

Bank Deposit Sweep Program Disclosure Document

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

I. INTRODUCTION

Advisor Group, Inc., along with its four affiliated Broker-Dealers, FSC Securities Corporation, Royal Alliance Associates, SagePoint Financial, and Woodbury Financial Services (referred to as "Broker-Dealer," "we," "our," or "us") individually offer products to you in your brokerage account held in conjunction with National Financial Services LLC ("NFS"). The terms "account owner," "you" and "your" refer to the account owners indicated on the Account Application to your applicable Broker-Dealer Customer Agreement for your Brokerage Accounts. 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.

Putting your money to work isn't just about investing; it's also about earning a return on cash that is waiting to be invested. That is why we offer clients a Sweep Program designed to enable you to earn a return on your cash. By participating in the Sweep Program, your free credit balances will be transferred into an account at a bank whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"), or, for certain accounts, as described further below, in a money market mutual fund. This document is meant to provide you with important information related to the Sweep Program and the products made available within. **We highly recommend that you read through this Disclosure Document carefully and that you consult with your Investment Representative if you have any questions or concerns related to the Sweep Program.**

The term "Free Credit Balance" refers to the credit balance that remains in a client's brokerage account after all purchases are made and are free from withdrawal restrictions. A client's free credit balance generally originates from dividends, interest payments, and/or security sales and may be used at any time to purchase more securities. Clients with a free credit balance may elect to receive the money each month or they may direct us to deposit or invest the money into eligible sweep products to maximize the potential to earn an additional return while the cash sits idle. We offer customers a Sweep Program pursuant to which you may automatically transfer free credit balances to a Deposit Account at one or more banks whose deposits are insured by the FDIC, or, in limited cases, a Money Market Mutual Fund ("Money Fund"). Upon opening a brand-new account with us, you will be provided with a Customer Agreement and will be asked to acknowledge your understanding of the Customer Agreement by entering your signature on the Client Signature Page. **As stated in the Customer Agreement, by executing the Client Signature Page you are consenting to having your account, and all subsequent and future account(s) opened for you by us, be automatically included in the Sweep Program.** Upon executing the Client Signature Page, you appoint our clearing firm, National Financial Services, LLC ("NFS") as your authorized agent to establish and maintain your sweep accounts.

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 different cash sweep vehicles, including 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 ("BDSP," or the "Program") is the primary core account investment vehicle we make available to you for available cash balances (from deposits to your account, securities transactions, dividend and interest payments and other activities) in your eligible Brokerage Account. ERISA Title 1 account types and 403(b)(7) plans are not eligible for the Bank Deposit Sweep Program; all available cash balances for these account types will use a Money Fund as described within this Disclosure Document titled "[Money Fund Available for ERISA Title 1 Account Types and 403\(b\)\(7\) Plans.](#)"

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 ("SIPC"). At the time funds are deposited with one or more Banks through the Program, your deposits in the Program are eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by 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 individual are insured up to \$250,000, and funds in the Deposit Accounts at a Bank held in joint accounts up to \$500,000.

The maximum amount of FDIC Insurance coverage for your deposits in the Program is \$2.5 million (for an individual account) or up to \$5 million (for a joint account) (the "Maximum Applicable FDIC Deposit Insurance Amount"), subject to the total amount on deposit in an account, applicable FDIC rules, and Bank availability. 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 insurable capacity directly with a Bank, or through an intermediary (such as us or another investment representative), 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), to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of the Disclosure Document titled "[FDIC/SIPC Coverage.](#)"

NFS, as your agent, will place, regardless of the maximum applicable FDIC insurance coverage available, in any one Program 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 any one Program Bank for a joint account (regardless of the number of owners), and up to \$246,500 in any one Program Bank for an individual retirement account (each such limit referred to hereinafter as the "Maximum Deposit Amount").

Once funds equal to the Maximum Deposit Amount have been deposited for you through the Program in each Bank on the Program Bank List, any additional funds will be invested in an "Excess Deposit Bank" that will accept funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount. **Funds invested in the Excess Deposit Bank that exceed the Maximum Applicable FDIC Deposit Insurance Amount will not be covered by FDIC deposit insurance.**

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 www.ffiec.gov/nic 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.

