



## Regulation Best Interest and Supplemental Disclosure GLP Investment Services LLC.

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### I. INTRODUCTION

We appreciate your business and our relationship with you. We want to help you understand the services we and/or our affiliate provides, how we are compensated, and the product and services alternatives that are available to you as part of your relationship with us. When we use the terms "us", "our", or "we" in this document, they refer to our broker-dealer, GLP Investment Services LLC ("GIS"), our affiliate, Asset Allocation Strategies LLC. ("AAS" our affiliated Investment Adviser Firm) and our individual representatives.

This summary is provided to you with a document entitled Form CRS for GLP Investment Services LLC and Asset Allocation Strategies LLC. The Form CRS includes important information about us and the services we provide and is intended to be read and understood in conjunction with the information set forth below. This information is also available on our website at [www.glpfinancialgroup.com/regulatoryinformation](http://www.glpfinancialgroup.com/regulatoryinformation). Pursuant to Regulation Best Interest, you are receiving this disclosure because you are receiving, or will receive in the future, a recommendation(s) from GLP Investment Services ("GIS"), acting as a broker-dealer, to purchase an investment, or to open an account with a designated Custodian (IPX or Aspire). The services GIS offers are more fully described in this document. The Best Interest Regulation requires broker-dealers and their representatives to act in your best interest and to place those interests ahead of all others when making a recommendation of any securities transaction or investment strategy involving securities, including account recommendations and rollovers/transfer of assets. Reg BI also requires that broker-dealers disclose the material facts relating to the terms of your relationship with your broker-dealer.

GLP Investment Services is a limited broker-dealer offering mutual funds and annuities on an application way basis. We offer the investment options through our registered representatives. Each of them may offer a combination of services, including brokerage or investment advisory services. Depending on the nature of the services we provide you, those services will be provided through one or more of our affiliates, listed above. For example, if you maintain an account with our broker-dealer, it will be with GLP Investment Services LLC. If you maintain an investment advisory account, it will be with our RIA affiliate, Asset Allocation Strategies LLC. If you establish an advisory account with our RIA, we will furnish you with a Form ADV for that firm, which will describe the services it provides, the compensation it receives, and the relationship between your Advisor and the RIA. For more information about AAS, please visit [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Many of our representatives are licensed to provide both mutual funds, annuities, and investment advisory services. Some are licensed to offer only mutual funds and annuities. The products and services we offer are more fully described below.

### II. SERVICES THAT WE PROVIDE

**A. Direct Holdings of Mutual Funds** - When you work with our broker-dealer, GIS, the mutual funds that we may recommend to you are held "directly" in an account in your name at the product sponsor/mutual fund company. The process by which GIS and its representatives develop their investment recommendations to retail customers is of fundamental importance to your understanding of what services are being provided, and whether those services are appropriate to your needs and goals. Depending on the mutual funds you own and the services you use, the cost of having your investments held directly at the product sponsor will likely be lower than holding the same assets on one of the Platforms we use (IPX or Aspire). We do not provide account monitoring services on an on-going basis. However, your representative may voluntarily, and without any agreement with you, review the holdings in your account for the purposes of determining whether to provide you with a recommendation. This voluntary review is not considered to be "account monitoring", and does not create an implied agreement with you to monitor the account. Our representatives do not have discretionary authority to purchase or sell securities. Your approval is required before each transaction, and you have the ultimate decision regarding the purchase or sale of your investments.

- B. Investment Advisory Services** – Through our affiliate, we also offer investment advisory services in which we give you advice and /or manage your portfolio of securities in exchange for a fee that is based on the value of assets under management. Investment advisory services may include financial planning for which we may charge a fixed or hourly fee. Your Advisor will give you advice and execute transactions on your behalf. This is a discretionary account in which the advisor does not need to get your approval on each transaction executed. You may, of course, terminate the discretionary authority at any time, in writing to the Firm. Our advisory programs have minimum investment amount requirements. In our sole discretion, we may waive the minimum investment requirement. To provide these services, your representative is required to obtain a specific license (Series 65 or 66). You can ask your representative or check FINRA at [brokercheck.finra.org](http://brokercheck.finra.org).
- C. Insurance Products and Services** – Our representatives may also offer you insurance products, such as life insurance and annuities. Some insurance products such as variable annuities and variable life insurance are also considered to be securities and are sold through GIS. Fixed insurance, including whole life, term life and fixed and equity indexed annuities that are not securities are sold through an affiliated insurance agency or through other agencies and companies that are not affiliated with us. We do not review or supervise the insurance products through the affiliate, other agencies or companies nor share in the revenue they produce. If you would like additional information regarding insurance products, the companies through which your representative offers insurance products, or their compensation in connection with sales of insurance products, please consult with your representative.

