

# Bank Deposit Sweep Program (BDSP®) Disclosure Document Summary

## Program Summary:

- Eligible account holders may have available the Bank Deposit Sweep Program (the, “Program”) as their Core Account Investment Vehicle.
- The Program takes cash balances from your Brokerage Account and automatically sweeps them into Deposit Accounts at one or more Program Banks in order as set forth on the Program Bank List available at: <https://mybrokerageinfo.com/banklist/>. You may at any time, designate a Program Bank as ineligible (otherwise referred to as “opting out” of a Program Bank) to receive funds by contacting your investment representative.
- Program Deposits can be accessed only through your Brokerage Account and are eligible for insurance by the Federal Deposit Insurance Corporation (“FDIC”). For questions about FDIC insurance coverage, contact your investment representative. You may wish to seek advice from your own attorney or tax advisor concerning FDIC insurance coverage of deposits held in more than one capacity. It is your sole responsibility to monitor the value of deposits you have at any Program Bank, including deposits from all other sources, including other brokerage accounts, which may impact FDIC coverage.

## Interest Rates

- Information about Program Interest Rates may be obtained by contacting your investment representative.
- The Interest Rate on Program Deposits is determined by your Broker/Dealer and will be the same across all Program Banks. The Interest Rate may be defined using tiers based on the value of your Program Deposits. The Interest Rates are subject to change and may vary with prevailing economic and business conditions. You should carefully review the section of the Disclosure Document titled “Interest.”
- Each Program Bank has in place an Overall Bank Rate, which may vary across Banks. Program fees payable to your Broker/Dealer; and/or any of its affiliates, one or more of whom may be a Program Bank; NFS; and certain 3<sup>rd</sup> party Program service providers are determined by subtracting the Interest Rate from the Overall Bank Rate.
- Program Deposits **multiplied** by the Overall Bank Rate **minus** the Interest Rate **equals** Program Fees earned by your Broker/Dealer; and/or its affiliates, one or more of whom may be a Program Bank; NFS; and certain 3<sup>rd</sup> party Program service providers.

## Important Information

- **The Program creates financial benefits for your Broker/Dealer; and/or its affiliates, one or more of whom may be a Program Bank; NFS; and certain 3<sup>rd</sup> party Program service providers.**
- **You must review the Program Disclosure Document in its entirety. This summary does not include of all important information regarding the Program.**

# BANK DEPOSIT SWEEP PROGRAM (BDSP<sup>®</sup>) DISCLOSURE DOCUMENT

Read the complete Disclosure Document before you decide to participate in the Program. You should consult your investment representative for more information.

## I. INTRODUCTION

Welcome to the Bank Deposit Sweep Program (“BDSP”<sup>®</sup>, or the “Program”), which includes the Money Market Mutual Fund Overflow process as described below. Throughout this guide, the terms “account owner,” “you,” “your,” and “Customer(s)” refer to the owner indicated on the account application. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners. For corporate accounts, these terms refer to the corporate entity. Throughout this guide, the terms “we” or “us” refer to your Broker/Dealer.

Your brokerage account, held with us on the National Financial Services LLC (“NFS”) platform (your “Brokerage Account”), has a core account that is used for settling securities transactions and holding credit balances. We may provide you with access to a variety of different cash sweep vehicles, including money market mutual funds (“Money Funds”) and bank deposit accounts (each a “Core Account Investment Vehicle”), that may be used to hold a cash balance that is awaiting reinvestment. The Bank Deposit Sweep Program is one such Core Account Investment Vehicle for available cash balances (from deposits to your account, securities transactions, dividend and interest payments and other activities) awaiting reinvestment in your Brokerage Account. If you do not select a Core Account Investment Vehicle on your account application, you will be placed into the default Core Account Investment Vehicle as noted by your investment representative. We may also choose to make the BDSP the default Core Account Investment Vehicle for all eligible Brokerage Accounts. Contact your investment representative for more information.

Only eligible Brokerage Accounts that utilize the Bank Deposit Sweep Program as their Core Account Investment Vehicle will be subject to the information discussed in this Disclosure Document. Refer to the “Program Eligibility” section of this Disclosure Document or contact your investment representative for information concerning your eligibility for the Program.

The BDSP deposits available cash from your Brokerage Account into FDIC insurance-eligible deposit accounts (“Program Deposit Accounts” or “Deposit Accounts”) at one or more FDIC-insured depository institutions set forth in the list of depository institutions participating in the Program (each, a “Program Bank” or a “Bank”). Deposits placed through the BDSP are placed at FDIC-insured depository institutions that are part of the deposit network of IntraFi Network LLC (“IntraFi”). The list of Banks participating in the Program (the “Program Bank List”) can be obtained from your investment representative or at: <https://www.mybrokerageinfo.com/banklist/>. The Program Bank List is organized by “consumer accounts” and “business accounts.” Depending on your Brokerage Account registration type, your Brokerage Account will be subject to either (i) the consumer Bank List, which is organized by region or (ii) the business Bank List. Each Program Bank List will indicate the specific account registration types to which it applies. The Program Bank List also indicates the sequence in which your cash balance will be deposited in each Bank, as more fully described below. Once your cash balance has been “swept” to a Deposit Account at a Program Bank, it is referred to as your “Program Deposit.” **Note that your ability to access Program Deposits may be limited, as more fully described herein.**

As more fully described in this Disclosure Document, your Brokerage Account with us is generally protected, up to applicable limits, as set by the Securities Investor Protection Corporation (the “SIPC”). However, at the time your funds are deposited with one or more Banks through the Program, your investment in the Program is eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by the Federal Deposit Insurance Corporation (the “FDIC”). Program Deposits at each Bank are generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor in most insurable capacities (e.g., individual, business, joint, etc.) when aggregated with all other deposits, including bank accounts, certificates of deposit (“CDs”) and deposits held through all Brokerage Accounts, including other brokerage accounts held with us or with other brokers (collectively, “Other Deposits”), held in the same insurable capacity at a Bank. Please see the section titled “FDIC/SIPC Coverage” below for further detail.

You are solely responsible for monitoring the total amount of deposits that you have with each Bank, including all deposits with an Excess Deposit Bank (described below), in order to determine the extent of FDIC deposit insurance coverage available to you. You should carefully review the section of the Disclosure Document titled “FDIC/SIPC Coverage.” Program Deposits are not eligible for coverage by the SIPC.

**Important Note:** Note that, with respect to your Brokerage Account, NFS, as your agent, will place up to **\$246,500** of your cash balances for each individual account, business account, and trust account, **in one Program Bank** or up to **\$493,000 in one Program Bank for each joint account regardless of the number of owners (each such limit referred to hereinafter as the “Maximum Deposit Amount” as further defined below).** For certain types of accounts,

the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage. Notwithstanding the foregoing, you are still solely responsible for monitoring the total amount of deposits across all sources at any given Program Bank, including the Other Deposits.

