

# 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**”) 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 LLC (“**Pershing**”) as your authorized agent 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.

**Summary of the Program:** Pershing and R&T operate the Program which, if you choose to participate, sweeps your excess cash balances in your brokerage account carried at Pershing to money market deposit accounts at various depository institutions (“**Program Banks**”) and sweeps your cash from those various Program Bank accounts to cover purchases of securities and other debits in your brokerage account carried at Pershing. You receive interest on your balances held on deposit at the various Program Banks.

**FDIC Insurance:** Your funds are routed through our intermediary bank and deposited into interest-bearing FDIC-insured omnibus money market deposit accounts at the Program Banks which hold your and our 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 you with up to \$2.5 million of FDIC insurance under the Program. Pershing, as your agent, allocates your Liquid Insured Deposits among a number of Program Bank accounts to seek to maximize FDIC deposit insurance coverage available under the Program, which protects you 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. Thus, the maximum amount of Liquid Insured Deposits eligible for FDIC insurance coverage would not 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 under the Program, less any funds that you may hold in a Program Bank outside of the Program in the same legal category of account ownership but not to exceed the Program limit of \$2.5 million. For example, based on the SMDIA of \$250,000 per legal category of account ownership per Program Bank and an assumption that there are 10 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, your maximum insured Liquid Insured Deposits would be \$2.5 million per legal category of account ownership. Pershing will notify you if, at any time, this \$2.5 million Program limit 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 to seek to maximize FDIC insurance coverage of your money under 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 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 at month-end also will be listed on your account statements. You have the right to instruct Pershing 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 see [www.sipc.org](http://www.sipc.org).

**Access to Funds:** You will access funds through your brokerage account, by contacting your Investment Professional. In the event of the failure of your Investment Professional, 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 Program Bank. As explained in Section L, Account Statements, your Pershing account statements will list the names of the Program Banks holding your money and your month-end balance. See Section F, Withdrawals.

**Determination of Interest Rates:** Interest rates may fluctuate. Program Bank interest rates, as well as money market rates, will be available from your Investment Professional. See Section K, Interest and Compensation to Pershing and R&T.

**Conflicts of Interest:** Your Investment Professional, Pershing, and R&T may earn fees based on the amount of money in the Program, including your money. Your Investment Professional may earn a higher fee if you participate in the Program than if you invest in other money market products, such as money market mutual funds. See Section III, Paragraph D, Information about Pershing and R&T and Paragraph K, Interest and Compensation to Pershing and R&T.

**Risks of the Program:** You may receive a lower rate of return on money 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. 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 may negatively impact the availability of FDIC insurance for 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 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 deposit insurance available to you under the Program (currently \$2.5 million) may decrease.

### 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 and R&T.

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

The money market mutual funds made available through Pershing 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 your funds are swept to, and held in, money market 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, 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 see [www.sipc.org](http://www.sipc.org).

Your Liquid Insured Deposits earn interest at the Program Banks in which the deposits are held, and a money market fund investment earns dividends on fund shares held in your brokerage account. The interest earned on your Liquid Insured Deposits may fluctuate and may be greater or less than the then current yield on a money market 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 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 to enroll you in the Program, your first bank deposit will constitute your appointment of Pershing as your agent to effect deposits to and withdrawals from Program Bank accounts in connection with the Program. Pershing has approved the Program Banks which maintain the account(s) used for the deposit or withdrawal of your money. Pershing retains R&T to determine into which Program Bank(s) your money will be deposited to seek to maximize the amount of FDIC insurance available to you under the Program.

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

Pershing, a wholly owned indirect subsidiary of The Bank of New York Company Mellon Corporation, is a registered broker-dealer in securities and is a member organization of the New York Stock Exchange (NYSE) and the Financial Industry Regulatory Authority (“**FINRA**”).

R&T is not, itself, a bank, broker-dealer, or investment adviser and does not hold any of your Liquid Insured Deposits.

None of the Program Banks is an affiliate of R&T. Program Banks may be affiliated with Pershing or your Investment Professional from time to time. Program Banks who are affiliated with Pershing or your Investment Professional 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.

