

SWEEP PROGRAM DISCLOSURE DOCUMENT

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

I. INTRODUCTION

Advisor Group, Inc., through its affiliated Broker-Dealers FSC Securities Corporation, Royal Alliance Associates, SagePoint Financial, and Woodbury Financial Services (referred to as "Broker-Dealer," "we," "our," or "us") individually offer a cash sweep program ("Sweep Program") to you in your brokerage account ("Brokerage Account") held in conjunction with National Financial Services LLC ("NFS"). The terms "account owner," "you" and "your" refer to the account owners indicated on the Account Application to your Brokerage Accounts. For joint accounts, these terms refer to all owners, collectively and individually. For trust accounts, these terms refer both to the entity and to all account owners.

The material in this document is intended for informational purposes. If there is any conflict between the descriptions in this document and the terms of your Customer Agreement, solely as it relates to the subject matter of this Disclosure Document, this document will control.

Over time, your Brokerage Account will accumulate cash from interest or dividend payments on investments you own, from the proceeds of sales transactions, or from deposits you may make to your account. Maintaining a cash balance pending further investment in your Brokerage Accounts offers certain benefits, including:

- Having cash in your account to pay for securities transactions reduces the risk of not having "good funds" at settlement
- SIPC protection for cash held as a free credit balance in your Brokerage Account, up to \$250,000 per account, as described below
- FDIC insurance when your cash is swept to a bank in our Sweep Program. Your free credit balance is moved or "swept" to an insured deposit program offering up to \$2.5 million for individual accounts (\$5 million for joint accounts) as described below
- The ability to access your cash via debit card or checks written against your account
- For tax-qualified accounts, you can maintain the tax-qualified status of your cash balance instead of transferring cash to or from a tax-qualified bank account to obtain FDIC coverage or pay for your securities trades or account fees

Regardless of how you maintain a cash balance in your Brokerage Account(s), you agree that you will not maintain such balances solely for the purpose of obtaining FDIC or SIPC coverage. In addition, because we make available to you other investment products, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit to manage cash in your brokerage account, you agree that obtaining an investment return is not the primary objective for maintaining a cash balance in your Brokerage

Accounts.

By participating in the Sweep Program, your free credit balances will be transferred to an account at a bank whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to deposit capacity limits or, for certain accounts and as described below, to purchase shares in a money market mutual fund.

This document is meant to provide you with important information related to the Sweep Program and the alternatives made available through the Sweep Program. The information in this Disclosure Document applies, unless otherwise indicated, to each eligible Brokerage Account for which you are an owner, whether as an individual, joint tenant, a corporation, trustee, executor, custodian or in any other capacity.

You should also understand that the Sweep Program balance in any deposit account, or the shares of any money market mutual fund in which you have a beneficial interest, can be liquidated on your order and the proceeds returned to your brokerage account or remitted to you.

You agree that you will read through this Disclosure Document carefully and that you will consult with your Financial Professional if you have any questions or concerns related to the Sweep Program.

The term "Free Credit Balance" refers to the credit balance that remains in your brokerage account after all purchases are made and are free from withdrawal restrictions. A free credit balance is intended to be used to purchase more securities or pay fees incurred in the account. A free credit balance may be held in the brokerage account at NFS as our clearing firm, and up to \$250,000 in cash per account will be covered by SIPC, as described in detail below.

There are other investment products, including non-sweep money market mutual funds, treasury securities, and brokered certificates of deposit, that are available to you to manage cash in your brokerage account.

Customers with a free credit balance may elect to receive the money each month or they may direct us to deposit or invest the money into eligible sweep products to maximize the potential to earn an additional return while the cash sits idle. **As stated in the Customer Agreement, by executing the Signature Page you are consenting to having your account, and all subsequent and future account(s) opened for you by us, be automatically included in the Sweep Program.**

Upon executing the Signature Page, you appoint our clearing firm NFS as your agent to establish and maintain your sweep accounts. You may contact your Financial Professional at any time to opt out of the Sweep Program. Once opted out, any cash balances in your account will remain as Free Credit Balances and will not earn interest nor be eligible for FDIC

insurance.

Your Brokerage Account has a core account that is used for settling securities transactions and holding credit balances. Depending on your account type, we may provide you with access to different cash sweep vehicles, including Money Funds and Deposit Accounts (each a “core account investment vehicle”), that may be used to hold a cash balance that is awaiting reinvestment. The Bank Deposit Sweep Program (“BDSP”) is the primary core account investment vehicle we make available to you for available cash balances held in eligible Brokerage Account or, for cash balances held in eligible Advisory IRA Accounts, the Insured Cash Account Program (“ICAP”).

With the exception of the account types listed below, all Brokerage Accounts offered by the Broker-Dealers are eligible for the BDSP or the ICAP. Brokerage Account types that are NOT eligible for BDSP or ICAP include:

- ERISA Title I accounts
- Section 403(b)(7) accounts
- Keogh Plans

Cash balances in such Brokerage Account types that participate in the Sweep Program are instead invested in shares of a Money Fund as described in the section of this Disclosure Document titled “*Money Fund(s) Available for ERISA Title I Account Types, 403(b)(7) Plans and Other Brokerage Account Types Not Eligible for the BDSP*”. We retain the right to revise this list of account types that are not eligible for the BDSP, and to otherwise implement changes to our Sweep Program upon advance notice to you. When we make a change to the Sweep Program, we will describe in detail the change, how and when it will be executed, and your alternatives.

As more fully described in this Disclosure Document, cash held in your Brokerage Account pending investment with us is generally protected, up to applicable limits, by the Securities Investor Protection Corporation (“SIPC”). At the time cash is deposited with one or more banks on the then-current list of the banks participating in the Deposit Account component of the Program (“Program Banks,” such list of Program Banks, the “Program Bank List,” and such deposits “Program Deposits”), your deposits in the BDSP and ICAP are eligible, subject to the limitations described in this Disclosure Document, to be insured, up to applicable limits, by the FDIC. **Cash deposited in Deposit Accounts is not eligible for coverage by the SIPC.**

Cash in the Deposit Accounts at each Program Bank is generally eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest per depositor in most insurable capacities (e.g., corporate, individual, joint, etc.) when aggregated with all other deposits, including bank accounts, certificates of deposit (“CDs”) and deposits held through other brokers, held in the same insurable capacity at a Program Bank. For example, cash in the Deposit Accounts at a Bank held by a company or an individual is insured up to \$250,000, and cash in the Deposit Accounts at a Bank held in joint accounts is insured up to \$500,000.

