



# Bank Deposit Program Disclosure Statement

**INVESTMENT AND INSURANCE PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE  
• NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT A BANK DEPOSIT • MAY LOSE VALUE**



# Bank Deposit Program Disclosure Statement

## a. Introduction

Through the Bank Deposit Program (the "Program") available cash balances in your Citigroup Global Markets Inc. ("CGMI") securities accounts are automatically deposited in depository institutions which may or may not be affiliated with Citigroup Inc. (each a "Program Bank") and are insured by the Federal Deposit Insurance Corporation ("FDIC") within certain applicable limits. These automatic deposits are referred to as "sweeps." The Program makes available to you a transaction account ("TA") and a money market deposit account ("MMDA") (collectively, the "Deposit Accounts") at the Program Banks that are set forth on the Priority List up to a specified limit.

The Program is made available through Pershing LLC, which acts as CGMI's Clearing Firm (the "Clearing Firm"). The Clearing Firm is not an affiliate of the Program Banks or CGMI. By selecting the Program, you authorize the Clearing Firm to act as your agent in opening the Deposit Accounts and making deposits and withdrawals to the TA and MMDA. The Clearing Firm has appointed Promontory Interfinancial Network ("Promontory") to provide certain services with respect to the operation of the Program. The Clearing Firm is a wholly owned indirect subsidiary of The Bank of New York Mellon ("BNYM") which has a minority investment interest in Promontory. The Clearing Firm, BNYM and Promontory are not affiliates of the Citibank, N.A. or CGMI.

The funds in your Deposit Accounts at each Program Bank are eligible for insurance by the FDIC up to \$250,000 (including principal and accrued interest) per depositor in each insurable capacity (e.g., individual, joint account, IRA, etc.). Pursuant to the Priority List of available Program Banks, which is available online at: <http://www.citi.com/investorinfo/advisoryprivacy/> with this Disclosure Statement, the Clearing Firm will open Deposit Accounts for you and will place up to \$248,500 (the "Deposit Limit") in up to three Program Banks on the list in the order which they appear, subject to certain exceptions, until the Deposit Limit is reached at each Program Bank. The first Program Bank is Citibank, N.A. Once an aggregate of \$745,500 in principal is on deposit in the Program Banks (the "Insured Maximum"), available cash in your CGMI securities account will be deposited in Citibank, N.A., the first Program Bank on the Priority List, without limit and will exceed the FDIC insurance limit.

For deposit insurance purposes, deposit accounts, including certificates of deposit ("CDs"), that you may establish in one insurable capacity directly at each Program Bank or through an intermediary, such as CGMI and/or the Clearing Firm, will be aggregated with all Deposit Accounts you establish through the Program in the same capacity. You should review carefully the sections of this Disclosure

Statement titled “Deposit Insurance: General” and “Deposit Insurance: Retirement Plans and Accounts,” which describe the amount of coverage available and your responsibility to monitor amounts deposited in Program Banks through the Program and through other means.

Each Deposit Account constitutes a direct obligation of the Program Bank and is not directly or indirectly an obligation of CGMI, the Clearing Firm or Promontory. You can obtain publicly available financial information concerning any or all of the Program Banks at [ffiec.gov/nicpubweb/nicweb/nichome.aspx](http://ffiec.gov/nicpubweb/nicweb/nichome.aspx) or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, VA 22226 or by phone at 703-562-2200. Neither CGMI nor the Clearing Firm guarantees in any way the financial condition of any Program Bank or the accuracy of any publicly available financial information concerning a Program Bank.

The Deposit Accounts are not eligible for SIPC coverage. Please review the section titled “SIPC Coverage” or the Securities Exchange Act rules on segregation of assets.

Federal banking regulations require the Program Banks to reserve the right to require seven days’ prior notice before permitting a transfer of funds out of the Deposit Accounts. The Program Banks have indicated that they presently have no intention of exercising this right. However, any Program Bank may, at its option, choose to exercise this right in the future.