With respect to the Brokerage Account, if your cash balances and existing Program Deposits at a Bank exceed the **Maximum Deposit Amount** at a Bank, funds greater than the Maximum Deposit Amount for each Bank will be “swept” into Deposit Accounts at one or more other Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below). Each Brokerage Account you have is treated separately; they are not aggregated, and you are solely responsible for monitoring your total deposits from all sources at any given Program Bank, including the Other Deposits.

With respect to a particular Brokerage Account, notwithstanding the available number of eligible Program Banks, there is a “Program Upper Limit,” further defined below, for deposits eligible for FDIC insurance. Deposits above this limit, or that otherwise could not be placed at other Program Banks, are placed at one or more Excess Deposit Banks without regard to FDIC-insurance limitations, and thus may not be covered by FDIC insurance. The section, “Maximum Deposit Amount” below provides further information on the Program Upper Limit for deposits eligible for FDIC insurance and Excess Deposit Banks. If your funds cannot be placed at a Bank within the Program, your funds may be invested in an alternative Core Account Investment Vehicle for your applicable account type, or funds may be invested through the Money Market Mutual Fund Overflow process. See the section titled “Money Market Mutual Fund Overflow” for more details.

Each Deposit Account constitutes a direct obligation of the Bank to you and is not directly or indirectly an obligation of us or NFS. Neither we nor NFS guarantee in any way the financial condition of the Program Banks or the accuracy of any publicly available financial information concerning such Banks. You can obtain publicly available financial information concerning each Bank at <https://www.ffiec.gov/NPW> or by contacting the FDIC Public Information Center by mail at FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1005, Arlington, Virginia 22226; by email at [publicinfo@fdic.gov](mailto:publicinfo@fdic.gov); or by phone at 877-275-3342 or 703-562-2200.

You will not have a direct account relationship with the Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Bank and make deposits to and withdrawals from the Deposit Accounts. We and NFS will receive a fee from each Bank. The amount of the fee paid to us and NFS will affect the interest rate paid on the Deposit Accounts payable to you (“Interest Rate(s)”) and may have a greater impact on the Interest Rate you receive than the amount of interest paid by each Bank. You should carefully review the section of the Disclosure Document titled “Information About Your Relationship with your Broker/Dealer and the Banks.”

As discussed herein, Interest Rates on Program Deposits may be defined using tiers and will vary based upon prevailing economic and business conditions. The Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as an individual, business, joint tenant, trustee, executor, custodian or in any other capacity.

### **Core Account Investment Vehicle Options/Alternatives to the BDSP**

Customers may elect a money market mutual fund as a Core Account Investment Vehicle, if made available for their Brokerage Accounts. We are not obligated to offer any core account investment options or bank deposit sweep program investments offering rates of return equal to or greater than comparable investments.

For non-retirement accounts, you may elect not to have available cash swept into a sweep investment. If you make this election, your Brokerage Account will lack a sweep investment feature. This means your available cash will not be invested (and therefore will not earn interest) unless you give your investment representative direction to invest those funds in one or more money market mutual funds or other available investments.

For more complete information, including charges, expenses, and current yields, on any available money market mutual funds contact your investment representative for a free prospectus. Read the prospectus carefully before investing. If you have a new or an existing eligible Brokerage Account with a different core sweep vehicle than the Program, you may contact your investment representative to elect the Program if you desire or to determine eligible alternative core sweep vehicles.

### **Rates of Return**

Information about the Bank Deposit Sweep Program (including Interest Rates, tiers, and annual percentage yield) and current yields on money market mutual funds may be obtained from your investment representative. The BDSP Interest

Rate will vary and may be higher or lower than other potential investment options. You should carefully review the section of the Disclosure Document titled "Interest."

### **You May Continue to Invest in Money Market Mutual Funds**

In addition to the BDSF, we may offer money market mutual funds as an alternative Core Account Investment Vehicle option. If we do, you may be able to use a money market mutual fund as your Core Account Investment Vehicle by contacting your investment representative. If you purchase shares in money market mutual funds outside of your Core Account Investment Vehicle, such investments may be subject to customary commissions or fees. Additional cash balances in your Brokerage Account will not be automatically swept into these money market mutual funds, unless the money market mutual fund is the alternative Core Account Investment Vehicle, or the Program is unavailable to accept your funds for any reason (as explained in this Disclosure Document).

Accounts that are ineligible for the Program will continue to be offered alternative Core Account Investment Vehicle options. Ineligible Accounts may also elect a money market mutual fund. A current list of money market mutual funds available to you can be obtained from your investment representative.

**You could lose money by investing in a money market mutual fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Contact your investment representative for further details and additional information, including a free prospectus, for any of the available Money Funds.**

### **No Impact on Your Brokerage Account Fees**

Participation in the BDSF will not affect your Brokerage Account fees as fees for the Program will be deducted from the interest amounts received from the Program Banks.

### **Access to Funds in the Deposit Accounts**

As required by federal banking regulations, each Program Bank has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, and there is not a bank failure that would require FDIC intervention, your ability to access funds, including the ability to withdraw funds from your Brokerage Account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your Brokerage Account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

## **II. DETAILS**

This Disclosure Document contains key information about the Program, which is offered by us in conjunction with NFS, a New York Stock Exchange ("NYSE") and Financial Industry Regulatory Authority ("FINRA") member, whom we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your Brokerage Account held with us are included in other documents, including but not limited to your account application, account agreement, and applicable privacy notice ("Other Agreements") and any other amendments are hereby incorporated by reference into this Disclosure Document. In the event of a conflict between the terms of this Disclosure Document and the Other Agreements, this Disclosure Document will control with respect to the content contained herein. Review these Other Agreements for important information governing your account.

### **A. Program Eligibility**

Eligibility for the Program is based on your Brokerage Account type and the ownership of your Brokerage Account. Eligibility is subject to the limitations described herein and as determined by us and NFS.

The Program is available to Eligible Persons, acting for themselves or through an agent or fiduciary, whether having a single account, joint account, trust account, or sole proprietorship account. Various individual retirement accounts are also eligible for the Program. In addition, certain tax-exempt non-profit organizations may be eligible for the Program. Brokerage Accounts beneficially owned by entities organized to make a profit (such as corporations, limited liability companies, partnerships, limited liability partnerships, associations, business trusts, and other organizations, collectively "business accounts") are also eligible for the Program.



If we or NFS determine that your Brokerage Account is not eligible for the Program or the Program eligibility requirements change, we may change your Core Account Investment Vehicle, as that term is defined in Brokerage Account documentation, or any amendments thereto, including but not limited to the Customer Agreement, from the Program to an alternative Core Account Investment Vehicle made available by us and NFS, which may not be an FDIC-insured investment. Please contact your investment representative for further questions on Program eligibility.

## **B. How the Program Works**

Through the Program, cash balances in your Brokerage Account (resulting from sales of securities, deposits, dividend and interest payments, and other activities) will be automatically deposited or “swept” into Deposit Accounts at one or more Program Banks on the Program Bank List in the order in which the Banks appear on such list. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Program Deposits placed through the NFS Bank Deposit Sweep Program are placed at FDIC-insured depository institutions that are part of the deposit network of IntraFi Network LLC (“IntraFi”). The Program Bank List can be found at: <https://www.mybrokerageinfo.com/banklist/>. Note that your ability to access the money held at the Bank(s) may be limited, as more fully described herein.

