Equity Services Incorporated®

Bank Deposit Sweep Program (BDSP)

Frequently Asked Questions

General

1. **What is the Bank Deposit Sweep Program (BDSP)?**
   The Bank Deposit Sweep Program (BDSP or Program) is designed for safety and liquidity by offering FDIC insurance on cash sweep balances and is not designed for maximum yield. Clients who want higher returns can still invest in money market funds as traded, non-sweep positions within an account.

   The BDSP is offered through National Financial Services (NFS) LLC and allows cash balances awaiting investment in eligible accounts (e.g., from cash deposits, securities transactions, dividend and interest payments, and other activities) to be automatically deposited, or "swept," into interest-bearing Federal Deposit Insurance Corporation ("FDIC") insurance eligible accounts at one or more FDIC-insured banks that participate in the program ("Program Banks").

   Through the Program, clients are eligible for up to a maximum of $2.5 million in FDIC coverage at any given time for individual accounts or up to $5.0 million in FDIC coverage at any given time for joint accounts, subject to total amounts on deposit with the program banks, applicable FDIC rules, program bank availability, and other factors described in the Bank Sweep Program Disclosure Document.

   Cash deposited with the Program Banks through the BDSP remains available to satisfy debits to accounts, including those resulting from securities transactions, debit card transactions, check writing, and other activities, subject to the limitations described in the Bank Sweep Program Disclosure Document.

2. **What is the symbol for the BDSP?**
   The symbol is QTNFQ and the CUSIP is FDIC11115

3. **What account types are eligible to participate in the BDSP?**
   All accounts are eligible to participate with the exception of 529s and Keogh Plans.

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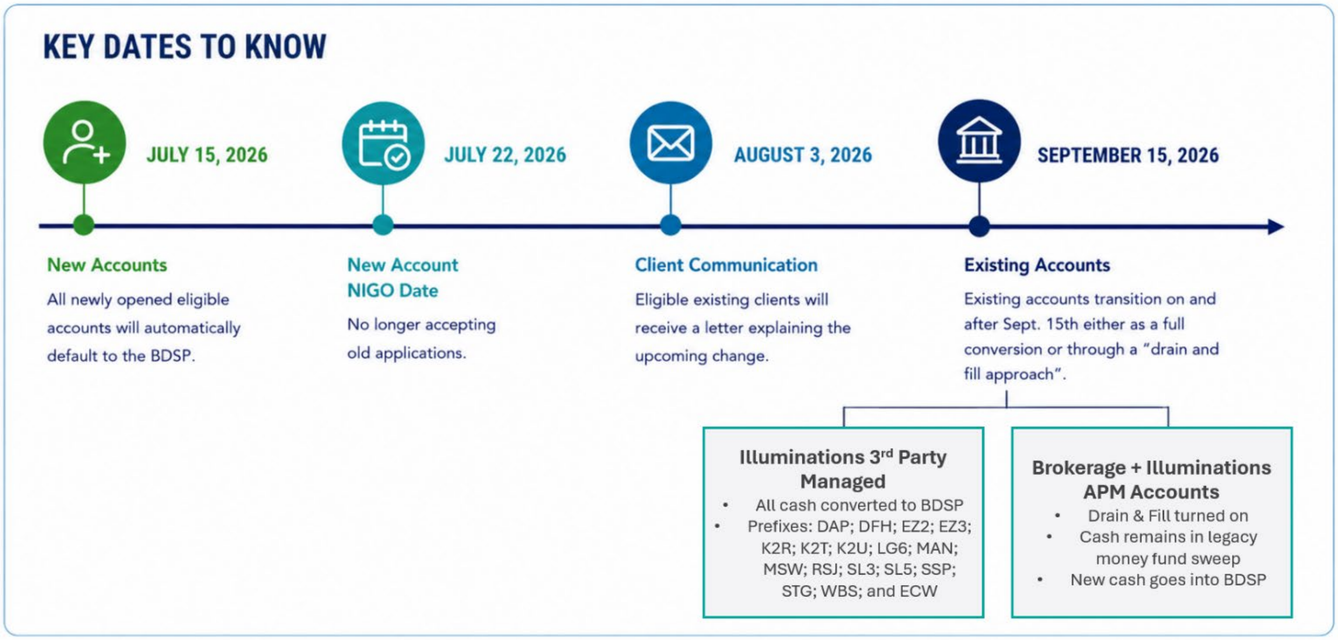
4. When will the BDSP be available and what is the impact to existing accounts?



