You are receiving this Customer Privacy Notice because our records indicate that you are a customer of Ameritas Investment Company, LLC and/or one of its Affiliates as identified under the section titled "Who is providing this notice" below (collectively Ameritas). Your Servicing representative is an independent consultant associated with Ameritas.

Facts	What does Ameritas do with your personal information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security Number, Date of Birth, and Income • Assets and Investment Experience • Account Transactions and Retirement Assets • Tax reporting and Investment Performance Information When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the next section, we list the reasons financial companies can share their customers' personal information, the reasons we choose to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does Ameritas Share?	Can you limit this sharing?
For our everyday business purposes To administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information with companies affiliated with Ameritas and to certain nonaffiliated companies. We may share your personal information to process your transactions, maintain your account, respond to court orders and legal investigations, respond to regulatory requests, or report to credit bureaus or government entities with parent and Affiliate companies including but not limited to: • Ameritas Advisory Services, LLC • Ameritas Life Insurance Corp. • Ameritas Life Insurance Corp. of New York • Ameritas Investment Partners, Inc. • Variable Contract Agency, LLC; and • with nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, clearing broker-dealers, investment companies, and insurance companies) with third-party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting).	Yes	No
For customers of independent financial professionals of Ameritas. • If your financial professional terminates his or her relationship with us and moves to a New Firm, your financial professional may disclose your personal information to the New Firm unless you instruct us not to. If you do not want your financial professional to disclose your personal information to the New Firm when your financial professional terminates his or her relationship with us, you may request that your financial professional limit the information that is shared with the New Firm. • Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with the financial professional, such as an independent insurance agency, accounting firm, or independent investment advisory firm. • In the event the financial professional (or his/her estate) enters into an agreement with an unaffiliated financial professional or unaffiliated brokerage or investment advisory firm to sell all or some portion of his/her securities, advisory or insurance business, your personal information may be shared with the acquiring financial professional and/or the New Firm. If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota or Vermont), except to the extent that the laws of your state of residence provide for exceptions to the consent requirement, then you must give your written consent before we will share or will allow your financial professional to take any of your personal information to that New Firm.	Yes	Yes
For our marketing purposes To offer our products and services to you.	Yes	No
For our Affiliates to market to you Affiliate companies that you do not have an existing relationship with.	Yes	Yes
For non-affiliates to market to you	No	We don't share

Reasons we can share your personal information	Does Ameritas Share?	Can you limit this sharing?
For joint marketing with other financial companies Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies without your consent for marketing purposes if your financial professional is not affiliated with them, but we may share information with these financial companies where necessary to service your accounts.	Yes	No
For customers of financial institutions and Ameritas If you are a customer of a bank, credit union, or other financial institution program with which we have a networking agreement (such as under a bank or credit union investment services program), we may share your information with internal auditors of the financial institution or in response to requests from regulators of the financial institution. If the financial institution terminates its relationship with us, we will permit the financial institution to retain copies of your personal information so your account can continue to be serviced at the financial institution. If you do not want the financial institution to disclose your personal information to another brokerage or investment advisory firm ("New Firm"), you may request that we and/or your financial institution limit the information that is shared with the New Firm.	Yes	Yes

Who we are	
Who is providing this notice?	Ameritas Investment Company, LLC and its Affiliates (collectively Ameritas). Our Affiliates covered under this privacy notice include the following entities: • Ameritas Advisory Services, LLC • Ameritas Investment Partners, Inc. • Variable Contract Agency, LLC • The individual variable life insurance and annuity businesses of Ameritas Life Insurance Corp. and, • The individual variable life insurance and annuity businesses of Ameritas Life Insurance Corp. of New York
What we do	
How does Ameritas and its Affiliates protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with appliable state and federal laws. These measures include computer safeguards, secured files and buildings. We train our employees and financial professionals in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.
How do Ameritas and its Affiliates collect my personal information?	We collect your personal information, for example, when you: • open an investment account or an advisory account • apply for insurance • seek advice about your investments • share information about your investment or retirement portfolio We also collect your personal information from others such as credit bureaus, Affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only • sharing for Affiliates' everyday busines purposes-information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing.
Other important information	
Use and disclosure of health information	To the extent you provide health information to Ameritas for the purpose of applying for insurance products, such information will not be disclosed to nonaffiliated companies for any purpose, except: • to underwrite or administer your insurance policy and related claims • as required by law • as authorized by you
To limit our sharing	You may limit the sharing of your personal information ("Opt-Out") by calling 1-888-284-7844. This is a voice message only. Please leave your account number, your name and phone number in case we need to contact you. Please note: When you are no longer a customer, we continue to share information as described in this notice. However, you can contact us at any time to limit our sharing. In the event you Opt-Out, your decision will be recorded as limiting the sharing of personal information for all applicable options. In other words, if you Opt-Out your personal information will not be shared by Ameritas or an Affiliate: (i) with your financial professional's new broker-dealer in the event he or she leaves Ameritas or an Affiliate and joins a New Firm or sells his/her securities, advisory, or insurance business to a nonaffiliated company; (ii) with affiliated entities of your financial professional or any bank or credit union that your financial professional is affiliated with; and (iii) with affiliates of Ameritas that you do not already have an existing relationship with for the purposes of marketing products or services to you.
Questions?	Go to www.ameritas.com/investments/disclosures You may also contact us at: Ameritas Privacy Office, P.O. Box 81889, Lincoln, NE 68501-1889 / privacy@ameritas.com

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Contact Information

Direct any complaints to:

Ameritas Investment Company, LLC
Attn: Compliance Dept.
5900 O Street, Lincoln, NE 68510
800-335-9858

Public Disclosure	
Toll-Free Hotline Number:	**1-800-289-9999**
Web Site Address:	**www.finra.org**

Please visit www.Investor.gov/CRS for a free and simple search tool to research us and our financial professionals. You may also review FINRA's Broker/Check (https://brokercheck.finra.org/) for information about AIC and/or your financial professional.

You are advised to report any inaccuracy or discrepancy in your account (including unauthorized trading) to Ameritas Investment Company, LLC and the custodian of your account. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act. Your financial organization's contact information is as follows:

Ameritas Investment Company, LLC
Attn: Customer Service
PO Box 5507, 5900 O Street
Lincoln, NE 68510

Information regarding the Securities Investor Protection Corp., including an SIPC brochure, may be obtained by contacting SIPC via its website at www.sipc.org or by telephone at 202-371-8300.

- **Financial Professionals**. We will share your information with your financial professional so that he or she may provide you with efficient and superior service. Our financial professionals understand the importance of your privacy and they are required by law to maintain your privacy and safeguard your information. We require our financial professionals to follow our policies in order to keep your personal information private and secure. You may not opt-out of these disclosures.

Notice to customers of Ameritas Investment Company, LLC (AIC) who transact in municipal securities: AIC is registered with the U.S. Securities Commission and the Municipal Securities Rulemaking Board (MSRB). An investor brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority is available at www.MSRB.org.

Vendor Marketing Support

Regarding cost sharing relationships with mutual fund, variable insurance and advisory services companies

Ameritas Investment Company, LLC (AIC) offers a large variety of mutual fund, variable annuity and advisory services products for sale. To assist you in choosing the product that is right for you, our financial professionals may focus on a select group of products that are available through us. AIC has entered into agreements with mutual fund, variable insurance and advisory services companies to share costs associated with bringing these investment products to you. The sharing of costs can take the form of payments made by the mutual fund, variable insurance or advisory services companies to us. This form of marketing support is used to offset costs associated with training, education, meetings and events that help AIC provide education and information to our financial professionals.

No such funds are paid directly to financial professionals. However, financial professionals benefit from these payments through having greater access to these product providers. In exchange for sharing costs, these mutual fund, variable insurance and advisory services companies receive enhanced access to our sales force and may interact with a financial professional during training events, conference calls, and meetings. They also receive heightened visibility through the distribution of sales literature and newsletters and by means of links, information, and lists posted on AIC's internet pages.

Certain other types of reimbursements for expenses directly incurred by financial professionals, such as local advertisements, are paid to AIC by the mutual fund or variable insurance companies, and then paid to the financial professionals by AIC.

If any marketing support or reimbursement payments are made, they are in addition to sales charges disclosed in the fee tables found in the prospectuses or agreements of the mutual fund, variable insurance and advisory services companies. Over the course of managing your relationship, your financial professional may recommend these products from these mutual fund, variable insurance and advisory services companies. Financial professionals do not, however, receive any portion of, or any additional compensation as a result of marketing support payments or other compensation arrangements between our firm and product providers.

For more detailed information regarding AIC's revenue sharing arrangements and related conflicts of interest, please visit our website at www.ameritas.com/investments/disclosures/ or contact your AIC representative to request a copy.

Disclosure Payment for Order Flow

Securities and Exchange Commission (SEC) Rule 11AC1-3 requires that all broker/dealers notify their customers of their payment for order flow (POF) practices on an annual basis. All registered broker/dealer firms, including those firms that do not participate in payment for order flow practices, must make an annual disclosure to their customers. Ameritas Investment Company, LLC does not receive payment of order flow.

Please visit AIC's website, www.ameritas.com/investments/disclosures/, for AIC's disclosure relating to revenue sharing. (Located in Website Footer)

Business Continuity Planning

Ameritas Investment Company, LLC has developed a comprehensive business continuity plan ("the Plan").

The Business Continuity Plan is administered at the enterprise level for all affiliated companies. The Plan is designed to ensure that AIC and Ameritas Advisory Services, LLC (AAS) are prepared to continue providing service to our clients if we experience a significant disruption of any kind to our business operations.

The business continuity plan was developed to allow for continuous business operations in the event of a disruption or disaster. A disaster is an unplanned catastrophic event causing unacceptable damage or loss. A disruption is an event which may impact or interrupt services and may lead to a disaster. This plan can be used as the basis for controlling any recovery in conjunction with management's discretion. Execution of this plan will facilitate the timely recovery of business processes, minimize financial and operational impact, protect corporate assets, and meet or exceed regulatory compliance.

This plan depends upon the experience and knowledge of associates to serve as the foundation for any recovery effort, regardless of the level of disruption. The plan outlines the documented procedures that govern actions taken to deal with the disruption, identifies the personnel designated to carry out certain responsibilities and contains a framework for how recovery from the disruption will be conducted.

A site outage should not impact a client's ability to access their available funds, as the Plan is designed to ensure sustained service. As a general practice, AIC and AAS do not hold customer funds or investments. Funds and investments are held either by the clearing firms at which the client's account is established or directly at the product sponsor. Since client funds and investments are not held by AIC and AAS, they remain accessible directly through the clearing firm or product sponsor, despite any site outage. Telephone numbers at which the client may reach the clearing firm or direct sponsor company that maintains custody of their account are listed in the client's account statements. Please note that a client's ability to trade investments may be impacted by market events outside our control, such as when the markets are closed. Our Plan provides for necessary personnel being available to approve transactions that result in the disbursement of available funds.

Please visit AIC's website, www.ameritas.com/investments/disclosures/, for business continuity planning. (Located in the Website Footer)

End User Agreement for Internet Products/Services

During the term of this Agreement you may access and use internet-based trading services and/or account viewing and/or access to www.ameritas/investments/, AIC's company website (Product). AIC retains all rights, title, and interest in and to the Product, including without limitation all software included in and used to provide the Product and all logos and trademarks reproduced through the Product. This Agreement does not grant you (a) any right to reproduce, modify, distribute, or publicly display or perform the software included in the Product or (b) any other right to the Product not specifically set forth herein. This Product is available through the world wide web protocol and allows you to obtain information concerning your brokerage account, enter orders (if entitled) in such account to buy and sell certain investments, and obtain quotations and other information which may be provided by third parties.

Though orders are usually routed to the marketplace within seconds, certain orders, at AIC's sole discretion, may be subject to manual review and entry, which may cause delays in the processing of your orders. You understand that you will receive the price at which your order executes in the marketplace, which may be different from the price at which the investment is trading when your order is entered into the system.

When you place a request to cancel an order, the cancellation of that order is not guaranteed. Your order will only be cancelled if your request is received in the marketplace and matched up with your order before your order executes. Market orders are subject to immediate execution. During market hours it is rarely possible to cancel your market order. Do not assume that your order has been executed or canceled until you have received a transaction confirmation.

