

DISCLOSURE STATEMENT FOR D.A. DAVIDSON & CO. CASH MANAGEMENT PROGRAMS

As an added feature of your D.A. Davidson & Co. brokerage account, we provide choices to you that permit the uninvested cash in your brokerage account to earn income while you decide how those funds should be invested or reinvested. This document tells you what those choices are and how you can benefit from them. It also contains eligibility requirements for each program and important disclosures about them. Terms that are defined in your account agreement have the same meanings when used here.

You should also consider higher-return alternatives for funds that are not needed immediately. Please visit with your Davidson Financial Consultant for investment alternatives.

Please read this document carefully and keep a copy for your records. You should also read the prospectuses for any money market funds that are available for automatic investment and redemption through your cash management program.

Contact Us

If you have any questions or need more information about the cash management programs described in this Disclosure Statement, please contact your Davidson Financial Consultant.

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PLEASE NOTE: THE AUTOMATIC INVESTMENT OF YOUR CASH IS GOVERNED BY THE TERMS AND CONDITIONS SET FORTH IN THE ACCOUNT AGREEMENT APPLICABLE TO YOUR ACCOUNT. THE MATERIAL IN THIS DOCUMENT IS INTENDED FOR INFORMATIONAL PURPOSES. IF THERE IS ANY CONFLICT BETWEEN THE DESCRIPTIONS IN THIS DOCUMENT AND THE TERMS OF YOUR ACCOUNT AGREEMENT, YOUR ACCOUNT AGREEMENT WILL CONTROL.

CASH MANAGEMENT PROGRAM DISCLOSURE

STATEMENT FOR INDIVIDUAL INVESTORS

1. Introduction

Davidson offers three cash management programs which allow you to earn income on the cash in your accounts:

1. The Bank Insured Deposit Program (BIDP) automatically makes deposits to and withdrawals from deposit accounts at one or more FDIC-insured banks affiliated with the BIDP.
2. The Cash Equivalent Shares (CES) money market portfolios automatically invest in and redeem money market funds.
3. The Free Credit Balance Program (FCBP) pays you interest on cash awaiting investment.

The Bank Insured Deposit Program (BIDP) is automatically included on most brokerage accounts and the Cash Equivalent Shares money market fund is automatically included on most individual and other qualified retirement accounts. If, due to your account type or personal preference, you are offered a choice of cash management programs, you must designate an eligible cash program for your account. If you do not, or if you designate an ineligible cash program, you will be enrolled in the BIDP.

If you have \$250,000 or more in household balances, you may be offered the opportunity to participate in the Free Credit Balance Program (FCBP) for your cash awaiting investment as an alternative cash management program. The yields in the FCBP are generally expected to be higher than those offered in either the BIDP or the Cash Equivalent Shares money funds.

2. Your Responsibility to Monitor

It is your responsibility to monitor your eligibility for the cash management programs and determine the best program available to you. D.A. Davidson is not responsible for contacting you if you are, or later become, eligible for other higher-yielding cash programs. Information about eligibility for particular cash programs is available at any time by contacting your Davidson Financial Consultant.

3. Rates of Return

Current rates for each cash management program can be obtained by calling your Davidson Financial Consultant.

Interest rates in the BIDP are established periodically by BIDP banks and Davidson based on prevailing market and business conditions. Cash Equivalent Shares (CES) Money Funds seek to achieve the highest rate of return (less fees and expenses) consistent with their investment objectives. Interest rates in the FCBP are established periodically by Davidson based on prevailing market and business conditions.

There is no guarantee that the rate of return on any particular cash management program will be, or will remain, higher than other cash programs over any period.

Unlike the yields of the CES Money Funds and the FCBP, BIDP yields vary according to your household balance — in general, clients with higher household balances may earn a higher rate than those with lower balances. Rates and corresponding household balances are available by calling your Davidson Financial Consultant or online at www.davidson.com/bidp.

These cash programs are not intended for long-term investments. You should consider higher-return alternatives for funds that are not needed immediately. Please visit with your Davidson Financial Consultant for investment alternatives.

4. Eligibility for Cash Management Programs

Eligibility for these cash programs is based on the registered ownership and type of your brokerage account. Some cash programs also require a minimum household balance as determined by the value of eligible assets in your brokerage account and the brokerage accounts of other members of your household. Your household balance includes cash balances and other deposits you may hold at Davidson, as well as securities and other assets in your Davidson brokerage account. Your household balance affects the interest rate you earn in the BIDP.

