

Changes to LPL's Cash Sweeps Effective April 1, 2019

As referenced in your March 2019 statement, LPL is consolidating our cash sweep programs to only those covered by FDIC insurance, and will no longer offer money market mutual funds (MMMF) as a sweep option. Depending on the eligibility of your account, any new cash will be directed into LPL's FDIC-insured bank deposit sweep program, known as Insured Cash Account (ICA) or Deposit Cash Account (DCA), which provides a level of protection on cash through FDIC insurance and earns interest at a different, and currently, lower rate compared to the MMMF sweep option (see below).

Here are a few things to consider:

Effective April 1, 2019:

- All new accounts that are eligible for either ICA or DCA will no longer have the option to select a MMMF sweep.

Effective May 18, 2019:

- Any new cash deposits will begin flowing through ICA or DCA (if eligible).
- Existing accounts that are eligible for ICA or DCA but currently using a MMMF sweep can continue to withdraw assets from existing MMMF sweep holdings until this balance reaches zero.
- The MMMF balance will be used first to cover cash debits. ICA or DCA balances will be used to cover new cash debits (if eligible) once the MMMF balance reaches zero.
- Accounts with sweep balances that exceed the maximum FDIC insurance limits available in ICA (currently \$2.5M for individual accounts and \$5M for joint accounts) or DCA (currently \$2.5M) will no longer use a MMMF for the excess cash. Instead, the excess cash will remain in one of the "Excess Banks" as notated on the respective bank lists within either ICA or DCA, and will not be eligible for FDIC insurance.
- In those rare instances where ICA or DCA does not have sufficient bank capacity to insure excess cash up to the maximum coverage, LPL may temporarily reallocate a portion of these funds into one or more of the "Excess Banks" listed on the respective bank lists for ICA or DCA. The MMMF sweep option will no longer be used in these instances, and these deposits will not be eligible for FDIC insurance while allocated to an "Excess Bank." However, when bank capacity is restored, these funds will be reallocated to one of our pre-approved banks for ICA or DCA and can be insured up to the maximum coverage amounts available for these programs.

If you do not wish to use the ICA/DCA as your sweep option, but you wish to keep a cash balance in your account, contact your financial advisor to discuss the following options:

- Having your cash remain in your investment account instead of sweeping out.
- Using your cash to invest in other securities, such as MMMFs or certificates of deposit.

Because LPL has the potential to earn greater fees for its services relating to ICA/DCA, LPL has a financial interest in the consolidation of the cash sweep programs. If you'd like to learn more about the ICA/DCA, please visit [LPL.com](https://www.lpl.com) | Disclosures | Other Important Disclosures to find detailed information on FDIC insurance coverage, account eligibility, conflicts of interest (including LPL's fees for its sweep services), and other important information regarding LPL's ICA/DCA. If you have any questions about the bank cash sweep program or these changes, please contact your financial advisor.

Yield comparison of all of Money Market Mutual Fund Sweeps, ICA, and DCA as of 4/1/2019:

LPL Sweep Product	Client Tier	Rate* As of 4/1/2019
JP Morgan US Government Investor Shares	N/A	2.01%
JP Morgan US Government Service Shares	N/A	1.46%
JP Morgan US Government Institutional Shares	N/A	2.30%
JP Morgan US Government Premier Shares	N/A	2.06%
JP Morgan 100% US Treasury Morgan Shares	N/A	1.87%
JP Morgan Municipal Service Shares	N/A	0.50%
JP Morgan Municipal Premier Shares	N/A	1.10%
JP Morgan California Municipal Service Shares	N/A	0.39%
JP Morgan New York Municipal Service Shares	N/A	0.45%
Federated Municipal Obligations Fund Cash Shares	N/A	0.66%
Federated Massachusetts Municipal Fund Cash Shares	N/A	0.64%
Federated Pennsylvania Municipal Fund Cash Shares	N/A	0.55%
Federated Virginia Municipal Fund Cash Shares	N/A	0.55%
Insured Cash Account	\$0-\$49,999	0.15%
Insured Cash Account	\$50,000-\$149,999	0.24%
Insured Cash Account	\$150,000-\$299,999	0.27%
Insured Cash Account	\$300,000-\$499,999	0.30%
Insured Cash Account	\$500,000-\$749,999	0.34%
Insured Cash Account	\$750,000-\$1,499,999	0.36%
Insured Cash Account	\$1,500,000-\$4,999,999	0.40%
Insured Cash Account	\$5,000,000-\$9,999,999	0.51%
Insured Cash Account	\$10,000,000 and over	0.75%
Deposit Cash Account	N/A	0.22%

*The stated rate for Money Market Mutual Funds is the 7 Day Yield. All yields are net of expenses.

All performance referenced is historical and is no guarantee of future results.

An investment in a Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

This material has been prepared by LPL Financial LLC.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial LLC is not an affiliate of and makes no representation with respect to such entity.

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Not Guaranteed by Any Government Agency | Not a Bank/Credit Union Deposit**