

# Liquid Insured Deposits<sup>SM</sup>

## Terms and Conditions

### I. Introduction

The Liquid Insured Deposits<sup>SM</sup> Program (the "Program") is offered to you by your investment professional or financial organization ("Investment Professional") at the broker dealer that introduced your account ("IBD") to Pershing LLC ("Pershing"), which acts as custodian of the assets in your account, as a sweep option and is intended for the investment of available cash balances into bank deposit accounts. By selecting the Program as your automatic cash investment option, you agree to these Terms and Conditions and to appoint Pershing as your authorized agent to establish and maintain bank deposit accounts at various depository institutions that participate in the Program, which may include The Bank of New York Mellon ("BNYM") and BNY Mellon, National Association ("BNY Mellon, N.A.") (collectively, "Program Banks"), and to effect deposits to and withdrawals from such Program Banks pursuant to these Terms and Conditions. Pershing has appointed Reich & Tang Deposit Solutions, LLC ("R&T") to provide certain services with respect to the operation of the Program. There is no minimum amount required as an initial deposit or for subsequent deposits. Subject to certain exceptions, the maximum amount of Federal Deposit Insurance Corporation ("FDIC") deposit insurance coverage available under the Program for your bank deposits currently is \$2.5 million for each category of legal ownership as more fully explained below.

These Terms and Conditions for the Program are supplemental to those contained in your existing account agreements you executed to open and maintain with Pershing through your Investment Professional.

**YOU UNDERSTAND THAT TO ENROLL IN THE PROGRAM, YOU HAVE EITHER (1) RECENTLY INSTRUCTED YOUR INVESTMENT PROFESSIONAL TO DIRECT YOUR CASH PENDING INVESTMENT TO THIS INSURED BANK DEPOSIT SWEEP OPTION, OR (2) GIVEN YOUR REGISTERED INVESTMENT ADVISOR OR INVESTMENT PROFESSIONAL DISCRETION TO MAKE INVESTMENT DECISIONS FOR YOUR ACCOUNT.**

**YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED AND CAREFULLY READ THESE TERMS AND CONDITIONS AS WELL AS THE DISCLOSURES WITH RESPECT TO INTEREST RATES IN CONNECTION WITH CHOOSING TO ENROLL IN THE PROGRAM. IF YOU HAVE ANY QUESTIONS ABOUT ANY OF THE PROVISIONS OF THESE TERMS AND CONDITIONS, PLEASE CALL YOUR INVESTMENT PROFESSIONAL.**

### II. Summary of Terms and Conditions

This Section II of the Terms and Conditions is a summary of certain features of the Program. It is prepared for your convenience, and must be read in conjunction with the more detailed disclosure below.

**A Summary of the Program:** Pershing operates the Program which, if you choose to participate, automatically purchases, or sweeps, your excess cash balances in your brokerage account in custody at Pershing ("Account") to demand deposit accounts ("DDAs") and/or money market deposit accounts ("MMDAs"); together with DDAs, "Deposit Accounts") at Program Banks in accordance with the allocation methodology described in Section III. J, Allocations to Program Banks, and sweeps your cash from those various Program Bank accounts to cover purchases of securities and other debits in your Account. You receive interest on your balances held on deposit at the various Program Banks.

**FDIC Insurance:** Your funds are routed through an intermediary bank and deposited into interest-bearing FDIC-insured omnibus Deposit Accounts at the Program Banks which hold your and other customers' funds, and in which you will hold a beneficial interest. Your deposits, plus interest earned thereon, ("Liquid Insured Deposits"), are held in those Program Bank account(s) in a manner designed to currently provide your Liquid Insured Deposits balance with up to a maximum level of \$2.5 million of FDIC insurance coverage under the Program. Pershing, as your agent, allocates your Liquid Insured Deposits among a number of Program Bank accounts up to the total balance allowable under the Program, currently \$2,490,000 (the "Program Deposit Limit"), to seek to maximize the FDIC deposit insurance coverage available under the Program, which protects your deposits in the event of a bank failure. FDIC deposit insurance coverage is normally available for your Liquid Insured Deposits up to the FDIC standard maximum deposit insurance amount ("SMDIA"), which is currently \$250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by you in the same Program Bank and in the same legal category of account ownership. While the target FDIC insurance coverage on Program balances is \$2.5 million on your total Liquid Insured Deposits balance, the maximum amount of FDIC insurance coverage available to is subject to availability of Program Banks. In any event, the maximum amount of FDIC insurance available cannot exceed the SMDIA per legal category of account ownership multiplied by the number of participating Program Banks that you have not excluded from receiving your deposits through the Program, less any funds you may hold in a Program Bank outside of the Program in the same legal category of account ownership. For example, based on the SMDIA of \$250,000 per legal category of account ownership per Program Bank and an assumption that there are eleven or more Program Banks eligible to receive your deposits through the Program, and provided that you do not have any funds on deposit at a Program Bank outside of the Program, the amount of FDIC insurance coverage available on your Liquid Insured Deposits balance would be \$2.5 million per legal category of account ownership. Pershing will notify you if, at any time, this target level of FDIC insurance coverage of \$2.5 million on Program balances is changed.

Pershing has established standing instructions with each Program Bank to help ensure that Pershing maintains control over your funds at each Program Bank at all times. Pershing uses the services of R&T to perform allocations among the Program Banks in accordance with the allocation methodology described in Section III. J, Allocations to Program Banks, to seek to maximize FDIC insurance coverage on your balance in the Program. However, any money that you hold at a Program Bank outside the Program may impact the insurance coverage available, as neither Pershing, your Investment Professional, your IBD nor R&T monitors or takes any responsibility for money you may have at a Program Bank outside the Program. You are solely responsible for monitoring this. As such, you should regularly review the then current list of Program Banks carefully. A current list is attached, and the Program Banks holding your money upon each interest reinvestment will also be listed on your Account statements. You have the right to instruct that your Liquid Insured Deposits not be allocated to a particular Program Bank. See Sections G, FDIC Deposit Insurance: Operations and Limitations, and H., Ability to Exclude Program Banks.