We may change eligibility requirements, make certain cash programs available to clients who do not otherwise meet the published criteria, or pay interest rates that are different from the standard rates under our published tiers in the Free Credit Balance Program or BIDP. We may also change, replace, or terminate any cash programs available to you as provided in your account agreement. We will notify you in advance if any change in eligibility affects your account.

Important disclosure information about each cash program is set forth in this document. Please contact your Financial Consultant for more information about the cash management programs available to you.

5. Cash Management Program Eligibility Chart

The following chart shows the cash programs for which your brokerage account may qualify. If you are not sure which type of account you have, please check with your Financial Consultant:

Cash Management Programs			
Account Type	BIDP	CES	FCBP
Individual Account	Available	Available	Available to households with cash balances greater than \$250,000
Business and Organization Accounts	Available	Available	Available to households with cash balances greater than \$250,000
Trust and Estate Accounts	Available	Available	Available to households with cash balances greater than \$250,000
Individual Retirement and Education Savings Accounts	Available with some restrictions	Available with some restrictions	Not available
Other Retirement Accounts	Available with some restrictions	Available with some restrictions	Not available

6. Changing Your Cash Management Program

You may change your cash program at any time to any other cash program that you are eligible for by contacting your Financial Consultant. If you change from a cash program, and you no longer qualify for that particular program, you may not change back to it until you once again meet its eligibility requirements.

If you request a change from one cash program to another of the alternatives available to you, Davidson will generally effect that change the following business day, but reserves the right to take longer if necessary to properly process your request.

As a condition to changing cash programs, you must transfer all funds from your prior cash program to your newly elected program. In other words, you must, as applicable, redeem all shares in the CES money market fund or withdraw all funds in the BIDP.

Changing cash programs may result in the loss of one or more business days' interest or dividends while your transaction is being processed. During this time, we will earn and retain interest on your funds, generally at money market rates.

7. Losing Eligibility for a Cash Management Program

If you become ineligible for your chosen cash program — either because you no longer meet the requirements or because we change the requirements — we may change your cash program and transition you to a program for which you do qualify. If that becomes necessary, we will give you advance written notice.

There are two methods by which you authorize Davidson to change your ineligible cash program to an eligible program. You agree that Davidson may use either method upon advance written notice to you.

Under the first method, on the date set forth in the written notice, Davidson will invest your cash balances according to the terms of your new cash program. In addition, all debits incurred in your brokerage account, including securities purchases, charges, transactions, and withdrawals will be satisfied by first withdrawing funds or redeeming shares from your no-longer-eligible cash program until the balances in such program are depleted. After the balances in your ineligible cash program are depleted, debits will be satisfied from the funds in your new cash program.

Under the second method, Davidson may, with your consent, withdraw cash or redeem CES money market fund securities maintained in the ineligible cash program and invest or deposit the proceeds in the replacement cash program. Your consent may be obtained in advance in writing when you enroll for a service or product. For example, if your participation in a particular service — including a fee-based service or one of Davidson's investment advisory services — ends, or if you change the registration of your brokerage account, Davidson may act upon any advance consents you provided in writing that permit the withdrawal of cash or redemption of securities maintained in one cash program and invest or deposit the proceeds in a replacement program. Davidson may also obtain your consent by notifying you in advance in writing of any proposed changes to your cash management program. You agree to respond with your denial within 30 days after receiving our notice or Davidson may treat your non-response as your approval. This authorization will remain effective until you give notice to us to the contrary. Such notice will not affect any obligations resulting from transactions initiated prior to our receipt of the notice.

8. The Bank Insured Deposit Program (BIDP)

If you are eligible, we will act as your agent to place and withdraw your cash in one or more FDIC-insured depository institutions (each a "BIDP Bank"). The number of and specific BIDP Banks participating in the BIDP may vary from time to time. A current list of BIDP Banks may be obtained on Davidson's web site at www.davidson.com/BIDP or by contacting your Financial Consultant.

