

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

This section highlights certain key features of the Bank Deposit Sweep Program (the “Program” or “BDSP”). Read the complete Disclosure Document before you decide to participate in the Program. You should consult &Partners, LLC (“&Partners”) or your investment representative for more information. All capitalized terms in this section are defined below in the Disclosure Document.

For purposes of this Disclosure Document, and as detailed further in Section 8, any person or party that holds BDSP balances via their brokerage account(s) (each a “Brokerage Account”) with &Partners is a “Depositor”, and an “Individual Depositor” shall be any Depositor that holds a BDSP balance through one of the following “account types”: (i) a natural person that holds an individual account with &Partners; (ii) an individual retirement account (“IRA”) held by its custodian with &Partners; (iii) a company or corporation that holds an account (titled in the name of the company/corporation) with &Partners; (iv) a non-IRA custodial account held with &Partners; (v) a revocable trust\* that holds a trust account (titled in the name of the revocable trust) with &Partners; or (vi) an irrevocable trust\* that holds a trust account (titled in the name of the irrevocable trust). Likewise, a “Joint Depositor” shall be any person or party that holds BDSP balances via a joint-ownership account (regardless of the number of joint owners) held with &Partners. Each of the Individual Depositor “account types” enumerated above are deemed separate and distinct Depositors for purposes of FDIC coverage attributable to the Depositor’s BDSP balances; and those Individual Depositor “account types” shall also be separate and distinct from any accounts for a Joint Depositor held with &Partners even if an Individual Depositor is one of the joint-owners of a Joint Depositor account with &Partners.

\*FDIC coverage rules for beneficiaries of revocable and irrevocable trusts are complex and may be subject to different coverage maximums depending on trust balances and the number of trust beneficiaries. See the Section 8 provisions related to revocable trusts and irrevocable trusts for further detail on how FDIC coverage may extend to each individual beneficiary via their interest in the trust’s BDSP balance(s).

FDIC insurance protects against the loss of deposits due if an FDIC-insured bank fails. &Partners, LLC is not an FDIC-insured institution. Only funds deposited within the banks on &Partners, LLC participating banks in the Bank Deposit Sweep Program (BDSP) program are eligible for FDIC insurance. Eligibility for pass-through FDIC-insurance coverage is subject to fulfilling specific conditions.

<p><b>Investment and Insurance Products are:</b></p> <ul style="list-style-type: none"> <li>• <b>Not Insured by the FDIC or Any Federal Government Agency</b></li> <li>• <b>Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate</b></li> <li>• <b>Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested</b></li> </ul>
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Program Summary	
<p><b>How the Program Works</b></p>	<p>The “Program” is a core account investment vehicle option, which, if either selected by default or affirmatively elected, will be used to hold your cash balance while awaiting reinvestment. The cash balance awaiting reinvestment in your eligible Brokerage Account(s) (as defined in the “Introduction” section below) will be automatically deposited or “swept” into interest-bearing FDIC insurance eligible BDSP deposit accounts (also referred to as a “Deposit Account” or “Deposit Accounts,” as defined in the “Introduction” section below) at one or more FDIC-insured financial institutions (each a “Program Bank” or “Bank”, or collectively “Program Banks” or “Banks”). Cash Balances that cannot be placed at a Program Bank, including Excess Deposit Banks, due to capacity limits or in NFS’ sole discretion, imminent lack of capacity, shall be swept to an overflow money market mutual fund as described herein. In the event that you have funds swept to an overflow money market mutual fund, it will have a material impact on your insurance coverage, how interest is calculated and how funds are placed and withdrawn.</p> <p>Deposits placed through the NFS sweep program are placed at insured depository institutions that are part of a deposit network established by a third-party administrator (the “BDSP Administrator”), currently IntraFi Network LLC, which may be changed from time-to-time.</p>
<p><b>Core Account Investment Vehicle Options</b></p>	<p>The Bank Deposit Sweep Program (BDSP<sup>®</sup>) is a core account investment vehicle and is the default option for eligible account holders. Brokerage Accounts that are ineligible for the Program may elect to utilize a money market fund as their sweep option. The money market fund(s) available as a sweep option can be obtained from your investment representative.</p>
<p><b>FDIC and SIPC Coverage</b></p>	<p>Your BDSP balance(s) held in one or more Deposit Accounts with the Program Banks will be eligible for FDIC insurance in the manner and to the extent more fully described herein. You need to review and understand how FDIC insurance will apply to your BDSP balance(s) held with Program Banks.</p> <p>As of the date of this Disclosure Document, the FDIC insurance coverage maximums for Depositor balances with each Program Bank are \$250,000 for an Individual Depositor and \$500,000 for a Joint Depositor (hereinafter the “FDIC Coverage Maximum”). Notwithstanding the maximum FDIC coverage amounts detailed above, &amp;Partners generally allocates a lower deposit amount—\$246,500 for Individual Depositors and \$493,000 for Joint Depositors— to each of the Program Banks to allow for interest accruals. Consequently, while FDIC insurance coverage on BDSP balances is lower per Program Bank than the coverage maximum allowed by the FDIC, the BDSP is able to offer increased FDIC coverage by utilizing up to ten (10) program banks to hold Depositor balances as detailed further below.</p> <p>Consistent with the foregoing, depending on a Depositor’s total BDSP balance, up to ten (10) of the Program Banks may be utilized for FDIC coverage purposes and each of those ten (10) Program Banks will be allocated a maximum of \$246,500 for Individual Depositors and \$493,000 for Joint Depositors. In turn, the BSDP will generally provide a maximum FDIC coverage amount of \$2.465 million per Individual Depositor and \$4.93 million per Joint Depositor (hereinafter the “BDSP Coverage Maximum”), subject to the total amount deposited in an account and any changes to applicable FDIC rules. BDSP balances in excess of \$2.465 million for an Individual Depositor or in excess of \$4.93 million for a Joint Depositor will be deposited into an “Excess Deposit Bank” and, in certain instances, <i>if any balance with an Excess Deposit Bank was not used as a Program Bank with respect to a Depositor’s BDSP balances</i>, then FDIC coverage may extend to up to \$250,000 of the BDSP balance held with the Excess Deposit Bank for an Individual Depositor or up to \$500,000 of the BDSP balance held with the Excess Deposit Bank for a Joint Depositor. Additionally, in the event that there is no Excess Deposit Bank that can be utilized for such excess BDSP balances,</p>