**b. Eligibility**

The Program is not available to clients holding certain CGMI accounts or to certain for-profit entities. Please ask your advisor or account representative for details of eligibility.

**c. How the Program Works**

As described earlier, when cash in your securities account is first available for deposit, the Clearing Firm, as your agent, will open a TA and an MMDA on your behalf at Citibank, N.A. and, with certain exceptions, up to two additional Program Banks on the Priority List. Program Banks will appear on the Priority List in the order in which Deposit Accounts will be opened for you and your funds will be deposited. The Priority List is available at any time upon request from your advisor, account representative and available online at: <https://www.privatebank.citibank.com/pdf/marketing/Bank-Deposit-Program-Priority-List.pdf>.

You may choose not to participate in the Program at any time. In that event, if you are not eligible to participate in any other currently available settlement options, any available cash in your securities account will remain as free credit balances and earn no interest. It is your obligation to monitor your free credit balances. CGMI, the Clearing Firm and your advisor do not have any obligation to monitor or advise you concerning any free credit balances in your accounts.

#### **d. Changes by CGMI/Clearing Firm to the Priority List**

Periodically, the Priority List may be changed. One or more of the Program Banks included on the Priority List may be replaced with a depository institution not previously included on the Priority List, a Program Bank may be deleted from the Priority List or the order of the priority sequence may change. Where practicable, you will receive notice of such change in advance. You can find the most current version of the Priority List by contacting your advisor or available online at: <https://www.privatebank.citibank.com/pdf/marketing/Bank-Deposit-Program-Priority-List.pdf>. Your Citigroup business makes available to you to access your investment account. If you have funds in Deposit Accounts at a Program Bank that is moved to a lower position on the Priority List, additional funds will not be placed in Deposit Accounts at that Program Bank. Instead, funds will be deposited in Deposit Accounts at Program Banks in a higher position on the Priority List until the Insured Maximum is reached. If the Program Bank in which you have Deposit Accounts no longer makes the Deposit Accounts available through the Program, you will be notified by CGMI and/or the Clearing Firm and given an opportunity to establish a direct depository relationship with the Program Bank outside the Program. The consequences of maintaining a direct depository relationship with the Program Bank are discussed below under "Relationship with CGMI." If you choose not to establish a direct depository relationship with the Program Bank, your funds will be withdrawn from the Program Bank and deposited into the first available Program Bank on the Priority List.

#### **e. Deposit Procedures**

Your funds will be deposited by the Clearing Firm in Deposit Accounts at the three Program Banks on the Priority List until your funds in the Deposit Accounts at each Program Bank reach \$248,500. The Clearing Firm will deposit your funds in Deposit Accounts at the Program Banks in the order set forth on the Priority List. Once your funds in the Deposit Accounts at the first Program Bank on the Priority List reach \$248,500, the Clearing Firm will open a TA and MMDA for you at the next Program Bank on the Priority List and place your additional funds in that Program Bank. Once your funds reach the Insured Maximum in the Program Banks on the Priority List, additional funds will be placed in Citibank, N.A. (the first bank on the Priority List) without limit.

As your agent, the Clearing Firm will deposit available cash balances in your TA at each Program Bank. Funds in excess of a "threshold amount" determined periodically by CGMI and/or the Clearing Firm as necessary to satisfy debits in your CGMI brokerage account (securities purchases and other items) will be transferred from the TA to the related MMDA at each Program Bank. Transfers from the MMDA to the TA and withdrawals from the TA are discussed below under "Withdrawal Procedures."

You may designate any Program Bank, except Citibank, N.A., as ineligible to receive your funds. If you designate a Program Bank as ineligible to receive your funds, your funds will be deposited in the next Program Bank on the Priority List. If you have funds on deposit in a Program Bank at the time you designate that Program Bank as ineligible to receive your funds, those funds will be withdrawn and placed in the next Program Bank on the Priority List.