Funds will be swept into Deposit Accounts at a Program Bank up to the Maximum Deposit Amount (as defined below in the section titled “Maximum Deposit Amount”). Funds in excess of the Maximum Deposit Amount (or funds that cannot otherwise be deposited at a particular Bank because that Bank is not accepting additional deposits due to capacity constraints or other issues) will be swept into the next successive Bank on the Program Bank List.

The Program Bank List specifies the Program Banks into which your funds will be deposited and the sequence in which the Program Banks will receive your funds. Notwithstanding the available number of eligible Program Banks, there is a Program Upper Limit for Program Deposits eligible for FDIC insurance (as described below). Program Deposits above this limit, or that otherwise could not be placed at other Program Banks, are placed at Excess Deposit Bank(s). The section, “Maximum Deposit Amount” below further defines the Program Upper Limit and Excess Deposit Banks.

You may not change the Program Banks on the Program Bank List, the order in which funds are deposited at the Banks on the Program Bank List or the Maximum Deposit Amount at any Program Bank. You may, however, at any time, designate a Program Bank as ineligible (otherwise referred to as “opting out” of a Program Bank) to receive any funds by contacting your investment representative. See the “Designating a Program Bank as Ineligible” section below for further important detail. Cash balances for your Brokerage Account will not be swept to Program Banks in amounts greater than the Maximum Deposit Amount except for cash balances swept to Excess Deposit Bank(s). For your Brokerage Account, the allocation of cash balances to Program Banks occurs at the Brokerage Account level and does not consider whether you have Other Deposits. You are responsible for monitoring the total amount and insurable capacity of all deposits at a Bank, both as part of and outside of the Program, including Other Deposits.

### **Maximum Deposit Amount**

NFS, as your agent, will, regardless of the maximum potential applicable FDIC insurance coverage available, and subject to the Program Upper Limit as described below, place up to (i) \$246,500 of your cash balances for an individual Brokerage Account, in one Program Bank; and (ii) \$493,000 in one Bank for a joint account (regardless of the number of owners); (each such limit referred to hereinafter as the “Maximum Deposit Amount”). For certain types of accounts, the Maximum Deposit Amount is substantially less than the maximum potential amount of FDIC insurance coverage.

If cash balances and existing Program Deposits attributable to your Brokerage Account at a Program Bank exceed the Maximum Deposit Amount at a Program Bank, funds greater than the Maximum Deposit Amount for each Program Bank will be swept into Deposit Accounts at one or more other Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below). This application of the Maximum Deposit Amount occurs at the Brokerage Account level and does not take into consideration Other Deposits you may have at that Bank. If the Maximum Deposit Amount has been deposited for you through the Program in each Program Bank on the Program Bank List (taking into consideration any Bank that you have opted out of or excluded and the Program Upper Limit (as defined below)), all excess cash balances will be deposited into one or more designated Banks on the Program Bank List without regard to FDIC-insurance limitations (“Excess Deposit Bank(s”).

**IMPORTANT:** Notwithstanding the available number of eligible Program Banks, the “Program Upper Limit,” requires that deposits made, for a specific Brokerage Account, into the Bank Deposit Sweep Program are generally only eligible for up to a maximum of \$2.5 million in FDIC insurance at any given time (for an individual account, business account, or trust account) or up to a maximum of \$5 million in FDIC insurance at any given time (for a joint account), subject to the total amount on deposit in an account and applicable FDIC rules (generally, the standard FDIC insurance protects up to \$250,000 per depositor, or \$500,000 per joint account, per depository bank, for each account ownership category; see FDIC rules for details). Deposits over the limits mentioned here or that cannot otherwise be placed at a Program Bank

due to capacity constraints are “Excess Deposits” and will be deposited into one or more “Excess Deposit Banks,” as designated on the Program Bank List, without regard to FDIC-insurance limitations, and thus these Excess Deposits may not be covered by FDIC Insurance. The Bank Deposit Sweep Program is not covered by SIPC.

### **Program Limitations**

The amount of your Brokerage Account cash balances that are swept into Deposit Accounts may need to be limited if one or more Program Banks stop accepting deposits, become ineligible for the Program as described in this Disclosure Document, or for other exceptional circumstances, and such limitations may affect the total amount of FDIC insurance that is available to you. Generally, you will receive 30-day advance notification of any Program Bank being removed from the Program Bank List, and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical.

You will find the most up-to-date Bank List by contacting your investment representative or by visiting <https://mybrokerageinfo.com/banklist/>. Additionally, refer to your Brokerage Account statement for account balances at each Program Bank. It is your obligation to monitor the Bank List and total amount of deposits in each Bank, including any Program Deposits and any Other Deposits at such Bank in order to determine the extent of FDIC insurance coverage available to you. Consult the following sections for further important information, as such action may affect the amount of your Program Deposits that are covered by FDIC insurance.

### **Money Market Mutual Fund Overflow**

Certain events will result in the sweeping of Cash Balances into a money market mutual fund instead of Program Banks. This feature is called the Money Market Mutual Fund Overflow (“MMKT Overflow”). The events for sweeping of funds into the MMKT Overflow may include: If the Program does not have sufficient deposit capacity to accept new or maintain existing deposits, any balance that cannot be placed or maintained at a Program Bank(s), including Excess Deposit Banks, will then be swept into the MMKT Overflow.

The sweep process between your Brokerage Account, the Program Deposit Account and the MMKT Overflow is referred to together as the Program (as defined above) and may also be included in the definition of your Core Account Investment Vehicle. The Fidelity Government Money Market: “S” Class fund is the money market mutual fund that will be utilized for the MMKT Overflow (the “MMKT Overflow Fund”).

**Summary:** Cash balances will sweep into the Program Banks as described above in the “How the Program Works” section. If, however, the Program Banks are unwilling or unable to accept funds, these funds will be swept to the MMKT Overflow Fund rather than the Program Bank(s).

Your Program Deposit is also automatically “swept out of” a Program Deposit Account as necessary to satisfy debits in your Brokerage Account. However, in the event you have Cash Balances in the MMKT Overflow Fund, the Cash Balances will first be debited from the MMKT Overflow Fund, then from Program Banks.

Debits in your Brokerage Account associated with certain actual or anticipated transactions to generate a debit in your Brokerage Account during the business day will be settled using proceeds from the redemption of any shares of the MMKT Overflow Fund first, then withdrawal of Program Deposits that are swept out on such business day. Other debits will be settled using proceeds from redemption of any shares of the MMKT Overflow Fund first, then the withdrawal of Program Deposits that are swept out on the next business day.

If additional capacity becomes available at the Program Banks, any cash balances in the MMKT Overflow Fund will remain and will not automatically be transferred or rebalanced into newly open and/or available Program Banks. Other than being used to satisfy debits or withdrawals in the account, funds will remain in the MMKT Overflow Fund.