Registrations to sell securities as a registered representative of a Broker-Dealer are administered by the Financial Industry Regulatory Authority, or “FINRA.” Qualification exams, which will impact the products your registered representative can offer to you, are as follows:

- Series 6 is a securities license entitling a registered representative of a broker-dealer to sell mutual funds. For providing this service the registered representative receives compensation in the form of a commission. Holders of a Series 6 license are not permitted to offer corporate or municipal securities, alternative investments, life insurance, stock options or individual stocks. Your GIS representative may hold a Series 7 license, however given the limited nature of our broker-dealer they are limited to offering the same investments as the Series 6 licensed representatives. Your representative also holds an insurance license which permits them to offer you annuity and life insurance products.

To determine which registrations your registered representative has, you may ask him or her. Additionally, you can go to <https://brokercheck.finra.org> and search by your registered representative's name.

**While this form is focused on describing a broker-dealer relationship to you, the grid below will help you when evaluating which type of relationship is best for you, consider the following:**

Brokerage vs Advisory Services		
Brokerage Services-Broker Dealer		Advisory Services- Registered Investment Advisor
Registered Representative “Rep”	<b>Your Contact</b>	Investment Advisor Representative “Advisor”
Less frequent, often initiated by client	<b>Contact Frequency</b>	As needed, usually initiated by Advisor
Commissions	<b>Compensation Type</b>	Fee based
Pay when you transact	<b>Payment Timing</b>	Pay a fee usually based on a percentage of the value of your assets under management
Requires your approval for each trade	<b>Investment Discretion</b>	Discretionary investment decisions for you based upon your prior guidance, goals, and risk tolerance

### III. MATERIAL FACTS RELATED TO CONFLICTS OF INTEREST AND THE RECOMMENDATIONS WE MAKE

All financial professionals and financial services companies have conflicts of interest in dealing with clients because they have an incentive to recommend that you purchase or hold securities or contract for services because they are compensated for the products sold, which presents a conflict of interest. As you work with your Rep or Advisor to determine the right investments and services to seek to meet your investment goals, it is important for you to (1) understand how GIS and your rep are compensated, and (2) have all the material facts related to the scope and terms of GIS' and your Reps relationship with you. The information contained in this section describes conflicts of interest associated with compensation received by GIS and its representatives for broker-dealer services. These are described in order to provide you with the material facts related to these conflicts.

If you maintain an investment advisory account, we have additional obligations to you, including what is referred to as a "fiduciary duty". Please see our ADV Part 2A for an additional review of the scope of the obligations that we have to you.

We receive different types and amounts of compensation for providing different services for you. These are discussed in more detail below, but the way we are compensated and who pays us creates incentives for us to recommend that you establish or maintain a given type of relationship with us (brokerage or advisory), that you purchase specific types or amount of investments or both. When acting as a broker-dealer, you will usually pay a sales commission which may be (1) paid at the time of purchase, (2) be built into the expense of the product purchase, or (3) charged to you when you sell the investment. If we are paid an upfront commission, it means that the greater the dollar value of your transactions, the more we are paid. The material fees and costs that you pay will depend on the type of investments, accounts, and services that you chose to use. Be sure that you understand them because they will reduce the returns on your investment.

The descriptions contained in this document contain many of the common fees and expenses associated with the specific account or investment type. However, where these fees and expenses are described in other documents, you will often be pointed toward them for a more comprehensive and precise disclosure which relates specifically to the product or service you are purchasing.