You shall be the only authorized user of the Product under this agreement. Data, information, and services accessible through the Product may be displayed, reformatted and printed for your personal, noncommercial use only. You agree to keep confidential and not cause or permit such data, information, or services to be published, broadcast, retransmitted, reproduced, commercially exploited or otherwise re-disseminated.

Your use of the Product requires your receipt from AIC and use of a unique identification number (ID) and associated password (Password). You hereby agree to maintain your ID and Password in strict confidence. You understand that you shall be solely responsible for all orders entered through the Product using your ID and Password. AIC may at all times rely upon and act in accordance with any instructions or inquiries, whether written, oral, electronic, or otherwise. All instructions communicated to us using your ID and Password will be considered to have been sent by you. Because the internet is a public medium, and new threats to security emerge every day, no person, organization or technology can eliminate all of the risks associated with transmitting information over the internet. Therefore, AIC cannot ensure the privacy, security or authenticity of your communications with the Product. Accordingly, you must assess whether the use of the Product or the Internet is adequately secure to meet your particular needs. The use and storage of any information, including without limitation, the ID, the Password, portfolio information, transaction activity, account balances, and any other information or orders available on your personal computer is at your own risk and is your sole responsibility.

All inquiries regarding the Product, or any transactions in your brokerage account should be directed to AIC.

You are solely responsible for providing and maintaining the medium of communication (including personal computers, modems, internet connections, hardware and/or software) and telephone, or alternative services required for accessing and using the Product and for all communications services fees and charges incurred by you in accessing the Product. AIC shall not be responsible or liable for the failure of any such medium of communication that prevents or delays any order, cancellation, or other submission entered into the Product.

Access of Third Party Vendor Products by you is at your sole election. Any support services necessary for your use of Third Party Vendor Products are not AIC's responsibility. All inquiries regarding Third Party Vendor Products should be directed to the Third Party Vendors from which you obtained such products.

With regard to Third Party Vendor Products, you agree to indemnify and hold AIC and its affiliates harmless from any and all claims, liability and expenses, including reasonable attorneys fees and costs, arising out of your use of Third Party Vendor Products or your violation of the terms of any Agreement you have entered into with Third Party Vendors or your provision of inaccurate, incomplete or improper information relating to such Third Party Vendor Products.

You authorize Ameritas Investment Company, LLC (AIC) to obtain through its third party vendors, Orion Advisor Technology, LLC and Albridge Solutions, Inc., my account information, including specific holdings and values, as well as my personal identifying information from my current/prior broker dealer, for purposes of providing AIC with consolidated information concerning my accounts and holdings.

As a user of Internet products you should be aware of and take steps to protect your interests including, but not limited to, taking precautions when accessing the Internet in wifi environments particularly in Internet cafés. You should be aware of spoofing, phishing, key-logging, or hoax e-mails that might appear to be from AIC or AIC's clearing firm. The intent of spoofing and phishing is to obtain your personal information including but not limited to name, Social Security number, Passwords, and ID's, credit card information, account information, and bank account numbers, among other types of information that you should protect. AIC will never ask you for this information in an e-mail or in a pop-up web site.

You may be required to accept the terms and conditions of the Product at the time you first log into the system. Such terms and conditions are in addition to the terms and conditions stated herein. The license granted herein may be terminated immediately by AIC in the event that you breach any of the terms or conditions of this Agreement.

Agreement

1. **Definitions**
The "undersigned" shall include any person executing this agreement as Owner, Custodian or Joint Owner. "Financial Institution" shall include the bank, broker or other entity which opened the account of the undersigned.

2. **Provisions in the event of Failure to Pay or Deliver**
Whenever the undersigned does not, on or before the settlement date, pay in full for any security purchased for the account of the undersigned, or deliver any security sold for such account, Financial Institution is authorized (subject to the provisions of any applicable statute, rule or regulation),
   (a) until payment or delivery is made in full, to pledge, repledge, hypothecate or rehypothecate, without notice, any or all investments which Financial Institution may hold for the undersigned (either individually or jointly with others), separately or in common with other securities or commodities or any other property, for the sum then due or for a greater or lesser sum and without retaining in Financial Institution's possession and control for delivery a like amount of similar securities, and/or
   (b) to sell any or all securities which Financial Institution may hold for the undersigned (either individually or jointly with others), or to buy in any or all securities required to make delivery for the account of the undersigned, or to cancel any or all outstanding orders or commitments for the account of the undersigned.

3. **Cancellation Provisions**
Financial Institution is authorized, in its discretion, should the undersigned die or should Financial Institution for any reason whatever deem it necessary for Financial Institution's protection, without notice, to cancel any outstanding orders in order to close out the accounts of the undersigned, in whole or in part, or to close out any commitment made on behalf of the undersigned.

4. **General Provisions**
Any sale, purchase or cancellation authorized hereby may be made according to Financial Institution's judgment and at Financial Institution's discretion on the exchange or other market where such business is then usually transacted, or at public auction, or at private sale without advertising the same and without any notice, prior tender, demand or call; and Financial Institution may purchase the whole or any part of such securities free from any right of redemption, and the undersigned shall remain liable for any deficiency. It is further understood that any notice, prior tender, demand or call from Financial Institution shall not be considered a waiver of any provision of this agreement.

5. **Successors**
This agreement and its provisions shall be continuous, and shall endure to the benefit of Financial Institution's present organization, and any successor organization or assigns, and shall be binding upon the undersigned and/or the estate, executors, administrators and assigns of the undersigned.

6. **Age**
The undersigned, if an individual, represents that he or she is of legal Age, capable of executing a binding Agreement.

7. **Interest in Account**
No one except the undersigned has an interest in any of its accounts with Financial Institution unless such interest is revealed in the title of such account and in any case the undersigned has the interest indicated in such title.

8. **Source of Funds**
To the extent that the undersigned deposits cash with Financial Institution through use of a personal check or a remote check deposit process, the undersigned must provide written instruction accompanying such cash that is withdrawn from a tax-qualified account or such cash will be treated by the Financial Institution as not coming from any tax-qualified accounts. Tax-qualified accounts include, but are not limited to, IRAs and 401(k) plans.

9. **Orders and Statements**
Reports of the execution of orders and statements of the account of the undersigned shall be conclusive if not objected to in writing, the former within two days and the latter within ten days, after forwarding by Financial Institution to the undersigned by mail or otherwise.

10. **Force Majeure**
Financial Institution shall not be liable for loss or delay caused directly or indirectly by war, acts of terrorism, natural disasters, government restrictions, exchange or market rulings, or other conditions beyond Financial Institution's control.

11. **Fees and Charges**
The undersigned agrees to the fees and charges on the fee schedule received by the undersigned. Financial Institution may change the fee schedule from time to time. The undersign agrees if fees are not paid the Financial Institution may sell any or all account assets to satisfy the fee and any associated expenses, such as brokerage commission and/or liquidation charges.

12. **Joint Accounts**
If this is a joint account, unless the Undersigned notifies Financial Institution otherwise and provides such documentation as Financial Institution requires, the brokerage account(s) shall be held by the Undersigned jointly with rights of survivorship (payable to either or the survivor of the Undersigned). Each joint tenant irrevocably appoints the other as attorney-in-fact to take all action on his or her behalf and to represent him or her in all respects in connection with this Agreement. Financial Institution shall be fully protected in acting upon the instructions of either of the Undersigned. Each of the Undersigned shall be liable, jointly and individually, for any amounts due to Financial Institution pursuant to this Agreement, whether incurred by either or both of the Undersigned.

13. **Address**
Communications may be sent to the undersigned at the current address of the undersigned which is on file at Financial Institution's office, or at such other address as the undersigned may hereafter give Financial Institution in writing. All communications so sent, whether by website, email, notice and access or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

14. **Recording Conversations**
The undersigned understands and agrees that for our mutual protection Financial Institution may electronically record any of our telephone conversations.

15. **ARBITRATION DISCLOSURES**
THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION AGREEMENT THE PARTIES AGREE AS FOLLOWS:
   - ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY, EXCEPT AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED.
   - ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED.
   - THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS.
   - THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD, unless, in an eligible case, a joint re quest for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
   - THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.
   - THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.
   - THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.

16. **AGREEMENT TO ARBITRATE CONTROVERSIES**
UNLESS AS PROVIDED FOR IN THE PARAGRAPH BELOW, IT IS AGREED THAT ANY CONTROVERSY BETWEEN US ARISING OUT OF FINANCIAL INSTITUTION'S BUSINESS OR THIS AGREEMENT, SHALL BE SUBMITTED TO ARBITRATION CONDUCTED BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) AND IN ACCORDANCE WITH ITS RULES. ARBITRATION MUST BE COMMENCED BY SERVICE UPON THE OTHER PARTY OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE.

    NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION; OR WHO IS A MEMBER OF A PUTATIVE CLASS ACTION WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL: (i) THE CLASS CERTIFICATION IS DENIED; (ii) THE CLASS ACTION IS DECERTIFIED; OR (iii) THE CUSTOMER IS EXCLUDED FROM THE CLASS BY THE COURT. SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

Regulation Best Interest (Reg BI) – Disclosure Brochure

Reg BI is a standard of conduct promulgated by the SEC, it requires Ameritas Investment Company, LLC (AIC) and its financial professionals to act in the best interest of the retail customer at the time a recommendation is made. The underlying goal of Reg BI is to improve investor protection by enhancing obligations when making retail recommendations and reduce potential harm to retail customers from conflicts of interest that may impact the recommendation.

Scope and Terms of the Relationship

Financial Industry Activities and Affiliations

AIC is registered with the Securities and Exchange Commission (SEC) as a broker-dealer. AIC is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). AIC is part of the Ameritas Mutual Holding Company (AMHC) family of companies. AMHC owns Ameritas Holding Company (AHC), which has direct 100% ownership of both Ameritas Investment Partners, Inc. (AIP), a registered investment adviser, and the Ameritas Life Insurance Corp. (ALIC); ALIC has direct 100% ownership of several companies, including: Ameritas Life Insurance Corp. of New York (Ameritas Life of NY), Variable Contract Agency, LLC, Ameritas Advisory Services, LLC (AAS), a registered investment adviser, and AIC.

Our Financial Professionals and Licensing Limitations

Many of our management persons are registered representatives of AIC. Financial professionals are also registered representatives of AIC and may be individually licensed as insurance agents or serve as agents of ALIC or their affiliates in the sale of traditional and variable insurance products. Financial professionals may also be investment adviser representatives (IAR), associated with our affiliate AAS. We offer a variety of approved products and services to our financial professionals to serve your needs. However, some of our financial professionals are limited in their offerings due to their licensing restrictions and/or their insurance appointments. Your financial professional can only offer you products or services that he or she is licensed to provide. You should discuss this with your financial professional. Please refer below for additional information regarding permitted activities for various license types.

- Financial professionals who are registered as an Investment Adviser Representative (IAR) can offer asset management, financial planning, and third-party advisory programs. AIC is a broker-dealer and the financial professional would need to be affiliated with an investment adviser to become an IAR. Our affiliate, AAS is a registered investment adviser.
- An individual who holds a Series 6 license is qualified for the solicitation, purchase and/or sale of the following securities products: mutual funds (closed-end funds on the initial offering only), variable annuities, variable life insurance, unit investment trusts (UITs), and municipal fund securities [e.g., 529 savings plans, local government investment pools (LGIPs)].
- An individual who holds a Series 7 license is qualified for the solicitation, purchase and/or sale of all securities products, including corporate securities, municipal fund securities, options, direct participation programs, investment company products and variable contracts.

Services and Products

We have two primary lines of business – brokerage and municipal finance. AIC (or its financial professional) will assist you in making an account assessment. When we make recommendations regarding your brokerage account, we're acting as a broker-dealer. If your financial professional is also and IAR and he or she makes a recommendation regarding your advisory account he or she is acting as an IAR. When your financial professional makes a recommendation to you, they will expressly tell you which account you are discussing.

