

# APPENDIX

June 2023



## Working in your best interest

### Regulation Best Interest and your brokerage relationship with Ameriprise Financial

Ameriprise Financial has helped millions of people achieve their goals – including working together toward a more confident retirement. For more than 125 years, our greatest focus has been providing financial solutions for a lifetime, delivering the clear information you expect to receive about your finances and the relationship with a firm and financial advisor who make recommendations in your best interest. This document provides important information regarding your brokerage account and commission-based securities products.

We are proud to adhere to the consumer protection principles of putting our clients' interests first and transparency. That is why we are committed to the Securities and Exchange Commission's ("SEC") Regulation Best Interest that requires us to act in your best interests when making securities recommendations and to address any potential conflicts of interest we may have with respect to those recommendations.

#### **PART I**

##### **Our Brokerage Relationship With You.**

Ameriprise Financial Services, LLC ("Ameriprise Financial Services", "Ameriprise", or "we") is registered with the SEC as both an investment adviser and a broker-dealer. This means that we offer both brokerage and advisory products and services. This document focuses on the products and services Ameriprise Financial Services offers to retail clients through Ameriprise financial advisors in its capacity as a broker-dealer. We provide information to help you evaluate the benefits, risks, and costs of the investments and services we offer as part of a brokerage relationship and our approach to working together. We also provide information about the material conflicts of interest associated with recommendations we or our financial advisors make to our retail brokerage clients. We are required to eliminate or mitigate and disclose any such conflicts.

A brokerage relationship typically refers to a commission-based brokerage account and the investment products available within that account. However, you may also purchase commission-based products through an Ameriprise financial advisor that are not held in a brokerage account, such as Ameriprise certificates, variable insurance, and variable annuity products. In certain instances, you may hold investment products directly with the product sponsor, known as "direct at fund" or "direct at issuer positions." We refer to all of these products and services collectively as a brokerage relationship throughout this document.

##### **Best Interest Standard of Care.**

Our commitment to act in your best interest and not place our interests ahead of yours includes the following types of brokerage relationship recommendations:

- Individual securities transactions or a series of transactions;
- Investment strategies involving securities including account type (managed or brokerage account);
- IRA rollovers; and
- Taking a retirement plan distribution for the purpose of opening a securities account.

When making any of these types of recommendations, your financial advisor must act in your best interest at the time the recommendation is made, taking into consideration your investment profile and other relevant factors, as well as the potential risks, rewards, and costs of reasonably available alternatives we offer.

##### **Overview of Products and Services We Offer.**

As you pursue your financial goals, it is important to understand the features, as well as the fees, costs, risks, benefits and other factors associated with the commission-based securities products and services you may purchase. While not all of the information included here will apply to your specific situation today, we encourage you to refer to this document (or any updated version that has been provided or made available to you) whenever you purchase new products or services through a brokerage relationship, so that you have the information you need to make an informed decision. You may access the most current version of this document at [ameriprise.com/bestinterest](http://ameriprise.com/bestinterest).

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Before opening a brokerage account or purchasing commission-based securities products, it is important that you understand and consider all fees, expenses, and other charges. Specific information concerning the account and transaction fees, and other charges of the account types we offer, is available in: (i) the Ameriprise Brokerage Client Agreement; (ii) the Other Important Brokerage Disclosures document which covers key disclosures; and (iii) the Ameriprise Financial Schedule of Account and Service Fees, all of which are available at [ameriprise.com/disclosures](http://ameriprise.com/disclosures).

Your financial advisor may voluntarily review your brokerage account to determine whether to make a recommendation to you; however, your brokerage relationship does not include account or investment monitoring.

For each investment strategy or investment product you choose for your account, please also be sure to review all pertinent sales literature, prospectuses, account agreements, policies, contracts, and other offering documents (collectively, "Offering Materials"), all of which are available from your financial advisor, before making an investment decision. Consider carefully all risks and other factors explained in the Offering Materials and remember - while investing for the future is the goal, investing has some degree of risk, and it is possible to lose money on any investment.

Investment products typically also include underlying fees ("Investment Costs"). These may include sales charges, investment management fees, servicing or distribution fees, and other fees that are charged by the investment product's sponsor or investment manager. These costs are in addition to the transaction-based fees that you pay directly from your brokerage account. They are paid indirectly by you through the assets of the investment product, for example as a shareholder in a mutual fund. Investment Costs reduce the value of your investment in the product and reduce the investment performance of your account.

In the remaining paragraphs of this section we provide an overview of the types of products and services our financial advisors may recommend to you, along with the types and general ranges of the fees and costs associated with each. **These fees and costs may increase or change over time and are provided as of the date of this document.** The specific types of Investment Costs associated with an investment product are disclosed in the applicable Offering Materials for each product. Please review all applicable information carefully before you make an investment decision and contact your financial advisor if you have questions about the types of fees and costs that are associated with your account and the specific investment products you hold.

#### *Fees, Costs, and Considerations Relating to Your Brokerage Relationship and Money Settlement Option.*

Ameriprise brokerage accounts feature a commission-based fee structure where you typically pay point-in-time transaction-based fees such as commissions, sales credits, sales charges, and order handling fees when you purchase or sell an investment product in your account. The total cost to you in a brokerage account will include: (i) all transaction-based fees; (ii) Investment Costs; and (iii) recurring account maintenance fees such as an annual custodial fee that may be charged in an account that is part of a tax-qualified plan and other incidental account fees as described in the Ameriprise Financial Schedule of Account and Service Fees. Investment Costs are discussed in more detail below.

Brokerage accounts enable you to invest in many different types of investment products including mutual funds, stocks, bonds, exchange-traded products, unit investment trusts, annuities, and alternative investments.

This document is limited to describing important information regarding a brokerage relationship with us. There are circumstances where you may benefit from a managed account or both a managed account and a brokerage account for different portions of your investment portfolio. Information regarding Ameriprise managed accounts can be found in the Ameriprise Managed Accounts Client Disclosure Brochure available at [ameriprise.com/disclosures](http://ameriprise.com/disclosures).

You should also review the **money settlement option** available for your brokerage account. A money settlement option is a feature offered by Ameriprise Financial Services that is primarily intended to hold cash: (i) pending investment into your account; (ii) to cover your account-level fees; (iii) to cover systematic cash withdrawals you have established for your account(s); (iv) for check-writing or debit card activity and to make bill payments ("Cash Management Activities"); and (v) for settling transactions in your account. Available money settlement options include either a free credit balance held in your account covered by Securities Investor Protection Corporation ("SIPC"), or a program that provides for the automatic movement or "sweep" of uninvested cash balances in your account into the money settlement program (each, a "Sweep Program").

A Sweep Program is not an investment strategy and is not intended as an investment option for you to maintain a significant cash balance for an extended period of time. Consider whether you have a short-term investment horizon, or whether you are holding cash for asset safety purposes (such as during periods of volatile or uncertain market conditions). In those cases, you should consider and discuss with your financial advisor other investment products offered within a brokerage account that may offer capital preservation with a higher rate of return for the cash component of your asset allocation. These investment products include Ameriprise® Certificates, brokered certificates of deposit, treasuries and positional money market mutual funds and are a more appropriate choice for investing cash than maintaining a significant cash balance in an account for an extended period. Your financial advisor can provide you with information about the cash management products available to you.

Money settlement options available through Ameriprise Financial Services include both the Sweep Program we have assigned to your account and, for individuals who opt out of the Sweep Program, our free credit balance option. Sweep Programs are made available in accounts offered by Ameriprise Financial Services in its capacity as a broker-dealer, and services are provided by our affiliated clearing agent, American Enterprise Investment Services ("AEIS"), as part of the overall brokerage services provided to your account(s) pursuant to the "Money Settlement Options" section of the Ameriprise Brokerage Client Agreement. Your financial advisor does not recommend the Sweep Program offered to you for any particular account(s) and revenues received by our affiliates related to the Sweep Programs are not shared with financial advisors.

**Accounts with Ameriprise Insured Money Market Account ("AIMMA") Sweep Program:** If your account sweeps to AIMMA, our multi-bank sweep program, AEIS receives and retains compensation for its services related to AIMMA based on the cash deposits held at each program bank. As of April 7, 2022, the rates paid by unaffiliated program banks participating in AIMMA were within a range of 0.00% to 1.00%, but, depending on movement of interest rates, this range could be up to 4.00%. Ameriprise Bank, FSB ("Ameriprise Bank") does not compensate AEIS for its sweep services provided or for the cash deposits held at Ameriprise Bank, but reimburses AEIS for its direct out of pocket expenses related to AIMMA. The banks participating in AIMMA earn income by lending or investing the deposits they receive and charging a higher interest rate to borrowers, or earning a higher yield, than the banks pay on the deposits held through AIMMA. This difference is known as the "spread." Like the unaffiliated banks participating in AIMMA, Ameriprise Bank earns spread revenue when it participates in AIMMA.

**Accounts with Dreyfus Money Market Mutual Fund Sweep Program:** If your account sweeps to a money market mutual fund, our affiliate AEIS may receive Cost Reimbursement Payments, as defined in the "Third Party Payments and Cost Reimbursement Payments Received by AEIS" section of this document, of up to 0.37% of the amount held in that money market mutual fund program.

**Accounts with a Free-Credit Balance as a Money Settlement Option:** If you have opted out of a cash sweep program and your uninvested cash is held in a free-credit balance with our affiliate AEIS, it may earn interest or other revenue on the balance and may (but is not obligated to) pay interest on cash held as a credit balance in your account.

