

SIPC (Securities Investor Protection Corporation)

How are my assets protected as an Invicta client?

Invicta, (Invicta) is a member of the Securities Investor Protection Corporation (SIPC). SIPC coverage protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request or at www.sipc.org, or investors may contact SIPC at (202) 371-8300.

Which securities are protected?

All assets, such as notes, stocks, bonds, certificates of deposit, mutual funds, money market funds, warrants, rights, and debentures, are protected under the coverage. Money market funds are in fact securities, not cash as commonly misunderstood due to their liquidity, and are covered.

Who is SIPC and where do the funds come from to protect accounts?

SIPC was created in 1970 by an act of Congress and is an institution that was founded in the best interest of investors. SIPC is a nonprofit, membership corporation, funded by its member securities broker-dealers. SIPC funds protect clients of its members against insolvency or liquidation, similar to how the FDIC protects bank deposits.

The money required to protect clients is advanced by SIPC from a fund maintained for that purpose. SIPC has a substantial fund from member contributions and interest earned from U.S. government securities. If necessary, it can also draw from a line of credit with a bank consortium or borrow up to another \$1 billion from the U.S. Treasury.

If I were to file a claim, how would it be addressed?

In the event SIPC had to satisfy a claim, it would work to recover as much cash and securities as possible from your broker-dealer. Next, SIPC would use its funds to pay claims up to \$500,000 in assets with a maximum of \$250,000 in cash.

What is the history of SIPC in regard to the payment of claims?

SIPC membership is widely recognized throughout the financial industry. Even though SIPC has many members, the protection afforded by membership has been used infrequently. SIPC's history does much to instill confidence in its ability to satisfy claims.

Your Financial Advisor will be happy to answer any additional questions regarding the protection of your investments or any other issues of concern to you.