#### **E. Deposits**

By enrolling in the Program, you consent to have excess cash balances pending investment in your brokerage account automatically deposited into accounts at Program Banks. Each business day, Pershing or its agent bank, utilizing the services of R&T, will deposit the excess cash balances in your brokerage account to one or more omnibus money market deposit accounts maintained at the Program Banks held in the name of "Pershing LLC as Agent for the Exclusive Benefit of its Customers, Acting For Themselves and/or Acting in a Fiduciary Capacity For Others." 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 brokerage account statement will reflect all deposits, withdrawals, Program Bank deposit balance(s) and interest rate.

Funds intended for deposit into the Program must be placed through your brokerage account and cannot be placed directly by you with R&T or any of the Program Banks. Only balances transferred by Pershing, or R&T on behalf of Pershing, will be eligible for inclusion in a Program Bank account. Excess cash balances in your brokerage account on each business day will be transferred to Program Bank accounts on the next business day.

#### **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 brokerage account carried at Pershing or, on settlement date, to pay for securities purchased for or sold to your account carried at Pershing. Each business day as needed, Pershing or its agent bank, utilizing the services of R&T, will withdraw your cash from the omnibus money market deposit accounts maintained at the Program Banks held in the name of "Pershing LLC as Agent for the Exclusive Benefit of its Customers, Acting For Themselves and/or Acting in a Fiduciary Capacity For Others."

You may make withdrawals from the Program, in any amount, not to exceed your total account balance in the Program, through your brokerage account. Withdrawals from the Program cannot be made directly by you through R&T or any of the Program Banks. Checks, ACH payments, debit cards, ATM withdrawals, direct deposits, credits and other transactions and items for your brokerage account are processed through that account rather than through the Program accounts. 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 Program Banks. R&T and the Program Banks reserve the right to require you to present any information, identification, certification or any other documentation reasonably deemed necessary by R&T or the Program Banks to establish your entitlement to funds prior to disbursing any funds to you.

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

Your Liquid Insured Deposits are deposited into omnibus money market deposit accounts at the Program Banks in a manner currently designed to provide you with up to \$2.5 million of FDIC insurance, subject to certain exceptions described herein. Your coverage under the Program 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 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 Liquid Insured Deposits up to the 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.

Until your funds are actually received in investible form and processed by the Program Banks, your funds may not be FDIC-insured. For example, after your excess funds are swept out of your brokerage account carried at Pershing, your funds may be held at our intermediary bank intraday, overnight or over the weekend to the next bank business day or longer, before being actually received in investible form by the Program Banks. During any such period before investible funds are received by the Program Banks, any amount held by the intermediary bank in excess of the SMDIA for a FDIC-recognized category of account ownership (currently, \$250,000) will not be covered by FDIC insurance. However, the Program is designed such that it endeavors to have funds deposited at the Program Banks on the same business day that they are transferred.

Your Program Funds are allocated among a number of Program Banks to seek to maximize the potential FDIC deposit insurance coverage up to the Program limit. R&T, in its sole discretion, may limit the total deposit for you at any Program Bank to an amount less than the maximum permitted amount up to \$250,000. 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 limit. The number of participating Program Banks will vary.

*Hypothetical Example of the Program at work for you:* Your funds will be deposited in Program Bank "X." Once the predetermined threshold is reached for your funds on deposit at Bank "X", for example, \$245,000, additional funds will be placed in Program Bank "Y," until the threshold for that Program Bank, for example, \$245,000, is reached at Bank "Y," and so on. After the Program FDIC coverage limit of \$2.5 million has been reached in the last Program Bank, any excess funds will be deposited in one or more of the already utilized Program Banks, subject to your elected exclusions. In this event, a portion or all of the excess may be uninsured.

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 Bank "A" of \$200,000 and you also have \$60,000 in Liquid Insured Deposits at Bank A in the same legal category of ownership as your separate deposit, only \$250,000 of your \$260,000 is 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 accounts exceeds the number of Program Banks available to your account multiplied by the SMDIA, the excess funds would not be insured by the FDIC. None of Pershing, R&T or your Investment Professional 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.

R&T will use all commercially reasonable efforts to ensure that no more than \$250,000 of your funds will be deposited in any single Program Bank, subject to the discussion above.

#### **H. Ability to Exclude Program Banks**

You may exclude any Program Bank from holding your Liquid Insured Deposits by notifying your Investment Professional. 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 decrease. Contact your Investment Professional 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 from your brokerage 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.