The maximum amount of FDIC insurance coverage for your deposits in the BDSP and deposits in the ICAP is \$2.5 million (for an individual account) or up to \$5 million (for a joint account) (the “Maximum Applicable FDIC Deposit Insurance Amount”), subject to the total amount of cash on deposit in a Deposit Account, applicable FDIC rules, and Bank availability.

Any cash deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Program Bank, or through an intermediary (such as us or another brokerage firm offering an insured deposit program),

will be aggregated with cash deposits in your Deposit Accounts at such Program Bank for purposes of the Maximum Applicable FDIC Deposit Insurance Amount.

You are responsible for monitoring the total amount of cash deposits that you have with each Program Bank, including any Excess Deposit Bank (described below), to determine the extent of FDIC deposit insurance coverage available to you. You should review carefully the section of this Disclosure Document titled “FDIC/ SIPC Coverage.” Funds that exceed the FDIC coverage limits are subject to loss of principal in the event of a bank failure.

NFS, as your agent, will place, regardless of the maximum applicable FDIC insurance coverage available, in any one Program Bank up to \$246,500 of your cash balances for an individual account, an agency account and a trust account (including a transfer upon or payable on death account), up to \$493,000 in any one Program Bank for a joint account (regardless of the number of owners), and up to \$246,500 in any one Program Bank for an individual retirement account, or “IRA” (each such limit referred to hereinafter as the “Maximum Deposit Amount”).

Once cash balances equal to the Maximum Deposit Amount have been deposited for you through the BDSP and/or through ICAP in each Program Bank on the Program Bank List, any additional cash will be deposited in an “Excess Deposit Bank” that will accept cash without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount. **Cash deposits in the Excess Deposit Bank that exceed the Maximum Applicable FDIC Deposit Insurance Amount will not be covered by FDIC deposit insurance, nor will such deposits be covered by SIPC.**

Each Deposit Account constitutes a direct obligation of the Program Bank to you and is not directly or indirectly an obligation of us or NFS. Neither we nor NFS guarantee in any way the financial condition of the Program Banks (including the Excess Deposit Banks) or the accuracy of any publicly available financial information concerning such Program Banks. You can obtain publicly available financial information concerning each Program Bank at ffiec.gov/NPW or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200.

Although each Deposit Account constitutes a direct obligation of the Program Bank to you, you will not have a direct account relationship with the Program Banks. NFS, as your agent and custodian, will establish the Deposit Accounts for you at each Program Bank and make cash deposits to and withdrawals from the Deposit Accounts. To the extent permitted under applicable law and as otherwise discussed below, we and NFS will receive a fee from each Program Bank for our services under the Sweep Program. The amount of the fee paid to us and NFS will affect the interest rate paid to you on the Deposit Accounts. You should review carefully the section of the Disclosure Document titled “*Information About Your Relationship with Your Broker-Dealer and the Program Banks.*”

A. Core Account Investment Vehicle Interest

As described in greater detail in the section of this Disclosure Document titled “*Interest*,” there are two methods by which interest is calculated and earned through the Sweep Program.

- I. For most account types, interest rates on Deposit Accounts will be tiered (“Tiered Structure”) and will vary based upon prevailing economic and business conditions. The interest rate applied to your Deposit Accounts will be

based on your assignment to a tier, as determined by us, based upon the value of your Program Deposits.

- II. For Advisory IRA Accounts in which an advisory fee is charged (typically annually) as per the terms of the contract you entered with your Financial Professional, interest earned on Advisory IRA Accounts will not be based on the Tiered Structure. Instead, interest on all Advisory IRA Accounts will be calculated and earned based on a level fee structure as further defined in the section of this Disclosure Document titled "*Your Relationship With Your Broker-Dealer and the Program Banks.*"

Neither we nor the Program Banks have a duty to offer the highest interest rates available or to offer in our BDSP and/or ICAP interest rates that are comparable to the yield on Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. The interest rate for your Advisory IRA Account and current interest rates for Program Deposits may be obtained from your Financial Professional, or at the URL specified in Appendix A.

B. Timing of Sweep

The cash balance in your Brokerage Account will be automatically swept from your Brokerage Account into your Deposit Account (BDSP or ICAP) on the business day following the day your Brokerage Account reflects a cash balance. For purposes of this Sweep Program, a business day generally means a day on which the Program Bank is open for business. Available cash balances will not begin to earn interest or be eligible for FDIC insurance until swept into the Deposit Account at the Program Bank.

C. Access to Funds in the Deposit Accounts

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

D. Tax and Legal Information

For customers with non-retirement account types, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of interest income you have earned on cash deposits in your Deposit Accounts. You should consult with your tax adviser about the tax treatment of Sweep Program interest.

E. Money Fund(s) Available for ERISA Title I Account Types, 403(b)(7) Plans and Other Brokerage Account Types Not Eligible for the BDSP or ICAP.

Money Fund(s) are available for use as a core account investment vehicle, but only for certain Brokerage Account types. Such Brokerage Account types are ERISA Title I accounts, 403(b)(7) plans and Keogh Plans. For more information on eligibility for the BDSP, please see the section of the Disclosure Document titled "*BDSP Eligibility*". For more complete information about the Money Fund(s), including all charges and expenses, please contact your Financial

Professional for a free prospectus. Read the prospectus carefully before you invest or send money. You may obtain information with respect to the current yield available on any Money Fund by contacting your Financial Professional, or at the URL specified in Appendix A.

We offer Brokerage Accounts that are not eligible for BDSP or ICAP the ability to sweep to a Money Fund managed by Fidelity. Brokerage Accounts that participate in the Money Fund sweep authorize and direct us to invest available cash balances in the Money Fund specified at the URL on Appendix A. The Money Fund specified at the URL on Appendix A is subject to change from time to time.

Cash swept to Money Funds will earn dividends based on the interest and income realized by the Money Funds' underlying investments. The dividends earned on the shares in the Money Funds will not be payable in cash but will be reinvested each month in additional shares of the applicable Money Fund at the then current net asset value. Rates of return you receive will vary from Money Fund to Money Fund, because such rates are based on the investments made by the Money Fund net of such Money Fund's operating expenses. Some Money Funds invest in certain securities, the income from which is exempt from federal and/or state income tax. The rates of return on Money Funds will differ from the interest rates available in the BDSP and ICAP.

There is no guarantee that the rate of return or the yields will equal or exceed rates of return or yields available at other financial institutions or invested in other products similar to the Money Market sweep. Yields fluctuate and past performance is no guarantee of future results. For more information about the current rate of interest or yield you are receiving in the Money Market sweep please visit the URL specified on Appendix A.