	<p>then those excess BDSP balances shall be invested in the overflow money market fund, as detailed further in Section II.B, and will not receive or be eligible for FDIC coverage.</p> <p>Your cash balance is only eligible for FDIC insurance once it is transferred/placed into a Deposit Account held by a Program Bank (subject to the BDSP Coverage Maximum). Your cash balance while held by NFS and/or &amp;Partners is not FDIC insured, but is covered by the Securities Investor Protection Corporation (the "SIPC"). This includes amounts in the cash balances placed in your Brokerage Account that have not yet been received by a Program Bank or which have been swept from a Program Bank back to your Brokerage Account. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. Any securities held in your Brokerage Account including money market funds (as opposed to a BDSP balance held in a Deposit Account with a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.</p>	
<b>Program Banks</b>	<p>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. You can access the most up-to-date Program Bank List in the following URLs: <a href="http://www.mybrokerageinfo.com/banklist/">http://www.mybrokerageinfo.com/banklist/</a> or from &amp;Partner's disclosures at <a href="https://www.andpartners.com/">https://www.andpartners.com/</a>. Or you can obtain the list from your investment representative or &amp;Partners. The Program Bank List also indicates your Excess Deposit Bank, which will be utilized for deposits after the BDSP Coverage Maximum has been placed in all the Banks on your Program Bank List. Program Bank list is subject to change with no notification to Depositor.</p>	Page 5
<b>Interest Rates for Deposit Account</b>	<p>The interest rate for your Deposit Accounts (as defined in the "Introduction" section below) may be obtained from &amp;Partners' disclosures at <a href="https://www.andpartners.com">https://www.andpartners.com</a>. Your balances will earn the same rate of interest regardless of the Program Bank with which your funds are deposited. Your interest rate is based upon your total BDSP balances held in Deposit Accounts with Program Banks in accordance with the Interest Rate Tiers, as determined by &amp;Partners.</p> <p>&amp;Partners determines the rate of interest you receive on your deposit accounts. &amp;Partners' management meets periodically to review the interest rates paid to clients in the BDSP and to determine whether and when the rates will change. Factors considered include the rates paid by Program Banks to obtain deposits from the Sweep Program, expected changes in interest rates, interest rates paid by market competitors, and program expenses.</p> <p>Over any given period, the interest rates on the BDSP balances may be lower than the rate of return on other core account investment vehicles which are not FDIC insured or on bank account deposits offered outside the Program.</p> <p>The Program and Program Banks do not have a duty to offer the highest rates available or rates that are comparable to money market funds. By comparison, money market funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.</p> <p>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 that may be better suited to your investment objectives.</p>	Page 7
<b>Changes</b>	<p>Circumstances may require a change to the BDSP or your core account investment vehicle. Generally you will not receive notification of Program changes, including changes to the rate of interest paid on your BDSP balances, which will vary over time. If notice is required, such notice will be made as soon as is reasonably practical and may not be made in advance. If consent for any change is required, such consent will be deemed provided if Depositor receives notification and does not affirmatively refuse such change in writing. Account holders may initiate changes to their core account investment vehicle by contacting their investment representative directly or by contacting &amp;Partners.</p>	Page 7
<b>Responsibility for Monitoring</b>	<p>If you maintain more than one account with us that participates in BDSP, you are responsible for monitoring cash balances across all of your accounts to ensure that aggregate BDSP balances do not exceed the FDIC Coverage Maximum for an Individual Depositor or Joint Depositor (whichever being applicable) at any Program Bank. You are likewise responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that you hold at each Program Bank and the Excess Deposit Bank (if applicable), individually or jointly, including any CDs, or other deposits made through us or through any other intermediary, for the purpose of determining the FDIC insurance coverage for those directly held deposits. If you, as an Individual Depositor or Joint Depositor, also hold balances directly with a Program Bank or the Excess Deposit Bank, or if you hold balances with such Banks via another investment firm's bank deposit sweep program, then such overlapping balances at each Program Bank and the Excess Deposit Bank will be aggregated for purposes of the FDIC Coverage Maximum.</p>	Page 6
<b>Benefits to &amp;Partners and Others</b>	<p>The Program creates financial benefits for us, our affiliates (one or more of whom may be a Program Bank) and NFS. We will receive a fee from each Program Bank in connection with the Program. Most of our investment representatives will have a minority indirect ownership interest in &amp;Partners, and thus benefit from our overall profitability, which includes profits derived from the Program. We will also pay a fee to NFS. The revenue generated by the Program 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. NFS also will receive revenue from cash balances held in an overflow money market fund.</p>	Page 8
<b>Contact Information</b>	<p>For any questions about the Program, contact your investment representative or &amp;Partners.</p>	

