

FOLIO INSTITUTIONAL, YOUR ACCOUNT CUSTODIAN

Custodian \kə-'stō-dē-ən\: One entrusted with guarding and keeping property or records.

Folio Institutional is the custodian your investment advisor has chosen to hold and support your investment assets. Folio is a “qualified custodian” under the Securities and Exchange Commission’s (SEC’s) custody rule (206(4)-2). As a qualified custodian, Folio is subject to oversight by the SEC, the Financial Industry Regulatory Authority (FINRA), and various state securities regulators.

The Role of the Custodian

Under the SEC’s custody rule, registered investment advisors must—with limited exceptions—hold their clients’ assets with a qualified custodian to protect against theft or misappropriation. As custodian, Folio safeguards your assets and performs a variety of recordkeeping and administrative functions. It is important to note that custodians do not provide protection from market fluctuations that affect the value of your account.

About Folio Institutional

Folio Institutional is a well-established, highly respected custodian that services billions of dollars of investor assets. *Investment News* ranks Folio Institutional among the top 10 largest (by number of RIA clients) custody firms in the country. Folio Institutional is a division of Folio Investments, Inc., and was founded in 2000 by Steven M.H. Wallman, a former commissioner of the SEC. During his years as SEC Commissioner, he saw firsthand how the needs of many investors were not fully met by existing financial institutions and existing investment vehicles. Folio Institutional was founded to provide advisors and other professionals with the tools they need to deliver better solutions to their clients.

Account Protection and Security

In addition to the safeguards we provide as your custodian, your assets are also protected against financial loss or

failure on our part through several different types of insurance. These include:

Securities Investor Protection Corporation (SIPC)

coverage. SIPC wards against losses stemming from the financial failure of member brokerage firms. It protects the securities and cash in your brokerage account up to \$500,000 (including up to \$250,000 protection for cash). In addition to the required SIPC coverage, we have purchased supplemental customer securities insurance limited to \$10 million per account and a total aggregate limit of \$50 million.

Federal Deposit Insurance Corporation (FDIC) insurance.

Through the deposits held in the banks in our sweep program, your cash is protected by FDIC insurance for both principal and accrued interest.

- Up to \$4.5 million for individual accounts
- Up to \$9 million for joint accounts

The total balances in all retirement accounts and taxable accounts are insured separately and are not aggregated together for purposes of insurance coverage calculations.

Other Services We Provide

Folio also provides a number of other important services that support your account. These include:

- > **Trading**—Folio is responsible for the processing, settling, and clearing of trades.
- > **Handling money**—We facilitate the transfer of funds to and from your account, including all distributions, such as dividend and interest payments.
- > **Account access**—You can view your account performance, as well as transactions, holdings, trade confirmations, and account statements, all through our online portal, Folio Client.
- > **Proxy voting**—We provide the background information you need to vote your proxies as well as the ability to cast your votes online.
- > **Tax downloads**—Easily export data from your Folio account to most tax software programs and generate printable tax forms.

The role of custodian is a critical one when it comes to investing. We are proud that your advisor has selected us as your custodian, and we are committed to safeguarding your assets and supporting the management of your investment account.

For More Information

Your advisor can tell you more about the role of the custodian and about Folio Institutional. You can learn more about Folio Investments, Inc. through FINRA's BrokerCheck® at www.finra.org.

You can also learn more about custodial services and your account protections at these websites.

SIPC protection - www.sipc.org

SEC regulation - www.sec.gov

FDIC insurance - www.fdic.gov

About the Folio Family of Companies

Folio Institutional is a division of Folio Investments, Inc., a subsidiary of Foliofn, Inc. Through Folio Institutional and its other subsidiaries, First Affirmative Financial Network, and The SRI Conference, Foliofn, Inc., delivers innovative brokerage, clearing and custody tools and technology that benefit investors and those who serve them. Folio's online brokerage platform uses patented technology to help individuals invest in a more diversified, customized, and cost-efficient manner, and to benefit from one-of-a-kind tax management tools.