Money Funds may impose a fee upon the sale of shares (a liquidity fee) or may temporarily suspend your ability to sell shares (a redemption gate) if the Money Fund's liquidity falls below required minimums because of market conditions or other factors. Government Money Funds currently are not required to impose liquidity fees or redemptions gates. You may obtain further details about any particular Money Fund by requesting the Money Fund's prospectus from your Financial Professional.

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

II. DETAILS

This Disclosure Document contains key information about the Sweep Program, which is offered by us in conjunction with NFS, a New York Stock Exchange and Financial Industry Regulatory Authority ("FINRA") member who we have engaged to provide custody and clearing services to us. Additional terms, conditions, and disclosures applicable to your Brokerage Account held with us are included in other documents, including but not limited to your account application, account agreement, applicable privacy notice, your applicable Broker-Dealer Customer Agreement for your Brokerage Accounts, the retirement account Customer Agreement and any applicable

custodial agreement, disclosure statement or the like, the Margin Account Agreement, the Disclosure of Terms on Credit Transactions, the Margin Disclosure Statement (collectively, "Other Agreements"), all of which are hereby incorporated by reference into this Disclosure Document. In the event of a conflict between the terms of this Disclosure Document and the Other Agreements, solely as it relates to the terms and conditions of this Disclosure Document, the Disclosure Document will control. Please review these Other Agreements for important information governing your Brokerage Account.

A. BDSP Eligibility

The BDSP is available to individuals, certain non-profit organizations and to certain fiduciaries and trusts, provided that the beneficiaries are individuals or are otherwise eligible. Brokerage Accounts in the name of business entities, including corporations, limited liability companies and partnerships, are also eligible for the BDSP. Certain custodial IRAs are also eligible for the BDSP.

The BDSP is not available to the following account types:

- ERISA Title I accounts
- Section 403(b)(7) accounts
- Keogh Plan

Cash balances in such Brokerage Account types that participate in the Sweep Program are instead invested in shares of a Money Fund as described in the section of this Disclosure Document titled "*Money Fund(s) Available for ERISA Title I Account Types, 403(b)(7) Plans, Keogh Plans, and Other Brokerage Account Types Not Eligible for the BDSP*".

Eligibility for the BDSP is subject to the other limitations described herein and as determined by us and NFS. Please check with your Financial Professional if you have questions regarding eligibility of your Brokerage Account.

B. We retain the right to modify the eligibility for the BDSP at any time. If we or NFS determine that your Brokerage Account is no longer eligible or the Program eligibility requirements change, we may change your Brokerage Account's core account investment vehicle, as that term is defined in Brokerage Account documentation, or any amendments thereto, including but not limited to the Customer Agreement, from the BDSP to an alternative core account investment vehicle, including a Money Fund made available by us and NFS, which may not be FDIC-insured. We will provide advance notice to you of any changes to the Sweep Program, including changes to sweep products and vehicles available therein.

C. How the BDSP Works

Through the BDSP, cash balances in your Brokerage Account will be automatically deposited or swept into Deposit Accounts at one or more Program Banks on the Program Bank List, subject to deposit capacity limits. Once your cash balance has been swept to a Program Bank, it is referred to as your "Program Deposit." Please note that your ability to access the money held at the Program Bank(s) may be limited, as more fully described herein. The Program is intended to operate on a nondiscretionary allocation methodology.

Cash will be swept into Deposit Accounts at Program Banks subject to deposit capacity limits up to the Maximum Deposit Amount (as defined below in the section titled "Maximum Deposit Amount"). Cash in excess of the Maximum Deposit Amount (or Cash that cannot otherwise

be deposited at a particular Program Bank because that Program Bank is not accepting additional deposits due to capacity constraints or other issues) will be swept into the next successive Program Bank on the Program Bank List, subject to deposit capacity limits. Once the Maximum Deposit Amount has been reached in all Program Banks on the Program Bank List that are accepting additional deposits, additional cash will be swept to the Excess Deposit Bank (as defined below in the section titled "Maximum Deposit Amount"), subject to deposit capacity limits.

You may not change the Program Banks on the Program Bank List, the order in which cash is deposited at the Program Banks on the Program Bank List or the Maximum Deposit Amount at any Program Bank. You may, however, at any time, designate a Program Bank as ineligible to receive your cash (otherwise referred to as "opting out" of a Program Bank) by contacting your Financial Professional. Any such action will result in any current Program Deposit at such Program Bank being withdrawn and such cash (along with any new Program Deposits) being deposited into Deposit Accounts at a different Program Bank on the Program Bank List with deposit capacity on the next business day that a sweep is effected after your "opt out" instructions have been given effect. No new cash will be deposited into any Program Bank that you have opted out of (i.e., designated as ineligible to receive your deposits). If you designate one or more Program Banks as ineligible to receive cash, the total amount of FDIC insurance for which your cash balances will be eligible in the BDSP may be reduced. Participation in the BDSP requires at least one (1) Program Bank remaining eligible to receive your cash deposits. Thus, you may not opt out of all Program Banks on the Program Bank List.

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

D. Maximum Deposit Account

NFS, as your agent, will place, subject to deposit capacity limits, regardless of the maximum potential applicable FDIC insurance coverage available, in one Program Bank, up to \$246,500 of your cash balances for an individual account, an agency account and a trust account including a transfer upon or payable on death account, up to \$493,000 in one Program Bank for a joint account (regardless of the number of owners), and up to \$246,500 for an IRA (each such limit referred to hereinafter as the "Maximum Deposit Amount"). If you maintain in your Brokerage Account or your Advisory IRA Account cash balances that approach \$2.5 million (\$5.0 million in a joint account), the Maximum Deposit Amount is less than the maximum potential amount of FDIC insurance coverage.

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

been deposited for you through the BDSP and the ICAP in each Program Bank on the Program Bank List (taking into consideration any Program Bank that you have opted out of or excluded), all excess cash balances will be deposited to one designated Program Bank on the Program Bank List, without regard to FDIC insurance limitations (an "Excess Deposit Bank"), subject to deposit capacity limits.

E. Program Limitations

The amount of your cash balances that are swept into Deposit Accounts may need to be limited if one or more Program Banks reach deposit capacity and stop accepting deposits, become ineligible for the BDSP as described in this Disclosure Document, or for other exceptional circumstances. These limitations may affect the total amount of FDIC insurance that is available to you. You will generally receive notification in advance of any Program Bank being removed from the Program Bank List, and if advance notice is not practical due to the circumstances, you will be notified as soon as is reasonably practical. Consult the following sections for further important information, as such action may affect the amount of your cash balances that are covered by FDIC insurance.