**Rate of return for Cash Balances held in the MMKT Overflow:** In the event there is a Cash Balance held in the MMKT Overflow Fund, the rate of return for a money market mutual fund is typically shown for a seven-day period. It is typically expressed as an annual percentage rate. It is referred to as the “7-day yield” and may change at any time based on the performance of the investments held by the money market mutual fund. The effective yield on a money market mutual fund reflects the effect of compounding of interest over a one-year period.

In general, a money market mutual fund earns interest, dividends, and other income from its investments, and distributes this income (less expenses) to shareholders as dividends. Each money market mutual fund may also realize capital gains from its investments, and distributes these gains (less losses), if any, to shareholders as capital gain distributions.

Distributions from a money market mutual fund consist primarily of dividends. A money market mutual fund normally declares dividends daily and pays them monthly. Funds held in the MMKT Overflow Fund begin earning the dividend accruals on the day they are received by the MMKT Overflow Fund and stop accruing dividends on the day they are

withdrawn. For additional information on returns of the MMKT Overflow Fund, see the fund's prospectus or contact your investment representative for a free prospectus.

**Statements:** Your Brokerage Account statement will (i) indicate your balance in your core account including your Program Deposit balance at each Program Bank and MMKT Overflow Fund (if applicable) as of the last business day of each monthly statement period, (ii) detail sweeps to and from your core account during the statement period, and (iii) reflect the rate of return for the MMKT Overflow Fund if applicable. This information is provided in lieu of separate confirmations.

**Insurance:** If funds are swept from a Program Deposit Account into the MMKT Overflow Fund, such funds will no longer be eligible for FDIC insurance but will be subject to SIPC protection, up to certain limits as further described in the section titled "FDIC/SIPC Coverage" below. More details about the MMKT Overflow Fund can be found in the MMKT Overflow Fund's prospectus, which will be made available to you when applicable.

**Rebalance Event:** From time to time, and as part of the management of the Program, if additional deposit capacity becomes available, NFS, in collaboration with your Broker/Dealer may periodically sweep funds out of the MMKT Overflow Fund and back to Banks on your Program Bank List to be held as a Program Deposit (a "Rebalance Event"). You will be notified in advance of any MMKT Overflow Fund Rebalance Event. Notice will be provided to you in writing. In addition, the notice will inform you of approximately when such Rebalance Event will be implemented. Continued use of your Account and/or the Program after notice of a Rebalance Event will constitute your consent to such an event and the changes described therein.

The MMKT Overflow Fund is a money market mutual fund offered by Fidelity Management and Research Company ("FMR Co."), an affiliate of NFS. FMR Co. will receive management and other fees for assets held in the MMKT Overflow Fund, as more fully described in the fund's prospectus.

### C. FDIC Insurance Coverage in General

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, to the Standard Maximum Deposit Insurance Amount ("SMDIA") set by the FDIC for all deposits held in the same insurable capacity at any one Bank as more fully explained below. Your funds become eligible for deposit insurance immediately upon placement into a Deposit Account at a Bank. Generally, any Other Deposits you may maintain directly with a particular Bank, or Brokerage Accounts through us or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the Standard Maximum Deposit Insurance Amount ("SMDIA").

For your Brokerage Account, the allocation of cash balances to Program Banks occurs at the Brokerage Account level and does not consider Other Deposits you have at the Program Banks. You are solely responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program, including Other Deposits for the purpose of determining the FDIC insurance coverage for those deposits.

We and NFS are not responsible for any insured or uninsured portion of the Deposit Accounts or any Other Deposits. All funds that are not insured by the FDIC are at a risk of loss in the event of a bank failure.

See "FDIC/SIPC Coverage" below for more detailed information on insurance coverage of Deposit Accounts and Brokerage Accounts.

## III. PROGRAM BANKS

### A. General Information About Program Banks

The Program Bank List specifies the Program Banks into which your funds will be deposited and the order of the Program Banks which will receive your funds. The Program Bank List will be available from your investment representative or at the following URL: <https://www.mybrokerageinfo.com/banklist/>. The Program Bank List indicates all Banks on the Program Bank List, including those that function as Excess Deposit Bank(s). You cannot select the Excess Deposit Bank at which such Excess Deposits will be made. If an Excess Deposit Bank is also a Program Bank, that Program Bank would receive, in the sequence listed, deposits up to the Maximum Deposit Amount (subject to the Program Upper Limit, as described above) as with other Program Banks on the Program Bank List. If you have Excess Deposits that are placed at an Excess Deposit Bank that has already received Program Deposits up to the Maximum Deposit Amount, these Excess Deposits in that Bank would generally not be eligible for FDIC insurance coverage. **To the extent your deposits (including any Other Deposits) in your Excess Deposit Bank(s) exceed the FDIC Standard Maximum Deposit Insurance Amount ("SMDIA"), these excess funds are ineligible for FDIC insurance and are not covered by SIPC.**

You should review the Program Bank List carefully. You are solely responsible for monitoring the total amount of

deposits that you have at each Bank for purposes of reviewing deposits which may be eligible for insurance by the FDIC. We and NFS do not have any duty to monitor the Core Account Investment Vehicle for your account or make recommendations about, or changes to, the Program that might be beneficial to you. Including any Other Deposits held at a Program Bank, Program Deposits held at such Bank are eligible for FDIC insurance coverage, except for amounts greater than the Standard Maximum Deposit Insurance Amount (“SMDIA”), which will not be insured by the FDIC. The amount of FDIC insurance in all Program Banks may be limited pursuant to the limitations explained in this Disclosure Document. In any event, all deposits in the Program are subject to all applicable FDIC qualification requirements and to the Program limitations described in this Disclosure Document.

## **B. Program Bank List**

The Program Bank List can be found at the following URL: <https://www.mybrokerageinfo.com/banklist/> or can be obtained from your investment representative. The Program Bank List is organized by “consumer accounts” and “business accounts.” Depending on your Brokerage Account registration type, your Brokerage Account will be subject to either (i) the consumer Bank List, which is organized by region or (ii) the business Bank List. Each Program Bank List will indicate the specific account registration types to which it applies. The Program Bank List also indicates the sequence in which your cash balance will be deposited in each Program Bank. Program Banks are organized into regional bank lists with each Program Bank List assigned based upon the state as reflected in your account mailing address. Your Brokerage Account mailing address is the address to which correspondence from your Broker/Dealer is mailed and for e-mail correspondence, the designated address contained on the electronic document.

## **C. Designating a Program Bank as Ineligible**

You may not change the Program Banks on the Program Bank List, the order in which funds are deposited at the Program Banks on the Program Bank List or the Maximum Deposit Amount at any Program Bank. You may, however, at any time, designate a Program Bank as ineligible (otherwise referred to as “opting out” of a Program Bank) to receive funds by contacting your investment representative. If you opt out of a Program Bank that is also an Excess Deposit Bank, you are also opting out of that Program Bank acting as an Excess Deposit Bank. Notwithstanding the foregoing, you cannot opt out of all Banks that serve as Excess Deposit Banks. All accounts must have at least one (1) Program Bank and at least one (1) Excess Deposit Bank, which may or may not be the same Bank as the minimum-required one (1) Program Bank.

