

BRIDGE ACCOUNT DISCLOSURE

General Information

- The purpose of the **Bridge Account** is to encourage members to broaden their financial awareness while saving in an insured account without the risk of loss associated with the stock market. After the account has reached the maximum balance, the member can either move the funds to a brokerage account or maintain the account as a step toward financial freedom or independence.
- Account ownership can be individual, joint, POD, UTTMA or RLT. You may only be primary on **one Bridge Account**. The **Bridge Account** does not serve as the membership account.
- Account is insured by NCUA.
- No monthly service charge. No penalties, fees or restrictions for withdrawing or closing account.
- Account will be included in member's monthly statement.
- The rate of return is tied to the quarterly change in the Standard & Poor's (S&P) 500® Index. If the S&P 500® Index has a negative change for the quarter, no dividends will be paid.
- Dividends will be paid quarterly. The maximum quarterly return to be paid is 3% (12.00%APR; 12.55%APY with quarterly compounding).
- Unlimited number of deposits allowed. Members are encouraged to establish recurring Payroll Deductions through their employer or Funds Transfer at the credit union.
- Minimum opening deposit is \$25 with a maximum balance of \$3,000.
- Members will be notified when the account balance has reached the \$3,000 limit and any amount exceeding the maximum balance of \$3,000 will be transferred to the member's pre-designated deposit account.
- SECU reserves the right to change the terms of this account at any time.

S&P 500® Index

“Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy” (Source: Standard and Poor's).

- The dividend rate will be calculated quarterly on the first business day of the each quarter based on the previous quarter's percentage change in the total market value of the stocks that make up the S&P 500® index (does not include reinvestment of dividends).
- Dividends accrue in arrears as simple daily interest, paid quarterly on the first business day of each quarter based upon the daily balance in the account each day of the previous quarter.
- The quarter-to-date (QTD) return for the S&P 500® Index is updated daily on Standard and Poor's website:
 - Go to www.standardandpoors.com and click on “United States”
 - Under “Indices,” click on S&P 500
 - Under S&P 500, click on “Learn More”
 - Click on “Data” tab and look under QTD for the quarter-to-date change as of the previous business day
- You can also track how the index is performing in most newspapers and in the finance section of many online sites.

Example

Below find a hypothetical example of the earnings had the Bridge Account been available in 2000 and subsequent years. The assumptions are an initial investment amount of \$1,000 and applying a 3% quarterly cap to the S&P 500® return (maximum 12.00%APR/12.55%APY):

<i>Year</i>	<i>APR/APY</i>	<i>Year</i>	<i>APR/APY</i>
2000	1.99%/2.00%	2004	5.56%/5.68%
2001	5.96%/6.09%	2005	5.48%/5.59%
2002	2.97%/3.00%	2006	8.96%/9.27%
2003	8.17%/8.42%		

*The historical data should not be taken as an indication of future performance.

Fees, other conditions or early withdrawal penalties may reduce the earnings on an account. Ask any employee for further information about the fees and terms applicable to these accounts.