Regardless of how you maintain a cash balance in your Brokerage Account(s), you agree that you will not maintain such balances solely for the purpose of obtaining FDIC or SIPC coverage. In addition, because we make available to you other investment products, including non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit to manage cash in your brokerage account, you agree that obtaining an investment return is not the primary objective for maintaining a cash balance in your Brokerage Accounts.

The Sweep Program should not be viewed as a long-term investment option for cash in your Brokerage Account. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your Brokerage Account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Financial Professional to discuss investment options available outside of the Sweep Program that may be better suited to your goals.

F. Free Credit Balances

Free credit balances may be used by NFS in the ordinary course of its business subject to the restrictions of Rule 15c3-3 under the Securities Exchange Act of 1934. The use of customer free credit balances generally generates revenue for the Broker-Dealer in the forms of interest and income (less amounts paid to the customer on such balances, if any), which the Broker-Dealer retains as additional compensation for its services to its customers. Under these arrangements, we will generally earn interest, or a return, based on short-term market interest rates prevailing at the time. We do not share this compensation with your Financial Professional. Uninvested cash held in your Brokerage Account is not insured or guaranteed by the FDIC or any other government agency but is protected by the SIPC up to \$250,000 per account.

If you are acting on behalf of an ERISA Title I account type, 403(b)(7) plan or IRA, the responsible plan fiduciary agrees that it has independently determined that holding of cash balances as a free credit balance, which may not earn income, instead of pursuant to the Sweep Program is both (i) reasonable and in the best interests of the plan or account and (ii) that the plan or account receives no less, nor pays no more, than adequate consideration with respect to this arrangement.

G. FDIC Insurance Coverage in General

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S.

You are responsible for monitoring the total amount of deposits that you hold with any one Program Bank, directly or through an intermediary, for example through a retirement plan or another brokerage firm offering an insured deposit program, in order to determine the extent of deposit insurance coverage available to you on all of your deposits, including the Deposit Accounts. We and NFS are not responsible for any insured or uninsured portion of the Deposit Accounts or any other deposits. Uninsured funds in the Deposit Accounts are subject to loss of principal in the event of a bank failure.

See the section of this Disclosure Document titled "FDIC/SIPC Coverage" for more detailed information on insurance coverage of Deposit Accounts and Brokerage Accounts.

III. PROGRAM BANKS

A. General Information About Program Banks

Program Banks are organized into regional bank lists. Your Brokerage Account is assigned to a Program Bank List based upon the state reflected in the mailing address on your Brokerage Account application. Please contact your Financial Professional or go to the URL specified in Appendix A for the most current Program Bank List applicable to you. All changes to the Program Bank List will be maintained at the URL specified in Appendix A along with the date on which the most recent update was made.

The Program Bank List indicates all the Program Banks, including your Excess Deposit Bank, which will be utilized for deposits after the Maximum Deposit Amount has been placed in all the Program Banks on your Program Bank List and the sequence that will be used for cash deposits into these Program Banks.. There will be instances where certain "Priority Bank(s)" offer additional compensation and therefore will receive preferential ordering in the allocation sequence ahead of other Program Banks. Funds in excess of the Maximum Deposit Amount will be swept into an alternate Program Bank. Once the Maximum Deposit Amount have been reached in all Banks on the Program Bank List, additional funds will be swept into the Excess Deposit Bank.

You cannot select the Excess Deposit Bank at which such excess cash deposits will be made. If an Excess Deposit Bank is also a Program Bank, the Excess Deposit Bank would receive, in the sequence listed, deposits, subject to deposit capacity limits and up to the Maximum Deposit Amount just as any other Program Bank and after deposits of the Maximum Deposit Amount have been made at all of the other Program Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposit Bank. If your Excess Deposit Bank has already received Program Deposits up to the deposit capacity limit or the Maximum Deposit Amount, any further deposits in that Program Bank would generally not be eligible for FDIC insurance coverage. **To the extent your cash deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, this excess cash is ineligible for FDIC insurance.**

You should review the Program Bank List carefully. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List. You are responsible for monitoring the total amount of cash deposits that you have at each Program Bank for purposes of reviewing deposits which may not be eligible for insurance by the FDIC. We and NFS do not have any duty to monitor the core account investment vehicle for your Brokerage Account or make recommendations about, or changes to, the BDSP that might be beneficial to you.

The amount of FDIC insurance in all Program Banks may be

limited pursuant to the limitations explained in this Disclosure Document. In any event, all deposits in the BDSF are subject to all applicable FDIC qualification requirements and to the BDSF limitations described in this Disclosure Document.

B. Program Bank List

Program Banks are organized into regional bank lists with each Program Bank List assigned based upon the state as reflected in the mailing address for your Brokerage Account. Your Brokerage Account mailing address is the address to which correspondence from us is mailed. Please contact your Investment Representative or go to the URL specified in Appendix A for the most current Program Bank List applicable to you. All changes to the Program Bank List will be maintained at the URL specified in Appendix A along with the date in which the most recent update was made.

An Excess Deposit Bank would receive deposits up to the Maximum Deposit Amount just as any other Program Bank. After deposits of the Maximum Deposit Amount have been made at all of the other Program Banks on your Program Bank List, excess deposits would then be placed in your Excess Deposit Bank. If your Excess Deposit Bank has already received Program Deposits up to the Maximum Deposit Amount, any further deposits in that Excess Deposit Bank would generally not be eligible for FDIC insurance coverage. **Thus, to the extent that deposits in your Excess Deposit Bank exceed the Maximum Applicable FDIC Deposit Insurance Amount, these excess funds are ineligible for FDIC insurance. Neither we nor your Broker-Dealer will monitor your Brokerage Accounts for deposits that exceed FDIC insurance limits.** You should review the Program Bank List carefully. You are responsible for monitoring the total amount of deposits that you have at each Program Bank for purposes of reviewing deposits which may not be eligible for insurance by the FDIC. Your Brokerage Retirement Account statement will provide the amount of deposits in each Program Bank. We and NFS do not have any duty to monitor the core account investment vehicle used in your account, or to make recommendations about or changes to the Program that might be beneficial to you. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List.

The amount of FDIC insurance in all Program Banks may be limited pursuant to the limitations explained in this Disclosure Document. In any event, all deposits in the Program are subject to all applicable FDIC qualification requirements and to the Program limitations described in this Disclosure Document.

