

# Brokered Liquid Deposit Program

## Disclosure Statement

The Brokered Liquid Deposit Program (the "Brokered Liquid Deposit Program" or "Program") is a bank deposit product offered to eligible Wells Fargo Advisors brokerage accounts. The Program consists of interest-bearing deposit accounts at affiliated and unaffiliated Program Banks, each a depository institution regulated by bank regulatory agencies under various federal banking laws and regulations.

The Brokered Liquid Deposit Program is available to clients who meet the initial deposit requirement of \$5 million in the Program. The Program consists of interest-bearing deposit accounts at affiliated and unaffiliated banks and will provide up to \$1.25 million in FDIC insurance (\$2.5 million for joint accounts with two or more owners). Eligible clients may select the Brokered Liquid Deposit Program after the account is opened. Retirement accounts are not eligible for the Brokered Liquid Deposit Program.

**How the Brokered Liquid Deposit Program Works.** The Brokered Liquid Deposit Program is not an automated "sweep" program because you must instruct your investment professional for each deposit of cash balances from your account into the Program and subsequent withdrawals from the Program back into your account.

After making the initial deposit of at least \$5 million into the Program, subsequent deposits can be made in whole dollar amounts of \$10,000 or more and withdrawals in any whole dollar amount may be made by calling your investment professional. At least fifty percent (50%) of the initial and subsequent deposits must be new money. "New money" means monies not previously held at Wells Fargo Advisors or its affiliates; it also includes proceeds from the sale of investments in your WFA brokerage account, including but not limited to, money market mutual funds and brokered CDs. Deposit and withdrawal requests made by 3 pm ET will have same day settlement.

**Access to Funds.** You may only access the balances held in the Brokered Liquid Deposit Program through your brokerage account at Wells Fargo Advisors. As required by federal banking regulations, the Program Banks reserve the right to require seven days prior notice before permitting a transfer out of the Brokered Liquid Deposit Program. The Program Banks have no intention of exercising this right at the present time.

**Statements.** Your account statement will indicate your balance, detail transactions, and reflect interest relating to your use of the Brokered Liquid Deposit Program.

**Interest Payable.** Interest on cash in the Brokered Liquid Deposit Program is accrued daily, compounded monthly, and credited to your account on the last business day of each monthly statement period.

**Rate of Return.** The rate of return for the Brokered Liquid Deposit Program can be obtained from your investment professional, by calling the general inquiries phone number listed on the front of your account statement or found on our website at [www.wellsfargoadvisors.com](http://www.wellsfargoadvisors.com). The rate will vary over time and may be lower than rates available to clients making deposits directly with the Program Banks or at other banks or other cash management alternatives available to you. You will receive the same interest rate on deposits at each of the banks in the Brokered Liquid Deposit Program.

The interest rate for the Brokered Liquid Deposit Program can change at any time and will be determined by Wells Fargo Advisors and its affiliates at their sole discretion considering competitive factors, the amount the Program Banks are willing to pay on the deposits, and the fees paid to Wells Fargo Advisors and others, as set forth below under "Benefits to Wells Fargo Advisors and Others." The rate will be based upon the balances in the Brokered Liquid Deposit Program such that clients in a higher deposit tier may receive higher interest rates. Tiers and interest rates on different tiers may change from time to time at Wells Fargo Advisors' discretion.

### Investment and Insurance Products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

Wells Fargo Advisors and the Program Banks do not have a duty to provide the highest rates prudently available and may instead seek to pay as low a rate consistent with their views of competitive necessities. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a Money Market Fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

The Brokered Liquid Deposit Program should not be viewed as a long-term investment option. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your 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 investment professional at the number on your account statement to discuss investment options that may be available outside of the Brokered Liquid Deposit Program to help maximize your return potential consistent with your investment objectives, liquidity needs, and risk tolerance.

**Your Responsibility to Monitor the Brokered Liquid Deposit Program.** As returns on the Brokered Liquid Deposit Program, your personal financial circumstances, and other factors change, it may be in your financial interest to change your use of this deposit product or invest cash balances in products offered outside of this Program consistent with your investment objectives and risk tolerance. Wells Fargo Advisors does not have any duty to monitor your deposits in this Program or make recommendations about, or changes to, the Program that might be beneficial to you.

**Alternatives to the Brokered Liquid Deposit Program.** You may elect not to participate in the Program and/or periodically invest cash balances directly in available money market mutual funds or other products offered as direct investments outside of the Program by providing instructions to your investment professional.