We will make recommendations that we believe are in your best interest, but you should be aware of the incentives that we have and the conflicts they may create. The compensation and incentives for providing services for you include the following:

- A. Account Type** – If you choose to purchase assets through GIS, our broker-dealer, that will be held directly by product sponsors, we will be paid a sales commission. We may also receive on-going compensation from mutual fund companies in the form of 12b1 fees. Please see our Product Compensation Grid, at the end of this disclosure, to view the maximum commission available for each product we may offer. You may also be charged, by the custodian we use, for the certain types of transactions (please see the Custodial Fee Disclosure at the end of this disclosure).

If you choose an investment advisory relationship, you will pay us ongoing fees to give you advice, execute transactions, and monitor the performance of your investments. Our fee is based upon the value of the assets in your account, a fixed or hourly fee, or combination of both, but you will pay fees whether we execute transactions in your account or not.

- B. Different Compensation Applies to Different Types of Investments** - If you choose to work with GIS, you may purchase direct "application-way" mutual funds, and/or annuities. Each of these investments has different characteristics, risks, and potential benefits. As with all financial services companies, some investments have higher initial and/or ongoing sales charges than others. We have an incentive to recommend investments and investment types that pay us a larger amount of compensation, both initially and on an ongoing basis, and to recommend one product of a given type over another if it pays us more compensation.

We encourage you to review the prospectus, if applicable, for any investment you are considering to help you understand all aspects, including risks, sales charges, and other fees, including fees that we and your representative receive for as long as you own the investment, prior to executing any transaction.

- C. Custodian Compensation/Revenue Sharing (not shared with your representative)** – GIS receives compensation from IPX and Aspire to offset its expenses. Compensation received consists of a fixed dollar amount, \$5 per account, and a percentage of assets held in accounts, 5 basis points (or 0.05% of assets). In some instances, GIS pays a portion of the fees that the custodian charges to your account (typically the TPA fees). Therefore, we have an incentive to recommend that you purchase or hold investments with these custodians. This creates a conflict between your interest and ours.
- D. Other Cash and Non-Cash Compensation** – Representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies as permitted by regulatory rules. From time to time, mutual fund providers may attend firm sponsored meetings for a fee.
- E. Attendance at Conferences and Other Events** – We may sponsor conferences, meetings and other educational events in various locations that are attended by our representatives. Some of these meetings include social events, such as dinners and recreational activities, in addition to educational or business functions. Representatives may receive reimbursement for some or all of their travel and related expenses to attend these events based on the amount of revenue they produce.
- F. Compensation We Pay our Representatives** – We provide investment related services through our representatives. They receive a portion of the compensation that is paid to us in connection with providing you application-way mutual funds, annuities, and investment advisory services. Additionally, different product issuers may pay more or less compensation within a product type. For example, one issuer of a variable annuity may pay a 7.5% up-front commission, and another issuer of a similar variable annuity may pay a 7% up-front commission. Likewise, one mutual fund may pay us a 5.75% front-end load, whereas another mutual fund may pay us a 5% front-end load for a similar mutual fund.

One mutual fund may offer a share class with a 0.25% 12b-1 fee in a brokerage account, whereas you may be eligible for a different share class (possibly in an advisory account) with no 12b-1 fee. Whenever the representative or the firm makes money for one recommendation over another, it presents a conflict of interest that you should be aware of. As provided above, we address these conflicts by maintaining policies and procedures to ensure that the products we recommend are in your best interest, and by disclosing our compensation to you so you can make an informed decision.

The portion of the compensation that the registered representative receives is negotiated between your representative and us and is generally based on the amount of revenue that they produce each year. Furthermore, before being paid to the representative, commissions received by GIS are run through “a grid.” The grid reflects a percentage payout, and in general, when a representative generates more commissions for GIS, GIS recommends that the representative receives a higher percentage of the commissions for all of his or her business. The specific payout that a representative receives is subject to an agreement between the representative and the Broker-Dealer. Any higher payout is paid prospectively on new business, and not retroactively on previous business. This creates additional incentive for your representative to sell you a product or service, because if certain thresholds are met, it will increase his or her compensation on future business with other customers.