Each cash sweep from your brokerage account is a deposit in a BIDP Bank and that deposit is solely the obligation of the BIDP Bank. We act only as agent and custodian for you, the depositor. In the event any BIDP Banks participating in the BIDP reject any additional deposits, withdraw entirely, or are terminated from the BIDP by us, then we, as your agent, are authorized by you to move your deposit to another FDIC-insured depository institution. In the event we are unable to make such alternate arrangements, you authorize us to transfer your balance to an alternate sweep vehicle, and we will notify you in writing of such action.

The FDIC insurance limits apply to the combined total of all your deposits at a specific bank, including those outside your Davidson brokerage account. You are responsible for monitoring the total amount of deposits in a BIDP Bank in order for you to determine the extent of insurance coverage available to you on your deposits, including any certificates of deposits (CDs). You should contact your Financial Consultant if you would like to request that funds not be deposited at a certain BIDP Bank due to balances you hold with them outside of the BIDP or for any other reason.

For purposes of determining applicable FDIC insurance coverage limits, generally, all of a person's accounts are counted together if they are of the same account type. For example, all IRAs for an individual are counted together toward the retirement account FDIC insurance limits, and all of a person's individual accounts (including, for example, accounts held as a sole proprietorship) are counted together toward the non-retirement account FDIC insurance limits. But accounts of different types (such as an IRA, joint account, corporate account, or individual account) are not aggregated with each other for purposes of these limits.

Your funds become eligible for FDIC insurance immediately upon placement in a BIDP Bank deposit account by us as agent for you under the BIDP. While in transit from us to the BIDP Banks and from the BIDP Banks to us, the funds pass through an intermediary bank, which is currently Deutsche Bank Trust Company Americas ("Intermediary Bank" or "DBTCA"), an unaffiliated depository institution that we have contracted with to assist in the administration of the BIDP. While at the Intermediary Bank, such funds are also eligible for FDIC insurance, to a maximum amount of \$250,000 per account type, when aggregated with any other deposits held by you in the same capacity at the Intermediary Bank. We will notify you in writing of any change in our Intermediary Bank.

It is possible that your funds in transit at the Intermediary Bank will exceed the maximum amount of FDIC coverage available through the Intermediary Bank as an individual bank; therefore, the amount that exceeds that amount may not be covered by FDIC insurance until such funds are received by BIDP Banks. In general, funds will be moved from the Intermediary Bank to a BIDP Bank within one business day.

Davidson will not be obligated to you for amounts not covered by deposit insurance nor will Davidson be obligated to make any payments to you in satisfaction of a loss you might incur as a result of a delay in insurance payouts applicable to your deposit account. Davidson will not be obligated to credit your Davidson account with funds in advance of their payment to Davidson by the FDIC.

You may also obtain additional information about FDIC insurance coverage by contacting the FDIC, Office of Compliance and Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by phone (877-275-3342 or 800-925-4618 (TDD)) or by e-mail.

The deposit insurance limit for all insurable capacities (e.g., individual, joint, etc.) is currently \$250,000 per bank. Because multiple banks participate in the BIDP, and cash deposits may be distributed among one or more banks, the applicable deposit insurance coverage for cash deposits in the BIDP is higher than it would be in any single bank. This amount is subject to change depending on the number of banks in the program, changes to FDIC maximums, and other circumstances. Please read important information about the deposit insurance coverage for different types of accounts and how FDIC aggregates balances in multiple accounts when calculating the amount of your coverage by referring to the more detailed description of BIDP which may be found at www.davidson.com/BIDP. For additional important information concerning FDIC insurance coverage, please go to www.fdic.gov.

In the event that your cash balances available for deposit in the BIDP exceed FDIC maximums or amounts

otherwise eligible for deposit in the BIDP, excess cash will be directed to a Cash Equivalent Plus Shares Government & Agency money market fund or, if you are eligible and at your request, to the Free Credit Balance Program for cash awaiting reinvestment. SIPC® has taken the position that assets held in a BIDP Account are not covered by SIPC®.

Interest rate tiers for the BIDP for Individual Investors are:

- Balances less than \$10,000
- Balances from \$10,000.00 to \$50,000
- Balances from \$50,000.00 to \$100,000
- Balances from \$100,000.00 to \$600,000
- Balances from \$600,000.00 to \$1,500,000
- Balances of \$1,500,000.00 +

These tiers may change from time to time. You may contact your Davidson Financial Consultant to get the current interest rate for each tier or check online at www.dadavidson.com/bidp. Interest accrues on your funds from the day they are deposited until (but not including) the day they are withdrawn. Interest is compounded daily and credited on the 15th of each month (or the following business day if the 15th is not a business day). The interest rates paid on deposits in the BIDP may be higher or lower than the interest rates available to depositors making deposits directly with another bank or other depository institutions in comparable accounts. You should compare the terms, interest rates, required minimum amounts, and other features of the BIDP account with those of other accounts and alternative investments.