## I. INTRODUCTION

Your brokerage account held with &Partners, LLC (“&Partners”) in conjunction with National Financial Services LLC (“NFS”) (your “Brokerage Account”) has a core account that is used for settling securities transactions and holding credit balances. The terms “account owner,” “you” and “your” 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.

### Core Account Investment Vehicle Options

The 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 (“BDSP”, or the “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. For all eligible accounts, the BDSP is your default core account investment vehicle.

Available cash in your Brokerage Account will be deposited through the BDSP into FDIC insurance eligible deposit accounts (each a “Deposit Account” or together “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”). The list of Banks participating in the Program (the “Program Bank List”) can be obtained from your investment representative or at the URL provided in the Program Summary section of this document. The Program Bank List also shows 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 Deposit Account with a Program Bank, it is referred to as your “Program Deposit.” Note that your ability to access the money held at the Bank(s) 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, by the Securities Investor Protection Corporation (the “SIPC”). However, at the time 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”). Funds in the Deposit Accounts 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., corporate, individual, joint, etc.) when aggregated with all other deposits, including bank accounts, certificates of deposit (“CDs”) and deposits held through other brokers, held in the same insurable capacity at a Bank. For example, funds in the Deposit Accounts at a Bank held by a company or an individual are insured up to \$250,000, and funds in the Deposit Accounts at a Bank held jointly by two or more individuals are insured up to \$250,000 per joint owner. For retirement accounts, funds in the Deposit Accounts at each Bank are eligible for deposit insurance up to \$250,000 principal and

accrued interest per depositor in the aggregate. Funds deposited in Deposit Accounts are not eligible for coverage by the SIPC.

Any deposits (including certificates of deposit) that you maintain in the same capacity directly with a Bank or through an intermediary (such as us or another broker), will be aggregated with deposits in your Deposit Accounts at such Bank for purposes of the Maximum Applicable FDIC Deposit Insurance Amount.

You are responsible for monitoring the total amount of deposits that you have with each Bank, including an Excess Deposit Bank (described below), in order to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of the Disclosure Document titled “FDIC and SIPC Coverage.” BDSP deposits that exceed BDSP Coverage Maximum and/or FDIC Coverage Maximum (as applicable) are subject to loss of principal in the event of the Excess Deposit Bank’s failure. Additionally, such deposits are not protected under SIPC.

Important Note: The BDSP Administrator will place, regardless of the FDIC Coverage Maximum insurance coverage available, in one Bank up to \$246,500 of your cash balances for a Brokerage Account of an Individual Depositor or up to \$493,000 in one Bank for a Brokerage Account of a Joint Depositor (regardless of the number of joint owners); such limit previously defined herein as the “BDSP Coverage Maximum”). Consequently, for all account types the BDSP Coverage Maximum will be less than the FDIC Coverage Maximum, and certain types of accounts, namely trust accounts, the BDSP Coverage Maximum is substantially less than the FDIC Coverage Maximum (see Section 8 for additional details on FDIC coverage for trusts). If your cash balances and existing Program Deposits at a Bank exceed the BDSP Coverage Maximum at a Bank, funds greater than the BDSP Coverage Maximum for each Bank will be swept into Deposit Accounts at one or more Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below).