#### **f. Withdrawal Procedures**

All withdrawals necessary to satisfy debits in your CGMI securities account will be made by the Clearing Firm as your agent. A debit will be created in your CGMI securities account when you purchase securities or request a withdrawal of funds from your CGMI securities account. The funds necessary to satisfy debits in your CGMI securities account will first be obtained from available cash balances in your CGMI securities account and then from balances in the TAs maintained through the Program.

In general, funds will be withdrawn first from the uninsured balances, if any, in your Deposit Accounts at Citibank, N.A. and then from the Program Bank that is the last Program Bank on the Priority List in which your funds have been deposited. If funds in your TA are insufficient to satisfy a debit, funds in the related MMDA at the last Program Bank on the Priority List will be transferred to the TA to satisfy the debit, plus the threshold balance. If there are not sufficient funds on deposit at the last Program Bank on the Priority List in which funds have been deposited, funds will be withdrawn from the TA at the next to last Program Bank in which funds have been deposited, with funds transferred from the MMDA at that Program Bank as necessary to satisfy the debit.

Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle and certain aggregation rules may apply to transfers from the MMDAs at the Program Banks. At any point during a month in which transfers from the MMDAs at a Program Bank have reached the applicable limit, funds will be transferred from the MMDA at that Program Bank to the related TA at that Program Bank until the end of the month. At the beginning of the next month, any funds on deposit in the TAs at the Program Banks will be transferred to the MMDAs, minus the threshold balance. The limits on MMDA transfers will not limit the number of withdrawals a client can make from funds on deposit at each Program Bank, the interest rate a client earns or the amount of FDIC insurance coverage for which a client is eligible.

#### **g. Interest**

General. As described below, each Program Bank will pay interest on your Deposit Accounts. The amounts paid with respect to the Deposit Accounts will be determined by the Program Banks periodically based upon prevailing economic and market conditions. Fees paid to the Clearing Firm by the Program Banks, which

are shared with CGMI, will affect the interest rate available to you on balances in your Deposit Accounts. See the section below titled "Compensation and Benefits to CGMI, the Clearing Firm and Citigroup" for more information on these fees. The interest rate will apply to balances in the Deposit Accounts on the day the rate is set. Interest will accrue on account balances from the day funds are deposited with a Program Bank through the business day preceding the date of withdrawal from the Program Bank. Interest will be compounded daily and credited monthly.

The interest rate paid with respect to the Deposit Accounts may be higher or lower than the interest rates available to depositors making deposits directly with a Program Bank or other depository institutions in comparable accounts. You should compare the terms, rates of return, required minimum amounts, charges and other features of the Program with other deposit accounts and alternative investments. Please note, CGMI and/or the Clearing Firm reserve the right to make exceptions to this policy based on client relationships, business and market conditions.

Interest Rate Tiers. Interest paid by the Program Banks will be tiered based on the value of eligible assets in CGMI accounts as determined in the sole discretion of CGMI and the Clearing Firm. Generally, the Deposit Account balances of clients in higher interest rate tiers will receive higher interest than those clients in lower interest rate tiers. Interest rate tiers may vary depending on the Citigroup business through which you opened your CGMI account (the "Applicable Interest Rate Tier"). Your ability to open CGMI accounts through these different Citigroup businesses is subject to various eligibility factors including, but not limited to, minimum balance requirements and geographic location.

The Program Banks will pay the same rate of interest on the Deposit Accounts within each Applicable Interest Rate Tier. The interest rates on the Deposit Accounts will vary based upon the value of the assets, including cash you maintain in your CGMI brokerage account, as well as amounts on deposit in your Deposit Accounts.

The Program Banks are not obligated to pay different rates of interest on different tiers and the Interest Rate Tiers may be changed at any time without notice.