Effective on or about July 15, 2026, the BDSP will become the default and only core account investment vehicle (or cash sweep) available to new accounts. Eligible new accounts opened on or after the above date will have the BDSP as the cash sweep. New account forms and kits will go live on or about July 15, 2026.

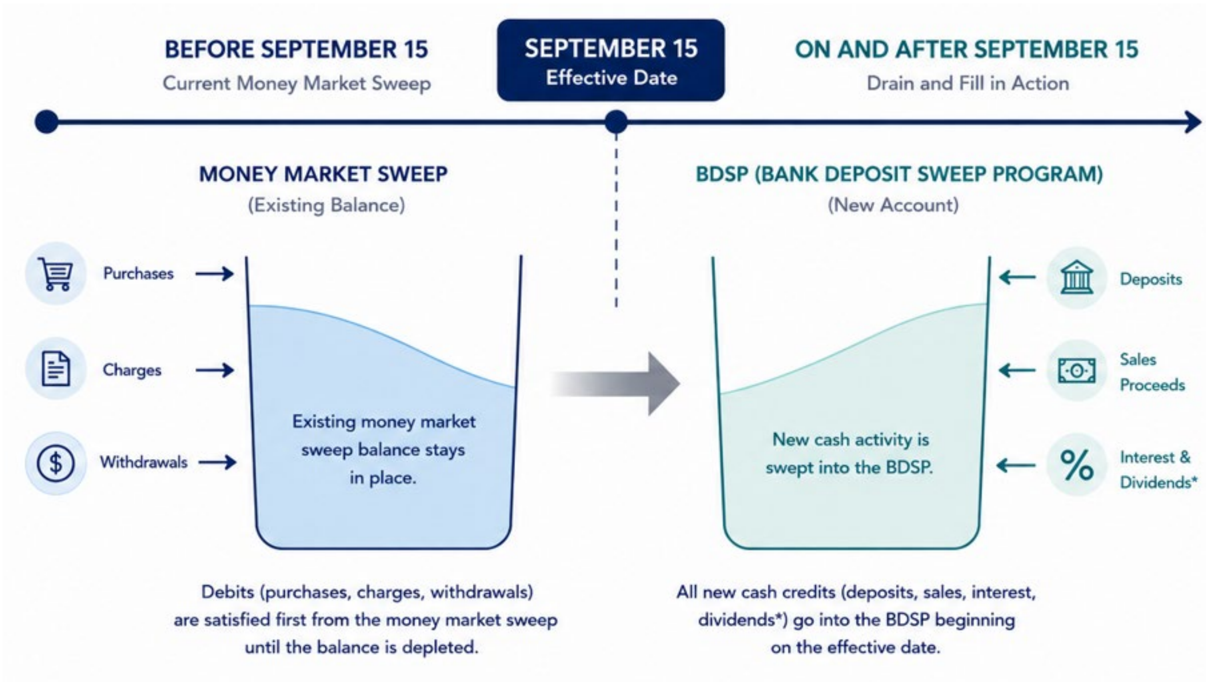
Existing Commission-based brokerage accounts (non-managed) and Existing Advisor as PM (APM) accounts will be coded for "drain and fill" on or about September 15, 2026. On this date, drain and fill will be coded on these accounts and the sweep vehicle will change to the BDSP, however, the money fund balances (previous sweep funds (SPAXX and FDRXX) as of the Effective Date will not convert to the BDSP. All debits, including securities purchases and charges, will be satisfied first by redeeming shares of the money fund until the balances are depleted. Once balances in the money fund are depleted, debits are satisfied from the funds in the BDSP. Beginning on the Effective Date, all credits (including deposits) to the account will go into the BDSP.

Existing Illuminations advisory accounts managed by third party asset managers (e.g., Strategists) will be converted from their current money fund sweep to the BDSP after the market close on or about September 15, 2026. Clients will be able to see the conversion to the bank deposit sweep fund in Wealthscape Investor the day after the conversion date, anticipated to be on September 16th. Any balances that are held in the money fund sweep currently used in a brokerage account will be transferred to the BDSP. These accounts have account numbers that begin with the following prefixes: DAP; DFH; EZ2; EZ3; K2R; K2S; K2T; K2U; LG6; MAN; MSW; RSJ; SL3; SL5; SSP; STG; WBS; and ECW.