#### **J. Program Banks**

A list of the current Program Banks accompanies these Terms and Conditions. You may obtain a current list of Program Banks at any time by calling your Investment Professional or visiting [www.Pershing.com/rates.html](http://www.Pershing.com/rates.html). Your monthly customer statements also list the Program Banks that hold your Liquid Insured Deposits and the amount in each of those Program Banks as of the statement 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.

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 providing your customer account information to Program Banks for purposes of your involvement in the Program.

Pershing or R&T may add additional Program Banks, delete Program Banks, and determine the order of Program Banks to which your Liquid Insured Deposits will be allocated, at their sole discretion and without notice to you. Cash balances will be automatically invested in any one of the Program Banks, in any order, that Pershing and R&T determine is appropriate, subject to your instructions to exclude a Program Bank. Pershing or R&T, upon approval from Pershing, may transfer balances between Program Banks at its sole discretion.

Pershing also utilizes one or more intermediary banks to route funds 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 or Pershing. In the event a Program Bank rejects additional deposits, withdraws entirely, or is terminated from participation, then you hereby authorize and direct Pershing, as your agent, to move, or direct R&T to move, your Liquid Insured Deposits to another FDIC-insured Program Bank.

Under federal regulations, Program Banks may reserve the right to require seven (7) days' notice before permitting a transfer of funds out of a money market deposit account. While the Program Banks have not indicated their intention to implement such a policy, a Program Bank may, at any time, choose to do so.

#### **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 brokerage account statement. Contact your Investment Professional 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 to you is determined pursuant to agreements with the Program Banks and is subject to change at any time. The interest rate on the Deposit Accounts is determined by 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 business 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 could 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.

##### 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 Balances at the Bank. The amount of fee received by Pershing and R&T will directly affect the interest rate paid by the Bank on your Deposit Account. In its discretion, Pershing may reduce its fee to increase the interest rate paid to Deposit Accounts. The fees paid to Pershing and R&T by each Program Bank may vary. Pershing may pay a portion of its fees to your Introducing Broker Dealer and Investment Professional. Your Introducing Broker Dealer and Investment Professional may earn a higher fee if you participate in the Program than if you purchase shares in a money market fund.

##### Fees and Other Matters

Each Program Bank earns net income from the difference between the interest it pays on deposit accounts, such as the Liquid Insured Deposits, and the income it earns on loans, investments, and other assets.

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 for the period covered, will appear on your periodic account statement, including the total of your opening and closing Liquid Insured Deposit balances. You will not receive a separate statement from the Program Banks or R&T. Your periodic account statement will be mailed monthly. You should retain all account statements.

Within 30 days you must immediately notify your Investment Professional 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 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.

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 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 brokerage 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 impose certain limitations on transfers from money market deposit accounts. The Program seeks to rely on certain exemptions and interpretive relief granted by the Federal Reserve Board in connection with these limitations. However, the transactional capabilities of the brokerage account are limited; your authorized agent and R&T may impose limitations on transfers without prior notice. Limits on transfers will not limit the interest rate you earn or the amount of FDIC insurance coverage for which you are eligible.

**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 linked Pershing Account 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 brokerage account, your participation in the Program also will be terminated and your funds will be distributed out through the brokerage account according to the terms and conditions of your brokerage account agreement.

**Right of Set-Off:** Under the terms of your brokerage account agreement, Pershing may charge or set off any of your Liquid Insured Deposits against indebtedness or obligations you may have to Pershing. For further information on the right of Pershing regarding such indebtedness or obligations, you should review your brokerage account agreement. This provision does not apply where otherwise prohibited by law.

**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, R&T, 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, R&T, 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 brokerage 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 brokerage account, the uninvested cash held through the Program will be credited to your brokerage 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:** R&T or 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.

**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 your Pershing or your Investment Professional 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 Identification Information.** You acknowledge that the Program uses your tax identification information 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 more than one account in the Program with the same tax identification information, the funds in all such accounts are aggregated for the purpose of calculating the FDIC insurance Pershing and R&T treat as 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 brokerage account or 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 to 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 or R&T 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 and R&T may comply with applicable clearinghouse, Federal Reserve and correspondent bank rules in processing transactions relating to your Liquid Insured Deposits. You agree that neither Pershing nor R&T is 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 and R&T 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.