

# UNDERSTANDING SWEEP OPTIONS



Davenport offers a variety of sweep options for investing the cash balances in your account. The list of sweep options have been carefully curated to provide the flexibility to select an option that best matches your risk tolerance and objective.

The availability of these sweep options depends on the account registration, the account type and the services desired.

## AVAILABLE SWEEP OPTIONS

### **Liquid Insured Deposits Program (LIDS)**

The Liquid Insured Deposits Program offers a competitive daily interest rate with the protection of FDIC deposit insurance. Once selected, future free cash balances will be deposited in the LIDS program, which consists of accounts established at a number of FDIC insured banks.

LIDS provides FDIC protection up to \$2,500,000 per legal category of account ownership.

### **Money Market Funds**

Money Market Funds are open-ended, professionally managed mutual funds that invest in short-term debt securities. Like traditional mutual funds, Money Market Funds are not FDIC insured; however, since they invest in short-term, high-quality investments, they are typically regarded as the asset class with the lowest risk for investors. Money Market Funds are generally divided into three categories: Government, Municipal and Prime.

## Insured Deposit and Money Market Fund Sweep Options Available at Davenport

	Investment Name	Characteristics	FDIC Insurance
	Liquid Insured Deposits Program	Funds are allocated across participating Program Banks	Yes – Up to \$2.5 million
GOVERNMENT MONEY MARKET FUNDS	Federated Hermes Trust for U.S. Treasury Obligations Cash II Shares	Invests solely in U.S. Treasury securities and fully-collateralized repurchase agreements	No
	Federated Hermes U.S. Treasury Cash Reserves Institutional Shares		
	Federated Hermes Treasury Obligations Institutional Shares		
	Federated Hermes Government Obligations Cash II Shares	Invests at least 99.5% U.S. Treasury and government securities, cash and fully-collateralized repurchase agreements	No
	Federated Hermes Government Obligations Institutional Shares		
MUNICIPAL MONEY MARKET FUNDS*	Federated Hermes Municipal Obligations Cash II Shares	Primarily invests in debt obligations issued by states, municipalities, or entities whose interest is tax-exempt	No
	Federated Hermes Municipal Obligations Wealth Shares		
	Federated Hermes Tax-Free Obligations Wealth Shares		
PRIME MONEY MARKET FUNDS	Federated Hermes Prime Cash Obligations Cash II Shares	Primarily invests in high-quality, short-term corporate and bank debt securities	No
	Federated Hermes Prime Cash Obligations Wealth Shares		

*\*Davenport also offers state specific Municipal Money Market options in New York and California. Please contact your Financial Advisor with any questions or for additional information on these options.*

Investors should carefully consider the fund’s investment objectives, risks, charges and expenses before investing. To obtain a summary prospectus or prospectus containing this and other information, contact your Davenport Financial Advisor. Please carefully read the summary prospectus or prospectus before investing. An investment in a money market fund is neither insured nor guaranteed by the U.S. Government, and there can be no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share.

Potential Liquidity Issues	Restrictions	Checkwriting and Debit Card Available
Subject to FDIC insolvency process	Cannot be used in fee-based accounts or IRA/Retirement accounts	Yes
None	None	Yes
	Only available for fee-based accounts or brokerage accounts with a cash balance of \$500,000+	No
	Only available for fee-based accounts or brokerage accounts with a cash balance of \$500,000+	Brokerage Accounts Only
None	None	Yes
	Only available for fee-based accounts or brokerage accounts with a cash balance of \$500,000+	No
Liquidations may be subject to fees and gates during periods of severe financial distress	Account must be beneficially owned by natural persons	Yes
	<ul style="list-style-type: none"> <li>Account must be beneficially owned by natural persons</li> <li>Only available for fee-based accounts or brokerage accounts with a cash balance of \$500,000+</li> </ul>	No
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Liquidations may be subject to fees and gates during periods of severe financial distress	Account must be beneficially owned by natural persons	Yes
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Please refer to the Liquid Insured Deposits<sup>SM</sup> Terms and Conditions at [www.investdavenport.com/client-disclosures](http://www.investdavenport.com/client-disclosures) for more information about the Liquid Insured Deposits Program (the "Program").

The Liquid Insured Deposits<sup>SM</sup> Program (the "Program") is offered to you by your investment professional or financial organization ("Investment Professional") at the broker dealer that introduced your account ("IBD") to Pershing LLC ("Pershing"), which acts as custodian of the assets in your account, as a sweep option and is intended for the investment of available cash balances into bank deposit accounts. By selecting the Program as your automatic cash investment option, you agree to these Terms and Conditions and to appoint Pershing as your authorized agent to establish and maintain bank deposit accounts at various depository institutions that participate in the Program, which may include The Bank of New York Mellon ("BNYM") and BNY Mellon, National Association ("BNY Mellon, N.A.") (collectively, "Program Banks"), and to effect deposits to and withdrawals from such Program Banks pursuant to these Terms and Conditions. Pershing has appointed Reich & Tang Deposit Solutions, LLC ("R&T") to provide certain services with respect to the operation of the Program. There is no minimum amount required as an initial deposit or for subsequent deposits. Subject to certain exceptions, the maximum amount of Federal Deposit Insurance Corporation ("FDIC") deposit insurance coverage available under the Program for your bank deposits currently is \$2.5 million for each category of legal ownership as more fully explained in the Terms and Conditions.

As of 9/19/24, a maximum of \$2.5 million of FDIC insurance is available under the Program. You may exclude any Program Bank from holding your funds at any time by contacting your Financial Advisor. If you exclude one or more Program Banks, the maximum level of FDIC insurance coverage may decrease from \$2.5 million to a new lower amount. Contact your Financial Advisor to confirm the new FDIC insurance limit.