More details regarding Sweep Programs offered by Ameriprise Financial Services is available in the Other Important Brokerage Disclosures document and the "Money Settlement Options" section of the Ameriprise Brokerage Client Agreement available at [ameriprise.com/disclosures](http://ameriprise.com/disclosures).

**Periodic Fees:** Periodic fees include IRA custodial fees, brokerage fees (i.e., account maintenance and order handling fees), and a portion of the fees associated with certain banking products and services (i.e., personal trust services).

Ameriprise Financial Services offers programs that may result in reimbursement to client accounts for certain periodic fees. In our client loyalty program, Ameriprise Achiever Circle, participants are eligible for reimbursement of certain fees. In another program available for Ameriprise brokerage clients, Ameriprise financial advisors may receive funds from Ameriprise Financial Services based on the financial advisor's prior-year compensation, and are permitted to use the funds to reimburse client brokerage accounts for periodic fees. Not all financial advisors participate in the latter program, and it is possible that not all fees you incur may be eligible for reimbursement.

Sales charges, trading commissions, markups, markdowns and financial planning and advisory services fees are not eligible for reimbursement or offered at a discount.

#### *Fees, Costs and Considerations Relating to Investment Products Held in Your Commission-Based Account.*

Ameriprise Financial Services offers a broad range of investment products, which are described in the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/). Investment products available within a brokerage relationship are listed below, along with a summary of the fees and costs you can expect to pay as a retail brokerage client. Commissions, sales charges, sales credits, and sales loads shown, are based on the value of the investment product purchased or sold. Ongoing costs do not include any Investment Costs charged by the investment product and are based on the amount of your investment over time on an annualized basis, unless otherwise indicated.

Generally, trades within a brokerage account will incur a \$6 order handling fee, which is not shared with your financial advisor and covers costs associated with processing the order. Ameriprise Financial Services and our affiliates receive compensation, in addition to the fees and costs you pay directly from your account, as described in the "Overview of Compensation Received by our Firm and our Affiliates" section.

**Equities, Exchange Traded Products ("ETPs"), Exchange Traded Funds ("ETFs"), and Options:** When you purchase or sell equities, ETPs, ETFs, and options in a brokerage account, you will pay a sales commission. Commissions on equities, ETPs, and ETFs, when placed online in a self-directed brokerage account, range from \$0 to generally \$19.95; when placed with your financial advisor, commissions on equities, ETPs, and ETFs range from a minimum of \$65 to generally in the range of 2% to 3% of principal and rarely greater than 5% of principal. Commissions on options, when placed online in a self-directed brokerage account, are generally \$19.95 plus \$2 per contract, with a \$35 minimum; when placed with your financial advisor, commissions on options range from a minimum of \$40 to generally in the range of \$40-\$200 but may be greater based on principal and number of contracts. Such fees for equities, ETPs, ETFs, and options may be negotiable with your financial advisor based on services provided.

**Fixed Income Securities and Brokered Certificates of Deposit ("CDs"):** When you purchase or sell fixed income securities or CDs in a brokerage account, you will pay a commission or sales credit. The commission or sales credit you are charged will vary depending on the maturity, call date, credit quality, type of bond, and whether the transaction is a purchase or sale. Commissions or sales credits on CDs and fixed income securities range from a minimum of \$25 to generally in the range of 0.20% to 3.00% of principal but no greater than 3.00% of principal and may be negotiable with your financial advisor based on services provided. For new issue CDs, you do not pay a sales credit or commission.

**Mutual Funds:** Mutual funds come in a variety of share classes with differing expense structures. In a brokerage account, mutual funds offered by Ameriprise Financial Services most commonly are Class A or Class C shares. For Class A shares you will pay a "front-end" sales charge of generally up to 5.75%, which may be reduced when making larger purchases. For Class C shares and Class A shares purchased at NAV, you may pay a contingent deferred sales charge. For both Class A and Class C shares, you will pay 12b-1 fees as ongoing expenses. These sales charges and 12b-1 fees are shared between Ameriprise and your financial advisor.

The table below provides an overview of general fee ranges and annual operating costs associated with the various share classes. Class A, Class C, and in limited circumstances Class M shares are the only share classes offered in a brokerage account, although other share classes can be held in a brokerage account, including share classes of mutual funds that do not meet our due diligence standards or are otherwise not eligible to be purchased or held in a managed account. You can find more information on sales charges, operating expenses and other costs involved in purchasing and owning mutual funds through Ameriprise, including the factors that may influence what mutual funds your Ameriprise financial advisor recommends to you by visiting our website at [ameriprise.com/funds](http://ameriprise.com/funds) and clicking on "An investor's guide to purchasing mutual funds and 529 plans through Ameriprise Financial".

Share Class	A	C	M
Maximum sales charge range for equity funds	5.00%-5.75% Average: 5.48%	N/A	3.50%
Maximum sales charge range for fixed income funds	2.25%-5.50% Average: 3.81%	N/A	2.75%-4.00% Average: 3.90%
Maximum sales charge range for short term fixed income funds	0.00%-5.75% Average: 2.07%	N/A	2.75%
Maximum contingent deferred sales charge imposed on redemptions	N/A <sup>1</sup>	1.00%	N/A
Annual 12b-1 fees	0.25%	1.00%	0.25%-0.50% Average: 0.44%
Total annual operating expense ranges	0.44%-2.60%	0.89%-3.35%	0.63%-1.71%
Average total annual operating expenses for equity funds	1.18%	1.92%	1.37%
Average total annual operating expenses for fixed income funds	0.87%	1.58%	0.85%
Average total annual operating expenses for short term fixed income funds	0.71%	1.39%	0.70%

<sup>1</sup>Class A shares with waived sales charges may apply a contingent deferred sales charge.

**529 Plans:** You will pay plan level annual maintenance fees for 529 plans from \$0 to \$25 annually. Investments in 529 plans are generally either in Class A or Class C shares. The maximum sales charge for Class A shares generally ranges from 2.5% to 5.75%, with a distribution or marketing fee between 0% to 0.25%, but generally is set at 0.25%. Class C shares do not have a front-end sales charge and their distribution or marketing fee generally ranges from 0.50% and 1.00%. These sales charges and distribution or marketing fees are shared between Ameriprise Financial and your financial advisor. Total average annual expenses for plans offering Class A shares generally range from 0.61% to 1.28% and for plans offering Class C shares generally range from 1.06% to 2.06%. There is no order handling fee for 529 plans.

**Unit Investment Trusts ("UITs"):** When you purchase UITs through a brokerage account you will pay a deferred sales charge, generally in the range of 1.85% to 3.50%, depending on the length of the term of the trust. The sales charge includes a creation and development fee of 0.5%. UITs may also be subject to Investment Costs, such as portfolio monitoring, bookkeeping, administration and other operating expenses. These expenses generally range from 0.45%-1.87%.

**Structured Products:** Structured products are bundled investments, often designed to provide some principal protection with market exposure. Structured products can be in the form of structured CDs, principal protected structured notes, and structured notes without principal protection. When you purchase or sell structured products in a brokerage account, you will pay a sales charge or commission which varies depending on the complexity and tenure of the security and ranges from a minimum of \$0 to generally in the range of 0.75% to 3% of principal.

**Alternative Investments:** Ameriprise Financial Services offers a wide range of non-traditional investment solutions that can complement your investment portfolio, including non-traded real estate investment trusts ("non-traded REITs"), non-traded business development companies ("non-traded BDCs"), non-traded closed-end funds ("non-traded CEFs"), hedge fund offerings, managed futures funds ("managed futures"), private equity offerings, real estate private placement funds, tax-deferred real estate exchanges ("1031 exchanges"), and exchange funds. The fee structure varies among each solution, please review the applicable Offering Materials carefully to understand each investment's cost structure and Investment Costs. Generally, when you purchase an alternative investment in a brokerage account, you will pay a sales charge or placement fee at the time you purchase your investment. Such fees may be negotiable with your financial advisor. In addition, ongoing management fees that is based on the total value of your investments and servicing or distribution fees may be paid on an ongoing basis or for a period of time. The table below shows a general representation of the fees associated with our current offerings:

Alternative Investment Product	Maximum Sales Charge or Placement Fee	Ongoing Management Fee	Shareholder Servicing, Distribution Fees <sup>4</sup>
Non-traded REITs	4.50%	0.75%-1.25%	0.85% <sup>1</sup>
Non-traded BDCs	3.50%	1.25%	0.85% <sup>1</sup>
Non-traded CEFs	3.50%	1.00%-1.25%	0.50%-0.85% <sup>1</sup>
Hedge Funds	3.00%	1.00%-2.00%	0.00-0.75%
Managed Futures	2.00%	2.00%	0.00-0.75%
Exchange Funds	1.50%	0.60%-0.70%	0.25%
Real Estate Private Placements	4.00%	1.50%-2.00%	N/A
1031 Exchange Offerings	6.25%	0.05%-1.10%	0.85% <sup>1</sup>
Private Equity	3.50% <sup>2</sup>	0.75%-1.75% <sup>3</sup>	0.00%-0.75%

<sup>1</sup>Shareholder servicing and distribution fees may be subject to a cap.

<sup>2</sup>Many private equity offerings have a capital call or draw down structure. Drawdown structures do not have sales charges.

<sup>3</sup>May be based on committed capital.

<sup>4</sup>Time period of fees will vary depending upon the investment product purchased.