Through our network of financial professionals, we offer the following investment opportunities:

- Mutual Funds
- Individual Securities
- Fixed Income Securities
- 529 College Savings Plans
- Variable Insurance Products
- Alternative Investments
- Unit Investment Trusts
- Retirement Plans

Clearing Firm/Custodian's Role

What is a Clearing Firm?

Clearing firms, also known as clearing corporations or clearing houses, handle the back-end operations behind making securities trades happen once a trade is submitted. Essentially, clearing firms make sure that your money and stocks make it to their intended destinations when you place trades by serving as the intermediary between your account and another buyer or seller's account.

What Is a Custodian?

A custodian is a financial institution that holds customers' securities for safekeeping in order to minimize the risk of theft or loss. A custodian holds securities and other assets in electronic or physical form.

How a Custodian Works

In addition to holding securities for safekeeping, most custodians also offer other services, such as account administration, transaction settlements, the collection of dividends and interest payments, tax support, and foreign exchange. The fees charged by custodians vary, depending on the services that the client desires. Many firms charge quarterly custody fees that are based on the aggregate value of the holdings. A custodian may also have the right to assert possession over the assets, if required, often in conjunction with a power of attorney. This allows the custodian to perform actions in the client's name, such as making payments or changing investments.

As custodian of your brokerage account, the custodian at the direction of AIC, is responsible for the following: the execution, clearance, and settlement of securities transactions, preparing and sending periodic statements and transaction confirmations, the custody (or safekeeping), receipt, and delivery of funds and securities, and the extension of margin credit upon approval.

Our firm offers brokerage account services through National Financial Services, LLC (NFS), a well-known clearing firm across the financial services industry. Our firm and other broker-dealers use clearing firms as custodians to hold clients' brokerage account assets, execute trades, provide customer confirmations and statements, and handle tax-related reporting activities.

Types of Brokerage Accounts

A Fidelity® Investments company, NFS provides brokerage account services for Premier Access, Select Access and Basic Brokerage Accounts. NFS also provides custodial services for IRAs, profit sharing plans, and money purchase plans. You will not receive any monitoring with brokerage accounts and there are no account minimums associated with opening an account.

- The Premier Access account empowers you to manage your investing, savings, and spending all in one account with the following services and features:
  - -Direct deposit/direct debit
  - -Online bill pay
  - -Checking–with unlimited, free checkbooks
  - -Mobile check deposit
  - -Premier Rewards Visa debit card–access to cash directly from your brokerage account, including 1% cash back rewards and additional Visa benefits
  - -ATM fee reimbursement
  - -A broad choice of investments
  - -The ability to invest in mutual funds from hundreds of fund families
  - -Account protection
  - -Ongoing investment professional support
  - -Overdraft protection using margin
- The Select Access account is a comprehensive brokerage account, with the following features and services:
  - -Direct deposit/direct debit
  - -Online bill pay
  - -Checking
  - -Mobile check deposit
  - -Visa debit card–access to cash directly from your brokerage account
  - -A broad choice of investments
  - -The ability to invest in mutual funds from hundreds of fund families
  - -Account protection
  - -Ongoing investment professional support
  - -Margin account borrowing
- Basic Account: This account offers the traditional benefits of a brokerage account but excludes additional services you may not require. It is designed for investors who wish to buy and sell diverse investment products and is available as a cash or margin account.
- IRAs: These accounts, offered by AIC through NFS, are designed to help you toward financial independence at retirement and preserve assets for future generations. Whether potential earnings are set up to grow tax-deferred or tax-free, your retirement savings enjoy the full benefit of tax-deferred growth potential.

How Mutual Fund Direct Business Works

On behalf of their client, the Financial Professional buys mutual fund shares directly from fund companies. These assets are held directly at fund companies versus a brokerage account. Typically, it is carried out in the following ways:

1. **Check and Application:** The financial professional completes a paper application, then the investor signs the paperwork and writes a check. Then the paperwork and check are sent directly to the mutual fund company.
2. **Wire Transfer:** The broker-dealer arranges for an electronic transfer from an investor's account to the mutual fund. In some cases, firms use a special holding account for all transfers. Typically, the paperwork applications are transmitted when the funds are transferred.
3. **Fund/SERV:** Although Fund/SERV clears mutual fund transactions and is not a pure direct business option, broker-dealers can use it to manage their mutual fund transactions. It is a basic platform for mutual fund transactions offered to National Securities Clearing Corporation (NSCC) members, which is compatible with other NSCC services.

Conflicts of Interest

Revenue Sharing and Conflicts of Interests

AIC, through our financial professionals, offers a variety of products and programs including, but not limited to, mutual funds, unit investment trusts, real estate investment trusts, direct participation programs, life insurance and annuity products, and retirement platforms. Collectively, we refer to the companies through which these products are offered as product providers. Before engaging product providers, AIC conducts a due diligence review to determine, in part, that the product providers have investment products and services designed to meet a variety of client needs.

AIC has entered into agreements with select product providers and third parties referred to as revenue sharing arrangements. Revenue sharing is a form of compensation paid to AIC that is in addition to other product related fees paid by the investor. Some revenue sharing arrangements are in return for increased exposure to our financial professionals through conferences and educational opportunities. AIC's financial professionals do not receive additional financial compensation because of these revenue sharing arrangements. In some cases, revenue sharing may represent an expense embedded in the investment product that is paid by investors. In other cases, the revenue is paid out of the product providers' assets. Although AIC endeavors to put the interests of its clients first, these arrangements present conflicts of interest for AIC and its officers, directors, and financial professionals. These revenue sharing arrangements are an incentive for us to give preferential treatment to these sponsors which could influence sales of these products.

Due to the conflicts of interest inherent in revenue sharing arrangements, AIC believes it is important to communicate its revenue sharing arrangements to you as you evaluate your investment options. Aside from the revenue sharing arrangements described above, AIC also has relationships with Ameritas Life Insurance Corp. ("ALIC"), Ameritas Life Insurance Corp. of New York ("ALIC NY"), Ameritas Advisory Services, LLC (AAS), Ameritas Investment Partners ("AIP") and other affiliates.

AIC is part of the Ameritas Mutual Holding Company (AMHC) family of companies. AMHC owns Ameritas Holding Company (AHC), which has direct 100% ownership of both Ameritas Investment Partners, Inc. (AIP), a registered investment adviser, and the Ameritas Life Insurance Corp. (ALIC); ALIC has direct 100% ownership of several companies, including: Ameritas Life Insurance Corp. of New York (Ameritas Life of NY), Variable Contract Agency, LLC, Ameritas Advisory Services, LLC, a registered investment adviser, and AIC.

When you do business with our affiliates, it creates additional revenue for our enterprise, this creates a conflict of interest for us. For additional information regarding revenue sharing and conflicts of interest, please visit, www.ameritas.com/investments/disclosures/.

Your Financial Professional's Relationship with Us

Your financial professional receives compensation from us which includes a portion of the fees and/or commissions you pay. In a commission-based relationship your financial professional has an incentive to encourage you to affect more transactions in your account. You may also have an investment advisory relationship with your financial professional. If you have an investment advisory relationship, generally fees paid to your financial professional are negotiable and are dependent upon the complexity of your financial situation, the investment services to be provided, the experience and standard fees charged by your IAR, and the nature and total dollar value of assets maintained in your account. The portion of the compensation received by your financial professional may be more or less than what he or she would receive at another firm. This compensation includes bonuses, awards or other things of value offered to your financial professional. We pay our financial professionals in different ways, for example: payments based on production, reimbursement or credits of fees that financial professional's pay us for items such as administrative services, or technology, payments in connection with the transition of association from another broker-dealer or investment adviser firm, payments in the form of repayable or forgivable loans, and attendance at our conferences and events.

We also charge financial professional's various fees under their independent contractor agreement, for example, for administrative, custody and clearing services to accounts, technology and licensing. These fees and compensation may be based on the financial professional's overall business production. When compensation or fees charged is based on the level of production of a financial professional, the financial professional has a financial incentive to meet those production levels. The amount of this compensation could be more, and the amount of these fees charged by us could be less, than what the financial professional would receive, or pay, if he or she associated with another broker-dealer firm.

We may also provide various benefits and/or payments to financial professionals that are newly associated with us to assist the financial professional with the costs (including foregone revenues during account transition) associated with transitioning his or her business to our firm (collectively referred to as "Transition Assistance"). The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the financial professional at his or her prior firm. The receipt of Transition Assistance creates a conflict of interest in that a financial professional has a financial incentive to recommend that a client open and maintain an account with the financial professional for advisory and or brokerage services in order to receive the Transition Assistance benefit or payment. We attempt to mitigate these conflicts of interest by evaluating and recommending that clients use AIC's services based on the benefits such services provide to clients, rather than the Transition Assistance earned by any financial professional. However, clients should be aware of this conflict and take it into consideration when deciding whether to establish or maintain a relationship with us.

Our financial professionals may also have other outside business activities separate from AIC for which they also receive compensation. While financial professionals may be permitted to be employed by, or own, a financial services business entity, including an investment adviser business, separate from AIC, this activity must be disclosed. This activity is not considered a conflict of interest on its own, but may be in some cases. However, retail customers should be aware that these situations can exist. For example, a financial professional could conduct these activities during normal business hours, which could take away time from servicing retail customers or otherwise affect their obligations to you. Examples of such activities include tax preparation, insurance, and/or attorney services for which they also receive compensation. Financial professionals must obtain prior approval to participate in Outside Business Activities. To obtain information about your financial professional's outside business activities and to see if they may present conflicts of interest, please visit FINRA's BrokerCheck and search under "Detailed Report." We encourage you to speak with your financial professional regarding any other activities.

In most cases, AIC requires its security registered employees to disclose outside activities and affiliations to the Firm in writing so that AIC is able to assess the compatibility of the outside affiliation or activity with their role at the Firm. "Outside affiliations" include relationships in which an AIC employee serves as an employee, director, officer, partner or trustee of a public or private organization or company other than AIC (paid or unpaid), including joint ventures, portfolio investment companies, or non-profit, charitable, civic or educational organizations. In some cases, those relationships are related to employment with the Firm. AIC employees are generally prohibited from (i) being employed by another company or engaging in other activities that could interfere or conflict with their service at the Firm, (ii) being employed by, or serving on a board or in an advisory position with, any public company or with other firms in the financial services industry, or (iii) entering into independent non-Firm related business relationships with customers/clients, vendors, or co-workers. Request for exceptions to these prohibitions can be made in writing on a case-by-case basis to the Supervision Department. Certain AIC employees may serve, under certain limited circumstances, as an executor, trustee, guardian or conservator, (with the exception of family members) with prior approval from the Supervision Department. Brokerage accounts under control of the employee as a result of their service as an executor, trustee, guardian or conservator must be disclosed in accordance with the Firm's Code of Conduct/Code of Ethics. The Firm generally permits employees to engage in philanthropic, charitable or other similar pursuits, subject to certain limitations and with prior approval from the Supervision Department.

Payout Grid Schedule

Financial professionals receive compensation by the products and services you buy. As the financial professional sells products and services, their compensation can increase or decrease in any given year. AIC has established a payout grid which illustrates which level of compensation a financial professional will receive. The more they sell the higher their compensation and the less they sell the lower their compensation. This creates an incentive for your financial professional to sell more products to achieve a higher payout. You are encouraged to speak with your financial professional regarding their compensation and review more information about the AIC payout grid on www.ameritas.com/investments/disclosures/.

Marketing Support

AIC has entered into marketing support agreements with certain third-party firms which provide these firms with access to our financial professionals in order to promote their services including preferred status in business planning sessions and participation in our conferences. In exchange, we receive compensation from these third-party firms to support our technology, training, marketing, staffing and ongoing education of our financial professionals. Financial professionals are eligible to receive reimbursements, marketing and distribution allowances, due diligence fees, or other compensation based on sales directly from third party firms for the costs of marketing, distribution, business and client development, educational enhancement, and/or due diligence reviews incurred by financial professionals relating to the promotion or distribution of the services. Because a financial professional can receive such additional compensation, a conflict of interest exists. To mitigate this conflict, we require our financial professionals to submit receipts for all expenses for which reimbursement is requested. All such reimbursements must be approved by and paid through the firm.