When you designate a Program Bank that is not an Excess Deposit Bank as ineligible, such action will result in your current Program Deposits at such Program Bank being withdrawn and such funds (along with any new Program Deposits) being deposited into Deposit Accounts at the next available Program Bank on the Program Bank List on the next business day that a sweep is affected after such “opt out” instructions have been processed. No new funds will be deposited into this Program Bank that you have opted out of (i.e. designated as ineligible). If the Program Bank you designated as ineligible is also an Excess Deposit Bank, the same process will be followed; Excess Deposits, however, will be moved to a different Excess Deposit Bank only if there is available capacity at that other Excess Deposit Bank. If you designate one or more Program Banks as ineligible to receive funds, the total amount of FDIC insurance for which your cash balances will be eligible in the Program may be reduced. As noted above, participation in the Program requires at least one (1) Program Bank remaining eligible to always receive your deposit, and you cannot “opt out” of all Excess Deposit Banks.

## **D. Deposit Accounts**

Your Program Deposits will generally be deposited into two linked bank accounts at one or more Program Banks: (1) an interest-bearing savings deposit account (commonly referred to as a Money Market Deposit Account or “MMDA” account) and (2) an interest-bearing Transaction account (which may be a Negotiable Order of Withdrawal or “NOW” account or a demand deposit account (“DDA”), collectively referred to as the “Transaction” account). You will receive the same Interest Rate on the funds in the MMDA account and in the Transaction account at each Program Bank. Your Program Deposits will be deposited at the Program Bank into a Transaction account and an MMDA account maintained by NFS for your benefit and the benefit of other customers of your Broker/Dealer and/or NFS that participate in the Program. A portion of your Program Deposit will be allocated to the Transaction account, and a portion of your Program Deposit will be allocated to the MMDA account as described herein. Available cash balances are deposited in the MMDA account at each Bank as set forth above.

From time to time, part of such deposits may be transferred to the Transaction account to establish and/or maintain a threshold amount which may differ among customers. All withdrawals will be made from the Transaction account at the Bank based on the reverse of the priority sequence of the Program Bank List (i.e., last in, first out). As necessary to satisfy debits in your Brokerage Account (securities purchases, checking, debit card, etc.), funds will automatically be transferred from the MMDA account to the related Transaction account at the applicable Bank. Your Brokerage Account



statement will reflect the combined balances of the MMDA account and the Transaction account at each Program Bank.

If there are insufficient funds in the Deposit Accounts to satisfy a debit, NFS will withdraw funds from other available sources as described in this Disclosure Document or in your account opening paperwork.

Federal banking regulations limit the number of days in which you can have net withdrawals from an MMDA account to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA account at a Bank have reached the applicable limit, all funds will be transferred from that MMDA account to the linked Transaction account at the Bank. For the remainder of the month, all deposits for that Bank will be made to the Transaction account. At the beginning of the next month, an amount of funds on deposit in the Transaction account less any applicable threshold amount will be automatically transferred back to the MMDA account. Due to the linking of the Transaction and MMDA accounts as described above, the federal banking limits on MMDA account transfers will not effectively limit the number of withdrawals you can make from funds on deposit at a Program Bank.

The cash balances awaiting reinvestment in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Accounts on the business day following the day your Brokerage Account reflects a cash balance for activity captured in the Evening Bank Sweep, or on the same business day for activity captured by the Morning Bank Sweep, as further defined below. For purposes of this Program, business day generally means a day on which Banks participating in this Program are open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account(s) at the Program Bank(s). As stated above, to the extent your deposits outside of the Program, in combination with Program Deposits, exceed the Maximum Applicable FDIC Deposit Insurance Amount at any Program Bank the amounts above such limits will NOT be eligible for FDIC insurance protection. Deposits at Program Banks are not eligible for SIPC coverage.

Although your funds generally will be deposited in Deposit Accounts at the Banks in the order in which the Banks appear on the Program Bank List, in rare circumstances, a Bank on the Program Bank List may be unable to accept your funds on a particular day or a Bank may be removed from the Program Bank List and not replaced. See the Section titled "Changes" for options available to you resulting from a change in the Program Bank List. You should also consult your investment representative or regularly check the Program Bank List at <https://www.mybrokerageinfo.com/banklist/>.

From time to time, a reallocation of Program Deposits may occur for reasons including Program requirements, an elimination of a Bank or the temporary removal of a Bank from the Program, or the existence of deposits in excess of the Maximum Deposit Amount at any Bank.

## **E. Withdrawals and Credits – Access to Your Program Deposits**

When funds are needed to cover transactions in your Brokerage Account, generated by account activity occurring prior to NFS' nightly processing cycle these debits will be settled using the following sources, in this order:

- any Intra-day or After-hours Free Credit Balances
- if applicable, proceeds from the sale of shares of the MMKT Overflow
- proceeds from the withdrawal of Program Deposits occurring on the next business day (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday)
- if supported by your Broker/Dealer, redemption proceeds in your Brokerage Account from the sale of any shares of a Fidelity money market mutual fund held in the account that maintains a stable (i.e., \$1.00/share) net asset value and is not subject to a liquidity fee or similar fee or assessment
- if you have a margin account, any margin surplus available, which will increase your margin balance

In addition, early in the morning prior to the start of business on each business day, certain unsettled debits in your account along with debits associated with certain actual or anticipated transactions that would otherwise generate a debit in your account during the business day will be settled using proceeds from the withdrawal of Program Deposits occurring that business day (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday).

If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your accounts at the Banks in the reverse order in which Banks appear on the Program Bank List on the date of the withdrawal. Funds will be withdrawn on a "last in, first out" basis, (beginning with the Bank designated to hold funds in excess of the Program Bank Limit, if applicable) and moving backward through the Program Bank List up to the first Bank on the Program Bank List.

**Review your Brokerage Account Agreement for important information regarding your unsatisfied obligations owed to us and/or NFS.**

You may access your Program Deposits only through your Brokerage Account. You cannot access or withdraw

Program Deposits by contacting a Program Bank directly.

As required by federal banking regulations, each Program Bank has reserved the right to require seven (7) calendar days prior notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, and there is not a bank failure that would require FDIC intervention, your ability to access funds, including the ability to write checks against your Brokerage Account, should not be impacted. Your interest in a Deposit Account is not transferable. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your Brokerage Account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

Credits to your Brokerage Account including any Intra-day Free Credit Balance as well as any After-hours Free Credit Balance generated by activity occurring prior to NFS nightly processing cycle are automatically swept into your core account as part of that nightly cycle (the "Evening Bank Sweep") and reflected in your Account as Program Deposits in anticipation of the deposit process described below occurring on the next business day.

There will be an additional automatic sweep into your core account early in the morning prior to the start of business on each business day that will also be invested in the BDSP at that time (the "Morning Bank Sweep"). This will include credit amounts attributed to certain actual or anticipated transactions that would otherwise generate an Intra-day Free Credit Balance on such business day. The total amount of the Evening Bank Sweep and the Morning Bank Sweep is referred to as your Cash Balance. During the business day of the Morning Bank Sweep, your Cash Balance will be deposited at one or more Program Bank.