**Securities Investor Protection Corporation ("SIPC"):** SIPC insures certain customer assets held at broker-dealers, such as Pershing, in the event of the failure of the broker-dealer. Although SIPC covers securities in client brokerage accounts up to \$500,000 (including a maximum of \$250,000 for uninvested cash held in the brokerage account), the deposits made through the Program are not insured by SIPC. Note that SIPC does not insure against the loss of value of any investment or product. See Section B, Differences Between Liquid Insured Deposits and Money Market Funds. For more information about SIPC coverage see [www.sipc.org](http://www.sipc.org).

**Access to Funds:** You will access your funds in the Program only through your Account, by contacting your Investment Professional or IBD. In the event of the failure of your Investment Professional or IBD, you may seek to access your funds by contacting Pershing at 1-201-413-3333. In the event of the failure of Pershing, you may seek to access your funds by contacting R&T at 1-800-433-1918 or the designated trustee or receiver of Pershing. As explained in Section III. L., Account Statements, your Account statements will list the names of the Program Banks holding your money and the balance at each upon each interest reinvestment. See Section III. F., Withdrawals.

**Determination of Interest Rates:** Interest rates fluctuate and are based on the prevailing interest rates paid by the Program Banks. Program interest rates are available from your Investment Professional. See Section III. K., Interest, Negative Interest Rates and Compensation to Pershing and R&T.

**Conflicts of Interest:** Pershing and R&T earn fees on the balances in the Program, including your money. Your Investment Professional, IBD and Pershing may be affiliated with one or more Program Banks. If a portion of your Program balances is allocated to BNYM and BNY Mellon, N.A., they will realize an economic benefit from them. The Program Banks, including BNYM and BNY Mellon, N.A. do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds or those offered by other depository institutions. See Section III. K., Interest, Negative Interest Rates and Compensation to Pershing and R&T.

**Risks of the Program:** You may receive a lower rate of return on moneys deposited through the Program than on other types of money market investments, such as money market mutual funds. Program Banks are permitted to impose a seven-day delay on any withdrawal request for amounts placed in MMDAs. In the event of a failure of a Program Bank, there may be a time period during which you may not be able to access your money. If you have money at a Program Bank outside the Program, this will negatively impact the availability of FDIC insurance coverage on the total amount of your funds held within and outside the Program. If you have on deposit through the Program, funds in an amount of money that exceeds the number of Program Banks that you have not excluded multiplied by the SMDIA, the balance in excess of that amount will not be insured by the FDIC. If you exclude one or more Program Banks, the amount of FDIC insurance coverage available on your balance in the Program may decrease. In the event there is insufficient availability of Program Banks to fully allocate your balances, there is a potential that your Program balance may not be fully insured up to \$2,500,000. In the event the Program cannot accept any additional deposits, the sweep feature on your Account may be updated to prevent any further sweep deposits into the Program from your Account. If this occurs, an available cash balance in your Account would no longer be automatically invested into the Program and would remain a free credit balance in your Account. If you have concerns about the risks of this program, contact your IBD or Investment Professional about alternatives available to you.

### III. Detailed Terms and Conditions

#### A. Account Eligibility

This Program is available to the following types of accounts: individual, joint, IRAs, certain business entities including corporations, and certain fiduciary and trust accounts provided the beneficiaries are individuals or otherwise eligible to maintain a bank deposit. In order to obtain FDIC insurance in the Program, you must provide proper and correct tax identification information to Pershing.

#### B. Differences Between Liquid Insured Deposits Program and Money Market Mutual Funds

The money market mutual funds made available through your Investment Professional or IBD are registered with the U.S. Securities and Exchange Commission ("SEC") under both the Investment Company Act of 1940 and the Securities Act of 1933. The Liquid Insured Deposits Program made available through Pershing is not a registered fund, but is a program under which the uninvested cash in your Account is swept to, and held in, Deposit Accounts at Program Banks that are regulated by bank regulatory agencies under various federal and/or state banking laws and regulations.

Liquid Insured Deposits are obligations of the Program Banks in which the deposits are held and qualify for FDIC insurance protection per depositor in each recognized legal category of account ownership in accordance with the rules of the FDIC. An investment in a money market mutual fund is not insured or guaranteed by the FDIC.

A Program Bank account under the Program is not covered by the SIPC. SIPC is a non-profit member corporation funded primarily by member securities brokerage firms registered with the SEC. SIPC provides protection against risks to clients of member brokerage firms, like Pershing and your IBD, in the event of the failure of that member firm. SIPC covers securities in client brokerage accounts up to \$500,000 (including a maximum of \$250,000 for uninvested cash held in the brokerage account). However, SIPC does not insure against the failure of the issuer of securities and does not guarantee bank deposits. For more information about SIPC coverage see [www.sipc.org](http://www.sipc.org).

Your Liquid Insured Deposits balance earns interest at the Program Banks in which your deposits are held, and a money market mutual fund investment earns dividends on fund shares held in your Account. The interest earned on your Liquid Insured Deposits balance may fluctuate and may be greater or less than the then current yield on a money market mutual fund investment. Please see Section K, Interest and Compensation to Pershing and R&T.