The Interest Rate Tiers are as follows:

- \$10,000,000 or greater based upon your Select Link Balance
- \$1,000,000 to \$9,999,999.99 based upon your Select Link Balance
- \$500,000 to \$999,999.99 based upon your Select Link Balance
- \$250,000 to \$499,999.99 based upon your Select Link Balance
- \$50,000 to \$249,999.99 based upon your Select Link Balance
- Less than \$50,000 based upon your Select Link Balance

You can aggregate the assets in eligible CGMI accounts to determine your Interest Rate Tier using the Select Link statement package. By enrolling in Select Link, you can link different CGMI accounts with the same mailing address and receive

one statement package. In order to enroll in Select Link, you must sign the Select Link agreement and select the CGMI accounts you want to include. Once enrolled in Select Link, the total value of the assets in all of your CGMI accounts linked for purposes of the Select Link statement package will automatically be aggregated to determine your Interest Rate Tier until you request that some or all of these accounts be removed from Select Link. The aggregate value of the assets of all "linked" brokerage accounts are referred to as your "Select Link Balance."

The Clearing Firm will determine your Select Link Balance as of the interest posting date each month and add it to the Select Link Balance as of the interest posting date for the prior month which is then divided by two to determine your average Select Link Balance for the period. This average Select Link Balance will determine your eligibility for a particular Interest Rate Tier for the forthcoming interest period.

If you do not enroll in Select Link, assets in your CGMI brokerage accounts will not be aggregated for purposes of determining your Interest Rate Tier. Instead, the Interest Rate Tier will be determined based upon the asset value of each individual CGMI brokerage account. Neither CGMI nor Pershing has any responsibility to link or let the client know they can link eligible accounts.

The Interest Rate Tier applicable to your initial deposit into the Deposit Accounts will not be based on your average balance but rather, until the first monthly interest payable date following the deposit, will be based on the initial amount deposited from your brokerage account into the Deposit Accounts. Commencing on your first monthly interest payable date, your brokerage accounts will be included in the average balance calculation described above. Because your brokerage account was not part of the prior month calculation, your Interest Rate Tier will be determined based on the total asset value of the applicable brokerage accounts as of that interest posting date.

Investment Advisory Accounts with the Program as a settlement option will not be subject to Interest Rate Tiers. Instead, Investment Advisory Accounts with the Program as their settlement option will receive the interest rate paid in the highest Interest Rate Tier. However, it should be noted that eligible assets in Investment Advisory Accounts will be included in the monthly determination of the interest rate tier for the remaining non-Investment Advisory Accounts with respect to the Select Link Balance if you enroll in the service and include your Advisory Accounts as part of your Select Link Accounts. You may contact CGMI or your advisor to determine the current interest rate on the Deposit Accounts for each Interest Rate Tier and for the other settlement options available to you. Interest rates and tiers are also posted online via the website your Citigroup business makes available to you to access your investment account. For more information about Select Link, speak to your account representative or advisor.



## **h. Information About Your Deposit Accounts**

All activity with respect to your Deposit Accounts will appear on your periodic account statement from CGMI, including the total of your opening and closing Deposit Account balances and a breakdown of your Deposit Account balance at each individual Program Bank at which you have Deposit Accounts. The account statement will list the Program Banks at which you have a balance and will also show interest earned for the period covered by the statement. You will not receive a separate statement from the Program Bank(s).

You may contact your advisor or account representative to obtain the current interest rate on the Deposit Accounts, your account balances in the Deposit Accounts at each Program Bank and other account information. In addition, as a CGMI account holder you may view your account online, at any time on a real-time basis. Through the website, you may monitor your consolidated Program balances.

## **i. Modifications to the Program**

CGMI and/or the Clearing Firm may amend or modify the Program in its sole discretion, with or without notice to you.

## **j. Notices**

Notices required to be given to you may be given by means of a letter, an entry on your CGMI account statement, or by other means.

## **k. Relationship with CGMI and the Clearing Firm**

On behalf of CGMI, the Clearing Firm is acting as your agent in establishing the Deposit Accounts, depositing funds into the Deposit Accounts, withdrawing funds from the Deposit Accounts and transferring funds between TAs and related MMDAs. No evidence of ownership, such as a passbook or certificate, will be issued to you. Deposit Account ownership will be evidenced by a book entry on the account records of each Program Bank and by records maintained by the Clearing Firm as your agent and custodian. You will be provided with a periodic account statement from the Clearing Firm, which will reflect the balances in the Deposit Accounts at the Program Banks. You should retain the account statements for your records.