## **IV. INTEREST**

### **A. Interest Rates for Program Deposits**

The current Interest Rate for your Program Deposits may be obtained from your Broker/Dealer or investment representative. Interest on your Program Deposits is accrued daily, compounded monthly and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your Program Deposit begins to accrue on the business day those funds are received by the Program Bank, which will typically be the business day following the day your Brokerage Account reflects a cash balance. Generally, interest will accrue to Program balances through the business day preceding the date of withdrawal from your Deposit Accounts at the Bank (which will typically be the day on which a withdrawal of funds is made from your Brokerage Account). Non-business days occurring between Brokerage Account withdrawal and Deposit Account withdrawal will be included in the interest accrual.

Your Program Deposits will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. The rate of interest paid is tiered based on the value of your Program Deposits ("Eligible Assets"). Eligible Assets are currently evaluated daily. Interest Rates, evaluation period and Eligible Assets may change at any time and may be based on a number of factors including general economic, market, and business conditions. Generally, you will receive 30-day advance notice of any changes to the tiers used for defining Interest Rates, and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. Customers with Eligible Assets of a greater value generally will receive higher Interest Rates on their Program Deposits than customers with Eligible Assets of a lower value. Interest on your Program Deposit will be paid by the Program Bank(s).

Over any given period, the Interest Rates on the Program Deposits may be lower than the rate of return on other Core Account Investment Vehicles which are non-FDIC insured or on bank account deposits offered outside of the Program. By comparison, money market mutual funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. In addition, fees are paid to us and NFS and may affect the Interest Rate paid on the Deposit Accounts. You should carefully review the section of the Disclosure Document titled "Information About Your Relationship with Your Broker/Dealer and the Banks." See the Money Market Mutual Fund Overflow section above for details on yields for MMKT Overflow balances.

The Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, contact your investment representative to discuss investment options that may be available outside of the Program and that may be better suited to your goals. You should compare the terms, Interest Rates, required minimum amounts, and other features of the Program with other accounts and alternative investments.

### **B. Interest Credited to Your Deposit Account**

While interest will generally be credited to your Deposit Accounts at month-end, intra-month interest credits to your Deposit Accounts may occur. Intra-month interest credits may occur in the following instances: (i) where you close your account intra-month, (ii) where you make a Program Bank ineligible to receive deposits intra-month, (iii) where there has

been a change to the Program Bank List (or a Bank becomes otherwise unavailable) intra-month, or (iv) there are six (6) withdrawals in a month from the MMDA account resulting in balances being transferred to the Transaction account as applicable. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued through such intra-month events as applicable. See the Money Market Mutual Fund Overflow section above for details on yields for MMKT Overflow balances.

## **V. CHANGES**

### **A. Changes to the Program**

One or more of the Banks included on the Program Bank List may be removed, and in some cases replaced with a substitute Bank. At times, new Banks may be added, or the order of the Banks on the Program Bank List may be changed. You will find the most up-to-date Bank List in the following URL: <https://mybrokerageinfo.com/banklist/>. Additionally, refer to your Brokerage Account statement for Program Deposits at each Program Bank. It is your obligation to monitor your Brokerage Accounts, your FDIC coverage, your FDIC insurance eligibility, and the Program Bank List. You will also have an opportunity to “opt out of” deposits being placed at such Bank. As previously stated, “opting out” of a Bank will affect the amount of your deposits eligible for FDIC insurance. Contact your investment representative to “opt out” of any Bank. It is your sole obligation to monitor your FDIC coverage and FDIC insurance eligibility.

Generally, you will receive notification of any change, other than changes to the order of the Program Banks, to the Program Bank List, tiers used to set Interest Rates (if applicable), or material changes to the Program, etc. We may also notify you that a change will be forthcoming and direct you to your investment representative for specific information on such change or for the current Program Bank List. Generally, while we will endeavor to provide 30-day advance notice of such changes, certain circumstances may make that impossible, in which case we will notify you as soon as is reasonably practical. If you do not agree with any of the changes, you should contact your investment representative to discuss an alternative Core Account Investment Vehicle or transferring your Brokerage Account to another broker-dealer. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

### **B. Limitations on Deposits**

The amount of your cash balances awaiting reinvestment that are swept into a Deposit Account may need to be limited if a Program Bank cannot accept deposits due to exceptional circumstances or if a Program Bank becomes ineligible for the Program. See the section titled “Maximum Deposit Amount” for detail.

### **C. Changes to Your Core Account Investment Vehicle**

From time to time, circumstances, such as described in this Disclosure Document or otherwise, may require that we or NFS modify the Program, which may result in changing the Core Account Investment Vehicle for your Brokerage Account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower. Generally, while we will endeavor to provide 30-day advance notice of such changes certain circumstances may make that impossible, in which case we will notify you as soon as is reasonably practical. If circumstances require, we will change your Core Account Investment Vehicle and, depending on the new vehicle, either transfer the balances from your prior Core Account Investment Vehicle into a new Core Account Investment Vehicle or leave your balances in your prior account investment vehicle, withdraw all debits from this vehicle, and invest all credits in the new Core Account Investment Vehicle. If you object to the Core Account Investment Vehicle that we select, or, if at any time the Program does not meet your needs, including, but not limited to, due to any change in the Program, your investment representative can assist you in finding an alternative Core Account Investment Vehicle or in transferring your Brokerage Account to another provider or another program.

If we need to change your Core Account Investment Vehicle under the circumstances set forth in this Disclosure Document, or for other circumstances as may be necessary, the Core Account Investment Vehicle that we choose for you may receive a lower effective rate of return than is available on funds swept into a Deposit Account. We cannot guarantee any rate of return, including a return that is equal to or greater than your current return. We will notify you, as soon as is reasonably practical, if your cash balance is deposited into a Core Account Investment Vehicle other than the Program and additionally, if you will receive a lower effective rate of return.

The Money Market Mutual Fund Overflow process as described above is part of the Bank Deposit Sweep Program.

## **D. Notices**

All notices described in this Disclosure Document may be made by means of a letter, an entry on or insert with your Brokerage Account statement, or an entry on a trade confirmation or by electronic or other form of notification if available to you by us which may include but is not limited to, electronic alerts or e-mail.

## **VI. ACCOUNT INFORMATION**

### **A. Statements and Confirmations**

Your Brokerage Account statement will: (i) indicate your beginning and ending Program Deposit balance at each Program Bank (and Excess Deposit Bank(s) as applicable) as of the last business day of each monthly statement period (however, if your Brokerage Account was established on the last business day of a month, your statement will not include a Bank Deposit Sweep Detail section); (ii) detail sweeps to and from the Program Deposit Accounts during the statement period; and (iii) reflect interest credited to your Brokerage Account. This information is provided in lieu of separate confirmations for each sweep to and from a Program Deposit Account during the statement period. Transfers between your MMDA accounts and Transaction accounts will not be reflected in your Brokerage Account statements.

