

# SWEEP PROGRAM DISCLOSURE DOCUMENT

## INTRODUCTION

Advisor Group, Inc., through its affiliated Broker-Dealers, Securities America, Inc., Infinex Investments, Inc., and American Portfolios Financial Services, Inc. (referred to as “Broker-Dealer, “we”, “our”, or “us”) offers a cash sweep program (“Sweep Program”) for accounts introduced to our clearing firm, Pershing, LLC (“Pershing”). By participating in the Sweep Program, cash balances in your Brokerage Account(s) will be transferred to a bank deposit sweep product, which allocates swept balances to participant banks whose deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”) or, for certain accounts as described below, to a money market mutual fund.

This document is meant to provide you with important information related to the Sweep Program and the alternatives available through the Sweep Program. **You agree that you will read through this Sweep Program Terms and Conditions document carefully and that you will consult with your Financial Professional if you have any questions or concerns related to the Sweep Program.**

The information in this document applies to each eligible Brokerage Account for which you are an owner, whether as an individual, a joint tenant, a corporation, trustee, executor, or custodian, or in any other capacity. 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 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 on balances swept to the FDIC Insured Deposit Program. When the free credit balance in your account is automatically moved or “swept” to our FDIC-insured bank deposit sweep product, those balances are eligible for up to \$2.5 million in FDIC coverage for individual accounts (\$5 million for joint accounts) as described in more detail 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.

## WHAT ARE “FREE CREDIT BALANCES”?

The term “Free Credit Balance” refers to the credit balance that remains in a brokerage account after all purchases are made and are free from withdrawal restrictions. A free credit balance generally originates from dividends, interest payments and/or security sales, and may be used at any time to purchase more securities or to pay fees assessed against the account. Clients with a free credit balance have the option to either direct us to transfer the money to another financial institution (on a regular schedule or otherwise), or they may direct the brokerage firm to invest and/or deposit the money to eligible sweep products in order to earn an additional return while the cash sits idle. We offer our customers a “Sweep Program” pursuant to which your free credit balances are automatically transferred to a deposit account at one or more banks whose deposits are insured by the FDIC, or, in limited cases, a money market mutual fund product.

Upon opening a new account with us, you will be provided with a Customer Agreement and will be asked to acknowledge your receipt and understanding of the Customer Agreement and this Sweep Program Terms and Conditions document by entering your signature on the Client Signature Page. As stated in the Customer Agreement, by executing the Client Signature Page you are consenting to having your account, and all subsequent and future account(s) opened for you by us, be automatically included in the Sweep Program. Your account(s) will automatically default to the corresponding sweep product indicated in the tables below. Upon executing the Client Signature Page, you appoint Pershing as your authorized agent to establish and maintain your sweep accounts.

You may contact your Financial Professional at any time to opt out of participating in the Cash Sweep Program. Once opted out,

any cash deposits to your brokerage account(s) will remain as “Free Credit Balances” at Pershing and will not earn interest nor be protected with FDIC insurance.

**OUR “SWEEP PROGRAM”—ELIGIBLE PRODUCTS (for accounts introduced to Pershing)**

There are two types of products that are offered within the Sweep Program:

1. FDIC Insured Deposit Program, consisting of:
  - Bank Deposit Sweep Program (BDSP)
  - Insured Cash Account Program (ICAP)
2. Money Market Mutual Fund

**1. FDIC INSURED DEPOSIT PROGRAM**

Upon establishment of your new account, and all subsequent and future account(s) opened for you by us, free credit balances in (i) all retail brokerage accounts, and (ii) Individual Retirement Accounts (IRAs) held with Pershing will be automatically swept to the applicable product in our FDIC Insured Deposit Program (via “deposit accounts” at multiple participant banks). By executing the Client Signature Page of the Customer Agreement, you appoint Pershing as your authorized agent to establish and maintain on your behalf Deposit Accounts with one or more banks participating in the program (“Program Banks”), which are all FDIC insured depository institutions, and to effect deposits to and withdrawals from such Program Banks pursuant to the terms and conditions set forth herein. To view a list of Program Banks and current program interest rates, please visit the website identified below, click on “Disclosures” and then one of the two categories offered in the FDIC Insured Deposit Program, as described below. You may also contact your Financial Professional to obtain this information. We will apply certain sweep products as the “default sweep product” for specific account types. This means that if the account you are opening falls under one of the account types described in the tables below (as may be modified from time to time), your account will automatically be assigned the indicated default sweep product.