Transactions with the Program Banks will be conducted through CGMI and the Clearing Firm. Neither the Program Banks nor any other entity involved in the administration of the Bank Deposit Program will accept instructions from you, or provide you information about, the Deposit Accounts.

CGMI or the Clearing Firm may, in its sole discretion, terminate your participation in the Program. Similarly, you may at any time terminate your participation in the Program. If either CGMI or the Clearing Firm, on the one hand, or you, on the other hand, terminate your participation in the Program, you may establish a direct depository relationship with the Program Bank(s) subject to its/their rules with

respect to establishing and maintaining accounts. This will result in separating such Deposit Accounts from your CGMI securities account and these deposits will no longer be reflected on your CGMI account statement nor be automatically used to settle trades.

### **I. Compensation and Benefit to CGMI, the Clearing Firm and Citigroup**

Each Program Bank pays Promontory a services fee, which is between 15 and 150 basis points of the average daily deposit balance held by the Program Bank in Deposit Accounts established by the Clearing Firm at that Program Bank. Promontory provides the Clearing Firm a portion of this indirect compensation, which in turn, provides part of its share of the services fee to CGMI. The services fee provides compensation to Promontory, the Clearing Firm and CGMI for administering BDP and making the Program available. The services fee may be higher or lower depending upon prevailing interest rates affecting the Program Banks. CGMI's portion of this fee ranged between 8 and 33 basis points between 2011 and 2019. Should prevailing interest rates increase in 2019 or later, the fee earned by CGMI will increase beyond 33 basis points. There is no direct compensation paid from client accounts. CGMI and the Clearing Firm have the right to waive all or part of this fee. A portion of this fee may be shared with your advisor. CGMI will not share any portion of its compensation with your advisor based upon deposits from Investment Advisory Accounts. Other than applicable fees imposed on securities accounts, there will be no charge, fee or commission imposed on your account with respect to the Program including if you withdraw.

The Program creates financial benefits for Citibank, N.A., an affiliate of Citigroup Inc., and the other Program Banks. The Program Banks may use the cash balances in their Deposit Accounts to fund certain lending activity. As with other depository institutions, the profitability of the Program Banks is determined in large part by the difference between the interest paid and other costs incurred by them on the Deposit Accounts, and the interest or other income earned on their loans, investments and other assets. The income (i.e., "spread") that the Program Banks will have the opportunity to earn through their lending activity is usually significantly greater than the fees earned by CGMI or its affiliates from distributing the money market fund portfolios offered as sweep investments. Deposits in Deposit Accounts at Program Banks provide a stable source of lendable funds for the Program Banks.

You may obtain information about your Deposit Accounts, including balances, the current interest rate and the names and priority of the Program Banks at which Deposit Accounts are currently available online by contacting your advisor or account representative.

### **m. Deposit Insurance: General**

The funds in your Deposit Accounts are insured by the FDIC, an independent agency of the U.S. government, for up to \$250,000 (including principal and accrued interest) when aggregated with all other deposits held by you in the same insurable capacity at the same Program Bank. If you maintain CGMI securities accounts with different advisors or otherwise within CGMI, all such accounts in the same insurable capacity will be aggregated with other deposits held by you in the same insurable capacity at the same Program Bank for FDIC insurance coverage. Your funds become eligible for deposit insurance immediately upon placement in a Deposit Account. Any deposits, including certificates of deposit (“CDs”), that you maintain directly with a Program Bank, or through an intermediary (such as CGMI or another broker), in the same insurable capacity, will be aggregated with your Deposit Accounts at that Program Bank for purposes of the \$250,000 federal deposit insurance limit.

In the event a Program Bank fails, the Deposit Accounts are insured, up to \$250,000, for principal and interest accrued to the day the Program Bank is closed.