Each BIDP Bank will earn net income from the difference between the interest they pay on deposits and the interest they earn on loans, investments, and other assets. Davidson will earn a fee based on the amount of deposits held pursuant to the BIDP. It is anticipated that this amount will generally be equal to or greater than what Davidson currently receives from fees generated by amounts invested in the Cash Equivalent and Cash Equivalent Plus Shares money market funds. While Davidson is not currently affiliated with any of the BIDP Banks other than through the BIDP, if Davidson were in the future to own or be affiliated with a bank and that bank was a BIDP Bank, such bank would receive net income as described above. From time to time, D.A. Davidson may have relationships with the program bank that are separate and apart from the BIDP.

For information about the BIDP, please visit <http://www.davidsoncompanies.com/BIDP>.

9. The Cash Equivalent & Cash Equivalent Plus Shares (CES) Money Market Funds.

Davidson offers several money market funds (“money funds”) whose shares are automatically bought and redeemed through your account. If you elect a money fund, you must designate one money fund as your primary fund. You can find out which money funds are available by checking your account application or by contacting your Davidson Financial Consultant.

You may also contact us for a free prospectus on any money fund for which you qualify. You should review the prospectus carefully before investing or sending money. Although money funds generally seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in them. Money funds are not FDIC-insured and are not obligations of any bank.

An investment in a money fund is protected by the Securities Investor Protection Corporation (SIPC®). Davidson is a member of SIPC®.

SIPC® provides member institutions up to \$500,000 (including \$250,000 for claims of cash) of coverage per brokerage client in each recognized capacity when aggregated with other securities and cash held by the same brokerage client in the same capacity at the same member institution. Money funds custodied at Davidson are considered securities for SIPC® purposes. SIPC® provides protection to clients of securities brokerage firms in the event such brokerage firms become insolvent. SIPC® does not insure against the failure of the issuer of a security. In other

words, it would not protect you against losses in a money fund or the insolvency of a money fund. Although money funds seek to preserve the value of your investment at \$1 per share, it's possible to lose money by investing in a money fund.

In addition to SIPC® coverage, Davidson has secured additional protection that exceeds SIPC® limits through an agreement with Lloyd's of London. The additional protection is necessary and available only in the unlikely event that assets are not fully recovered when SIPC® protection limits have been reached. The combined total of SIPC® basic account protection and Davidson's Excess Coverage is limited to an overall aggregate of \$150 million, no more than \$900,000 of which may be in cash. The total amount of cash coverage between SIPC and Excess SIPC, therefore, is \$1.15 million per customer. Like SIPC coverage, Excess SIPC does not cover losses resulting from a decline in security values.

10. The Free Credit Balance Program (FCBP)

If you are eligible for and elect the Free Credit Balance Program, we will pay you interest on the cash awaiting reinvestment in your account.

Interest rates are set at our discretion and may change daily. Interest will be compounded and credited to your account in accordance with your account agreement. We post interest to your account on the last business day of each month. If the only balance in your account is accrued but un-posted interest, the interest will not be compounded. Your account agreement governs the method of calculating and paying interest.

To participate in the FCBP, you must maintain the free credit balance in your account for the purpose of investing in securities. The FCBP is not a bank account and deposits are not insured by the FDIC. Monies in the FCBP are covered by SIPC and Excess SIPC. Please see the preceding discussion regarding SIPC and Excess SIPC included in the section "The Cash Equivalent & Cash Equivalent Plus Shares (CES) Money Market Funds" above.

For as long as you participate in the FCBP you will receive notice from us annually reminding you that balances in the program are for investment purposes only. If we determine that your use of the account is inconsistent with investment purposes, then upon written notice we may stop providing the Free Credit Balance services described in your account agreement, change your cash program to a different cash program, or take other action that we consider appropriate. You should read your account agreement for more information about the limitations of this cash program.