Conflicts Related to Our Clearing and Custody Relationship with NFS

NFS transmits client orders for execution to various exchanges or market centers based on a number of factors, including size of the order, trading characteristics of the security, favorable execution prices (including opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing, and reduced execution costs through price concessions from the market centers. Certain market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices. NFS' order-routing policies, taking into consideration all of the factors listed above, are designed to result in favorable transaction processing for customers.

NFS provides the following products and services without cost: receiving duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk; access to block trading (providing the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts.)

While AIC can negotiate competitive pricing from NFS that we believe is beneficial to our clients, AIC's clearing relationship with NFS provides AIC with certain economic benefits by using itself as the broker-dealer rather than an unaffiliated broker-dealer. AIC marks up NFS transaction fees, statement fees and confirm fees. However, clients that opt in to electronic delivery will not be charged statement or confirm fees. You will also pay other brokerage account charges and activity fees ("rebillable fees") such as legal transfer fees, check fees, transfer fees, and cash management fees. Account activity fees are outlined in the section titled, client brokerage fees below and are subject to change upon 30 days' notice to you. AIC retains net profits that result from the correction of trade errors in program accounts custodied at NFS. All losses incurred by clients, due to errors, will be removed from either the financial professional's compensation or AIC's revenues, depending on the cause of the error.

When you open a brokerage account through AIC and our clearing firm, National Financial Services ("NFS"), each eligible brokerage account has an associated core account to hold cash balances waiting to be reinvested from the sales of securities, deposits, dividends and interest payments and other activities. Through NFS's Bank Deposit Sweep Program ("BDSP") cash balances will be automatically deposited or "swept" into the interest-bearing FDIC insurance eligible Program Deposit Account ("Deposit Account") at one or more of the specified Program Banks. A list of participating Program Banks can be accessed at www.mybrokerageinfo.com/TBSbanklist or obtained from your financial professional. The Program Banks where your funds are deposited are not selected in any order. The order in which cash is deposited at the Program Banks on the Program Bank List cannot be changed, however, you have an opportunity to designate a Program Bank as ineligible to receive your cash, "opting out" of a Program Bank by contacting your financial professional. Funds are allocated to each Program Bank using an algorithm based on minimum, maximum and target balance set by each Program Bank.

The BDSP should not be viewed as a long-term investment option for cash in your brokerage account. If you desire, as part of an investment strategy, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, contact your financial professional to discuss investment options that are available outside of the Program that are better suited to your goals. The interest rate for your Deposit Account may be obtained from AIC or your financial professional. Your balances will earn the same rate of interest regardless of the Program Bank at which your cash is deposited. The cash balances held at Program Banks receive a lower interest rate than the prevailing interest rates paid by the Program Banks or in other interest-bearing accounts, including money market funds. Banks do not have a duty to offer the highest rates available or rates that are comparable to the yield on Money Funds. Program Banks pay a rate for Program Deposits that is higher than the rate received by you, and the difference is the fee collected for administering the Sweep Program and related services. The fees retained by AIC and NFS can be a higher percentage of the interest which is what is credited to customer accounts.

Deposits at an individual Program Bank are covered by FDIC insurance up to a maximum of $250,000 for an individual account and $500,000 for joint accounts. The maximum amount of FDIC Insurance coverage for your deposits in the Program is up to $2.5 million (for an individual account) or up to $5 million for a joint account, subject to the total amount on deposit in an account, applicable FDIC rules and bank availability; additional disclosures, rates and a list of BDSP Participating banks can be accessed at www.mybrokerageinfo.com/TBSbanklist or obtained from your financial professional. We encourage you to review these documents.

NFS receives revenue from each bank ("Program Bank") based on the average daily deposits held at the Program Banks. This revenue is then shared with AIC and from this revenue, AIC will pay interest to customers who participate in the Bank Sweep Deposit Program. The interest rate paid is the same for all accounts and are determined by AIC and subject to change. If your account is not eligible for the Bank Deposit Sweep Program and you do not select another cash sweep account investment vehicle, your cash sweep investment vehicle will be invested in a non-interest bearing cash account. Money market sweep options are available, however they may be subject to transaction fees. The revenue generated by us may be greater than revenues generated by sweep options at other brokerage firms and may be greater than other core account investment vehicles currently available to you or possible core account investment vehicles that we have used in the past or may consider using in the future. This revenue is not shared with your financial professional. AIC does not receive any revenue on qualified advisory accounts.

These additional forms of compensation are received by AIC and not your financial professional. The additional compensation is a financial benefit to AIC and a conflict of interest because we have an incentive to direct client accounts in consideration of the actual or anticipated incentives or consideration we will receive. In addition to compensation related conflicts, AIC, as a broker-dealer, has contractual relationships with NFS which limit our use of other clearing firms, broker-dealers and custodians. This contractual relationship is a conflict of interest in that AIC may be limited in its selection or have a bias to direct assets to NFS or affiliates of NFS, particularly Fidelity Brokerage Services, LLC.

AIC participates in a NTF (No Transaction Fee) mutual fund revenue sharing program. The revenue share is calculated based on the average daily assets of participating fund positions. The payment increases on a tiered basis as the average aggregate balance increases. If NFS does not receive a payment from the fund company, NFS will not pay on that position. Since not all mutual funds generate a payment to AIC, there is a conflict in the recommendation of these funds and their status in the NTF Revenue Sharing Program, in that AIC will earn additional revenue when NTF funds are recommended.

Mutual funds share classes in the NTF Program generally have higher internal expenses and as such are more expensive than other available mutual fund share classes outside the NTF Program. In addition, different share classes of the same mutual fund can be part of the NTF program, while another share class of the same mutual fund is not. These differences in costs and internal fund expenses are a conflict of interest for AIC as we have an incentive to recommend NTF funds over transaction fee funds.

AIC will earn a monthly distribution fee on all Fidelity Money Market Sweep Fund balances (including qualified retirement plans) at an annualized rate of the average net assets (calculated daily) of its customers beneficially owning shares in the following Fidelity Money Market Sweep Fund portfolios (Prime Fund, Tax-Exempt Fund, and Treasury Fund).

AIC receives compensation from NFS in the form of transition assistance, business development credits, mark-ups to transaction fees, margin interest, revenue from the Bank Sweep Deposit Program, and payments based upon the total number of transaction fee fund positions on the NFS platform.

NFS pays AIC a transaction fee on each transaction fee mutual fund position ("TF Fund") held in client accounts ("TF Fund Payments Revenue Sharing Program"). Through this program, NFS pays AIC up to $3.00 per

TF Fund held in commission-based brokerage accounts held with NFS. The payment per TF Fund held in client accounts increases on a tiered basis as the number of positions increases. If NFS does not receive a per position or asset based payment from the TF Fund, NFS will not pay on the TF Fund position. Since not all mutual funds generate a payment to AIC, there is a conflict to AIC in the recommendation of funds and their status in the TF Revenue Sharing Program. TF mutual funds have a required transaction fee you will pay instead of a sales load. All other fees and expenses described in a fund's prospectus still apply.

NFS will credit AIC with 100% of the Customer margin interest income in excess of the National Financial Base Lending Rate ("NFBLR") plus 25 basis points. Interest on all cash debits in Customer Accounts will be charged directly to Correspondent at NFBLR plus 150 basis points. Customer Accounts not electing a sweep option will be eligible for credit interest. NFS will credit Correspondent with 80% of the National Financial Credit Rate ("NFC") less any amounts credited to Customer Accounts. NFS will give AIC Recruiting credit if AIC establishes and maintains formal recruiting qualifications and procedures as well as identify recruiting resources. Such qualifications, procedures, and resources may include but not be limited to establishing a designated recruiting contact and minimum asset and production qualifications for recruits.

AIC receives an annual business development credit of $250,000 to aid in the development of AIC's business as well as compensation and transitional assistance from NFS based on assets transitioned to NFS in both brokerage and advisory accounts. AIC receives an annual technology credit of up to $100,000 from NFS to cover fees incurred for technology products and services offered by NFS and a credit of $550,000 in 2021 and $400,000 in 2022 for renewal of AIC's clearing agreement with NFS.

These additional forms of compensation are a financial benefit to AIC and a conflict of interest because we have an incentive to direct client accounts in consideration of the actual or anticipated incentives or consideration we will receive. In addition to compensation related conflicts, AIC, as a broker-dealer, has contractual relationships with NFS which limit our use of other clearing firms, broker-dealers and custodians. This contractual relationship is a conflict of interest in that AIC may be limited in its selection or have a bias to direct assets to NFS or affiliates of NFS, particularly Fidelity Brokerage Services, LLC.

Proprietary Products

AIC is the distributor and lead underwriter for variable insurance products issued by ALIC. As a result of these arrangements, AIC will act in multiple capacities with respect to the services it provides which results in conflicts of interest. AIC acts as the principal underwriter for variable annuities and variable insurance policies issued by ALIC. In its role as lead underwriter, AIC receives a distributor fee for these services if the variable annuity or variable insurance policy is sold on a commission basis. Due to the conflict of interest resulting from receipt of distribution fees paid from premium loads, if you invest in a variable annuity or variable insurance policy, ALIC pays AIC for serving as underwriter from its assets or surpluses in its general account rather than through a premium load.

A financial professional may recommend the purchase of variable insurance products issued by ALIC, or financial services available through affiliates of AIC. If you choose to implement these recommendations, the investments would be purchased through AIC and in turn AIC, and an AIC financial professional would receive compensation and/or commissions as a result of the sale of the insurance and other financial products, or services recommended. Additional information regarding distribution of ALIC products may be found in the product prospectus available from ALIC or your financial professional. Certain AIC financial professionals may receive a higher commission rate on proprietary VUL products, when compared to the majority of AIC financial professionals, due to their longstanding history of production with ALIC.

ALIC offers a variety of insurance products and benefits to retail customers and businesses. AIC representatives, in their capacity as insurance agents appointed with ALIC may recommend these insurance products to you. The compensation received by ALIC and its agents is a conflict of interest.

If you purchase an ALIC variable annuity or life insurance policy your financial professional may recommend that you select Calvert Variable Products, Inc. Funds ("Calvert VP Funds") or Calvert Variable Series, Inc. Funds ("Calvert Funds") as investment options within the contract or policy. AIP is an affiliate of the firm, and as the sub-adviser for certain Calvert VP Funds and Calvert Funds receives a fee for these services. There can be cases where AIC and AIP both receive fees for assets invested in annuity contracts issued by ALIC, thus creating a conflict of interest.

Financial professionals receive production incentives from us, AAS, and/or Ameritas Life Insurance Corp. as a result of reaching certain levels of sales and/or assets under management, if an IAR is affiliated with AAS. Such incentives can include attendance at our incentive and educational conferences and events, medical, dental, life insurance, HSA plans, 401(k) matches, as well as contributory and non-contributory deferred compensation plans. As a result, there is a conflict of interest for us and our associates in recommending certain affiliated programs and proprietary products. The conflicts of interest outlined in this section create an incentive to recommend proprietary products.

Principal Trading

AIC is a municipal securities dealer, municipal securities adviser, and underwriter for municipal securities offerings primarily in the state of Nebraska. AIC participates in principal trading primarily with its fixed income offerings by selling these investments for or from our own accounts. AIC's receipt of fees and commissions in connection with these activities is a conflict of interest because we will earn more money on fixed income securities where we act as principal than if we do not.

Retirement Plan Rollovers

When leaving an employer you typically have four options regarding your existing retirement plan: (1) leave the assets in the former employer's plan, if permitted, (2) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (3) roll over the assets to an Individual Retirement Account ("IRA"), or (4) take a full withdrawal in cash, which would result in ordinary income tax and a penalty tax if you are under age 59 ½.

If your financial professional recommends that you roll over your 401(k) or other qualified plan assets to an IRA, this rollover recommendation presents a conflict of interest in that we and your financial professional would receive compensation (or may increase current compensation) when investment advice is provided following your decision to roll over your plan assets.

Your financial professional will discuss your retirement plan options, including retention of your 401(k) or qualified plan assets with your current plan, if allowed. Prior to deciding you should carefully review the information regarding your rollover options and are under no obligation to rollover retirement plan assets to an account managed by us.