Under certain circumstances, if you become the owner of deposits at a Program Bank because another depositor dies, beginning six months after the death of the depositor the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at the Program Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides the six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

You are responsible for monitoring the total amount of your deposits with any Program Bank, directly or through an intermediary, in order for you to determine the extent of deposit insurance coverage available to you on your deposits. Neither CGMI nor the Clearing Firm is responsible for any insured or uninsured portion of a Deposit Account. For example, if you own a CD at one of the Program Banks, the CD must be aggregated with any deposits you maintain in the same insurable capacity at that Program Bank through CGMI. As a further example, if you own a CD at Citibank, N.A. of \$65,000 in an insurable capacity, and have cash balances of \$50,000 swept into your Deposit Accounts held in the same insurable capacity at Citibank, N.A. through the Program in one CGMI securities account and have \$150,000 of cash balances swept into your Deposit Accounts held in the same insurable capacity at Citibank, N.A. through the Program in another CGMI securities account, only \$250,000 of the \$265,000 will be insured by the FDIC.

In the event that federal deposit insurance payments become necessary, payments of principal plus accrued but unpaid interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available.

Furthermore, you may be required to provide certain documentation to the FDIC and CGMI or the Clearing Firm before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits (e.g., CDs) at any one Program Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquirer until (i) the maturity date of the CDs or other time deposits that were assumed, or (ii) with respect to deposits that 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 with the acquirer held in the same insurable capacity for purposes of federal deposit insurance. Any deposit opened at the depository institution after the acquisition will be aggregated with deposits established with the acquirer for purposes of federal deposit insurance.

The application of the \$250,000 federal deposit insurance limit is illustrated by several common factual situations discussed below. Please review the section headed "Deposit Insurance: Retirement Plans and Accounts" for the application of the \$250,000 federal deposit insurance limit to retirement plans and accounts.

Individual Customer Accounts. Funds owned by an individual and held in an account at any one Program Bank in the name of an agent or nominee of such individual (such as the Deposit Accounts held through CGMI) or 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 agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Deposits held through a Qualified Tuition Savings Program ("529 Plan") will be insured as deposits of the participant and aggregated with other deposits of the participant if the arrangement and the name of the participant are identified on CGMI's account records.

Joint Accounts. An individual's interest in funds in all accounts at any one Program Bank held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same depository institution. Joint Accounts will be 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.

Corporate, Partnership and Unincorporated Association Accounts. Funds held in an account at any one Program Bank owned by corporations (including Subchapter S corporations), partnerships and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership and unincorporated association, respectively, and are insured up to \$250,000 in the aggregate.

**n. Revocable Trust Accounts**

Funds held in an account at any one Program Bank will generally be insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC.

Informal revocable trusts include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a “Totten trust” account, “payable upon death” account or “transfer on death” account. Each beneficiary must be included in CGMI’s account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as “living” or “family” trusts. The beneficiaries of a formal revocable trust do not need to be included in the Firm’s account records.

Under FDIC rules, FDIC coverage will be \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than \$1,250,000 in deposits at the Program Bank and more than five beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries’ proportional interests, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Program Bank will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

**o. Irrevocable Trust Accounts**

Funds in an account established at any one Program Bank 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). According to the FDIC, Coverdell Education Savings Accounts will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary’s interest is separate from the coverage provided for other accounts

maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a depository institution created by the same grantor will be aggregated and insured up to \$250,000.

**p. Health/Medical Savings Accounts**

Deposits of any one Program Bank held in a Health/Medical Savings Account (the successor to an Archer Medical Savings Account which was phased out in 2007), will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee benefit plan. You may wish to consult with your attorney or the FDIC to determine the available coverage.

**q. Deposit Insurance: Retirement Plans and Accounts**

General. If you have deposits at any one Program Bank that are held through one or more retirement plans and accounts, the amount of deposit insurance you will be eligible for, including whether CDs held by the plan or account will be considered separately or aggregated with the CDs of the same Issuer held by other plans or accounts, will vary depending on the type of plan or account. It is therefore important to understand the type of plan or account holding the CDs. The following sections generally discuss the rules that apply to deposits of retirement plans and accounts, but you should consult with your tax or legal advisor for more information regarding deposits held through these plans or accounts.