Once funds equal to the BDSP Coverage Maximum have been deposited for you through the Bank Deposit Sweep Program in each Bank on the Program Bank List, any additional funds will be placed with the Excess Deposit Bank that will accept funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount, and thus may not be covered by FDIC insurance. If, under &Partners’ policies, your Brokerage Account is ineligible to be placed in the BDSP or your funds cannot be placed at a Bank within the Program, unrelated to capacity issues, your funds will be invested in an alternative core account investment vehicle for your applicable account type. For more complete information about any money fund, including all charges and expenses, contact your investment representative for a free prospectus. Read the prospectus carefully before you invest or deposit money. You may obtain information with respect to the current yields available on the money funds by contacting your investment representative.

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 financial information concerning each Program Bank at: [www.ffiec.gov/nicpubweb/nicweb/nichome.aspx](http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx), or by contacting the FDIC Public Information Center by mail at: L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. Neither we nor NFS guarantee, in any way, the financial condition of the Program Banks (including the Excess Deposit Bank) or the accuracy of any publicly available financial information regarding such Program Banks.

Although each Deposit Account constitutes a direct obligation of the Program Bank to you as a Depositor, you will not have a direct account relationship with the Program Banks and you will not be able to instruct them to process deposits or withdrawals in connection with any BDSP balances. 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. To the extent permitted under applicable law and as otherwise described herein, we, NFS and the BDSP Administrator will receive a fee from each Program Bank for the services provided under the Program. The amount of the fee paid to us, NFS and the BDSP Administrator will affect the interest rate paid on the Deposit Accounts, and will reduce the interest rate you receive which will be less than the amount of interest paid by each Bank. You should review carefully the section of the Disclosure Document titled “Information About Your Relationship with &Partners and the Banks.”

As discussed herein, interest rates on the Deposit Accounts may be tiered 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 funds. By comparison, money market 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 Depositor or a Joint Depositor, or in any other capacity.

### Customers Affected by the Bank Deposit Sweep Program

Only eligible Brokerage Accounts that utilize the BDSP 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 Deposit Accounts.

Your investment representative can provide you with more information concerning the accounts and programs for which the core account investment vehicle options do and do not apply.

### Core Account Investment Vehicle Options For Ineligible Brokerage Accounts

Brokerage Accounts that are ineligible for the Program may elect to utilize a money market fund as their sweep option. The money market fund(s) available as a sweep option can be obtained from your investment representative.

Account types that are ineligible for inclusion in the Program include: (a) non-U.S. accounts that are established with non-U.S. address; (b) retirement plan accounts governed under Title I of Employee Retirement Income Security Act of

1974, as amended; and (c) any other type of account is or may become ineligible by law or regulation or otherwise deemed ineligible by NFS or the BDSP Administrator.

You could lose money by investing in a money market fund. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Before investing, always read a money market fund's prospectus for policies specific to that fund.

#### **Rates of Return**

Information about the BDSP (including interest rates, tiers, and annual percentage yield) and current yields on the money market fund alternative(s) for ineligible Brokerage Accounts may be obtained from your investment representative or via &Partners' disclosures located at <https://www.andpartners.com>. The interest rate will vary and may be higher or lower than other potential investment options. You should review carefully the section of the Disclosure Document entitled "Interest."

#### **Alternatives to the BDSP as a Core Account Investment Vehicle Option**

We are not obligated to offer you any core account investment options or to make available to you BDSP investments that offer a rate of return that is equal to or greater than other 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 not have 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 a specific amount of your funds in one or more of the money market fund(s), the BDSP or other investments available through us. For retirement accounts, you are not able to opt-out of BDSP, as retirement account assets may not be held in free credit balances. If you elect an alternative to the BDSP, &Partners will earn fees on the uninvested cash.

For more complete information about any money market fund(s), including current yields, charges and expenses, contact your investment representative for a free prospectus. Read the prospectus carefully before you invest or send money.

#### **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 write checks against your 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 account, including, but not limited to, margin balances, settlement of transactions, checks, wires, and debit card purchases.

#### **Tax Information**

For most clients, with non-retirement account types, interest earned from 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 interest income you have earned on deposits in your

Deposit Accounts. You should consult with your tax adviser about how the BDSP affects you.