Conflicts Related to AEI Capital Corporation

A conflict of Interest exists regarding Ameritas Investment Company, LLC ("AIC"), AEI Capital Corporation ("AEI"), Ameritas Investment Partners, Inc. ("AIP"), Ameritas Life Insurance Corp. ("ALIC"), the parent company of AIC, and AIC customers purchasing certain AEI products. AIC, ALIC and AIP may be subject to competing interests that have the potential to influence their decision making regarding the AEI products.

ALIC and AEI formed NLP Funding LLC ("NLP") in order to provide a revolving credit facility ("Credit Facility") to one or more intermediate tier limited liability company depositor entities (each a "DST Depositor") which have been formed for the purpose of either acquiring and contributing commercial real estate properties to one or more Delaware Statutory Trusts (each a "DST") or contributing the capital used by the DST to acquire the commercial real estate property.

NLP's Credit Facility is funded by capital contributions from ALIC and AEI. In return for the loans made under the Credit Facility, NLP receives principal and interest payments in addition to a repayment fee from each DST Depositor. NLP subsequently distributes monies received from the DST Depositors to AEI and ALIC.

Certain investment products issued and distributed by AEI and its affiliates include beneficial interests in the DST's. When registered representatives of AIC sell such DST interests on a commission basis, there is a conflict of interest because AIC registered representatives may be influenced to recommend AEI products when AIC's parent company receives principal and interest payments from NLP which, in part, are the indirect result of DST interest purchases made by AIC customers.

Methods of Analysis, Investment Strategies

Each financial professional has the independence to take the approach that he or she believes is most appropriate when analyzing investment products and strategies for clients. The financial professional chooses his or her own research methods, investment style and philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. When developing recommendations for you, financial professionals compare your financial goals with your investment risk tolerance and the risk and potential return of a specific investment. Financial professionals have wide latitude in designing investment strategies. You should ask your financial professional about their specific approach.

Investing involves risks that investors should be sure they understand and should be prepared to bear. No investment strategy will guarantee a profit or prevent losses. As a firm, we do not favor any specific method of analysis over another, and therefore would not be considered to have one approach deemed to be a "significant strategy." There are, however, a few common approaches that may be used in the course of providing advice to clients as described below:

- **Asset Allocation:** An investment strategy that aims to balance risk and reward by allocating assets among a variety of asset classes. At a high level, there are three main asset classes–equities (stocks), fixed income (bonds), and cash or cash equivalents–each of which have different risk and rewards. Asset classes are further divided into domestic and foreign investments with equities divided into small, mid and large capitalization. Bonds have varying durations and credit quality. By diversifying a portfolio amongst a wide range of asset classes, investors seek to reduce (but not eliminate) the overall risk of a portfolio through avoiding overexposure to any one asset class during various market cycles.
- **Fundamental Analysis:** A method of evaluating a security that involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure what is deemed to be the true value of the company's stock compared to the current market value. The end goal of performing fundamental analysis is to produce a value that an investor can compare to the security's current price and determine whether the security is over or under priced.
- **Technical Analysis:** A method of evaluating securities by studying past price patterns and trends in the financial markets to predict the direction of the overall market, specific stocks or both. Technical analysts do not attempt to measure a security's intrinsic value. Instead they use charges and other tools to identify patterns that suggest future activity. When looking at individual equities, a person using technical analysis generally believes that performance of the stock, rather than performance of the company itself, has more to do with a company's future stock price.
- **Cyclical Analysis:** A type of technical analysis that involves evaluating recurring price patterns and trends with the goal buying or selling securities based upon expected price movements or "market timing." The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Risk Factors

As mentioned above, regardless of the strategy or analysis used, all investments carry the risk of loss including the loss of principal invested. Some risks may be avoided or mitigated, while others are completely unavoidable. Some of the common risks you should consider prior to investing include, but are not limited to:

- **Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** Securities valuations may fall for a variety of reasons, including economic, political, social, financial, widespread business continuity events (e.g. natural disasters, pandemics, etc.) and issuer-based factors, causing prices of stocks, bonds, and other securities in investment portfolios to fall.
- **ESG Investment Risks:** Investment strategies, mutual funds and ETFs that focus on environmental, social and governance ("ESG") practices of corporations in evaluating security selection are subjective and may be defined in different ways by different funds and managers. A portfolio manager's ESG practices may significantly influence performance causing performance to be higher or lower than the overall market or comparable funds or strategies that do not employ ESG practices.
- **ETF Risks, including Net Asset Valuations and Tracking Error:** ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track ("tracking error") because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the future for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

  An ETF typically includes embedded expenses that reduce the fund's net asset value and therefore directly affect the fund's performance, a client's portfolio performance and index benchmark comparison. Expenses of the fund generally include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses can change from time to time at the sole discretion of the ETF issuer. ETF tracking errors and expenses may vary.

- **Inflation Risk:** If any type of inflation is present, a dollar today will not buy as much as a dollar at the same subsequent time, because purchasing power is eroded at the rate of inflation. Inflation tends to erode returns on investments, as well.
- **Portfolio Turnover Risk:** Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees, and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely impacted.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it (a lengthy process) before they can generate a profit. They have a greater uncertainty of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Financial Risk:** Excessive borrowing to finance a business's operations increases the uncertainty of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Liquidity Risk:** When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, we may invest portions of client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict our ability to dispose of such investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities and result in delays in liquidating the investment.
- **Money Market Fund Risks**: An investment in a money market mutual fund, unlike bank deposits, is not insured or guaranteed by the FDIC or any other governmental agency, and it is possible to lose money by investing in a money market mutual fund. Money market mutual funds are covered by SIPC, which protects against the custodial risk (not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of $500,000, of which $250,000 may be cash.
- **Fixed Income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **Brokered CD Risks:** Brokered CDs differ from traditional CDs purchased directly from your bank and held as a bank deposit, in that brokered CDs may have longer holding periods, may be more complex, may have different features and fees, and carry more risk. Although most brokered CDs are bank products, some may be securities and won't be FDIC insured. Unlike a traditional CD, brokered CDs must be sold in the secondary market which may be quite limited. If you need to liquidate your brokered CD before it matures, the CD may be worth less than your initial investment particularly if current interest rates are higher than the CD you currently own. For brokered CDs with long holding periods, any interest you might receive could be significantly reduced by the advisory fee you pay. Some brokered CDs are callable and may be called by the issuer if interest rates go down. Make sure you understand the fees, features, and risks of the particular brokered CD you are considering.
- **High Yield Fixed Income Securities Risk:** Investments in high-yielding, non-investment grade bonds (often referred to as "Junk Bonds") involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- **Foreign, Emerging Markets Risk:** Investments in these types of securities have considerable risks. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- **Structured Products Risk:** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits. Due to the variety of structured products and the different issuers (financial institutions) the amount of the commission earned by AIC and the financial professional varies depending on the offering, amount invested and the length of time to maturity of the structured product.
- **Interval Fund Risks:** Interval funds may expose investors to liquidity risk. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. Moreover, if an interval fund invests in companies with smaller

market capitalizations, derivatives or securities that entail significant market or credit risk, the liquidity risk may be greater.

- **Alternative Investment Product Risk:** An investment that is not one of the three traditional asset types (stocks, bonds, and cash) and generally has low correlations to stocks and bonds. Alternative Investments may have complex terms and features that are not easily understood and are not suitable for all investors. Risks that may be associated with liquid alternative investments include: (1) Leverage – Leverage may enhance a fund's returns in up markets but exacerbate returns in a bad market. Some firms with leverage inherent in their portfolios may experience "margin call" types of actions in the event of liquidity dry-ups or if certain counterparties cannot provide the leverage needed. (2) Shorting – Certain securities may be difficult to sell short at the price that the manager would wish to execute a trade. A short position may have the possibility of an infinite loss if a security continues to go up in price and the manager does not cover. (3) Security valuation – Certain securities held in alternative mutual funds, such as derivatives or thinly traded stocks, bonds or swaps may not have a market in which the money manager may need to trade it quickly in case of fund redemptions. High Bid/Ask spreads or the lack of another buyer/seller to take the opposite position of a thinly traded security could cause inaccurate estimates in underlying security valuation by the administrator. (4) Nightly reconciliation – The use of thinly traded securities, shorting and leverage may make it difficult for some alternative funds, based on their investment strategy, to provide accurate nightly NAV's for the mutual fund.
- **Derivatives (Options) Risk:** Options involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss, including the loss of principal.
- **Small/Mid Cap Risk:** Stocks of small or mid-sized companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Non-Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.
- **American Depository Receipts (ADRs):** Positions in those securities are not necessarily denominated in the same currency as the common stocks into which they may be converted. ADRs are receipts typically issued by an American bank or trust company evidencing ownership of the underlying securities. Generally, ADRs, in registered form, are designed for the U.S. securities markets. An account may invest in sponsored or unsponsored ADRs. In the case of an unsponsored ADR, a Fund is likely to bear its proportionate share of the expenses of the depository and it may have greater difficulty in receiving shareholder communications than it would have with a sponsored ADR.

The above list of general risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy or a particular security. You are encouraged to consult your financial professional, legal counsel and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above. Your investments are not bank deposits, are not insured or guaranteed by any governmental agency, entity, or person, unless otherwise noted and, as such, may lose value, including loss of entire principal amount.

Material Fees and Costs

Fees and Costs Associated with Transactions and Holdings

We are paid each time you trade in your brokerage account or make a new investment where a transaction charge is assessed. This payment is typically called a "commission," but it may also be called a "sales charge" or a "markup." This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments. The commission rate or amount varies depending on the investment and the size or amount of the transaction. You may pay a higher or lower markup than other clients pay for similar services. AIC may also assess up to a $6.00 trade service fee as a revenue source which, in part, is used to offset various ancillary costs associated with transactions that are passed on to the firm by NFS and are in turn passed by AIC to you. Clients who opt to receive electronic trade confirmations are still charged the trade service fee as this fee is not specific to postage and handling, but also encompasses various transaction costs passed on to the firm from NFS. Examples of these costs include trade confirmations, electronic trade confirmations, quarterly trade confirmations, prospectus and disclosure document delivery, electronic confirming prospectus, tax forms, and monthly and quarterly statements. Please refer to the Client Brokerage Fees: Account Agreement Schedule of Fees for more information.

In addition, investments that are interests in investment funds, such as mutual funds and UITs, or products, such as college savings plans and variable insurance products, bear ongoing fees and expenses that are embedded into the cost of the investment holding. You pay these ongoing fees and expenses indirectly because they are factored into the cost of the investment. More information about ongoing fees and expenses associated with investment funds and variable insurance products is available in the fund or product prospectus. If you purchased investments through another firm and transfer them to an account with us, you will pay ongoing fees and expenses to the investment product sponsor, or its affiliates. For example, if you purchase mutual funds through another company and subsequently transfer those mutual funds to an account with us, you will pay ongoing fees and expenses to the mutual fund company in addition to any fees we charge.

Because the fees and costs vary among investments, set forth below and on the following pages is fee and cost information regarding the types of transactions and investment holdings generally purchased or traded by our retail customers. More information about commission payments, including the commission schedules we use, is available from your financial professional.

Equities

Characteristics: We offer a wide range of equity securities, which give stockholders a share of ownership in a company. Before deciding to buy or sell an equity security, such as a publicly traded company, it is important for you to evaluate the risks associated with the company. As part of this evaluation, you will want to carefully review the company's relevant disclosure documents, such as its initial registration statement and prospectus in the case of an initial public offering, or its most recent audited financial statement in the case of a secondary market transaction. Stocks in public companies are registered with the SEC and in most cases, these companies are required to file reports with the SEC quarterly and annually. You may access these disclosure documents on the SEC's website www.sec.gov.

Fees and Costs: Buying and selling stocks entails fees. You will typically pay a commission every time you buy or sell an equity security. You will pay this commission in addition to the price you pay for the equity security you choose to buy or sell. Typically, the commission is 2% with a $25 minimum commission, however the commission may be larger on smaller trades to cover the financial professional's cost of the trade. The commission paid will also increase if the transaction is larger than

2,099 shares of an NYSE/listed security. Our transaction charges may be higher or lower than other firms offering comparable services.