**Ameriprise® Certificates:** When you purchase or sell *Ameriprise* Certificates, you will not pay a commission on the purchase or sale and there are no ongoing costs, however, withdrawals of principal made in the middle of a term are typically subject to a 2% early withdrawal penalty. The *Ameriprise* Cash Reserve Certificate does not have any withdrawal penalties. There is no order handling fee for *Ameriprise* Certificates. Currently, *Ameriprise* Certificates can be purchased or sold only through Ameriprise Financial Services. If you choose to terminate your brokerage relationship, you may continue to hold them (without any fees), redeem them at any time (paying any applicable early-redemption penalty) or hold them until the penalty-free term ends.

**Variable Annuity, Structured Annuity and Variable Insurance Products:** Ameriprise Financial Services has selling arrangements with a range of annuity and insurance providers, including with RiverSource and RiverSource Distributors, to distribute these products to retail brokerage clients. We have relationships with both affiliated and third-party manufacturers of insurance and annuities to provide client choice. RiverSource Distributors, Inc. ("RiverSource Distributors") is a registered broker-dealer, serving as principal underwriter and distributor of variable life insurance and variable annuities on behalf RiverSource Life Insurance Company and its wholly owned subsidiary, RiverSource Life Insurance Co. of New York (together "RiverSource").

A time of sale commission generally in the range of up to 7% but no greater than 7.5% of your cost for the investment product to you is payable to your financial advisor for all variable annuity contract sales regardless of whether you purchase a RiverSource or unaffiliated insurance company variable annuity product. This commission is not a fee paid by you but rather by us from compensation we receive from the product manufacturer. For variable and structured annuities, financial advisors may choose to receive the total commission at time of sale or may choose to receive a partial commission at time of sale and ongoing trail compensation, however their total compensation received is comparable.

**Variable Annuities and Structured Annuities:** Annuities are intended to be long-term savings or investing vehicles for your retirement. Non-qualified annuities generally grow tax-deferred, meaning you will not pay taxes on your earnings until you withdraw them; however, all annuity guarantees are based on the continued claims-paying ability of the issuing insurance company.

The types of annuities that your Ameriprise financial advisor may offer to you as part of your brokerage relationship are:

- **Variable annuities** typically offer optional riders and you will pay an additional fee for options such as income, accumulation, or death benefit guarantees. The guarantees offered by variable annuities do not apply to the performance of the variable subaccounts, which will vary with market conditions. You typically may also allocate contract value to fixed account option(s) that earn fixed rate(s) of interest.
- **Structured annuities**, also known as index variable annuities and registered index-linked annuities, may grow through interest earned based upon the performance linked to an index and is limited by the terms of the associated measurement method, such as a cap or participation rate, or through a fixed account option. With a structured annuity, you are not invested directly in the index. This product type typically provides partial downside protection through the use of downside buffers and floors. Generally, index-linked allocation options with greater downside protection provide less upside potential.

You may pay a surrender, or withdrawal, charge on a full or partial withdrawal from a variable or structured annuity, which may decrease over a specified period. Alternatively, some contracts offer withdrawal provisions, which allow you to withdraw portions of your money without surrender charges.

There are no sales charges on variable or structured annuities. Periodic fees and expenses will vary depending upon the annuity product purchased. You may pay mortality, expense and administrative fees, contract administration charges, or additional fees for optional features or benefits. In a variable annuity, you indirectly pay Investment Costs charged by the underlying fund when you choose subaccounts that invest in underlying funds. Keep in mind that the funds available through a variable annuity product are not publicly traded retail mutual funds. The table below provides general fee and operating expenses associated with the various variable annuities and structured annuities we offer.

Product Type	Surrender Charge	Mortality, expense, administration and distribution fees <sup>1</sup>	Contract administrative charges <sup>2</sup>	Optional riders	Investment Costs of underlying funds (net)	No cap index options with annual fee <sup>3</sup>
Variable annuities	7 and 10 yrs.	0.75%-1.55%	0-\$50	0.10%-2.40% <sup>5</sup>	0.15%-2.16%	NA
Structured annuities <sup>4</sup>	3 and 6 yrs.	NA	NA	NA	NA	0.60%-3.45% <sup>6</sup>

<sup>1</sup>Fee may be lower if purchase payments or annuity contract value exceeds a certain dollar amount. Group variable annuities may be available that offer a lower mortality, expense, administration, and distribution fees.

<sup>2</sup>Administrative fees may lower be waived if annuity contract value exceeds a certain dollar amount. RiverSource reserves the right to increase the Administrative fee to a maximum of \$80

<sup>3</sup>Varies by option and time of selection.

<sup>4</sup>Information provided for the RiverSource Structured Solutions Annuity. Other structured annuity products with different charges, fees, and expenses may be offered for certain advisor distribution channels.

<sup>5</sup>Varies based on the type of rider selected.

<sup>6</sup>The annual fee will vary by segment length, type and surrender charge term elected. The annual fee is multiplied by the number of years and will be deducted at the end of the segment.

**Variable Universal Life Insurance ("VUL"):** Permanent life insurance can provide lifetime death benefit protection when properly funded. VUL policies may also offer options for tax-deferred cash-value growth by allocating portions of your premiums to variable investment options that invest in underlying funds. Such payments may also be directed to indexed accounts and fixed rate accounts. Funds allocated to variable investment options will fluctuate in value, depending on their investment performance, whereas funds allocated to indexed accounts will credit interest based on the movement of an index. Any life insurance guarantee is based on the continued claims-paying ability of the issuing insurance company.

A sales charge is deducted from each premium you pay, with net premiums allocated to your investment options according to your premium allocation instructions. Policy values may increase or decrease based on the performance of the variable investment option and the amount of interest credited from indexed and fixed rate accounts.

Fees and costs are deducted from the policy value periodically and vary depending on the VUL product purchased. Some fees and costs are fixed, while others vary depending on factors such as age, rating class, gender, and policy year. Fee and cost rates may change from time-to-time as determined by the insurer, subject to maximum guaranteed rates stated in the policy.

Examples of fees and costs that you may pay include premium charges, cost of insurance, mortality, expense and administrative fees, contract administration fees, or additional fees for optional features or benefits, called riders. You indirectly pay Investment Costs charged by the underlying fund when you choose variable investment options that invest in underlying funds. Keep in mind that the funds available through a variable life insurance product are not publicly traded retail mutual funds. A surrender charge may be deducted from policy values if you surrender the policy or if the policy lapses during a specified period of time (e.g., 10 or 15 years after purchase or increase in the coverage amount).

The table below provides general fee ranges and operating costs associated with the VUL policies we offer. Note, however, carrier fees and expenses are generally lower than the maximum fees and expenses reflected below.

Sales Charge <sup>1</sup>	Surrender Charge	Cost of Insurance	Mortality and expense fees	Administrative and distribution fees and contract administrative charges <sup>1</sup>	Optional riders <sup>1</sup>	Investment Costs of underlying funds (net) <sup>2</sup>
Minimum of 2% to generally in the amount of 6-7% of premium amount but no greater than 25%, deducted when premiums are paid.	\$0.03 up to \$59.89 per \$1,000 of initial specified amount for a period of 9-19 years for most products if you fully surrender your policy. Some products may impose up to a 100% surrender charge of first year sales load target premium (excluding riders and extras) in the early contract years.	\$0.00 to \$83.34 monthly, per \$1,000 of net amount at risk.	Daily mortality and expense risk charges at an annual rate of 0.0% to 1.26% as a percentage of assets in variable investment options.	\$0.01 to \$12.60 monthly per \$1,000 of basic or initial specified insurance amount plus \$9 to \$25 monthly contract administration charge.	Optional rider fees vary greatly. Some riders have no associated fees, some may be charged based on per \$1,000 of insurance amount, and others may be charged based on percentage of policy value, Some riders may not have fees until exercised.	Generally in the amount of 0.08%-2.27% but no greater than 13.23%.

<sup>1</sup>Fee may be lowered or in some instances removed after the insurance policy is held for a defined period of time

<sup>2</sup>Some indexed account options associated with VUL policies may have an asset-based charge for any cash value held in those accounts within the policy of up to maximum 2.0% of the accumulation value invested in indexed account options.

**Securities-based Lending Solutions:** The types of securities-based lending solutions that are made available to retail brokerage clients of Ameriprise Financial Services are outlined below. Both pledge loans and margin are available on non-qualified accounts; however, you may not utilize both margin lending features and a pledge line of credit on the same account.

- **Margin Loans:** Margin lending is credit extended directly by AEIS and may be used for liquidity purposes but also provides the ability to borrow money to purchase securities. When you trade securities on margin or withdraw funds, AEIS extends a line of credit to you, using the securities in your investment account as collateral. If you have an account with margin lending capabilities, you will pay monthly interest on any outstanding margin loan balance. Interest rates are variable and can change without notice. Margin interest rates follow the defined rate structure outlined within the Margin Agreement contained within the Brokerage Client Agreement and may be negotiable based on size of the margin loan. For more information on negotiated rates, please contact your financial advisor. For current margin rates, please see our Brokerage Account and Custodial Fees available at [ameriprise.com/financial-planning/our-fees/brokerage-accounts-custodial-fees/](http://ameriprise.com/financial-planning/our-fees/brokerage-accounts-custodial-fees/). The interest fees you pay are retained by AEIS and not shared with your financial advisor.
- **Pledge Line of Credit:** Ameriprise Financial Services may allow you to pledge non-qualified account assets as collateral for an Ameriprise Preferred Line of Credit offered jointly and separately by Ameriprise Bank and Goldman Sachs Bank USA or a pledge line of credit program from a third-party financial institution. While a pledge line of credit such as the Ameriprise Preferred Line of Credit is extended by a financial institution, such lines of credit are principally used for liquidity purposes only. If you have a pledge line of credit, where your Ameriprise account assets are used as collateral for a loan, you will pay interest on any outstanding loan balance. The interest rates and any fees are determined by, and paid directly to, the financial institution issuing the loan. The interest rate you may secure from a third-party financial institution may be higher or lower than the interest rate offered for an Ameriprise Preferred Line of Credit.