<b>BANK DEPOSIT SWEEP PROGRAM (BDSP)</b>	
<b>All account types (Advisory &amp; Commission)</b>	
<b>Default Sweep Product Name</b>	<b>BDSP</b>
Sweep Indicator on your account statement	BDSP
Type of Product	Multi-Bank FDIC Insured Deposit Accounts
<b>Brief Description:</b> Your funds will be deposited to deposit accounts at one or more Program Banks in a manner designed to provide your swept balance with eligibility for up to \$2,500,000 of FDIC Insurance protection.	
<b>Pershing IRAs (Commission Accounts)</b>	
<b>Default Sweep Product Name</b>	<b>BDSP</b>
Sweep Indicator on your account statement	BDSR
Type of Product	Multi-Bank FDIC Insured Deposit Accounts
<b>Brief Description:</b> Your funds will be deposited to deposit accounts at one or more participating Program Banks in a manner designed to provide your swept balance with eligibility for up to \$2,500,000 of FDIC Insurance protection.	
<b>INSURED CASH ACCOUNT PROGRAM</b>	
<b>Pershing IRAs (Advisory)</b> For accounts in which an advisory fee is charged as per the terms of the contract you executed with our affiliated investment adviser	
<b>Default Sweep Product Name</b>	<b>ICAP</b>
Sweep Indicator on your account statement	BDSL
Type of Product	Multi-Bank FDIC Insured Deposit Accounts
<b>Brief Description:</b> Your funds will be deposited to deposit accounts at one or more participating Program Banks in a manner designed to provide your swept balance with eligibility for up to \$2,500,000 of FDIC Insurance protection.	

Note: The FDIC Insured Deposit Program is not available for ERISA Title 1 plans, 403(b)(7) plans, or Keogh plans.

**FEES RECEIVED BY BROKER-DEALER—BDSP**

Each Program Bank will pay a fee to us, Pershing and the third-party administrator equal to a percentage of the average daily deposit balance in your deposit account(s) at the Program Banks. We will retain an amount not to exceed 600 basis points (6.00%) per year (the “Maximum Program Fee”) on the average daily balances held in the BDSP deposit accounts. We may waive any portion of the fee, or the fee in its entirety, received from the Program Banks for deposits through the BDSP. We determine the rate of interest you receive on your deposit accounts, and the amount of fees received by Pershing, us, and the third-party administrator

will affect the interest paid on your deposit account(s). Other than applicable fees imposed by us on your brokerage account (including fees charged on your Pershing, LLC IRAs) there will be no additional charges, fees, or commissions imposed on your account with respect to the FDIC Insured Deposit Program. Your Financial Professional will not receive any portion of the fees paid by the Program Banks.

**As described more fully below, the income we earn from Program Banks based on your balances in BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, we receive a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to your accounts. When evaluating whether to utilize the Sweep Program and the extent to which our fee exceeds the interest rate you receive, you should assume that we are receiving the Maximum Program Fee described above.**

#### **FEES RECEIVED BY BROKER-DEALER—ICAP**

For Advisory IRA Accounts (those in which an advisory fee is charged as per the terms of the contract you executed with us or our affiliated investment adviser), the default FDIC Insured Deposit Program is ICAP. Interest earned on cash sweep balances in Advisory IRA Accounts will be calculated and paid based on a level fee structure. We will receive as our compensation a monthly per-account sweep fee on each account participating in ICAP. Under the ICAP Program, each Program Bank will pay a fee to Pershing and the third-party administrator equal to a percentage of the average daily collective omnibus deposit balance. The fee paid by each Program Bank may differ. You will have no rights to the amounts paid by the Program Banks, except for interest actually credited to your account, as described in this document. However, amounts collected from the Program Banks during each period, less interest credited to you, will be allocated on a per capita basis and used to offset the monthly per-account sweep fee, as discussed more fully below, for providing the sweep services. Excess amounts will be retained as compensation by the third-party administrator for its services.