Bonds

Characteristics: We offer a wide range of bonds, such as corporate bonds, government bonds, and municipal bonds. Bonds are debt securities issued by corporations, governments, or other entities that pay fixed or variable interest rates to investors for a specific period. When the bond reaches maturity, the bond issuer generally returns the principal amount of the bond to investors. There are many types of bonds and the features, characteristics, and risks associated with bonds can vary significantly.

For most bonds, a bond's coupon rate is the rate of interest it pays annually and is expressed as a percentage of its face value. Usually, the coupon rate is calculated by dividing the sum of coupon payments by the face value of a bond.

Bonds generally are priced at an initial face value (sometimes called "par" value) of $1,000 per bond. However, once the bond is traded on secondary markets, the bond's price may be lower than the face value, which is referred to as a "discount," or higher than the face value, which is referred to as a "premium." If the bond is priced at a discount, the investor will receive a higher interest yield (return) as a result of paying less than the face value. On the other hand, if the bond is priced at a premium, the investor will receive a lower interest yield (return) as a result of paying more than the face value. Bond prices typically have an inverse relationship with bond interest yields (e.g., as bond prices decrease, interest yields increase; as bond prices increase, interest yields decrease).

Unlike equities, where prices are usually evaluated based on their daily closing prices, many bonds do not have a uniform closing price because they are traded in over-the-counter (OTC) markets or another negotiated market. Bond prices are affected by many different factors, including but not limited to, supply and demand for the bond, the issuer's credit rating, bond size, interest rates, and age-to-maturity. With regard to the age-to-maturity pricing factor, bonds are paid in full (at face value) when they mature, though there are options to call, or redeem, some bonds before they mature (and some bonds permit the issuer to call the bond prior to maturity). Since a bondholder is closer to receiving the full-face value as the maturity date approaches, the bond's price moves toward par as the bond ages. Many bonds are priced by discounting the expected cash flow to the present using a discount rate.

More information describing a specific bond's features and risks is available in the bond's offering document. More information about bonds in general, including pricing and issuer credit ratings, is available on FINRA's website at www.finra.org. In addition, more information about government bonds is available on the Municipal Securities Rulemaking Board's (MSRB) website at www.msrb.org.

Fees and Costs: You will typically pay a "markup" as a transaction cost to the clearing firm when you buy a bond, as most bonds are traded on a principal (dealer) basis in the OTC market (although some bonds may be bought on an agency (commission) basis). With most bonds, instead of charging you a commission to perform the transaction for you, the broker-dealer marks up the price usually between 2.5 to 3.5 %. When you buy bonds through a broker-dealer on the secondary market, the bonds will have price markups. The markup thus represents the difference between the price a broker-dealer pays for a bond and the price at which it is sold to you by the broker-dealer. The amount of a markup/markdown charged on a bond transaction will depend on several factors and particular circumstances for each transaction, including the type of bond (corporate, government, or municipal), transaction size, credit quality, unit price, maturity, liquidity, and market scarcity.

With new issues of bonds, the broker-dealer's markup generally is included in the par value, so you do not pay separate transaction costs. Everyone who buys a new issue pays the same price, known as the offering price. If you are interested in a new issue of a bond, you can get an offering document describing the bond's features and risks.

If you sell a bond before it matures, you may receive more or less than the par value of the bond. Either way, the clearing firm will mark down the price of your bond, paying you slightly less than its current value (and will then mark up the price slightly upon resale to another investor). This is how broker-dealers are compensated for maintaining an active secondary market. Part of the profit earned by the clearing firm in marking up and marking down bond prices is shared with us for acting as the introducing broker-dealer on the transactions.

We conduct securities transactions in accordance with applicable rules and regulations and in a manner designed to treat you and other clients fairly and equitably over time. We provide disclosures to you regarding the compensation received by us and/or our representatives for these transactions. Such transactions include acting as a selling agent on a best effort's basis for new issues of fixed income securities that you have purchased in your account. In this regard, we rely upon our relationship with a third-party broker-dealer named Advisors Asset Management, Inc. (AAM) to complete transactions in fixed income securities your representative may recommend for purchase in your account. In such transactions, we generally receive normal and customary transaction-related compensation as a selling agent for the new issue fixed income security. AAM pays AIC compensation for order flow based upon the total amount of fixed income securities executed through those firms. AIC receives up to 20 percent of the concession charged by AAM for all our clients' brokerage transactions. The use of AAM to place trades creates a conflict of interest since we have an incentive to utilize their services. AAM is a full-service dealer available to assist our financial professionals in selecting bonds, the creation of bond ladders, etc. We also facilitate transactions through the bond tool offered by NFS. The bond tool through NFS is a self-service tool for financial professionals to utilize in the selection and execution of fixed income trades.

Options

Characteristics: We offer option contracts for you to buy or sell. Options are contracts that give you the right, but not the obligation, to buy or sell an underlying asset at a fixed price within a certain period. Various exchanges operating in the United States and regulated by the SEC offer public trading markets where different types of options are bought and sold, such as equity, index, and interest rate options. Option contracts may also be traded on certain European markets. An option contract that gives you the right to buy the underlying asset is referred to as a "call" option, and an option contract that gives you the right to sell the underlying asset is referred to as a "put" option. Most options have certain standardized terms that indicate the nature and amount of the underlying asset, the expiration date, the exercise price, and whether the option is a call or put. Many securities that are publicly traded in the United States have put or call options contracts, which are available for trading on an exchange in the United States. Equity options, for example, are designated by reference to the issuer of the underlying security, the expiration month or expiration date of the option, and the option's exercise price and type (put or call).

Prior to buying or selling options, you will receive a copy of the "Characteristics & Risks of Standardized Options," also known as the options disclosure document (ODD). Investors should read a copy of the ODD prior to buying or selling an option. The ODD contains required disclosure of the characteristics and risks of standardized option contracts. The ODD is available at www.theocc.com.

No certificates are issued to show your ownership of an option. You must review the confirmations and statements that you receive from us in order to confirm your positions in options as of the date of the confirmation or statement. It is very important to understand the process for exercising your rights as the holder of an option contract. You must give us instructions in accordance with our firm's procedures in order to exercise your rights; if you wish to do so, please contact your financial professional.

Not all options strategies are available through all financial professionals, nor are all clients approved for options trading. Those clients approved for options trading are generally not approved for all options trading strategies, and we limit the options strategies we make available to clients. Options for commissionable accounts may only be traded at our clearing broker-dealer, NFS. Our investment adviser affiliates, under limited circumstances, offer the ability to custody accounts at custodians other than NFS such as TD Ameritrade and Charles Schwab. These custodians will offer different pricing and services.

Fees and Costs: You will typically pay a commission every time you buy or sell an option contract. You will pay this commission in addition to the premium associated with the option contract, which you will pay regardless of whether you choose to exercise the option to buy or sell the underlying asset. The premium is not a standardized term of the option contract. The premium does not constitute a "down payment." The premium is a non-refundable payment and is in addition to the commission.

Mutual Funds

Characteristics: We offer a wide range of mutual funds from many different mutual fund companies. Mutual funds are registered investment companies that issue redeemable securities. Mutual funds issue shares on a continual basis, and there is no secondary trading market for mutual fund shares. Mutual funds are required to sell their shares at the fund's net asset value (NAV) per share plus any applicable sales charge or load, which is described below. The fund's NAV is calculated by dividing the total value of all the fund's assets, minus any liabilities such as ongoing fees and expenses (described below), by the number of shares outstanding.

An important aspect of mutual fund investing is to read the mutual fund's prospectus carefully before investing. Each mutual fund prospectus contains important information that will help you make an informed decision about an investment in a mutual fund. In deciding whether to invest in a mutual fund, you should consider several different factors, including your risk tolerance and time horizon, the mutual fund's investment objective, the underlying securities in the fund, the investment adviser responsible for the management of the mutual fund's assets, and the fees and expenses associated with an investment in a particular mutual fund. While past performance of a mutual fund is not indicative of future results, a mutual fund's long-term track record, the portfolio manager's experience and tenure with the fund, and the fund's underlying fees may be important factors in deciding to invest in a mutual fund.

We do not offer every mutual fund or every share class of every mutual fund commercially available. Similarly, we do not offer every share class of the funds we do make available. To the extent you open a brokerage account at NFS, you are limited to the products we make available through that platform. To the extent you open a direct mutual fund account, you are limited to the funds offered by that custodian.

Fees and Costs – Generally: You will typically pay a sales charge or load (commission) when you buy shares in a mutual fund. We receive a portion of this sales charge for our efforts and the efforts of our financial professionals in selling shares of the mutual fund. Most mutual funds utilize multiple share classes, with differing fees and expenses for distribution and shareholder services. Though there are many different types of share classes, we generally make available Class A, Class B and Class C shares. Each share class typically has different fees and costs, and therefore fund performance results will differ as those fees and expenses reduce performance across share classes. In addition, mutual fund issuers pay varying rates of commission, which creates a conflict of interest for us. You should also note that the amount of time you expect to hold your investment in a mutual fund will play an important role in determining which share class is most appropriate for you, and you should discuss this consideration with your financial professional. In addition, no-load and advisory share classes could be available which typically have lower fees and costs.

Fees and Costs – Share Class Distinctions: While there are no standard definitions for these share classes, and each mutual fund defines its share classes in its prospectus, set forth below are some basic descriptions of the share classes available to you:

- **Class A** – This share class usually carries a front-end sales charge, which is typically assessed as a percentage of your investment. This means that a sales charge is deducted from your investment each time you purchase shares in the mutual fund. Class A shares also typically have ongoing fees and expenses, which sometimes include fees commonly referred to as 12b-1 fees, and these 12b-1 fees are intended to finance distribution activities intended primarily to result in the sale of additional shares of the mutual fund. Despite these ongoing fees and expenses, Class A shares typically have lower operating expenses compared to the other share classes of the same mutual fund that may be available to you. This means that ongoing costs will typically be lower than ongoing costs associated with other share classes of the same mutual fund that may be available to you. Many mutual funds offer "breakpoint" discounts for large investments in Class A shares, which means that the front-end sales charge decreases as the investment increases. These breakpoints are described in the mutual fund's prospectus.
- **Class B** – This share class typically does not charge you a front-end sales load, but they may charge a back-end sales load and a 12b-1 fee (along with other annual expenses). The most common type of back-end sales load is the "contingent deferred sales charge, also referred to as a CDSC. The amount of the contingent deferred sales load usually decreases the longer you hold the shares. Class B shares also may convert automatically to a class with a lower 12b-1 fee and no contingent deferred sales load depending on how long you hold the shares.
- **Class C** – This share class is characterized by a level asset-based sales charge that you pay annually as a percentage of your assets. It does not have a front-end sales charge like Class A shares but does have a CDSC. This CDSC means that you pay a sales charge when you sell your mutual fund shares. The amount of the CDSC is typically assessed as a percentage of your investment, and it declines over time and eventually is eliminated the longer you hold your shares. Most Class C shares generally eliminate the CDSC after one year. Class C shares typically offer higher underlying expenses than Class A shares, which means over time, Class C shares can be more costly to invest in than Class A shares.
- **No-Load Mutual Fund** – A no-load fund mutual fund is a fund in which shares are sold without a commission or sales charge.

  This means that there are no-load fees detracting from your initial investment in the fund or in the profits you realize when selling the fund. No-load mutual funds are not fee-free. You pay the fund's expense ratio for each year that you own shares.
- **Advisory Share Class Mutual Funds** – These are also known as class ADV mutual fund shares and are available only through an investment advisor. There will generally not be an upfront load charge, however, there may be 12b-1 fees, which lessen the total return.

Fees and Costs – Breakpoints: While it may make sense to own mutual funds from different mutual fund companies, it also may increase the total sales charges that you pay to purchase those mutual funds. Mutual fund companies often offer discounts or reduced sales charges based on the total amount you choose to invest with the mutual fund company. The investment levels needed to receive these discounts are known as breakpoints. Mutual fund companies typically allow you to combine holdings with those of immediate family members to reach these breakpoints. Set forth below are some common ways you can receive the benefits of breakpoints.