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. To the extent permitted under applicable law and as otherwise discussed below, we and NFS will receive a fee from each Bank for our services under the Program. The amount of the fee paid to us and NFS will affect the interest rate paid on the Deposit Accounts. You should review carefully the section of the Disclosure Document titled "[Information About Your Relationship with Your Broker-Dealer and the Banks.](#)"

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, joint tenant, a corporation, trustee, executor, custodian or in any other capacity. Your eligible Brokerage Account that utilizes the Program as the core account investment vehicle will be subject to the information discussed in this Disclosure Document. Please refer to the "[Program Eligibility](#)" section of this Disclosure Document or contact your Investment Representative for information concerning eligibility for the Deposit Accounts. The Program is intended to operate on a nondiscretionary allocation methodology.

A. Core Account Investment Vehicle Interest

As described in greater detail within this Disclosure Document titled "[Interest](#)," there are two methods by which interest is calculated and earned through the Program.

- I. For most account types, interest rates on Deposit Accounts will be tiered ("Tiered Structure") and will vary based upon prevailing economic and business conditions. The interest rate applied to your Deposit Account will be based on your assignment to a tier, as determined by us, based upon the value of your Program Deposits.
- II. For Individual Retirement Accounts ("IRAs") in which an advisory fee is charged (typically annually) as per the terms of the contract you entered with your Investment Representative, interest earned will not be based on tiers. Instead, interest on all Advisory IRA Deposit Accounts will be calculated and earned based on a level structure ("Level Structure"), as further defined in this Disclosure Document entitled "[Interest.](#)"

Participating Program Banks do not have a duty to offer the highest rates available or rates that are comparable to Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The interest rate for your Deposit Account and current interest rates for Program Deposits may be obtained from your Investment Representative, or at the URL specified in Appendix A.

B. Timing of Sweep

The cash balance in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Account 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 the Program Bank is open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account at the Program Bank.

C. 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.

D. Tax and Legal 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. In those cases, 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 Bank Deposit Sweep Program affects you.

E. Money Fund(s) Available for ERISA Title 1 Account Types and 403(b)(7) Plans

Money Fund(s) will be available for use as a core account investment vehicle, but only for qualifying account types. Qualifying account types include ERISA Title 1 accounts and 403(b)(7) plans. For more complete information about this Money Fund, including all charges and expenses, please contact your Investment Representative for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yield available on the Money Fund by contacting your Investment Representative, or at the URL specified in Appendix A.

Investments in Money Funds are not guaranteed or insured by the FDIC or any other government agency. Although Money Funds seek to preserve a net asset value of \$1.00 per share, there is no guarantee that this will occur; it is possible to lose money by investing in a Money Fund, including loss of principal. Please contact your Investment Representative for further details and additional information, including a prospectus, for any available Money Fund. Please read the prospectus carefully before investing. Investments in Money Funds are not FDIC insured but may be covered by SIPC. Please see Section VIII entitled “FDIC/SIPC Coverage” for more information.

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 and Financial Industry Regulatory Authority (“FINRA”) member who we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your account held with us are included in other documents, including, but not limited to, your account application, account agreement, applicable privacy notice, your applicable Broker-Dealer Customer Agreement for your Brokerage Accounts, the retirement account Customer Agreement and any applicable custodial agreement, disclosure statement or the like, the Margin Account Agreement, the Disclosure of Terms on Credit Transactions, the Margin Disclosure Statement, (“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, solely as it relates to the terms and conditions of this Disclosure Document, the Disclosure Document will control. Please review these Other Agreements for important information governing your Brokerage Account.

A. Program Eligibility

The Program is available to individuals, certain non-profit organizations and to certain fiduciaries and trusts, provided that the beneficiaries are individuals or otherwise eligible. Brokerage Accounts in the name of business entities including corporations, limited liability companies and partnerships are also eligible for the Program. Certain custodial individual retirement accounts are also eligible for the Program. Eligibility for the Program is subject to the limitations described herein and as determined by us and NFS. Please check with your Investment Representative if you have questions regarding eligibility of your account.