For its services, the third-party administrator will retain a portion of the monthly asset-based fee targeted to approximate an agreed-upon percentage of the average aggregate ICAP account assets over time. This fee may vary from the target from period to period based on changes in prevailing interest rates, how assets are allocated amongst the Program Banks during the period, and the average daily balance of accounts participating in the ICAP during the period. Moreover, the interest rate may from time to time be adjusted, such as when necessary during certain periods to help ensure that the interest rates paid by the Program Banks during the period equal the applicable disclosed interest rate for the period. Under such circumstances, the administrator is authorized to adjust its fee to obtain its targeted compensation rate in future periods.

Other than these stated fees and the fees you agree to pay for investment advisory services, there will be no charges, fees, or commissions imposed on your account with respect to the ICAP. You authorize and direct the third-party administrator to deduct its fees for its services from the amounts paid by the Program Banks. Based on the calculation method set forth below, the third-party administrator will calculate the fees due to us. Your Financial Professional will not receive any portion of the fees paid by the Program Banks. Because participation in the ICAP is limited to Advisory IRA Accounts, the fees that we receive from the Program Banks are in addition to the advisory fee that you pay to our affiliated investment adviser and to 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.

We will be paid a maximum monthly per account sweep fee of \$34.25 for services we provide in connection with maintaining and administering the ICAP, including making the platform available. Our per account sweep fee is not based on the amount of assets in the ICAP or the balance in your deposit account. Our compensation under ICAP does not depend on or vary with, and is not affected by, the actual amounts held in the deposit accounts or your account. As provided for below, the Sweep Program Account Fee Schedule will be indexed to the current Federal Funds Target (“FFT”) Rate. The FFT rate is the rate or the range of rates as expressed in percentages announced from time to time by the Federal Open Market Committee of the Federal Reserve System that is the Committee’s target for the rate charged by banks on unsecured loans of the banks’ reserve balances at Federal Reserve Banks. 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.

Our monthly per account fee will not be shown on your account statement due to the manner in which we recoup our fee from payments by the Program Banks, as discussed above, at your direction. Although it is generally anticipated that the monthly per account fee under the ICAP will be offset by the amounts paid by the Program Banks, as described above, and you hereby direct the third-party administrator to collect such fees from the Program Banks and remit such amounts over to us, we reserve the right to withdraw or debit the monthly account fee, or a portion thereof, from your account in the event or to the extent that the amount received from the Program Banks and paid over to us by the third-party administrator for the period is less than our applicable fee for the same period. In the event that we debit all or a portion of the monthly account fee from your account, each such amount will be reflected on your account statement.

In a lower interest rate environment, our fee will be reduced based on the FFT Rate, which increases the likelihood of ICAP customers receiving a positive interest rate. The fees paid to us may be reduced to as low as \$1.00 per account per month.

Sweep Program Account Fee Schedule

<b>FFT Rates</b>	<b>Average Monthly per Account Fee</b>
0 to 25	\$1.00
25 to 50	\$3.00
50 to 75	\$4.80
75 to 100	\$6.75
100 to 125	\$8.35
125 to 150	\$10.00
150 to 175	\$11.60
175 to 200	\$13.50
200 to 225	\$15.00
225 to 250	\$16.80
250 to 275	\$18.50
275 to 300	\$20.00
300 to 325	\$22.00
325 to 350	\$23.50
350 to 375	\$24.25
375 to 400	\$26.00
400 to 425	\$26.25
425 to 450	\$27.25
450 to 475	\$28.25
475 to 500	\$29.25
500 to 525	\$30.25
525 to 550	\$31.25
550 to 575	\$32.25
575 to 600	\$33.25
600 +	\$34.25

