

# Cash Sweep Program Overview



Clearing &  
Custody

RBC Clearing & Custody, a division of RBC Capital Markets, LLC (“we,” “us” or “RBC CM”) is registered as both a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (“SEC”). You may receive services from RBC CM as a client of another broker-dealer or registered investment adviser for which RBC CM provides custody and clearing services through its RBC Clearing & Custody division. This document is being provided to you for informational purposes only and is not a recommendation. It provides an overview of the variety of cash sweep options available at RBC CM.

The deposit of checks, the sale of securities and other activity generate cash balances in your account. You have the option to have cash balances in your account, automatically deposited in an insured deposit account invested in a money market mutual fund or a cash investment alternative (collectively, “Cash Sweep Options”). The use of different Cash Sweep Options may vary by account type. You should consider the investment objectives, risks, charges and expenses of the Cash Sweep Option carefully before investing.

Refer to client account disclosures containing this and other information about the Cash Sweep Options available by contacting your financial professional. Please read the prospectus and other related disclosures carefully before investing to make sure the Cash Sweep Option is appropriate for your goals and risk tolerance. For more information, please see the Cash Management section on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

You may choose from a set of Cash Sweep Options depending on your account type, including a Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”) covered cash sweep. Through one Cash Sweep Option (RBC Insured Deposits), FDIC-insurance is available through Deposit Accounts at affiliated and unaffiliated banks and is subject to certain conditions. Please note that RBC

CM is not an FDIC-insured depository institution, and that FDIC insurance only protects against failure of the program bank. A list of program banks is available at [www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks](http://www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks). Subject to availability of funds, all accounts will sweep on a daily basis, regardless of the dollar amount in cash balances.

Not all Cash Sweep Options or considerations outlined below will apply to you. The Cash Sweep Options available to you and considerations for making a cash sweep election will vary and be dependent upon your specific circumstances. There may be additional factors for you to consider that are not listed below. Please consult with your financial professional for more information and to discuss alternative sweep options, which may offer a higher dividend yield or interest with a greater or lesser expense ratio. Neither RBC CM nor its affiliates provide legal, accounting or tax advice. All legal, accounting or tax decisions regarding your accounts and any transactions or investments entered into in relation to such accounts, should be made in consultation with your independent advisors. No information, including but not limited to written materials, provided by RBC CM should be construed as legal, accounting or tax advice.

**Investment and insurance products are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.**

## Cash Sweep Options

Information as of September 30, 2024. Rates subject to change and may change without notice, please contact your financial professional for current rates.

Sweep Products and cash investment alternative (CIP)	RBC Insured Deposits	Credit Interest Program (CIP)	RBC BlueBay U.S. Government Money Market Fund – Investor Class (TUIXX) <sup>1</sup>	RBC BlueBay U.S. Government Money Market Fund – Inst'l Class 2 (TIMXX) <sup>1</sup>	Federated Hermes Treasury Obligations Fund – AS Shares (TOAXX) <sup>2</sup>
Management Fee	n/a	n/a	0.10%	0.10%	0.15%
Distribution 12b-1 Fee <sup>3</sup>	n/a	n/a	1.00%	0.15%	0.00%
Shareholder Services Expenses	n/a	n/a	0.00%	0.00%	0.00%
Other Expenses	n/a	n/a	0.03%	0.03%	0.44%
Total Waiver of Fund Fees	n/a	n/a	(0.13%) <sup>4</sup>	0.00%	(0.09%) <sup>5</sup>
Total Fees and Expenses	n/a	n/a	1.00%	0.28%	0.50%
2023 Calendar Year Return <sup>6</sup>	n/a <sup>8</sup>	n/a	4.17% <sup>9</sup>	4.92%	4.67% <sup>9</sup>
7-Day Effective Yield <sup>10</sup>	n/a <sup>11</sup>	n/a <sup>11</sup>	4.05% <sup>9</sup>	4.81%	4.49% <sup>9</sup>
Annual Percentage Yield (APY) <sup>7</sup>	0.55–4.54% <sup>7</sup>	0.25%	n/a	n/a	n/a
FDIC coverage <sup>12</sup>	Up to \$5,000,000 per client	none	none	none	none
SIPC coverage <sup>13</sup>	none	Up to \$250,000	Up to \$500,000	Up to \$500,000	Up to \$500,000

*The above sweep options, excluding Federated Hermes Treasury Obligations Fund, are offered by us or our affiliates. Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance shown reflects contractual fee waivers. Without such waivers total returns would be reduced.*

