

The Voya Financial Advisors Insured Bank Deposit Account Program

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INTRODUCTION

Voya Financial Advisors, Inc. (“VFA”, “we”, “our” or “us”) makes available to its customers the Voya Financial Advisors Insured Bank Deposit Account (“VIBD”) program as the default option for the automatic investment, or “sweep”, of available cash balances (from securities transactions, dividend and interest payments and other activities) in your account (the “Sweep Program”). The Sweep Program is administered by Pershing, LLC (“Pershing”), our clearing firm. With the exception of investment advisory customers whose investment adviser representative has discretion over their account, the VIBD program is the only product option available to customers in the Sweep Program. While you are not obligated to participate in the Sweep Program, you should be aware that your product option within the Sweep Program is limited, subject to the exception described above, to the VIBD program.

Under the VIBD program, Pershing will deposit available cash in your account into interest-bearing deposit accounts (“Deposit Accounts”) at one or more banks set forth on the Priority List (each a “Bank”) that can be accessed on our website or obtained from your VFA registered representative or investment adviser representative (“Financial Professional”). VFA is offering the VIBD program through its fully disclosed clearing broker-dealer, Pershing, who has appointed Promontory Interfinancial Network (“Promontory”) to provide certain services with respect to the operation of the VIBD program (Pershing and Promontory together, the “Service Providers”). Each party is compensated for its respective services pursuant to this arrangement by receiving a portion of the fees paid out by each bank in connection with your Deposit Account at each Bank. Please see the section entitled “Fees” under “Information About Your Relationship with VFA, Pershing and the Banks” for more information.

Funds in the Deposit Accounts at each Bank are eligible for deposit insurance by the FDIC up to a total of \$250,000 principal and accrued interest for each insurable capacity (e.g., individual, joint, IRA, etc.). For purposes of the \$250,000 federal deposit insurance limit, you must aggregate all other deposits held in the same insurable capacity at a Bank. For example, funds in the Deposit Accounts at a Bank held by an individual are insured up to \$250,000 and funds in the Deposit Accounts at a Bank held jointly by two or more individuals are insured up to \$250,000 per joint owner. **Funds deposited in Deposit Accounts are not eligible for coverage by the Securities Investor Protection Corporation.**

Pershing will deposit the available cash in your brokerage or investment advisory account into Deposit Accounts in each Bank on the Priority List up to a deposit limit of \$246,500 (\$493,000 for joint accounts of two or more) (the “Applicable Deposit Limit”). Because available cash will be deposited into multiple Banks, your funds will be eligible for at least \$2,500,000 (\$5,000,000 million for joint accounts of two or more) in deposit insurance coverage by the FDIC, subject to applicable limitations.

Once the Applicable Deposit Limit has been deposited in each Bank on the Priority List, any additional funds will be deposited in a designated “Excess Bank” without limit and without regard to maximum available FDIC insurance coverage. Therefore, any amount of funds above \$250,000 held at an Excess Bank will not be afforded FDIC insurance coverage.

Customers who may be eligible for additional FDIC insurance, such as trusts and employee benefit plans, will be treated as individual accounts for purposes of the VIBD. Pershing will deposit funds at each Bank up to the Applicable Deposit Limit for individuals and will not deposit funds above that amount based on the number of beneficiaries or participants even though such beneficiaries or participants may be eligible for additional FDIC insurance. For additional information, please see “Information About FDIC Insurance and SIPC” below.

Any deposits (including certificates of deposit) that you maintain in the same insurable capacity directly with a Bank, or through an intermediary (such as Pershing or another broker-dealer regardless of the number of accounts), will be aggregated with deposits in your Deposit Accounts at the Bank for purposes of the \$250,000 federal deposit insurance limit. You are responsible for monitoring the total amount of deposits that you have with each Bank, including an Excess Bank, in order to determine the extent of FDIC deposit insurance coverage available to you. Neither VFA nor

the Service Providers will monitor your deposits, either inside or outside the Sweep Program, to determine the extent of FDIC deposit insurance coverage available to you.

Each Deposit Account constitutes a direct obligation of the Bank and is not directly or indirectly an obligation of either VFA or Pershing. You can obtain publicly available financial information concerning each Bank at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200. VFA and Pershing do not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning the Banks.