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. This creates a conflict of interest between clients with larger cash balances and clients with smaller cash balances. Because of this, clients with larger cash balances effectively subsidize the per account fee for 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 market funds. Yields payable on money market funds will likely exceed the interest clients receive from the BDSP and ICAP. Further, although participants in the BDSP and ICAP do not pay management fees, distribution/services (12b-1) fees, or other expenses typically assessed in money market funds, the interest paid on client balances in the BDSP and ICAP is net of, and reduced by, amounts paid to us, Pershing, and the third-party administrator. For ICAP, we will be paid a maximum monthly per account sweep fee of \$34.25. For BDSP, we will retain a higher percentage of the fee paid by the Program Banks than the interest credited to client accounts.

**BANK DEPOSITS**

The two FDIC-insured bank deposit sweep products supported in the FDIC Insured Deposit Program automatically sweep the free credit balance in your brokerage account(s) to interest-bearing deposit accounts at up to 12 participating Program Banks, providing eligibility for up to \$2.5 million in FDIC insurance coverage on the total swept balance (\$5 million for joint accounts of two or more), subject to applicable limitations. The insurance limit applicable to each insurable capacity will be referred to as the "Maximum Applicable Deposit Insurance Amount." Pershing, as your agent, will deposit the available cash in your brokerage account to deposit accounts at each Program Bank on the Program Bank List, up to the deposit limit of \$246,500 (\$493,000 for joint accounts of two or more) (the "Deposit Limit"), at each specific insured depository institution, in order to permit your funds to be eligible for the greatest possible FDIC insurance coverage.

Once \$246,500 (\$493,000 for joint accounts of two or more) has been deposited in each Program Bank on the Program Bank List, and you have reached the Program limit of \$2.5 million (\$5 million for joint accounts of two or more), any additional funds will be deposited in designated “Excess Banks” without limit and without regard to maximum available FDIC insurance coverage, and these balances will not be eligible for FDIC insurance or SIPC coverage. The list of “Excess Banks” can be found at the bottom of the Program Bank List, which can be obtained by visiting the websites listed below.

## FDIC INSURANCE

As described above, your funds will be deposited to deposit accounts at the Program Banks in a manner designed to provide you with eligibility of up to \$2.5 million (\$5 million for joint accounts of two or more) of FDIC insurance coverage on your swept balance. FDIC insurance protects you in the event of the failure of a participating bank. However, any cash you hold at a Program Bank outside of the Program itself may impact the insurance coverage available through our FDIC Insured Deposit Program, as neither we, Pershing, nor your Financial Professional monitors or takes any responsibility for cash you may have at a Program Bank outside of the Sweep Program (such as in the form of a certificate of deposit, for example). **You are responsible for monitoring the total amount of deposits that you have with each Program Bank, including Excess Banks, in order to determine the extent of FDIC deposit insurance coverage available to you.**

Each deposit account constitutes a direct obligation of the Program Bank and is not directly or indirectly an obligation of the Broker-Dealer, Pershing, your Financial Professional, or any other person or entity not affiliated with the Program Bank itself. The Securities Investor Protection Corporation (“SIPC”) offers some protection to customer assets held at broker-dealers in the event of failure of the broker-dealer. **The deposits made through this Sweep Program are not eligible for SIPC coverage.** Note that SIPC does not insure against the loss of value of any investment or product. SIPC coverage applies to securities and cash in client brokerage accounts, which are protected up to \$500,000 (including a maximum of \$250,000 for claims for un-invested cash awaiting reinvestment).

## INTEREST TO BE PAID

Free credit balances swept to the FDIC Insured Deposit Program will be deposited to deposit accounts and will earn interest at the rates described at the websites listed below. Interest on swept balances in a deposit account is compounded daily and credited to your deposit account monthly. Interest begins to accrue on the date of deposit within the Program Bank(s), through the day preceding the date of withdrawal from the deposit account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate. 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.