Individual Retirement Accounts (“IRAs”). Deposits at any one Program Bank held in an IRA will be insured up to \$250,000 in the aggregate. However, the CDs of any one Issuer acquired by an IRA will be aggregated with the CDs of the same Issuer held by certain employee benefit plans in which the owner of the IRA has an interest. Thus, the owner of an IRA will only be eligible for insurance of \$250,000 for CDs at any one Issuer held in plans and accounts that are subject to aggregation. See the section below headed “Aggregation of Retirement Plan and Account Deposits.”

**r. Pass-Through Deposit Insurance for Employee Benefit Plan Deposits**

Subject to the limitations discussed below, under FDIC regulations an individual’s non-contingent interests in the deposits of any one Program Bank held by many types of employee benefit plans are eligible for insurance up to \$250,000 on a “pass-through” basis. This means that instead of an employee benefit plan’s deposits at one Program Bank being entitled to only \$250,000 in total per Program Bank, each participant in the employee benefit plan is entitled to insurance of his or her non-contingent interest in the employee benefit plan’s deposits of up to \$250,000 per Program Bank (subject to the aggregation of the participant’s interests in different plans, as discussed below under “Aggregation of Retirement Plan and Account Deposits.” The pass-through insurance provided to an individual as an employee benefit plan participant is separate from the \$250,000 federal deposit insurance limit allowed on other deposits held by an individual with the Program Bank in separate insurable capacities.

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”) (including Keogh plans, whether or not they are technically “employee benefit plans” under ERISA) and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986 (the “Code”). For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

Defined Benefit Plans. The value of an employee’s non-contingent interest in a defined benefit plan will be equal to the present value of the employee’s interest in the plan, evaluated in accordance with the calculation ordinarily used under such plan. A deposit held by an employee benefit plan that is eligible for pass-through treatment is not insured for an amount equal to the number of plan participants multiplied by \$250,000. For example, an employee benefit plan owns \$500,000 in deposits at one Program Bank. The employee benefit plan has two participants, one with a non-contingent interest of \$425,000 and one with a non-contingent interest of \$75,000.

In this case, the employee benefit plan’s deposits would be insured only up to \$325,000; the plan would be eligible for up to \$250,000 for the participant with the \$425,000 non-contingent and up to \$75,000 for the participant with the \$75,000 non-contingent interest.

Overfunded amounts, which are any portion of a plan’s deposits that are not attributable to the interests of the beneficiaries under the plan, are insured, in the aggregate, up to \$250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or an employee benefit plan participant.

Defined Benefit Plans. The value of an employee’s non-contingent interest in deposits at one Program Bank held through a defined contribution plan will be equal to the amount of funds on deposit attributable to the employee’s account with the plan, regardless of whether the funds on deposit resulted from contributions made by the employee, the employer, or both.

Portions of deposits at any Program Bank held by an employee benefit plan that are attributable to the contingent interests of employees in the employee benefit plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan are interests that are not capable of evaluation in accordance with FDIC rules, and are aggregated and insured up to \$250,000 per Program Bank.

Aggregation of Retirement Plan and Account Deposits. Under FDIC regulations, an individual’s interests in plans maintained by the same employer or employee organization (e.g., a union) which are holding deposits of the same Issuer will be insured for \$250,000 in the aggregate. In addition, under FDIC regulations

an individual's interest in the CDs of one Issuer held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax-exempt organizations (i.e., Section 457 Plans), (iii) self-directed Keogh Plans of owner-employees described in Section 401(d) of the Code and (iv) self-directed defined contribution plans that are acquired by these plans and accounts will be insured for \$250,000 in the aggregate whether or not maintained by the same employer or employee organization.

