

## Herold & Lantern Investments, Inc., Inc. Cash Sweep Program

### Money Market Fund and FDIC Insured Choices

Herold & Lantern Investments, Inc., Inc. provides our clients with the opportunity to sweep available cash from your brokerage account into one or more money market mutual fund or FDIC Insured bank deposit programs. These programs take available cash balances and allow you to earn a return on the uninvested cash balances for which no interest would otherwise be earned or paid. If you participate in the cash sweep program, your funds are automatically swept into one of the sweep products. Herold & Lantern Investments, Inc., Inc. may change the terms of the cash sweep program, including the selection of sweep products, with 30 days prior written notice. Information about eligibility for different cash features is available at any time by contacting us at 631.454.2000.

The Money Market Fund Sweep automatically invests in and redeems funds from a sweep fund and the FDIC Insured sweep automatically makes deposits to and withdrawals from deposit accounts participating banks, an FDIC insured depository institution (“participating banks”)

The rates of return for the sweep options vary over time. Current rates can be obtained from your financial professional or by calling us at 631.454.2000. You can view the full list of money market mutual funds and FDIC Insured Deposit Program Rates and Bank lists at <https://www.pershing.com/rates>. You must monitor and determine the best cash sweep option for you under this program. You may also elect not to participate in the Cash Sweep Program.

The default money market fund for retail non-retirement accounts is Federated Capital Reserves, symbol FRFXX. The default for retirement account is Federated Pershing Government Account, symbol GRFXX. Other fund options may be available, please speak with your financial professional. Certain accounts may not be eligible for the Federated Capital Reserves. Please speak with your investment professional regarding other options.

Your new account application contains a “cash management” section which provides the opportunity to elect a sweep option for money market mutual funds as well as bank deposit products. If you opt to hold proceeds and wish to utilize the sweep feature, you will enter the sweep option in the space provided. Your financial professional will default your account to the above referenced money market funds.

Current rates can be found at <https://www.pershing.com/rates>. There is no guarantee that the rate of return on any cash feature will be, or will remain, higher than other cash features over any period. These cash features are not intended for long-term investments. You should consider higher return options for funds that are not needed in the short term.

### FDIC Insured Bank Deposit Sweep Program

If you opt for an FDIC bank deposit sweep program you can choose from the Total Bank Solutions or Reich and Tang bank sweep programs. To view a list of Program Banks and current interest rates, please visit <https://www.pershing.com/rates> and go to the FDIC-Insured Deposits Program Providers section. You may also contact your financial professional to obtain this information.

Funds in the Deposit Accounts at participating banks are eligible for deposit insurance by the FDIC up to a total of \$250,000 for principal and accrued interest per depositor when aggregated with all other deposits held by the depositor in the same insurable capacity at participating banks. These programs offer a multi-bank approach to increase your total FDIC insurance coverage up to a total of \$2.5 million. You are responsible for monitoring the total amount of deposits

that you have with each Program Bank to determine the extent of FDIC deposit insurance coverage available to you. Further information regarding FDIC insurance coverage is available at [www.fdic.gov](http://www.fdic.gov). Funds maintained in the Deposit Accounts at the Program Banks are not eligible for coverage by the Securities Investor Protection Corporation [www.sipc.org](http://www.sipc.org)

#### Money Market Sweep Program

In this program your available cash balances are swept to a money market fund. The list of funds that may be available can be found at <https://www.pershing.com/rates>. To find out which funds are available for your account please contact your financial professional or call our offices at 631.454.2000. Although sweep funds generally seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in them. You may also contact us for a prospectus on any sweep fund for which you qualify for.

An investment in a sweep fund is not insured or guaranteed by the FDIC. Herold & Lantern Investments, Inc., Inc. is a member of the Securities Investor Protection Corporation (SIPC). SIPC provides member institutions up to \$500,000 (including \$250,000 for claims of cash) of coverage per brokerage client in each recognized capacity when aggregated with other securities and cash held by the same brokerage client in the same capacity at the same member institution. Sweep funds custodied at Pershing LLC, the clearing broker dealer for Herold & Lantern Investments, Inc., are considered securities for SIPC purposes. SIPC provides protection to clients of securities brokerage firms in the event such brokerage firms become insolvent. The custodian of your assets, Pershing, LLC., provides coverage in excess of SIPC limits from Lloyds of London in conjunction with other insurers. The excess SIPC coverage provides protection for the net equity, which is the value of the client securities, plus cash minus any amount that may be owed, in excess of SIPC limits, up to an overall aggregate level of \$1 billion, of which \$1.9 million may cover cash awaiting reinvestment for an individual account.

#### Benefits to Herold & Lantern Investments, Inc.

Herold & Lantern Investments, Inc. shares in revenue received relating to client balances swept into money market funds and bank deposits. These programs may create a financial benefit for Herold & Lantern Investments, Inc.. Pursuant to the Money Market Funds and FDIC Insured Sweep Deposit Account Sweep Options and the Broker Distribution Assistance provision in Lantern's clearing and custody agreement with Pershing, LLC, Herold & Lantern Investments, Inc. will receive fees based upon the assets within each money market fund family and in accordance with the terms of its most recent agreement. Amounts will vary, but presently the maximum received is .0055% on an annual basis. This amount may change without notice to you. As a result of the fees and benefits to Herold & Lantern Investments, Inc. the Program may be more profitable to Herold & Lantern than other available sweep options. Other sweep options may also provide you with a higher rate of return.