5. What is "drain and fill" and how does it impact existing accounts?

Drain and fill is a process that updates the sweep vehicle for an account to the BDSP but also preserves initial balances in the previous money fund sweep as of the Effective Date. On or about September 15, the money fund sweep for existing accounts will not accept any new monies, and all debits, including securities purchases and charges, will be satisfied first by redeeming shares of the money fund until the balances are depleted. Once balances in the money fund are depleted, debits are satisfied from the funds in the BDSP. All credits created on or after the Effective Date by deposits, sales, interest and dividends will be swept into the BDSP with the exception of dividends from the previous money fund sweep, which will be reinvested into the money fund.

- Available cash balances will include both the previous money fund sweep and BDSP balances; clients using checks and debit cards are not impacted
- No commissions or ticket charges are generated for money fund or BDSP trades
- Trade confirmations are not generated when the previous money fund sweep is systematically debited
- Trade confirmations are generated when the drain fund is sold manually
- Dividends will continue to be paid on money fund balances
- The client statement will show both the money fund and the BDSP
- The drain and fill feature is systematically removed when the previous money fund sweep balance is reduced to zero



6. How do I invest new cash deposits into a legacy core money market fund that is subject to "drain" instructions?

After an account is activated with "drain and fill", all credits to an account including deposits will sweep to the new core sweep vehicle, the BDSP (the "fill"). Deposits will not be added to the legacy core money market which was previously either SPAXX or FDRXX. Debits to an account such as securities purchases will first redeem shares of the legacy core money market fund (the "drain") and then the BDSP. Balances in the legacy core money market fund plus balances in the BDSP are aggregated on the platform and considered liquid to settle obligations in the brokerage account.

To increase the shares in money market funds in a client account, the legacy core money market position must first be fully depleted. Once the legacy core money market fund balance reaches zero, any cash in the BDSP will then be used to purchase an eligible money market fund. Until the legacy money market fund position is fully drained, purchases and other debits will continue to draw first from the legacy money market fund position.

<u>Example</u>:

An account has $20,000 in FDRXX (legacy core money fund) and $10,000 in BDSP (core sweep); cash available to purchase securities = $30,000

<u>Goal</u>: a client wants to have $25,000 in a money market fund and $5,000 in cash available to cover upcoming fees and check writing activity

Action: purchase $25,000 in the SPAXX money market fund which will 1) fully liquidate $20,000 in FDRXX and turn off the drain functionality and 2) withdraw $5,000 from the BDSP to cover the purchase.

7. Why is ESI moving from money market fund sweeps to BDSP?

The BDSP prioritizes safety and stability of transactional cash sweep balances by offering FDIC insurance. While money market funds may offer higher yields, they are not FDIC insured and carry investment risk.

8. What are the advantages of the new BDSP?

- Safety of FDIC insurance
  - Individual accounts receive up to $2.5 million in FDIC insurance and joint accounts receive up to $5.0 million in FDIC insurance.
  - While money funds are often perceived as safe, they still carry the risk of losing principal.
  - Notably, the Reserve Fund "broke the buck" in 2008, causing widespread concern and limiting some investors' access to their funds.
- Convenience -- cash is automatically swept to banks which keeps cash available and earning interest.
- Liquidity -- BDSP deposits are available to cover activity in the brokerage account such as trades.
  - Clients will continue to have the same access to their cash.
  - No impact to existing cash management account features such as check writing and debit cards.
- Interest rates for transactional cash
  - At launch, ESI anticipates the interest on BDSP deposits will be higher than some other bank products, such as the average bank savings account rate (0.38%) and the average bank checking account rate (0.07%).
  - Future interest rates are subject to change, and may be higher or lower.

9. How will these changes be communicated to clients?

Clients will receive advance communication regarding the conversion, including a client letter mailed on August 7, 2026, providing at least 30 days' notice prior to the September 15, 2026 conversion date. The communication package will include a comparison of the current and new sweep fund options, along with a Bank Deposit Sweep Program (BDSP) Disclosure Document containing detailed information about the program.

10. **Is any action required by the client to utilize BDSP?**

No. The BDSP will become the automatic default for eligible new accounts beginning July 15, 2026. And for clients with existing accounts that receive notice of the drain and fill or conversion, no action is required. If clients have questions about the BDSP, please be prepared to discuss the options available to them (e.g. purchasing money funds or other non-sweep investment options).

