

## First Citizens Investor Services

### Customer Agreement

1. **General.** The Customer(s) signing this Agreement shall be referred to individually or collectively as "I," "me," and "my," and FIRST CITIZENS INVESTOR SERVICES, INC. shall be referred to as "you" or "your." I represent that I have the required legal capacity, and am fully authorized, to enter into this Agreement with you, and that I am the owner of all assets placed in my account. I agree to pay you fees and charges at your standard rates charged, as may be amended from time to time pursuant to Section 15. All transactions will be done only on my order or the order of my legally or properly designated authorized representative, except as described in paragraph 7. I understand that I am responsible for transmission of instructions to you and that I bear the risk of loss arising from the method of transmission that I use in the event of transmission errors, misunderstandings, impersonations, transmission by unauthorized persons, or forgery. I agree to release and indemnify you, your affiliates, employees and directors from any and all liability arising from the execution of transactions based on such instructions except if your gross negligence caused the transmission error.
2. **Termination.** I may terminate this Agreement at any time by delivering notice to you, and you may terminate it at any time by delivering written notice to me. This Agreement does not automatically terminate, in whole or in part, upon my death, disability, or incompetence, except as provided by applicable law. Termination will result in the cancellation of my account and all other features or privileges. I understand that I remain responsible for all charges, debit items or other transactions initiated or authorized by me (or my legally or properly designated authorized representative), whether arising before or after termination.
3. **Advice Disclaimer.** I acknowledge that you do not provide any legal, tax or accounting advice. I understand that I should consult my own tax advisor regarding tax consequences with respect to transactions in or for my account. In the case of an unsolicited agency transaction, I understand that you provide no investment advice, nor do you give advice or offer any opinion with respect to the suitability of any security or order.
4. **Clearing Broker.** I acknowledge that I have been informed that you have entered into a clearing agreement with PERSHING, which specifies the functions and responsibilities of you and PERSHING with respect to certain matters affecting my account, and that a description of that agreement is available upon my written request.
5. **Monitoring of Conversations and Activity.** I understand and agree that you may make an audio record of any conversation with me, but shall not be required to do so or to retain any audio record. I also understand that any electronic communication will be maintained and may be monitored as well.
6. **Indebtedness; Security Interest.** In the event I become indebted to you in the course of operation of my account, I agree that I will repay such indebtedness upon demand. Account assets are subject to a lien for the discharge of any indebtedness to you. I agree that, if after demand I fail to pay the indebtedness, you may close my account without notice and liquidate the assets in my account in an amount sufficient to pay my indebtedness, and I will reimburse you for any and all costs, losses or liabilities you incur, including reasonable attorney's fees. You will charge me interest in accordance with your usual custom on debit balances in my account.
7. **Settlement.** I agree, when placing sell orders, to designate whether each order is from a short position or a long position, and authorize you to mark each order accordingly. If you do not already hold securities designated for long accounts when the order is placed, I agree to deliver such securities in good form to you on or before the settlement date for the order. In the case of non-delivery by the settlement date, or if you are unable to settle any other transaction by reason of my failure to make payment or timely deliver securities in good form, I authorize you to take all steps necessary to complete the transaction, and I will reimburse you for all costs, losses or liabilities you incur.
  - (1) I will not buy or sell any securities of a corporation of which I am a director, executive officer, or 10% shareholder, or sell any securities subject to restrictions on resale (by law, contract or legend), through my account without notice to and approval by you.
  - (2) I understand that you do not promote a day trading strategy, and I agree not to use my account for day trading.
  - (3) I understand that all open orders may be reviewed after 30 days. In the event that you are unable to confirm with me that the order is still good, you may, at your discretion, cancel it.
8. **Agent.** I appoint you as my agent for the purpose of carrying out my instructions in accordance with the terms and conditions of this Agreement. To carry out your duties, you are authorized to open or close brokerage accounts, place and withdraw orders, provide information to third parties, receive copies of confirmations and statements of account and take such other steps as are reasonable to carry out my instructions. You may refuse to execute any order for any reason. You shall not be responsible for errors or delays in transmission of my instructions.
9. **Extraordinary Events.** You shall not be liable for any loss or delay caused directly or indirectly by war, civil disturbance, natural disaster, government restrictions, exchange or market rulings, suspension of trading, strikes, mail delays, telecommunications and data processing failures, equipment failures, or other conditions beyond your control, including but not limited to market volatility or trading volumes.
10. **Governing Law; Applicable Rules and Regulations.** I agree that this Agreement shall be governed by and interpreted in accordance with the laws (excluding choice of law rules) of the state of North Carolina. All account transactions shall be subject to, and this Agreement shall be deemed modified to the extent necessary to comply with, the constitution, rules, regulations, requirements, practices, customs and interpretations of any exchange, market, or clearing-house where such transactions are executed and to all applicable laws, rules and regulations (including rules of self-regulatory organizations).
11. **This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

**The parties agree that all controversies which may arise under this agreement, or any other relationship between the parties, shall be resolved by binding arbitration, except as provided by the rules of the arbitration forum in which a claim is filed. FINRA Dispute Resolution, Inc. will arbitrate any dispute under this agreement according to its rules, except that the American Arbitration Association will arbitrate under its rules any disputes related to subject matter not eligible for arbitration by FINRA Dispute Resolution, Inc.**

- (1) All parties to this agreement are giving up the right to sue each other in court, including the right to trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (2) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (3) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (4) The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- (5) The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.
- (6) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (7) The rules of the arbitration forum in which the claim is filed, and any amendments, thereto, shall be incorporated in this agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

12. **Order Flow.** I UNDERSTAND AND AGREE THAT YOU DO NOT RECEIVE COMPENSATION FOR DIRECTING ORDER FLOW IN EQUITY SECURITIES. I HAVE BEEN DIRECTED TO THE TERMS AND CONDITIONS SECTION OF MY BROKERAGE ACCOUNT STATEMENT FOR A DESCRIPTION OF PERSHING'S PAYMENT FOR ORDER FLOW PRACTICES. I ALSO UNDERSTAND THAT, IN THE ABSENCE OF SPECIFIC INSTRUCTIONS FROM ME, PERSHING MAKES ALL DECISIONS ABOUT ROUTING OF CUSTOMER ORDERS.

13. **Amendments.** I agree that you shall have the right to amend this Agreement by modifying or rescinding any existing provisions or by adding any new provisions. You may mail a written notice of the modification or change to me at my physical address of record, or email a notice of the modification or change to me at my email address of record. Such notice of the amendment will include the effective date of the modification or change. No such amendment shall become effective prior to 30 days from the date of such notice unless required or otherwise permitted by law or regulation. The use of my account after the effective date of the amendment shall constitute my acknowledgement and agreement to be bound thereby.

14. **Joint Accounts.** If my account is a joint account, each joint account holder has full authority to buy and sell assets (including short sales and margin transactions); to receive account demands, notices, confirmations, reports, statements and other communications; to receive and dispose of account assets, even if such deliveries of securities or payments of cash shall be paid to one or more joint account holders personally, and otherwise deal with and through the account on the instruction of only one joint account holder. You shall have no duty to inquire into any instructions received from a joint account holder, but you may, in your sole discretion, require the joinder of other account holders before taking any action requested by one joint account holder, and release assets in the names of all joint account holders. If conflicting instructions are received from joint account holders, you may do any of the following: (a) choose which instructions to follow and which to disregard; (b) suspend all activity in the account until written instructions signed by all account holders is received; (c) close the account and deliver all assets, net of debits or liabilities, to the address of record; and/or (d) take other appropriate legal action. I agree to indemnify you and hold you harmless from any damage or cost you incur as a result of receiving conflicting instructions.

Joint account holders' liability to you shall be joint and several. By designating an account as "Joint Tenants w/Right of Survivorship," the joint account holders created an estate as joint tenants with *rights of survivorship, and not as tenants in common*. The survivor shall give you immediate notice upon the death of the account holders.

15. **Disclosure of Account Information to Third Parties.** I acknowledge receipt of a copy of your Privacy Statement. I understand that, unless I object in writing, you may disclose my name, address and securities position to issuers of securities so that I can receive important information about the securities.

I understand if I believe you have incorrectly reported information about me or my account to a credit bureau, I will notify you promptly. My notice to you will be in writing and include my complete name, current address, Social Security Number, telephone number, account number, the affiliate company I believe incorrectly reported the information, the specific item of dispute and the reason I believe the information reported is inaccurate.

I will send my notice to you by separate correspondence addressed to: First Citizens Investor Services, Inc., Attn: Compliance Dept., P.O. Box 27131, Raleigh, NC 27611-7131. You will promptly investigate and make any necessary corrections to your records. I understand that, except to the extent required by applicable law, the Fair Credit Reporting Act does not apply to businesses or business or commercial transactions.

16. **Online Access.** I UNDERSTAND PERSHING'S ONLINE AGREEMENT, WHICH MAY INCLUDE PERIODIC UPDATES AND DISCLAIMERS, IS ACCESSIBLE THROUGH PERSHING'S WEBSITE. I UNDERSTAND THAT THIS AGREEMENT SHOULD BE READ PRIOR TO ACCESSING, ENTERING OR UTILIZING SECURITIES AND/OR BROKERAGE ACCOUNT INFORMATION.

17. **Customer Identity.** Important Information About Your Identity and Federal law: I understand that the USA Patriot Act requires you to verify the identity of new customers (including beneficial owners for entity accounts), to maintain customer identity records, and verify that a customer is not on the Federal government's list of known or suspected terrorists, terrorist organizations, or other sanctions lists. I understand and agree that you will use information I provide to verify my identity and comply with Federal anti-terrorism and anti-money

laundry laws. When you open my account, you will ask me for my name, address, date of birth, and other information that will allow you to identify me. You will ask to see my driver's license or other identifying documents.

18. **Notices.** You may send notices and other communications to me at the current address (including email address) on file with you, and all communications so sent, whether by mail, electronic communication, or otherwise, shall be deemed given to me personally when delivered, whether or not actually received. You also may contact me by telephone at any of the telephone numbers shown on the first page of the account application. Any communication sent to me by U.S. mail will be considered delivered three (3) days after it is deposited into the U.S. mail, postage prepaid, addressed to me at my current mailing address in your records. I will notify you promptly of any change in addresses (including email address) or other account information. My notices to you will be effective upon actual receipt by you, provided I must give you a reasonable opportunity to act upon such notice.

19. **Electronic Delivery.** I consent and agree to accept and receive all disclosures and communication related to the account (the "Documents") solely in electronic format and not paper format, including notification that the Documents are available online for my retrieval (the "Service"). For purposes of this section, "I" means the account owner(s) and/or authorized user(s) of the account. "Authorized user" means a person that I have authorized with full access to my account and has been granted a user ID. By accepting electronic delivery of the Documents, I am agreeing to the electronic delivery of all notices, disclosures, and other information relating to my account(s) that are communicated with or within the Documents.

I will be notified by electronic mail (e-mail) when the Documents are available to be viewed online. The e-mail notification(s) will be sent to the e-mail address that I established when registering with this service. I agree to keep my email address and other contact information up-to-date by calling 1-800-229-0205 in the event there is a change in such information. In the event of an e-mail notification failure as defined by Pershing, Pershing will terminate this arrangement and I will revert to receiving paper documents until such time as I re-enroll.

By accepting this Agreement, I affirm that I have a valid e-mail address on record with you, have access to the internet, and am at least 18 years of age. I acknowledge that to access and retain copies of electronic disclosures and communications my system (hardware and software) must meet certain requirements. To access the Documents electronically I need a personal computer or mobile device with software enabling access to the Internet and the ability to view, print and electronically store PDF documents, a compatible operating system, an Internet connection and a compatible version of a secure web browser. I also affirm that I have installed Adobe Acrobat Reader version 4.0 or higher to view the Documents. I agree that electronic delivery of the Documents is deemed accepted, regardless of whether a particular document is accessed or viewed. I may print or save a copy of the Documents at any time and acknowledge that I must have a connected printer and/or sufficient space on my hard-drive or USB storage device to do so.

My consent to accept electronic delivery of the Documents is effective until revoked by Pershing, you, or myself. I may revoke my consent and resume receiving paper Documents by changing my delivery preferences online. I may also contact you directly for assistance. I acknowledge that there are no service fees for withdrawing my consent and understand that my revocation of consent will not be effective until you have had a reasonable time to process such request. I further acknowledge that by withdrawing my consent and receiving the Documents in paper format I may incur a fee for delivery.

I expressly agree and acknowledge that my use of the Service is at my sole risk. None of Pershing, you, nor your respective directors, officers, employees, agents, contractors, affiliates, information providers or services warrant that the website service will be uninterrupted or error free. I acknowledge that Pershing does not warrant the timeliness, sequence, accuracy, completeness, reliability, or content of any information with respect to accessing electronic information. I acknowledge that the Service is provided on an "as is", "as available" basis and without warranties including, without limitation, those of merchantability, fitness for a particular purpose or non-infringement other than those warranties which are implied by and incapable of exclusion, restriction, or modification under the laws, rules and regulations applicable to this service.