Because you are solely responsible for monitoring the total amount of your deposits at a Program Bank (including any Program Deposit held at such Program Bank and all Other Deposits, in order to determine the extent of FDIC insurance coverage available, you should carefully review your statements to determine if a change in Program Banks has an impact on your deposit insurance coverage. See the Money Market Mutual Fund Overflow section above for information on how MMKT Overflow balance will display on your statement.

### **B. Tax Information**

For most clients with non-retirement account types, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. For applicable account types, a Form 1099 will be sent to you by NFS each year showing the amount of aggregate interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax advisor about how the Program affects you.

## **VII. INFORMATION ABOUT YOUR RELATIONSHIP WITH YOUR BROKER/DEALER AND THE BANKS**

### **A. Relationship with your Broker/Dealer and the Banks**

As your agent, NFS is establishing the Deposit Accounts at each Bank, depositing funds into the Deposit Accounts, withdrawing funds from Deposit Accounts, and transferring funds between Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank showing the Deposit Account as an agency account held by NFS for the benefit of you and other customers and by records maintained by NFS as your agent and custodian. No evidence of ownership, such as a passbook or certificate, will be issued to you. Your Brokerage Account statements will reflect the balances in your Deposit Accounts at the Banks. You should retain the Brokerage Account statements for your records. Once established on your behalf, the Deposit Accounts are obligations solely of the Banks and not your Broker/Dealer, NFS or any other entity. You may at any time obtain information about your Deposit Accounts by contacting your investment representative.

If either you or we terminate your use of the Program as a Core Account Investment Vehicle, or if one or more Program Banks with which you have deposits in the Program cease to participate in the Program, you may establish a direct depository relationship with each such Bank, subject to its rules with respect to maintaining Deposit Accounts.

Establishing the Deposit Account directly in your name at a Bank will separate the Deposit Accounts from your Brokerage Account. If you establish a direct depository relationship with a Bank, the Deposit Accounts will no longer be reflected in your Brokerage Account statement and we and NFS will have no further responsibility concerning the Deposit Account.

### **B. Benefits to Your Broker/Dealer and Others**

The Program creates financial benefits for us and/or our affiliates, one or more of whom may be a Program Bank, and NFS and certain 3<sup>rd</sup> party Program service providers. You should review the Program Bank List to determine if your Broker/Dealer is affiliated with one or more Program Banks. It is your responsibility to determine if your Broker/Dealer is affiliated with one or more Program Banks. NFS cannot confirm or provide you with this information.

We and/or our affiliates, and NFS and certain 3<sup>rd</sup> party Program services providers are paid a fee for administering the Program (collectively, the "Program Fee"). The Program Fee is calculated by multiplying the Program Deposits at a



Program Bank by the Overall Bank Rate for that Program Bank and then subtracting total interest paid to you (based on the Interest Rate) on Program Deposits. The Overall Bank Rate will vary from Program Bank to Program Bank but the Interest Rate payable on your Program Deposits is constant regardless of the Bank to which the Program Deposits are deposited. Program Deposits multiplied by the Overall Bank Rate, minus the Interest Rate equals Program Fees.

A portion of these fees may be paid to your investment representative. The total Program Fees that we, and/or our affiliates, and NFS (and any 3<sup>rd</sup> party Program service providers) may earn will be a maximum of the Federal Funds Target Rate (as can be found online at <https://fred.stlouisfed.org/series/DFEDTARU>) plus 0.25%, as determined by the total deposit balances at all of the Program Banks over a 12-month rolling period. Depending on the Overall Bank Rate at a particular Program Bank, we, and/or our affiliates, and NFS (and any 3<sup>rd</sup> party Program service providers) may earn different Program Fees across Program Banks, but the Interest Rate payable to you on your Program Deposits will be a constant rate across all Program Banks.

The Interest Rate, which is paid on your Program Deposits will affect the Program Fees. For example, keeping other factors constant, such as each Program Bank's Overall Bank Rate and Program Deposit levels, if the Interest Rate on Program Deposits were decreased, the Program Fee would increase and if the Interest Rate on Program Deposits were increased, the Program Fee would decrease.

NFS receives an economic benefit for shares held in the MMKT Overflow. For more complete information about any money market mutual fund, including current yields and all charges and expenses, or for a free prospectus, contact your investment representative.

Both we and NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products. From time to time, if the maximum fee amount as described above increases, you will receive notification of any such change.

Applicable law governing retirement accounts, such as qualified plans under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and individual retirement accounts under the Internal Revenue Code, necessitates that interest rates paid by the Program Banks for deposits in the Deposit Accounts, our fee, and other service fees were negotiated at arm's length, are believed to be fair and reasonable, and are designed to approximate value for the services involved and in the context of customers' Eligible Assets.

If your Broker/Dealer is affiliated with one or more Program Banks you should review the information included in this paragraph as it may apply to your Broker/Dealer, its affiliated Program Bank, and/or one or more of their affiliates. The Program Banks use Program Deposits to fund current and new lending and for investment activities. The Program Banks earn net income from the difference between the Overall Bank Rate and the income they earn on loans, investments, and other assets. Program Banks do not have a duty to provide the highest Overall Bank Rate available and may instead see to pay a lower Overall Bank Rate. A lower Overall Bank Rate may be more financially beneficial to a Program Bank. The Interest Rate payable on your Program Deposits may be lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank.

There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market mutual fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the money market mutual fund's investment objective, which can be found in the fund's prospectus.

The revenue generated by us and/or NFS may be greater than revenues generated by sweep options at other brokerage firms and may be greater than other Core Account Investment Vehicles currently available to you or possible Core Account Investment Vehicles that we have used in the past or may consider using in the future. As a result of the fees and benefits described above, the Program may be significantly more profitable to us and/or NFS than other available sweep options, if any. We and/or NFS may also benefit from the possession and temporary investment of cash balances prior to the deposit of such balances in the Program.

### **C. Sharing of Your Information with Banks**

NFS may provide the Banks and their regulators (including but not limited to the FDIC) with information related to the Customers and any individual authorized by a Customer to trade in his/her Brokerage Account used in the Bank Deposit Sweep Program ("Authorized Individual") pursuant to agreement between NFS and the Banks. If provided, the information could consist of the name, address (including city, state, postal code, and, if applicable, foreign country), date of birth, either Social Security number or taxpayer identification number and any other information as necessary or requested by the Banks and/or their regulators (including but not limited to the FDIC).

### **D. Questions/Comments Regarding this Program**

You may contact your investment representative to determine the current Interest Rate on the Deposit Accounts for

each tier used to determine Interest Rates as applicable, or for the current yields for money market mutual funds.

The material in this document is intended for informational purposes. If there is any conflict between the descriptions in this document and the terms of your account agreement, this document will control with respect to the content herein.