11. **Are there alternatives to the BDSP?**

On or about July 15, 2026, the BDSP will be the only sweep option for eligible accounts. However, clients may also purchase money market funds as traded (non-sweep) positions within their accounts. In addition, clients may elect to have no sweep on their account with cash held as a free credit in the account (non-retirement accounts only). Balances held in a free credit will not earn interest.

Note that if an account is coded with drain and fill and the previous sweep money market fund is purchased, shares of this money market fund will be sold to buy the same money fund (see question 5 regarding drain and fill functionality).

12. **Can managed or advisory accounts hold the BDSP?**

Yes, managed or advisory accounts with assets in NFS brokerage accounts, branded "Illuminations," will use the BDSP as the default and only cash sweep vehicle. BDSP account balances will be included in quarterly billing.

Other third-party managers not using NFS brokerage accounts may or may not use a similar product for cash sweeps, and if you have questions in this regard, you should contact them directly.

13. **Can clients still invest in money market funds and other available investment options?**

Yes. While the BDSP is the default and only core account investment vehicle, or "cash sweep," available for use in connection with BDSP-eligible accounts, clients can invest in or purchase money market funds and other non-sweep investment options.

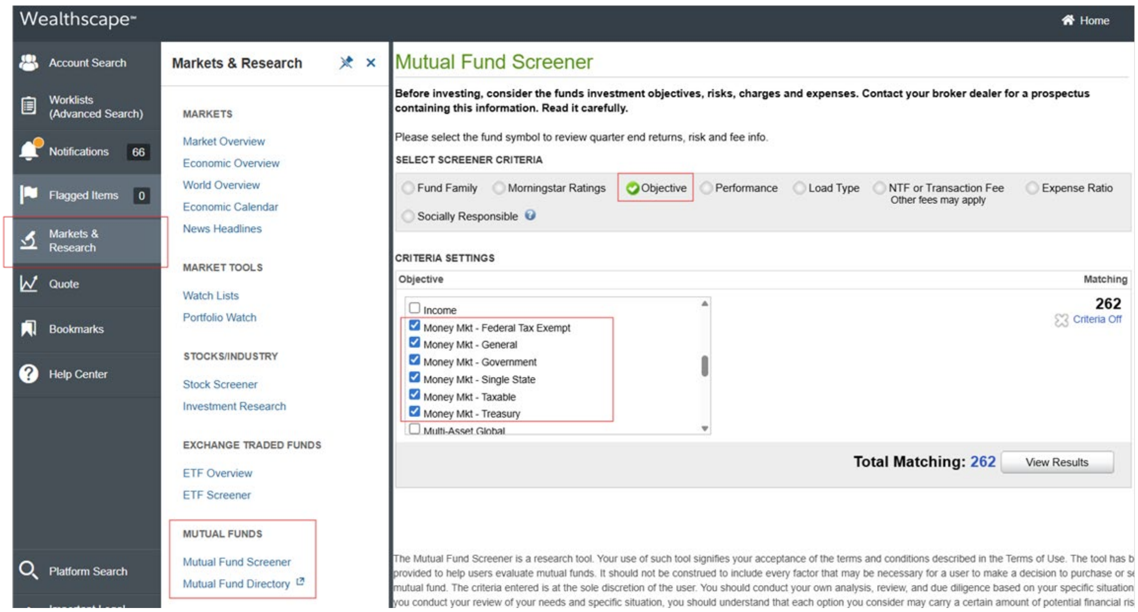
14. **What if the cash sweep balance in the BDSP is insufficient to cover brokerage account obligations such as trades, advisory fees, withdrawals etc. in the brokerage account?**

<u>If the BDSP balance is insufficient to cover debit transactions in the brokerage account, additional cash must be added by liquidating non-sweep securities such as money markets or other positions in order to make cash available.</u> If a money market fund is sold, then this cash will be available the next business day after the sell transaction. Accounts that are coded with drain and fill will first use the cash balances of the money fund previously held as the sweep to cover debit transactions in the account and then balances in the BDSP. If both the money fund

and BDSP balances are insufficient to cover the brokerage account obligation, then additional cash must be added. Note that if an account is coded with drain and fill, the cash balances of the money fund previously held as the sweep are systematically liquidated.

15. What money market funds are available for purchase and how can I get more information on these funds?

A list of money market funds can be found via the Mutual Fund Screener on Wealthscape. You can use the Screener to filter money market offerings and use sorting criteria to make informed decisions.