The types and amounts of compensation payable to your representative are described in our Product Compensation Disclosure at the end of this disclosure.

Advisory accounts tend to pay the representative less upfront compensation but charge a recurring annual fee that is a percentage of assets under management. Broker-Dealer products tend to pay more upfront compensation at the time of sale, and significantly less ongoing compensation in the years following the purchase. Accordingly, if you intend to hold your investments for a long period of time, a representative has a financial incentive to recommend to you an advisory program, as it will pay more compensation to him or her over time. Conversely, if you intend to hold your investment for a shorter period of time, your representative has a financial incentive to recommend a brokerage product to you, as there will be more opportunities to earn transactional based compensation.

To mitigate this conflict, GIS has policies and procedures to ensure that recommendations made to you (including the type of account you should open) are in your best interest, which includes both pre-transaction and post-transaction reviews of recommendations. These advisory accounts do require representatives to obtain additional licensing to offer these fee-based accounts to you. *Advisory services are not offered on the broker-dealer accounts*

### **G. Hiring Practices**

Representatives often engage in other business practices such as insurance sales, accounting practices, legal work, advisory business, or other completely non-securities related activities which are outside the purview of the broker-dealer's supervision. Such activities are commonly referred to as outside business activities ("OBAs"). Some OBAs can create a conflict of interest for the representative, if they are incentivized to use their position as a financial professional to offer products or services that generate revenue to them, but which are not offered through or by GIS. To learn what OBAs your representative is involved in, you can ask him or her, or go to [brokercheck.finra.org](http://brokercheck.finra.org) and look up your representative by his or her name.

When a new representative joins GIS, he or she may have sold a client a product that GIS does not offer. This will prevent the representative from providing advice, or from being paid trailing compensation, on this product. This creates an incentive for the representative to replace your old product with one that GIS offers which will create new compensation for the representative. We mitigate this conflict by disclosure here and maintaining policies and procedures designed to ensure that any recommendation (including switches) are in your best interest.

### **H. Conflicts for Representatives Only**

Some of our financial professionals engage in outside business activities. If your financial professional engages in any outside business activities, these activities can incentivize your financial professional to spend more time on the outside business activity rather than on his or her brokerage or advisory relationship with you. You may research outside business activities your financial professional has disclosed on FINRA's BrokerCheck website at [brokercheck.finra.org](http://brokercheck.finra.org) or on the SEC's website at [investor.gov/CRS](http://investor.gov/CRS).

In addition, many of our financial professionals may cross sell their outside business activities to you. For example, many of our financial professionals also act as insurance agents independent from our companies. To the extent your financial professional provides fixed insurance products or services to you (other than fixed indexed annuities), he or she does so outside of our firm and supervision. Some of our financial professionals, in their individual capacities as insurance agents may recommend you purchase fixed or general account insurance products or annuities on a commission basis. Similarly, some of our financial professionals are also involved in other business activities, such as accounting, legal, tax, and other non-investment services for which we are not responsible. We do not provide legal or tax advice and you should consult your own attorney or tax advisor for guidance relative to your specific circumstances. Unless otherwise provided by applicable law and the particular circumstances, the services provided by our financial professionals outside of our company will not be subject to a best interest standard

#### IV. HOW WE SELECT THE INVESTMENT PRODUCTS AND SERVICES THAT WE OFFER

There are many types of securities and other investment products available in the United States. We offer investment products that are created and managed by different sponsors. For our Firm, these include mutual funds and variable annuities. As mentioned previously, our representatives may also offer you fixed, and equity indexed annuities through third-party carriers. Through our affiliate Adviser, we offer investment advisory programs in which we manage the investments and receive advisory fees, however neither we or any of our affiliated companies create or sponsor investment products, such as mutual funds or annuities.

In providing services to you, we rely upon information you provide to us, including your risk tolerance, investment experience, liquidity needs, income, and assets in addition to those that you have invested through us and others, and liquid assets. It is important that you accurately and completely disclose all material aspects of your financial situation to your representative and to us as we rely on that information in making recommendations to you.