I am responsible for maintaining the confidentiality of my user ID and password and for restricting access to my computer, and I agree to accept responsibility for all activities that occur under my user ID or password.

I agree to abide by the Pershing terms and conditions as they may be amended from time to time; amended terms will be posted on the Pershing's website. My continued use of the site will constitute my acceptance of the then-current terms and conditions.

20. **Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:
- An individual who is a U.S. citizen or U.S. resident alien,
  - A partnership, corporation, company or association created or organized in the United States or under the laws of the United States,
  - An estate (other than a foreign estate), or
  - A domestic trust (as defined in Regulations section 301.7701-7)

21. **Sweep Options.** I agree that any sweep option selected by me on the application may be changed, including changes between money market funds and bank deposit products, with prior notification to me.

22. **Complaints.** I acknowledge that any account complaints should be made to:

FIRST CITIZENS INVESTOR SERVICES, INC., P.O. Box 27131, Raleigh, NC 27611-7131, Attn: Compliance Dept., 800.229.0205; Fax: 919.716.2230.

23. **Trusted Contact Persons.** If I elect to provide Trusted Contact Information to you, you are authorized to communicate, verbally and in writing, with the Trust Contact Person(s) named on the applicable Trusted Contact Authorization Form, or by such other means as I may provide such information to you. I understand that any communication with the Trusted Contact Person(s) may include information about any of the account owners and my account.

I understand that you may contact the Trusted Contact Person(s) for the following reasons:

- If there are questions or concerns about my whereabouts or health status;
- If you suspect that I may be a victim of fraud or financial exploitation;

- If you suspect that I might no longer be able to handle my financial affairs;
- To confirm the identity of any legal guardian, executor, trustee, authorized trader, or holder of a power of attorney;
- If you have any other concerns or are unable to contact me about my account.

I understand that: 1) I may provide you with multiple Trusted Contact Persons; 2) you are not required to get in touch with the Trusted Contact Person(s); 3) the Trusted Contact Person(s) are not authorized to make any investment decisions or transact any business with you on my behalf; 4) I may withdraw or change my Trusted Contact Persons by notifying you in writing at 100 East Tryon Road, DAC 19, Operations Department, Raleigh, NC 27603; and 5) you are released and discharged from all claims, causes of action, damages, losses, expenses, costs and liabilities of any kind that may arise out of, relate to, or are in connection with the release of, or failure to release, personal and/or account information to the Trusted Contact Person(s).

24. **Entity Accounts.** If the account is owned by a legal entity, the information provided on the application related to beneficial ownership (legal entity's owner(s) and controlling person) has been provided by an individual authorized by the account holder to open the account who has certified, by signing the FCIS Acknowledgement and Attestation Form, that the information is accurate and complete to the best of his or her knowledge.
25. **Assignment.** I may not assign this Agreement to any other party. You may assign this Agreement without my consent, and you may also assign or delegate certain rights and responsibilities under this Agreement to independent contractors or third parties.
26. **FCIS Client Disclosure Acknowledgement and Attestation Form.** I agree that by signing the FCIS Client Disclosure Acknowledgement and Attestation Form, I agree to the terms and conditions set forth in this Agreement. The terms and conditions set forth in the FCIS Client Disclosure Acknowledgement and Attestation Form are hereby incorporated by reference.

Account Number: \_\_\_\_\_

Client Name: \_\_\_\_\_

## First Citizens Investor Services Cash Sweep Options

Fund Name	Symbol	Manager Name	Initial Amount to Open	Notes
FEDERATED CAPITAL RESERVES	FCR	FEDERATED	\$500.00	Invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in one of the two highest short-term categories or of comparable quality.
FEDERATED MUNICIPAL OBLIGATIONS FUND (CASH SERIES)	FMSC	FEDERATED	\$0.01	Pursues current income exempt from federal regular income tax, consistent with stability of principal.
FEDERATED VA MUNI CASH SERIES	FVAC	FEDERATED	\$500.00	Pursues current income exempt from federal regular income tax and Virginia state income tax, consistent with stability of principal.
FEDERATED PRIME CASH OBLIG CAP	PCOC	FEDERATED	\$500,000.00	Invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality.
FEDERATED PRIME CASH OBLIG SVC	PCOS	FEDERATED	\$100,000.00	Invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. government, rated in the highest short-term category or of comparable quality.
PERSHING GOVERNMENT ACCOUNT	PGR	FEDERATED	\$0.01	Invests primarily in obligations of the U.S. government, its agencies, adjustable rate obligations, and repurchase agreements.
DREYFUS GOVT CASH MNGT INV SH	DGMM	DREYFUS	\$0.01	Invests in securities issued or guaranteed by the U.S. government or its agencies, and repurchase agreements.
FEDERATED GOVERNMENT OBLIGATIONS SERVICE SHARES	GOSM GOSMS	FEDERATED	\$0.01	Seeks current income consistent with stability of principal by investing in a portfolio of U.S. Treasury and government securities.
LIQUID INSURED DEPOSITS FLAT RATE	RFI RFIM RFIMS	REICH & TANG	\$0.01	Flat rate FDIC insured bank deposit program that aggregates deposits over multiple participating banks to provide FDIC coverage up to \$2.5 million.
LIQUID INSURED DEPOSITS TIERED – <b>Default Option</b>	RIDD LIDD-R	LIDS CAPITAL	\$0.01	Default sweep account option. Tiered rate FDIC insured bank deposit program that aggregates deposits over multiple participating banks to provide FDIC coverage up to \$2.5 million.

If you opt to hold proceeds and wish to utilize the sweep feature, please enter your sweep option fund name and symbol in Section VI of the Account Application and Customer Agreement.

Investments in securities, annuities and insurance are not insured by the FDIC or any federal government agency; may lose value; are not a deposit or other obligation of, or guaranteed by, any bank or bank affiliate; and are subject to investment risks, including possible loss of the principal amount invested. Brokerage and some investment advisory services are offered through First Citizens Investor Services, Inc. Member FINRA/SIPC. First Citizens Asset Management, Inc. provides investment advisory services.

First Citizens Investor Services, Inc. 100 E. Tryon Road, DAC19, Raleigh, NC 27603 (800) 229-0205

**FACTS****WHAT DOES FIRST CITIZENS BANCSHARES, INC. DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the products or services you have with us. This information can include:

- Social Security number
- Account balances
- Income
- Credit history
- Credit scores
- Medical information

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons First Citizens BancShares, Inc. chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does First Citizens BancShares, Inc. share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	No	We don't share

**To limit our sharing**

Customers of First-Citizens Bank & Trust Company or Neuse Title Services, Inc.:  
Call us toll free at 1.888.FC DIRECT (1.888.323.4732) daily from 7:00a.m. to 11:00p.m. Eastern time.

Customers of First Citizens Investor Services, Inc.:  
Call us toll free at 1.800.229.0205.

Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

**Questions?**

Call us toll free at 1.888.FC DIRECT (1.888.323.4732) daily from 7:00a.m. to 11:00p.m. Eastern time. Or send us an email through our websites. Please indicate "privacy" as the subject of your communication.



Who we are	
Who is providing this notice?	First Citizens BancShares, Inc. and affiliates, including our financial service providers, banking, insurance, and securities affiliates.

What we do	
How does the First Citizens BancShares, Inc. group of companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Only people who have a legitimate business reason to do so in connection with their job responsibilities are authorized to access customer information.
How does the First Citizens BancShares, Inc. group of companies collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>● Apply for a loan</li> <li>● Use your credit or debit card</li> <li>● Make deposits or withdrawals from your account</li> <li>● Provide account information</li> <li>● Give us your income information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>● Sharing for affiliates' everyday business purposes-information about your creditworthiness</li> <li>● Affiliates from using your information to market to you</li> <li>● Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account – unless you tell us otherwise.

Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>The First Citizens BancShares, Inc. group of companies are affiliates of each other and are financial services companies that include a bank (First-Citizens Bank &amp; Trust Company), a securities broker-dealer (First Citizens Investor Services, Inc. ), a registered investment advisor (First Citizens Asset Management, Inc.), and a title insurance agency (Neuse Title Services, Inc.).</i>
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and non-financial companies. <i>The First Citizens BancShares, Inc. group of companies does not share with non-affiliates so they can market to you.</i>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>Our joint marketing partners include companies such as insurance companies and financial product or service marketing companies.</i>

Other important information
<p>If you are a California resident, we will not disclose information about you to nonaffiliated third parties except as permitted by applicable California law. To the extent California privacy laws apply to us, we will also limit our sharing of information about you with our affiliates.</p> <p>If you are a Vermont resident, we will not share information about you, other than transaction and experience information, with our affiliates for any purpose, nor will we share any information about you with our affiliates for marketing purposes.</p>

# Commission and Fee Schedules

## Self-Directed Investing By First Citizens

The Online Commission and Fee Schedule is applicable only for self-directed online trading. Additional fees will apply for call center/trade desk assisted trading.

Stocks & ETFs*	
Self-directed Online Trading	\$0
Over-the Counter (OTC) equities**	\$6.95
Call Center Assisted	<b>\$40 flat fee</b> Over 1,000 shs + \$0.03 per share
Paper Communication (statements, confirmations, notifications) Subscription Fee (per month) *Effective 01/01/2024	\$5
Paper Tax Document Fee* *Paper Tax Document Fee not charged if account is charged Paper Communication Subscription Fee	\$10
Paper Confirmation Fee	\$5 / confirm
Paper Copies or Year End Account Report	\$5 / copy
* Stocks of American companies traded on the various stock exchanges. Excludes shares priced less than \$3.00 or not trading on an exchange. ** Standard online \$0 commission does not apply to over-the-counter (OTC) equities. Opening buy transactions of equities traded on the Pink Sheets or Bulletin Board or not eligible to be purchased online.	

Options	
Self-direct Options Trading, 1 Contract and Over (minimum commission charge \$31.95)	\$29.95 + \$2.00
Call Center Assisted, 1 Contract and Over (minimum commission charge \$42.00)	\$40 + \$2.00 per contract

Mutual Funds	
No-load Funds	\$25 transaction fee per security
Load Mutual funds are charged as indicated in the prospectus. Minimum Mutual fund purchase: \$50	

Fixed Income (Please contact our Trading Desk at 1.800.229.0205 option 1 for assistance)	
US Government, Municipal, Corporate, UITs and Zero-coupon Bonds: Auction and Agency Transactions	\$50 per issue
Secondary transactions	Fee charged is a factor of the coupon, size of the order, credit quality, maturity date, other features of each issue, and is included in the price per bond.

Margin Accounts	
Debit Balance	Base Lending Rate* plus
Over \$50,000	0.75%
\$30,000 - \$49,999	1.50%
\$10,000 - \$29,999	2.00%
Under \$9,999	2.75%
*For the current Base Lending Rate contact our Trading Desk at 1.800.229.0205 option 1 for assistance.	



Miscellaneous Fees		
Non-Activity Fee (based on calendar year January through December):	If account value is less than \$99,999 If account value is more than \$100,000	\$50 \$0
IRA Accounts Annual Custodian Fee (Traditional IRA, Roth IRA):	If account value is less than \$99,999 If account value is more than \$100,000	\$50 \$0
IRA, Roth Account Termination Fee		\$95
Wire Fee		\$20
Returned Check Fee		\$30
Stop Payment Check Fee		\$10
ACH Return Charge		\$30
Voided Check Error		\$30
Uncollected Funds		\$30
Copy of Check Fee		\$2.50
Weekday Overnight Fee		\$12
Saturday Overnight Fee		\$18
Registered Mail		\$10
General Research Fee (per item)		\$25
Cost Basis Research Fee (basic research up to 10 items)		\$25
Cost Basis Research Fee (complex research)		negotiated
Mandatory Reverse Splits		\$20
Reorganization – Voluntary Tender Fee (per item)		\$20
Margin/Cash Trade Extension		\$20
Outgoing Transfer Fee		\$100
Foreign Securities Surcharge		\$75
Foreign Fixed Income Securities Clearance		\$50
Foreign Securities Safekeeping (per position per month)		\$5
Direct Registration Fee		\$10
Direct Registration into Custodian		pass thru
Legal Transfer/Accommodation Transfer/Restricted Stock		\$135
Transfer and Ship of Securities and Bonds (if eligible for transfer & ship)		\$60
Securities Safekeeping Charge (per position per month)		\$10
Special Products Held In Retirement Account Fee (annual per position)		\$35
Unregistered Special Product Held in a Retirement Account (annual per position)		\$125
Alternative Annual Fee – Registered		\$35
Alternative Annual Fee – Unregistered		\$125

This Fee Schedule only applies to Self-Directed Investing Accounts. Investment accounts opened as part of a financial plan with a First Citizens Investment Services Consultant may be subject to different fee schedules. Contact your First Citizens Financial Consultant for details.