While a registered investment company, such as a money market mutual fund, is bound by fiduciary obligations to its shareholders to seek the highest rates prudently available (less fees and expenses), Pershing, R&T, and the Program Banks are under no such obligation.

Of course, you may also be able to choose, as an automatic cash investment option, other sweep alternatives. Please call your Investment Professional or IBD for additional information.

### C. Relationship with Pershing

Pershing is acting as your agent in establishing and maintaining Program Bank accounts, including depositing your money to and withdrawing your money from the Program Bank accounts. Having instructed your Investment Professional or IBD to enroll you in the Program, your first bank deposit will constitute your appointment of Pershing as your agent to establish and maintain Program Bank accounts and to effect deposits to and withdrawals from such Program Bank accounts in connection with the Program. Pershing has reviewed the Program Banks which maintain the account(s) used for the deposit or withdrawal of your money. Pershing retains R&T to operate the allocation methodology described in Section III. J. Allocations to Program Banks that determines into which Program Bank(s) your money will be deposited to maximize the amount of FDIC insurance available to you under the Program up to the Program limit.

### D. Information about Pershing and R&T

Pershing, a wholly owned indirect subsidiary of The Bank of New York Mellon Corporation, is a registered broker-dealer in securities and is a member organization of the New York Stock Exchange (NYSE), the Financial Industry Regulatory Authority ("FINRA") and SIPC. BNYM is a NY state-chartered bank and BNY Mellon, N.A. is a national banking association. Both BNYM and BNY Mellon, N.A. may participate in the Program by holding your funds in Deposit Accounts and both are affiliates of Pershing. Pershing, BNYM and BNY Mellon, N.A. are BNY Mellon companies. BNY Mellon is the corporate brand for The Bank of New York Mellon Corporation.

R&T assists Pershing in the allocation of your funds to Program Banks and may also maintain certain records on behalf of Pershing. It is not, itself, a bank, broker-dealer, or investment adviser and does not hold any of your Liquid Insured Deposits.

Program Banks may be affiliated with Pershing, your Investment Professional or your IBD from time to time. Program Banks that are affiliated with Pershing, your Investment Professional or your IBD may be given sequence priority to receive deposits or may operate under terms that are not available to unaffiliated Program Banks. For a list of affiliated Program Banks and other related disclosures please contact your Investment Professional. R&T is not affiliated with any of the Program Banks.

### E. Deposits

By enrolling in the Program, you consent to have excess cash balances pending investment in your Account automatically deposited into accounts at Program Banks. Once enrolled in the Program, each business day, Pershing or its agent bank, based on the output of the allocation services of R&T, will deposit the excess cash balance in your Account to one or more omnibus Deposit Accounts maintained at the Program Banks entitled "Pershing LLC as Agent for the Exclusive Benefit of its Customers, Acting For Themselves and For Others" or substantially similar. Your Liquid Insured Deposits ownership will be evidenced by an entry on records maintained by Pershing and R&T, as Pershing's agent and record keeper, for each of the Program Banks at which your funds are on deposit. You will not be issued any evidence of ownership of a Program Bank account, such as a passbook or certificate. However, your Account statement will reflect all deposits, withdrawals, Program Bank deposit balance(s) and the applicable interest rate.

Funds intended for deposit into the Program must be placed through your Account and cannot be placed directly by you with any of the Program Banks. Only balances transferred by Pershing will be eligible for inclusion in a Program Bank account. Excess cash balances in your Account on each business day will be transferred to Program Bank accounts no later than the next business day.

Unless your IBD has instructed Pershing otherwise, once your Program balance reaches the current Program Deposit Limit of \$2,490,000, Pershing, as your agent, will automatically sweep any Excess Balance in your Account into the secondary sweep option in your Account as described in more detail below.

### F. Withdrawals

By enrolling in the Program, you consent to have your money on deposit at the Program Bank(s) automatically withdrawn from the Program Bank accounts in the event of a debit in your Account or, on settlement date, to pay for securities purchased for or sold in your Account. Each business day as needed, Pershing or its agent bank, based on the output of the allocation services of R&T, will withdraw your cash from the omnibus Deposit Accounts maintained at the Program Banks.

You may make withdrawals from the Program, in any amount, not to exceed your total account balance in the Program, through your Account. Withdrawals from the Program cannot be made directly by you through any of the Program Banks. Checks, ACH payments, debit cards, ATM withdrawals, direct deposits, credits and other transactions occurring in your Account are processed through that account rather than through the Program accounts.

If your Program balance exceeds the Program Deposit Limit and the Excess Balance from your Account is swept into a secondary sweep option, the balance in that secondary sweep option will be used first to satisfy debits in your Account before withdrawals are made from your Program balance.

### G. FDIC Deposit Insurance: Operation and Limitations

Your balance in the Liquid Insured Deposits is deposited into omnibus Deposit Accounts at the Program Banks in a manner currently designed to provide up to a minimum target level of \$2.5 million of FDIC insurance coverage on your Program balance, subject to certain exceptions described herein. The FDIC insurance coverage on your Program balance will be limited to the extent that you hold deposits directly, or through others, in the same recognized legal category of ownership at the same Program Banks as you hold deposits through the Program. The FDIC protects you against the loss of your insured Liquid Insured Deposits balance in the event a Program Bank fails. FDIC deposit insurance is backed by the full faith and credit of the United States. Specifically, FDIC deposit insurance coverage shall be available for your balance in the Liquid Insured Deposits up to the SMDIA, which is currently \$250,000 per legal category of account ownership at each participating Program Bank, but will be aggregated with all other deposits held by you in the same Program Bank both within and outside the Program and in the same legal category of account ownership.

