

FDIC INSURED DEPOSIT SWEEP PROGRAM

Introduction

INTL FCStone Financial Inc.'s FDIC Insured Deposit Sweep Program provides you the ability to automatically "sweep" uninvested cash balances in your account into Federal Deposit Insurance Corporation (FDIC) insured bank deposit accounts at multiple FDIC-insured banks (Participating Banks).

Participating in the FDIC Insured Deposit Sweep Program provides you the opportunity to earn interest on your funds while they are awaiting investment, or as needed to satisfy obligations arising in connection with your account. FDIC Insured Deposits are intended only as a short-term use of cash and should not be viewed as a long-term investment strategy.

If you are purchasing an investment, the automatic sweep feature allows the exact amount of the transaction to be swept from your account to fund such purchase on settlement date. If you are selling an investment, the proceeds are automatically swept from your account by the day following settlement. If you make a deposit to your account (by check, ACH, wire, etc.), it may take up to two business days before your deposit sweeps into an FDIC insured deposits, and such deposits will constitute Free Credit Balances until they are swept.

Upon opening your account, you will have the opportunity to enroll in the FDIC Insured Deposit Sweep Program. Alternatively, you may elect to receive distributions of available cash or to direct that we leave cash uninvested in your account as a free credit balance awaiting investment (Free Credit Balance). IFCF may use and earn income on Free Credit Balances, as permitted by law, and may or may not pay interest on such balances. We may, upon prior notice to you, modify the terms and conditions of our FDIC Insured Deposit Sweep Program. If you do not object to any such notice within 30 days, you agree we may treat your non-response as your approval.

FDIC Insured Deposit Accounts

When you enroll your account in the FDIC Insured Deposit Sweep Program, your available cash balances will be automatically swept from your brokerage account into one or more FDIC interested-bearing accounts ("IDP Accounts") at Participating Banks. The Program has a network of FDIC-insured Participating Banks to which funds can be spread to offer you access to increased FDIC coverage. Participating Banks may be added to or removed from the Program without prior notice to you. A list of current Participating Banks is available at www.intlfcstone.com/Disclosures.

IFCF acts as exclusive custodian and agent with respect to all transactions relating to the IDP Accounts and has established a separate account for the benefit of customers at each Participating Bank and evidenced by a book entry on the account records on each such Participating Bank. Each such deposit account maintained at the Participating Banks is insured by the FDIC within certain applicable limits, as described below. IFCF maintains records of your interest in each deposit account at each Participating Bank. No evidence of ownership, such as passbook or certificate, will be issued to you, thus all transactions in the IDP Accounts must be made through us.

All questions regarding IDP Accounts should be directed to your financial advisor and not the Participating Banks. The Participating Banks will not accept any instructions concerning your deposits in a Participating Bank through the FDIC Insured Deposit Sweep Program unless such instructions are sent by us. Funds swept into IDP Accounts will begin earning interest from the day they are received by the Participating Bank up to, but not including, the date of withdrawal. Interest will accrue daily and be credited to your account monthly and appear on your periodic brokerage account statement. The daily rate of interest described below is 1/365 of the applicable interest rate. You will receive a Form 1099-INT from IFCF indicating the amount of interest income.

The rate at which you will earn interest on your deposits will be established periodically by us and will vary based upon a number of factors, including the aggregate amount of deposits by all participants in the IDP accounts, the interest rates paid by the Participating Banks, the fees paid to our intermediary bank, Cadence Bank (our "Intermediary Bank") (up to 100 basis points (1.00%)), the interest retained by us (up to 450 basis points (4.50%)), and prevailing market and other business conditions. Generally, the interest rate you receive will not vary depending on the particular Participating Bank in which your funds are deposited, however rates of return can vary over time. You can obtain current interest rate information by contacting your financial advisor.