The above fees are First Citizens Investor Services fees and do not reflect other standard nominal charges levied by the securities industry. All rates, fees and commissions are subject to change without notice.

Investments in securities, annuities and insurance are not insured by the FDIC or any federal government agency; may lose value; are not a deposit or other obligation of, or guaranteed by, any bank or bank affiliate; and are subject to investment risks, including possible loss of the principal amount invested. Brokerage and some investment advisory services are offered through First Citizens Investor Services, Inc. Member FINRA/SIPC. First Citizens Asset Management, Inc. provides investment advisory services.

First Citizens Investor Services, Inc. 100 E. Tryon Road, DAC19, Raleigh, NC 27603 (800) 229-0205

## **Financial Profile Terms and Definitions**

### **Investment Objective**

- Income – Primary concern is current dependable, periodic stream of income. Long term growth is of little or no concern.
- Growth – Primary concern is long term growth of assets. Income is of little or no concern.
- Growth & Income – Primary concern is a combination of growth of assets along with current income.
- Aggressive Income – Primary concern is current high income and willing to accept dramatic volatility without regard for generation of the potential growth of capital.
- Aggressive Growth - Primary concern is a combination of the aggressive income and the aggressive growth objectives.
- Aggressive – Primary concern is long or short term performance of assets. Willing to accept dramatic principal volatility and risk.

### **Investment Risk Tolerance**

- Low – Willing to accept low risk to initial principal, including low volatility, to seek a modest level of portfolio returns.
- Moderate – Willing to accept moderate risk to initial principal and tolerate some volatility to seek higher returns.
- High – Willing to accept high risk to initial principal, including high volatility, to seek high returns.
- Speculation – Willing to accept maximum risk to initial principal, including extreme volatility, to aggressively seek maximum returns.

**Liquidity Needs** – Investments in this account without experiencing significant loss of value from incurring penalties/significant costs or the lack of a ready market.

- Low (not important)
- Medium (somewhat important)
- High (very important)

**Annual Income** includes income from sources such as employment, alimony, social security, investment income, etc.

**Net Worth** is the value of your assets minus your liabilities. For purposes of this application, assets include stocks, bonds, mutual funds, other securities, bank accounts, and other personal property. Do not include your primary residence among your assets. For liabilities, include any outstanding loans, credit card balances, taxes, etc. Do not include your mortgage.

**Liquid Net Worth** is your net worth minus assets that cannot be converted quickly and easily into cash, such as real estate, business equity, personal property, automobiles, expected inheritances, assets earmarked for other purposes, and investments or accounts subject to penalties if they were sold or if assets were withdrawn from them.

Investments in securities, annuities and insurance are not insured by the FDIC or any federal government agency; may lose value; are not a deposit or other obligation of, or guaranteed by, any bank or bank affiliate; and are subject to investment risks, including possible loss of the principal amount invested. Brokerage and some investment advisory services are offered through First Citizens Investor Services, Inc. Member FINRA/SIPC. First Citizens Asset Management, Inc. provides investment advisory services.



## **Customer Disclosures**

### **Business Continuity Plan Disclosure and Information about SIPC**

First Citizens Investor Services, Inc. maintains a business continuity plan, including alternate locations to address interruptions to our normal course of business. This plan is reviewed on at least an annual basis and is updated as necessary. Our plan outlines the actions First Citizens Investor Services will take in the event of a building, city wide or regional incident, including relocating operational, administrative and/or Financial Consultant personnel to alternate sites. Our recovery time for business resumption, including those involving a relocation of personnel is four hours. The recovery objective may be negatively affected by the unavailability of external resources and circumstances beyond our control.

In the event your First Citizens Investor Services branch office is unable to open due to an internal or external disruption and you need to execute a transaction, request funds or move assets, you may call our Brokerage Call Center at 1-800-229-0205, option 2.

The Business Continuity Plan Disclosure is subject to be modified. You may obtain an updated summary of this notice by requesting a written copy by mail at the following address:

First Citizens Investor Services, Inc. Attention: Compliance Department  
P.O. Box 27131  
Raleigh, NC 27611

### **Information about SIPC**

Information about SIPC, the SIPC brochure, may be obtained by contacting SIPC at (202) 371-8300 or by visiting their Website at [www.sipc.org](http://www.sipc.org).

### **Non-deposit Investment Products**

The broker-dealer services are being provided by the affiliated broker-dealer, First Citizens Investor Services (Member FINRA/SIPC), and not by First Citizens Bank.

The securities products purchased or sold in a transaction are:

- (i) not insured by the Federal Deposit Insurance Corporation ("FDIC");
- (ii) not deposits or other obligations of the financial institution and are not guaranteed by the financial institution; and
- (iii) subject to investment risks, including possible loss of the principal invested.

First Citizens Investor Services and First Citizens Bank, either directly or indirectly, may receive compensation as a result of the securities or advisory services provided to clients.



# First Citizens Investor Services Inc.

## Regulation Best Interest

## Brokerage & Insurance Conflicts of Interest Disclosure

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# INTRODUCTION

First Citizens Wealth Management is a registered trademark of First Citizens BancShares, Inc., including First Citizens Investor Services, Inc. ("FCIS," "we," "us," "our"), a wholly owned subsidiary of First Citizens Bank & Trust ("FCB"). FCIS a broker-dealer and investment adviser registered with the U.S. Securities Exchange Commission. Member FINRA, SIPC and registered with the Municipal Securities Rulemaking Board. FCIS operates across the United States and offers securities, investment products and services, and investment advisory services in all fifty states, Puerto Rico, and the District of Columbia. FCIS is also an insurance agency, registered in all states except New York.

FCIS seeks life-long relationships with our customers ("You," "Your"), and we understand that the foundation of any sustainable relationship is trust and forthrightness. That is why we feel it is important that you have the information necessary to make informed decisions about our internal practices and the products and services that we offer.

This *Brokerage & Insurance Conflicts of Interest Disclosure* document has information about certain business practices, products, compensation, and conflicts of interest related to the brokerage and insurance business of FCIS for retail customers. This document describes potential material conflicts of interest, compensation, fees, expenses, risks, cost of investments and measures we take to manage material conflicts of interest as required by applicable securities laws. This document is specific to FCIS Broker-Dealer services, accounts, and insurance services and does not include the investment advisory services and accounts offered through the FCIS investment adviser. (For conflicts of interest relating to the FCIS Investment Adviser please see our FCIS FORM ADV.) You should carefully review this *Brokerage & Insurance Conflicts of Interest Disclosures* document along with the FCIS Form CRS and any other disclosure documents provided to you before making an investment or insurance decision.

It is important to note that investments and insurance products and services are:

- Not insured by the FDIC or any other governmental agency;
- Not bank deposits or obligations of or guaranteed by First Citizens banks or any of its affiliates; and,
- May involve investment risk, including the possible loss of principal.

## CONFLICTS OF INTEREST DEFINED

We have an obligation to act in your best interest. To this purpose, we adopted written supervisory policies and procedures reasonably designed to identify and either: eliminate, mitigate, or, at a minimum, disclose conflicts of interest associated with recommendations covered by Regulation Best Interest. This means when we provide recommendations to you, we must act in your best interest and not put our interests ahead of yours. Conflicts of interest may occur when we are motivated to achieve our goals ahead of yours. For example, the way we earn revenue may create potential, perceived, or actual material conflicts with our customers.

FCIS will not be able to eliminate all identified conflicts of interest, potential, perceived or real, which may materially affect a retail investor's decision to conduct business with our firm. In these cases, FCIS will work to mitigate the conflict, if possible, or will try to take actions such as declining to make a recommendation where the conflicts are too significant. While FCIS makes reasonable efforts in this document and other disclosures to disclose material conflicts of interest, it may be impossible to capture a complete list because of items we have yet to consider. However, we strive to include those that we believe to be the most material. As we identify additional material conflicts of interest, this document will be updated accordingly.

## YOUR BROKERAGE RELATIONSHIPS WITH FCIS

FCIS offers both “Full Service” brokerage and “Self-Directed” brokerage services and products to Retail Customers. FCIS is a fully disclosed introducing broker-dealer which clears its securities transactions through Pershing LLC (“Pershing”), an unaffiliated, independently owned SEC registered broker - dealer and Member FINRA and SIPC. Your FCIS Account is introduced to Pershing on a fully disclosed basis which means, among other things, that Pershing is the custodian of your assets, including uninvested cash. In the case of direct relationships with insurance companies, 529 Plans, mutual funds, and other investment providers, custody of your investments is maintained directly with such investment providers. FCIS does not allow Investment Professionals to accept discretionary trading authority in brokerage accounts and we do not provide on-going monitoring of your brokerage account. It is your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly.

**Account Types:** FCIS offers many different brokerage account types to include individual and joint accounts, custodial accounts, collateral accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). We provide brokerage services through either a cash brokerage account or a margin (or collateral) brokerage account based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by eligible securities and assets in your account, also referred to as the “collateral.” You will incur interest costs as a result of your margin loan activity. Given that a margin brokerage account has specific eligibility requirements, unique costs, and additional regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is our clearing firm’s Margin Disclosure Statement. Additionally, we will provide you our Margin Disclosure, Requirements and Interest Charges document which provides general information related to the risks of margin accounts and margin account requirements and interest calculations details.

**Compensation:** FCIS earns sales commissions, concessions, mark-ups, mark-downs, and payments from third parties for products and services FCIS provide to you in your brokerage account. Based on the nature of your investments, FCIS receives direct or indirect compensation in connection with the services provided to you. This disclosure document discusses our obligation to make investment recommendations in your best interest and our conflicts of interest in making such recommendations.

**Trade Execution:** When providing brokerage products and services to you, there are potentially some trade execution related conflicts of interest. To address these potential conflicts, FCIS has policies in place that are reasonably designed to ensure customers receive best execution, taking into consideration prevailing market conditions. In an effort to deliver best trade execution Pershing routes customer orders to market centers, including national securities exchanges, alternative trading systems, market makers, and electronic communication networks. In doing so, Pershing receives compensation by sending trades to specific destinations, selecting execution venues for your orders (when we have not been instructed to route your order to a specific venue) to receive compensation or avoid charges to a specific market center. Customers can be confident that industry rules and regulations dictate our obligations to ensure best execution for our customers and that our policies and procedures are designed to ensure that we meet our best execution obligations. Refer to our Trade Execution Disclosure.

**Principal Transactions:** Sometimes, we act as a trader of, and dealer in, securities both as riskless principal and on behalf of you in the ordinary course of trading and dealing activities. When acting in our capacity as your broker dealer, we may buy securities from you, sell securities to you, or engage in transactions with you for our own account. These transactions may conflict between our interests as



buyer or seller as we are paid based on the compensation from those transactions. In addition, we may be incentivized to trade with you on a principal basis as we may earn more compensation than would otherwise receive when trading with you in our capacity as an agent. It is our responsibility not to put our interests ahead of yours and ensure that we execute your transaction in your best interest.

**Agency Cross Transactions:** We have the ability to effect “agency cross” transactions (i.e., transactions for which we act as a broker for both sides of the transaction when permitted by applicable law. We may receive compensation from each party to the transaction which may create the potential for diverging loyalties and conflicting division of responsibilities regarding the parties to the transaction. Again, it is our responsibility not to put our interests ahead of yours and ensure that we execute your transaction in your best interest.

## **FULL-SERVICE BROKERAGE RELATIONSHIP**

In a Full-Service Brokerage relationship, in addition to acting as your agent to complete securities transactions at your direction and on your behalf, FCIS and/or your FCIS Investment Professional will provide you with investment recommendations and other services which are tailored to your specific investment goals, risk tolerance, time horizon and circumstances. However, we do not accept any discretionary authority or responsibility to monitor your brokerage account on an ongoing or periodic basis for any purpose unless otherwise stated in writing. FCIS may, however, from time to time and in our sole discretion, review your brokerage account(s) for the purpose of determining whether to make a recommendation to you, but any such voluntary review of your brokerage account(s) does not constitute our agreement to undertake responsibility for monitoring your brokerage account(s). You are reminded that you bear the responsibility to monitor your brokerage account(s) to ensure the activity and holdings remain consistent with your investment profile.

Brokerage accounts are different from advisory accounts. Your brokerage relationship with FCIS is a transactional relationship and, unless all parties expressly agree otherwise in writing:

- a) All recommendations regarding purchases or sales in your brokerage account will be made by your FCIS Investment Professional in a broker-dealer capacity only.
- b) Your FCIS Investment Professional is not required to update any previously provided recommendations.
- c) FCIS and its Investment Professionals have no discretionary authority to buy, sell or otherwise transact business with regard to investments or other assets held in your brokerage account (or otherwise directly with an investment provider); and
- d) After each transaction in your brokerage account (or directly with an investment provider) made by you (or any other person authorized to transact in your account on your behalf) is completed, we will not have any continuing or ongoing obligation to review, monitor, or make recommendations for the investment of securities, cash, annuities, insurance policies, guaranteed investment contracts or any other form of investment held in or through your brokerage account (or otherwise).