During the business day when your funds are transferred and being deposited into the Program, your funds will be held for a limited amount of time intraday at an intermediary bank prior to being allocated and distributed among the Program Banks. Once transferred from the intermediary bank to the Program Banks, the funds will be insured. The Program has been designed to facilitate the movement of funds in a timely manner each day. Pershing expects that your funds will be sent by the intermediary bank to the Program Banks by the close of business each day. However, in the event of a failure of wire transfer systems or communications facilities or other causes beyond Pershing's control, resulting in your funds not being sent to the Program Banks in a timely manner and remain held at the intermediary bank or any Program Bank, your funds could, to the extent they exceed the current SMDIA, be uninsured until the next business day.

Your Program Funds are allocated among a number of Program Banks to seek to maximize the potential FDIC deposit insurance coverage up to the total balance allowable under the Program, currently \$2,490,000 ("Program Deposit Limit"). Pershing and R&T, in their sole discretion, may change the Program Deposit Limit. The total deposit for you at any Program Bank is set at a level below \$250,000 (i.e., below the SMDIA) to ensure that the sum of the principal and accrued interest at a Program Bank does not exceed \$250,000. For this same reason, the Program Deposit Limit is set at \$2,490,000.

The maximum deposit at each Program Bank is currently set at \$245,000 and the Program Deposit Limit is \$2,490,000. Based on the level of interest rates and other factors, Pershing may change these amounts in the future. In the aggregate, the maximum amount of Liquid Insured Deposits eligible for FDIC deposit insurance coverage shall not exceed the SMDIA per legal category of account ownership multiplied by the number of participating Program Banks in the Program that you have not excluded from receiving your deposits, less any funds that you may hold on deposit in the Program Banks outside of the Program in the same legal category of account ownership, but not in excess of the Program Deposit Limit. The number of participating Program banks will vary.

If you have any money on deposit in a Program Bank outside of the Program, that money will not be taken into account in determining whether to allocate your money in the Program to a particular Program Bank.

For example, if the SMDIA is \$250,000 and you have a non-Program deposit account at Program Bank "A" of \$200,000 and you also have \$60,000 in Liquid Insured Deposits at Program Bank A in the same legal category of ownership as your separate deposit, only \$250,000 of your \$260,000 balance held at Program Bank A would be insured by the FDIC.

A number of factors can affect your insurance coverage, including bank mergers. Because neither Pershing nor R&T would be aware of deposits made by you outside of this Program, you are solely responsible for monitoring the total amount of all deposits you have at each Program Bank for purposes of calculating your FDIC coverage. In addition, if for any reason the amount deposited in the Program in your Accounts exceeds the number of Program Banks available to you multiplied by the SMDIA, the excess funds would not be insured by the FDIC. None of Pershing, R&T, your Investment Professional or your IBD is responsible for any insured or uninsured portion of your deposits in any of the Program Banks.

In the event that FDIC deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest up to the SMDIA per legal category of account ownership multiplied by the number of Program Banks shall be made to you. However, there is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

Unless your IBD has instructed Pershing otherwise, once funds equal to the Program Deposit Limit have been deposited for you through the Program into the Program Banks, any additional funds will be automatically invested into a secondary sweep option, as described in more detail below.

## H. Ability to Exclude Program Banks

You may exclude any Program Bank from holding your Liquid Insured Deposits by notifying your Investment Professional or IBD. There will be a delay between the time you make your request and the time that such Program Bank is excluded. If you exclude one or more Program Banks, the maximum level of FDIC insurance available under the Program may be reduced. Contact your Investment Professional or your IBD at the time you exclude the Program Bank to confirm the new maximum amount of Federal deposit insurance available to you under the Program.

## I. Your Responsibility to Monitor Your Automatic Cash Investment Options

Neither Pershing nor R&T has any obligation to monitor this automatic cash sweep option for your Account or to make recommendations about, or changes to, the Program that might be beneficial to you. As returns on the Liquid Insured Deposits, your personal financial circumstances and other factors change, it may be in your financial interest to change your automatic cash sweep investment option or invest cash in your Account in other investment vehicles. You can determine what automatic cash investment options and other investments are available and the current rates and returns thereon at any time by calling your Investment Professional or IBD.

## J. Allocations to Program Banks

You may obtain a current list of Program Banks at any time by calling your Investment Professional or IBD or visiting [www.Pershing.com/rates.html](http://www.Pershing.com/rates.html). Your Account statements also list the Program Banks that hold your Liquid Insured Deposits and the amount in each of those Program Banks upon interest reinvestment date. The Program Banks that hold your Liquid Insured Deposits may change at any time during a statement period. Accordingly, if you want to know the Program Bank at which your Liquid Insured Deposits are located at any particular time, contact your Investment Professional or IBD. Pershing may add and remove Program Banks from the Program without prior notice to you.

Each of R&T and Pershing enter into participation agreements with multiple Program Banks to accept funds from the Program. Pursuant to negotiations between R&T and the Program Banks, each Program Bank will establish, and from time to time reestablish, the level of deposits that it is willing to accept (the "target level"), and the amount of interest and fees that it is willing to pay under the Program.

R&T's allocation algorithm is a non-discretionary allocation methodology performed at the open of each business day that ranks the Program Banks according to the following objective process:

- Each Program Bank is initially priority ranked according to the amount of the balance required to reach its target level by accepting Program deposits that day. Under this ranking process, the Program Bank with the greatest amount required to reach its target level is ranked first, the Program Bank with the second greatest amount required to reach its target level is ranked second, and so on; and
- The initial priority ranking shall be adjusted, as needed, to take into account Program Bank specific conditions that may, pursuant to the terms of its participation agreement and certain regulatory requirements, restrict its ability to receive individual client deposits under the Program below certain minimum dollar amounts (e.g., only deposits of \$100,000 or more per individual depositor may be accepted) or from only certain types of accounts (e.g., based on legal category of account ownership, whether held by a U.S. or non-U.S. person).