- **Rights of Accumulation:** "Rights of accumulation" allow you to combine your mutual fund purchase with your existing investment in the mutual fund company to reach a breakpoint.
- **Letter of Intent:** You can take advantage of breakpoints by agreeing to purchase a certain dollar amount in a mutual fund over a specified period. In most instances, this requires signing a "Letter of Intent" (LOI).

Fees and Costs – Ongoing Fees and Expenses: In addition to the 12b-1 fees described above, mutual funds typically also deduct other ongoing fees and expenses, such as management fees or servicing fees, from fund assets. These are ongoing fees and expenses that are typically used to pay for the mutual fund's continued annual operating expenses (these ongoing fees are sometimes referred to as the mutual fund's "expense ratio"), such as paying the mutual fund's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses as well as to finance distribution activities. These ongoing fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

To the extent a Class A, B or C share transaction fee mutual fund pays a 12b-1 fee, such 12b-1 fees will be shared with AIC. It is recommended that you verify the accuracy of accounts and fees charged when you receive your account statements.

Closed-End Funds

Characteristics: We offer a wide range of closed-end funds, including interval funds, from many different fund companies. An important aspect of closed-end fund investing is to read the fund's prospectus carefully before investing. Each closed-end fund prospectus contains important information that will help you make an informed decision about an investment in a closed-end fund. In deciding whether to invest in a closed-end fund, you should consider several different factors, including the fund's investment objective, investment strategies and risks, the investment adviser responsible for the management of the fund's assets, and the fees and expenses associated with an investment in a particular closed-end fund.

Like mutual funds, closed-end funds are pooled investment vehicles. However, there are some important differences between these types of funds. Unlike mutual funds, most traditional closed-end funds do not continuously offer their shares for sale. Instead, such funds typically sell a fixed number of shares through an initial public offering, after which their shares typically trade on a secondary trading market. The price of shares in a closed-end fund that trades on a secondary market after their initial public offering is determined by the market and may be higher or lower than the shares' NAV. In addition, there are certain non-traded closed-end funds that do sell their shares on an ongoing basis, and do not trade on a secondary trading market.

Many closed-end funds have no "maturity" or termination date, and shareholders may exit their investments only by selling shares on the secondary trading market. Nonetheless, these closed-end funds without termination dates may still be terminated based on the investment manager's decision. Certain other closed-end funds, however, have a specified or targeted termination date, at which time the shareholders receive an amount equivalent to the shares' NAV at the termination date. Non-traded closed-end funds typically contemplate having a "liquidity" event at some point once the fund's offering has ceased. Liquidity events include listing the fund's shares on a secondary trading market and liquidation.

Unlike mutual funds, closed-end fund shares are not redeemable, which means that the fund is not required to buy shares back from investors upon request. Non-traded closed-end funds typically offer to repurchase their shares from investors in periodic tender offers. In addition, some closed-end funds, commonly referred to as "interval funds," offer to repurchase their shares from investors at specified intervals. The shares of an interval fund typically do not trade on a secondary market and interval funds generally offer their shares on a continuous basis at a price based on the fund's NAV. In order to operate as an interval fund, the fund must offer to repurchase its shares at regular intervals every three, six, or twelve months, as disclosed in the fund's prospectus. The price that interval fund shareholders receive on a repurchase will be based on the per share NAV determined as of a specified date, minus any redemption fees or charges that may apply to the transaction.

Fees and Costs: You will typically pay a sales charge when you buy shares in a closed-end fund's public offering, or a commission if you buy and sell shares in a closed-end fund in a secondary trading market. You will pay this sales charge or commission in addition to the amount of the fund you choose to buy or sell. Some interval funds also charge you a redemption charge when you accept an interval fund's offer to repurchase your shares. This redemption charge is a one-time fixed fee. Unlike the sales charges and commissions, the redemption charge is not paid to us, but is paid to the fund to compensate it for expenses associated with the repurchase.

Closed-end funds, including interval funds, also deduct other ongoing fees and expenses, such as management fees, from fund assets. In addition, the ongoing fees and expenses of many interval funds include 12b-1 fees, and these 12b-1 fees are intended to finance distribution activities intended primarily to result in the sale of additional shares of the interval fund and include marketing and advertising expenses. These ongoing fees and expenses, which are reflected in the fund's overall expense ratio, are typically used to pay for the fund's continued operations, such as paying the fund's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. These ongoing fees and expenses are typically charged daily as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

Exchange-Traded Funds

Characteristics: We offer a wide range of exchange-traded funds (ETFs). ETFs are investment funds that are listed for trading on a national securities exchange and can be bought and sold by prospectus in the equity trading markets. Shares in the ETF represent an interest in a portfolio of securities. ETFs possess characteristics of both mutual funds and closed-end funds. Like mutual funds, an ETF pools assets of multiple investors and invests those pooled assets according to its investment objective and investment strategy. ETFs also continuously offer their shares for sale like mutual funds. In addition, ETFs share certain characteristics with closed-end funds, namely that the fund's shares trade on a secondary market and may trade at prices higher or lower than the fund's NAV.

ETFs do not sell or redeem individual shares. Instead, certain "authorized participants" have contractual arrangements with the ETF to purchase and redeem ETF shares directly from the ETF in blocks called "creation units" and "redemption units," respectively, where each creation or redemption unit typically represents 50,000 shares of the ETF. After purchasing a "creation unit," the authorized participants generally sell the ETF shares in the secondary trading market. This creation and redemption process for ETF shares provides arbitrage opportunities designed to help keep the market price of ETF shares at or close to the NAV per share of the ETF. For example, if ETF shares are trading at a price below the NAV (generally referred to as a "discount"), an authorized participant can purchase ETF shares in secondary market transactions, and – after accumulating enough shares to compose a "redemption unit" – redeem them from the ETF for the more valuable underlying securities. The authorized participant's purchase of ETF shares in the secondary market would create upward pressure on ETF share prices, which would bring them closer to the NAV per share of the ETF.

Fees and Costs: You will typically pay a commission every time you buy or sell shares in an ETF. You will pay this commission in addition to the amount of the ETF you choose to buy or sell. This commission is a one-time fixed fee.

ETFs also deduct ongoing fees and expenses, such as management fees, from ETF assets. These ongoing fees and expenses are typically used to pay for the ETF's continuing operations, such as paying the ETF's investment manager, accounting and auditing expenses, legal expenses, and recordkeeping expenses. ETFs generally have lower expense ratios than mutual funds because most ETFs are not actively managed and, therefore, do not incur the internal costs of buying and selling the underlying portfolio securities. However, this is not always the case as there is a wide variety of ETFs available with different underlying management strategies. These ongoing fees and expenses are typically charged annually as a percentage of your assets. You pay these fees and expenses indirectly because they are deducted from your assets on an ongoing basis.

Unit Investment Trusts

Characteristics: We offer a wide range of unit investment trusts (UITs). UITs are pooled investment vehicles in which a portfolio of securities is selected by the trust's sponsor and deposited into the trust for a specified period. The UIT's portfolio of securities is not actively traded, as the trust generally follows a "buy and hold" investment strategy. The portfolio will generally remain fixed until the termination of the trust. UIT term lengths vary, but they have a maturity date that is between 15 to 24 months from the initial offering date.

At the UIT's maturity, an investor typically has three options. One is to receive the proceeds based on the value of the investment. An investor could also roll over into a newly issued UIT. Another option that may be available to investors in limited circumstances is to receive proportionate shares of the securities held in the portfolio. The UIT's portfolio is generally designed to follow an investment objective over a specified period. A UIT is formed by the trust sponsor, who enters into an agreement with the trustee. When the trust is formed, several investment terms and conditions are set forth in the trust agreement, such as the trust objective, what securities will be placed in the trust, when the trust will terminate, and what fees and expenses will be charged to the trust's assets. These terms and conditions of the trust will be listed in the prospectus.

Fees and Costs: You will typically pay a sales charge when you buy units in a UIT's initial offering, or a commission when you buy or sell units in a UIT in a secondary trading market. You will pay this sales charge or commission in addition to the amount of the UIT you choose to buy or sell. In some instances, collection of all or part of a sales charge is deferred over a period subsequent to the settlement date for the purchase of units. These charges may vary, depending on the sponsor, the length of the trust, trust holdings, and whether the UIT is an equity or a fixed income trust. Typically, the deferred sales charge is deducted from the unitholder's distributions on the units during the collection period until the total amount of the sales charge is paid.

Repeatedly selling UITs before their maturity date followed by the purchase of a newly issued UIT will cause you to incur sales charges with greater frequency. UITs also deduct other fees and expenses from trust assets, such as organizational and operating expenses. These fees and expenses include portfolio supervision, recordkeeping, administrative fees, and trustee fees. UITs also charge creation and development fees, which compensate the sponsors for creating and developing the trusts. However, UITs generally do not deduct a separate management fee because the portfolio is not actively managed. If specific sales volumes are met, we will receive a portion of these fees and expenses, generally referred to as third-party payments, or revenue sharing. For more information on revenue sharing refer to www.ameritas.com/investments/disclosures/.

Alternative Investments

Characteristics, Fees, and Costs: We offer a variety of alternative investments including but not limited to real estate, private debt, private equity, hedge funds and managed futures products. Some of these products are not traded on public exchanges, are illiquid and present unique risks that involve a greater risk to the principal investment than traditional investments such as stocks, bonds and mutual funds. Investors should carefully review the applicable offering memorandum or prospectus for a description of the material risks associated with these products. Alternative investments are typically designed for higher net worth investors seeking to diversify a portfolio through exposure to the underlying asset class, such as real estate or other assets less correlated to the equity market. Some alternative investments are only available for purchase by accredited or qualified investors meeting minimum net worth requirements.

We offer both publicly traded alternative investments, which are typically listed for trading on a national securities exchange, and non-traded alternative investments, which are not listed on a public exchange. While publicly traded alternative investments can be bought and sold on a secondary trading market, non-traded alternative investments cannot be bought or sold readily in a secondary trading market and are typically only available for purchase when the sponsor of the offering is selling shares. While the market price for shares of traded alternative investments is readily available, that is not the case for some shares of non-traded alternative investments. Shares of non-traded alternative investments are illiquid investments because you may not be able to sell your shares readily. Also, in the case of non-traded alternative investments with distributions, distribution yields may come from offering proceeds or borrowings rather than from rental or other income sources, reducing the amount available to invest in other assets. The interests of portfolio managers, who receive fees from the portfolio for managing and assisting with asset acquisitions, can conflict with the interests of the shareholders of the non-traded alternative investments. Additionally, certain product types may lack portfolio transparency when compared to their publicly traded counterparts. We limit our offering of publicly traded alternative investments to those available through our clearing firm and in some cases based on performance and expense. We limit our offering of non-traded alternative investments to those approved by our investment committee. You will generally pay a commission every time you buy an alternative investment through a primary offering. Commission rates vary among the various alternative investments and may vary based on factors such as the size of your investment, which creates a conflict of interest for us. Your financial professional can provide more detail as to the fees and costs of any specific offering we make available.

College Savings Plans

Characteristics: We offer various college savings plans, which are a type of 529 plan. 529 plans are tax-advantaged and state-sponsored investment programs designed specifically for education savings and named after the section of the Internal Revenue Code that authorized them. There are two general types of 529 plans: college savings plans and prepaid tuition plans. College savings plans are securities that allow investment earnings to grow tax-deferred, and withdrawals are exempt from federal taxation when used for qualified educational expenses. College savings plans generally operate through state-sponsored trusts and permit investors to allocate contributions to one or more trust portfolios or "investment options" offered in the plan. Prepaid tuition plans allow investors to "lock in" tuition rates at certain specified educational institutions. Every state offers at least one type of these 529 plans, and some states offer both types of 529 plans. The remainder of this disclosure discusses college savings plans.

