Read the Proxy Statement and have the proxy card below at hand.
- 2) Call **1-800-690-6903**
- 3) Follow the instructions.

**To vote by Mail**

- 1) Read the Proxy Statement.
- 2) Check the appropriate boxes on the proxy card below.
- 3) Sign and date the proxy card.
- 4) Return the proxy card in the envelope provided.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M62154-P42831

KEEP THIS PORTION FOR YOUR RECORDS

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**DETACH AND RETURN THIS PORTION ONLY**

**PROPOSAL**

<b>For</b>	<b>Withhold</b>	<b>For All</b>	To withhold authority to vote for any individual trustee(s), mark For All Except and write the
<b>All</b>	<b>All</b>	<b>Except</b>	

**1. To elect Trustees:**

name(s) of the trustee(s)  
on the line below.

**CBRE Clarion Global Real Estate Income Fund**     "     "     "  
**Class I Trustees**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 01) T. Ritson Ferguson
- 02) Frederick S. Hammer

**This proxy, if properly executed, will be voted In the manner directed by the undersigned shareholder. If NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES AS TRUSTEES. Please refer to the Proxy Statement for a discussion of the Proposal.**

**PLEASE DATE, SIGN AND RETURN PROMPTLY USING THE ENCLOSED, POSTAGE-PAID ENVELOPE.**

Your signature(s) on this proxy should be exactly as your name or names appear(s) on this proxy. If signing is as attorney, executor, administrator, trustee or guardian, please print your full title next to your signature.

Signature [PLEASE     Date  
SIGN WITHIN BOX]

Signature [Joint     Date  
Owners]

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Statement is available at [www.proxyvote.com](http://www.proxyvote.com).

M62155-P42831

**CBRE CLARION GLOBAL REAL ESTATE INCOME FUND**

**PROXY SOLICITED BY THE BOARD OF TRUSTEES**

The undersigned holder of the above-referenced Fund, a Delaware statutory trust (the Fund ), hereby appoints Jonathan A. Blome and William E. Zitelli, attorneys and proxies for the undersigned, with full powers of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned shares that the undersigned is entitled to vote at the Annual Meeting of Shareholders of the Fund (the Meeting ) to be held at the offices of CBRE Clarion Securities LLC, 201 King of Prussia Road, Suite 600, Radnor, Pennsylvania 19087 on November 10, 2014 at 10:00 a.m. (Eastern time), and any adjournments thereof. The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement and hereby instructs said attorneys and proxies to vote said shares as indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

**PLEASE SIGN AND DATE ON THE REVERSE SIDE.**