TIER	DEPOSIT LEVEL
Tier 1	\$0 - 24,999
Tier 2	\$25K - 49,999
Tier 3	\$50K - 99,999
Tier 4	\$100K - 249,999
Tier 5	\$250K - 499,999
Tier 6	\$500K - 749,999
Tier 7	\$750K - 999,999
Tier 8	\$1M - 1,499,999
Tier 9	\$1.5M - 4,999,999
Tier 10	\$5M +

The amount of interest paid on deposit accounts will be determined by the amount of interest paid by the Program Banks, minus the amount of fees charged by us, Pershing and the third-party administrator. Interest rates paid on the deposit accounts may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions in comparable accounts.

Interest rates may change as frequently as daily. The effective date of any change to interest rates will be posted on the websites listed below. To determine the current interest rate offered at each deposit tier, contact your Financial Professional or access the websites listed below; refer to “Disclosures,” then to the FDIC Insured Deposit Program used in your account (BDSP or ICAP).

Our Cash Review Committee meets periodically to review the interest rates paid to clients and to determine whether and when the rates will change. Factors considered include the rates paid by Program Banks to obtain deposits from the Sweep Program, expected changes in interest rates, interest rates paid by market competitors, and program expenses. Program Banks pay a rate that is higher than the rate received by you, and the difference is the fee collected for administering the program and related services. We will retain a higher percentage of the interest than is what is credited to client accounts.

**You may always obtain information on the current Interest Rates offered by the Bank Deposit Sweep Program by accessing the websites listed below; refer to “Disclosures,” then to the FDIC Insured Deposit Program used in your account (BDSP or ICAP). For your review, we publish a quarterly description of the percentage of interest that we retain as our fee for administration of the Sweep Program that can be found at the same website. This percentage is the amount of interest we retained in the prior quarter and is not the amount we will retain in the current quarter. As such, it should be used for historical reference only.**

## DEPOSIT PROCEDURES

Participation in the Sweep Program will ensure that the free credit balance in your brokerage account(s) will be swept daily to deposit account(s) at the Program Banks. 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, and you will not be able to instruct the Program Bank to process deposits or withdrawals from your deposit account. Initial and subsequent deposits and withdrawals can only be made on your behalf by Pershing and through us. Your interest in a deposit account is not transferable.

## **STATEMENTS**

You will not receive confirmations for each deposit to or withdrawal from your deposit account(s). All transactions in your deposit account(s) will be listed on your periodic brokerage account statement. Statements will be issued monthly if there is qualifying activity in your account; otherwise, your statements will be issued on a quarterly basis. It is recommended that you retain copies of your account statements for your records.

## **PROGRAM BANK LIST**

Please contact your Financial Professional or go to the websites listed below for the most current Program Bank List. All changes to the Program Bank List will be maintained at the websites, along with the date on which the most recent update was made. Funds will be swept to deposit accounts at a Program Bank up to the Maximum Deposit Amount. Funds in excess of the Maximum Deposit Amount will be swept to an alternate Program Bank. Once the Maximum Deposit Amount has been reached in all Banks on the Program Bank List, any additional funds in excess of the Maximum Applicable Deposit Limit will be swept to the Excess Deposit Bank and will not be eligible for FDIC insurance or SIPC coverage.

Certain "Priority Bank(s)" on the Program Bank List receive preferential ordering in the deposit/withdrawal allocation sequence ahead of other Program Banks. This is because the "Priority Banks" have agreed to accept program deposits from our clients up to specified amounts for a specific period of time, or because the "Priority Bank" has agreed to pay additional compensation to us to receive preferential ordering in the allocation sequence ahead of other Program Banks. With the exception of any "Priority Banks, the third-party administrator uses a proprietary algorithm that allocates deposits to each Program Bank based upon a minimum, maximum and target balance set by each Program Bank. A "pro rata" nondiscretionary methodology determines the sequence of allocating deposits and withdrawals by the percentage that each Program Bank omnibus account balance is away from the bank target balance. In general, Program Banks with smaller percentages of their targets are allocated deposits before Program Banks with higher percentages of their target are allocated deposits.