**Benefits to Wells Fargo Advisors and Others.** Wells Fargo Advisors and its affiliates receive fees and benefits for services provided in connection with the Brokered Liquid Deposit Program and may be more profitable to us and our affiliates than money market mutual funds or other bank deposit accounts. Your investment professional is compensated based on his or her clients' total deposits held in the Program.

Wells Fargo Advisors and its affiliates benefit financially from cash balances held in the Program. Each unaffiliated Program Bank in the Program will pay Wells Fargo Advisors an amount not to exceed a percentage (equivalent to Federal Funds Target, plus 40 basis points (0.40%)) of the average daily total deposit balances at each respective unaffiliated Program Bank. This amount includes our fee and interest payable to participating accounts in the Program. Each unaffiliated Program Bank will not pay us the same amount, so we have an incentive to make deposits to those unaffiliated Program Banks that pay us more.

In addition, Wells Fargo Advisors will receive compensation from Wells Fargo & Company in an amount of up to a \$35 annual flat fee for each Wells Fargo Advisors account that is eligible for deposits into the affiliated banks used in the Program. The management personnel and other employees of Wells Fargo Advisors and its affiliates receive incentive compensation based in part on assets in the affiliated banks or the profitability of affiliated banks in the Program and their joint parent company, Wells Fargo & Company.

Under the Program, we pay an unaffiliated third-party administrator a fee for its services. This fee includes an asset-based fee, which will vary based on deposit balances at the unaffiliated Program Banks. We do not pay the third-party administrator on deposits held in the affiliated banks.

We and the Program Banks may pay rates of interest on the Program balances that are lower than prevailing market interest rates. Wells Fargo Advisors has a conflict of interest because it influences both what it pays you in interest and what it and its employees receive in compensation on the Program. This compensation is subject to change and we may waive all or any part of this compensation at any time without notice.

**SIPC Insurance.** The Securities Investor Protection Corporation ("SIPC") protects customers of its members against the custodial risk to clients of securities brokerage firms like Wells Fargo Advisors in the event such firms become insolvent. Unlike FDIC insurance, SIPC does not insure against the failure of a security, the quality of investments, or declines in the value of investments. Instead, SIPC protects each client's securities (which include Money Market Funds) and cash held in a client's brokerage account at an insolvent brokerage firm by replacing missing securities and cash of up to \$500,000 per client, including \$250,000 for claims for cash. In addition to SIPC, Wells Fargo Advisors maintains a program of additional insurance coverage, at no cost to you, through London Underwriters (led by Lloyd's of London Syndicates) referred to here as "Lloyd's." For clients who have received the full SIPC payout limit, Wells Fargo Advisors' policy with Lloyd's provides additional coverage above the SIPC limits for any missing securities and cash in client brokerage accounts up to a firm aggregate limit of \$1 billion (including up to \$1.9 million for cash per client). This account protection package does not cover losses resulting from declines in the market value of your investments. For more information on SIPC coverage, please see the explanatory brochure at [www.sipc.org](http://www.sipc.org) or call 202-371-8300. For more information about Lloyd's, please visit [www.Lloyds.com](http://www.Lloyds.com).

Since monies in the Brokered Liquid Deposit Programs are held at banks, they are NOT covered by SIPC or Lloyd's. They are instead covered by FDIC insurance. Please see the section entitled "FDIC Insurance Coverage" below.

**Deposits.** Deposits in the Program will be made at one or more bank deposit accounts maintained at the affiliated and unaffiliated Program Banks, although we will give priority to the unaffiliated Banks. In the Brokered Liquid Deposit Program, no evidence of ownership, such as a passbook or certificate, will be issued to you and deposits in the Brokered Liquid Deposit Program may be made in the name of Wells Fargo Advisors (or its agents) for the benefit of its clients. However, your brokerage account statement will reflect all deposits, withdrawals, Program Bank deposit balance(s), and applicable interest rate.

Deposits in the Program will be made initially at up to three unaffiliated banks, up to \$248,000 at each such unaffiliated bank, and then any cash in excess of \$744,000 will be deposited up to \$248,000 at two of the three available affiliated banks (Wells Fargo Bank, N.A. and Wells Fargo Bank South Central, N.A. and Wells Fargo National Bank West ("Affiliate Banks")). Cash in excess of \$1,240,000 will be deposited at Wells Fargo Bank, N.A. and will be uninsured. Deposit limits are set below the FDIC insurance limits to allow for accrued interest on the deposit accounts at each bank. Deposits for joint accounts, revocable and irrevocable trust accounts are subject to operational limitations and the amount of FDIC insurance coverage afforded may be less than the FDIC insurance coverage available under FDIC rules.