With respect to the above adjustment, Program Banks that require specific types of deposits or deposit minimums per individual depositor will be moved to the top of the priority ranking, based first on the dollar amount of any individual depositor minimum, and then based on the target level, each by descending amounts. In addition, Program Banks that are affiliated with Pershing, your Investment Professional or your IBD, at their instruction, may be given sequence priority to receive deposits.

The initial ranking as so adjusted for each business day is referred to as that business day's "Deposit Allocation Ranking".

Once the Deposit Allocation Ranking is established, all customer funds participating in the Program are allocated (and re-allocated), each business day, to the Program Banks according to the current Deposit Allocation Ranking, subject to (i) the individual customer opt-out rights as to any Program Bank(s), (ii) the Program Bank's individual depositor minimum, where applicable; (iii) the Program Bank's account type restrictions; (iv) the Program Bank's stated capacity; and (v) the Program Deposit Limit. Customer funds are allocated to the Program Banks individually, based on deposit size, in descending order. Accordingly, customers with larger deposits will be processed and allocated before customers with smaller balances.

With respect to the allocation of your Program balance, the first Program Bank in the Deposit Allocation Ranking for any business day will receive your funds first until such Program Bank holds an amount of your funds not to exceed \$250,000. To the extent that you have allocable funds in excess of the maximum limit per bank set by Pershing (currently \$245,000), your funds are then allocated to the second Program Bank in the Deposit Allocation Ranking, and this process is continued until all of your funds are allocated or the Program Deposit Limit is reached. To the extent that a Program Bank has already received deposits up to such Program Bank's target level, or to the extent the level of your deposits is insufficient to satisfy a Program Bank's per individual depositor minimum deposit minimum requirements, or your deposits do not satisfy the Program Bank's account type requirements, such Program Bank will be skipped when allocating your funds, and your funds will be allocated to the next Program Bank in the Deposit Allocation Ranking. Any Program Bank on which you have exercised your opt-out right will also be skipped.

Unless your IBD has instructed Pershing otherwise, once your Program balance reaches the current Program Deposit Limit of \$2,490,000, Pershing, as your agent, will automatically sweep any Excess Balance in your Account into the secondary sweep option in your Account.

Each Program Bank is a separate FDIC-insured depository institution. You can obtain publicly available financial information for all Program Banks at the FDIC's website at [www.fdic.gov](http://www.fdic.gov); or by contacting the FDIC's Division of Information and Research by writing to Federal Deposit Insurance Corporation, Division of Information and Research, 550 17th Street, N.W., Washington, D.C. 20429-9990; or by calling the FDIC's Division of Information and Research at 877-275-3342. Neither Pershing nor R&T guarantees the financial condition of any Program Bank, or the accuracy of any publicly available information concerning a Program Bank. Pershing and R&T are not responsible for any insured or uninsured portion of any deposits at a Program Bank. You expressly give your consent to Pershing, R&T and their service providers to provide your customer account information to Program Banks and the FDIC, if necessary, for purposes of your involvement in the Program.

The Program Bank accounts established by Pershing on behalf of its customers, as customers' agent, constitute a direct obligation of the Program Bank(s) and are not directly or indirectly an obligation of R&T, Pershing, your IBD or your Investment Professional.

Where your funds are held in MMDAs, the return of your funds may be delayed. Program Banks are permitted to, but rarely do, impose a delay of up to seven days on any withdrawal request from an MMDA.

### Secondary Sweep Option

Unless your IBD has instructed Pershing otherwise, once your Program balance reaches the current Program Deposit Limit of \$2,490,000, Pershing, as your agent, will automatically sweep any additional free credit balance over that amount ("Excess Balance") from your Account into the secondary sweep option selected by your IBD or your Investment Professional. If your IBD or Investment Professional has not selected a secondary sweep option on your account, any Excess Balance will be swept into a default money market mutual fund ("Money Fund"). The default Money Fund used as the secondary sweep option for the Program is currently the Dreyfus Government Cash Management Investor Shares (Ticker symbol DGVXX). Please see the section of this Disclosure Statement titled "Money Fund Features" for additional information on the default secondary sweep option.

### Money Fund Features

Any balance in excess of the current Program Deposit Limit of \$2,490,000 will be automatically swept into the secondary sweep option in your Account that was selected by your IBD or your Investment Professional. If your IBD or Investment Professional has not selected a secondary sweep option in your Account, Pershing, as your agent, will automatically sweep any Excess Balance into the Dreyfus Government Cash Management Investor Shares Money Fund (Ticker symbol DGVXX). If the Excess Balance in your Account is swept into the default Money Fund, a prospectus will automatically be mailed to you. Balances in a Money Fund are not FDIC-insured, but is eligible for Securities Investor Protection Corporation ("SIPC") coverage up to applicable limits. You could lose money by investing in a Money Fund. Although a Money Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a Money Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The sponsor of a Money Fund has no legal obligation to provide financial support to the Money Fund, and you should not expect that the sponsor will provide financial support to the Money Fund at any time. Although the board of the default Money Fund has no current intention to impose a fee upon the sale of shares or temporarily suspend redemptions if the liquidity of the Money Fund falls below certain levels, the board reserves the ability to do so after providing at least 60 days prior written notice to shareholders. Please see the "SIPC Coverage" section of this Disclosure Statement for more information on SIPC coverage.