If we or NFS determine that your Brokerage Account is no longer eligible 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 FDIC-insured.

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 interest-bearing FDIC-Insured Program Deposit Accounts at one or more Program Banks on the Program Bank List. Once your cash balance has been swept to a Program Bank, it is referred to as your “Program Deposit.” Please 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. Once the Maximum Deposit Amount has been reached in all Banks on the Program Bank List that are accepting additional deposits, additional funds will be swept into the Excess Deposit Bank (as defined below in the section titled “Maximum Deposit Amount”).

One of the entries on the Program Bank List may contain the names of up to four Banks (“Alternative Banks”). When each of the Banks prior to the Alternative Banks on the Program Bank List has received deposits equal to the Maximum Deposit Amount, your funds will be deposited in one of the Alternative Banks up to the Maximum Deposit Amount. Once funds in this Alternative Bank have reached the Maximum Deposit Amount, 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 Maximum Deposit Amount at any Bank. You may, however, at any time, designate a Bank as ineligible to receive any funds (otherwise referred to as “opting out” of a Bank) 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 given effect. 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 Maximum Deposit Amount, 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.

C. Maximum Deposit Account

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 (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 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 Program Banks on your Program Bank List in the order reflected thereon (subject to removal and replacement as further described below). 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), all excess cash balances will be deposited into one designated Bank on the Program Bank List without regard to FDIC-insurance limitations (an “Excess Deposit Bank”).

D. 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. You will generally receive notification in advance 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. 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.

E. 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 that you may maintain directly with a particular Bank, 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 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 all of 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.

See “FDIC/SIPC Coverage” (Section VIII) 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 is available from your Investment Representative or at the URL specified in Appendix A. The Program Bank List indicates all the Program Banks, including your Excess Deposit Bank, which will be utilized for deposits after the Maximum Deposit Amount 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 Maximum Deposit Amount just as any other Program Bank and after deposits of the Maximum Deposit Amount have been made at all of the other Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposit Bank. If your Excess Deposit Bank has already received Program Deposits up to the Maximum Deposit Amount, 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.**

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. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List.

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 us is mailed. Please contact your Investment Representative or go to the URL specified in Appendix A for the most current Program Bank List. All changes to the Program Bank List will be maintained here along with the date in which the most recent update was made.

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. 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 accounts at the Bank. 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 account opening paperwork.

Federal banking regulations limit the transfers 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.**

Please see Section V entitled "Changes" for options available to you resulting from a change in the Program Bank List. You should also regularly check the URL

specified in Appendix A for changes to the Program Bank List.

D. Withdrawals - Access to Your Program Deposits

When funds are needed to cover transactions in your Brokerage Account, we will use on the same day the debit is applied, the following sources, in the order listed, to satisfy the debit: (i) available cash balances, including money added to your Brokerage Account (such as checks, interest, or transaction proceeds) and not yet moved to a Deposit Account; (ii) any remaining balance in your previous core account investment vehicle; (iii) Program Deposits; and (iv) if you have a margin account, any margin credit available.

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.

Withdrawals from your Deposit Accounts will normally be made on the business day following transactions in your Brokerage Account; however, your Brokerage Account is credited on the day of the debit. This process might result in you having an obligation to make us or NFS whole for the sum of the debits in your Brokerage Account if there is a problem withdrawing funds from your Deposit Account or you otherwise fail to sufficiently fund your Brokerage Account for the full amount of your daily debits. Please review your Customer 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) and move such funds 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, 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.

IV. INTEREST

A. Interest Rates

The interest rate for your Deposit Accounts may be obtained from your Broker-Dealer, your Investment Representative or at the URL specified in Appendix A. 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. Your interest rate and tier (if applicable) is based upon your Program Deposits. The rate of interest paid is tiered (if applicable) 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. You will receive notification in advance of any changes to the Interest Rate Tiers (if applicable) and if advanced notice is not practical, 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.