**The following are ways you may consider approaching your decision on which investments may be most appropriate for your situation:**

**Evaluate your comfort zone in taking on risk.** All investments involve risk (please see section IX below), and there is no guarantee that the investments offered will produce any investment returns or returns that exceed those from comparable investments that we do not offer. All investments have a risk of loss, up to and including total loss. No investment will ever be guaranteed to produce returns, and you should contact [BDIAcompliance@glpwins.com](mailto:BDIAcompliance@glpwins.com) immediately if you are ever promised otherwise.

**Consider the appropriate mix of investments.** By including asset categories with investment returns that move up and down under different market conditions within a portfolio, you can help protect against significant losses. Market conditions that cause one asset category to do well may cause another to have average or poor returns.

**Asset allocation is important because it impacts whether or not you may meet your financial goals.** If you do not include enough risk in your portfolio, your investments may not earn a large enough return to meet your goals. For example, if you are saving for a long-term goal such as retirement or college, most financial experts agree that you will likely need to include at least some amount of stock or stock mutual funds in your portfolio. Please note that diversification does not assure a gain nor protect against loss of principal.

**Consider dollar cost averaging.** Through this strategy you can protect yourself from the risk of investing all your money at the wrong time by implementing a consistent pattern of adding new money to your investment over a long period of time. By making these regular investments with the same amount of money each time, you will buy more of an investment when its price is low and less of the investment when the price is high.

Individuals that typically make a lump-sum contribution to an individual retirement account either at the end of the calendar year or in early April may want to consider “dollar cost averaging” especially in a volatile market.

#### V. COSTS FOR MUTUAL FUND PURCHASES

It is important that you speak with your representative and carefully review the prospectus or other disclosure documents, as applicable, your account agreement, and written confirmations of transactions to better understand the costs of purchasing investments through us.

##### **Mutual Funds**

GIS makes available, and often recommends to retail investors, mutual funds. A mutual fund is an investment company that allows investors to purchase an undivided interest in a portfolio of securities and other assets. A mutual fund’s portfolio may consist of stocks, bonds, money market instruments, commodities, derivatives, and other financial assets to achieve the investment objectives stated in the mutual fund’s prospectus. The investment features of a mutual fund vary from fund to fund. A mutual fund’s prospectus and statement of additional information (“SAI”) describe, among other things, the

fund's investment objectives and principal strategy, the types of securities and other assets in which the fund invests, risks, share classes, and expenses. The prospectus and SAI also describe how sales charges and expenses vary by share class, and how investors can qualify for sales-charge reductions and waivers based upon the amount of their investments or other circumstances. Depending on its objectives, a mutual fund may invest in securities or other assets that pay dividends or interest, and/or may invest in securities or other assets that the fund expects will rise in value. The value of the mutual fund's shares will appreciate if the securities and other assets in which it invests pay dividends or returns.

When you purchase a mutual fund, it may be held directly at the mutual funds sponsor or on the IPX or Aspire platform. You will pay a sales charge/commission at the time of the purchase. You will also pay ongoing distribution related fees known as 12b-1 fees. Most mutual fund sponsors offer several different categories of fund shares also known as share "classes". Each share class made available has a difference compensation structure and schedule of fees and charges. These fees and charges vary from fund to fund and share class to share class.

All of these charges will impact investment earnings. The value of the mutual fund's shares will decline if the securities and other assets decrease in value. A mutual fund's portfolio is structured and managed to match stated investment objectives.

Mutual funds may be purchased through GIS who will submit the application for a new account/purchase directly through the fund company, and the fund company will provide custody and other shareholder services to you. Note that, in many cases, you may be able to purchase mutual fund securities directly through the fund company without going through GIS.

**Material Fees and Costs:** Most mutual funds have the following fees and costs through the broker-dealer.

**Class A Shares** - When you purchase Class A shares, you are typically assessed a front-end sales charge that is deducted from your initial investment. A typical front-end sales charge or "load" for A shares is 5.75%. For example, on a \$100 investment in such a fund, \$94.25 would be invested, and \$5.75 would be paid to GIS (who then pays a portion of the compensation to your representative). As you purchase larger dollar amounts of Class A shares within a fund family and achieve a stated "breakpoint" level, the percentage amount of the front end charge decreases (see the example below in "Breakpoints").