## K. Interest and Compensation to Pershing and R&T

### Interest

The amount of paid interest and the annual percentage yield earned ("APYE") applicable to your Liquid Insured Deposits will be stated on your Account statement. Contact your Investment Professional or IBD to obtain the current interest rate and APY being paid on your Liquid Insured Deposits, the names of the Program Banks, your account balances at each of the Program Banks as of the most recent business day, and other account information.

The interest rate paid by each Program Bank is paid pursuant to an agreement with each Program Bank and is subject to change at any time. The interest rate on the Deposit Accounts is determined by Pershing based on the amount that Banks are willing to pay on the Deposit Accounts less the fees paid to Pershing and R&T as set forth below under "Compensation to Pershing and R&T". The interest rate may fluctuate daily.

Interest will be compounded daily and posted monthly to the Program Bank account. Interest will accrue on deposits from the day they are received in investible form by the Program Bank through the day preceding the date of withdrawal from the Program Bank. The "daily balance method" is used to calculate interest. This method applies a daily periodic interest rate to the principal in the account for the period. The daily rate is 1/365 (or 1/366 in a leap year) of the applicable annual rate. The interest rate you earn on your Liquid Insured Deposits may be higher or lower than the rates available to depositors making non-Program deposits with Program Banks directly, through other types of accounts at Pershing, or with other depository institutions in comparable accounts. Any fees imposed under the Program reduce earnings on your Liquid Insured Deposits. You should compare the terms, rates of return, required minimum amounts, charges and other features of a Liquid Insured Deposit with other accounts and investment alternatives.

#### **Negative Interest Rates**

In response to certain extraordinary economic conditions, some foreign countries have implemented a negative interest rate policy to stabilize their economies. Under such a policy, a central bank charges banks a fee to hold reserves, and, as a result, the banks then charge depositors a fee to maintain their deposits. Historically, the U.S. has not adopted policies resulting in negative interest rates, and there is no indication that the Federal Reserve Board plans to adopt such a policy in the future. If, however, such a policy is adopted in the U.S., Program Banks may begin to charge fees to maintain deposits held through bank deposit sweep products, such as the Program. In such an event, a fee would be charged for maintaining your deposits at Program Banks through the Program. This fee would be in addition to fees received from Program Banks for their participation in the Program. Any fees related to negative interest rates would be applied to your Program balance on a monthly basis for the duration of the negative interest rate period. If applicable, this fee will appear on your periodic Account statement.

#### **Compensation to Pershing and R&T**

Each Program Bank pays Pershing and R&T fees for services related to your Liquid Insured Deposits equal to a percentage of the average daily deposit balance in the Deposit Accounts at the Program Bank. For certain accounts, such fees may be determined on a "per account" basis. The fee may vary from bank to bank. The amount of the fee paid to R&T and Pershing will affect the interest rate paid on the Program balance in your Account. In its sole discretion, Pershing may adjust its fee and may vary the amount of fees between clients. Pershing may earn a higher fee if you participate in the Program than if you used another cash sweep investment (e.g., shares in a money market mutual fund). If an Excess Balance is swept into a Money Fund, including the default Money Fund, the Dreyfus Government Cash Management Investor Shares Money Fund (Ticker symbol DGVXX), Pershing will earn fees on that balance. Your IBD or Investment Professional will receive a portion of the fee paid to Pershing by the Program Banks and Money Fund Provider.

There is no minimum deposit amount to participate in the Program and no minimum balance to maintain your participation in the Program. There also is no minimum period that your money must remain on deposit in the Program and no limitations on the number or dollar amount of withdrawals from, or deposits to, the Program accounts. There is no penalty or fees for withdrawal of your entire balance, or any part thereof, at any time.

#### **L. Account Statements**

You will receive a periodic Account statement from Pershing. All activity with respect to your Liquid Insured Deposits, including interest earned during the period covered, will appear on your periodic Account statement, including the total of your opening and closing balance in the Liquid Insured Deposits. You will not receive a separate statement from the Program Banks. You should retain all Account statements. Within 30 days you must notify your Investment Professional or IBD of any discrepancies you note on your Account statement. See Section P below.

#### **M. Tax Reporting**

**The discussion contained in this document as to U.S. Federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek U.S. Federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.**

The interest that you receive from your Liquid Insured Deposits is generally fully subject to federal, state and, where applicable, local income tax. An I.R.S. Form 1099 will be sent to you by Pershing for each year, showing the amount of interest income you have earned from your Liquid Insured Deposits. You will not receive a Form 1099 if you are not a citizen or resident of the United States or Canada.

#### **N. FDIC Deposit Insurance for FDIC-Recognized Categories of Account Ownership; Multi-Tiered Fiduciary Relationships**

To ensure that your Program Deposits are protected by FDIC insurance to the fullest extent possible under the Program, you should understand how FDIC insurance applies to each FDIC-recognized category of account ownership.

In general, the FDIC-recognized categories of account ownership include single ownership accounts; accounts held by an agent, escrow agent, nominee, guardian, custodian, or conservator; annuity contract accounts; certain joint ownership accounts; certain revocable trust accounts; accounts of a corporation, partnership, or unincorporated association; accounts held by a depository institution as the trustee of an irrevocable trust; certain irrevocable trust accounts; certain retirement and other employee benefit plan accounts; and certain accounts held by government depositors.

The rules that govern these categories of account ownership are very detailed and very complex, and there are many nuances and exceptions. Complete information can be found at the FDIC's regulations set forth at 12 C.F.R. Part 330.