C. Deposit Accounts

Your Program Deposits will generally be deposited in two linked bank accounts at one or more Program Banks: (1) an interest-bearing savings deposit account (commonly referred to as a Money Market Deposit Account or "MMDA") and (2) an interest-bearing transaction account. You will receive the same interest rate on the cash in your MMDA and in your transaction account at each Program Bank. Your Brokerage Account statement will reflect the combined cash balances of the MMDA and the transaction account at each Program Bank.

Your Program Deposits will be deposited at the Program Bank (subject to deposit limits) into a transaction account and an MMDA maintained by NFS for your benefit and the benefit of other customers of your Broker-Dealer and/or NFS

that participate in the BDSF. A portion of your Program Deposit will be allocated to the transaction account, and a portion of your Program Deposit will be allocated to the MMDA as described herein. Available cash balances are deposited in your MMDA at each Program Bank as set forth above. From time to time, part of such deposits may be transferred to your transaction account to establish and/or maintain a threshold amount, which may differ among customers. All withdrawals will be made from the transaction accounts at the Program Bank. As necessary to satisfy debits in your Brokerage Account (account fees, securities purchases, checking or debit card activity, etc.), cash will automatically be transferred from the MMDA to the related transaction account at the applicable Program Bank.

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

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

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

Please see the section of this Disclosure Document titled "Changes" for options available to you resulting from a change in the Program Bank List. You should also regularly check the URL specified in Appendix A for changes to the Program Bank List.

D. Withdrawals—Access to Your Program Deposits

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

If a withdrawal of cash from your Deposit Accounts is necessary to satisfy a debit, cash will be withdrawn from your Deposit Accounts at the Program Banks in the reverse order in which Program Banks appear on the Program Bank List on the date of

the withdrawal. Cash will be withdrawn on a “last in, first out” basis (beginning with the Program Bank designated to hold cash in excess of the Program Bank Limit, if applicable), and moving backward through the Program Bank List up to the first Program Bank on the Program Bank List.

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

You may access your Program Deposits only through your Brokerage Account. You cannot access or withdraw Program Deposits by contacting a Program Bank directly. NFS will automatically withdraw cash from your Deposit Accounts (up to the amount of your Program Deposit) and move such cash back to your Brokerage Account in order to satisfy any obligation you have to us or NFS or to settle a securities transaction or other debit transaction (account fees, checks, wires, debit card purchases or margin balances) in any account you have with us or NFS. Your interest in a Deposit Account is not transferable. Your Program Deposits are also subject to legal process such as a levy or a garnishment delivered to us or NFS to the same extent as if the cash were in your Brokerage Account.

As noted above, each Program Bank reserves the right to require seven (7) calendar days’ notice before permitting a withdrawal of any Program Deposits. So long as this right is not exercised, your ability to access cash should not be impacted. Notwithstanding the foregoing, you will remain obligated for all obligations arising from your Brokerage Account, including but not limited to margin balances, settlement of transactions, checks, wires, and debit card purchases.

IV. INTEREST

A. Interest Rates

The interest rate for your Deposit Accounts may be obtained from your Broker-Dealer, your Financial Professional or at the URL specified in Appendix A. Interest on your Program Deposit is accrued daily, compounded monthly and is reflected on your Brokerage Account statement as of the last business day of the statement period. Interest on your Program Deposit begins to accrue on the business day cash is received by the Program Bank, which will typically be the business day following the day your Brokerage Account reflects a cash balance.

Generally, interest will accrue to Deposit Account balances through the business day preceding the date of withdrawal from your Deposit Accounts at the Program Bank (which will typically be the day on which a withdrawal of cash is made from your Brokerage Account). Non-business days occurring between Brokerage Account withdrawal and Deposit Account withdrawal and deposit with a Program Bank will be included in the interest accrual.

Your balances will earn the same rate of interest regardless of the Program Bank at which your cash is deposited. Your interest rate and tier (if applicable) is based upon your Program Deposits. The rate of interest paid is tiered (if applicable) based on the value of your Program Deposits.

Interest rates, evaluation period and Program Deposits may change at any time and may be based on a number of factors, including general economic, market and business conditions. You will receive notification in advance of any changes to the interest rate tiers (if applicable) and if advance notice is not practical, you will be notified as soon as is reasonably practical. Customers with Program Deposits of a greater value generally will receive higher interest rates on their Program Deposits than customers with Program Deposits of a lower value.

Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on other core account investment vehicles which are non-FDIC insured or on bank account deposits offered outside of the BDSP. Program Banks do not have a duty to offer the highest rates available or rates that are comparable to the yield on Money Funds. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses.

The BDSP should not be viewed as a long-term investment option for cash in your Brokerage Account. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your Brokerage Account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, please contact your Financial Professional to discuss investment options available outside of the Sweep Program that may be better suited to your goals.

Our Cash Review Committee meets periodically to review the interest rates paid to customers. Factors considered include the rates paid by Program Banks, expected changes in interest rates, interest rates paid by market competitors, and program expenses. Program Banks pay a rate for Program Deposits that is higher than the rate received by you, and the difference is the fee collected for administering the Sweep Program and related services. The fees retained by us and NFS may be a higher percentage of the interest than is what is credited to customer accounts.

B. Interest Credited to Your Deposit Account

While interest will generally be credited to your Deposit Accounts at month-end, intra-month interest credits to your Deposit Accounts may occur in the following instances: (i) if your Brokerage Account is closed intra-month, (ii) if you make a Program Bank ineligible to receive deposits intra-month or (iii) where there has been a change to the Program Bank List (or a Program Bank becomes otherwise unavailable) intra-month. Intra-month interest credits will appear on your Brokerage Account statement to reflect interest accrued at that Program Bank through such intra-month event.

V. CHANGES

A. Changes to the Program Bank List

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

It is your obligation to monitor your Brokerage Accounts, your FDIC coverage and your FDIC insurance eligibility. Changes to the Program Bank List will be posted at the URL referenced in Appendix A and you should consult this site often for the most

up-to-date information about Program Bank eligibility for your cash deposits. Other changes to the Sweep Program may be posted to this site as well and you should direct any questions you may have to your Financial Professional.

B. Limitations on Deposits

The amount of your cash balances awaiting reinvestment that are swept into a Deposit Account may need to be limited if a Program Bank cannot accept deposits due to exceptional circumstances or if a Program Bank becomes otherwise ineligible for the BDSP and/or the ICAP, as described in this Disclosure Statement, and the Program Bank is not replaced. In such event, cash not swept into a Program Deposit Account will be invested up to the Maximum Deposit Amount into the next successive eligible Program Bank on the Program Bank List if possible. Once the Maximum Deposit Amount has been reached in all Program Banks on the Program Bank List, additional cash will be swept into the Excess Deposit Bank or, if not available, the alternative core account investment vehicle chosen by us. Please see the *"Changes to Your Core Account Investment Vehicle"* below for additional information.