As your broker-dealer, FCIS and its Investment Professionals are acting as your agent or principal. When acting in our capacities as your securities broker, FCIS and its Investment Professionals have conflicts of interest, due to the fact that we earn compensation from your transactions, with respect to investment recommendations and other relationships with you and the many insurance companies, mutual fund, and other investment providers we also represent. Under applicable laws, rules, and regulations, when making investment recommendations to retail customers, FCIS has a duty to act in your best interest. We mitigate these conflicts of through education of our Investment Professionals, principal review of transactions, training our Investment Professionals and Supervising Principals, and limiting the percentage of liquid net worth to be invested.

## FULL-SERVICE BROKERAGE COMMISSION SCHEDULE

[Commission and Fee Schedules \(firstcitizens.com\)](https://www.firstcitizens.com)

For a complete listing of all fees and commissions associated with Full-Service Brokerage please call 1-800-229-0205.

Full-Service brokerage services are more expensive than Self-Directed brokerage services and charge higher commission rates on securities transactions as noted in the above schedule. Full-Service brokerage accounts are eligible to invest in variety of securities on our platform which FCIS make available to such accounts. Availability of investments will vary over time. FCIS reserves the right, in its sole discretion, to determine at any time and from time to time, and with or without advance notice, which securities, share classes, tranches, and other investments it will make available to its customer's Full-Service Brokerage accounts. This creates a potential conflict of interest in that not all available investment products are available for recommendation through FCIS. Therefore, Investment Professionals are limited to products and services chosen by the firm. This conflict of interest is mitigated by disclosing it to you, training of the Investment Professionals, actions and undertakings of the Investment Products Committee which oversees product selection, and supervisory principal review of each recommendation made by the Investment Professional.

## SELF-DIRECTED BROKERAGE

If your brokerage account is self-directed; this means that you or someone you designate are solely responsible for deciding whether and how to invest in the securities, strategies, products, and services offered by FCIS. You or your designee are also solely responsible for the ongoing review and monitoring of the investments held in your FCIS Self Directed Account. FCIS will not monitor any investment made by you or the investments held in your Account. You are responsible for independently ensuring that the investments in your FCIS Account remain appropriate given your investment profile.

There is no minimum requirement to open a self-directed brokerage account, but there are minimums to purchase some types of investments. All transaction commissions will be identified to you in the confirmation of a transaction or in the account statement FCIS sends to you on a periodic basis. Please see the FCIS Account Customer Agreement ("Customer Agreement") and the FCIS Brokerage Commission and Fee Schedule ("Schedule") for information regarding the transaction fees and other charges that apply to your FCIS Account, including trade execution, clearing, and other services provided by our clearing firm, Pershing.

Self-Directed brokerage accounts are eligible to invest in listed and OTC securities and any mutual fund on our platform which FCIS makes available to such accounts. Availability of investments will vary over time. FCIS reserves the right, in its sole discretion, to determine at any time and from time to time, and with or without advance notice, which securities, mutual fund shares, mutual fund share classes and other investments it will make available to its customer's Self-Directed brokerage accounts. Self-Directed brokerage accounts are not permitted to invest in alternative products (complex products such as structured notes, equity linked Certificates of Deposits, Triple Levered ETFs, Non-Traded REITS, etc...), annuities or other insurance products.

FCIS receives a portion of the ongoing fees you pay to each mutual fund family. Such fees can include Rule 12b-1 fees and shareholder services fees charged to the operating expenses of each mutual fund and indirectly paid by you through the mutual fund's internal expense ratio. These charges increase the mutual funds expenses and correspondingly reduce your investment returns associated with such investments.

- In addition, FCIS receives payments for shareholder services, omnibus recordkeeping services and other services provided to some, but not all, mutual fund families,

- FCIS will charge a transaction fee of \$25 or the purchase of no-load funds in Self-Directed brokerage accounts,
- FCIS will charge \$6.95 for OTC equities and \$40 for Call Center Assisted transactions.

The compensation FCIS receives in connection with the Self-Directed account investments in certain mutual funds and mutual fund share classes described above creates a conflict of interest and incentive for FCIS to not offer to its customers mutual funds and share classes which do not offer similar compensation to FCIS. FCIS mitigates this conflict of interest by disclosing it to you. But FCIS cannot eliminate this conflict of interest as it is inherent in the business model of a typical securities broker to be compensated in connection with its mutual fund distribution services.

#### SELF DIRECTED BROKERAGE COMMISSION SCHEDULE

[Commission and Fee Schedules \(firstcitizens.com\)](https://firstcitizens.com/Commission-and-Fee-Schedules)

For a complete listing of all fees and commissions associated with Self Directed Brokerage please call 1-800-229-0205.

## MATERIAL BUSINESS RELATIONSHIPS WITH AFFILIATES AND OTHERS

As a wholly owned subsidiary of First Citizens Bank & Trust, FCIS and First Citizens Bank & Trust have entered into a networking agreement. As a result, products included on the FCIS Approved Product List may be determined and limited by FCB. We and our affiliated financial services firms are wholly owned subsidiaries of our parent, First Citizens Bank & Trust. While providing services to you, we may enter into transactions with, or accept services from, other members of First Citizens Bank and Trust. We are compensated by providing products and services to you for which you pay us. We also earn revenue from other sources, including from our affiliates, which may be seen as involving a conflict of interest or potential conflict of interest. In these situations of conflicts involving First Citizens Bank & Trust, we may be financially motivated to encourage you to enter into transactions with other members of First Citizens Bank, or to enter into more transactions with us to our benefit. We will only enter into these transactions where they are permitted under applicable securities laws. We have policies and procedures to identify and manage these conflicts and ensure that we act in your best interest.

Sponsors and Vendors: FCIS as a Broker-Dealer, or Insurance Agency receives cash compensation from third party product providers (Product Sponsors). Third-Party compensation varies between Product Sponsors depending on several factors. We receive marketing and training support payments, conference subsidies, and other types of financial and non-financial compensation and incentives from certain mutual fund companies, insurance and annuity companies, other investment product sponsors, distributors, and other vendors to support the sale of their products and services to our customers. These third parties may pay vendors directly for services on our behalf. These payments sometimes include reimbursement for our participation in sales meetings, due diligence trips, seminars and conferences held in the normal course of business. These payments also include reimbursements for costs and expenses incurred by us in sponsoring conferences, meetings, and similar activities. We receive these payments in connection with our overall relationship with the relevant third party, and the payments are not dependent on or related to the amount of assets invested in any individual account.

The providers independently decide what they will spend on these types of activities and do not share this information with us, subject to regulatory guidelines and our policies. The amount of any expense reimbursement or payment to us is dependent on which activities we participate in or sponsor, the amount of that participation, prior sales and asset levels and other factors, and is determined by the provider. We coordinate with certain product sponsors in developing marketing, training and educational plans and programs, and this coordination might be greater with some sponsors than others, depending on relative size, quality and breadth of product offerings, customer interest and other relevant factors.

Representatives of approved sponsors — whether sponsors remit these payments or not — are typically provided access to our branch offices and Investment Professionals for educational, marketing, and other promotional efforts subject to the discretion of our managers. Although all approved sponsors are provided with such access, some sponsors devote more staff or resources to these activities and therefore may have enhanced opportunities to promote their products to our Investment Professionals. FCIS incurs costs associated with the development, implementation, and maintenance of platforms, tools, or services. FCIS sometimes receives reimbursements or allowances from Product Sponsors or Vendors for such enhancements. These enhanced opportunities could, in turn, lead FCIS and its Investment Professionals to focus on those products when recommending investments to customers over products from sponsors that do not commit similar resources to educational, marketing, and other promotional efforts.

#### Broker Dealer Participation Program

FCIS has entered a Broker Participation Program, with our clearing firm whereby FCIS has elected to mark-up certain customer account related fees and charges. Currently, FCIS receives a portion of the Annual Maintenance Fees for Traditional and Roth IRAs, Inactivity Fees, Account Transfer Fees, Termination Fees, Confirmation Fees on Equities, Paper Statement Fees, and Wire Fees. Accordingly, FCIS has elected not to charge to your account certain fees that are assessed by our clearing firm such as eDelivery of customer communications and online account access.

*For a complete list of account related fees and charges please see our Full-Service Brokerage Commission Schedule referenced above on page 5.*

Additionally, pursuant to our agreement, our clearing firm has made available to us certain incentives, such as credits to cover implementation, technology, and strategic plan support costs and an annual cash incentive based upon the net annual growth in assets we introduce to our clearing firm, exclusive of market value changes. These incentives, if received, will not be passed on to FCIS customers. Although these incentives, if received, may be considered compensation to FCIS, they will not be applied towards our Investment Professional's production in connection with the determination of their production-base.

#### Cash Sweep Program Feature

Your Brokerage Account includes a core account that is used for settling transactions and holding free credit balances. You can elect to have your free credit balances automatically transferred to a money market option which we make available to you. Our brokerage account Cash Sweep Program ("Program") has several options. Under the Program, and with your initial written consent, uninvested cash balances in your Account will be automatically swept into an available money market fund selected by you. If you do not select one of the options, your un-invested cash balances will automatically be directed to a default option "Liquid Insured Deposits Tiered." First Citizens Bank receives a portion of the income earned from that option. For terms and conditions regarding the FCIS Cash Sweep Program please refer to the FCIS Cash Sweep Option form which you sign.

#### Acting in Other Capacities

While providing services to our other customers and as a participant in global markets, we or our affiliates may engage in activities that compete with or could otherwise adversely affect your account or your investments. For example, we may obtain material non-public information that we are prevented from disclosing to you as a result of our internal policies, procedures, and applicable securities laws, which if known by you could impact the way you make investment decisions or conduct transactions involving securities. We may recommend securities of a public company to you in instances where our affiliate has been retained to provide services to the public company. Our policies and procedures are reasonably designed to ensure information barriers are in place in such situations and we restrict trading when engaged by such public company customers in any distribution. Further, our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to investors on investment matters. Our research reports contain conflicts disclosures.

Without limiting the immediately preceding paragraphs in this section, when acting as a fiduciary with respect to retirement accounts subject to Title I of ERISA, we will not provide or receive nonmonetary compensation that we believe would result in any breach of our fiduciary duty or result in a nonexempt prohibited transaction under ERISA or the Code.

FCIS material business relationships with affiliates and others poses several conflicts of interest wherein FCIS and its Financial Principals may be inclined to put their interests ahead of yours. FCIS mitigates these risks by disclosing them to you, training of Financial Professions and Supervising Principals, monitoring and review of transactions generated by each Investment Professional, management review of all compensation received, management review of all contracts and intercompany agreements, management periodic review of all sweep options, and management due diligence on sponsors and vendors.

## **FCIS AND YOUR FCIS INVESTMENT PROFESSIONAL'S COMPENSATION**

FCIS and your FCIS Investment Professional are compensated for their services in many ways, depending on the type of investment such as a mutual fund, the amount invested, share class, underwriter, carrier, or provider. Therefore, FCIS and its Investment Professionals have conflicts of interest because we earn compensation from your transactions, with respect to investment recommendations we make to you. Under applicable laws, rules, and regulations, when making investment recommendations to you, FCIS has a duty to act in your best interest. We mitigate this conflict of interest by disclosing it to you and implementing internal controls reasonably designed to ensure that FCIS Investment Professionals act in your best interest.

Investment Professionals receive competitive benefits under the FCB compensation program, subject to qualifications. Beyond typical benefits, the program includes 401 K matching contributions. FCIS profitability contributes to FCB profitability, and these programs are administered and approved by Bank associates and executive management. Depending on role, Investment Professionals are compensated in one of two methods (1) Salary and a small commission of 10%, or (2) Commission ranging from 20% - 50% based on a rolling 12 month of production.

From time to time, similar to the compensation discussed above under "Sponsors and Vendors", certain third parties, such as investment product distributors, mutual fund companies, insurance and annuity companies, broker-dealers, wholesalers, etc. provide Investment Professionals or FCIS and its affiliates with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, calendars or gift baskets), meals, invitations to events, entertainment, and access to certain industry-related conferences or other events of reasonable value. Sponsor and vendors may also give FCIS associates gifts up to a total value of \$100 per provider per year, consistent with industry regulations. Gifts and entertainment must be appropriate, customary, and reasonable and clearly not meant to influence our business or serve as a "quid pro quo" for it to be accepted. Product Sponsors and Vendors may occasionally pay for, reimburse, or assist FCIS and its Investment Professionals in connection with customer educational meetings, seminars, events, open house, holiday gatherings, workshops, training, or other advertising initiatives, including for the purpose of identifying prospective Customers. These arrangements could incent FCIS and its Investment Professionals to favor the products of those sponsors or vendors when making a recommendation to you.