Objective:
Money Mkt - Federal Tax Exempt-Star, Money Mkt - General-Star, Money Mkt - Government-Star, Money Mkt - Single State-Star, Money Mkt - Taxable-Star, Money Mkt - Treasury

MUTUAL FUND SCREENER RESULTS (262 Matches. Page 1 of 14)
As of 03/31/2026

Symbol	Fund Name	Mutual Fund Category	YTD	1 Yr	3 Yr	5 Yr	10 Yr	LOF	Morningstar Ratings Overall as of 03/31/2026	Annual Report Gross Expense Ratio
SMBMX	Invesco SMA Municipal Bond Fund	Muni National Interm	0.79%	4.46%	4.61%	0.00%	0.00%	4.75%	★★★★★ 255 funds rated	0.00%
WMPXX	Allspring Money Market Fund - Cl...	Prime Money Market	0.92%	4.18%	4.91%	3.52%	0.00%	2.37%	124 funds rated	0.20%
CJLXX	JPMorgan Liquid Assets Money Mar...	Prime Money Market	0.92%	4.15%	4.87%	3.47%	2.36%	1.94%	124 funds rated	0.18%
FXRXX	First American Retail Prime Obli...	Prime Money Market	0.91%	4.15%	4.87%	3.48%	0.00%	2.45%	124 funds rated	0.14%
IPPXX	Invesco Treasurer's Series Trust...	Prime Money Market	0.90%	4.14%	4.88%	3.47%	2.35%	1.91%	124 funds rated	0.18%
POIXX	Federated Hermes Instl	Prime Money	0.89%	4.14%	4.88%	3.47%	2.35%	2.95%	124 funds rated	0.20%

16. What is the Federal Deposit Insurance Corporation?

The FDIC (Federal Deposit Insurance Corporation) is an independent agency of the United States government that protects bank depositors against the loss of their insured deposits in the event that an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government. For additional information on the FDIC, please visit the FDIC's website at www.fdic.gov.

17. What is FDIC deposit insurance?

FDIC deposit insurance protects bank customers in the event that an FDIC-insured depository institution fails. Bank customers don't need to purchase deposit insurance; it is automatic for any deposit account opened at an FDIC-insured bank. Deposits are insured up to at least $250,000 per depositor, per FDIC-insured bank, per ownership category. Deposit insurance is calculated dollar-for-dollar, principal plus any interest accrued or due to the depositor, through the date of default. The BDSP is able to offer the higher per-account insurance limits noted under FAQ #1 because funds are spread across a network of different FDIC-insured partner banks.

For additional information on deposit allocation methodology and client FDIC insurance coverage and its limitations, please review the Bank Sweep Program Disclosure Document, which is available on our agent portal and visit the FDIC's website at www.fdic.gov.

18. How does the FDIC insurance process work in the event of a bank failure?

In the unlikely event of a bank failure, the FDIC acts to protect insured depositors by arranging a sale to a healthy bank, or by paying depositors directly for their deposit accounts to the insured limit. Federal law requires the FDIC to make payments of insured deposits "as soon as possible" upon the failure of an insured institution. While every bank failure is unique, there are standard policies and procedures that the FDIC follows in making deposit insurance payments. It is the FDIC's goal to make deposit insurance payments within two business days of the failure of the insured institution. Note, some deposits that require supplemental documentation from depositors, such as accounts linked to a formal written trust agreement, may take longer.

19. Do clients retain full access to cash balances?

Under normal circumstances, the BDSP as an account's cash sweep will have no impact on the ability to access cash balances, including through debit card transactions and check writing. However, as required by federal banking regulations, each Program Bank participating in the BDSP reserves the right to require seven calendar days prior notice before permitting withdraw of Program Deposits. So long as this right is not exercised, and there is not a Program Bank failure that would require FDIC intervention, a client will retain full access to Program Deposits.

20. Does participating in the BDSP have any impact on cash management features (e.g., debit cards and check writing)?

Under normal circumstances, cash management features currently available on accounts (e.g., debit cards and check writing) will not be impacted by the use of the BDSP as the cash sweep for the account.

21. What service providers are involved in supporting the BDSP product?

National Financial Services LLC (NFS) and R&T Deposit Solutions (R&T) support the BDSP from a recordkeeping perspective et. al. These firms are referenced in the Bank Deposit Sweep Program Disclosure Document. Please note that NFS keeps redundant records of the bank sweep program in the event R&T is unable to fulfill its obligations.