#### **Overview of Compensation Received by Financial Advisors.**

For commission-based securities products, commissions, sales charges, sales credits, and sales loads described above are paid by you and shared with your financial advisor, unless otherwise noted. Ameriprise Financial Services receives compensation in addition to the transaction-based fees and costs listed above, such as dealer concessions, selling commissions, and other payments, as described in the "Compensation Received by Ameriprise Financial Services" section below, and such compensation is typically shared with your financial advisor. The actual portion of these fees paid to your financial advisor depends how your advisor is affiliated with us and on the payout rate for which your financial advisor qualifies. These affiliations and compensation structures are described below and throughout the remaining sections of this document.

To understand how your financial advisor gets paid, you should first know that there are four ways Ameriprise financial advisors can be affiliated with us.

- **Independent contractor franchisees and independent contractors.** These financial advisors are not employed by Ameriprise Financial Services and they do not receive a salary from us.
- **Employee financial advisors.** These financial advisors are employed by Ameriprise Financial Services.
- **Associate financial advisors.** These financial advisors are employed by or contract with the independent contractor franchisees and they do not receive a salary or other compensation from Ameriprise Financial Services.
- **Financial institution employee financial advisors.** These financial advisors are employed by the financial institution where they provide services and are compensated by the financial institution from the portion of fees and commissions it receives from Ameriprise Financial Services. The financial institution serves as paying agent for such compensation on our behalf in accordance with applicable law. Financial institution employee financial advisors' compensation is based on their employment agreement with the financial institution.

All Ameriprise financial advisors are licensed registered representatives. Depending on the affiliation, our financial advisors are compensated differently. Financial advisors may choose to change how they are affiliated with Ameriprise Financial Services over time.

#### **Salary**

In addition to the fees described below, employee financial advisors may receive a salary or wage from Ameriprise Financial Services. Associate financial advisors may receive either a salary or a flat fee from the independent contractor franchisee for whom they work, at the discretion of the employing or contracting independent contractor franchisee.

Financial advisors may also have the potential to receive bonus compensation. Financial advisors and field leaders may share compensation with their registered support assistants or recommend bonuses for their non-registered support staff.

#### **Transaction-based Compensation**

The actual portion of commission-based fees paid to your financial advisor depends on the payout rate for which your financial advisor qualifies (the "advisor payout rate") and the amount of fees you pay.

- Independent contractor franchisees and independent contractors generally receive an advisor payout rate of 72% to 91%, and employee financial advisors generally receive 0% to 46%.

In addition, the financial advisor may qualify for a bonus which could increase the effective advisor payout rate up to 91% for independent contractor franchisees and 57% for employee financial advisors, respectively.

- Financial institution employee financial advisors generally receive an advisor payout rate of 0% to 91% based on their employment agreement with the financial institution.
- If you are a client of the Ameriprise Advisor Center, your financial advisor does not receive an advisor payout rate of but may receive compensation in the form of a bonus based in part on revenue generated through your commission-based fees.
- In general, fees generated by an associate financial advisor are paid to the employing or contracting independent contractor franchisee. At the discretion of the employing or contracting independent contractor franchisee, the associate financial advisor may receive referral fees or a bonus.

The compensation programs for our financial advisors may vary based on, among other factors, the financial advisor's industry experience, tenure with Ameriprise Financial Services, and whether the financial advisor was formerly associated with a firm acquired by Ameriprise Financial, Inc.

**Other Sources of Compensation**

Commissions payable to your financial advisor for RiverSource and unaffiliated variable insurance products vary by manufacturer and product. These commissions are not fees paid by you but rather by us from compensation we receive from the product manufacturer. The compensation for variable annuities, structured annuities and VUL will vary depending on the specific type and size of the insurance or annuity product that you purchase, the insurer that issues the product, the total number of life insurance and annuity products sold by the financial advisor for that insurer, and other factors. This compensation typically will increase as the size of the insurance policy or annuity contract increases. Generally speaking, the compensation that the financial advisor will receive is calculated by a formula. If an unaffiliated annuity or insurance product is offered, the financial advisor is generally an appointed agent of the insurer and receives, indirectly, compensation from the unaffiliated insurer for the sale and service of that product.

Your financial advisor receives compensation for the marketing that leads to your opening of a co-branded credit card account provided you activate the card and meet initial spend requirements.

Ameriprise financial advisors will earn compensation for providing services related to your Ameriprise Preferred Line of Credit based on an annualized fixed percentage of the client's average daily outstanding balance.

Your financial advisor will receive compensation for performing certain activities associated with your mortgage if that loan is purchased and serviced by Ameriprise Bank.

Your financial advisor receives referral fees when you purchase and maintain American Family Insurance insurance products under a long-term distribution agreement between Ameriprise Financial Services, American Family Mutual Insurance Company and American Family Connect Property and Casualty Insurance Company. American Family Insurance is not affiliated with Ameriprise Financial Services.

If Ameriprise Bank accepts a trust based upon a referral from your financial advisor, Ameriprise Financial Services will receive a referral fee from Ameriprise Bank. A portion of this referral fee is shared with your financial advisor. The referral fee is paid by Ameriprise Bank from the fees earned for its services and is not an additional cost to the trust account.

From time to time, Ameriprise Financial Services also provides compensation to financial advisors in connection with the sale of all or a portion of their client base to an Ameriprise financial advisor. Some of this compensation may be dependent on a certain percentage of the client base remaining as clients of Ameriprise Financial Services for a certain period of time. It is also determined based on valuations of the financial advisor's practice, or book of business.

The practice valuation formula results in higher compensation for revenues received from Managed Accounts versus Ameriprise brokerage accounts. As a result, your financial advisor has an incentive to recommend the opening of new Managed Accounts or the investment of additional assets into existing Managed Accounts or, conversely, an incentive to recommend that you not open an Ameriprise brokerage account or invest additional assets into a brokerage account. In addition, if your financial advisor is selling all or a portion of their practice to another Ameriprise financial advisor, this program could incent your financial advisor to recommend you remain a client of the acquiring financial advisor and/or Ameriprise Financial Services.

**Ameriprise Financial, Inc. equity programs**

We encourage our financial advisors to take an ownership stake in our future by holding stock in our parent company, Ameriprise Financial, Inc. (NYSE: AMP). To make this possible for financial advisors, we have created equity compensation programs for them. Employee financial advisors and independent contractor franchisees may be eligible to receive an annual stock bonus. In addition, independent contractor franchisees may be eligible to defer a certain percentage of their compensation each year. They may choose to invest all or portion of this deferral into a notional account that tracks the performance of Ameriprise Financial, Inc. stock.

Financial advisors who are independent contractor franchisees may build equity in their practices and may receive payments if they sell all or a part of their practices to other Ameriprise financial advisors.

**Advisor-to-advisor training programs**

Ameriprise Financial Services or its affiliates may also pay its financial advisors for training other financial advisors on specific products and services that we offer. A portion of this payment may be based on incremental sales of these products and services sold by the financial advisor receiving the training.

**Shared compensation**

Financial advisors may also choose to work together as a team to share fees and commissions generated from products and services you purchase. The cost of the product or service you purchase is not affected by the fact that your financial advisor is a member of a team or by the fact that the fee or commission may be split.



Your servicing advisor may or may not be the financial advisor who has completed the required product training. A financial advisor who has not completed the required training may refer you to a financial advisor who has completed the required training for the service or product. The financial advisor who has completed the required training may pay a fee to the financial advisor who has not completed the required training for that referral. The financial advisor who has not completed the required training may provide services and products that do not require training, however, only the financial advisor who has completed the required training required for a particular service or product will provide the analysis and advice prepared for you with respect to a service or product that requires the training. The financial advisor who has not completed the required training may receive a share of the commission from any services or products sold to you by the financial advisor who has completed the required training.

Your financial advisor may work with a franchise consultant. In those situations, the franchise consultant, who is registered with Ameriprise Financial Services, may receive compensation based on services and products that you purchase, and for the training and leadership of your financial advisor. The cost of the product or service you purchase is not affected.

Employee financial advisors and selling leaders may receive continuing commissions and fees for the sale of certain products and services for up to five years after leaving the securities industry.

Ameriprise offers a Business Development Account (BDA) Program. Eligible employee financial advisors may create a voluntary BDA in a predetermined amount and use this account for business-related expenses above and beyond what the company provides.

**Management compensation and bonus programs** Employee compensation and operating goals at all levels of the company are tied to the company's success. All employees, directly or indirectly, may receive higher compensation and other benefits when the investment products of certain providers, particularly affiliates, are purchased. Management, sales leaders and other employees spend more of their time and resources promoting Ameriprise, Columbia Threadneedle Investments, and RiverSource branded products and services.

#### **Overview of Compensation Received by our Firm and our Affiliates.**

Ameriprise Financial Services and its affiliates receive revenue from several different sources on the products and services you purchase. These sources include the fees and costs you pay, other arrangements we have in place with product companies, and investment and interest income. The revenue generated or received supports, in part, the development of new products, maintenance of our infrastructure, and retention of employees and financial advisors. The types of compensation we receive from product companies and other third parties related to our brokerage relationship recommendations are described below.