Class A shares generally are not subject to a sales charge when they are redeemed or sold. However, they typically are subject to service and/or distribution fees (known as "12b-1 fees") of approximately 25 basis points ("bps") or 0.25%, which are generally lower than those of Class B or C shares. To illustrate, for a fund with a 25bps 12b-1 fee, for every \$100 you invest in the fund, each year the fund will pay to GIS or GIS's custodial platform providers, IPX and ASPIRE, 25 cents.

**Class C Shares** - When you purchase Class C shares, you are not assessed a front-end sales charge. If you sell Class C shares within a certain number of years after purchase (typically one year), the amount you receive typically is reduced by a contingent deferred sales charge (CDSC).

Class C shares generally allow investors to invest 100% of their funds without the reduction of a front-end sales charge. However, they typically have higher annual fund operating expenses than Class A shares, due primarily to higher 12b-1 fees, which are typically 100bps (or 1%) annually.

To illustrate, on a \$100 investment in such a fund, all \$100 would be invested, but \$1 would be paid to GIS or its custodial platform providers every year (who then pays most of the compensation to your representative). Some Class C shares will convert over time to a share class with a lower 12b-1 fee, but some Class C shares will not.

If an investor has a shorter-term investment horizon, Class C shares may be less expensive than Class A shares because the initial sales charge will be lower. However, your annual expenses could be higher than Class A or B shares if the shares are held for the long term.

GIS generally will not accept purchases in C shares if the aggregate value of all A, B, and C shares held exceeds \$500,000 within any fund family and/or in the aggregate value of all C shares held exceeds \$500,000 across all fund families. The fund may also have its own limit on the purchase of Class C shares.

**Class B Shares** - Like C shares (described above) when you purchase Class B shares, you are typically not assessed a front-end sales charge. However, if you sell Class B shares within a certain number of years after purchase (typically 6 years, a period longer than most C shares), your investment will be reduced by a contingent deferred sales charge (CDSC). Selling Class B shares during the period in which the CDSC applies can significantly diminish the overall return on an investment. Class B shares also have a 12b-1 fee that is typically higher than Class A shares. After a period of years, Class B shares usually convert to Class A shares. Class B shares are no longer offered to new customers.

**Class R Shares** - Class R shares are generally not available to investors to purchase on their own or in nonretirement accounts. Rather, they are designed to be available in workplace retirement plans, such as 401(k) accounts, 457 accounts, and employer sponsored 403(b) plans. Typically, R Shares do not have front end sales load, or a CDSC. However, they often have internal expenses which may make them more expensive than other share classes.

Typically, Class R shares will have higher 12b-1 fees, as high as 1%, which result in an expense ratio in the range of 1.5%. You should consult the prospectus of the specific fund you are considering to better understand its fees.

**Other Share Classes.** The discussion above covers the most common share classes used by retail customers (i.e., A, B, C and R) when recommended by broker-dealers. However, the mutual fund industry continues to develop new pricing structures (i.e., share classes) in response to industry and regulatory trends. Each mutual fund's prospectus fully explains the fees and costs associated with any share class offered by the sponsor.

**Other expenses.** Regardless of share class, all mutual funds have operating expenses and management fees. You can find a fund's gross expense ratio, which expresses these fees as a percentage of the fund's assets being managed, in the prospectus. The gross expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, subadvisor, and transfer agency. The gross expense ratio does not reflect the fund's brokerage costs or any investor sales charges and is collected from the Total Annual Fund Operating Expenses from the fund's most recent prospectus fee table.