You will not have a direct account relationship with the Banks. Pershing, as your agent, will establish the Deposit Accounts for you at each Bank and make deposits to and withdrawals from the Deposit Accounts. VFA and the Service Providers will receive a fee from each Bank. **The amount of the fees paid to VFA will affect the interest rate paid on the Deposit Accounts. You should review carefully the section of this Booklet titled “Information About Your Relationship with VFA, Pershing and the Banks” for more information regarding fees associated with VIBD.**

As discussed herein, interest rates paid by Banks on the Deposit Accounts will vary based upon prevailing economic and business conditions. The Banks do not have a duty to offer the highest rates available or rates that are comparable to money market mutual funds (“Money Funds”). The rates that the Banks offer are not required to be, and may not be competitive with, prevailing market interest rates. By comparison, Money Funds generally seek to achieve the highest rate of return consistent with their investment objectives, which can be found in their prospectuses. For more information about bank deposit sweep programs, please see the SEC Office of Investor Education and Advocacy, Investor Bulletin: Bank Sweep Programs, June 5, 2014 (available at https://www.sec.gov/oiea/investor-alerts-bulletins/ib_banksweep.html).

Nothing obligates you to participate in the Sweep Program. Higher rates of return are offered through products outside the Sweep Program, including Money Funds offered through your account with VFA and Pershing. **The VIBD program is designed to temporarily hold cash balances in your investment account, and is not designed to act as retail bank account, nor a long-term, ongoing investment vehicle.**

The information in this Booklet applies, unless otherwise indicated, to each account for which you are a customer of record, whether as an individual, joint tenant, trustee, executor, custodian or in any other capacity, and is furnished to you in each of such capacities in respect of all such accounts.

The VIBD program does not apply to customers with investment advisory accounts managed on a discretionary basis.

VIBD Interest Rates

As of May 22, 2020, the following are the annual percentage yield (“APY” or “interest rate”) tiers applicable to the Deposit Accounts:

Account Type	Funds in the Deposit Accounts	APY
Qualified Account (Ticker: VIBR)	\$24,999.99 or Less	0.011%
	\$25,000.00 - \$49,999.99	0.011%
	\$50,000.00 - \$99,999.99	0.011%
	\$100,000.00 - \$149,999.99	0.011%
	\$150,000.00 - \$249,999.99	0.011%
	\$250,000.00 - \$299,999.99	0.011%
	\$300,000.00 - \$499,999.99	0.011%

	\$500,000.00 - \$999,999.99	0.011%
	\$1,000,000.00 – 4,999,999.99	0.011%
	\$5,000,000 or Greater	0.011%
Non-Qualified Account (Ticker: VIBD)	\$24,999.99 or Less	0.011%
	\$25,000.00 - \$49,999.99	0.011%
	\$50,000.00 - \$99,999.99	0.011%
	\$100,000.00 - \$149,999.99	0.011%
	\$150,000.00 - \$249,999.99	0.011%
	\$250,000.00 - \$299,999.99	0.011%
	\$300,000.00 - \$499,999.99	0.011%
	\$500,000.00 - \$999,999.99	0.011%
	\$1,000,000.00 – 4,999,999.99	0.011%
	\$5,000,000 or Greater	0.011%

The APY paid on the Deposit Accounts is not a blended rate. Therefore, the entire amount of your funds in the Deposit Accounts will be credited at the rate applicable to the tier reached based on your balance in the Deposit Accounts. The rate tier applicable to your Deposit Accounts is determined based on the amount of your funds in the Deposit Accounts as of the first business day following the fifteenth (15th) of the month.

The APY may change at any time. Current APY and interest rates are available at www.voyafinancialadvisors.com/banksweep and from your Financial Professional. The interest rate applicable to your Deposit Accounts will be set at the sole discretion of VFA. Interest rate determinations are made in accordance with a formula that considers the prevailing interest rates available to customers through accounts at other broker-dealer and investment advisory firms, which VFA deems to be peer firms in its sole discretion, and approved by VFA’s Investment Product Due Diligence Committee.

VFA is compensated by deducting a percentage of the fees paid in connection with the Deposit Accounts. Any increase in VFA’s fees will decrease the interest that you will receive in connection with the Deposit Accounts and any decrease in VFA’s fees will increase the interest that you will receive in connection with the Deposit Accounts.

The interest rate tiers create a conflict of interest, as it incentivizes your Financial Professional to execute buy transactions in your account prior to the first business day following the fifteenth (15th) of the month, and sell transactions after the first business day following the fifteenth (15th) of the month, therefore permitting VFA to retain more of the fee payable on the Deposit Accounts.

VFA offers the Sweep Program as a service to you and is not obligated to offer you this or any sweep product or to make available to you a sweep product that offers a rate of return that is equal to or greater than other comparable products or investments.

You may elect not to have available cash swept through the Sweep Program. If you make this election, your account will not have a sweep feature. This means your available cash will not be deposited (and therefore will not earn interest) unless you give your Financial Professional subsequent instruction to deposit your available cash in the Deposit Accounts or invest a specific amount of your funds in other investments available through VFA.