Davidson intends to use the cash balances in the FCBP to fund current and new lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or "spread", between the interest Davidson pays on FCBP balances and other costs of maintaining the accounts, and the interest rate and other income earned by Davidson on the loans and investments made with the funds in the FCBP. The income that Davidson will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by Davidson from managing and distributing funds in the BIDP and CES money fund programs. Such deposits are anticipated to provide a stable source of funds for some of Davidson's lending and investment activities. The FCBP cash balances may also be used to provide funds to develop products and services for Davidson companies to the extent permitted by applicable law.

	BIDP	CES and CES Plus Portfolios	FCBP
Affiliations with Davidson	None of the BIDP Banks are owned by Davidson or its affiliated companies	Deutsche Investment Management Americas Inc. ("DIMA" or the "Advisor"), is the investment advisor for each CES portfolio	We pay interest on free credit balances awaiting investment.
Expected Rates of Return	Interest rates are set at the discretion of Davidson. We pay interest on BIDP deposits based on the interest rate tier determined by a client's Household Balance. There is no guarantee or assurance that interest rates will be comparable to the yields available through any other cash account. Please contact your Financial Consultant for current rates.	Sweep funds seek to achieve the highest rate of return (less fees and expenses) consistent with their investment objectives. Please visit www.Davidson.com/ or contact us for the current seven-day yields.	Interest rates are set at the discretion of Davidson. Generally, interest rates under the FCBP are expected to be higher than the highest rate then offered in the BIDP. There is, however, no guarantee or assurance that interest rates will be comparable to the yields available through any other cash account. Please contact your Financial Consultant for current rates.
Differences in Risk	The BIDP Accounts are insured by FDIC up to the maximum applicable deposit insurance amount (including principal and accrued interest) when aggregated with all other deposits held by you in the same capacity at the same institution. Your funds become eligible for this insurance immediately upon deposit. Any deposits (including certificates of deposit) that you maintain with the same institution and in the same capacity, either directly or through an intermediary such as Davidson or another broker, will be aggregated with your BIDP Accounts at your sweep bank for purposes of the maximum applicable deposit insurance amount limit.	Although sweep funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the funds. An investment in a sweep fund is not insured or guaranteed by FDIC. However, it is covered by the Securities Investor Protection Corporation (SIPC®). Davidson is a member of SIPC®, which protects its members' securities customers up to \$500,000 (including \$250,000 for claims of cash). Sweep funds are not considered cash, but are treated as securities for SIPC® coverage. An explanatory brochure is available on request or at www.sipc.org . SIPC® coverage is not the same as FDIC insurance protection and does not insure against a decrease in value of a particular investment. In addition, Davidson has purchased Excess SIPC insurance. Please see the discussion concerning Excess SIPC coverage under "The Cash Equivalent & Cash Equivalent Plus Shares (CES) Money Market Funds."	Free Credit Balances held at Davidson are not insured or guaranteed by FDIC, but are covered by the Securities Investor Protection Corporation (SIPC®). Davidson is a member of SIPC®, which protects its members' securities customers up to \$500,000 (including \$250,000 for claims of cash). An explanatory brochure is available on request or at www.sipc.org . SIPC® coverage is not the same as FDIC insurance protection. It does not insure against a decrease in value of a particular investment. In addition, Davidson has purchased Excess SIPC insurance. Please see the discussion concerning Excess SIPC coverage under "The Cash Equivalent & Cash Equivalent Plus Shares (CES) Money Market Funds."
Differences in Benefits to Davidson	Davidson is able to offer different rates based on a client's household assets and, accordingly, may earn additional income from client cash deposits.	The money market funds pay certain fees to Davidson and pay various other expenses. Investors should carefully consider information contained in the prospectus, including investment objectives, risks and fees. Request a prospectus by calling your Financial Consultant. Read the prospectus carefully before investing. We will use free credit balances to fund margin and other lending activities and investments.	The income that we may earn through our lending and investing activities is expected to be greater than the fees earned by Davidson from the other cash management products offered by or through Davidson.
Differences in Conflicts of Interest	In setting interest rates, Davidson may seek to pay as low a rate as possible, consistent with Davidson's view of competitive necessities.	CES money market funds seek to achieve the highest rate of return (less fees and expenses) consistent with their investment objectives.	In setting interest rates, Davidson may seek to pay as low a rate as possible, consistent with Davidson's view of competitive necessities.