You may at any time designate a Program Bank as ineligible to receive your funds. This will result in your funds being deposited to deposit accounts at another Program Bank on the Program Bank List. In addition, you may at any time instruct us to remove your funds from a Program Bank, close your deposit account with the Program Bank and designate the Program Bank as ineligible to receive future deposits. You may not designate all of the Excess Banks as ineligible to receive your funds. If you wish to designate a Program Bank as ineligible to receive your funds, please contact your Financial Professional.

The Program Bank List will include one or more Excess Banks that will accept your funds without limit and without regard to the Maximum Applicable Deposit Insurance Amount if all Program Banks on the Program Bank List have received funds up to the Applicable Deposit Limit. The Program Bank List of available Program Banks to which your funds may be deposited will also be available on the websites listed below; refer to "Disclosures," then to the FDIC Insured Deposit Program used in your account. You may also contact your Financial Professional to obtain this information.

## **CHANGES TO THE PROGRAM BANK LIST; CHANGES TO THE SWEEP PROGRAM**

A Program Bank may be deleted from or added to the Program Bank List at any time. Please refer to the "Disclosures" section on the websites listed below, then click on the applicable FDIC Insured Deposit Program used in your account to see the current Program Bank List. You may also contact your Financial Professional for information regarding the current Program Bank List. The most current Program Bank List with participating Program Banks will always be maintained on the websites listed below.

Regulations adopted by the U.S. Securities and Exchange Commission ("SEC") require us to provide you with written notice at least 30 calendar days before making certain changes to the products available in a Sweep Program. By participating in our Sweep Program, you agree that the sweep option in your account may be changed, including changing between money market funds and bank deposit sweep products, with prior written notification to you.

## **BENEFITS TO THE BROKER-DEALER**

The FDIC Insured Deposit Program (BDSP and ICAP) creates financial benefits for us, Pershing, the Program Banks, and the third-party administrator associated with delivering and servicing the Program. Should we add a Program Bank that is affiliated with us, we will disclose it as such, as we will receive additional benefits under the Program. Program Banks do not have a duty to provide the highest rates available and instead generally seek to pay a low rate. Banks generally profit from paying depositors lower rates of interest, and by investing or lending those deposits to their borrowers at higher rates. By comparison, a Money Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with its investment objective, which can be found in the fund's prospectus.

The deposits we make available to Program Banks via the Sweep Program represent a significant amount of cash (generally in the billions of dollars) that is a relatively stable source of deposits for the Program Banks. The Program Banks in turn use these cash deposits for their investment or lending activities to generate revenue for the Program Banks. The Program Banks thus have an incentive to pay a higher rate for Program Deposits, and for the BDSP the difference between that rate and the rate you receive as interest is the fee that we, Pershing, and the third-party administrator collect for administering the Sweep Program and related services. Note that for the ICAP our compensation is limited to the monthly per account sweep fee.

As previously described, the interest rate payable to you is based on the amounts paid by the Program Banks to obtain the deposits, less a fee retained by us, Pershing and the third-party administrator. The fee we receive for the BDSP will not exceed 600 basis points (6.00%) per year on the average daily balances held in these deposit accounts. We may waive any portion of our fee, or the fee in its entirety, received from the Program Banks. The fees received by us, Pershing and the third-party administrator will affect the interest income you receive on your deposit accounts.