C. Changes to Your Core Account Investment Vehicle

From time to time, circumstances, such as described in this Disclosure Document, or otherwise, may require that we or NFS modify or change the Program, which may result in changing the core account investment vehicle for your Brokerage Account. If we make any change, there is no guarantee that such change will provide an equal or greater rate of return to you during any given period, and the rate of return may be lower, or may not provide FDIC insurance. Generally, you will receive notification in advance of any such change. We may also direct you to your Financial Professional or to the URL referenced in Appendix A for specific information on such change.

If advance notice of a Program modification is not practicable due to the circumstances, you will be notified as soon as is reasonably practicable of any change in the Program that results in changing the core account investment vehicle for your Brokerage Account. If you do not agree to any changes, you should contact your Financial Professional to discuss alternatives available to you, which may include transferring your Brokerage Retirement Account to another provider. If you do not take any action in response to a change, you are deemed to consent to the change to the Program.

Generally, you will receive notification in advance of any change in the Program Bank List and have an opportunity to "opt out" of deposits being placed at such Program Bank. As previously stated, "opting out" of a Program Bank will affect the maximum amount of your deposits eligible for FDIC insurance. Please contact your Financial Professional to "opt out" of any Program Bank. We may also notify you that changes to the Program Bank List will be forthcoming and direct you to your Financial Professional or to the URL specified in Appendix A for information on such change. Updated Program Bank Lists may also be found at the URL specified in Appendix A. **It is your obligation to monitor your FDIC coverage and FDIC insurance eligibility.**

D. Notices

All notices described in this Disclosure Document may be made by means of a letter sent to your address of record, an entry on or insert with your Brokerage Account statement, or an entry on a trade confirmation or by electronic or other form of notification if available to you by us. These may include electronic alerts or e-mail. Each notice will provide information regarding the nature of the change, identify where and how you can access or obtain free of charge a full description of the

change, and your alternatives to accepting the change. You agree to read all such notices that we provide to you.

E. Insufficient Program Bank Capacity

The ability of the bank sweep programs (BDSP and ICAP) to sweep your uninvested cash into Bank deposit accounts depends on the capacity of the Program Banks to accept additional deposits. If the Program Banks have insufficient capacity to accept additional deposits, or otherwise reduce their current capacity levels, and we believe that sweeping additional deposits to the Program Banks is unfeasible, cash balances in your account will automatically be invested in shares of a money market mutual fund (MMF) that we make available. Share purchases will be made within one business day after new cash balances are in your account at the then current net asset value of the MMF. Your cash balances will be held as shares of the MMF, as opposed to Bank deposits, until such time as we determine that there exists sufficient aggregate Program Bank capacity under the Bank Sweep Programs to (i) accept all of the then current MMF investments swept under the effected program(s) and all free credit balances as discussed below, and (ii) anticipated future cash balances, so that the effected Program(s) can be expected to resume normal operations. At such time, new cash deposits into the Program will be allocated to the Banks on the Program Bank List as detailed above and, with advance notice to you, shares of the MMF will be liquidated and the proceeds swept to the Banks on the Bank List as detailed above.

If neither the Banks nor the MMF are able to provide sufficient capacity for additional cash deposits or investments, cash in your account will be held uninvested as a free credit balance (see further discussion about free credit balances above). Your cash balances will be reallocated to Banks on the Program Bank List as detailed above when Bank capacity is sufficiently restored for the effected program(s) to resume normal operations.

During times that you maintain (a) investments in the MMF made through the Program or (b) free credit balances, and debits are created in your account, such debits will be settled by cash first deducted from any free credit balances, then redeemed from your MMF investments, and finally withdrawn from your Bank Deposit Account balances, as applicable.

VI. ACCOUNT INFORMATION

A. Statements and Confirmations

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

Because you are responsible for monitoring the total amount of your cash deposits at a Program Bank (including any Program Deposit held at such Program Bank and all deposits you may make at a Program Bank outside the Program), in

order to determine the extent of FDIC insurance coverage available, you should carefully review your statements to determine if any change in Program Banks has an impact on your deposit insurance coverage.

B. Tax Information

For most customers with non-retirement account types, interest earned on deposits in the Deposit Accounts will be taxed as ordinary income in the year it is received. In those cases, a Form 1099 will be sent to you by NFS each year showing the amount of aggregate interest income you have earned on deposits in your Deposit Accounts. You should consult with your tax professional about how the Sweep Program affects you. Neither we nor NFS provide tax or legal advice.

VII. YOUR RELATIONSHIP WITH YOUR BROKER-DEALER AND THE PROGRAM BANKS

A. Relationship with your Broker-Dealer and the Program Banks

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

If either you, we, or NFS terminate your use of the BDSP as a core account investment vehicle, or if one or more Program Banks with which you have Program Deposits cease to participate in the BDSP, you may establish a direct depository relationship with each such Program Bank, subject to its rules with respect to maintaining Deposit Accounts.

ESTABLISHING A DIRECT DEPOSITORY RELATIONSHIP IN YOUR NAME AT A PROGRAM BANK WILL SEPARATE THE DEPOSIT ACCOUNTS FROM YOUR BROKERAGE ACCOUNT. IF YOU ESTABLISH A DIRECT DEPOSITORY RELATIONSHIP WITH A PROGRAM BANK, THE DEPOSIT ACCOUNTS WILL NO LONGER BE PART OF YOUR BROKERAGE ACCOUNT AND WE WILL HAVE NO FURTHER RESPONSIBILITY CONCERNING THE DEPOSIT ACCOUNTS.

B. Benefits of the BDSP to your Broker-Dealer and Others

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

We and NFS will receive a fee from each Program Bank in connection with the Program (equal to a percentage of all participants' average daily deposits at the Program Banks). Amounts will vary, but in no event will the total fee be more than 400 basis points annually as applied across all Deposit

Accounts. In our discretion, we may reduce all or a portion of our fee. We reserve the right to modify the fees we receive from Program Banks. If the fee increases, you will receive notification of any such change.

The amount of fees received by us and NFS will affect the interest rate paid on your Deposit Accounts and may have a greater impact than the interest paid by the Program Banks. The fee paid to NFS is for record keeping and other services with respect to amounts deposited in the BDSP. In addition to our fee, other service providers with respect to the BDSP will receive fees from each Program Bank (collectively, with the fees paid to us and/or NFS, "Program Fees"). At no time will fees associated with the BDSP, or any alternative products made available to you within the Sweep Program (i.e. Money Funds), be paid to your Financial Professional. The interest rate payable to you is based on the amounts paid by the Program Banks to us and NFS. **Both we and NFS may receive more revenue with respect to cash in the BDSP than if your cash was invested in other sweep products, including Money Funds.** Therefore, we have an incentive to place and maintain your assets in the BDSP to earn more income.