FCIS mitigates compensation conflicts of interest by disclosing it to you, reviewing each transaction recommendation generated by Investment Professionals, training, site reviews and guidelines on the percentage of a customer's liquid net worth that may be invested. We have implemented policies and procedures intended to ensure that we avoid actual or perceived conflicts when giving to or receiving gifts and entertainment and other non-monetary compensation from relevant parties by limiting the maximum value that any individual is permitted to receive in any calendar year and review of such items.



## BROKERAGE PRODUCTS AND SERVICES

FCIS limits recommendations of products available through an Approved Product List. Our Approved Product List does not contain the entire universe of securities or products available in the marketplace. Other broker-dealers and investment advisory firms may have additional securities available to you that we do not offer, some of which may be available at a lower cost.

Securities and other investments available to FCIS brokerage account customers include securities listed on U.S. securities exchanges, mutual funds, annuities, unit investment trusts, 529 Plans and certain other unlisted investments which are (1) made available to our customers by Pershing and (2) other investments whose sponsors or affiliates have contracted directly with us to provide selling and distribution services. **The fact that an investment is available on our platform is not any form of investment recommendation. All investments are subject to market risks and fluctuate in value, so that an investor's shares, when redeemed may be worth more or less than their original cost.**

Not all associates of FCIS are registered and licensed to offer brokerage, insurance, and investment advisory products and services. Some associates are limited to a subset of products on our Approved Product List. For example, some associates may only recommend mutual fund and annuity products and are not able to make recommendations on individual equities or fixed income products (i.e., stocks and bonds) or provide investment advisory products or services.

### Mutual Funds

A mutual fund is a diversified portfolio of investments professionally selected and managed under a stated investment objective. Funds can be invested in U.S. or international stocks, bonds, money market instruments or a blend of these investments. The investment company owns the investments and sells shares of the fund to individual investors. Diversification does not ensure against loss and does not assure a profit. Like most investments, there are certain charges associated with mutual funds. The prospectus spells out the charges you pay, including sales charges and annual operating expenses. These charges vary by share class.

Sales charges are levied on either the front-end or the back end of a mutual fund transaction that your FCIS Investment Professional recommend. Front-end charges are levied when you purchase certain classes of shares. Back-end charges, or contingent deferred sales charges (CDSC), are levied when you sell certain classes of shares. However, back-end charges decline over time, so you pay less or nothing at all in sales charges as you hold your shares for longer periods of time. When choosing a mutual fund, you will want to ask about sales charges and take the type of charge into consideration based on your investment goals.

**Sales Charges, 12b-1 Fees, and other Compensation:** Fund operating expenses include management fees, SEC Rule 12b-1 fees, the costs of shareholder communications and other expenses. Some funds carry higher sales charges or operating expenses (including 12b-1 fees and shareholder service fees) than others. Operating expenses are deducted from the fund's assets, reducing investment returns, although they are not charged as an additional fee separate from the mutual fund's internal expenses. Operating expenses vary by fund, fund family, investment objective and share class such that higher operating costs correspondingly reduce mutual fund investment returns. The fund's prospectus will provide you with a record of the fund's expense ratio, so that you can compare the expense costs of various funds. There are several different classes of mutual fund shares. Each share class has different fees and expenses, which affect the fund's results. As discussed previously in this guide, mutual fund share classes we recommend to FCIS customers vary by brokerage relationship (Self-Directed or Full Service). Class A Shares often carry front-end sales charges. These are deducted from your initial investment. The front-end sales charge can range up to 5.75%. A Shares also typically charge annual 12b-1 fees of 0.25%.



•**Breakpoint Discounts**. Most Class A mutual funds offer breakpoint discounts for large investments, so that, the larger your investment in a fund, the lower the sales charge percentage applied to the investment. Many mutual fund groups count holdings in related accounts toward this breakpoint. This privilege is referred to as rights of accumulation.

•**Letters of Intent**. Some mutual funds will grant breakpoint discounts at a lower investment level if an investor signs a Letter of Intent claiming an intention to invest a specified amount in the fund over a specified period of time. Each fund's rules about rights of accumulation and letters of intent differ, so be sure to ask your FCIS representative about a fund family's rules before investing so that you can take steps to qualify for any available discounts.

**Class B Shares (not currently offered by FCIS)** generally do not carry front-end sales charges, but their operating expenses are typically higher than those of A Shares. B Shares normally impose a contingent deferred (back-end) sales charge (CDSC). The CDSC is typically reduced each year and is usually eliminated if you hold your shares for seven or eight years. (In most cases, Class B Shares convert to A shares at this point) subject to the terms of your mutual fund's prospectus. Please read the prospectus carefully before investing.

**Class C Shares** do not generally carry front-end sales charges and generally impose a lower CDSC, often 1 percent for one year. C Shares typically charge an annual 12b-1 fee of 0.50% to 1%. In most cases there is also a contingent deferred sales charge. FCIS has adopted a policy of, where available and permitted by the applicable mutual fund company, C-Share mutual fund shares held in Full-Service brokerage accounts are converted by FCIS to Class A shares after being held for a period of eight years subject to the terms of each mutual fund's prospectus.

### **Other Mutual Fund Share Classes**

Recommendations from FCIS Investment Professionals to customers enrolled in Full-Service brokerage accounts are limited to share classes of mutual fund, annuities, unit investment trusts and similar investments which compensate FCIS your Investment Professional for distribution and shareholder services through sales charges, 12b-1 and/or shareholder service fees as more fully described in each investment Prospectus and Statement of Additional Information. FCIS does not offer certain mutual funds and share classes to its Full-Service Brokerage customers which do not offer compensation to FCIS. Full-Service brokerage accounts will not be recommended to invest in no-load, lower cost share classes of mutual funds which FCIS, in its sole discretion, shall make available to Self-Directed Brokerage Full-Service brokerage customers have the ability to access other share classes on an unsolicited basis only.

Mutual Fund Share class available for purchase in connection with an FCIS Full-Service brokerage relationship are limited to Class A shares, Class C Shares and other similar share classes which compensate FCIS and your FCIS Investment Professional ("Eligible Share Classes"). Eligible Share Classes generally have higher operating expenses than other available share classes and will charge sales loads and 12b-1 and/or shareholder service or other fees which are used to compensate FCIS and your FCIS Investment Professional representative.

- Rule 12b-1 fees and shareholder services fees charged to the operating expenses of each mutual fund and are indirectly paid by you through the mutual fund's internal expense ratio. These charges increase the mutual funds expenses and correspondingly reduce your investment return associated with such investments.
- In addition, FCIS receives payments for shareholder services, omnibus recordkeeping services and other services provided to some, but not all, mutual fund families.
- Your FCIS Investment Professional receives a portion of the compensation received by FCIS.

- Your FCIS Investment Professional's compensation is generally based on a compensation formula applied to the front-end sales charge described in the fund's prospectus for A Shares, or to the selling fee or sales concession for C Shares.
- A portion of the ongoing payments on mutual fund shares (known as residuals or trails) that are set by the fund family are also paid to FCIS and its Investment Professionals.

In addition, there are many other share classes of funds including, but not limited to no load funds, institutional class shares, or retirement class shares we may make available to our customers through our clearing firm, Pershing on our self-directed platform. Some mutual funds' discounts, fee waivers or different share classes are not available at FCIS and are available only if you purchase the mutual fund directly from the mutual fund company or its distributor, or through financial intermediaries other than FCIS.

The compensation FCIS and its Investment Professionals receive in connection with your Full-Service Brokerage account investment in certain mutual funds and mutual fund share class selection described above creates a conflict of interest and economic incentive for FCIS and its Investment Professional. FCIS Investment Professionals have an economic incentive to sell certain funds because the higher sales charge and/or operating expense level will result in a higher compensation amount to the FCIS Investment Professional. FCIS mitigates this conflict of interest by disclosing it to you, training our Investment Professionals and Supervising Principals on appropriate recommendations, and by reviewing investment recommendations made by the FCIS Investment Professional. However, FCIS cannot eliminate this conflict of interest as it is inherent in the business model of a typical securities broker to be compensated in connection with its brokerage services.

You should ask your FCIS Investment Professional how they will be compensated for any mutual fund transaction. For more information regarding the risks associated with your mutual fund purchase please carefully review the prospectus provided by your Investment Professional at the time of the transaction.

For more information about share class expenses, see FINRA's Mutual Fund Expense Analyzer which can assist you in determining the appropriateness of share class selection.

[Fund Analyzer | Tools & Calculators \(finra.org\)](https://finra.org/fund-analyzer)

### **Other Compensation to FCIS From Mutual Fund Families and Others**

Certain mutual fund companies pay FCIS or Pershing an administration and record-keeping charge for each fund in your account. A written statement of each mutual fund's policies can be found in its Prospectus or Statement of Additional Information (SAI), which is available from the fund family. If you have any questions about these practices, please ask your FCIS Investment Professional.

FCIS regularly receives voluntary monies from several different partner firms that are used for the general education and training of FCIS Investment Professionals. The participation by partner firms in these educational settings is voluntary and does not constitute an agreement with us to favor the product and services of the participating partner firms. Our receipt of this additional compensation creates a conflict of interest that FCIS or an FCIS Investment Professional would favor a participating partner firm over one that does not participate. In order to minimize this conflict of interest, we disclose this conflict of interest to you and supervise the recommendations of your FCIS Investment Professional. Your FCIS Investment Professional does not share in any additional compensation FCIS receives in connection with education and training.

### **Unit Investment Trusts**

A unit investment trust (UIT) is a registered investment vehicle that invests in a fixed portfolio of securities for a predetermined period of time, typically from 12 months to five years. UITs enable customer to own a basket of securities with one single purchase, rather than trying to select individual

stocks or bonds that meet their objectives. UITs differ from mutual funds because they follow a “buy and hold” philosophy, rather than active management. This means that the maturity of the UIT defines the holding period of the securities. UITs can be liquidated on a daily basis at the redemption price, less any possible deferred sales charges, which may be more or less than the original purchase price. UITs are primarily offered in two types: equity and fixed income. Within these types, various investment objectives and risk levels are offered, such as diversified UITs vs. sector oriented UITs, or taxable fixed income vs. municipal fixed income, index based, and strategy based. UITs are required by law to redeem units at their net asset value, less any deferred sales charges, which is based upon the current market value of the underlying securities. This price upon redemption may be more or less than the original purchase price. Upon maturity of a UIT, the shareholder has the option to: (a) receive the cash value of the units, (b) roll into a new UIT, or (c) receive shares of the underlying securities held in the portfolio if the account meets a certain size requirement. Your options are communicated to you at least thirty calendar days prior to maturity. If upon maturity, no liquidity choice is chosen, the UIT will automatically be redeemed for cash. Please read your UIT prospectus provided by your Investment Professional.

We are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. UITs offer varied compensation that could influence an Investment Professional to recommend a product based upon its ability to generate higher commissions and revenues which creates a conflict of interest. The types of fees received by us are typically derived from fund marketing and distribution expense fees, as disclosed in the UIT prospectus. We mitigate these conflicts of interest by disclosing it to you, training the Investment Professions and Supervisory Principals on this product, approving the product sponsor in the Investment Products Committee, and reviewing each UIT recommendation. For more information and details about the UIT you are purchasing ask your Investment Professional to provide a copy of the most recent prospectus to you.

## Annuities

FCIS offers a variety of annuities, including registered-index, fixed and variable annuities. Under arrangements with insurance companies, we receive commissions from the insurance companies for the sale of annuities, as well as trail commissions on some products. Commissions and trails paid to us vary by product type and may vary by insurance carrier. The gross commissions we earn for these products generally range from 0.25% to 7.00% with trails (as applicable) typically ranging from 0.25% to 1.00% annually.

FCIS receives ongoing annual compensation on these contracts through trail commissions, if available, and are typically based on contract values. A portion of the commissions is shared with the Investment Professional. Therefore, we have an economic benefit to offer annuity products to our customers which creates a conflict of interest. In some instances, FCIS and its Investment Professionals potentially earn more compensation and revenue when a customer makes an existing contract addition purchase versus the purchase of a new annuity contract. This creates a conflict of interest in that it may provide incentive to recommend a customer adds to an existing contract rather than purchasing a new contract. We mitigated the conflict of interest by disclosing it to you, training the Financial Professions and Supervisory Principals on this product, reviewing each annuity recommendation, reviewing the product in the Investment Products Committee, and we level the initial amount of gross production allocated to Investment Professional's compensation grid to a maximum of 5% of contract premiums.