No Impact on Your Annual Account Fees

Except as explained in this Booklet, the VIBD program discussed herein will *not* affect your account fees.

Tax Information

For most customers, interest earned from the Deposit Accounts will be taxed as ordinary income in the year it is received. The amount of interest income you have earned in your Deposit Accounts will be reported on the Form 1099 sent by Pershing for your account.

OPERATION OF VIBD

Priority List

The current Priority List of available Banks into which your funds may be deposited is available on our website, www.voyafinancialadvisors.com/banksweep. Priority Lists differ based upon the region of the country where you reside. The Priority List applicable to you is based on the address of record Pershing maintains for your account. The Banks appear on the Priority List in the order in which the Deposit Accounts will be opened for you and your funds will be deposited. You should review the Priority List carefully. You will be provided written notice in advance of any material changes to the Priority List, and will be able to designate a new Bank as ineligible to receive your funds, as further described below.

The Priority List will also include one or more Excess Banks that will accept your funds without limit and without regard to the applicable federal deposit insurance limit if all Banks on the Priority List have each received funds up to the Applicable Deposit Limit. If all your funds are withdrawn from an Excess Bank, the next time the amount of your funds requires a deposit in an Excess Bank, your funds may be deposited in a different Excess Bank.

You cannot change the order of the Banks on the Priority List. However, you may, at any time, designate a Bank, including any Excess Bank, as ineligible to receive your funds. This will result in your funds being deposited into Deposit Accounts at the next Bank on the Priority List. In addition, you may at any time instruct VFA to remove your funds from a Bank, close your Deposit Accounts with the Bank and designate the Bank as ineligible to receive future deposits. Unless you direct us to place your funds in a different investment, your funds from closed Deposit Accounts will be deposited in Deposit Accounts at the first available Bank set forth on the Priority List, as amended by you.

You cannot designate all of the Excess Banks as ineligible to receive your funds.

If you wish to designate a Bank as ineligible to receive your funds, please contact your Financial Professional.

VFA and/or Pershing reserve the right to change the Priority List applicable to your Deposit Account at any time, subject to providing you with advance written notice, as described above. Updates to the Priority List will also be posted on VFA's website. Please review the section "Changes to the Priority List."

Types of Deposit Accounts

VFA, through Pershing, makes available to you a money market deposit account ("MMDA") – a type of savings deposit – and a linked transaction account ("TA") at one or more of the Banks. The MMDAs and TAs are non-transferable. The use of the MMDA and the TA are described below.

The TA may be a negotiable order of withdrawal ("NOW") account or a demand deposit account ("DDA"). If the TA is a NOW account, Pershing will only deposit the funds of individuals, not for profit entities and government entities in that Deposit Account. Ineligible customers will not have Banks offering only NOW accounts on their Priority List.

If the TA is a DDA then there are no eligibility restrictions and Banks offering DDAs may appear on any customer's Priority List.

Deposit Procedures

When funds in your account are first available for deposit, Pershing, as your agent, will open a MMDA and a linked TA on your behalf at one or more of the Banks on the then-current Priority List in the order set forth on the Priority List. Once your funds in the Deposit Accounts at a Bank reach the Applicable Deposit

Limit, Pershing, as your agent, will open a MMDA and TA for you at the next Bank on the Priority List and place your additional funds in that Bank.

In the event that you have deposits equal to the Applicable Deposit Limit in the Deposit Accounts at each of the available Banks on the Priority List, excess funds will be swept into an Excess Bank that will accept your funds without limit and without regard to the applicable federal deposit insurance limit. An Excess Bank may be a Bank on the Priority List that has already received your funds up to the Applicable Deposit Limit, or a Bank that acts solely as an Excess Bank.

It is your obligation to monitor your funds deposited at all Banks, including an Excess Bank. Funds above \$250,000 at an Excess Bank will not qualify for FDIC insurance coverage. You may at any time direct your Financial Professional to withdraw funds from an Excess Bank and place them in another investment.

As your agent, Pershing will deposit available cash balances from your account into your MMDA at each Bank as set forth above. As necessary to satisfy withdrawals, funds will be transferred from your MMDA to the related TA at each Bank and withdrawals will be made from the TA. Pershing in its discretion may determine a minimum, or “threshold”, amount to be maintained in your TA to satisfy debits in your account.