C. Insured Cash Account Program - ICAP (applicable to Advisory IRA Accounts only)

We receive a level monthly fee for each Advisory IRA Account that participates in the ICAP. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate ("FFT"). Our per account monthly fee, as explained below, will be no less than \$0.75 and no more than \$21.25. It is generally anticipated that the fee we charge will be offset by the total amounts paid to us by the Program Banks. If we do not receive sufficient payments each month from the Program Banks, we reserve the right to debit your Advisory IRA Account for the amount of any shortfall.

For its services, the administrator of the ICAP ("Administrator") will charge a monthly fee. This fee will be paid from the amounts the Program Banks pay to NFS in respect of the aggregate program deposits, and will vary from month-to-month. The Administrator's fee consists of a fee, expressed in basis points, on the average daily ICAP cash balances at the Program Banks. The Administrator's actual fee will be subject to adjustment as described below:

- For each month, the Administrator's actual fee will be the amount that remains after deducting the interest paid to participating IRA Advisory Accounts and the aggregate amount of our per account fee (discussed below) from the amounts paid by the Program Banks on Program Deposits (the "Administrator Actual Fee"). Thus, the Administrator Actual Fee will vary from time-to-time due to changes in the amounts paid by the Program Banks, the interest paid on deposits, and the aggregate amount of our per account fee.
- The Administrator Actual Fee will be compared to or measured against the Administrator's annual targeted fee, which will be an asset-based fee expressed as a fixed number of basis points on the average daily ICAP cash deposits ("Administrator Target Fee"). If after the end of any month the cumulative net difference (positive or negative), on a rolling basis, between the amount actually received by the Administrator versus the Administrator Target Fee ("Cumulative Administrator Fee Difference") reaches or exceeds a predetermined amount, the interest rates to be paid to participating IRA Advisory Accounts will be appropriately adjusted by the Administrator, effective the next month, for the purpose of bringing the amounts actually received by the Administrator back in line with the Administrator Target Fee. The adjustment is determined by a formula and is intended to result in the Administrator's

compensation over time to closely approximate or equal the Administrator Target Fee; though you should understand that the Administrator's actual fees will vary from month to month.

Accordingly, the Administrator may from month-to-month temporarily collect more, or less, than the Administrator Target Fee during certain periods, such as when necessary to help ensure that the amounts paid by the Program Banks during the period are sufficient to cover the applicable disclosed customer rates and the aggregate amount of our per Account fee (as described below) and other fees for the period. For example, under such circumstances, the Administrator will be entitled to increased fees in future periods to recover the difference with the goal of aligning its actual compensation with the Administrator Target Fee on the deposits. By participating in the ICAP you authorize and direct the Administrator to deduct its fees for its services from the amounts paid by the Program Banks.

Using the ICAP account fee schedule set forth below, the Administrator will determine the average monthly fee due to us. For its services under the ICAP, including making the platform available, we receive a per account fee each month;. Our compensation under the ICAP does not vary and is not affected by the actual amounts you hold as Program Deposits.

As provided below, the ICAP account fee schedule will be indexed to the current Federal Funds Target Rate ("FFT Rate"). Under the fee schedule, increases in the FFT Rate will result in increased compensation for us. We can change the applicable fee schedule upon 30 days advance notice to you. Although it is generally anticipated that our fees under the ICAP will be offset by the amounts paid by the Program Banks, as discussed above, and you hereby direct the Administrator to collect such fees from the Program Banks and remit such amounts over to us, we reserve the right to withdraw the monthly account fee or portion thereof in the event or to the extent that the amount received from the Program Banks and paid over to us by the Administrator for the period is less than our fee for the same period.

The current FFT Rate can be found at the URL on Appendix A.

FFT Rate (bps)	Average Monthly Per Account Fee
0-25	\$0.75
25-50	\$2.50
50-75	\$4.00
75-100	\$5.15
100-125	\$6.60
125-150	\$8.00
150-175	\$9.50
175-200	\$10.80
200-225	\$12.00
225-250	\$13.40
250-275	\$14.75
275-300	\$16.15
300-325	\$17.50
325-350	\$18.75
350-375	\$20.00
375-400	\$21.25

The monthly per account fee will only be seen on your Brokerage Account statement if we debit your Advisory IRA Account for the

amount of any shortfall in the monthly per account fee from the Program Bank payments, as discussed above. Your Financial Professional does not receive any of the fees received by us from the Program Banks.

The fees we receive from the BDSP and the ICAP may be greater than the fees we receive from other sweep investment options.

The amounts paid to us and the Administrator reduce the interest rate paid to you on your cash deposits. You should understand that, depending on interest rates and other market factors, the yields on the BDSP and the ICAP have been, and may continue in the future to be, lower than the aggregate fees and expenses received by us for your participation in the Sweep Program. If you are participating in the Sweep Program through an IRA Advisory Account, the fees that we receive from the Program Banks are in addition to the advisory fee that you pay your Financial Professional. This means that we earn two layers of fees on the same cash balances in your IRA Advisory Account. Therefore, we have an incentive to encourage you to participate in the ICAP.

The per account fee that we receive each month under the ICAP is a fixed dollar amount and does not vary by the actual amount of cash in a particular account, a conflict of interest exists between clients with larger cash balances and clients with smaller cash balances.

The types of fees and expenses of the BDSP and ICAP are different from the fees and expenses that are incurred in Money Funds. Yields payable on Money Funds may exceed the interest customers receive from the BDSP and ICAP. Further, although balances in the BDSP and ICAP do not pay management fees, distribution/service (12b-1) fees, or other expenses typically incurred by in Money Funds, the balances in the BDSP and ICAP bear other expenses: the interest paid on customer balances in the BDSP and ICAP is net of, and reduced by, amounts paid to the broker-dealer, the custodian, and service providers. The broker-dealer will retain more of the revenue generated by the BDSP and ICAP than is what is credited to customer accounts.

D. Questions/Comments Regarding the BDSP and ICAP

You may contact your Financial Professional or access the URL specified in Appendix A to determine the current interest rate on the Deposit Accounts for both BDSP and ICAP.