## Exchange-Traded Funds (ETFs)

FCIS offers ETFs sponsored by third parties. Traditional ETFs are typically registered unit investment trusts or open-end investment companies whose shares represent an interest in a portfolio of securities that track an underlying benchmark or index. Unlike traditional UITs or mutual funds, ETFs typically trade throughout the day on an exchange at prices established by the market.

Non-traditional ETFs, include leveraged, buffered, and inverse, and should only be considered by you after careful examination of the ETF's terms and features to include how they are designed to perform, how they achieve that objective, the impact of market volatility, their use of leverage, your intended holding period, and how the ETF's features may impact performance. FCIS does not recommend triple leveraged and/or inverse ETFs to customers. However, unsolicited orders may be accepted for these products and a case-by-case basis.

We receive compensation on ETFs in brokerage accounts via transaction charges (commissions) for the purchase or sale of ETFs. FCIS does not charge a commission or other transaction fee for ETFs purchased in a self-directed online account but will charge a transaction fee if purchased through an FCIS Representative. You will pay a fee on the sale of any ETF, which will be identified in a transaction confirmation sent to you. The typical cost of a transactions is based on the size of the trade and number of shares (see the FCIS Commission Schedule).

The compensation FCIS and its Investment Professionals receive in connection with your Full-Service brokerage account investment recommendation in ETFs described above creates a conflict of interest and economic incentive for FCIS and its Investment Professional to recommend ETFs to you. FCIS mitigates this conflict of interest by disclosing it to you, and by supervising investment recommendations made by the FCIS Investment Professional. However, FCIS cannot eliminate this conflict of interest as it is inherent in the business model of a typical securities broker to be compensated in connection with its brokerage services.

For more information about the specific risks associated with an ETF, please review, and read carefully the most current prospectus or summary prospectus provided by your FCIS Investment Professional.

## Equity Investments

Common stock is a type of equity investment in which holders exercise control by electing a board of directors and voting on corporate policy. The typical cost of equity investments depends on the number of shares traded and the dollar amount of the transaction, (see our FCIS Commissions Guide) Common stockholders have the lowest claim on the issuer's assets and earnings in the issuer's capital structure. FCIS offers both common stocks traded in the United States on public exchanges and over the counter ("OTC"), as well as common stock traded in non-US exchanges, which may trade or settle in currency other than US dollars and be subject to additional fees and risks, including currency exchange risk. FCIS permits customers to take both "long" and "short" positions in common stock.

Holders of long positions buy and own the shares and believe that the value of the common stock will generally increase over time. Holders of short positions, on the other hand, believe that the stock will decrease. A holder of a short position (also known as a "short seller") does not own the shares, but instead borrows the shares in anticipation of a price decline and sells them to a third party.

The short seller is required to return an equal number of shares to the lender at some point in the future. If the price drops, the short seller can buy the stock back at a lower price. When the short seller returns the repurchased stock to the lender, they will make a profit on the difference in price. If the price of the stock rises, when the short seller buys the stock back, the customer will incur a loss on the difference in price. For this reason, short selling is typically for more experienced customers with a higher risk tolerance. For this reason, short selling is typically for more experienced customers with a higher risk tolerance.

Preferred Securities are investments with both equity and fixed income characteristics.

Preferred securities include:

- Preferred Stock — Preferred stock pays quarterly dividends at a fixed rate, floating rate or fixed to floating rate (i.e., pays a fixed rate for a specific period of time and then switches to a floating

rate) and ranks ahead of common stock in any claim on the issuer's income and assets. These securities are perpetual, noncumulative, and typically non-callable for five years. Unlike common stocks, preferred stocks generally do not carry voting rights in the issuer.

- **Senior Notes** — Senior notes, also known as “baby bonds,” pay interest quarterly or semiannually. Should the issuer declare bankruptcy, holders of these securities have the same rights as other senior debt holders — i.e., their claims are repaid ahead of junior creditors.
- **Trust Preferred and Enhanced Trust Preferred Securities** — Trust preferred and enhanced trust preferred securities have fixed, long-term maturities — typically 30 to 60 years. They generally pay quarterly interest and have payment priority over equities and traditional preferred stock of the issuer. Trust preferred securities and enhanced trust preferred securities are non-callable for five years. Trust preferred securities and enhanced trust preferred securities are “cumulative.”

The compensation FCIS and its Investment Professionals receive in connection with your Full-Service brokerage account investment recommendation in Equities described above creates a conflict of interest and economic incentive for FCIS and its Investment Professional to recommend Equities to you. FCIS mitigates this conflict of interest by disclosing it to you, and by supervising investment recommendations made by the FCIS Investment Professional. However, FCIS cannot eliminate this conflict of interest as it is inherent in the business model of a typical securities broker to be compensated in connection with its brokerage services.

## Bonds, Municipal Securities, Treasuries, and Other Fixed Income Securities

FCIS offers fixed income securities including, among others, corporate bonds, U.S. Treasuries, agency and municipal bonds, and CDs. You can purchase fixed income securities from us in two ways: directly from the issuer (new issues) in the primary market and through the broker-dealer in the secondary market.

Fixed income securities are debt obligations issued by a company, government, municipality, agency, or other entity. A customer who purchases a fixed income security lends money to the issuer of the security. In return, the issuer makes a legal commitment to pay the customer interest on the principal (at a fixed or floating rate) and, in most cases, to return the principal when the security comes due, or matures, at a certain date. Fixed income securities can provide a regular income stream from the interest paid prior to maturity but are also subject to certain unique risks, some of which are described below. Customers commonly use fixed income securities to diversify their portfolios and balance their exposure to other types of investments, including equities.

**US Government-Issued Securities:** The United States Government, its agencies and sponsored enterprises raise money by issuing debt, commonly in the form of bills, notes and bonds. US Government-issued securities include Treasury Bills Treasury Bills (or T-Bills) are short-term securities issued by the US Treasury that mature in a few days to 52 weeks. Standard T-bills have maturities of four, eight, thirteen, 26 or 52 weeks. Another type of T-Bill, the cash management bill, is issued in variable terms, usually of only a matter of days. T-Bills do not pay interest, but typically are sold at discount to their par amount (or face value). T-Bills are guaranteed by the full faith and credit of the US Government. Treasury Notes Treasury Notes (or T-Notes) are longer-term securities issued by the US Treasury that have maturities of two, three, five, seven or ten years. T-Notes pay interest at a fixed rate of interest every six months. T-Notes are guaranteed by the full faith and credit of the US Government. Treasury and Agency Bonds Treasury Bonds (or T-Bonds) are long-term securities issued by the US Treasury that have maturities of ten to thirty years. T-Bonds pay interest at a fixed rate every six months. Agency Bonds are similar to T-Bonds, except they are issued by US Federal agencies, such as the Federal Housing Administration and the Small Business Administration. T-Bonds and Agency Bonds are guaranteed by the full faith and credit of the US Government



**Treasury Inflation-Protected Securities** Treasury Inflation-Protected Securities (or TIPS): TIPS are inflation-indexed bonds issued by the US Treasury that have maturities of five, ten or thirty years. The principal of a TIPS is adjusted up or down based on changes in the Consumer Price Index, a common measure of inflation. TIPS pay interest at a fixed rate every six months. TIPS are guaranteed by the full faith and credit of the US Government. More information on various Treasury securities is available online at: <https://www.treasurydirect.gov/savings-bonds/>.

**Government Sponsored Enterprise (GSE) Bonds** Government Sponsored Enterprise Bonds (or GSE Bonds) are issued by certain enterprises created by Congress to foster a public purpose, such as Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Bank and the Federal Farm Credit Banks Funding Corporation. GSE Bonds may have a fixed or variable interest rate, and their structure varies. The issuers are not government agencies but receive certain government oversight and support. GSE Bonds are not guaranteed by the full faith and credit of the US Government and in some cases are callable by the issuer. **Municipal Bonds** Municipal bonds are debt securities issued by states, cities, counties and other government entities in the United States and its territories that have maturities that range from short term (2 to 5 years) to long term (30 years). Interest payments from municipal bonds are exempt from federal taxes and from most state and local taxes if the customer resides in the state in which the bond is issued.

**Municipal Securities include General Obligation Bonds:** General obligation bonds are not secured by any particular assets or revenues of the issuer but are instead backed by the “full faith and credit” of the issuer, which has the power to tax residents to pay bondholders. **Revenue Bonds** Revenue bonds are backed by revenues from a specific project or source, such as highway tolls or other fees, rather than from taxes. Some revenue bonds are “non-recourse,” meaning that if the revenue stream backing a non-recourse bond dries up, the bondholders do not have a claim on the underlying revenue source. **Conduit Bonds** Governments issue conduit bonds on behalf of private entities, including not-for-profit colleges and hospitals, to fund projects or development with a public purpose. These “conduit” borrowers typically agree to repay the government that issued the bonds, which in turn pays the interest and principal on the bonds. Note, however, that if the conduit borrower defaults on its repayment obligation, the issuer usually is not required to pay the bondholders. **Corporate Bonds** Like governments, public and private corporations also raise money by issuing bonds. Corporations use the proceeds of these offerings for a wide variety of purposes, such as financing an expansion, refinancing debt or funding new research and development. Corporations issue bonds with varying maturities, which range from short-term (1 to 3 years) to medium-term (3 to 10 years) to long-term (over 10 years). They also issue bonds at varying interest, or coupon, rates, which may be fixed (meaning that they stay the same throughout the term), floating (meaning that they reset at certain intervals) or zero coupon (meaning that they do not make periodic interest payments but instead make one “balloon” payment at the bond’s maturity that exceeds the bond’s original purchase price). Credit rating agencies (such as S&P, Moody’s and Fitch, among others) evaluate certain factors related to the creditworthiness of corporations and assign credit ratings to issuers and their bonds. Based on those ratings, bonds are broadly classified as either investment or non-investment grade. **Investment Grade** Investment-grade bonds are issued by corporations with a relatively low risk of default and generally include bonds rated Baa3 (by Moody’s) or BBB- (by S&P and Fitch) or above; or **Non-Investment Grade (or High-Yield)** Non-investment grade bonds, also known as high-yield or “junk” bonds, are issued by corporations with a lower credit rating and higher risk of default and, in return, generally offer higher interest rates to account for their increased risk.

## RISKS

In general, the bond market is volatile and fixed income securities carry interest rate risk (i.e., as interest rates rise, bond prices usually fall, and vice versa). Interest rate risk is generally more pronounced for longer-term fixed income securities. Extremely low or negative interest rates can magnify interest rate risks. Changing interest rates, including rates that fall below zero, can also have unpredictable effects on markets and can result in heightened market volatility. Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Tax code changes can impact the municipal bond market. Lower-quality fixed income securities involve greater risk of



default or price changes due to potential changes in the credit quality of the issuer. Foreign fixed income investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Fixed income securities sold or redeemed prior to maturity are subject to loss.

#### FIXED INCOME FEES, COSTS AND EXPENSES

In facilitating fixed income customer transactions, FCIS may act either as an “agent” (or broker) and purchase or sell your securities through another counterparty (that is, with another firm or outside buyer or seller) or FCIS may act as a “principal” (or dealer) and complete your trade by purchasing a security from a counterparty for sale to you in a “riskless principal” transaction. FCIS acts as an agent and charges a commission with respect to certain fixed income securities, including:

- (i) USD denominated corporate debt securities;
- (ii) US Agency debt securities; and
- (iii) Municipal Securities.

Note that FCIS may offer discounts from its standard commission rates under certain riskless circumstances (including market conditions) subject to negotiation and firm oversight. When acting as a principal in a sales transaction, FCIS customarily charges a mark-up, which is the difference between the price FCIS paid to purchase the security and the higher price that FCIS charges to its customer; when FCIS sells a security for a customer, FCIS may markdown the security and pay the customer less than it can sell the security for to another customer or third party. Please note that maximum mark-ups and mark-downs for fixed income products vary depending on multitude of factors, which include, but are not limited to:

- Product type;
- Time to maturity;
- Price of the security;
- Bid/offer side of trade;
- Call features; and
- Liquidity of the market for a security.

#### 529 Plans

A 529 Plan is a tax-advantaged savings plan designed to encourage saving for future education costs. 529 Plans, legally known as “qualified tuition plans,” are sponsored by states or state agencies. Most 529 Plans offer investment portfolios consisting of mutual funds and/or exchange-traded fund portfolios and can offer more than one share class to investors and each class has different fees and expenses. Distributions that are used for qualified education expenses are not taxed at the federal level. If you withdraw money for something other than qualified education expenses, you will owe federal income tax on earnings and can face a 10% federal tax penalty as well. 529 Plans offered by each state differ both in features and benefits. Some states offer residents an incentive to invest in their state-sponsored 529 Plans by offering state tax benefits. Most plans offer investment portfolios consisting of mutual funds and/or exchange-traded fund portfolios. A plan can offer more than one share class to investors and each class has different fees and expenses. By investing in a 529 Plan outside your state of residence, you can potentially lose certain state tax benefits depending on your state of domicile. 529 Plans are subject to enrollment, maintenance, administration, and management fees and expenses. You should consider each specific 529 Plan’s investments, risks, expenses, and tax implications prior to investing. This and other valuable information about 529 Plans are contained in the 529 Plan’s disclosure document and prospectus. Read these and the Participant Agreement carefully before you invest. The sales charges of our 529 Plan offerings range from 0% - 5.75%. The range of the 12b-1 fees (shareholder servicing fees) ranges from 0% - 1%.