The rate you receive is subject to reduction to the extent a Participating Bank's premium costs to FDIC are increased. The rates paid with respect to the IDP Accounts may be higher or lower than rates of return available for money market mutual funds, or as a depositor directly with a bank, including any of the Participating Banks.

Cash swept into an IDP Account at a Participating Bank is federally insured up to applicable FDIC limits in the event of a bank failure. Although the Program's network of FDIC-insured Participating Banks provides you access to increased FDIC coverage, FDIC coverage limits are \$250,000 for all deposits (checking, money market, savings, CDs, etc.) per depositor, per insured bank, for each account ownership category. Therefore, if you had a checking account at one of the Participating Banks and the cash in your brokerage account was swept to that same Participating Bank, the total insured amount would be \$250,000 for all moneys held at that Participating Bank. See <http://www.fdic.gov> for additional account category and coverage information.

FDIC insurance begins once funds are swept into the IDP Account at the Participating Bank. While in transit from us to the Participating Banks and from the Participating Banks to us, the funds pass through our Intermediary Bank. While at our Intermediary Bank such funds are also eligible for FDIC Insurance to the FDIC maximum per account type when aggregated with any other deposits held by you in the same capacity at our

Intermediary Bank. It is possible that your funds in transit at our Intermediary Bank will exceed the maximum amount of FDIC coverage available through our Intermediary Bank as an individual bank; therefore, the amount that exceeds that amount may not be covered by FDIC insurance until such funds are remitted to Participating Banks.

It may take up to two business days for funds deposited in your brokerage account to sweep to our Intermediary Bank for allocation to Participating Banks. Until the sweep occurs, the funds will remain uninvested Free Credit Balances in your account. Because IFCF is a member of the Securities Investor Protection Corporation ("SIPC"), our customers are protected up to applicable SIPC limits if IFCF were to go out of business and there were customer securities or funds unaccounted for. Current SIPC limits are \$500,000 for securities and cash per customer, of which up to \$250,000 may be in cash (i.e., Free Credit Balances). IFCF carries excess SIPC coverage through Lloyd's of London that, if applicable, is designed to pick-up where SIPC protection ends by covering customers for up to an additional \$24.5 million per customer, which covers up to an additional \$900,000 in Free Credit Balances per customer. This policy has an aggregate policy limit of \$100 million in total protection. Neither SIPC protection nor excess SIPC coverage provides protection against market losses. Once funds are swept into an IDP Account they are held at an FDIC member bank and, accordingly, they are protected by FDIC insurance. They are not covered by SIPC or by Lloyds. For additional information about SIPC coverage, an explanatory brochure is available at www.sipc.org or call SIPC at 202.371.8300.

Your uninvested cash will be swept into one or more Participating Banks in accordance with a nondiscretionary mathematical formula (algorithm). Generally, no more than \$250,000 (\$500,000 for joint accounts) will be swept into any one Participating Bank. It is, however, possible that your Cash Sweep deposit combined with other deposits you make at a Participating Bank (directly or through an intermediary) could exceed the maximum amount of FDIC insurance available at an individual Participating Bank. We will inform you on each periodic statement of which Participating Bank(s) maintain deposits with respect to your account, all deposit and withdrawal activity, opening and closing balances, interest earned, and the detail of balances held at each Participating Bank. You are responsible for monitoring the total amount and insurable capacity of deposits you have at each Participating Bank (both as a part of and outside of the FDIC Insured Deposit Sweep Program). You may instruct us not to deposit your funds in a particular Participating Bank. Any such instruction will result in any current deposit in that Participating Bank being withdrawn and deposited in another Participating Bank, and no new deposits will be made in the Participating Bank in which you instructed us not to sweep your funds. If the amount of your deposits exceeds the capacity of Participating Banks to provide deposit insurance, such excess deposits will be swept to and held in deposits at our Intermediary Bank, even if they exceed FDIC insurance coverage available for deposits at our Intermediary Bank.

