

CDARS®

Certificate of Deposit Account Registry Service®

Key Features

- Gives you access to FDIC insurance in a multi-million dollar investment
- One interest rate per maturity purchase—regardless of the number of individual certificates of deposit (CDs)
- One monthly statement—all CDs placed through CDARS are reflected in your monthly statement
- A variety of maturities—ranging from four weeks to five years
- CDARS offers competitive CD rates in comparison to similar investments like U.S. Treasuries

With the markets and the economy undergoing considerable change, you may be seeking the protection afforded by Certificates of Deposit insured by the Federal Deposit Insurance Corporation (FDIC). One way for you to put large dollar amounts into CDs is the Certificate of Deposit Account Registry Service® or CDARS®.

Operated by Promontory Interfinancial Network, LLC, CDARS¹ uses a proprietary deposit matching engine to assist in placing multi-million-dollar deposits² in individual CDs across a nationwide network of banks. CDARS will not allocate funds into any CD in an amount that exceeds the FDIC insurance maximum³ permitting your total principal and interest to be eligible for FDIC insurance.⁴

CDARS placed through CDARS may be of interest to:⁵

- › High-net-worth investors
- › Small businesses
- › Credit unions
- › Mid-sized companies
- › Municipalities
- › Colleges, universities and school districts
- › Foundations

¹ Per depositor for deposits held in the same insurable capacity. Promontory Interfinancial Network may not be able to place all of a client's funds on an order placement date. Unplaced funds will be returned to the client and the client may resubmit them for placement through CDARS on another day on which Promontory Network performs its allocation service.

² All CDs issued through CDARS are bank deposits and are not considered securities. This means that they are not transferable and there is no secondary market for these investments.

³ FDIC insurance covers all deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. Please see <http://www.fdic.gov/deposit/deposits/changes.html> for changes in FDIC insurance coverage.

⁴ Placement of funds through the CDARS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits apply. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at Pershing (e.g., before CDARS settlement for a deposit or after CDARS settlement for a withdrawal) are not eligible for FDIC insurance. As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of CDARS satisfies those restrictions.

⁵ Investors subject to investment restrictions have the responsibility to determine whether the placement of their funds through CDARS satisfies those restrictions.

The CDs are all direct obligations of the issuing depository institutions and have these general features:

- **Standard Maturities.** CDs follow U.S. Treasury maturities: 4-week, 13-week, 26-week, 52-week, 2-year, 3-year and 5-year.
- **Interest Compounding.** CDs compound interest daily (actual/365).
- **Interest Rates.** These are announced every Thursday afternoon for the following week's order placement.
- **Interest Payment Frequency.**
 - Paid at maturity: 4-week, 13-week, 26-week and 52-week.
 - Paid semi-annually: 2-year, 3-year and 5-year; occur on June 30 and December 31, regardless of the date of purchase.
 - Final interest payment and the return of principal occur on the stated maturity date of the CD.
- **Limits.** Per-week and per-maturity minimum and maximum limits apply.
- **Early Withdrawal.** Early withdrawal of CDs is permitted, however penalties are imposed by the issuing institution and will be charged to the account. In the event of death, exceptions may apply to individuals who are the named account holder as well as individuals who are the sole current mandatory or discretionary income beneficiary of a trust (including the sole current beneficiary of a unitrust or annuity trust). A copy of the death certificate or other documentation may be required for each CD in the account. Early withdrawal of a CD may be made only in whole not in part.

EARLY WITHDRAWAL PENALTY IN DAYS OF SIMPLE INTEREST	
MATURITY TERM	PENALTY
4-week	Full interest to maturity
13-week	
26-week	Half interest to maturity
52-week	
2-year (104-week)	
3-year (156-week)	
5-year (260-week)	

To learn more about CDARS, please contact your advisor.

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