#### **s. Questions About FDIC Deposit Insurance Coverage**

If you have questions about basic FDIC insurance coverage, please contact your advisor or account representative. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, 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.htm](http://fdic.gov/deposit/index.htm) or by using the FDIC's online Customer Assistance Form available at its website.

#### **t. SIPC Coverage**

Balances maintained in the Deposit Accounts at each Program Bank are not protected by the Securities Investor Protection Corporation ("SIPC") or any excess coverage purchased by the Clearing Firm. Additional information about SIPC and asset protection can be found at [sipc.org](http://sipc.org).

#### **Dividend Reinvestment Service**

If your account is eligible, participation in Pershing Dividend Reinvestment program allows you to use your cash distribution to purchase additional whole and fractional shares of the same security. Please carefully review the following terms under which you agree to participate in this program.

- Dividend and capital gain distributions will be reinvested less any applicable agent fees and withholding tax.
- You may not add additional cash or use distributions from other securities to purchase additional shares.
- Securities involved in a corporate reorganization or other corporate actions will not be eligible for reinvestment.
- Pershing may render a security eligible or ineligible for dividend reinvestment without prior notification.
- Eligible foreign securities that are traded on U.S. exchanges are only included in the program if you elect to receive distributions in U.S. dollars.



## Share Purchase and Allocation

For issues that have four business days or more between the record date and the payable date, you must be a holder on the record date and continue to be a holder until at least four business days prior to the payable date in order for your cash distribution to be reinvested. On the payable date, your account will be credited the amount of the cash distribution, debited any agent fee and tax that may be withheld, debited the amount equal to the cost of the whole and fractional shares purchased, and subsequently allocated the appropriate number of reinvested shares.

For issues that have less than four business days between the record date and the payable date, Pershing will attempt to purchase the reinvestment shares on the first trading day after the record date. On the settlement date, your account will be credited the amount of the cash distribution, debited any agent fee and tax that may be withheld, debited the amount equal to the cost of the whole and fractional shares purchased, and subsequently allocated the appropriate number of reinvested shares. In either instance, Pershing will calculate the number of shares to be purchased based on the cash distribution to be received. Pershing will then combine your anticipated dividends with those of other clients requesting reinvestment in the same underlying security and purchase the amount of shares required to satisfy each client. If the transaction cannot be completed in one trade, you will receive the average weighted price paid by Pershing. If there are multiple distributions for the same security, Pershing will, in most cases, reinvest the distributions at the same reinvestment price. If, however, the distributions have different announcement characteristics, such as record date, payable date, ex-dividend date, or late notification by the issuer, Pershing will reinvest at the purchase price received for the specific distribution. Please be advised that if shares cannot be purchased after three attempts, you will receive a cash distribution.

Please note that if you have fractional shares and sell your entire position, you will receive the same price for your whole and fractional shares. For account transfers, only the whole shares will be transferred and, by your participation in dividend reinvestment program, you authorize CGMI and/or Pershing to liquidate your fractional shares based upon the previous trading day's closing price.

You will not receive a confirmation for each reinvestment transaction. You may contact your advisor or account representative on or after the first trading date following the date the reinvested shares are posted to your account for further information regarding each transaction. In addition, your brokerage account statement will include each transaction, as well as your current reinvestment instructions.

Your participation in this program is voluntary. You can withdraw from the program at any time, either completely or selectively, by providing instructions to your advisor or account representative. Withdrawal instructions received after the purchase for a current dividend will become effective with the next dividend payment. The terms of the Dividend Investment Program as outlined above is an amendment to your account agreement with us.

Investment products are offered through Citigroup Global Markets Inc. ("CGMI"), member SIPC. Insurance products are offered through Citigroup Life Agency LLC ("CLA"). CGMI, CLA and Citibank, N.A. are affiliated companies under the common control of Citigroup Inc. Citi and Citi with Arc Design are registered service marks of Citigroup Inc. or its affiliates. Accounts carried by Pershing LLC, member FINRA, NYSE, SIPC.

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