Federal banking regulations limit the transfers from an MMDA to a total of six (6) during a monthly statement cycle. At any point during a month in which transfers from an MMDA at a Bank have reached the applicable limit, all funds will be transferred from that MMDA to the linked TA at the Bank until the end of the month. Deposits for the remainder of the month into this Bank will be made to the TA. At the beginning of the next month, funds on deposit in the TA will be transferred to the MMDA, minus any threshold amount to be maintained in the TA. The limits on MMDA transfers will not limit the number of withdrawals you can make from funds on deposit at a Bank or the amount of FDIC insurance coverage for which you are eligible.

Withdrawal Procedures

All withdrawals necessary to satisfy debits in your account will be made by Pershing as your agent. A debit is created to satisfy a securities purchase or a request for a withdrawal of funds from your account and, if applicable, when you write a check on your account, make payments via the online bill pay service or withdraw funds through your debit card. Checks written on your account are not drawn directly against the Deposit Accounts established for you at the Banks.

All withdrawals will be made from your TA. If a withdrawal of funds from your Deposit Accounts is necessary to satisfy a debit, funds will be withdrawn from your TAs at the Banks on the Priority List beginning with the lowest priority Bank on the Priority List at which your funds have been deposited. If there are insufficient funds at that Bank, funds will be withdrawn from each Bank in the sequence (lowest priority to highest priority) until the debit is satisfied. If funds in the TA at a Bank from which funds are being withdrawn are insufficient to satisfy a debit, funds in the related MMDA at that Bank will be transferred to the TA to satisfy the debit, plus funds to maintain any TA threshold amount. If there are insufficient funds in the Deposit Accounts at the Banks on the Priority List to satisfy the debit, Pershing, as your agent, will withdraw funds from other available sources as described in your account agreement.

Pursuant to federal banking regulations, the Banks must reserve the right to require seven days’ prior written notice before you withdraw or transfer funds from a NOW account or an MMDA. DDAs are not subject to this restriction. No Bank has informed Pershing that it currently intends to exercise this right against NOW accounts or MMDAs.

Changes to the Priority List

One or more of the Banks included on the Priority List may be replaced with a Bank not previously included on the Priority List, a Bank may be deleted from the Priority List or the order of Banks on the

Priority List may change. You will receive written notification in advance of changes that result in the addition, deletion or reordering of a Bank(s) on the Priority List and have an opportunity to designate any Bank as ineligible to receive your deposits. Under certain circumstances a Bank may no longer be able to accept deposits for regulatory or other reasons. In such cases, your funds will be deposited in the next Bank on the Priority List. VFA may be unable to provide advance notice of changes to the Priority List under such circumstances. In such cases, VFA will provide you notice as soon as practicable.

If you receive notice that the Priority List has changed, it is your obligation to review the revised Priority List to ensure that you do not have any other accounts in the Banks. See “Information About FDIC Insurance and SIPC” below. The current Priority List will always be available on VFA’s website or from your Financial Professional.

If the order of Banks on the Priority List has changed or a Bank that was not accepting deposits resumes accepting deposits, your previously deposited funds will not be reallocated based on the new sequence. Deposits and withdrawals of your funds made after a change to the Priority List will occur as described above under “Deposit Procedures” and “Withdrawal Procedures”, respectively pursuant to the new sequence.

On any day, a Bank may be closed for business or temporarily unable to accept your funds. In such event, your funds will be placed at the next Bank on the Priority List. When the Bank that could not accept your funds is again able to accept your funds, available cash balances swept from your account may be placed in that Bank.

If Pershing or VFA terminates the use of VIBD as a sweep option, you may establish a direct depository relationship with each Bank, subject to its rules with respect to establishing and maintaining deposit accounts. The consequences of maintaining a direct depository relationship with a Bank are discussed below under “Information About Your Relationship with VFA, Pershing and the Banks”.

Interest on Balances in the Deposit Accounts

Each MMDA and TA at each Bank will earn the same interest rate and all Banks will pay the same interest rate. The interest rates on the Deposit Accounts will be determined by the amount the Banks are willing to pay with respect to the Deposit Accounts minus the fees paid to VFA and Pershing as set forth below under “Fees”.

You may contact your Financial Professional or access our website to determine the current interest rate on the Deposit Accounts and other cash equivalent investments available through VFA. Interest rates may change daily. Interest will accrue on Deposit Account balances from the day funds are deposited into the Deposit Accounts at a Bank through the business day preceding the date of withdrawal from the Deposit Accounts at the Bank. Interest will be accrued daily and credited monthly. As interest rates fluctuate, the rate of compensation payable to VFA may increase or decrease.

The interest rates paid with respect to the Deposit Accounts at a Bank will, in certain circumstances, be lower than the interest rates available to depositors making deposits directly with the Bank or other depository institutions in comparable accounts and will be lower than the returns of other cash equivalent investments available through VFA. You should compare the terms, interest rates, required minimum amounts, and other features of the Deposit Account sweep option with other accounts and alternative investments.