College savings plan contributions are generally invested in certain underlying investment options, such as mutual funds, that support the plan. The contributions will fluctuate in value as the underlying investment options increase or decrease, and there is no guarantee that the amount contributed to the college savings plan will equal the amount necessary for future education expenses. Although like mutual funds in certain ways, college savings plans are issued by state governments, and are not directly regulated or registered under the federal securities laws. An important aspect of investing in college savings plans is to read the offering document (often called a program description or "official statement") carefully before investing. Each program description contains important information that will help you make an informed decision about an investment in a college savings plan. In deciding whether to invest in a college savings plan, you should consider several different factors, including each investment option's past performance, investment objective, investment strategy and risks, the investment adviser responsible for advising the state issuer, and the fees and expenses associated with an investment in a particular investment option. While past performance of an investment option is not indicative of future results, an investment option's long-term performance record may be an important factor in deciding to invest.

Fees and Costs: You often will typically pay a sales charge when you purchase a college savings plan. We receive a portion of this sales charge for the sales and related services we provide to the primary distributor of the college savings plan. Most college savings plans offer multiple units (often called share classes), like the share class structure offered by many mutual funds. Though there are several types of college savings plan share classes, we offer Class A and Class C, depending on the time horizon you provide to your financial professional. Each class typically has different fees and expenses, and therefore investment option performance results will differ as those fees and expenses reduce performance across share classes. You should also note that the amount of time you expect to hold your investment in a college savings plan will play an important role in determining which share class is most appropriate for you, and you should discuss this consideration with your financial professional.

While there are no standard definitions for these share classes, and each college savings plan defines its share classes in its offering document, set forth below are some basic descriptions:

- **Class A** – This share class usually carries a front-end sales charge, which is typically assessed as a percentage of each contribution. The net amount of your contribution after the deduction of the sales charge is invested in shares of the college savings plan investment option(s) that you select. Class A shares typically have lower operating expenses compared to the other share classes of the same investment option. This means that ongoing costs will typically be lower than ongoing costs associated with other share classes of the same investment option. Many college savings plans also offer breakpoint discounts for large investments in Class A shares of investment options, which means that the front-end sales charge decreases as the investment increases. These breakpoints are described in the college savings plan's offering document.
- **Class C** – This share class is characterized by a level asset-based sales charge that you pay annually as a percentage of your assets in an investment option. It does not have a front-end sales charge like Class A shares but does have a backend or contingent deferred sales charge (CDSC). The CDSC means that you pay a sales charge when you redeem shares from your investment option. The amount of the CDSC is typically assessed as a percentage of the investment option and is typically eliminated after a period (usually one year). Class C shares typically offer higher underlying expenses than Class A shares, which means over time, Class C shares are more costly to invest in than Class A shares.

In addition to these sales charges, college savings plans typically deduct certain ongoing fees and expenses from each investment option, such as program management fees, from assets in the investment options. Although these ongoing fees and expenses may vary based on your college savings plan, some of the more common ones are set forth below:

- **Program Management Fee** – College savings plans generally deduct a program management fee to pay the program manager for providing investment advisory, accounting, and other services to the plan. This fee is typically charged annually as a percentage of your assets and is reflected in the NAV of the plan's investment options.
- **Maintenance Fee** – Most college savings plans charge an annual maintenance fee. This fee, which compensates the plan sponsor for costs of maintaining the plan, may be waived in certain circumstances, such as when your plan assets exceed certain thresholds.
- **Underlying Mutual Fund Expenses** – Most college savings plan investment options invest in one or more mutual funds and bear a portion of the fees and expenses of these underlying funds. The underlying mutual fund expenses are deducted from fund assets and reflected in the NAVs of the underlying mutual funds, which means they are also reflected in the NAV of the college savings plan's investment options. More information on the mutual funds that underlie the plan's investment options is available in the college savings plan's offering document. In addition, more information on the underlying mutual funds, including their ongoing fees and expenses and overall expense ratio, is available in the funds' prospectuses.

You pay these fees and expenses indirectly as they are deducted from your investment option assets, or the assets of underlying mutual funds, on an ongoing basis.

Variable Insurance and Fixed Index Products

Characteristics: We offer variable annuities, fixed index annuities, and variable life insurance policies (variable products). These variable products are issued by different insurance companies and will be in the form of a contract or policy between you and the insurance company. Not all financial professionals offer variable insurance products or fixed indexed annuities. There are differences from one variable product to the next in the features, benefits, fees and costs of the product, and in minimum and maximum premium amounts. Below is general information about most variable products. Information about the features, benefits, fees and costs for a specific variable product can be found in the prospectus, private placement memorandum or the Contract Summary/Statement of Understanding for that product. You will receive a copy of the prospectus, private placement memorandum or Contract Summary/Statement of Understanding for the variable product that your financial professional recommends to you.

Variable and fixed index annuities can help with saving for retirement. Funds invested in these annuities can grow tax deferred. This means you will pay no federal taxes on the income and investment gains on the funds you invest in your annuity until you make a withdrawal, receive income payments, or a death benefit is paid. When you withdraw your funds, however, you will pay tax on the gains at ordinary federal income tax rates rather than lower capital gains rates. When you start taking income payments, you can select payment options that will guarantee you payments for as long as you live. Some annuities offer additional features and guarantees, available as options or riders. Guarantees are subject to the claims paying ability of the issuing insurance company.

Variable life insurance provides life insurance protection (i.e., a death benefit) and allows you to build up a cash value that can grow tax deferred. Most variable life insurance policies allow you to take out loans against your cash value and to make withdrawals (as long as the remaining cash value is enough to keep the policy in force). You can also terminate your policy by surrendering it and receiving the remaining cash value. Terminating your policy will terminate your death benefit protection. Most insurance companies offer riders and other options with their variable life insurance policies, such as disability insurance, income benefits or accelerated death benefits.

When you purchase a variable annuity, fixed index annuity, or variable life insurance product, your insurance premium contributions (net of any fees and charges deducted from premiums) are invested in the investment options – typically underlying investments called sub-accounts or indices that you select. The value of your investment – usually referred to as your cash value – will fluctuate as the values of the underlying sub-accounts or indices increase or decrease. Variable products can be designed to meet varying investment objectives, and there are different structures or product categories of variable annuities. These different product categories (for example, investment only variable annuities, or buffered variable annuities) all carry different expenses, surrender charges, and commissions.

Most insurance companies impose a minimum requirement on the initial premium. In the case of variable life insurance, you will likely be required to make premium payments periodically to keep the policy in force. While you may have some flexibility in the amount or timing of these periodic premium payments, you should consider whether you can afford to continue making premium payments when deciding to purchase a variable life insurance policy. If you fail to make enough payments to keep the policy in force, the policy will lapse (that is, terminate without value) and you will no longer have any death benefit protection. Variable products are not short-term savings vehicles. Withdrawing funds or surrendering a variable product in the short term after purchase will likely trigger surrender fees and charges and may also trigger tax penalties. In some products, you can lose the money you invest in variable products, including potential loss of your initial investment, due to poor performance of the investment options you select and/or the cumulative impact of fees and charges on your cash value. Read the prospectus, private placement memorandum or Contract Summary/Statement of Understanding to understand the risks and if your contract offers any market loss protections.

Fees and Costs – Premium Payment Deductions: In the case of some variable products, the insurance company deducts a fee from your premium payment, with the effect that only the net premium amount is invested or allocated. In the case of variable annuities, the fee deduction is usually to cover a state insurance premium tax. In the case of fixed index annuities, fees are included in the limits to upside market participation known as cap rates or participation rates in exchange for downside protection. In the case of variable life products, the fee deduction can also cover the insurer's sales expenses.

Fees and Costs – Surrender and Withdrawal Charges: Most variable products impose a surrender charge if you surrender your variable product or make a withdrawal of your cash value during the surrender charge period. This surrender charge and the surrender period are described in the product prospectus, private placement memorandum or Contract Summary/Statement of Understanding. Surrender charge periods vary by variable product but are generally around six to eight years for variable and fixed index annuities, even though they sometimes may range up to 15 years on some variable life insurance policies. The surrender charges also vary by variable product, and decrease over the duration of the surrender charge period, with the higher surrender charges applying to surrenders and withdrawals made at the beginning of the surrender charge period, and the lower surrender charges applying to surrenders and withdrawals made toward the end of the surrender charge period. Tax penalties can also apply to surrenders or withdrawals from annuities made before age 59½.

Certain variable products offer varying share classes, which may have different surrender charge periods. Often times, a share class with a shorter surrender charge period will have higher on-going expenses, so an investor should carefully consider their liquidity needs before selecting such a share class.

Fees and Costs – Ongoing Fees and Expenses: Insurance companies issuing variable annuity and variable life policies deduct fees and expenses from your cash value. These ongoing fees and expenses commonly include mortality and expense (M&E) risk fees, cost of insurance fees (assessed under variable life insurance policies), administration fees, transaction fees, and fees associated with certain optional riders. The M&E risk fees are calculated as a percentage of your insurance coverage or account value and are described as an annualized rate charged against assets. However, some fees, such as administration or transaction fees, are fixed amount fees charged annually or when specific transactions occur and are deducted from your cash value. The cost of insurance fees charged on variable life insurance is typically calculated by applying a rate based on your underwriting classification to the "net amount at risk" (the difference between your product's death benefit and cash value). These fees typically are deducted from your cash value on an ongoing basis. If you add riders to your variable annuity or variable life insurance policy, the fees for those riders will be deducted from your cash value. You should carefully consider the need for all riders based on the benefits they may provide and the associated fees. For fixed index annuities, the fees are calculated into the cap rates and participation rates. Cap rates can change over the time you own the contract. See the Contract Summary/Statement of Understanding to understand when changes will take place.

In addition, you will indirectly pay the ongoing fees and expenses for the sub-accounts or indices that are the underlying investment options for your variable product in which you invest. These fees and expenses are separate from the fees charged by the insurance company and will be reflected in the performance of the underlying investment options. These ongoing fees and expenses include the sub-account's or indices' management fees, servicing fees, and 12b-1 fees, and are typically charged as an annualized rate against fund assets. The commissions, surrender charges, and ongoing fees and expenses associated with variable products vary by insurance company and the type of variable product.

Fees and Costs – Our Commissions: When you purchase a variable product, the issuing insurance company will pay a sales commission to us. A sales commission is a sales charge paid by you based on the annuity contract you purchase. A trail commission is an ongoing fee paid by the annuity sponsor (insurance company) for each year that you hold the annuity contract. While you do not pay this commission directly, the insurer factors this commission into the product's fees and costs in the case of variable products. In this way, you indirectly pay the commission. We receive this commission for our sales efforts and for assisting you with the insurance application and the underwriting and delivery processes related to the purchase of a variable product. We share a portion of this commission with your financial professional. Commissions we receive vary based on the variable product you purchase and the insurance company. We receive higher commissions for some types of variable products than for others, which creates a conflict of interest for us and the financial professional. In addition, in the case of variable life insurance, the commissions are typically structured in a way that provides higher compensation in the year of purchase up to a specified amount of premium, referred to as the "target premium" with lower commissions on payments in excess of the target premium and in subsequent policy years.

Additionally, it is important to note that AIC is the distributor and lead underwriter for variable insurance products issued by ALIC. As a result of these arrangements, AIC acts in multiple capacities with respect to the services it provides which results in conflicts of interest for us and our financial professionals. If a financial professional recommends the purchase of variable insurance products issued by ALIC and you choose to implement these recommendations, AIC and our financial professionals would receive compensation and/or commissions from ALIC as a result of the sale of the insurance and other financial products or services recommended. This creates an incentive to AIC and our financial professional to recommend proprietary products.

Other Fees and Costs

Each investment company in which your funds are invested may charge fees for other expenses/services. These expenses are in addition to the fees we charge. For example, you could invest in a mutual fund directly or through other broker-dealers not affiliated with AIC. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. The cost associated with holding assets at a custodian will be more expensive than directly with a product sponsor. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to be paid and thereby evaluate the services being provided. Complete information regarding mutual fund charges and expenses is disclosed in the investment company prospectus.

Aggregation of the Purchase or Sale of Securities

Client orders executed through the same broker-dealer may be aggregated to achieve best execution. Generally, clients will receive the average share price of all orders executed to fill the aggregated order. Clients in the aggregated order will incur the same transaction fee or commission charge regardless if the order was aggregated or executed individually. Aggregation saves time and all accounts receive the same price. We may attempt to aggregate orders when it is determined it is prudent to place orders for the same security, at the same time, in one or more client accounts. Financial professionals may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If financial professionals do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.