## **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 your account application, account agreement, applicable privacy notice and any applicable advisory agreement ("Other Agreements") and 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. Review these Other Agreements for important information governing your account.

### **A. Program Eligibility**

Eligibility for the Program is based on your account type 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, or joint account, trust accounts, and sole proprietorships. The following individual retirement accounts are also eligible for the Program: the Premiere Select<sup>®</sup> IRA, Premiere Select Roth IRA, Premiere Select SEP IRA and Premiere Select SIMPLE IRA. 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 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 your account 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.

### **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 FDIC-Insured Deposit Accounts at one or more Program Banks on the Program Bank List in the order in which the banks appear on the list. Once your cash balance has been swept to a Program Bank, such balance is referred to as your "Program Deposit." 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 BDSP Coverage Maximum. Funds in excess of the BDSP Coverage Maximum for each Program Bank (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. Once the BDSP Coverage Maximum has been reached in all Banks on the Program Bank List that are accepting deposits, additional funds will be swept into the Excess Deposit Bank.

The entries on the Program Bank List may contain the names of up to four alternative Program Banks ("Alternative Banks"). When each of the Banks prior to the Alternative Banks on the Program Bank List has received deposits equal to the BDSP Coverage Maximum, your funds will be deposited in one of the Alternative Banks up to the BDSP Coverage Maximum. Once funds in this Alternative Bank have reached the BDSP Coverage Maximum, your funds will be deposited in the next Bank on the Program Bank List, not the next Alternative Bank. If all your funds are withdrawn from an Alternative Bank, the next time your funds are available for deposit in an Alternative Bank your funds may be deposited in a different Alternative Bank.

You may not change the Banks on the Program Bank List, the order in which funds are deposited at the Banks on the Program Bank List or the BDSP Coverage Maximum at any Bank. You may, however, at any time, designate a Bank as ineligible (otherwise referred to as "opting out" of a Bank) to receive any funds by contacting your investment representative. Any such action will result in any current Program Deposit at such Bank being withdrawn and such funds (along with any new Program Deposits) being deposited into Deposit Accounts at the next available Bank on the Program Bank List on the next business day that a sweep is effected after such "opt out" instructions have been processed. No new funds will be deposited into any Bank that you have opted out of (i.e., designated as ineligible). If you designate one or more 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. Participation in this Program requires at least one (1) Bank remaining eligible to receive your deposits. Thus, you may not opt out of all Banks on the Program Bank List.

With the exception of the Excess Deposit Bank, your cash balances will not be swept into a Deposit Account at a Program Bank in an amount that exceeds the BDSP Coverage Maximum, and you may designate any Bank on the Program Bank List as ineligible to accept your funds by "opting out" in accordance with the procedures set forth herein. You are responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that you have at each Program Bank, including any CDs, or other deposits made through us or through any other intermediary, for the purpose of determining the FDIC insurance coverage for those deposits.

### **BDSP Coverage Maximum**

NFS, as your agent, will place, regardless of the maximum potential applicable FDIC insurance coverage available, in one Bank, up to \$246,500 of your cash balances for an individual account, an agency account and a trust account including a transfer upon or payable on death account, up to \$493,000 in one Bank for a joint account (regardless of the number of owners), and up to \$246,500 for an individual retirement account. For certain types of accounts, the BDSP Coverage Maximum is substantially less than the maximum potential amount of FDIC insurance coverage.

If your cash balances and existing Program Deposits at a Bank exceed the BDSP Coverage Maximum at a Bank, funds greater than the BDSP Coverage Maximum for each Bank will be swept into Deposit Accounts at one or more Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below).

If the BDSP Coverage Maximum 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), all excess cash balances will be deposited into the designated Excess Deposit Bank on the Program Bank List without regard to FDIC-insurance limitations.

#### Program Limitations

The amount of your 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. Program Bank list is subject to change with no notice to Depositor. Consult the following sections for further important information, as such action may affect the amount of your cash balances that are covered by FDIC insurance.

#### Money Market Mutual Fund Overflow

Certain events will result in the sweeping of Cash Balances into an overflow money market mutual fund ("MMKT Overflow Fund") instead of Program Banks. The events for sweeping of funds into the MMKT Overflow Fund 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 Fund.

The enhanced sweep process between your Account, the Program Deposit Account and the MMKT Overflow Fund is referred to together as the "Program" 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 Fund.

**Summary:** 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 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 Account associated with certain actual or anticipated transactions to generate a debit in your Account during the business day will first 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.

In the event that 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.