Information About Your Deposit Accounts

You will not receive trade confirmations for transactions in the VIBD program. All transactions in the VIBD program will be confirmed on your periodic account statement.

All activity with respect to the VIBD program will appear on your account statement. For each statement period, your account statement will reflect:

- All deposits to and withdrawals from the VIBD program
- The opening and closing balance in the VIBD program
- The balance held in the Deposit Accounts at each Bank
- The overall interest rate and interest earned on your VIBD program balance

VFA, through Pershing, is responsible for the accuracy of your statement, not the Banks. Your Financial Professional can assist you in understanding your account statement and can answer any questions you may have about your statement.

You may obtain information about the VIBD program, including the Priority List and current interest rates, by calling your Financial Professional or by visiting www.voyafinancialadvisors.com/banksweep. You may obtain your VIBD program balance by accessing your account online at <https://my.voya.com>.

Notices

VFA will provide advance written notice regarding material changes to the Priority Lists. All other notices may be made by means of a letter, an entry on your account statement or by other means.

INFORMATION ABOUT YOUR RELATIONSHIP WITH VFA, PERSHING AND THE BANKS

Relationship with VFA

VFA acts as broker-dealer or registered investment adviser of record on your account and as the introducing broker-dealer for securities transactions and Sweep Program transactions executed on your behalf by VFA's clearing firm, and your account custodian, Pershing. VFA has no direct relationship with the Banks and does not act as your agent in depositing funds into the Deposit Accounts or withdrawing funds from the Deposit Accounts.

VFA makes the VIBD program available to you at its sole discretion as a customer of VFA. VFA is under no ongoing obligation to continue to provide the VIBD program and may, in its sole discretion, terminate your use of VIBD and the Deposit Accounts as a sweep investment option. If VFA terminates your use of the Deposit Accounts as a sweep investment option, you may establish a direct depository relationship with each Bank, subject to its rules with respect to maintaining deposit accounts.

Information concerning your Deposit Accounts, including the applicable Priority List, interest rates on the account, and Deposit Account balances, may be obtained from VFA or your Financial Professional.

Relationship with Pershing

Pershing, as your agent, will establish the Deposit Accounts at each Bank, deposit funds into the Deposit Accounts, withdraw funds from the Deposit Accounts and transfer funds among the Deposit Accounts. Deposit Account ownership will be evidenced by a book entry on the account records of each Bank and by records maintained by Pershing as your custodian. No evidence of ownership, such as a passbook or certificate will be issued to you. Your account statements will reflect the balances in your Deposit Accounts at the Banks. You should retain the account statements for your records. You may at any time obtain information about your Deposit Accounts by contacting your Financial Professional.

Unless you establish the Deposit Accounts directly with a Bank as described below, all transactions with respect to your Deposit Accounts must be effected by Pershing. The Banks have no obligation to, and will not, accept instructions from you with respect to your Deposit Accounts or provide you with information concerning your Deposit Accounts.

If you terminate your participation in VIBD, you may establish a direct relationship with each Bank by requesting to have your Deposit Accounts established in your name at each Bank, subject to each Bank's rules with respect to establishing and maintaining deposit accounts.

Establishing your Deposit Accounts in your name at a Bank will separate the Deposit Accounts from your account with VFA and Pershing. Your Deposit Account balances will no longer be reflected in your account statement and neither VFA nor Pershing will have any further responsibility concerning your Deposit Accounts.

Relationship with the Banks

As described above, you will not have a direct account relationship with the Banks. However, each Deposit Account constitutes an obligation of a Bank and is not directly or indirectly an obligation of VFA or Pershing. You can obtain publicly available financial information concerning each Bank at www.ffiec.gov/nicpubweb/nicweb/nichome.aspx or by contacting the FDIC Public Information Center by mail at L. William Seidman Center, Virginia Square, 3501 North Fairfax Drive, Arlington, Virginia 22226 or by phone at 703-562-2200.

VFA and Pershing do not guarantee in any way the financial condition of the Banks or the accuracy of any publicly available financial information concerning such Banks.

Fees

Each Bank will pay a fee equal to a percentage of the average daily deposit balance in your Deposit Accounts at the Bank. The Service Providers earn a fixed percentage of that fee. VFA will keep the remainder of the fee. The fee retained by VFA will vary but will not exceed two hundred basis points (200 bps or 2.00%), exclusive of the fees paid to the Service Providers. The total amount of that fee that VFA receives affects the amount of interest payable to customers on the Deposit Accounts. Given current fees paid by the Banks, it is important that you understand that the fee VFA retains in connection with your participation in the VIBD program is greater than the interest VFA pays to you, the customer, for your assets held in the VIBD program. VFA believes this will be the case for the foreseeable future.