If we and our affiliates did not receive this compensation, we would likely charge higher fees or other costs to clients, for the services provided. When evaluating the fees and costs of the investment products we offer within a brokerage relationship, you should consider not just the transaction-based fee, but also the product-level fees and the total compensation that Ameriprise Financial Services and our affiliates receive.

#### *Third Party Payments and Cost Reimbursement Payments Received by AEIS.*

For the investment products listed below, a portion of the Investment Costs that you pay indirectly through the product's underlying fees, are subsequently received by our affiliated clearing agent, AEIS, from the product companies who manage, sponsor, or distribute the investment products we recommend and you select as part of your brokerage relationship. We refer to this compensation as "Third Party Payments" and it helps fund the cost of providing services, maintaining accounts, and offering an investment platform for our clients, as well as providing revenue and net earnings to AEIS.

AEIS performs certain services for the benefit of Ameriprise Financial Services, its financial advisors, and clients, including but not limited to, record keeping, administration and shareholder servicing support, applicable platform level eligibility and investment product due diligence, investment research, training and education, client telephonic and other servicing, and other support related functions, such as trading systems, asset allocation and performance reporting tools, and websites and mobile applications (collectively "Cost Reimbursement Services").

AEIS receives a variety of payments for Cost Reimbursement Services ("Cost Reimbursement Payments") from investment products sponsored or managed by affiliated investment advisers (e.g., Columbia Management Investment Advisers) and from unaffiliated investment product companies for investments you make as a result of our recommendations. These Cost Reimbursement Payments may include sub-transfer agency fees, networking fees, trail compensation, revenue sharing and marketing support payments that at times may exceed the costs of the Cost Reimbursement Services provided and such payments increase the gross revenues and net earnings of AEIS.

Third Party Payments are generally funded from the Investment Costs associated with investment products you purchase. Investment Costs reduce your investment return. AEIS receives Cost Reimbursement Payments from product companies as shown in the following chart. These payments are not shared with your financial advisor.

Investment Product Type	Annual asset-based payment	Sales-based payment range
Mutual Funds of Full Partner firms <sup>1,2</sup>	Up to 0.20%	N/A
Mutual Funds of Available for Sale firms <sup>3</sup>	Up to 0.10%	N/A
529 Plans of Full Partner firms <sup>1</sup>	Up to 0.185%	N/A
UITs <sup>4</sup>	Volume concessions from 0.035% to 0.175% of total UIT sales (in either a calendar quarter or over a trailing 12-month period), and payments that range from 0.058% up to 0.084% annually based on projected UIT sales assuming growth rate each year over the three-year life of the contract. The total amount of these payments will not exceed 0.20% of total UIT sales.	
Structured Products	N/A	0.25%-0.60% for each year of the product's term, up to a maximum of 1.6%
Money market funds utilized in our Sweep Program	Up to 0.37%	N/A
Hedge funds and managed futures fund	Up to 0.25%	N/A
Private equity	Up to 0.80%	Up to 1.50% on invested capital or the capital commitment
Real estate private placements	Up to 0.30%	Up to 1.00%
Non-traded REITs, non-traded CEFs, 1031 exchanges and non-traded BDCs	Up to 0.25%	Up to 2.50%
Variable Annuities and Structured Annuities	Up to 0.15%	Up to 1.00%
Variable Universal Life Insurance ("VUL")	N/A	Up to 31.5% of target premium and up to 0.875% of any premiums paid above target

<sup>1</sup>These payments form a structure referred to as the Ameriprise Financial Mutual Fund Program ("Mutual Fund Program") with more than 150 mutual fund families offered by Ameriprise Financial Services. To be included in the Mutual Fund Program, firms have agreed to pay AEIS a portion of the revenue generated from the sale and/or management of mutual fund shares. Firms in the Mutual Fund Program provide marketing, educational and sales support payments to Ameriprise financial advisors and make cost reimbursement payments at a higher level than Available for Sale firms.

<sup>2</sup>Rather than determining the amount of the payment solely on an asset-based basis, American Funds pays AEIS an annual negotiated platform fee based on a number of factors, including prior year assets, in accordance with their prospectus governing each mutual fund. This platform fee will not exceed 0.20% of assets and will also not exceed the limits set forth in the prospectus governing each fund.

<sup>3</sup>Available for Sale Firms do not provide marketing or sales support and make payments to AEIS at a lower percentage rate than firms in the Mutual Fund Program.

<sup>4</sup>AEIS also receives dealer concessions from UIT sponsors whose products are distributed through Ameriprise Financial advisor channels. Dealer concessions can vary by trust and are paid on each sale in accordance with the UIT prospectus up to 3.00% of each sale. Dealer concessions are shared with your financial advisor.

**Payments for financial advisor support:** Separately, for structured products, managed futures funds and hedge funds, AEIS will receive marketing, educational and sales support payments in the form of an optional subscription for financial advisor support for a fixed annual fee of up to \$250,000, which when combined with the payments described above for these types of investment products may exceed the ranges noted.

**Sub-transfer Agency Fees or Networking Fees:** AEIS will also receive sub-transfer agency fees or networking fees with respect to investments you make in mutual funds and 529 plans. Compensation for sub-transfer agency services generally ranges from \$6 to \$12 per position annually for networked accounts, and from \$16 to \$19 per position annually for omnibus accounts or, if paid on an asset basis, from 0.10% to 0.15% annually of any amounts you have invested in such mutual funds.

In the case of no-load fund families for which AEIS has a direct relationship, the compensation for sub-accounting, administrative and distribution support services are bundled into one asset-based fee, generally of up to 0.35% (which may include up to a 0.25% service fee) annually of the value of such shares held in an account.

*Servicing, Account Maintenance, and Other Fees Received by AEIS.*

**Order Routing:** AEIS may from time to time receive payments for directing orders to certain market makers or broker-dealers. This is known as payment for order flow. We provide more detailed information within our Order Routing Report published quarterly on ameriprise.com.

**Margin Loans:** When you trade securities on margin, you are generally trading in securities that you would otherwise not be able to trade in your account. AEIS earns compensation in the form of interest on the margin balance, order handling charges, and other fees on investments purchased on borrowed funds. AEIS earns interest on your margin balance whether you use the money to purchase securities or for liquidity purposes.

**Ameriprise Preferred Line of Credit:** Ameriprise Bank does not compensate AEIS, but reimburses AEIS for its direct out of pocket expenses related to its Ameriprise Preferred Line of Credit support, and such payments are not shared with your financial advisor.

**Vendor Rebates:** AEIS also earns rebates from our shareholder materials delivery vendor (e.g., annual reports and proxies) based on the difference between the rate charged to the issuer and the cost to the vendor to deliver the shareholder materials. The rebates are generally higher for clients who consent to utilizing electronic delivery.

**Payments for Trading Technology Expenses:** In certain instances, AEIS will receive payments from third-party firms to reimburse expenses associated with the implementation of certain technology platforms or capabilities related to the distribution of the investment product.

*Compensation Received by Ameriprise Financial Services.*

**Education, Training, Seminar Reimbursement, and Non-Cash Compensation:** Certain product companies, with which we have agreements, work with Ameriprise Financial Services and our financial advisors to promote their products. They may pay for training and education events or due diligence meetings, and may reimburse expenses for prospecting events, such as seminars for employees, financial advisors, clients, and prospective clients. For employees and financial advisors, these events may be held at off-site locations, and the travel, meals, and accommodations may be paid for by the product company. Additionally, product companies may occasionally provide business or recreational entertainment or gifts of nominal value to employees and financial advisors.

Ameriprise Financial Services sells annuity and insurance products to its clients manufactured by its affiliate, RiverSource, as well as from select unaffiliated insurance companies. Cost reimbursement payments for educational and sales support are received by Ameriprise Financial Services and/or its affiliate, AEIS, from RiverSource and unaffiliated insurance companies.

**Ameriprise® Certificates:** Ameriprise Certificate Company pays Ameriprise Financial Services a distribution fee that ranges from 0.08% to 0.16% on an annualized basis, except for installment certificates, which pay a distribution fee of up to 0.25% of each payment to Ameriprise Financial Services. A substantial portion of the distribution fee paid to Ameriprise Financial may be passed through to your financial advisor.

**New Issue Brokered CDs:** When you purchase a New Issue Brokered CD, Ameriprise Financial Services receives an upfront selling concession of between 0.00% and 3.50% of the amount of the CD from the issuing bank, including Ameriprise Bank when applicable, which is generally larger for New Issue CDs with longer terms. The selling concession is determined by the bank based on the difference between what Ameriprise Financial Services pays for the New Issue CD and the price of par to the client. This payment is passed through to your financial advisor.

**Exchange Funds:** Ameriprise Financial Services typically retains a placement agent fee of up to 1% of the value of the shares purchased for each exchange fund sold.

**Managed Futures Funds:** Ameriprise Financial Services receives selling commissions for the sale of managed futures funds.

**Non-traded Closed-End Funds ("CEFs"):** Ameriprise Financial Services receives selling commissions for the sale of non-traded closed-end funds. Ameriprise Financial Services may receive fees of up to 6.0% of the amount invested and is shared with your financial advisor.

**Ameriprise Preferred Line of Credit:** Ameriprise Bank, FSB earns revenue based on the outstanding balance amount of the Ameriprise Preferred Line of Credit and the interest rate on the loan. Ameriprise Financial Services receives compensation from Ameriprise Bank, FSB of 0.25% of the outstanding balance on the credit line on an annualized basis. This amount is shared with your financial advisor based on how your advisor is affiliated with us and on the payout rate for which your financial advisor qualifies. This compensation is separate from the compensation your financial advisor receives for servicing your account.

