

March 2023

The purpose of this letter is to provide you with important information regarding what type of insurance coverage provided by the custodian of your CAPTRUST managed account(s).

Custodians of CAPTRUST managed accounts are brokerage firms that are members of SIPC. The Securities Investor Protection Corporation (“SIPC”) was created to protect against the loss of customer assets at brokerage firms. SIPC offers protection of up to \$500,000, including up to \$250,000 limit for cash awaiting investment, if a brokerage firm fails. SIPC (and “Excess of SIPC” coverages described below) does not protect against loss due to market fluctuation, nor does SIPC or Excess of SIPC coverage extend to certain investment that are considered ineligible for coverage.

A claim under SIPC or Excess of SIPC coverage would only arise if the brokerage firm acting as your account custodian failed financially and client assets for covered accounts—as defined by SIPC—*cannot be located* due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules.

Charles Schwab & Co., Inc. or “Schwab”

If your account is held at Charles Schwab & Co., Inc., you receive an extra level of coverage in addition to SIPC. Schwab maintains “Excess of SIPC” insurance protection for securities and cash up to an aggregate claim amount of \$600 million. This coverage helps ensure customer claims will be covered in the event of a brokerage firm failure and funds covered by SIPC protections are exhausted.

Schwab offers a “Bank Sweep” in connection to Schwab brokerage accounts. With Schwab’s Bank Sweep, your cash balances are automatically swept to deposit accounts at Schwab-Affiliated Banks and are FDIC-insured up to \$250,000 per depositor, per bank. Schwab’s bank sweep program has been structured to provide me clients with access to at least two Program Banks resulting in up to \$500,000 in FDIC insurance per depositor in each recognized legal capacity (for example, up to \$500,000 for individual accounts and \$1,000,000 for joint accounts. Go to www.fdic.gov to learn more about FDIC coverage.

Pershing Advisor Solutions, LLC (through Pershing, LLC or “Pershing”)

If your account is held at Pershing, you receive an extra level of coverage in addition to SIPC (“Excess of SIPC”). Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd’s of London insurance market and other commercial insurers. The Excess of SIPC coverage provides the following protection for Pershing’s global client assets: An aggregate loss limit of \$1 billion for eligible securities - over all client accounts; a per-client loss limit of \$1.9 million for cash awaiting reinvestment - within the aggregate loss limit of \$1 billion.

At Pershing, individual taxable accounts are automatically enrolled in Pershing’s FDIC-Insured Bank Deposits Program provides convenient FDIC insurance on cash balances up to \$2.5 million through a multi-bank investment approach.

4208 Six Forks Rd., Suite 1700
Raleigh, NC 27609

www.captrustadvisors.com

800.216.0645 toll free
919.870.6822 office
919.870.8891 fax



Fidelity Brokerage Services, LLC (through National Financial Services, LLC) or “Fidelity”

If your account is held at Fidelity, Fidelity also provides brokerage accounts with additional “Excess of SIPC” coverage. The total aggregate excess of SIPC coverage available through Fidelity’s Excess of SIPC policy is \$1 billion. Within Fidelity’s Excess of SIPC coverage, there is no per-customer dollar limit on coverage of securities, but there is a per-customer limit of \$1.9 million on coverage of cash awaiting investment. This is the maximum excess of SIPC protection currently available in the brokerage industry. This coverage helps ensure customer claims will be covered in the event of a brokerage firm failure and funds covered by SIPC protections are exhausted.

Client accounts at Fidelity are either utilizing money market mutual funds for cash (which are securities covered under SIPC/Excess SIPC) or Fidelity’s Bank Deposit Sweep Program which is covered by FDIC and allows excess cash balances to be swept into multiple FDIC-insured depository institutions.

TD Ameritrade Institutional (a division of TD Ameritrade, Inc.) or “TDA”

Similarly, in addition to SIPC coverage, TDA provides each client \$149.5 million worth of protection for securities and \$2 million of protection for cash through supplemental (Excess SIPC) coverage provided by London insurers. In the event of a brokerage insolvency, a client may receive amounts due from the trustee in bankruptcy and then SIPC. Supplemental coverage is paid out after the trustee and SIPC payouts and under such coverage each client is limited to a combined return of \$152 million from a trustee, SIPC, and London insurers. The TD Ameritrade supplemental coverage has an aggregate limit of \$500 million over all customers. This policy provides coverage following brokerage insolvency and does not protect against loss in market value of the securities.

TDA’s FDIC Insured Deposit Account (“IDA”) is a bank sweep vehicle that can be designated by the client. In that case, the available cash in the client account will be automatically deposited into an IDA at one or more banks (“Program Banks”). The IDAs in each Program Bank is covered by FDIC insurance in an amount equal to \$250,000 for principal and accrued interest per depositor in each recognized legal capacity (for example, Individual, Joint, IRA).

TDA’s bank sweep program has been structured to provide me clients with access to at least two Program Banks resulting in up to \$500,000 in FDIC insurance per depositor in each recognized legal capacity (for example, up to \$500,000 for individual accounts and \$1,000,000 for joint accounts).

FDIC (<https://fdic.gov>) may be reached by letter (at 550 17th St, NW, Washington, D.C. 20429), by phone (877-275-3342, 800-925-4618 [TDD], or 202-942-3100), by contacting FDIC directly at [FDIC: Information and Support Center - Home](#). Learn more about FDIC coverage by using the FDIC’s Electronic Deposit Insurance Estimator (“EDIE”) at [FDIC: EDIE](#).



Liability and other insurance coverage: CAPTRUST

Insurance Coverage	
Policy Type / Coverage	Carrier
Professional Liability (Errors & Omissions Directors & Officers)	Zurich American Ins Co. - lead
<i>\$40,000,000 per claim or aggregate</i>	
Fidelity Bond	Continental Insurance Company
<i>\$5,000,000 per claim or aggregate</i>	
Cyber-Security	Lloyd's (Beazley) - lead
<i>\$20,000,000 per claim or aggregate</i>	

At CAPTRUST we are committed to providing service beyond expectation. For more information, please contact your CAPTRUST Financial Advisor; or if you have any questions, you may contact me directly at compliance@captrust.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Denise M. Buchanan'.

Denise M. Buchanan
Chief Compliance Officer
CAPTRUST Financial Advisors

4208 Six Forks Road
Suite 1700
Raleigh, NC 27609

captrust.com

800.216.0645 toll free
919.870.6822 office
919.870.8891 fax