VFA retains and exercises the right to determine its own fee, and may reduce or increase its fee. The fee collected by VFA affects the amount of the interest rate payable to customers. Therefore, VFA has a conflict of interest with regard to the VIBD program as any increase in the fee VFA chooses to receive will decrease the amount of interest received by customers. The fee may vary from Bank to Bank.

VIBD program balances held in a VFA investment advisory account are considered cash. Cash balances held in an investment advisory account are included in the assets of the account when calculating the investment advisory fee earned by VFA for management of such account. VFA therefore retains its fee from the Banks and earns an investment advisory fee for your balances in the VIBD program. This creates a conflict of interest, as VFA earns more from VIBD program balances in investment advisory accounts than it would if such balances were held outside of the VIBD program or outside of the investment advisory account entirely, creating an economic incentive for VFA to retain advisory assets in cash in the VIBD program.

Other than applicable fees imposed by VFA on your account, there will be no charges, fees or commissions imposed on your account with respect to VIBD.

INFORMATION ABOUT FDIC INSURANCE AND SIPC

Deposit Insurance: General

The Deposit Accounts (including principal and accrued interest) are insured by the FDIC, an independent agency of the U.S. Government, up to \$250,000 for all deposits held in the same insurable capacity at any one Bank. Generally, any accounts or deposits that you may maintain directly with a particular Bank, or through any other intermediary, in the same insurable capacity in which the Deposit Accounts are maintained would be aggregated with the Deposit Accounts for purposes of the \$250,000 federal deposit insurance limit. In the event a Bank fails, the Deposit Accounts are insured, up to \$250,000, for principal and interest accrued to the date the Bank is closed.

Under certain circumstances, if you become the owner of deposits at a Bank because another depositor dies, beginning six months after the death of the depositor, the FDIC will aggregate those deposits for purposes of the \$250,000 federal deposit insurance limit with any other deposits that you own in the same insurable capacity at the Bank. Examples of accounts that may be subject to this FDIC policy include joint accounts, “payable on death” accounts and certain trust accounts. The FDIC provides a six-month “grace period” to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which you are eligible.

For the purposes of FDIC insurance coverage, deposits that you hold at a Bank, whether held outside of VIBD or inside of VIBD, are included in the calculation of the FDIC insurance limit, subject to certain exceptions. You are responsible for monitoring the total amount of deposits that you hold with any one Bank, directly or through an intermediary, in VIBD and outside of VIBD, to determine the extent of deposit insurance coverage available to you on your deposits, including the Deposit Accounts. Pershing and VFA are not responsible for any insured or uninsured portion of the Deposit Accounts nor any other deposits and will not monitor your deposits in the Banks to ensure that the combination of deposits in VIBD and accounts you hold at the Banks outside of VIBD stay within applicable FDIC insurance limits. Please consult an attorney or the FDIC with questions regarding the extent and applicability of FDIC insurance coverage on amounts you have deposited at the Banks.

If federal deposit insurance payments become necessary, payments of principal plus accrued but unpaid interest will be made to you. There is no specific time period during which the FDIC must make insurance payments available, and Pershing and VFA will not credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

If your Deposit Accounts or other deposits at the Bank are assumed by another depository institution pursuant to a merger or consolidation, such deposits will continue to be separately insured from the deposits that you might have established with the acquiror until (i) the maturity date of any time deposits that were assumed, or (ii) with respect to deposits that are not time deposits, the expiration of a six month period from the date of the acquisition. Thereafter, any assumed deposits will be aggregated with your existing deposits with the acquiror held in the same capacity for purposes of federal deposit insurance. Any deposit opened at the Bank after the acquisition will be aggregated with deposits established with the acquiror for purposes of federal deposit insurance.

The application of the \$250,000 federal deposit insurance limit is illustrated by several common factual situations discussed below. Please review the section headed “Deposit Insurance: Retirement Plans and Accounts” for the application of the \$250,000 federal deposit insurance limit to retirement plans and accounts.

Individual Customer Accounts. Deposits of any one Bank held by an individual in an account in the name of an agent or nominee of such individual (such as the Deposit Accounts held through Pershing) or held by a custodian (for example, under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act) are not treated as owned by the agent, nominee or custodian, but are added to other deposits of such individual held in the same insurable capacity (including funds held in a sole proprietorship) and are insured up to \$250,000 in the aggregate. Deposits held through a qualified tuition savings program (529 Plan) may be insured as deposits of the participant, provided both the name and tax id of the participant are identified on Pershing's account records.