**Distribution Access Fees:** Ameriprise Financial Services directs securities purchase and sale transactions through our affiliate, AEIS, on a fully disclosed basis. In exchange, Ameriprise Financial Services receives reimbursements from AEIS for our non-distribution related expenses.

**Referrals to Structured Settlements Agents:** Ameriprise Financial Services receives a fee, shared with financial advisors, for referrals to non-affiliated structured settlement professionals for both client and non-client referrals. The amount and basis for the referral fee varies by relationship multiplied by the notional sales amount of the product.

**Underwriters' Compensation:** Ameriprise Financial Services receives a fee comprised of a selling credit (commission) paid by the issuer, a management fee, an underwriting fee, and, in some cases, a structuring fee, for the sale of initial public offerings ("IPOs"), such as closed-end funds and preferred securities where it acts as underwriter. Where Ameriprise Financial Services acts as only a selling agent for new issues it is limited to a selling credit paid by the issuer. The specific amounts vary by each individual offering, and are disclosed in the prospectus of the specific offering.

The types of compensation we receive, and our total compensation, is described in more detail in the "**Revenue Sources for Other Ameriprise Financial, Inc. Companies**" section of the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/).

*Compensation Received by Other Affiliates.*

Third Party Payments do not include any management fees, distribution fees, or compensation earned related to administrative or transfer agency fees related to proprietary mutual funds held in your Account and managed by one of our affiliates, such as Columbia Management Investment Advisers, LLC, a wholly-owned subsidiary of Ameriprise Financial, Inc., Ameriprise Financial Services' parent company. These fees are included in the Investment Costs paid indirectly by you and are received by our affiliates but are not compensation to Ameriprise Financial Services or AEIS, however they are an economic benefit to Ameriprise Financial Services and its affiliates as further discussed in the "**Economic Benefits of Affiliates' Products and Services**" section of the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/).

Investment Costs apply whether the investment product is sponsored or managed by an unaffiliated third party or by an affiliate of Ameriprise Financial Services, such as CMIA. When you invest in investment products managed by CMIA, CMIA or its affiliates will receive compensation for managing those investments and for other services they provide based on the amount you invest, just as they would if you invested in CMIA investment products through another service provider.

### **Scope of Services.**

Note that your financial advisor is not permitted to have discretion over brokerage account assets.

The Ameriprise Financial Institutions Group ("AFIG") financial advisor channel, for a period of time, will offer certain insurance and annuity products that will only be available for purchase through an AFIG financial advisor, and not available through other Ameriprise financial advisor channels. These differences reflect the products historically available and the specific needs of bank clients served in the AFIG channel. Other Ameriprise financial advisors who have clients with a product need beyond the available Ameriprise Financial Services product set may refer their clients to an AFIG financial advisor for a recommendation regarding one of these AFIG products. The client would need to open a separate brokerage account through the AFIG channel, complete any other necessary product paperwork, and thereafter any ongoing servicing required for that particular purchase, would be provided by an AFIG financial advisor. For more information about AFIG, please refer to the "**Client Referrals and Other Compensation**" section of the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/).

In limited instances, your Ameriprise financial advisor holds a limited license as an Investment Company and Variable Contracts Products representative and may only solicit the purchase or sale of the following investment products: mutual funds, closed-end funds on the initial offering only, variable annuities, variable life insurance, unit investment trusts, Ameriprise certificates, and municipal fund securities (e.g., 529 savings plans). You will be notified if your financial advisor holds this limited license. If you are interested in a broader range of investment products, such as equities, bonds, options, exchange-traded funds and alternative investments such as private placement offerings, your financial advisor can direct you to other Ameriprise financial advisors to support those needs.

You will be notified if the financial professional you are working with is one of a limited number of Financial Consultants who is licensed to offer brokerage products and services but cannot recommend or service our investment advisory programs, including comprehensive financial planning. You may receive sales literature, client agreements, disclosures, and other documents that use the term Financial Advisor even if the professional you work with is a Financial Consultant rather than a Financial Advisor. If you are interested in receiving investment advisory services, your Financial Consultant can direct you to an Ameriprise Financial Advisor to support those needs.

## **PART II**

### **Material Conflicts of Interest.**

As with all business models, there may be circumstances where Ameriprise Financial Services or your financial advisor has a conflict of interest that a reasonable person would conclude could create an incentive for the firm or the financial advisor to place our interests ahead of yours and this incentive might affect the exercise of either's best judgment in rendering advice to you. Notwithstanding such potential conflicts of interest, Ameriprise financial advisors are required to make securities recommendations within brokerage accounts, as well as the additional types of brokerage relationship recommendations listed in the "Best Interest Standard of Care" section, in their clients' best interests. In other words, your financial advisor must have a reasonable basis to believe that a recommendation is in your best interest at the time they make that recommendation to you, taking into consideration cost and the reasonably available securities investments and accounts we offer. Financial advisors receive extensive training designed to support them in making best interest recommendations.

Ameriprise Financial Services is a diversified financial services firm. We provide access to financial planning, investment products, and services - which includes wealth management, asset management, insurance, and annuities. It is important to understand how Ameriprise Financial Services and our affiliates earn revenue and the manner in which your financial advisor is compensated may create a potential conflict of interest. Below we provide information about the most common, or material, conflicts of interest, associated with recommendations we or our financial advisors make to our retail brokerage clients.

We have long had a robust ongoing process for identifying and addressing any conflicts of interest. Ameriprise Financial Services has adopted policies and procedures reasonably designed to identify conflicts, and has implemented appropriate controls to either eliminate, or mitigate and disclose our conflicts of interest related to the firm's and our financial advisors' services, fees and compensation. We address conflicts of interest not completely eliminated through a combination of disclosures and policies and procedures, as well as supervision and surveillance of accounts.

#### *Conflicts of Interest Related to our Affiliated Products and Services.*

Ameriprise Financial Services and its affiliates generally receive more revenue from sales of affiliated investment products. Employee compensation and operating goals at all levels of our firm are tied to the company's success. Certain employees may receive higher compensation and other benefits based, in part, on assets invested in affiliated mutual funds. When financial advisors recommend products manufactured or offered by our affiliates, we and our affiliates receive more compensation and revenue overall as an enterprise. A listing of our affiliates may be found in the "**Other Financial Industry Activities and Affiliations**" section of the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/).

**Columbia Management Investment Advisers, LLC ("CMIA"):** Investment Costs received by CMIA are not direct compensation to Ameriprise Financial Services, however, Ameriprise Financial Services, CMIA, and their affiliates receive more revenue, in aggregate, from the purchase of affiliated investment products offered by CMIA, than from the purchase of unaffiliated investment products. Therefore, it is more profitable for Ameriprise Financial Services' parent company when you purchase or own a CMIA investment product in your account.

Ameriprise Financial, Inc. may receive compensation related to your CMIA mutual fund holdings either through payments from service providers to the mutual funds or indirectly through compensation received by affiliated entities such as: CMIA and Columbia Wanger Asset Management, LLC, both of which provide investment management services and administrative services to the Columbia Funds; Columbia Management Investment Distributors, Inc., which provides distribution services for the Columbia Funds; and Columbia Management Investment Services Corp., which provides transfer agency services to the Columbia Funds. See the "**Economic Benefits of Affiliates' Products and Services**" section of the Client Relationship Guide available at [ameriprise.com/customer-service/client-relationship-guide/](http://ameriprise.com/customer-service/client-relationship-guide/) and/or the applicable Offering Materials for a description of the various revenues earned by our affiliates.

**Sweep Program and Affiliate Compensation:** Sweep Programs made available in accounts are offered by Ameriprise Financial Services in its capacity as a broker-dealer, and services are provided by our affiliate, AEIS, as part of the overall brokerage services provided to your account(s), pursuant to the "**Money Settlement Options**" section of the Ameriprise Brokerage Client Agreement. Ameriprise Financial Services determines your Sweep Program and your financial advisor does not have the ability to recommend a different Sweep Program. Revenues received by our affiliates related to the Sweep Programs are not shared with your financial advisor.

Generally, the combined revenue earned by our affiliates, AEIS and Ameriprise Bank, is expected to be: (i) the highest when your account sweeps cash into AIMMA where Ameriprise Bank is utilized as a Program Bank; (ii) the second highest when your account sweeps cash into AIMMA where unaffiliated Program Banks are utilized; and (iii) the lowest when your account sweeps cash into an eligible money market mutual fund. Our affiliates AEIS and Ameriprise Bank use this revenue to defray the cost of operating our Sweep Programs and the expense of providing other services to our clients, as well as for general operating expenses and to provide net earnings to AEIS and Ameriprise Bank. In the absence of this revenue Ameriprise Financial Services would likely charge higher fees or other charges to clients for the services AEIS and Ameriprise Bank provide to clients.

Ameriprise Financial Services addresses this conflict of interest through a combination of disclosures and policies and procedures regarding Sweep Program availability and the free-credit balance.

**RiverSource Distributors and RiverSource:** As noted in Part I, Ameriprise Financial Services has selling arrangements with RiverSource and RiverSource Distributors to distribute these RiverSource annuity and insurance products. Investment Costs received by RiverSource Life Insurance Company and RiverSource Life Insurance Company of New York (together referred to as RiverSource) are not direct compensation to Ameriprise Financial Services, however, Ameriprise Financial Services, RiverSource and their affiliates receive more revenue, in aggregate, from the purchase of affiliated investment products offered by RiverSource than from the purchase of unaffiliated insurance products and therefore it is more profitable for Ameriprise Financial Services' parent company when you purchase or own a RiverSource insurance product. RiverSource variable annuity and variable insurance products include subaccounts or other investments that are manufactured or offered by our affiliate CMIA.