Deposits from joint accounts, regardless of the number of joint owners, will be made only up to \$496,000 initially at each of three unaffiliated banks and then any cash in excess of \$1,488,000 will be deposited up to \$496,000 at each of two Affiliate Banks. Any deposits that exceed \$2,480,000 will be deposited at Wells Fargo Bank, N.A. and will be uninsured.

For revocable and irrevocable trust accounts in the Brokered Liquid Deposit Program, regardless of the number of owners and beneficiaries, deposits are made initially only up to \$248,000 at each of the three unaffiliated banks and then any available cash in excess of \$744,000 will be deposited up to \$248,000 at each of Affiliate Banks. Cash in excess of \$1,240,000 will be deposited at Wells Fargo Bank, N.A. and will be uninsured.

Cash intended for deposit into the Brokered Liquid Deposit Program must be deposited through your brokerage account and cannot be placed directly by you into a Program Bank. Only balances transferred by Wells Fargo Advisors will be eligible for inclusion in the Brokered Liquid Deposit Program. Deposits by you into Program Banks, outside of the Brokered Liquid Deposit Program, including, but not limited to, deposits made at each Program Bank through the Bank Deposit Sweep Programs, may adversely affect the FDIC coverage of your funds.

**Withdrawals.** You must instruct your investment professional to withdraw monies on deposit at the Program Banks in the event you need such funds to cover any debit in your Wells Fargo Advisors account or, on settlement date, to pay for securities purchased for or sold to your account. Notwithstanding the foregoing, such monies will automatically be withdrawn by us and swept to your account to cover such debits or securities purchases in the event that you do not have sufficient cash in your account or available in a Cash Sweep Vehicle to otherwise cover such obligations.

**FDIC Insurance Coverage.** Balances on deposit in the Brokered Liquid Deposit Program, together with any other of your deposits at the Program Banks, are insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount in accordance with the rules of the FDIC. Deposits (including principal and interest) at each of the Program Banks are eligible for federal deposit insurance up to \$250,000. Different ownership categories of accounts are separately insured. Please see the "Deposit Insurance" section below for further information.

If you have other deposits at the Program Banks outside of the Brokered Liquid Deposit Program, including, but not limited to, deposits at the Program Banks through the Bank Deposit Sweep Programs, you must aggregate all such deposits at each Program Bank with your Brokered Liquid Deposit Program balance for purposes of determining FDIC coverage. If your total funds on deposit at any Program Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit. Please note that you, and not Wells Fargo Advisors, are responsible for monitoring the total amount of your deposits at the Program Banks in order to determine the extent of FDIC insurance coverage available. If you expect to have total deposits at the Program Banks, including, but not limited to, balances through the Bank Deposit Sweep Programs and Brokered Liquid Deposit Program, that exceed FDIC insurance coverage limits, you should carefully consider whether you should arrange for the direct investment of amounts exceeding such coverage.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you by the FDIC. However, there is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

If you have additional questions about FDIC insurance, please contact your investment professional at the number on your account statement. 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 publicly available information by contacting the FDIC, Office of Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), or by accessing the FDIC website at [www.fdic.gov](http://www.fdic.gov).

**Changes to Program Banks.** Wells Fargo Advisors may from time to time make changes to the Brokered Liquid Deposit Program that include adding, deleting, replacing or changing the sequence of Program Banks, which may result in increasing or decreasing the overall FDIC insurance available through the Brokered Liquid Deposit Program. In such instances, you will be notified in advance of the change if it affects your account. If a Program Bank no longer makes the Brokered Liquid Deposit Program available, you may establish a direct depository relationship with that bank, if the bank is accepting such relationships and subject to its policies and procedures with respect to maintaining deposit accounts. If you do not wish to establish a direct relationship with the bank, your funds will be transferred to another available Program Bank. The consequences of maintaining a direct depository relationship with a Program Bank are discussed below under "Relationship with Wells Fargo Advisors." Wells Fargo Advisors may notify you of any of these changes by means of a letter, an entry on your brokerage account statement, an entry on a trade confirmation, or by other means.

**Information about the Program Banks.** The Program Banks are regulated by bank regulatory agencies under various federal banking laws and regulations. The Affiliate Banks are wholly-owned subsidiaries of Wells Fargo & Company, the fourth largest bank holding company in the United States based on assets. Wells Fargo Advisors is a nonbank affiliate of the Affiliate Banks and Wells Fargo & Company. Additional information regarding the Affiliate Banks and Wells Fargo & Company is available at [www.wellsfargo.com](http://www.wellsfargo.com). The list of Program Banks is available at [wellsfargoadvisors.com/cashsweep](http://wellsfargoadvisors.com/cashsweep) or by contacting your investment professional.