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 a wide range of investment products, including among others non-sweep money market mutual funds, treasury bills, and brokered certificates of deposit to invest 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 is offered as a convenience to allow you to maintain and accumulate cash pending future investment in your Brokerage Account while earning modest interest income that would not be earned if your cash were to remain as a free credit balance. If you seek to invest your Brokerage Account cash balances for potential returns or yields greater than those offered by the Sweep Program and you do not anticipate the need for immediate access to your cash balances for future investments or withdrawals, please contact your Financial Professional to discuss available investment options. The income we earn from Program Banks based on your balances in the BDSP will in almost all circumstances be substantially greater than the amount of interest you earn from the same balances. As such, we receive a substantially higher percentage of the interest generated by deposit balances in the BDSP than the interest credited to customer accounts. As a result of the fees and benefits described above, the Program is significantly more profitable to us than other available sweep options, if any.**

Refer to the interest rates described in the “*Disclosures*” section on the websites listed below for the applicable rates you will earn on Program Deposits. For your review, we publish a quarterly description of the percentage of interest that we retain as our fee for administration of the Sweep Program, which can be found at the website listed below. This percentage is the amount of interest we retained in the prior quarter and is not the amount we will retain in the current quarter. As such, it should be used for historical reference only.

#### **ADDITIONAL INFORMATION ABOUT PROGRAM BANKS**

You will not have a direct account relationship with the Program Banks. However, each deposit account constitutes an obligation of a Program Bank and is not directly or indirectly an obligation of ours, Pershing, or your Financial Professional. If you or we terminate your use of the Program, or if one or more Program Banks with which you have deposits in the Program cease to participate in the Program, you may establish a direct depository relationship with each such Bank, subject to its rules with respect to maintaining deposit accounts.

ESTABLISHING A DIRECT DEPOSITORY RELATIONSHIP IN YOUR NAME AT A BANK WILL SEPARATE THE DEPOSIT ACCOUNTS FROM YOUR BROKERAGE ACCOUNT. IF YOU ESTABLISH A DIRECT DEPOSITORY RELATIONSHIP WITH A 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.

Information concerning Program Banks may be obtained by visiting the National Information Center (NIC), which provides comprehensive information on banks and other institutions for which the Federal Reserve has a supervisory, regulatory, or research interest. For your convenience, the following website address will take you to the NIC: [ffiec.gov/NPW](http://ffiec.gov/NPW). You may also contact the Federal Deposit Insurance Corporation (FDIC) Public Information Center by mail at 801 Seventeenth Street, N.W. Room 100, Washington, D.C. 20434, or by phone at 1-877-ASKFDIC. We do not guarantee in any way the financial condition of any of the Program Banks or the accuracy of any publicly available financial information concerning the Program Banks. Notification of unauthorized activity and any complaints regarding the Program will be accepted by us.

#### **INQUIRIES**

Any inquiries regarding the deposit of free credit balances from your Brokerage Account to the products in our FDIC Insured Deposit Program should be directed to your Financial Professional.

#### **2. MONEY MARKET MUTUAL FUNDS (“MONEY FUNDS”)**

The second type of sweep product made available to you in the Sweep Program is a Money Market Mutual Fund. Upon establishment of your new account, and similar subsequent and future account(s) opened for you by us, free credit balances in the following brokerage account types will be automatically swept to the Federated Hermes Government Reserves Fund (“Fund”) (GRFX): All ERISA Title 1 plans (e.g., Profit Sharing plans, 401(k) plans, Roth 401(k) plans, Simple 401(k) plans, Individual 401(k) plans, Qualified Deferred Compensation Plans, Defined Benefit Plans, Target Benefit Plans, and Money Purchase Pension Plans); as well as 403(b)(7) plans and Keogh plans. This Fund is managed by Federated Hermes.