#### Brokered Certificates of Deposit

Brokered Certificates of Deposits (CDs) are issued by banks via a “master CD” to deposit brokers, which in turn sell interests in the master certificate to individual retail investors. The master CD is a negotiable instrument that represents a certain number of individual CDs. FDIC insurance is attached to the

individual CDs represented in the master CD. Any broker-dealer that sells brokered CDs is a deposit broker. We are compensated through your purchases and sales of brokered CDs through an upfront gross fee paid by the issuing bank on new offering purchases. This gross fee typically ranges from 0.25% to 2.5% depending upon the issuing bank and maturity. Compensation on secondary market transactions is received by either a mark-up on top of the CD price, which may be discounted, when you purchase a CD or a mark-down that is subtracted from the CD price, which may be discounted, when you sell a CD. The mark-ups and mark-downs are typically in the range of .25% - 3.00%.

New issue CDs are offered without an additional transaction fee. FCIS also makes certain new issue fixed income securities available without a separate transaction fee. With respect to fixed income securities purchased or sold through the secondary market, the cost for the transaction (commonly called a "markup" for purchases or "markdown" for sales) is included in the purchase or sale price. In addition to any markup or markdown, an additional transaction charge can be imposed by FCIS when you place your order through an FCIS Representative, depending on the type of fixed income security you purchase.

FCIS receives compensation from the issuer for participating in new issue offerings of bonds and CDs. Information about the sources, amounts, and terms of this compensation is contained in the bond or CD related offering documents. For secondary market transactions, FCIS receive compensation by marking up or marking down the price of the security which ranges between .25% -2.5%.

FCIS and its Investment Professionals are compensated in connection with the purchase and sell of fixed income securities in your FCIS Account. FCIS Investment Professional's compensation is not affected by whether the security is purchased or sold as a new issue or in a secondary market transaction and is paid irrespective of whether our Investment Professional recommended the transaction to you. FCIS Investment Professional's compensation is based on the type of fixed income security that you buy, with compensation for CDs and U.S. Treasury Bonds being lower than for other types of fixed income securities. As a result, these Investment Professionals have a financial incentive to recommend certain fixed income products over others. We address this conflict by providing our Investment Professionals and Supervising Principals with appropriate training and tools to ensure that they are making recommendations that are in your best interest, supervising investment recommendations made by our Investment Professionals, and disclosing these conflicts so that you can consider them when making your financial decisions.

## Market Linked and Structured Products

### Market Linked Brokered Certificates of Deposit or "CDs"

FCIS offers equity indexed certificates of deposit or equity linked certificates of deposit (both of which are referred to herein as "ELCD") is an FDIC insured CD that ties the rate of return to the performance of a stock index such as the S&P 500. The term of an ELCD varies, typically two to seven years. The financial institution calculates the rate of return on the date the ELCD matures based on the final index value; therefore, there may be no guarantee that any payment in excess of your original investment will be paid, unless there is a guaranteed minimum coupon on the ELCD. A CD is a time deposit offered by depository institutions, such as a commercial bank or savings and loan association. All CDs FCIS sells are FDIC insured up to a maximum amount of \$250,000 (principal and accrued interest combined) if held to maturity but must be aggregated with any other deposits at the depository institution held by the depositor in the same insurable capacity (e.g., individual, joint, IRA) for purposes of FDIC insurance limits. Brokered CDs are available in a range of time frames and structures, including non-callable, callable, and step-rate CDs. In general, customers can buy most brokered CDs with a minimum investment of \$1,000, and thereafter in \$1,000 increments. The amount of commission you pay to buy a market-linked investment will be

stated in the offering document for the investment. These commissions vary in range, and we typically receive from 2% to 5% of the purchase amount. If you buy or sell the product in the secondary market, commission transaction charges will most likely also apply. For complete information about your purchase please refer to the “*Equity Linked Certificate of Deposit Disclosure*” provided by your Investment Professional at the time of the transaction.

### Structured Notes

An equity indexed note or equity linked note (“Note”) is a non-FDIC insured note that ties the rate of return to the performance of a stock index such as the S&P 500, or to a basket of selected equity securities. The terms of a Note vary, typically two to seven years. The financial institution will calculate the rate of return based on the terms of the chosen Note. Therefore, there may be no guarantee that any payment in excess of your original investment will be paid, unless there is a guaranteed minimum coupon on the Note. Further, depending on the terms of the Note, there could be the risk of receiving an amount lower than the original investment due to market risk or credit risk. Some risks associated with these Notes include:

- **No FDIC Insurance** - The Notes are not deposit liabilities or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or program of the United States or any other jurisdiction. An investment in the Notes is subject to the credit risk of the Issuer, and in the event that the Issuer is unable to pay its obligations as they become due, you may not receive the full payment at maturity of the Notes.

**The Notes are Subject to the Credit Risk of Issuer** - The Notes are senior unsecured obligations of the Issuer, and are not, either directly or indirectly, an obligation of any third party. The Notes will rank on par with all the other unsecured and unsubordinated debt obligations of the Issuer, except such obligations that may be preferred by operation of law. Any payment to be made on the Notes, including any return of coupons or principal at maturity, depends on the ability of the Issuer to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of the Issuer may affect the market value of the Notes and, in the event the Issuer were to default on its obligations, you may not receive the amounts owed to you under the terms of the Note.

**Liquidity Risk** - Investors may have limited opportunities, if any, to redeem their Note before maturity. There is no guarantee of a secondary market. Therefore, you may not be able to redeem your Note when you may need or want money available. If a secondary market exists or the financial institution allows withdrawal, you may pay a penalty and you may lose principal value and accrued interest.

- **Market Risk** - If the Note is sold or redeemed before maturity, it may be worth less than its purchase amount or face value. The Note is subject to stock market volatility, bond market volatility, changes to the components of the linked index and other variables. Notes on your brokerage account statements may be valued at more or less than your original investments based on current market conditions. Further, depending on the terms of the Note, the principal value of some Notes is subject to market risk and may result in loss of principal according to the terms of the respective Note.
- **Call Risk** - Your Note may be callable. If called, your rate of return may be less, and the yield may be less than if held to maturity.
- **Calculations of Return** - Many financial institutions calculate the return on the Notes by averaging the closing price of the underlying securities or index at specified intervals over a specific period of time, rather than simply using price upon maturity. *The formulas used to calculate your rate of return may lessen the impact of a declining market. However, if the market moves steadily upward during the period you hold the Note, your return may be significantly less*

*than the underlying securities or index gain during this period.* The formulas used by the financial institution usually do not take into consideration the dividend yield of the stock index.

- **Participation Rates** - Some Notes have a participation rate. The participation rate determines how much of the index's increase will be used to compute the return. For example, if the securities or index increase 10% and your participation rate is 70%, you will earn 7%.

**Caps** - Some Notes set a cap on your gain per year regardless of how well the securities or index performed. For example, if the index goes up 20% and the participation rate is 70%, but the cap is 10%, your return will not be 14% (70% of 20%) but will be capped at 10%.

**Tax Treatment** - Notes may be treated differently than traditional fixed income products for tax purposes. Before investing in these products, you should carefully review the disclosures concerning the reporting of interest income and consult a tax adviser.

The compensation FCIS and its Investment Professionals receive in connection with your Full-Service brokerage account investment recommendation in Structured Products described above creates a conflict of interest and economic incentive for FCIS and its Investment Professional to recommend Structured Products to you. FCIS mitigates this conflict of interest by disclosing it to you, training the Investment Professionals and Supervisory Principals on appropriate recommendations, supervising investment recommendations made by the FCIS Investment Professional, Investment Products Committee review and approval of the product, and limiting the percental of your liquid net worth that can be invested. However, FCIS cannot eliminate this conflict of interest as it is inherent in the business model of a typical securities broker to be compensated in connection with its brokerage services.

## INSURANCE

FCIS offers a variety of insurance products including Variable Universal Life Insurance (VUL), Term Life Insurance, Universal Life Insurance, Long Term Care Insurance, and Disability Income Insurance policies. Customers must qualify for coverage and premiums are generally most impacted by factors such as age, health, and lifestyle. Under arrangements with insurance companies and insurance broker general agencies, we receive commissions from the insurance companies for the sale of these policies, as well as trail/renewals commissions on some products. Insurance broker general agencies are third party, independent, non-affiliated firms that help our Investment Professionals with among other items: product knowledge, case design, point of sale and application servicing and processing.

Commission and trails paid to us vary by the product offerings and by insurance carriers. The gross commissions we earn for these products typically range up to 25% to 95% of target premiums with additional commission up to 1% to 10% of any excess premiums paid above target premium amount. Also, some policies pay additional compensation for policies maintained past the first year (trail compensation) and/or for premiums paid after the first year. Trail compensation typically can range up to 1% annually of the contract value and compensation for additional premiums is generally 1% to 3% of the premium. The amount of gross commission FCIS receives is net of the amount paid to the insurance broker general agency.

Revenue generated to FCIS from underwritten life insurance, is applied to our Investment Professional's progressive grid payout. This potential increased payout is a conflict of interest in that it may provide economic incentive to increase sales in this product. We mitigate this risk by disclosing it to you, training our Financial Consultants and Supervising Principals on insurance products and appropriate recommendations, and reviewing each transaction.

## **UNDERSTANDING INVESTMENT RISKS**

It is important for you to understand that all of the aforementioned investments and recommendations made by FCIS Investment Professionals involve risk, including the potential risk that you may lose your entire principal before you invest. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs and objectives, time horizon and liquidity need to offer a recommendation that is in your best interest. You should carefully read the prospectus or offering memoranda provided to you by your FCIS Investment Professional and consider the risks associated with the investment before you make a final decision.

## **TRADE CORRECTIONS AND ADJUSTMENTS TO COMPENSATION**

Occasionally, a trade error will occur for a variety of reasons. When a trade error happens, FCIS strives to correct the trade error in a manner that is fair and equitable to our customers in a timely manner. In cases where a customer causes the trade error, the customer will be responsible for any loss resulting from the correction. Depending on the circumstances of the trade error, generally, the customer is not able to receive any gains generated as a result of the error correction. Situations where the customer is not the cause of the trade error, the customer will be made whole as soon as possible. FCIS or the custodian will absorb losses and gains resulting from the trade error based on fault. If the trade correction, as a result of an FCIS or custodian error results in a gain, the customer will not receive the profit. Investment Professional trading errors resulting in losses may be charged either dollar for dollar against an Investment Professional’s income or charged against their gross production (revenue). The effect of charging against gross production is that the Investment Professional and our firm share in cost of the trade correction.

# CPRA PRIVACY NOTICE FOR CALIFORNIA RESIDENTS

**Last Updated June 28, 2023**

This CPRA Privacy Notice for California Residents ("CPRA Privacy Notice") is provided by First Citizens BancShares, Inc., and its subsidiaries and affiliates, including First-Citizens Bank & Trust Company (collectively "First Citizens," "we," "us," or "our") pursuant to the California Privacy Rights Act ("CPRA") and supplements the information contained in First Citizens' Privacy Statement, available at [www.firstcitizens.com/privacy-security](http://www.firstcitizens.com/privacy-security).

This CPRA Privacy Notice applies solely to information about California residents ("Consumers" or "you") and to "Personal Information" as defined in the CPRA. The CPRA requires us to make certain additional disclosures and provides California Consumers with the ability to request additional information about their Personal Information. This section explains these rights and describes how California Consumers may submit a request to exercise those rights.

Please note that the rights under the CPRA do not apply to Personal Information collected, processed, sold or disclosed pursuant to:

- Gramm-Leach-Bliley Act (Public Law 106-102), the federal privacy regulation. Generally, this will apply to any Personal Information obtained in connection with our financial products or services that are used primarily for personal, family or household purposes;
- Fair Credit Reporting Act (12 CFR 1022). Generally, this will apply to Personal Information related to credit history or credit worthiness; or
- Health Insurance Portability and Accountability Act (Public Law 104-191). Generally, this will apply to health or medical information.