**Statements:** The statement for your Account 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 Insurance Coverage/SIPC Protection" above. 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 &Partners, 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 of any MMKT Overflow Fund Rebalance Event. If notice is required, such notice will be made as soon as is reasonably practical and may not be made in advance. 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."). 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 Maximum Applicable FDIC Deposit Insurance Amount 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 accounts or deposits (including CDs) that you may maintain directly with a particular Bank, or 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 Maximum Applicable FDIC Deposit Insurance Amount.

You are responsible for monitoring the total amount of deposits, including bank accounts, CDs, and deposits held through other brokers, that you hold with any one Bank, directly or through an intermediary (for example through a retirement plan) in order to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts.

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 URL provided in the Program Disclosure. The Program Bank List indicates all Banks on the Program Bank List, including your Excess Deposit Bank, which will be utilized for deposits after the BDSP Coverage Maximum has been placed in all the Banks on your Program Bank List and the sequence that will be used for deposits into these Banks. 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, the Excess Deposit Bank would receive, in the sequence listed, deposits up to the BDSP Coverage Maximum just as any other Program Bank and after deposits of the BDSP Coverage Maximum have been made at all of the other Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposits Bank. If your Excess Deposit Bank has already received Program Deposits up to the BDSP Coverage Maximum, any further deposits in that Bank would generally not be eligible for FDIC insurance coverage. To the extent your

deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, these excess funds are ineligible for FDIC insurance.

### **Responsibility for Monitoring**

You should review the Program Bank List carefully. You are 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.

Deposits at each Program Bank are eligible for FDIC insurance coverage, except for amounts deposited in your Excess Deposit Bank in excess of the Maximum Applicable FDIC Deposit Insurance Amount, 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**

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 on file with NFS. You may contact your investment representative or go to the URL provided in the Program Summary page for a current Program Bank List and priority sequence order.

### **C. Deposit Accounts**

Your Program Deposits will generally be deposited in 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 with the NOW account referred to as the "Transaction Account"). You will receive the same interest rate on the funds in your MMDA account and in your Transaction Account at each Bank. Your Brokerage Account statement will reflect the combined balances of the MMDA account and 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 your MMDA account at each Bank as set forth above. From time to time, part of such deposits may be transferred to your 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.

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 Brokerage 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 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. Depositor will not receive notification of such changes. See the Section entitled "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 in the Program Summary page for changes to your Program Bank List.

If a Bank is unable to accept your funds on a day you have funds to deposit, your funds will be deposited in the next available Bank on the Program Bank List up to the Program Limit. Due to the unavailability of a Bank for any circumstance, funds may be placed at a Bank in excess of the BDSP Coverage Maximum and, as indicated above, Program Deposits in excess of the FDIC eligible amount will NOT be eligible for FDIC insurance protection. At the end of any given month, a reallocation of Program Deposits may occur, due to deposits in excess of the

BDSP Coverage Maximum at any Bank including an Excess Bank, an elimination of a Bank or the temporary removal of a Bank from the Program. If such occurs, NFS will determine the amount of your funds, if any, that are in excess of the BDSP Coverage Maximum or that have been deposited in Banks in an order different than the priority sequence on the Program Bank List. If it is possible to re-balance your funds based upon the priority sequence of the Program Bank List, NFS, as your agent, will withdraw your funds and re-deposit them in that sequence. If this cannot be accomplished, your balances will remain at the Bank(s) where the deposits are currently situated.

### **D. 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 Fund
- 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)
- redemption proceeds 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 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.

NFS will automatically withdraw funds from your Deposit Accounts (up to the amount of your Program Deposit) back to your Brokerage Account in order to satisfy any obligation you have to us or NFS or to settle a securities

transaction or other debit transaction (including, but not limited to, checks, wires, debit card purchases or margin balances) in any account you have with us or NFS. Your Program Deposits are also subject to legal process such as a levy or a garnishment delivered to us or NFS to the same extent as if those funds were in your Brokerage Account.

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 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. In the morning of the business day of the Morning Bank Sweep, your cash balance will be deposited at one or more Program Banks. The Program Deposit will earn interest, provided that the accrued interest for a given day is at least half a cent.

## **IV. INTEREST**

### **A. Interest Rates for Deposit Account**

The current interest rate for your Deposit Accounts may be obtained from &Partners via their disclosures at <https://www.andpartners.com> or investment representative. Interest on your Program Deposit 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 Deposit Account 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 and deposit with a Bank will be included in the interest accrual.

Your balances 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 on a daily basis. 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. You will receive notification of any changes to the Interest Rate Tiers. If advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. However, you will not receive notice of changes made to the actual rate of interest paid, at any point in time within each applicable Interest Rate Tier. 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.