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**ALL ERISA TITLE I PLANS, 403(B)(7) PLANS, & KEOGH PLANS – (INCLUDES THIRD PARTY CUSTODIANS)**

**All retail account types (Advisory & Commission)**

<b>Default Sweep Product Name</b>	<b>Federated Hermes Government Reserves Fund</b>
Registered Ticker Symbol	GRFXX
Registered CUSIP	608919205
Type of Product	Money Market Mutual Fund
<b>Brief Description: Seeks current income consistent with stability of principal and liquidity by investing in a portfolio of U.S. Treasury and government securities maturing in 397 days or less and repurchase agreements collateralized fully by U.S. Treasury and government securities.</b>	

**NOTE: Investments in Money Market Funds are not guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although Money Market 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 Market Fund, including loss of principal. Fund shares are not guaranteed by the U.S. government. The sponsor of a Money Market Fund has no legal obligation to provide financial support to the Money Market Fund, and you should not expect that the sponsor will provide financial support to the Money Market Fund at any time. Although the boards of Money Market Funds have no current intention to impose a fee upon the sale of shares or to temporarily suspend redemptions, if the liquidity of the Money Market Fund falls below certain levels the board reserves the ability to do so after providing at least 60 days prior written notice to shareholders. Investors should carefully consider the investment objectives, risks, charges, and expenses of Money Market Funds before investing. The Fund's prospectus contains important information on the Fund. Please contact your Financial Professional for further details and additional information, including a free prospectus.**

**NO FEES RECEIVED BY BROKER-DEALER FROM MONEY MARKET FUNDS**

Your Broker-Dealer and Pershing do not receive compensation in any form from the Federated Hermes Government Reserves Fund. In an effort to maintain a positive yield to a customer, a Fund company such as Federated Hermes may reduce or waive a portion or all of its internal management and/ or distribution fees. Please consult the Fund's prospectus, or your Financial Professional, for additional information on such fee waivers.

**WITHDRAWALS FROM THE PROGRAM**

All withdrawals necessary to satisfy debits in your brokerage account will be made by Pershing as your agent through us. If your brokerage account includes the Pershing Resource Checking or Corestone features, when you write a check on your brokerage account or use your debit card, the presentment of that transaction will create a debit in your brokerage account. Each debit will automatically generate a withdrawal from the FDIC Insured Deposit Program, causing a reduction of your balance in the applicable deposit accounts to satisfy the debit in your brokerage account. If your sweep product is the Money Market Mutual Fund, shares of the Fund will be liquidated to satisfy the debit in your brokerage account. Checks written on the brokerage account are not drawn directly on the deposit accounts established for you at the Program Banks. If there are insufficient funds on deposit in your deposit accounts, Pershing will withdraw funds from other available sources as described in your brokerage account agreement or Pershing, LLC IRA Adoption Agreement, as applicable.

**OBLIGATIONS**

For all accounts that participate in the Sweep Program, we are obligated to provide you: (i) the disclosures and notices regarding the Sweep Program required by each self-regulatory organization of which we are a member; (ii) Pershing will issue quarterly account statements notifying you that the balance in your FDIC Insured Deposit Program, or the shares of any Money Market Mutual Fund in which you have a beneficial interest, can be liquidated upon your order and the proceeds returned to your securities account or remitted directly to you; and (iii) written notice at least 30 calendar days before changing the terms and conditions of the Sweep Program; changing the terms and conditions of a product currently available through the Sweep Program; changing, adding or deleting products available through the Sweep Program; or changing your investment in the Sweep Program from one product to another, including changing between money market funds and bank deposit sweep products. If we are required to provide such notice to you, the notice will describe the new terms and conditions of the Sweep Program, product(s), or new product(s), as applicable, and the options available to you if you do not accept the new terms and conditions or product(s).

**Insufficient Program Bank Capacity**

**The ability to sweep the uninvested cash in your brokerage account to the products supported in our FDIC Insured Deposit Program (BDSP and ICAP) 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, any cash balance in your brokerage 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 brokerage account at the then current net asset value of the MMF. We will provide advance notice to you of any such change to the Sweep Program and provide a Summary Prospectus for the applicable 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 above, 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 to 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 PBL as detailed above when Bank capacity is sufficiently restored for the affected 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.

#### **FOR MORE INFORMATION**

You may always 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-Dealer's website:

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

<https://www.securitiesamerica.com/disclosures-sweep-program-resources>

<http://www.infinexgroup.com/disclosures>

<http://www.americanportfolios.com>

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