Joint Accounts. An individual's interest in deposits of any one Bank held under any form of joint ownership valid under applicable state law may be insured up to \$250,000 in the aggregate, separately and in addition to the \$250,000 allowed on other deposits individually owned by any of the co-owners of such accounts (hereinafter referred to as a "Joint Account"). For example, a Joint Account owned by two persons would be eligible for insurance coverage of up to \$500,000 (\$250,000 for each person), subject to aggregation with each owner's interests in other Joint Accounts at the same Bank. Joint Accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Revocable Trust Accounts. Deposits at any one Bank held in a "revocable trust" are generally insured up to \$250,000 per beneficiary if the beneficiary is a natural person, charity or other non-profit organization. There are two types of revocable trusts recognized by the FDIC. Informal revocable trusts include accounts in which the owner evidences an intent that at his or her death the funds shall belong to one or more specified beneficiaries. These trusts may be referred to as a "Totten trust" account, "payable upon death" account or "transfer on death" account. Each beneficiary must be included in the Pershing's account records.

Formal revocable trusts are written trust arrangements in which the owner retains ownership and control of the assets and designation of beneficiaries during his or her lifetime. The trusts may be referred to as "living" or "family" trusts.

Under FDIC rules, FDIC coverage will be up to \$250,000 per beneficiary, multiplied by the number of beneficiaries, regardless of the proportional interest of each beneficiary in the revocable trust. However, if the trust has more than \$1,250,000 in deposits at any one Bank and more than five beneficiaries, the funds will be insured for the greater of \$1,250,000 or the aggregate amount of all beneficiaries' proportional interest, limited to \$250,000 per beneficiary.

Deposits in all revocable trusts of the same owner – informal and formal – at the same Bank will be aggregated for insurance purposes. A revocable trust established by two owners where the owners are the sole beneficiaries will be treated as a Joint Account under applicable rules and will be aggregated with other Joint Accounts.

Irrevocable Trust Accounts. Deposits of any one Bank held pursuant to one or more irrevocable trust agreements created by the same grantor (as determined under applicable state law) will be insured for up to \$250,000 for the interest of each beneficiary provided that the beneficiary's interest in the account is non-contingent (i.e., capable of determination without evaluation of contingencies). According to the FDIC, Coverdell Education Savings Accounts will be treated as irrevocable trust accounts for deposit insurance purposes. The deposit insurance of each beneficiary's interest is separate from the coverage provided for other accounts maintained by the beneficiary, the grantor, the trustee or other beneficiaries. The interest of a beneficiary in irrevocable trust accounts at a Bank created by the same grantor will be aggregated and insured up to \$250,000.

Medical Savings Accounts. Deposits of any one Bank held in a Medical Savings Account, sometimes referred to as an Archer Medical Savings Account, will be eligible for deposit insurance as either an individual account, a revocable trust account or an employee benefit plan. You may wish to consult with your attorney or the FDIC to determine the available deposit insurance coverage.

Deposit Insurance: Retirement Plans and Accounts

Retirement Plans and Accounts – Generally. The amount of deposit insurance for which deposits of any one Bank held through one or more retirement plans or accounts will be eligible, including whether deposits held by each plan or account will be considered separately from or aggregated with deposits held by other plans or accounts, will vary depending on the type of plan or account. It is important to understand the type of plan or account holding the deposits. The following sections generally discuss the rules that apply to deposits held by retirement plans and accounts.

Individual Retirement Accounts (“IRAs”). Deposits of any one Bank held in an IRA will be insured up to \$250,000 in the aggregate. However, as described below, the deposits of any one Bank held by an IRA will be aggregated with the deposits of the same Bank held by certain employee benefit plans in which the owner of the IRA has an interest. Thus, the owner of an IRA will only be eligible for insurance of \$250,000 for deposits at any one Bank held in plans and accounts that are subject to aggregation. See the section below headed “Aggregation of Retirement Plan and Account Deposits.”

Pass-Through Deposit Insurance for Employee Benefit Plan Deposits. Subject to the limitations discussed below, under FDIC regulations a participant’s non-contingent interests in the deposits of any one Bank held by many types of employee benefit plans are eligible for insurance up to \$250,000 on a “pass-through” basis. This means that each employee benefit plan participant is eligible for insurance of his or her non-contingent interest in the employee benefit plan up to \$250,000, subject to the aggregation of the participant’s interests in different plans, as discussed below under “Aggregation of Retirement Plan and Account Deposits.” The pass-through insurance provided to an employee benefit plan participant is separate from the \$250,000 federal deposit insurance limit allowed on deposits held by the individual in different insurable capacities at the same Bank (e.g., individual accounts, joint accounts, etc.)