RiverSource reimburses Ameriprise Financial Services or AEIS, and these entities may subsequently reimburse Ameriprise financial advisors, for client/prospect educational events and financial advisor sales meetings, seminars and training events consistent with Ameriprise Financial Services and AEIS policies, as applicable. RiverSource also provides support to an Ameriprise Financial Services internal sales desk, which in turn provides support to financial advisors. Other unaffiliated insurance companies may be permitted to provide similar educational and sales support in accordance with our policies.

Unaffiliated insurance companies that issue annuities do not provide direct client or financial advisor education or sales support, other than product training materials, product sales literature and addressing client service issues. As a result, Ameriprise financial advisors may have a greater familiarity with RiverSource insurance and annuity products, as well as with any unaffiliated insurance companies who provide added educational support.

**Ameriprise Certificates:** Ameriprise Financial Services offers certificates issued by our affiliate, Ameriprise Certificate Company. CMIA provides investment management services to Ameriprise Certificate Company for a fee and Columbia Management Investment Services Corp. receives certain fees and expenses paid from Ameriprise Certificate Company in exchange for the transfer agent services it provides. Ameriprise Financial Services receives fees from Ameriprise Certificate Company in exchange for distribution services. Ameriprise Certificate Company earns spread revenue on the difference between the returns it earns on the investments that support its product obligations and the amount that it pays certificate holders.

**Securities-based Lending Solutions:** When AEIS charges you interest on your margin balance it retains the full amount of such revenue. When Ameriprise Bank, FSB as co-lender receives revenue related to your Ameriprise Preferred Line of Credit, each of Ameriprise Bank, FSB and Goldman Sachs Bank USA receives a pro-rata portion of the revenue generated. As a result, on a comparable amount of credit extended, Ameriprise Financial Services and its affiliates generally earn higher revenues for the use of margin and it is therefore more profitable when clients utilize margin than when using an Ameriprise Preferred Line of Credit. Ameriprise Financial manages this conflict of interest by keeping the cost to you for either a negotiated rate margin loan or an Ameriprise Preferred Line of Credit comparable and in line with each other by monitoring interest rates, and through the implementation and maintenance of policies, procedures, training and additional resources designed to delineate the features of each product to assist financial advisors in providing recommendations that are in a client's best interest and consider reasonably available alternatives.

**Ameriprise Bank Certificate of Deposit:** Ameriprise Financial Services offers CDs from a range of banks, including with Ameriprise Bank. We have relationships with both affiliated and third-party banks to provide client choice. Ameriprise Financial Services offers brokered certificates of deposit ("CDs") from various banks including CDs from our affiliate, Ameriprise Bank. When you purchase an Ameriprise Bank CD, Ameriprise Bank earns revenue based on the difference (or "spread") between the interest it receives from its investment and lending programs and what it pays to obtain the deposits. Unaffiliated banks that issue CDs do not provide direct client or financial advisor education or sales support. As a result, Ameriprise financial advisors may have a greater familiarity with Ameriprise Bank CD products.

#### *Conflicts of Interest Related to Third Party Payments and Cost Reimbursement Services.*

As described above in the "*Third Party Payments and Cost Reimbursement Payment Received by AEIS*" section, AEIS receives Cost Reimbursement Payments. Cost Reimbursement Payments are not shared with your financial advisor. Ameriprise Financial Services has a financial incentive for its affiliate to continue to maintain these Cost Reimbursement Payments, including arrangements with Full Participation Firms and for AEIS to continue to receive revenue. Because not all investments provide for Cost Reimbursement Payments, Ameriprise Financial Services has an incentive to recommend or select investment products that make such payments. Ameriprise Financial Services addresses this conflict of interest by applying objective due diligence standards and requiring all mutual funds, ETFs, ETNs, CEFs, UITs and alternative investments such as hedge funds and private placements offered for sale to meet these standards. No product sponsor makes payments to AEIS or AFS in exchange for being offered for sale.

**Mutual Fund and 529 Plan Marketing and Sales Support Payments:** Mutual fund and 529 plan marketing and sales support payments are received from certain mutual fund firms. These payments form a structure referred to as the Ameriprise Financial Mutual Fund Program ("Mutual Fund Program") with approximately 150 mutual fund families offered by Ameriprise Financial Services. Certain aspects of the Mutual Fund Program create a conflict of interest or incentive if Ameriprise Financial Services promotes, or Ameriprise financial advisors recommend, the mutual funds offered by a Full Participation Firm versus mutual funds offered by Available for Sale Firms, as described in the following paragraphs. These conflicts and incentives arise from the Cost Reimbursement Payments AEIS receives from firms participating in the Mutual Fund Program as well as "Education, Training, Seminar Reimbursement and noncash compensation" described below.

To be included in the Mutual Fund Program and be eligible for inclusion on the Starting Point List described below, each Full Participation Firm must meet a number of criteria that consider product breadth and strong-performing funds, financial strength of the firm and the ability to provide education and training to Ameriprise financial advisors, including marketing and sales support services relating to the funds they offer. Full Participation Firms have also agreed to pay our affiliate, AEIS, a portion of the revenue generated from the sale and/or management of fund shares as Cost Reimbursement Payments.

**Full Participation Firms** make Cost Reimbursement Payments at a higher percentage rate than do Available for Sale Firms. This presents a conflict of interest as Full Participation Firms pay AEIS more revenue than Available for Sale Firms, and thus AEIS earns more revenue from the purchase of mutual funds offered by Full Participation Firms than from the purchase of mutual funds offered by Available for Sale Firms. You can find more information on the Full Participation Firms that participate in the Mutual Fund Program, specific arrangements we have with them (including any updates), and conflicts of interest or incentives that exist for Ameriprise Financial Services to promote (and for Ameriprise financial advisors to recommend) one fund over another fund by visiting our website at [ameriprise.com/funds](http://ameriprise.com/funds) and clicking on "Purchasing Mutual Funds Through Ameriprise."

**Available for Sale Firms** make payments to AEIS for distribution support but do not provide marketing and sales support, such as those provided by Full Participation Firms, and make payments at a lower percentage rate than Full Participation Firms. They do not have the same wholesaling access to financial advisors as Full Participation Firms. As a result, Ameriprise financial advisors may have a greater familiarity with and an incentive to sell funds of Full Participation Firms.

Certain Full Participation Firms pay our affiliate AEIS more marketing support for certain types of mutual funds. In general, Full Participation Firms offer actively managed mutual funds that permit for cost reimbursement payments to be included in the Investment Costs charged by the mutual fund. The Investment Costs of actively managed mutual funds are generally higher than those of ETFs which do not currently make cost reimbursement payments. Ameriprise Financial Services has a financial incentive to offer actively managed mutual funds that make cost reimbursement payments to our affiliate. As a result, Ameriprise financial advisors may have an indirect incentive to sell such mutual funds. We address this incentive by offering a full range of investment product options, including actively managed mutual funds and both actively and passively managed ETFs. Ameriprise further addresses this conflict of interest by calculating the compensation paid to our financial advisors for all assets without regard to the amount of cost reimbursement payments we or our affiliates receive in connection with client investments in mutual funds and other investment products. Additionally, Ameriprise Financial Services does not share with our financial advisors the cost reimbursement payments we or our affiliates receive.

**Mutual Fund & ETF Recommended list ("Starting Point List"):** Ameriprise financial advisors may make mutual fund recommendations based on a group of funds that appear on the **Starting Point List**. Financial advisors are not required to use the Starting Point List as their source for mutual fund and ETF recommendations. The Starting Point List is developed by the Investment Research Group ("IRG") based on eligibility criteria established by Ameriprise Financial Services. Approximately 2,100 mutual funds are eligible for inclusion on the Starting Point List. The universe of ETFs includes funds available for sale at Ameriprise. The primary universe of mutual funds includes only mutual funds sponsored or managed by Full Participation Firms in the Mutual Fund Program. If a suitable mutual fund recommendation for a particular asset class cannot be found within the Full Participation Firms' offerings, the IRG will proceed to look for mutual fund options sponsored or managed by Available for Sale Firms. These eligibility criteria are designed by Ameriprise Financial Services to primarily include, and therefore favor, mutual funds from Full Participation Firms. This presents a conflict of interest as Full Participation Firms pay AEIS more revenue than Available for Sale Firms, and thus AEIS earns more revenue from the purchase of mutual funds offered by Full Participation Firms than from the purchase of mutual funds offered by Available for Sale Firms. Clients may choose to follow the recommendations provided by their Ameriprise financial advisor or they may select from any of the other funds offered through Ameriprise Financial Services regardless of whether that fund appears on the Starting Point List. More information on the Full Participation Firms that participate in the Program, specific arrangements we have with them, and conflicts of interest or incentives that exist for Ameriprise Financial Services to promote (and for Ameriprise financial advisors to recommend) one fund over another fund is provided on our website at [ameriprise.com/funds](http://ameriprise.com/funds) and click "Purchasing Mutual Funds Through Ameriprise."

**UIT Marketing and Sales Support Payments:** Similarly, certain UIT sponsors with which AEIS has agreements may pay AEIS cost reimbursement payments to help promote and support the offer, sale and servicing of UITs. These UIT sponsors are granted full access to Ameriprise Financial Services and our financial advisors to provide direct financial advisor education or sales support to promote their products. UIT sponsors without such agreements do not provide direct financial advisor education or sales support, thus they do not have the same access to financial advisors as full access firms. Such marketing and sales support may create a conflict of interest if Ameriprise Financial Services promotes, or Ameriprise financial advisors recommend, the UITs from UIT sponsors that have been granted full access versus UITs offered by nonparticipating firms. These conflicts may arise from the marketing and sales support provided to our financial advisors by, as well as the payments AEIS receives from, firms that have entered into such agreements.