## **VIII. FDIC/SIPC COVERAGE<sup>1</sup>**

### **A. FDIC Deposit Insurance**

FDIC deposit insurance coverage maximum per insurable ownership capacity (the “Standard Maximum Deposit Insurance Amount” or “SMDIA”) is \$250,000 per depositor in any Bank. The Deposit Accounts are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) when aggregated with all Other Deposits, including other bank accounts, CDs and deposits held through us or through other brokers, held by you in the same insurable capacity at a Bank (e.g., individual, business, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such deposits may be insured for greater or lesser amounts as may be approved by the FDIC from time to time. Your funds become eligible for deposit insurance immediately when a Bank accepts your deposits into Deposit Accounts. For your Brokerage Account, the allocation of cash balances to Program Banks occurs at the Brokerage Account level and does not consider whether you have Other Deposits. To the extent that your deposits at a Program Bank that are in one ownership capacity, either through the Program or otherwise, including Other Deposits, exceed the FDIC insurance limits applicable to that ownership capacity, deposits more than the limits will not be insured. You are solely responsible for monitoring the amount of your total deposits held at a particular Bank.

In the event a Bank fails, the Deposit Accounts at that Bank are insured up to the \$250,000 limit, or such other applicable limit, as applicable, for principal and interest accrued to the day the Bank is closed. Neither your Broker/Dealer nor NFS is responsible for any insured or uninsured portion of a Deposit Account. All funds that are not insured by the FDIC are at risk of loss in the event of a bank failure. You are solely responsible for monitoring the total amount of deposits that you have with each Bank in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Bank apart from the Deposit Accounts, you may wish to direct that the Bank be excluded from the Program Bank List applicable to you.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 limit or such other applicable limit, as applicable, with any Other Deposits, including bank accounts, CDs, other brokerage accounts (including other Brokerage Accounts held with us), and deposits held through other brokers, that you own in the same insurable capacity at the Bank. Subject to Program limits, examples of accounts that may be subject to this FDIC policy include joint accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

If federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you through NFS. There is no specific time period during which the FDIC must make insurance payments available and therefore you may not have access to your funds during this time. Furthermore, you may be required to provide certain documentation to the FDIC and NFS before insurance payments are made. For example, if you hold deposits as trustee or in other fiduciary capacities for beneficiaries, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or Other Deposits, including bank accounts, CDs, and deposits held through other brokers, at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of the certificates of deposit or other time deposits which were assumed, or (ii) with respect to deposits which are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits, including other bank accounts, CDs and deposits held through us or through other brokers, with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the acquiror after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

The application of a \$250,000 federal deposit insurance limitation is illustrated by several common factual situations discussed below.

### **B. Information on Deposit Insurance for Specific Types of Accounts**

**Individual Customer and Agency Accounts.** Funds owned by an individual and held in an account in the name of the individual or an agent or nominee of such individual (such as the Deposit Accounts held through NFS) are not treated as owned by the agent or nominee, but are added to Other Deposits of such individual held in the same capacity

(including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Custodial Accounts.** Funds in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian but are added to Other Deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to \$250,000 in the aggregate. Refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Joint Accounts.** An individual’s interest in funds in all qualified accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on Other Deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a “Joint Account”). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner’s interests in other Joint Accounts at the same depository institution. Joint Accounts will be “qualified” and insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Nonqualified joint accounts are not insured separately and are added to individual accounts for the purposes of the individual maximum coverage of \$250,000 in the aggregate per Bank. Refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Trust Accounts.** Each trust account owner will be insured up to \$250,000 per eligible primary beneficiary, up to a maximum of five beneficiaries. An “eligible” beneficiary can be any living person or an IRS-recognized charity/non-profit. Only “primary” (not contingent) beneficiaries count. Each trust account owner’s FDIC insurance limit will be determined by how many eligible beneficiaries (up to 5) are in their trust account(s). FDIC insurance limits for irrevocable trust account(s) are calculated the same as for revocable trust account(s). For depositors with more complicated account structures, an attorney may be needed to advise about specific coverage. Some examples of potential trust account coverage follow. This list is if for illustrative purposes and is not exhaustive. Example 1. Revocable Trust Example – 1 owner, 2 beneficiaries: the insurance limit is \$500,000 ( $1 \times 2 \times \$250,000 = \$500,000$ ). Example 2: Irrevocable Trust Example – 1 owner, 2 beneficiaries: the insurance limit is \$500,000 (calculated as  $1 \times 2 \times \$250,000 = \$500,000$ ). Refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Individual Retirement Accounts.** Individual retirement accounts as described in the Internal Revenue Code Sections 408(a) and 408A are insured up to \$250,000 per depositor. Each person’s deposits in self-directed retirement accounts at the same Bank are added together and insured up to \$250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts. Refer to the “Maximum Deposit Amount” and “Program Limitations” sections within Section II.B “How the Program Works” for Program specific limitations.

**Business (Corporation, Partnership and Unincorporated Association) Accounts.** Funds in accounts of business organizations, including corporations, partnerships, and unincorporated associations (including for-profit and not-for-profit organizations), are added together, and insured up to \$250,000 in the aggregate. Such deposits are insured separately from the personal deposits of the organization’s owners, stockholders, partners, or members. To qualify for insurance coverage under this ownership category, a corporation, partnership, or unincorporated association must be engaged in an “independent activity”, meaning that the entity is operated primarily for some purpose other than to increase deposit insurance coverage. All deposits owned by a corporation, partnership, or unincorporated association at the same bank are combined and insured up to \$250,000. Multiple accounts owned by the same corporation, partnership, or unincorporated association (including accounts owned by operating divisions or business units that are not separately incorporated) but designated for different purposes are not separately insured. For example, if a corporation has both an operating account and a reserve account at the same bank, the FDIC would add both accounts together and insure the aggregated deposits up to \$250,000.

### C. Questions about FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, contact your investment representative. You may wish to seek advice from your own attorney or tax advisor concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain information by contacting the FDIC Information and Support Center, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at <https://www.fdic.gov/resources/deposit-insurance>, or by e-mail using the FDIC’s On-line Customer Assistance Form available on its website.

## D. SIPC Coverage

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or your Broker/Dealer is not FDIC insured but is covered by SIPC, up to applicable SIPC limits. This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by the Program Bank or which have been swept from the Program Bank back to your Brokerage Account. Any balance held in the MMKT Overflow also is covered by SIPC, up to applicable SIPC limits. SIPC currently protects MMKT Overflow funds and securities up to \$500,000, including \$250,000 for claims for cash. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; (iii) are subject to investment risk, including loss of principal amount invested.

If, due to Program limitations, your cash balance is placed into a Core Account Investment Vehicle other than the Program, your cash balance will not be eligible for FDIC insurance but may be protected by SIPC in accordance with applicable legal requirements and limitations.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to clients of securities brokerage firms, like NFS, in the event such firms become insolvent.

Unlike FDIC insurance, SIPC does not insure against the loss of your investment, nor does SIPC protection insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each client's securities and cash held in a client's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money market mutual fund shares are securities for purposes of SIPC coverage. The Deposit Accounts are not eligible for SIPC coverage.

If you have questions about SIPC coverage and additional SIPC-like coverage, contact your investment representative. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at <https://www.sipc.org>.

<sup>1</sup> The information contained in this section regarding FDIC deposit insurance and the applicable limits are subject to the limitations described throughout this document and as specifically noted in the sections titled "Maximum Deposits" and "Program Limitations" under Section II. B. "How the Program Works" of this document.