1. Fund Company: RBC Funds Trust. RBC Global Asset Management (U.S.) Inc. is the Investment Adviser for the RBC Funds Trust.
2. Fund Company: Federated Hermes Funds. Federated Investment Management Company is the Investment Adviser for Federated Hermes Funds.
3. Distribution and Shareholder Servicing Fees – Mutual funds pay us fees for the distribution and servicing of their shares (also called “12b-1 fees”) which are used to finance distribution activities intended primarily to result in the sale of additional fund shares. 12b-1 fees are disclosed in the investment fund's prospectus, and are imposed through the mutual fund expenses which are deducted from fund assets and reflected in the net asset values of the mutual funds.
4. RBC CM has contractually agreed to waive distribution and service fees and/or reimburse the Fund in order to limit the Fund's total expenses of each class (excluding brokerage and other investment-related costs, interest, taxes, extraordinary expenses such as litigation and indemnification, other expenses not incurred in the ordinary course of the Fund's business and fees and acquired fund fees and expense) to 1.00% of the Fund's average daily net assets for Investor Class shares. This expense limitation agreement is in place until January 31, 2025 and may not be terminated by RBC CM prior to that date. The expense limitation agreement may be revised or terminated by the Fund's board of trustees if the board consents to a revision or termination as being in the best interests of the Fund.
5. The Federated Investment Management Company (“Adviser”) and certain of its affiliates on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses so that the total annual fund operating expenses (excluding acquired fund fees and expenses, interest expense, extraordinary expenses and proxy-related expenses paid by the Fund, if any) paid by the Fund's AS class (after the voluntary waivers and/or reimbursements) will not exceed 0.50% (the “Fee Limit”) up to but not including the later of (the “Termination Date”): (a) October 1, 2025; or (b) the date of the Fund's next effective Prospectus. While the Adviser and its affiliates currently do not anticipate terminating or increasing these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Fund's Board of Trustees.
6. The full return on an investment, including dividends, capital gain distributions, and changes in net asset value, and is expressed as a percentage of the initial investment.
7. Annual Percentage Yield is variable and subject to change at any time without notice.
8. See “Program Interest Rates” under “RBC Insured Deposits” on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).
9. Average and effective yields reflect any applicable fee waivers or expense reimbursements in effect for the period shown. Without such fee waivers or expense reimbursements, the Fund's yield would be reduced.
10. The 7-day effective yield is an annualized net yield that describes the amount one is expected to earn over a one-year period assuming that the dividends are reinvested at the average rate of the last seven days.
11. The 7-day effective yield only applies specifically to Money Market Mutual Funds.
12. Aggregate FDIC insurance may differ based on account type. See FDIC insurance coverage section below or contact your Financial Professional for more information.
13. See SIPC protection section below or contact your financial professional for more information.

## Eligibility and restrictions

Foreign Currency will not invest under the Cash Sweep Option.

Sweep Products and cash investment alternative (CIP)	RBC Insured Deposits	Credit Interest Program (CIP)	RBC BlueBay U.S. Government Money Market Fund – Investor Class (TUIXX) <sup>1</sup>	RBC BlueBay U.S. Government Money Market Fund – Inst'l Class 2 (TIMXX) <sup>2</sup>	Federated Hermes Treasury Obligations Fund – AS Shares (TOAXX)
Standard and RBC Cash Management accounts	Eligible	Eligible	Unavailable for new accounts	Eligible	Unavailable
Non-advisory (not RBC-sponsored wrap-fee program) retirement accounts	Eligible	Eligible	Unavailable for new accounts	Unavailable	Unavailable
RBC-sponsored, wrap-fee advisory program retirement accounts	Unavailable	Unavailable	Unavailable	Unavailable	Eligible
RBC-sponsored, wrap-fee advisory program non-retirement accounts	Eligible	Eligible	Unavailable for new accounts	Eligible	Unavailable
Qualified plan accounts (advisory and non-advisory)	Unavailable	Unavailable	Unavailable	Unavailable	Eligible

1. RBC BlueBay U.S. Government Money Market Fund – Investor Class (TUIXX) is not available for new accounts unless accounts are transferred to RBC C&C via bulk conversion from another clearing firm or custodian.
2. RBC BlueBay U.S. Government Money Market Fund - Institutional Class 2 requires a \$1 million minimum investment. The RBC BlueBay U.S. Government Money Market Fund is managed by RBC Global Asset Management (U.S.) Inc. (“RBC GAM-U.S.”), an affiliate of RBC CM. For amounts invested in shares of the RBC BlueBay U.S. Government Money Market Fund, RBC GAM-U.S. will receive fees for managing and servicing the fund (including management and other fees). RBC GAM-U.S. will also pay RBC CM 12b-1 fees. Mutual funds pay RBC CM fees for the distribution and servicing of their shares (also called “12b-1 fees”) which are used to finance distribution activities intended primarily to result in the sale of additional fund shares. Information regarding the current yield for the RBC BlueBay U.S. Government Money Market Fund is available at [www.rbcgam.com](http://www.rbcgam.com), or by contacting your Financial Professional.