The types of plans for which deposits may receive pass-through treatment are employee benefit plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (“ERISA”) (including Keogh plans, whether or not they are technically “employee benefit plans” under ERISA) and eligible deferred compensation plans described in Section 457 of the Internal Revenue Code of 1986, as amended (the “Code”). For purposes of Section 3(3) of ERISA, employee benefit plans are broadly defined to include most employee benefit plans, including most defined benefit plans and most defined contribution plans.

Defined Benefit Plans. The value of an employee’s non-contingent interest in a defined benefit plan will be equal to the present value of the employee’s interest in the plan, evaluated in accordance with the calculation ordinarily used under such plan. Deposits of any one Bank held by a defined benefit plan that is eligible for pass-through treatment are not insured for an amount equal to the number of plan participants multiplied by \$250,000. For example, a plan has on deposit \$500,000 of deposits of any one Bank. The employee benefit plan has two participants, one with a non-contingent interest of \$425,000 and one with a non-contingent interest of \$75,000. In this case, the employee benefit plan’s deposits would be insured only up to \$325,000; the plan would be eligible for up to \$250,000 for the participant with the \$425,000 non-contingent interest and up to \$75,000 for the participant with the \$75,000 non-contingent interest.

Overfunded amounts, which are any portion of a plan’s deposits not attributable to the interests of beneficiaries under the plan, are insured, in the aggregate, up to \$250,000 separately from the insurance provided for any other funds owned by or attributable to the employer or a plan participant.

Defined Contribution Plans. The value of an employee’s non-contingent interest in deposits of any one Bank held through a defined contribution plan will be equal to the amount of funds on deposit attributable to the employee’s account with the plan, regardless of whether the funds on deposit resulted from contributions made by the employee, the employer, or both.

Portions of deposits of any one Bank held by an employee benefit plan that are attributable to the contingent interests of employees in the plan are not insured on a pass-through basis. Contingent interests of employees in an employee benefit plan are interests that are not capable of evaluation in accordance with FDIC rules, and are insured up to \$250,000 per plan.

Aggregation of Retirement Plan and Account Deposits. Under FDIC regulations, an individual's interests in plans maintained by the same employer or employee organization (e.g., a union) that are holding deposits of the same Bank will be insured for \$250,000 in the aggregate. In addition, under FDIC regulations, an individual's interest in the deposits of one Bank held by (i) IRAs, (ii) deferred compensation plans for certain employees of state or local governments or tax-exempt organizations (i.e., Section 457 Plans), (iii) self-directed "Keogh Plans" of owner-employees described in Section 401(d) of the Code, and (iv) self-directed defined contribution plans, will be insured for up to \$250,000 in the aggregate whether or not maintained by the same employer or employee organization.

Questions About FDIC Deposit Insurance Coverage. If you have questions about basic FDIC insurance coverage, please contact your Financial Professional. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one insurable capacity. You may also obtain information by contacting the FDIC, Deposit Insurance Outreach, Division of Depositor and Consumer Protection, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)), by visiting the FDIC website at www.fdic.gov/deposit/index.html, or by e-mail using the FDIC's On-line Customer Assistance Form available on its website.

SIPC Coverage

SIPC is a non-profit membership corporation created by the Securities Investor Protection Act of 1970, funded primarily by its member securities brokerage firms registered with the U.S. Securities and Exchange Commission. SIPC provides protection against custodial risk to customers of securities brokerage firms, like VFA and Pershing, in the event such firms become insolvent. Your cash balance while held by Pershing is not FDIC-insured, but is covered by SIPC. SIPC does not insure against investment losses, nor does SIPC insurance insure the quality of investments or protect against a decline or fluctuations in the value of your investment. SIPC protects each customer's securities and cash held in a customer's account at an insolvent brokerage firm. SIPC protects against the loss of customer securities and cash up to a total of \$500,000 (of which up to \$100,000 may be cash) per customer in each separate capacity under SIPC rules.

Money Fund shares are considered to be securities for purposes of SIPC coverage. Balances maintained in the Deposit Accounts at each Bank are not protected by SIPC or, if any, excess coverage purchased by Pershing.

If you have questions about SIPC coverage and additional SIPC-like coverage, please contact your Financial Professional or consult your account agreement with VFA. You may also obtain information about SIPC coverage, including a brochure that describes SIPC and SIPC insurance, by accessing the SIPC website at www.sipc.org.

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