The FDIC's regulations impose special requirements for obtaining pass-through FDIC insurance coverage, up to the SMDIA (currently \$250,000 for each FDIC-recognized category of account ownership), for multiple levels of fiduciary relationships. In these situations, in order for FDIC insurance coverage to pass through to the true beneficial owners of the funds, it is necessary (i) to expressly indicate, on the records of the insured depository institution that there are multiple levels of fiduciary relationships, (ii) to disclose the existence of additional levels of fiduciary relationships in records, maintained in good faith and in the regular course of business, by parties at subsequent levels, and (iii) to disclose, at each of the level(s), the name(s) and the interest(s) of the person(s) on whose behalf the party at the level is acting. No person or entity in the chain of parties will be permitted to claim that they are acting in a fiduciary capacity for others unless the possible existence of such a relationship is revealed at some previous level in the chain. If your Liquid Insured Deposits are beneficially owned through multiple levels of fiduciary relationship, you must take steps to comply with these special requirements.

Due to operational complexities, Program balances held in Accounts with trust registrations are allocated at the Account level and not at the beneficiary level; therefore FDIC insurance coverage on Program balances held in trust accounts is not available at the beneficiary level. The Program does not provide FDIC coverage at the beneficiary level. Program balances held in Accounts with joint registrations are assumed to be held by two individuals and allocated to Program Banks accordingly.

For questions about FDIC insurance coverage, you may call the FDIC at 877-275-3342 or visit the FDIC's web site at [www.fdic.gov](http://www.fdic.gov).

You also may wish to utilize "EDIE The Estimator," the FDIC's electronic insurance calculation program, which is found at <https://www.fdic.gov/edie/index.html>. Other information regarding FDIC insurance coverage may be found at the "Deposit Insurance" section of the "Quick Links for Consumers & Communities" on the FDIC's web site at <http://www.fdic.gov/quicklinks/consumers.html>.

#### **O. Business Continuity**

In the event you are unable to contact your Investment Professional or IBD due to a business interruption event, such as a natural disaster, you may contact Pershing. In the event you cannot contact Pershing, you may call R&T at 1-800-433-1918 for account information.

#### **P. Notice of Unauthorized Activity**

Please refer to the Regulation E/ Electronic Funds Transfer section of the Disclosure Statement delivered to you by Pershing upon opening of your Account or found by selecting Business Continuity and Other Disclosures on [www.pershing.com](http://www.pershing.com).

#### **Q. Other Terms**

**Limits on Certain Deposit Accounts:** Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle, and certain aggregation rules may apply to transfers from such accounts at the Program Banks. These limits on transfers will not limit the number of withdrawals you can make from your Program balance, the interest rate you earn or the amount of FDIC insurance coverage for which you are eligible. The Program seeks to rely on certain exemptions and interpretive relief granted by the Federal Reserve Board in connection with these limitations.

**Inactive Accounts:** Pershing and the Program Banks may be required by law to turn over (escheat) any portion of your Liquid Insured Deposits to a state, typically your state of residence, based on account inactivity for a certain time period established by applicable state law. If funds are remitted to the state, you may file a claim with the state to recover the funds.

**Assignment by Customer:** Neither these Terms and Conditions nor your participation in the Program may be assigned or transferred by you to any other person or entity, except for (i) a transfer by a change in ownership of the Account in which the Program balance is held or (ii) a transfer that occurs due to death, incompetence, marriage, divorce, attachment or otherwise by operation of law, in which case, such transfer shall not be binding on Pershing, R&T, or the Program Banks unless and until sufficient, acceptable documentation has been received by such entities.

**Assignment by Pershing and R&T:** Pershing and R&T may assign and transfer their respective rights and obligations under the Program, including, without limitation, pursuant to these Terms and Conditions, to one or more of its affiliates or subsidiaries or to any person that acquires all or substantially all of the assets of Pershing or R&T, without prior notice to you and without obtaining your consent.

**Termination: Closing of Account:** Pershing may, at its sole discretion and without any prior notice, suspend or terminate your participation in the Program. If you or Pershing, for any reason, close your Account, your participation in the Program also will be terminated and your funds will be distributed out through the Account according to the terms and conditions of your Account agreement.

**Ordinary Care:** Any failure by Pershing, R&T, or any Program Bank to act or any delay by such party beyond time limits prescribed by law or permitted by these Terms and Conditions is excused if caused by your negligence, interruption of communication facilities, suspension of payments by another financial institution, war, act of terrorism, emergency conditions or other circumstances beyond the control of such party. You agree that any act or omission made by Pershing, R&T, or any Program Bank in reliance upon or in accordance with any provision of the Uniform Commercial Code as adopted in New York, or any rule or regulation of the State of New York, the New York Stock Exchange, Inc., Financial Industry Regulatory Authority, or a federal agency having jurisdiction over such party shall constitute ordinary care.

**Personal Information:** You agree that Pershing, the Program Banks and their respective service providers may share information concerning you and your accounts in connection with your participation in the Program and these Terms and Conditions to any affiliate of such entity or otherwise in accordance with applicable laws and regulations, Pershing's Privacy Policy and/or customary brokerage and banking practices. You agree that Pershing, the Program Banks and their respective service providers may obtain such information as may be necessary for legitimate business needs in connection with the operation of the Program. For information regarding the collection, processing and use of your personal information and your rights to limit the use and disclosure of such information, you should refer to the Pershing's Privacy Policy provided to you at the time you opened your Account.

**Alternatives to the Program:** By your enrollment in the Program, you agree to the terms provided herein. You understand that, at any time, you may withdraw your consent to participate in the Program. If you withdraw your consent, and you do not designate a replacement automatic cash investment option for your Account, the uninvested cash held through the Program will be credited to your Account.

**Days of Operation:** The Program will operate on all days when both the NYSE and the Federal Reserve Bank of New York are open for business.