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. Program Banks do not have a duty to offer the highest rates available or rates that are comparable to money market funds. By comparison, money market 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 that are paid to us and NFS will affect the interest rate paid on the Deposit Accounts, and may have a greater impact on the interest rate you receive than the amount of interest paid by each Bank. See the Money Market Mutual Fund Overflow section above for details on yields for MMKT Overflow Fund 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 that may be better suited to your investment objectives.

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 Bank ineligible to receive deposits intra-month or (iii) where there has been a change to the Program Bank List (or a Bank becomes otherwise unavailable) intra-month. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued at that Bank through such intra-month event. See the Money Market Mutual Fund Overflow section above for details on yields for MMKT Overflow Fund balances.

## **V. CHANGES**

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

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. It is your responsibility to monitor your accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List can be obtained from your investment representative or will be posted at the URL provided in the Program Summary page and you should consult with your investment representative for the most up-to-date information about Bank eligibility and the priority sequence of Banks for your deposits. Other changes to the Program may be posted to this site (if available) as well and you should direct any questions you may have to your investment representative. 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 provider. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

You may "opt out of" deposits being placed at certain Program Banks. 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. Updated Program Bank Lists may be obtained by contacting your investment representative or through the URL provided in the Program Disclosure.

### **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, or if a Program Bank determines that it will no longer accept additional deposits, as described in this Disclosure Statement, and the Program Bank is not replaced. In such event, funds not swept into a Program Deposit Account will be invested up to the BDSP Coverage Maximum into the next successive Bank on the Program Bank List, if possible. Once the BDSP Coverage Maximum has been reached in all Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank or if not available, the alternative core account investment vehicle chosen by us, as identified on the front page of this Document, as amended from time to time. If advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. See the "Changes to Your Core Account Investment Vehicle" below for additional information.

### **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, you will receive notification in advance of any such change. If advance notice of this material Program modification is not practical due to the circumstances, you will be notified as soon as is

reasonably practical of any change in the Program that results in changing the core account investment vehicle for your Brokerage Account. Unless you object within the time period specified, 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 leaving your balances in your prior account investment vehicle and withdrawing all debits from this vehicle while investing 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.

#### **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**

The statement for your Brokerage Account will: (i) indicate your beginning and ending Program Deposit at each Bank 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 responsible for monitoring the total amount of your deposits at a Program Bank (including any Program Deposit held at such Program Bank and all deposits you may make at a Program Bank outside the Program, including other bank accounts, CDs, or other amounts deposited through us or through an intermediary), 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 Fund 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 &Partners 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 &Partners, 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 &Partners and Others**

The Program will create financial benefits for us, our affiliates and NFS. The combined total fees that your broker-dealer and NFS may earn will be the greater of 1.25%, or 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. &Partners and NFS may earn fees that are higher or lower than that amount from individual Program Banks.

In our and NFS' discretion, the fee may be reduced and the amount of the reductions may vary between clients. The fee may vary from Bank to Bank. The amount of fee will affect the interest rate paid by the Bank on your Deposit Accounts. No portion of these fees will be paid directly to your investment representative. Most

of our investment representatives, however, will have a minority indirect ownership interest in &Partners, and thus benefit from our overall profitability, which includes profits derived from the Program. NFS also receives an economic benefit for any balances held in the MMKT Overflow Fund. The fee paid to NFS is for record keeping and other services with respect to amounts invested in the Program. Both we and NFS may receive more revenue with respect to amounts in the Program than with respect to other sweep products or cash alternatives. The fees received from Program Banks may be modified. In addition to these fees, other service providers with respect to the Program may receive fees from us, NFS, and each Bank.

In addition to the fees referenced above, your Brokerage Account generally will be charged additional commissions, fees and other charges that apply to brokerage and investment advisory accounts maintained by us.

Applicable law governing retirement accounts that are eligible for the Program, necessitate 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.

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 interest they pay on Program Deposits and the fees paid to us and the income they earn on loans, investments, and other assets. As noted above, the Program Banks may pay rates of interest on Program Deposits that are lower than prevailing market interest rates that may have been paid on accounts otherwise opened directly with such Program Bank. Program Banks do not have a duty to provide the highest rates available and may instead seek to pay a low rate. Lower rates may be more financially beneficial to a Program Bank. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any Money Fund rates. By comparison, a Money Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the Money 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 BDSP ("Authorized Individual") pursuant to the 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 or access &Partners' disclosures via <https://www.andpartners.com> to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier. For the current yields for any money market funds that you may invest in, contact your investment representative.

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 Brokerage Account agreement, this document will control.