In the event that any Participating Bank rejects any additional deposits, withdraws entirely or is terminated from the FDIC Insured Deposit Sweep Program, such balances will be reallocated to another Participating Bank to the extent possible. You also may, outside of the FDIC Insured Deposit Sweep Program, establish a direct depository relationship with the Participating Bank, subject to the Participating Bank's rules with respect to maintaining accounts. If you establish such direct relationship, these applicable deposits will no longer be part of your brokerage account.

In the event that federal deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period in which the FDIC must make insurance payments available, and IFCF is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and to us before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

Adding or Withdrawing Funds from the Sweep Program

Adding Funds

There is no minimum initial deposit in Participating Banks. All cash becoming available in your account will be swept into one or more IDP Accounts.

Withdrawing Funds

You may access your funds in the FDIC Insured Deposit Sweep Program only through your brokerage account. You cannot access or withdraw cash held in the Program directly from a Participating Bank.

When funds are needed to cover transactions or satisfy a debit in your brokerage account, we will use the following sources in the order listed: (i) available Free Credit Balances, including money added to your brokerage account not yet swept into IDP Accounts, (ii) balances available in IDP Accounts, and (iii) if you have a margin account, any margin credit available. For more information about margin accounts, see our Margin Disclosure Statement at www.intlfcstone.com/Disclosures.

Withdrawals from the FDIC Insured Deposit Sweep Program will normally be made on the business day following transactions in your brokerage account; however, your brokerage account is credited on the day of any debit. This process might result in you having an obligation to make us whole for the sum of the debits in your brokerage account if there is a problem withdrawing funds from an IDP Account or if you otherwise fail to sufficiently fund your brokerage account for the full amount of your daily debits.

Balances in the FDIC Insured Deposit Sweep Program can be liquidated on your order and the proceeds returned to your brokerage account or to you. However, Federal banking regulations require each Participating Bank in the Program to reserve the right to require seven (7) calendar days prior notice before permitting a withdrawal of any deposit.

Fees

No direct fees will be assessed to your account for enrolling taking advantage of our FDIC Insured Deposit Sweep Program. Instead, we receive compensation from the Participating Banks, and/or their respective affiliates, as described in more detail above.

Free Credit Balances

If you determine not to sweep your uninvested cash into the FDIC Insured Deposit Sweep Program, you may elect to receive distributions of available cash (certain charges may apply -- refer to your broker-dealer's schedule of fees) or, if eligible, to leave available cash balances uninvested in your account in the form of a Free Credit Balance. Free Credit Balances generally include the cash in your account held for investment minus certain items such as purchase transactions due to settle within a specified time period, other charges to your account, and credit balances that are designated as collateral for your obligations. Free Credit Balances are payable to you upon demand. We may use your Free Credit Balances to fund certain of our business operations, as permitted by law, and may earn income through such use.

We are required by rules of the Securities and Exchange Commission to perform a weekly computation to determine whether we have a net payable to, or receivable from our customers. In the event the computation indicates a net payable, we must place required funds or qualified securities (treasury securities) on deposit in a special reserve bank account for the exclusive benefit of our customers. We keep standard control letters current with each bank where a special reserve bank account is held. The control letters provide that the funds on deposit are for the exclusive benefit of our customers and will at no time secure, directly or indirectly, any loan made to us. The control letters also provide that assets in the special reserve bank account will not be subject to any right, charge, security interest, lien or claim of any kind in favor of the bank or any person claiming through the bank.

Free Credit Balances are generally guaranteed as to principal and interest by SIPC for up to \$250,000 per account. For more information on SIPC coverage of Free Credit Balances in your account see www.sipc.com. We carry excess SIPC coverage through Lloyd's of London that, if applicable, is designed to pick-up where SIPC protection ends by covering customers for up to an additional \$24.5 million per customer, which covers up to an additional \$900,000 in Free Credit Balances per customer. This policy has an aggregate policy limit of \$100 million in total protection.