22. Will participating in the BDSP have tax consequences?

If investing through a non-retirement account type, any interest earned on Program Deposits will be taxed as ordinary income in the year it is received. Interest income will be included on the client's consolidated Form 1099 that is provided by NFS. For retirement accounts, interest earned on Program Deposits are not taxed while they remain in the retirement account.

Equity Services, Inc. (ESI) does not provide tax advice, so clients should consult with a tax advisor for any tax advice they may need.

23. Is the BDSP a long-term investment option?

No. The BDSP is not a long-term investment option and should not be viewed as such. Clients seeking higher-yielding cash investments such as money market funds who are willing to incur investment risk retain the flexibility to incorporate these as traded positions within their accounts. With respect to its Advisor-as-Portfolio Manager (APM) programs on the Illuminations platform, the Firm has investment policies in place to monitor BDSP positions to help ensure they do not remain uninvested for extended periods.

Interest Rates and Fees

24. What interest will be earned on the Program Deposits in the BDSP?

The interest rate on deposits in the BDSP will be available just prior to the new account launch on July 15, 2026. Interest rates are subject to change at any time.

The interest rate on Program Deposits varies based upon the total amount of Program Deposits held in the account. The interest rate tier is determined daily at the account level, taking into consideration each account's individual cash deposits within the BDSP. Interest on Program Deposits will be accrued daily, compounded monthly, and reflected on account statements as of the last business day of the applicable statement period. Clients will earn the same rate of interest on Program Deposits regardless of the Program Banks with which Program Deposits are held.

The interest rate that clients will receive on Program Deposits will be lower than some of the rates of return on other core account investment vehicles that NFS makes available and that are not FDIC insured, such as money funds.

25. Will higher BDSP balances receive better interest rates?

The interest rate tier for BDSP-eligible accounts is determined at the account level based upon each individual account's Program Deposits in the BDSP. If a client has multiple BDSP-eligible accounts, the accounts will not be linked, or receive the benefit of "householding," for purposes of determining the interest rate tier applicable to each of the accounts' Program Deposits in the BDSP.

26. Can the interest rate change?

Yes. The interest rate on Program Deposits in the BDSP may change from time to time without notice.

27. How do interest rates in the BDSP compare to those of the previous money fund sweeps?

Generally, BDSP rates will be lower than money fund rates. The BDSP, however, offers the benefit of increased safety with FDIC insurance up to $2.5 million for individual accounts and $5.0 million for joint accounts. BDSP interest rates are generally competitive with other FDIC-insured transactional cash products, like bank savings and checking accounts.

Clients seeking additional yield from their cash can purchase money market funds as traded positions within their accounts, including those money funds that have previously been offered as cash sweep vehicles.

28. Will account statements from NFS reflect any interest earned?

Yes. NFS account statements for participating accounts will show, among other things, the interest credited to the BDSP.

29. Will advisory accounts pay asset-based investment advisory fees on BDSP Program Deposits?

Advisory fees will be charged on BDSP account balances similar to the current practice with the money market funds. You should be mindful of clients with cash that is not short-term in nature as BDSP is not a long-term investment option.

Program Banks

30. What Program Banks will hold the Program Deposits?

The Program Bank Lists are available at https://mybrokerageinfo.com/TBSbanklist/.

31. Can the Program Banks change?

Yes. One or more of the Program Banks included on the Program Bank Lists for the BDSP may be removed and, in some cases, replaced with a substitute Program Bank. At times, new Program Banks may be added to the Program Bank Lists. Generally, clients will receive notification via statement message in advance of any addition of a Program Bank to (or removal of a Program Bank from) the Program Bank List. The current Program Bank List can be found at https://mybrokerageinfo.com/TBSbanklist/.

32. Where can I find additional information about the Program Banks?

Financial information for each Program Bank is available at www.ffiec.gov/NPW or by contacting the FDIC Public Information Center by mail at FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1005, Arlington, Virginia 22226 or by phone at 877-275-3342 or 703-562-2200.

33. Can changes be made to the Program Banks that will hold Program Deposits?

Clients may not change the Program Banks on the Program Bank List, the order in which funds are deposited at the Program Banks on the Program Bank List, or the maximum amount of cash deposits that can be held with any Program Bank.

However, clients may, at any time, designate one or more Program Banks as ineligible to receive Program Deposits through the BDSP by contacting you. This is referred to as "opting out" of a Program Bank. A client must have at least one Program Bank and one Excess Bank to participate in the program.