## Personal Information We Collect and Disclose

The table below shows each category of Personal Information we have collected and disclosed for our business purposes (further described below) and the categories of other parties to whom the Personal Information was disclosed within the last twelve (12) months, as permitted or required by law:



**APPLIES TO CALIFORNIA RESIDENTS ONLY**

<b>Category of Personal Information Collected</b>	<b>Examples</b>	<b>Categories of Other Parties to Whom We Disclosed Personal Information</b>
Identifiers	A real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, or other similar identifiers.	Service Providers.  Affiliates, in accordance with applicable law.  Other Third Parties, in connection with products or services we provide, in accordance with applicable law.  Government agencies as required by laws and regulations.
Certain sensitive types of Personal Information	Social Security number, driver's license or state identification card number, passport number, bank account number, credit card number, debit card number, or any other financial information, credentials allowing access to an account, age, race, color, citizenship, religion or creed, marital status, medical condition, physical or mental disability, sex (including gender, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, genetic information (including familial genetic information), precise geolocation.	Service Providers.  Affiliates, in accordance with applicable law.  Other Third Parties, in connection with products or services we provide, in accordance with applicable law.  Government agencies as required by laws and regulations.
Biometric information	Genetic, physiological, behavioral, and biological characteristics, or activity patterns used to extract a template or other identifier or identifying information, such as, fingerprints, voiceprints or keystrokes.	Service Providers.  Government agencies as required by laws and regulations.
Commercial information	Records of personal property, products or services purchased.	Service Providers.  Affiliates, in accordance with applicable law.

**APPLIES TO CALIFORNIA RESIDENTS ONLY**

Category of Personal Information Collected	Examples	Categories of Other Parties to Whom We Disclosed Personal Information
		<p>Other Third Parties, in connection with products or services we provide, in accordance with applicable law.</p> <p>Government agencies as required by laws and regulations.</p>
Sensory data	Audio, electronic, visual, thermal, olfactory, or similar information, such as phone recordings; ATM and in-branch video monitoring.	<p>Service Providers.</p> <p>Government agencies as required by laws and regulations.</p>
Internet or other electronic network activity information	Browsing history, search history, geolocation data (with your consent) and information regarding your interaction with our Sites, collectively <b>“Online Information”</b> .	<p>Service Providers.</p> <p>Affiliates, in accordance with applicable law.</p> <p>Other Third Parties, in connection with products or services we provide, in accordance with applicable law.</p> <p>Government agencies as required by laws and regulations.</p>
Professional or employment-related information	Current or past job history or performance evaluations, employer name, or languages.	<p>Service Providers.</p> <p>Affiliates, in accordance with applicable law.</p> <p>Other Third Parties, in connection with products or services we provide, in accordance with applicable law.</p>

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Category of Personal Information Collected	Examples	Categories of Other Parties to Whom We Disclosed Personal Information
		Government agencies as required by laws and regulations.
Education information	Education records directly related to a student maintained by an educational institution or party acting on its behalf, such as grades, transcripts, and class lists.	Service Providers.  Affiliates, in accordance with applicable law.  Other Third Parties, in connection with products or services we provide, in accordance with applicable law.  Government agencies as required by laws and regulations.
Inferences drawn from Personal Information to create a Consumer profile	Profile that may reflect Consumer's preferences, characteristics, psychological trends, predispositions, behavior, attitudes, intelligence, abilities, and aptitudes.	Service Providers.  Affiliates, in accordance with applicable law.  Other Third Parties, in connection with products or services we provide, in accordance with applicable law.  Government agencies as required by laws and regulations.

## Sources of Personal Information

We obtain the categories of Personal Information listed above from the following categories of sources:

- Directly from you, such as when you apply for or obtain one of our products or services, or if you apply for a job with us;
- Indirectly from you. For example, from observing your actions on our websites or mobile applications that link to our Privacy Statement and this Notice (each, a **“Site”**, and collectively, **“Sites”**);
- From financial and non-financial companies related by common ownership or control (our **“Affiliates”**), based on your relationship with them and as permitted by law; and/or
- From other companies or organizations that we work with, based on your relationship with them and as permitted by law, such as credit bureaus.

## Use of Personal Information

We may use or disclose the Personal Information we collect for one or more of the following purposes:

- To deliver products, information, or services, including to:
  - complete transactions;
  - provide account services;
  - recognize and remember you when you visit our Sites;
  - improve our Sites and make them easier to use, and provide you with an overall improved experience on our Sites;
  - notify you about updates to your accounts, products, and/or services;
  - perform quality assurance activities that maintain the quality of services provided to you; or
  - respond to your inquiries.
- To provide advertising about our products and services, including:
  - sending marketing materials inclusive of special offers, email notifications, or other notices regarding our products, services, or news; or
  - presenting personalized content or tailored ads that may relate to your interests and/or location.
- To manage security risks and prevent fraudulent activity, including to:
  - detect security incidents and protect against malicious, deceptive, fraudulent, or illegal activities;
  - debug to identify and repair errors that may impair existing intended functionality;
  - maintain a secure session, authenticate your computer and verify transactions;
  - verify your identity such as when you apply for an account or access our online/mobile services; or
  - assess your creditworthiness, including obtaining credit reports if you apply for credit or apply for a financial product or service.
- To conduct employment-related activities, including to:

## **APPLIES TO CALIFORNIA RESIDENTS ONLY**

- perform background checks;
  - deliver employee benefits programs; or
  - contact references you provide during your application process.
- To perform other activities, as permitted or required by law, including:
  - to perform internal research;
  - in connection with litigation;
  - in connection with a sale or merger;
  - to comply with regulatory record retention requirements;
  - to perform analytics concerning your use of our online services, including your responses to our emails and the pages and advertisements you view; or
  - for audit purposes within our organization.

## **Retention of Personal Information**

We retain Personal Information for as long as necessary to fulfill the purpose(s) for which they were obtained, unless a longer retention period is required by law. The criteria used to determine our retention periods include:

- The length of time we have an ongoing relationship with you;
- Whether there is a legal obligation (for example, certain laws require us to keep records of your transactions for a certain period of time before we can delete them); or
- Whether retention is advisable based on our legal position, such as applicable statutes of limitations, litigations, or regulatory investigations.

## **Special Considerations for Minors**

Our Sites are not intended for children under 16 years of age and we do not knowingly market our products or services to children.

We do not knowingly collect or retain Personal Information from individuals under the age of 13. Visit the Federal Trade Commission website, at [www.FTC.gov](http://www.FTC.gov), for more information about the Children's Online Privacy Protection Act (COPPA).

## **Your rights under the CPRA**

The CPRA grants California Consumers various rights around the Personal Information that is collected about them. The rights are explained in further detail below:

### **A. Right to Know About Personal Information Collected and/or Disclosed**

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You have the right to request that we disclose certain information to you about our collection, use, and disclosure of your Personal Information. Upon our receipt of a verifiable request from you, we will disclose the following information:

1. The categories of Personal Information we have collected about you.
2. The categories of sources from which the Personal Information was collected.
3. The business or commercial purpose for collecting your Personal Information.
4. The categories of other parties with whom we share your Personal Information.
5. The specific pieces of Personal Information we have collected about you.

### **B. Right to Request Correction of Inaccurate Personal Information**

You have the right to request we correct any inaccuracies of your Personal Information we maintain about you. Once we receive and confirm your verifiable Consumer request, we will correct (and direct our Services Providers and/or Third Parties to correct) the Personal Information we maintain about you.

### **C. Right to Request Deletion of Personal Information**

You have the right to request that we delete the Personal Information that we have collected and retained about you. Once we receive and confirm your verifiable Consumer request, we will delete (and direct our Service Providers and/or Third Parties to delete) your Personal Information from our records, unless an exception applies.

For example, we may deny your deletion request if retaining the information is necessary for us, our Service Providers, and/or our Third Parties to:

1. Complete the transaction for which we collected the Personal Information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you.
2. Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities.
3. Debug products to identify and repair errors that impair existing intended functionality.
4. Exercise free speech, ensure the right of another Consumer to exercise their free speech rights, or exercise another right provided for by law.
5. Comply with the California Electronic Communications Privacy Act (Cal. Penal Code § 1546 et. seq.).
6. Engage in public or peer-reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent.
7. Enable solely internal uses that are reasonably aligned with Consumer expectations based on your relationship with us.
8. Comply with a legal obligation.



## **D. Right to Opt-Out of the Sale or Sharing of Personal Information**

The CPRA defines “sell” as the disclosure of Personal Information to a Third Party for monetary or other valuable consideration. The CPRA defines “share” as the disclosure of Personal Information to a Third Party for cross-context behavioral advertising.

We do not sell Personal Information and will not sell Personal Information without providing you with prior notice and an opportunity to opt-out, as required by law.

We do share some Online Information, some of which may be considered Personal Information, with Third Parties for the purposes of delivering tailored advertising to you across the internet, and to help manage and optimize our internet-business and communications. You can opt-out of having Third Parties use your web browsing behavior to serve our interest-based ads by clicking the Your Privacy Choices link in the footer of this page and turning off Marketing Cookies. You may still see advertisements while you are browsing online; however, the advertisements you see may be less relevant to you and your interests. Please note this opt-out works via Cookies, so if you delete Cookies, use a different device, or change web browsers, you will need to opt-out again.

If available on your web browser, you may set your browser or device to send an opt-out preference signal, such as through the Global Privacy Control, to signal a request to opt-out of the sharing of your Personal Information. We honor these requests to the extent we are able to, based on the information provided via the signal. Note that we may not be able to tie a browser or device-based preference signal request to all Personal Information we have about you.

Please visit [globalprivacycontrol.org](https://globalprivacycontrol.org) for more information.

## **E. Right to Non-Discrimination**

You have the right not to receive discriminatory treatment for exercising any of your rights. This includes:

- Denying you goods or services;
- Charging you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing other similar penalties;
- Providing a different level of service or quality of goods or services;
- Suggesting a different level of service or quality of goods or services; or
- Retaliating against an employee, applicant or independent contractor.

## **How to Submit a Request**

You can submit access or deletion requests by either:

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- Completing the online request form, available at <https://dataprivacyrights.cit.com/>.
- Calling us at 1-866-206-2711, Monday through Friday from 8 am to 4 pm PT.

You can submit correction requests by either:

- Emailing [privacyquestions@firstcitizens.com](mailto:privacyquestions@firstcitizens.com)
- Calling us at 1-866-206-2711, Monday through Friday from 8 am to 4 pm PT.

You can submit a Do Not Share My Personal Information request by either:

- Clicking the Your Privacy Choices link in the footer of [www.firstcitizens.com](http://www.firstcitizens.com) and turning off Marketing Cookies.
- Setting your browser or device to send an opt-out preference signal, to the extent available and as further described in Section D above.

To help protect your privacy and maintain security, we will take steps to verify your identity before granting you access to your Personal Information or complying with your request. If you request access to, correction to, or deletion of your Personal Information, we may require you to provide any of the following information: name, date of birth, social security number, email address, telephone number or postal address.

Making a verifiable Consumer request does not require you to create an account with us.

We will only use Personal Information provided in a verifiable Consumer request to verify the requestor's identity or authority to make the request.

### Submitting a Request through Your Authorized Agent

Only you, or someone legally authorized to act on your behalf, may make a verifiable Consumer request to know, correct, or delete your Personal Information. To do this, you must do the following (unless you have provided the authorized agent with power of attorney pursuant to Probate Code sections 4121 to 4130):

- Select "authorized agent" in the Online Request Form
- Provide proof of authorization on an authorization form (available at [www.firstcitizens.com/privacy-security](http://www.firstcitizens.com/privacy-security)) signed by the Consumer who is the subject of the request.
- Directly confirm with us that you provided the authorized agent permission to submit the request.

We will respond to requests within 45 days and will notify the requester if we need additional time.

You may only make a verifiable Consumer request twice within a 12-month period. The verifiable Consumer request must:

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- Provide sufficient information that allows us to reasonably verify you are the person about whom we collected Personal Information or an authorized representative.
- Describe your request with sufficient detail that allows us to properly understand, evaluate, and respond to it.

### Response Format

We will deliver our written response by mail or electronically, at your option.

Any disclosures we provide will only cover the 12-month period preceding the verifiable Consumer request's receipt. The response we provide will also explain the reasons we cannot comply with a request, if applicable. For data portability requests, we will select a format to provide your Personal Information that is readily useable and should allow you to transmit the information from one entity to another entity without hindrance.

We do not charge a fee to process or respond to your verifiable Consumer request unless it is excessive, repetitive, or manifestly unfounded. If we determine that the request warrants a fee, we will tell you why we made that decision, and we reserve the right to either refuse to act on your request or charge you a reasonable fee to complete your request.

### Changes to this CPRA Privacy Notice

We reserve the right to amend this CPRA Privacy Notice at our discretion and at any time. When we make changes, we will post the updated notice on the Site and update the notice's date. Your continued use of our Site following the posting of changes constitutes your acceptance of such changes.

### How to Contact Us

If you have any questions or concerns about this CPRA Privacy Notice or about how First Citizens collects, uses, shares, or discloses Personal Information, please contact us at:

**Telephone:** 888-FC DIRECT (888-323-4732)

**Email:** [privacyquestions@firstcitizens.com](mailto:privacyquestions@firstcitizens.com)