### **VIII. FDIC/SIPC COVERAGE**

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

FDIC deposit insurance coverage maximum per Depositor is \$250,000 per Individual Depositor in any Bank or \$500,000 per Joint Depositor (regardless of the number of joint owners) in any Bank. The maximum amount of FDIC insurance coverage for your deposits is \$2.5 million for an Individual Depositor and up to \$5 million for a joint account, subject to the total amount of cash you have on deposit in a Deposit Account with any of the Banks, applicable FDIC rules, and Program Bank capacity. Once cash balances equal to the BDSP Coverage Maximum have been deposited for you through the BDSP, any additional cash will be deposited, without regard to the FDIC Coverage Maximum, into the Excess Deposit Bank and to the extent any Excess Deposit Bank limits are exceeded due to capacity constraints then such remainder shall be invested in the MMKT Overflow Fund.

The Deposit Accounts are each 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., corporate, individual, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such FDIC insurance may be insured for such greater or lesser amount 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. To the extent that your deposits at a Program Bank that are in one ownership capacity, either through the Program or otherwise, including other bank accounts, CDs and deposits held through us or through other brokers, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the FDIC limits will not be insured.

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 for principal and interest accrued to the day the Bank is closed. Neither &Partners 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 a

risk of loss in the event of a bank failure. You are 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, with any other deposits, including bank accounts, CDs, 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, and certain trust accounts including transfer upon or payable on death 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.

In the event that 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 FDIC Insurance for Specific Types of Accounts**

For purposes of the FDIC coverage limits discussed in this section, please also refer to the "BDSP Coverage Maximum" and "Program Limitations" sections within Section II.B ("How the Program Works") for Program specific limitations. In general, the BDSP Coverage Maximum for each of the account-types below will be lower than the FDIC insurance coverage maximums detailed in this section.

**Individual 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.

**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.

**Joint Accounts.** An individual's BDSP balances 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.

**Irrevocable Trust Accounts.** Funds in an account established pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a depository institution created by the same grantor will be aggregated and insured up to \$250,000.

A trust owner's trust deposits are insured for up to \$250,000 for each eligible beneficiary, up to a maximum of \$1,250,000 if five or more eligible beneficiaries are named. This limit applies to the combined interests of all beneficiaries the owner has named in revocable and irrevocable trust accounts at the same bank. If a trust has more than one owner, each owner's insurance coverage is calculated separately. Deposit insurance coverage for each trust owner is determined by multiplying \$250,000 times the number of eligible beneficiaries, regardless of the dollar amount or percentage allotted to each beneficiary, with an overall maximum insurance amount of \$1,250,000 for five or more beneficiaries. A trust owner can identify as many beneficiaries as they like; however, for deposit insurance purposes, a trust account owner that identifies five or more eligible beneficiaries will not be insured beyond \$1,250,000 per bank. In

calculating coverage, a beneficiary only counts once per owner, even if the same beneficiary is included multiple times on trust accounts at the same bank.

**Revocable Trust Accounts.** Revocable trusts include informal revocable trust accounts where the owner has designated the names of beneficiaries to whom the funds in the account will pass upon the owner's death (referred to as transfer upon or payable on death accounts and formal revocable trusts usually established for estate planning purposes (referred to as living or family trusts)). Revocable trusts will be insured as to each named beneficiary separately from another account of the owner or the beneficiary.

A trust owner's trust deposits are insured for up to \$250,000 for each eligible beneficiary, up to a maximum of \$1,250,000 if five or more eligible beneficiaries are named. This limit applies to the combined interests of all beneficiaries the owner has named in revocable and irrevocable trust accounts at the same bank. If a trust has more than one owner, each owner's insurance coverage is calculated separately. Deposit insurance coverage for each trust owner is determined by multiplying \$250,000 times the number of eligible beneficiaries, regardless of the dollar amount or percentage allotted to each beneficiary, with an overall maximum insurance amount of \$1,250,000 for five or more beneficiaries. A trust owner can identify as many beneficiaries as they like; however, for deposit insurance purposes, a trust account owner that identifies five or more eligible beneficiaries will not be insured beyond \$1,250,000 per bank. In calculating coverage, a beneficiary only counts once per owner, even if the same beneficiary is included multiple times on trust accounts at the same bank.

**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.

**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, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, 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: [www.fdic.gov/deposit/index.html](http://www.fdic.gov/deposit/index.html), 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 &Partners is not FDIC insured, but is covered by SIPC. 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 Fund also is covered by SIPC, up to applicable SIPC limits. SIPC currently protects these 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; and (iii) are subject to investment risk, including loss of principal amount invested.

If, due to Program eligibility restrictions, 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.

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 fund shares, including shares of the MMKT Overflow Fund, are considered to be securities for purposes of SIPC coverage. The Deposit Accounts within BDSP are not eligible for SIPC coverage.

If you have questions about SIPC 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: [www.sipc.org](http://www.sipc.org).