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 Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. **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, please contact your Investment Representative to discuss options that may be available outside of the Program that may be better suited to your goals.

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.

Adjustments made to your Brokerage Account which can be caused by transactions entered for a prior date (e.g., a fee reimbursement or a debit adjustment) may result in an interest credit or debit to your Deposit Accounts. The interest rate used to credit or debit adjustments may not be made at the current rate, but should reflect interest rates applicable at the time of the event. Interest rates applied to credit adjustments are not expected to be lower but, depending upon the interest rate tiering schedule (if applicable), could be less than those applied to your balances on the day in which the credit adjustment is made. Interest amounts on adjustments are rounded to the penny and for interest amounts of less than half a cent, you will receive no interest and you also will not be debited.

V. CHANGES

A. Changes to the Program Bank List

We and NFS reserve the right to make changes to the Program Bank List at any time. This may include the addition or removal of Program Banks. We may notify you that a change will be forthcoming and direct you to your Investment Representative or to the URL referenced in Appendix A for specific information on such change.

It is your obligation to monitor your accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List will be posted at the URL referenced in Appendix A and you should consult this site for the most up-to-date information about Bank eligibility for your deposits. Other changes to the Program may be posted to this site as well and you should direct any questions you may have to your Investment Representative.

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, 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 Maximum Deposit Amount into the next successive Bank on the Program Bank List if possible. Once the Maximum Deposit Amount 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. Please 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 a Program modification is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable 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 transfer the balances from your prior core account investment vehicle into a 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 transferring your Brokerage Account to another provider or another program.

If we need to change the core account investment vehicle available for your Brokerage Account under the circumstances set forth in this Disclosure Document, or for other circumstances as may be necessary, the replacement core account investment vehicle provided may receive a lower effective rate of return than is available on funds swept into a Deposit Account. We will attempt to make an alternative core account investment vehicle available for your Brokerage Account that provides a rate of return that is equal to or better than the rate of return you were receiving on your Program Deposit. We, however, 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 practicable, 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.

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), 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.

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. In those cases, 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. YOUR RELATIONSHIP WITH YOUR BROKER-DEALER AND THE PROGRAM BANKS

A. Relationship with your Broker-Dealer and the Program 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, we, or NFS 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 A DIRECT DEPOSITORY RELATIONSHIP 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 PART OF YOUR BROKERAGE ACCOUNT AND WE WILL HAVE NO FURTHER RESPONSIBILITY CONCERNING THE DEPOSIT ACCOUNTS.

B. Benefits to your Broker-Dealer and Others

The Program may create financial benefits for your Broker-Dealer, NFS, the Program Banks, and other service providers. Your Broker-Dealer and any Program Banks who are affiliated with us may receive additional benefits under the Program. We will disclose on our list of Program Banks maintained at the URL specified in Appendix A any Program Banks with which we are affiliated.

The interest rate payable to you is based on the amounts paid by the Program Banks to us and NFS, less a fee retained by which may be up to 400 basis points annually as applied across all Deposit Accounts. In our discretion, we may reduce all or a portion of our fee. The amount of fees received will affect the interest rate paid on your Deposit Accounts. 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, including Money Funds. At no time will fees associated with this Program, or any alternative products made available to you within the Sweep Program (i.e. Money Funds), be paid to your Investment Representative. We reserve the right to modify the fees we receive from Program Banks. If the fee increases, you will receive notification of any such change. In addition to our fee, other service providers with respect to the Program will receive fees from each Bank (collectively, with the fees paid to us and/or NFS, "Program Fees").

C. Level Structure (applicable to Advisory IRA accounts only)

For its services under the Program, including making the Program available, we receive a monthly per account fee. Compensation under the Program does not depend on or vary with, and is not affected by, the actual amounts held in the Deposit Accounts or your account. As provided for below, our fee schedule will be indexed to the current Federal Funds Target ("FFT") Rate. Under the fee schedule, increases in the FFT Rate will result in increased compensation to us. Although it is generally anticipated that our fees under the Program will be offset by the amounts paid by the Program Banks, as discussed above, and you hereby direct the Program's administrator to collect such fees from the Program Banks and remit such amounts over to us. We reserve the right to withdraw or debit the monthly account fee, or a portion thereof, from your account in the event or to the extent that the amount received from the Program Banks and paid to us by the administrator for the period is less than our applicable fee for the same period.