## Considerations when choosing a Cash Sweep Option

When choosing a Cash Sweep Option, it is important to consider the following:

- Your needs, goals, risk tolerance, investment time horizon and liquidity requirements.
- Yields may differ between the Cash Sweep Options.
- The Cash Sweep Options have different types of protection/insurance coverage. See SIPC Protection and FDIC insurance coverage sections below for additional details.
- Money market mutual funds have investment risk of various degrees and are not guaranteed or insured as to principal.

## Benefits and risks

The available Cash Sweep Options are subject to different risks and account protection.

**RBC Insured Deposits** are deposited with our Program Banks consisting of RBC affiliate banks and additional unaffiliated banks up to applicable limits, as discussed in the RBC Insured Deposits program disclosures. Cash balances in RBC Insured Deposits in excess of such applicable limits will be swept to a “Designated Excess Investment”. The Designated Excess Investment will be Deposit Accounts at one or more banks at which your funds will be deposited without regard to the Deposit Limit (each, an “Excess Bank”). Currently, the Primary Excess Bank is City National Bank (“CNB”), an RBC Affiliate Bank.

Each Program Bank, except RBC Affiliate Banks, will pay RBC CM a fee determined by RBC CM equal to a percentage of the average daily deposit balance in the Deposit Accounts at the Program Bank. The fee paid to RBC CM will range between 0% and Federal Funds Effective Rate plus 75 basis points (0.75%) annually on some of the Deposit Accounts. In the case of RBC Affiliate Banks, RBC CM will receive a fee per Account of \$20.00 annually. You do not pay these fees directly to RBC CM, but the amount

of fees received by RBC CM will affect the interest rate you earn on your deposits. RBC CM may waive or reduce its Program Bank fee based on market conditions. The benefits of these waivers vary across program interest rate tier levels. These fees can vary among Program Banks. This fee is not shared with your financial professional.

For the purpose of determining the applicable interest rate, the balance of the Deposit Accounts held in each Account will be determined at the end of each day, and your Deposit Account balances will earn the applicable interest rate for the following day.

Certain introducing brokers may utilize a separate interest rate schedule and if this is the case you will, if necessary, receive an additional disclosure document that describes the separate interest rate schedule. At any time, you may determine the rate of interest earned by your deposit balances in the Deposit Accounts by accessing your appropriate Account website. If you have any questions, contact your financial professional.

For additional details related to Interest Rate Segments, see the RBC Insured Deposits Terms and Conditions under “RBC Insured Deposits” on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).

For information on current interest rates, please see the Cash Management section of our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures) or contact your financial professional.

**Credit Interest Program (“CIP”)** represents our direct obligation to repay the invested amount, on demand, plus interest. We invest Credit Interest Program assets and periodically adjust the interest rate payable on Credit Interest Program accounts. The spread between interest earned by us from our investments and the rate paid to Credit Interest Program account holders is favorable to us. Cash invested in this program is protected by SIPC up to \$250,000 per account on claims for cash.

We invest and use these balances as free credit balances for our benefit. We will earn more on these balances than the rate we pay to you. We use these funds in the ordinary course of our brokerage business, subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934. Under these arrangements, we generally earn interest or a return based on short-term market interest rates prevailing at the time.

**Money Market Mutual Funds** in the cash sweep invest in high quality, short-term securities and seek to maintain a stable value but are subject to market risks and potential value loss. Prior to, or at the same time your available funds are first swept into an available Money Market Fund, you will be furnished with the appropriate prospectus, which should be read carefully. **You could lose money by investing in the Money Market Fund. Although the**

**Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Money Market Fund is not insured or guaranteed by the FDIC or any other government agency. The Money Market Fund’s sponsor has no legal obligation to provide financial support to the Money Market Fund, and you should not expect that the sponsor will provide financial support to the Money Market Fund at any time.** They are not bank accounts and not subject to FDIC insurance protection. They are instead covered by SIPC. See SIPC Protection below or contact your financial advisor for more information. When selecting the share class for the Money Market Fund used as a Cash Sweep Vehicle, we do not, in all instances, select the share class with the lowest fees that is available from the fund company and these decisions are influenced by the additional compensation we receive in connection with your account’s Money Market Fund holdings. The use of a more expensive share class of a Money Market Fund as a Cash Sweep Vehicle will reduce your overall investment returns. For amounts invested in an unaffiliated money market fund, the third-party money market fund pays RBC CM service fees in the form of a recordkeeping fee and a shareholder servicing fee. This provides us with an incentive to use third-party money market funds that pay us such fees instead of other funds that do not. These money market funds typically pay you a lower yield than money market funds that do not pay us these recordkeeping or shareholder servicing fees.