E. Sharing of Your Information with Banks

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

VIII. FDIC/SIPC Coverage

A. Deposit Insurance

The Deposit Accounts are eligible for insurance by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) when aggregated with all other cash deposits held by you in the same insurable capacity at a Program Bank (e.g., individual, joint, etc.) and \$250,000 for

certain individual retirement accounts, in each case such account may be insured for such greater amount as may be approved by the FDIC from time to time. Your cash becomes eligible for deposit insurance immediately when a Program Bank accepts your deposits into Deposit Accounts.

To the extent that your cash deposits at a Program Bank in one ownership capacity, either through the Sweep Program or otherwise, exceed the FDIC insurance limits applicable to that ownership capacity, any cash deposits in excess of the limits will not be insured.

In the event a Program Bank fails, the Deposit Accounts at that Program Bank are insured up to the \$250,000 limit, or such other limit, as applicable, for principal and interest accrued to the day the Program Bank is closed. Neither we nor NFS is responsible for any insured or uninsured portion of a Deposit Account. Uninsured balances are subject to loss of principal in the event of a bank failure. You are responsible for monitoring the total amount of deposits that you have with each Program Bank in order to determine the extent of deposit insurance coverage available to you. Depending on the amount of deposits that you have at a Program Bank apart from the Deposit Accounts, you may wish to direct that the Program Bank be excluded from the Program Bank List applicable to your Brokerage Account. Contact your Financial Professional to exclude a Program Bank from the Program Bank List. Note that excluding a Program Bank from the Program Bank List may reduce the amount of FDIC insurance available to you in the BDSP.

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

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

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

B. Information on FDIC Insurance for Specific Types of Accounts

Individual Customer and Agency Accounts. Cash owned by

an individual and held in an account in the name of the individual or an agent or nominee of such individual (such as the Deposit Accounts held through NFS) are not treated as owned by the agent or nominee, but are added to other deposits of such individual held in the same capacity (including cash held in a sole proprietorship) and are insured up to \$250,000 in the aggregate.

Custodial Accounts. Cash in accounts held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the custodian, but are added to other deposits of the minor or other beneficiary held in the same insurable capacity and are insured up to \$250,000 in the aggregate.

Joint Accounts. An individual's interest in cash in all qualified accounts held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for FDIC insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interest in cash balances in other Joint Accounts at the same depository institution. Joint Accounts will be "qualified" and insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners. Nonqualified joint accounts are not insured separately and are added to individual accounts for the purposes of the individual maximum coverage of \$250,000 in the aggregate per bank.

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

Revocable Trust Accounts. Revocable trusts include informal revocable trust accounts where the owner has designated the names of beneficiaries to whom the cash in the account will pass upon the owner's death (referred to as transfer upon or payable on death accounts) and formal revocable trusts usually established for estate planning purposes (referred to as living or family trusts). Revocable trusts will be insured as to each named beneficiary separately from another account of the owner or the beneficiary provided (i) the beneficiaries are natural persons and (ii) NFS' account records disclose the names of all trust beneficiaries. For each trust owner with combined revocable trust account deposits of \$1.25 million or less at a bank the maximum coverage will be determined by multiplying the number of different beneficiaries by \$250,000. If an owner has in excess of combined revocable trust account deposits of \$1.25 million at a bank and has named more than five beneficiaries there is a limitation on the maximum coverage.

Entities/Corporations. Such deposits are insured separately from the personal deposits of the organization's owners, stockholders, partners or members. To qualify for FDIC insurance coverage under this ownership category, a

corporation, partnership or unincorporated association must be engaged in an "independent activity," meaning that the entity is operated primarily for some purpose other than to increase FDIC insurance coverage. All deposits owned by a corporation, partnership, or unincorporated association at the same bank are combined and insured up to \$250,000. Multiple accounts owned by the same corporation, partnership, or unincorporated association (including accounts owned by operating divisions or business units that are not separately incorporated) but designated for different purposes are not separately insured. For example, if a corporation has both an operating account and a reserve account at the same bank, the FDIC would add both accounts together and insure the aggregated deposits up to \$250,000.

Individual Retirement Accounts. Individual retirement accounts as described in the Internal Revenue Code Sections 408(a) and 408A are insured up to \$250,000 per depositor. Each person's deposits in self-directed retirement accounts at the same bank are added together and insured up to \$250,000, separately from any retirement accounts that are not self-directed and any non-retirement accounts.

C. Questions about FDIC Deposit Insurance Coverage

If you have questions about basic FDIC insurance coverage, please contact your Financial Professional. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Supervision and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at [fdic.gov/deposit/index.html](https://www.fdic.gov/deposit/index.html), or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

D. SIPC Coverage

Your cash balance awaiting reinvestment is only eligible for FDIC insurance once it becomes a Program Deposit held by a Program Bank. Your cash balance while held by NFS and/or us is not FDIC insured, but is covered by SIPC. This includes cash balances in your Brokerage Account that have not yet been received by the Program Bank or which have been swept from the Program Bank back to your Brokerage Account. SIPC currently protects cash and securities in your Brokerage Account up to \$500,000, including \$250,000 for claims for cash. NFS also has arranged for coverage above these limits. Within NFS's "excess of SIPC" coverage, there is no per-account dollar limit on coverage of securities, but there is a per-account limit of \$1.9 million on coverage of cash awaiting investment. This is the maximum "excess of SIPC" protection currently available in

the brokerage industry. SIPC coverage does not cover fluctuations in the market value of your investments. Any securities held in your Brokerage Account (as opposed to the Program Deposit held by a Program Bank) are investment products, and as such: (i) are not insured by the FDIC; (ii) carry no bank or government guarantees; and (iii) are subject to investment risk, including loss of principal amount invested.

If due to Sweep Program limitations your cash balance is placed into a core account investment vehicle other than the BDSP or ICAP, your cash balance will not be eligible for FDIC insurance, but may be protected by SIPC.

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to customers of securities brokerage firms like NFS that hold customer funds and securities in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the loss of your investment. Nor does SIPC protection ensure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects the securities and cash held in each customer's Brokerage Account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$250,000 may be cash) per customer in each separate capacity under SIPC rules. Money Fund Shares are considered to be securities for purposes of SIPC coverage. The Deposit Accounts are not eligible for SIPC coverage.

If you have questions about SIPC coverage, please contact your Financial Professional. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at [sipc.org](https://www.sipc.org).

E. Appendix A

SWEEP PROGRAM DISCLOSURE DOCUMENT

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

<https://www.advisorgroup.com/disclosures>

<https://www.fscsecurities.com/disclosures>

<https://www.royalalliance.com/disclosures>

<https://www.sagepointfinancial.com/disclosures>

<https://www.woodburyfinancial.com/disclosures>

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