If your client would like to opt out of one or more Program Banks, please refer to the opt-out process below or send a request to the ESI Home Office.

34. What is the process for opting out of a Program Bank?

The investment representative or Home Office communicates opt-out instructions by using Wealthscape's Service Center. When submitting a request through Service Center, the client account number and bank name must be provided. Program Banks on the Program Bank List and the order in which funds are deposited at the Program Banks may not be changed.

Opt-out instructions must be received by 3:00 PM ET to be processed and take effect for the next business day. Funds on deposit at an opt-out bank will be reallocated to another Program Bank(s).

Bank Opt Out Process:

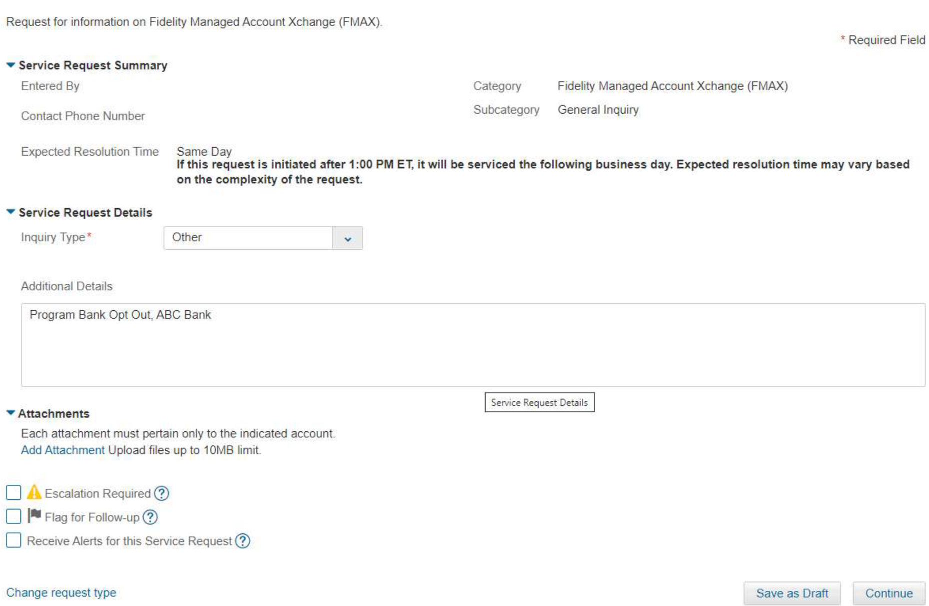
1. On the menu bar, select **Menu** > **Service** > **Initiate Service Request**.
   The Service Request Menu window displays.

   Enter the account number if the account number was not automatically associated with the Service Request.

2. Search for Bank Deposit Programs, and then select **General Inquiry**.
   The Service Request Entry window displays.

3. In the Additional Details box, enter a brief description of the request, and include the bank or banks that the customer wishes to opt out of, for example, "Program Bank Opt Out, ABC Bank."

SERVICE REQUEST ENTRY WINDOW



4. Select **Continue**.
   The Review window displays.

5. Confirm the accuracy of the information that displays, and then select **Submit**.
   The Confirmation window displays.

35. Will NFS account statements show the Program Banks at which Program Deposits are held?
Yes. The account statements clients receive from NFS for participating accounts will show, among other things:

- The aggregate cash balance in the BDSP as of the end of the statement period
- The cash balance at each Program Bank as of the end of the statement period

Financial Benefits to ESI and Our Related Conflicts of Interest

36. Does ESI receive compensation or have conflicts of interest in connection with the BDSP?
Yes, ESI receives compensation as a result of using the BDSP. This compensation does create conflicts of interest for the firm. These conflicts of interest are fully disclosed in the Bank Deposit Sweep Program Disclosure Document. This will be provided to clients before they begin using the BDSP and a copy can be provided to you upon request.

Additional Information

37. What resources are available?

- Supporting resources will be made available to our advisors, including the Disclosure Document, Policies & Procedures, a Training Webinar, Frequently Asked Questions, and Talking Points.
- Program Bank Lists https://mybrokerageinfo.com/TBSbanklist/
- External Resources
    - FDIC Insurance Information @ www.fdic.gov
    - Electronic Deposit Insurance Estimator (EDIE)

Call the FDIC at 1-877-ASK-FDIC (1-877-275-3342) and an FDIC deposit insurance specialist will assist you