#### **SIPC protection**

Protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$250,000 may be cash. Monies held in RBC Insured Deposits are not covered by SIPC.

#### **FDIC insurance coverage**

We offer RBC Insured Deposits (the “Program”) to automatically deposit, or “sweep”, available cash balances in your securities account at RBC WM (“Account”) into deposit accounts (“Deposit Accounts”) at participating depository institutions (“Program Banks”), whose deposits are FDIC-insured. The Program Banks are set forth on a Priority List. One of the Program Banks on a Priority List may be City National Bank, an affiliate of RBC CM (the “RBC Affiliate Bank”).

FDIC insurance covers Deposit Account balances at a Program Bank up to \$250,000 per depositor in each recognized insurable capacity (e.g., individual, joint, IRA, etc.), subject to FDIC rules for aggregate deposits. RBC CM has established a limit on the amount of your available cash balances that will be deposited into the Deposit

Accounts at each Program Bank reflecting the FDIC limit (the “Deposit Threshold”). The total amount of FDIC insurance coverage available to you through the Program will be determined by the number of Program Banks on your Priority List and the amount of FDIC insurance coverage available to you at each Program Bank (“Total Program Coverage”). If your Deposit Account balances reach the Deposit Threshold for each Program Bank on your Priority List, additional available cash balances in your Account will be automatically invested in shares of a money market fund. A list of program banks is available at [www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks](http://www.rbcclearingandcustody.com/rbc-insured-deposits-program-banks). The RBC Insured Deposits Terms and Conditions are available at [www.rbcclearingandcustody.com/rbc-insured-deposits](http://www.rbcclearingandcustody.com/rbc-insured-deposits).

The Program is intended to provide you with Total Program Coverage of up to \$5,000,000 (\$10 million for accounts held jointly by two or more persons) per depositor, per insurable capacity depending on the number of Program Banks on your Priority List. **The amount of FDIC insurance coverage is not guaranteed and in some cases your Total Program Coverage may be less than \$5,000,000.** Your Total Program Coverage depends on the number of Program Banks available and the Program Banks’ capacity to accept Daily Program Deposits. **If there are not enough Program Banks that are willing and able to accept deposits up to the FDIC limits, your Total Program Coverage will be less than \$5,000,000 and there may be no FDIC coverage available if no Program Banks participate. Deposit balances in excess of the Deposit Limit will not be covered by FDIC insurance.**

Any deposits, including certificates of deposit, that you maintain in the same insurable capacity directly with a Program Bank or through an intermediary (such as RBC CM or another broker), regardless of the number of Accounts, will be aggregated with funds in your Deposit Accounts at the Program Banks for purposes of the FDIC insurance limit.

FDIC insurance protects your Deposit Account balances in the event of the failure of any Program Bank. **You are responsible for monitoring the total amount of deposits that you have with each Program Bank**, including an Excess Bank (described below), in order to determine the extent of FDIC insurance coverage available to you. Your Deposit Accounts will not be protected by SIPC.

### **Funds in excess of the Total Program Coverage**

For all Accounts, if your Deposit Account balances in the Program Banks reach your Total Program Coverage, funds in excess of the Total Program Coverage will be automatically deposited in a Designated Excess Investment. Your Designated Excess Investment will be

Deposit Accounts at one or more Excess Banks. One Excess Bank will be deemed the “Primary Excess Bank.” All Excess Funds will be placed at the Primary Excess Bank without limit and without regard to the Deposit Limit unless you designate the Primary Excess Bank as ineligible to receive your funds or the Primary Excess Bank is unavailable to receive your Excess Funds. In such cases, your Excess Funds will be placed at one or more other Excess Banks, which may be RBC Affiliate Banks. Your Priority List will designate the Primary Excess Bank. Currently, the Primary Excess Bank is City National Bank (“CNB”), an RBC Affiliate Bank.

***Before investing, you should consider carefully a fund’s investment objectives, risks, charges, and expenses. This and other information is in the prospectus, please read the prospectus carefully before investing.***

**Deposit balances in excess of the Deposit Limit will not be covered by FDIC insurance.**

### **Other considerations**

RBC CM offers a limited number of automated cash sweep options and eligibility restrictions may apply to certain Cash Sweep Options. You may receive higher rates by investing directly in money market funds or cash alternatives outside of the Cash Sweep Program, however, those investments must be directed by you, may be subject to transaction-based fees, and will not be made automatically. For more information about the cash sweep options available to you, please see the Client Account Agreement, information under “Cash Management” at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures), and the prospectuses of the U.S. government money market funds managed by Federated Investment Management Company and RBC Global Asset Management (U.S.) Inc.

### **Additional information**

Please see the Cash Management section on our public website at [www.rbcclearingandcustody.com/disclosures](http://www.rbcclearingandcustody.com/disclosures).