**Tax Withholding:** Pershing may be required to withhold U.S. federal income tax at the prevailing rate on all taxable distributions payable to certain depositors who fail to provide their correct taxpayer identification number or to make required certifications or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Interest earned on accounts held by entities (individuals or corporations) that are neither citizens nor residents of the United States, except for Canadian residents, is not subject to withholding tax. Consult your tax advisor.

**Joint Account Owners.** If your Account is a joint or other multi-party account, any one of the account owners may deposit or withdraw funds from the Account. You hereby authorize Pershing, your Investment Professional or your IBD to act on the verbal, written or electronic instructions of any of the account owners or authorized signers, and such entity will so honor the instructions of any such account owner.

**Limitation of Liability.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL R&T OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY NATURE, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, GOODWILL OR BUSINESS INTERRUPTION.

**Tax or Other Unique Identification Information.** You acknowledge that the Program uses a unique identifier for you (e.g., tax identification number, other unique number) in order to allocate your Liquid Insured Deposits across Program Banks under the Program. If you do not provide, or if you do not have, a tax identification number, your funds may not be allocated across Program Banks to provide you with expanded FDIC insurance under the provisions of these Terms and Conditions.

**Aggregation of Funds in Multiple Accounts.** If you have selected the Program in one or more Accounts with the same unique identifier, your Program balances in all such Accounts are aggregated for the purpose of allocating your Program balances and calculating the FDIC insurance coverage available under the Program. Depending on the individual facts and the ownership rights and capacities in which funds are held, additional FDIC insurance may be available. Refer to Section N above for further information about FDIC insurance.

**Complaints:** Any complaints regarding the Program should be addressed in writing to Pershing.

**Legal Process:** Pershing, R&T, and the Program Banks may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process, which such party reasonably and in good faith believes to be valid. Pershing may notify you of such process by telephone, electronically or in writing. If Pershing is not fully reimbursed for its record research, photocopying and handling costs by the party that served the process, Pershing may charge such costs to your Account or assess by increasing fees on the Liquid Insured Deposits, in addition to its minimum legal process fee. You agree to indemnify, defend and hold Pershing, R&T, and the Program Banks harmless from all actions, claims, liabilities, losses, costs, attorney's fees, and damages associated with their compliance with any process that such party believes reasonably and in good faith to be valid. You further agree that Pershing, R&T, and the Program Banks may honor legal process that is served personally, by mail, or by facsimile transmission at any of their respective offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your Liquid Insured Deposits records are maintained.

**Power & Authority:** You represent and warrant that you have full power and authority to participate in the Program and to agree to and perform these Terms and Conditions. In addition, if you are not an individual, you represent and warrant that (1) you are duly organized, validly existing and in good standing under the laws of its state or jurisdiction of organization, (2) you possess all requisite authority, power, licenses, permits, registrations and franchises and have made all governmental filings to conduct business wherever it conducts business and to execute, deliver and comply with you obligations hereunder and (3) your agreement to these Terms and Conditions and performance hereunder shall not conflict with or violate your governing documents or any law, regulation, decree, demand, order or any other contract or agreement to which it is subject.

## R. General

**Amendment:** Pershing may modify these Terms and Conditions at any time by giving such notice as required by applicable law.

**Waiver:** Any provision of these Terms and Conditions may be waived if, but only if, such waiver is in writing and is signed by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

**Severability:** If any term, provision, covenant or restriction of these Terms and Conditions is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of these Terms and Conditions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**Entire Agreement:** These Terms and Conditions and any other documents provided to you by Pershing or R&T in connection with the Program constitute the entire agreement with you regarding the Program, and supersedes all prior and contemporaneous agreements and understandings, both oral and written, with respect to the subject matter hereof. EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS AND CONDITIONS, NO REPRESENTATIONS OR WARRANTIES (ORAL OR WRITTEN, STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) ARE MADE TO YOU REGARDING THE PROGRAM, INCLUDING, WITHOUT LIMITATION, AS TO MERCHANTABILITY, FITNESS FOR PURPOSE, CONFORMITY TO ANY DESCRIPTION OR REPRESENTATION, NON-INTERFERENCE OR NON-INFRINGEMENT. In the event of any inconsistency between a provision of these Terms and Conditions and a provision of any such other document provided to you in connection with the Program, the provision of these Terms and Conditions shall prevail.

**Binding Effect:** These Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, successors, legal representatives and assigns. Nothing in these Terms and Conditions, expressed or implied, is intended to confer on any person other than the parties hereto and R&T, and their respective permitted heirs, successors, legal representatives and assigns, any rights, remedies, obligations or liabilities under or by reason of these Terms and Conditions.

**Governing Law:** These Terms and Conditions are to be construed in accordance with and governed by the internal laws of the State of New York and the United States of America without giving effect to any choice of law rule that would cause the application of the laws of any other jurisdiction to the rights and duties of the parties. Unless otherwise provided herein, Pershing may comply with applicable clearinghouse, Federal Reserve and correspondent bank rules in processing transactions relating to your Liquid Insured Deposits. You agree that Pershing is not required to notify you of a change in those rules, except to the extent required by law.

**Disputes:** Except to the extent otherwise provided by applicable law, any action at law or in equity arising out of or relating to these Terms and Conditions shall be filed only in the courts of the State of New York in the City of New York, or in the United States District Court for the Southern District of New York, and you hereby consent and submit to the personal jurisdiction of such courts for the purposes of litigating any such action. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THESE TERMS AND CONDITIONS.

**Interpretative Provisions:** The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. Any singular term in these Terms and Conditions shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in these Terms and Conditions, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. References to any document provided to you or to any agreement or contract are to that document, agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof or thereof. In any construction of the terms of these Terms and Conditions, the same shall not be construed against a party on the basis of that party being the drafter of such terms.