

Bank Deposit Sweep Program

Add a powerful cash alternative to your offering.

The Bank Deposit Sweep Program (BDSP®) is a strategic solution that can help you meet eligible investors'¹ liquidity and investment needs while providing up to \$2.5 million in combined FDIC insurance coverage*. This program is a core option, where excess cash balances are swept into multiple FDIC-insured depository institutions.

Key benefits include:

- 1. Deposit safety**—Provide the benefit of FDIC insurance to eligible investors through a network of Program Banks. Principal and accrued interest are eligible for FDIC insurance up to applicable FDIC limits per bank.² Investors have the flexibility to opt out of banks in the network if desired.³
- 2. Power of tiered interest rates**—Recognize the value of larger core balances and optimize investor profitability. Our program gives you the flexibility to segment investors by allowing you to offer multiple interest rate tiers based on core sweep balances. This provides the opportunity for investors to earn more interest as their core balances grow.
- 3. Ability to consolidate relationships**—Expand existing brokerage relationships and attract new business by providing the opportunity to show BDSP deposits within a brokerage account. Investors receive consolidated statements and tax reporting, allowing them to view their balances and account activity in one place.
- 4. Easy account access**—Cash held through the bank sweep is available to cover securities purchases, as well as check and debit card transactions in asset management accounts.
- 5. Increased competitive advantage**—Bank sweep products have become a popular option among many firms in the brokerage industry. BDSP can give you a competitive edge in attracting new investors and meeting existing investors' needs.

The value of FDIC insurance

- In today's market environment, conservative, moderate, and even aggressive investors may want to allocate their cash sweep balances to a vehicle eligible for FDIC insurance.
- In general, FDIC insurance covers up to \$250,000 of principal and accrued interest combined, per depositor, per institution, for all deposits held in the same insurable capacity.²
- FDIC insurance is backed by the full faith and credit of the U.S. government.**

*Deposits placed through the NFS sweep program are placed at insured depository institutions that are part of the deposit network of IntraFi Network LLC ("IntraFi") or Total Bank Solutions ("TBS"). A list that identifies all the insured depository institutions in the deposit network of IntraFi appears at <https://www.intrafi.com/network-banks>; a list that identifies all the insured depository institutions in the network TBS appears at <https://totalbanksolutions.com/about-tbs/bank-lists>. Each depositor for whom deposits are placed through the NFS sweep program is assigned a bank list that contains a subset of the insured depository institutions at which such deposits may be placed.

** FDIC official website: [FDIC.gov/consumers/banking/confidence/symbol.html#Full](https://www.fdic.gov/consumers/banking/confidence/symbol.html#Full)

Here's how it works:

Suppose an investor deposits \$600,000 into his or her brokerage account. After the nightly brokerage sweep process, assets are deposited into three Program Banks the following business day.



Note: Assets deposited with each Program Bank are lower than the maximum FDIC insurance limits so that the interest accrued is also eligible for insurance. Factors such as investor opt outs, amount invested, and bank deposit capacity will affect bank sequence, deposit allocation, and FDIC insurance coverage.

Easy implementation

Take advantage of our experience and capabilities to make your program execution easy and efficient.

- BDSP can be offered to new or existing investors who meet eligibility criteria.¹
- The Program can support conversion options that are available to your firm.⁴
- Fidelity can also assist you with Program disclosure documents and customer agreements.
- The Program permits you to choose a tiered interest rate schedule that can help meet your overall objectives.

For more information, contact your Fidelity relationship manager.



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¹ Please refer to the Bank Deposit Sweep Program Disclosure for eligibility details.

² The FDIC deposit insurance coverage maximum is \$250,000 per bank. The FDIC insurance coverage limit applies per depositor, per insured depositor institution, for each account ownership category. The number of Program Banks is subject to change at any time and any reduction in the number of participating banks or the ability of existing banks to accept additional deposits will reduce the amount of available insurance. The responsibility for monitoring deposits in each Program Bank relative to FDIC coverage remains with the account owner. The account owner is responsible for monitoring the total amount and insurable capacity of deposits both as part of and outside of the Program that is held at each Program Bank, including any CDs, or other deposits made through their broker-dealer and/or National Financial Services LLC (NFS) or through any other intermediary, for the purpose of determining the FDIC insurance coverage for those deposits. Funds are eligible for FDIC insurance subject to FDIC coverage limits at the time funds are deposited at each Program Bank. Funds deposited at each Program Bank are not covered by SIPC. NFS does not guarantee in any way the financial condition of the Banks participating in the Bank Deposit Sweep Program or the accuracy of any publicly available financial information concerning such Banks. For detailed information on FDIC coverage, as well as the applicability of SIPC coverage, read the Bank Deposit Sweep Program Disclosure carefully. You may also visit the FDIC website at www.fdic.gov/deposit/index.html, and the SIPC website at www.sipc.org.

³ Investors may contact their investment representative at any time to opt out of a Program Bank. The Program Banks that are offered (and the order in which funds are deposited at the Banks) cannot be altered by the investor or your firm. If an investor opts out of one or more Banks, the amount of FDIC insurance for which the account may be eligible may be reduced. Investors will be required to use at least one Program Bank in order to participate in the Program.

⁴ Conversion options are subject to FINRA regulations.

Fidelity Institutional® (FI) provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.