

# F.N.B. DAILY DISCLOSURE

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First National Trust Company and FNB Investment Advisors, Inc. (hereinafter "FNTC" and "FNBIA", respectively) offer a variety of money market options to their clients. These options are designed to meet the liquidity and short term variable rate investment needs of clients. While FNTC and FNBIA offer money market funds through many companies, FNTC has an exclusive relationship with its parent company, First National Bank of Pennsylvania (hereinafter "Bank"), in offering the First National Daily Master Retail and Institutional Funds (hereinafter "FNB Daily"), which respectively track retail and institutional money market mutual fund rates of return.

FNB Daily serves as the primary cash investment for earning income on cash balances in FNTC and FNBIA accounts, unless a client makes an alternative election. Account assets are invested in either the Retail or Institutional Fund according to the underlying account classification as required under applicable law.

FNB Daily affords our clients increased, flexible access to cash balances, both incoming and outgoing.

This disclosure statement is intended to summarize the key features of this program.

## **INTEREST AND COLLATERAL.**

The interest rate earned on FNB Daily is indexed based upon the United States Prime Rate ("Prime Rate"), and interest earned is considered as taxable income. While some money market funds may offer higher daily yields as compared to FNB Daily, FNTC and FNBIA proactively monitor the yield on FNB Daily for competitiveness.

To the extent the amount on deposit exceeds the FDIC insurance limit, the Bank will pledge collateral in accordance with state and federal law in order to secure the deposits for not less than 100% of the total amount on deposit. All collateral will be held in U.S. Government obligations and/or Mortgage-Backed Securities.

## **DEPOSITS AND WITHDRAWAL PROCEDURES.**

Cash balances in client accounts are automatically deposited on a daily basis by FNTC to FNB Daily, while the withdrawal of funds from FNB Daily will be made as deemed necessary by FNTC to satisfy debits created in a client account as a result of FNTC purchasing securities or honoring withdrawal requests.

## **SERVICE FEES.**

FNB Daily is offered to provide clients with automated cash management services. FNTC receives a benefit, paid by the Bank, for use of these funds. FNTC and the Bank benefit financially from cash balances held in FNB Daily. FNTC receives a fee, while the Bank benefits from having deposit funds. These benefits do not affect the interest earned by clients on FNB Daily.

## **CLIENT RESPONSIBILITY.**

If you have any questions, we encourage you to discuss the above with your account representative. You may elect, at any time, not to participate in utilizing FNB Daily as a Cash Sweep Option by informing FNTC or FNBIA of this election.