We will be paid, by you, a maximum monthly per account fee of \$20.75 for our services in connection with maintaining the Program. In a lower rate environment (lower FFT rate), our fee will be reduced. The fees paid to us may be reduced to as low as \$1 per account per month. Although possible, only during extreme circumstances would we charge the monthly fee against your account whereby you would see a debit applied to your account. The monthly account fee increases and decreases by \$0.035 with every 1 basis point (a basis point is equivalent to 0.01%) change in the FFT. **The formula that will be used to calculate your fee is $\$1 + (\$0.035 \times \text{FFT})$, with a maximum monthly per account fee of \$20.75.** FFT rate is the rate or the range of rates as expressed in percentages most recently announced by the Federal Open Market Committee of the Federal Reserve System that is the Committee's target for the rate charged by banks on unsecured loans of the banks' reserve balances at Federal Reserve Banks. In cases where the FFT rate is a range of rates, the FFT rate will be deemed to be the midpoint of the range rounded to the nearest hundredth of a percent.

The monthly fee you pay to us will not generally be seen on your account statement due to the manner in which we recoup the fee from the Program Banks' payments, as discussed above. We may waive any portion of its fees, or its fee entirely, imposed on your account with respect to the Program.

D. Questions/Comments Regarding this Program

You may contact your Investment Representative or access the URL specified in Appendix A to determine the current interest rate on the Deposit Accounts for both the Tiered Structure and the Level Structure.

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, solely as it relates to the subject matter of this Disclosure Document, this document will control.

VIII. FDIC/SIPC Coverage

A. Deposit Insurance

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 held by you in the same insurable capacity at a Bank (e.g., individual, joint, etc.) and \$250,000 for certain individual retirement accounts, in each case such account may be insured for such greater 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 in one ownership capacity, either through the Program or otherwise, exceed the FDIC insurance limits applicable to that ownership capacity, deposits in excess of the 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 limit, as applicable, for principal and interest accrued to the day the Bank is closed. Neither we nor NFS is responsible for any insured or uninsured

portion of a Deposit Account. 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 your Brokerage Account. Contact your Investment Representative to exclude a Bank from the Program Bank List.

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 bank accounts, CDs, and deposits held 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.

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 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.

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.

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 provided (i) the beneficiaries are natural persons and (ii) NFS' account records disclose the names of all trust beneficiaries. For each trust owner with combined revocable trust account deposits of \$1.25 million or less at a Bank the maximum coverage will be determined by multiplying the number of different beneficiaries by \$250,000. If an owner has in excess of combined revocable trust account deposits of \$1.25 million at a Bank and has named more than five beneficiaries there is a limitation on the maximum coverage.

Entities/Corporations. 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.

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.

C. Questions about FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, please contact your Investment Representative. You may wish to seek advice from your own attorney 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, 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 us 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. SIPC currently protects these funds and securities up to \$500,000, including \$250,000 for claims for cash. NFS also has arranged for coverage above these limits. 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 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 Fund Shares are considered to be securities for purposes of SIPC coverage. **The Deposit Accounts are not eligible for SIPC coverage.**

If you have questions about SIPC coverage, please 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.

APPENDIX A
SWEEP PROGRAM DISCLOSURE DOCUMENT

You may obtain information on the current Program Bank list and Interest Rates offered by the Bank Deposit Sweep Program, as well as information, including the most current yield, offered on the Money Fund made available within the Sweep Program by visiting your respective Broker-Dealers website:

<https://www.advisorgroup.com/disclosures>
<https://www.fscsecurities.com/disclosures>
<https://www.royalalliance.com/disclosures>
<https://www.sagepointfinancial.com/disclosures>
<https://www.woodburyfinancial.com/disclosures>