**Education, Training, Seminar Reimbursement, and Non-cash Compensation:** As noted above, Available for Sale mutual fund firms do not provide marketing and sales support such as those provided by Full Participation Firms to Ameriprise financial advisors, thus they do not have the same access to financial advisors as Full Participation Firms. Such marketing and sales support arrangements may create a conflict of interest if Ameriprise Financial Services promotes, or Ameriprise financial advisors recommend, the investment products from product companies that have been granted full access versus those that have less or no access. These conflicts may arise from the marketing and sales support provided to our financial advisors by, as well as the Third Party Payments and Cost Reimbursement Payments AEIS receives from, firms that have entered into such agreements. Ameriprise Financial Services manages any conflict of interest as detailed in the preceding paragraphs of this section.

**Underwriters' Compensation:** From time to time, Ameriprise Financial Services or AEIS co-manages, manages or is a selling member of a public offering of securities and receives underwriter's compensation and fees as noted in the "*Compensation Received by Ameriprise Financial Services*" section above. Ameriprise Financial Services manages this potential conflict of interest with policies and procedures addressing (i) involvement in investment banking transactions; and (ii) the disclosure of any material ownership or other relationship the firm or its officers, directors or affiliated persons have with respect to the issuer of the security.

*Conflicts of Interest Related to Financial Advisors and their Recommendations.*

Financial advisors earn more compensation when you move assets (including rollovers and distributions from retirement plan accounts) from another institution to Ameriprise Financial Services. In addition, employee and financial advisor compensation and operating goals at all levels of Ameriprise Financial, Inc. are tied to the success of its businesses. When making recommendations, your financial advisor may have a potential conflict of interest with respect to the recommendation, as listed below. Notwithstanding such potential conflicts of interest, within a brokerage relationship, Ameriprise financial advisors are required to make securities recommendations in your best interest. Ameriprise Financial Services addresses any conflicts of interest through a combination of (i) disclosure; (ii) supervision and surveillance; and (iii) policies and procedures designed to eliminate where possible, or mitigate and disclose, our conflicts of interest related to our financial advisors' recommendations and compensation.

**Commissions and Sales Concessions:** Your financial advisor will generally receive compensation in the form of a commission or sales concession for each buy and for some sells of security transactions placed in your account. As a result, your financial advisor may have an incentive to recommend transactions for the purchase and sale of securities with greater frequency. However, your financial advisor is not permitted to recommend a series of transactions unless your financial advisor has determined that the series of transactions when considered together is in your best interest. In addition, the commission or sales concession varies from product to product, which may create an incentive to recommend a security with a higher commission. Commissions are detailed in the "*Fees, Costs and Considerations Relating to Investment Products Held in Your Commission-Based Account*" section above.

For certain securities, such as **VUL contracts**, compensation may also increase as the financial advisor sells increasing amounts of a death benefit. In addition, additional compensation may be paid for the following transactions:

- **Additional or Replacement Products:** In instances where a customer already owns an annuity or insurance product offered by Ameriprise Financial Services, the amount of a financial advisor's compensation may vary in connection with the sale of an additional or replacement product, due to formulas relating to the surrender period of a product that is already owned. As a result, the financial advisor in such a transaction may have an incentive to recommend the purchase of additional or replacement insurance or annuity products or, conversely, an incentive to recommend that you not purchase additional or replacement insurance or annuity products, depending on the relevant compensation formula.
- **Exchange of Existing Products:** Financial advisors typically earn less when you exchange an existing annuity contract, mutual fund or insurance policy for certain like or similar products from the same company, unless you have held the existing product for a certain period of time, e.g., variable annuities that are past the surrender period.

**12b-1 Fee and Trail Compensation:** Mutual funds purchased and held in a brokerage account generally pay financial advisor's compensation in the form of an ongoing payment, known as 12b-1 fee. These payments are part of the marketing and sales support payments from fund companies described above. Other investment products such as alternative investments, insurance and annuities, as well as 529 plans and retirement plans held "direct at fund" may also pay your financial advisor ongoing compensation known as trail compensation.

Generally, financial advisors receive a portion of the sales charge and 12b-1 fees paid to the firm in connection with mutual fund purchases for as long as clients own the mutual fund shares at Ameriprise Financial Services. 12b-1 fees vary from mutual fund to mutual fund and from share class to share class. Both Ameriprise Financial Services and the financial advisor receive more compensation on fund or share classes that pay higher fees.

Ameriprise Financial Services and the financial advisor generally receive less compensation when the 12b-1 fee is reduced, waived completely, or where there is no sales charge or 12b-1 fee. Therefore, your financial advisor may have an incentive to recommend a mutual fund that pays a 12b-1 fee and investment products that pay trail compensation over other mutual funds or investment products that do not.

**Securities-based Lending Solutions:** Both the Ameriprise Preferred Line of Credit and margin loans are securities-based lending solutions made available to clients of Ameriprise Financial Services. Both solutions are available on non-qualified accounts; however, you may not utilize both margin lending features and a pledge line of credit on the same account.

While your financial advisor does not earn compensation on your margin loan balance, your financial advisor benefits from your decision to trade using margin funds through additional sales commissions on investment products. Your financial advisor does receive ongoing compensation based on the outstanding balance of the credit line extended to you for an Ameriprise Preferred Line of Credit. This compensation creates a financial incentive for your financial advisor to recommend the use of the Ameriprise Preferred Line of Credit over margin.

Ameriprise Financial manages this conflict of interest through a combination of (i) disclosures; (ii) compensating financial advisors for the Ameriprise Preferred Line of Credit within a reasonable range that is non-negotiable and capped; (iii) keeping client costs for either negotiated rate margin loans or an Ameriprise Preferred Line of Credit comparable and in line with each other by monitoring interest rates; and (iv) through the implementation and maintenance of policies, procedures, training and additional resources designed to delineate the features of each product to assist financial advisors in providing recommendations that are in a client's best interest and consider reasonably available alternatives.

**Transition Compensation Incentives:** Ameriprise Financial Services from time to time recruits financial advisors from other firms to join Ameriprise Financial Services. In connection with these recruiting efforts, Ameriprise Financial Services may enter into arrangements with financial advisors for the payment of compensation and/or loans based upon the value of eligible assets or accumulated production of the recruited financial advisor at a pre-determined measurement date. The funds may be payable immediately, over time, as a bonus, or as a loan. These arrangements may have been structured to include a provision requiring that payment of transition compensation and/or loans would be dependent upon the advisor meeting certain agreed-upon production and/or asset level benchmarks. The financial incentives associated with these transition arrangements could influence the type and amount of product and/or service recommended by your financial advisor. Ameriprise Financial Services manages this conflict of interest by supervising the appropriateness of recommendations made by its financial advisors in accordance with all applicable regulatory requirements. Please review your financial advisor's Form ADV brochure supplement or ask your advisor if you have questions about whether these transition arrangements apply to them.

**Incentive Programs:** Financial advisors may earn more from certain sales incentive programs to increase overall assets under management. Ameriprise Financial Services or sales leaders may, from time to time, offer incentive programs to individual financial advisors or groups of financial advisors in particular areas. These programs are limited to such targets as new client acquisition, financial plan count, net flows, total assets under management and financial advisor recruiting. Single product or product categories are not eligible for incentive programs with the exception of fixed life insurance. These programs and incentives and the receipt of other cash/noncash compensation could affect your financial advisor's recommendations of products and/or services to you. Ameriprise Financial Services addresses any conflict of interest by reviewing these programs and incentives and other cash and/or noncash compensation for compliance with SEC and FINRA regulations as well as Ameriprise Financial Services' internal compliance policies.

**Sales Leader Incentives:** Field leaders receive a salary and a bonus and are responsible for an operating budget for expenses. Bonus programs for Ameriprise Financial Services field leaders are designed to include an amount based on the aggregate sales of all products sold by financial advisors, including proprietary products, in the regions of the country those leaders are responsible for overseeing. The bonus incentive and expense programs present a potential conflict because they are based in part on sales of these products.

*Conflicts of Interest Related to Certain Securities Transactions.*

**Principal Trading:** Principal trading occurs when AEIS executes your order from its own inventory. When AEIS sells a security from its inventory or buys a security from you for its own inventory, you generally will pay a markup (an increase) or markdown (a reduction) on the price of the security. The markup or markdown is retained by AEIS and may be more than the sales credit or commission charged on an agency trade.

**Agency Cross Transactions:** AEIS may engage in agency cross trades between brokerage clients and receive commissions on both sides of the transaction. A cross trade occurs when a financial advisor solicits both a buy and a sell transaction for the same security from one client account to another client account. All trades are executed at the same time without risk of principal to the firm.

Ameriprise Financial Services will act in the best interest of its clients, including, but not limited to, seeking best execution on all client transactions including both principal trades and agency cross trades in a brokerage relationship. Both AEIS and Ameriprise Financial Services have implemented various policies and procedures to address any potential conflict of interest, including but not limited to (i) procedures regarding the appropriateness, supervision and best execution of securities recommended to, or purchased to or from, Ameriprise Financial Services client accounts; and (ii) not allowing trading desk employees or associated persons to provide recommendations to financial advisors or clients.