Deposits in the Brokered Liquid Deposit Program are obligations of each Program Bank where the monies are deposited and are not obligations of, or guaranteed by, Wells Fargo & Company or any of its other affiliates, including Wells Fargo Advisors. Neither Wells Fargo & Company nor Wells Fargo Advisors guarantees in any way the financial condition of the Program Banks, nor are they responsible for any insured or uninsured portion of any deposits with the Program Banks.

**Relationship with Wells Fargo Advisors.** Wells Fargo Advisors will act as your agent in establishing and maintaining the Brokered Liquid Deposit Program, including making deposits to and withdrawals from the Brokered Liquid Deposit Program.

Your first deposit into the Brokered Liquid Deposit Program will constitute your appointment of Wells Fargo Advisors as your agent in connection with the Program. No evidence of ownership, such as a passbook or certificate, will be issued to you and deposits in the Brokered Liquid Deposit Program may be made in the name of Wells Fargo Clearing Services, LLC for the benefit of its customers. Accordingly, all transactions involving the Brokered Liquid Deposit Program must be made through Wells Fargo Advisors and all inquiries relating to the Brokered Liquid Deposit Programs should be directed to Wells Fargo Advisors.

If you decide to remove Wells Fargo Advisors as your agent with respect to the Brokered Liquid Deposit Program, you may establish a direct depository relationship with a Program Bank, if the bank is accepting such relationships, by requesting to have your deposit relationship established in your name, subject to applicable law and the Program Bank's terms and conditions. If Wells Fargo Advisors terminates your use of the Brokered Liquid Deposit Program, or if you choose to remove Wells Fargo Advisors as your agent with respect to the Program, Wells Fargo Advisors will have no further responsibility for crediting your brokerage account with payments made with respect to your accounts with the Program Banks and will not withdraw funds from your accounts with the Program Banks to satisfy debits in your brokerage account.

## Deposit Insurance

### General Information

Each Program Bank is insured by the FDIC, an independent agency of the U.S. government, up to a maximum amount of \$250,000 (including principal and accrued interest) per depositor in each insurable capacity (e.g., individual or joint) at each Program Bank when aggregated with all other deposits held by you at the same Program Bank in the same capacity. Your funds become eligible for deposit insurance immediately upon placement in the Brokered Liquid Deposit Program. Any deposits that you maintain directly with a Program Bank, or through an intermediary (such as Wells Fargo Advisors or another broker), will be aggregated with your Brokered Liquid Deposit balances at each Program Bank for purposes of FDIC insurance coverage limits.

In the unlikely event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued 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 Wells Fargo Advisors 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.

The application of FDIC insurance coverage limits by account type is illustrated by several common factual situations discussed below. The illustrations below assume the use of the Brokered Liquid Deposit Program. To assist you with calculating your aggregated deposits and the associated coverage, the FDIC has an Electronic Deposit Insurance Estimator available at [www.fdic.gov/edie](http://www.fdic.gov/edie).

**Single Accounts** - Accounts owned by one person, and titled in that person's name only, are added together and the total insured up to \$250,000 at each Program Bank (for a total of up to \$1,250,000 when deposited at all of the Program Banks). This account category does not include joint accounts, certain trusts, and individual retirement accounts, which are protected in a separate category and discussed below.

**Custodial Accounts** - Funds 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 and insured up to \$250,000 in the aggregate per Program Bank (for a total of up to \$1,250,000 when deposited at all of the Program Banks).

**Joint Accounts** - For accounts owned by two or more people, each person's share is insured up to \$250,000 separately at each Program Bank in addition to the \$250,000 allowed on other deposits owned individually in one or more single accounts (for a total of up to \$2,500,000 for accounts with two joint owners when deposited at all of the Program Banks). The Brokered Liquid Deposit Program can recognize joint accounts with only two joint owners.

**Revocable Trust Accounts** - A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal trusts, known as Payable on Death (POD) or "Totten Trusts," and formal trusts, known as "living" or "family" trusts. Both informal and formal revocable trusts are insured up to \$250,000 per owner for each beneficiary if the FDIC requirements are met. All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total. A revocable trust account established by a husband and wife that names the husband and wife as sole beneficiaries will be treated as a joint account, and will be aggregated with other joint accounts subject to the rules described above under "Joint Accounts."

**Irrevocable Trust Accounts** - Deposits in an account established pursuant to one or more irrevocable trust agreements created by the same person will be insured for up to \$250,000 per Program Bank 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 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. A beneficiary's interest in funds held in irrevocable trust accounts created by the same person will be aggregated and insured up to \$250,000 at each Program Bank.