### Programs That May Reduce the Cost of Mutual Fund Purchases

In addition to the overall cost of purchasing mutual fund shares, you should consider the possible benefits of programs offered by mutual fund sponsors in which the total value of the fund shares owned by you and your family members are aggregated to achieve breakpoints available in Class A shares, including through letters of intent, rights of accumulation, exchange privileges, or other similar terms. These include:

**Breakpoint Discounts** - Class A shares generally offer volume discounts called breakpoints which may reduce or eliminate the amount of the front-end sales charge. The following chart shows the breakpoint schedule as an **example** from one of the larger mutual funds:

Investment Amount	Front End Load
Less than \$25,000	5.75%
\$25,000 to \$49,999	5%
\$50,000 to \$99,999	4.5%
\$100,000 to \$249,999	3.5%
\$250,000 to \$499,999	2.5%
\$500,000 to \$749,999	2%
\$750,000 to \$999,999	1.5%
\$1 Million	0% (subject to a 1% surrender charge for 18 months).



***\*The above chart is not representative of all mutual funds. Breakpoints vary among funds. Review the prospectus of each mutual fund for details on its breakpoint thresholds.***

Because of breakpoints, and the lower 12b-1 fees associated with Class A shares, investors making large mutual fund purchases tend to pay less over time using Class A shares (as opposed to Class B or Class C shares of the same fund family).

**Rights of Accumulation** - Even if the amount you are investing does not meet a breakpoint, you may still qualify for one. Specifically, when offered, "Rights of Accumulation" permit you to aggregate the value of your (and sometimes family members') current holdings in the same fund family to reach a breakpoint. Typically, the discount only applies to new investments.

**Letter of Intent** – Many mutual fund sponsors offer a program that permits you (and sometimes family members) to receive a volume discount by committing to purchase an amount of fund shares above a breakpoint within a specified time period. If you fail to purchase the indicated amount within the time period, a higher sales charge may be applied to your purchases retroactively.

While you may choose to purchase shares in a variety of fund families for diversification purposes, breakpoint discounts generally apply only to purchases within a single mutual fund family. Purchases involving different fund families will not assist you for purposes of obtaining breakpoint discounts, including those available pursuant to Rights of Accumulation or Letters of Intent.

**Exchanges** - You should be aware that generally you will not be assessed a new front-end load if you sell a fund and purchase a new fund within the same fund family. However, you generally will be charged a new front-end load if you purchase a new fund in a different fund family. This presents a conflict of interest for your Registered Representative and GIS, because they will make more money for recommending that you purchase a fund in a new fund family.

**Reinstatements** - Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs (typically) within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e., Rights of Reinstatement). Please review the mutual fund's prospectus for details regarding the repurchase of recently sold shares.

The front-end sales charge, 12b-1 fees and breakpoints may differ for the specific mutual fund you are purchasing as compared to the illustrations and hypothetical examples above. Additionally, a mutual fund family may have numerous different share classes, with characteristics that may or may not resemble the descriptions above to varying degrees.

GIS recommends that you consult the fund's prospectus and your representative to ensure you understand the fee structure associated with any mutual fund purchase before investing.

## **VI. Variable Annuities**

GIS makes available, and may recommend, variable annuities to retail investors. A variable annuity is a contract between you and an insurance company. It serves as an investment account that may grow on a tax-deferred basis and includes certain insurance features, such as the ability to turn your account into a stream of periodic payments. You purchase the investment by making either a single purchase payment or a series of purchase payments.

A variable annuity offers a range of investment options, which you typically get to choose (subject to some limitations). The value of your contract will vary depending on the performance of your investment options. The investment options are similar to mutual funds that invest in stocks, bonds, debt instruments, or some combination of the three.

Variable annuities typically include features that make them different from other insurance products and investments.

First, variable annuities have insurance features. For instance, if you die before the insurance company starts making income payments to you, many contracts guarantee that your beneficiary will receive a specified amount (typically at least the amount of your purchase payments).

Second, variable annuities are tax-deferred. That means federal taxes on income and investment gains do not apply until

you make a withdrawal, receive income payments, or a death benefit is paid. Also, transferring assets between your investment options in the contract will not be taxed. However, when taxed you will pay ordinary income tax rates, as opposed to long term capital gains rates often associated with other types of investment gains.

Third, variable annuities let you receive periodic income payments for a specified period or the rest of your life (or the life of your spouse).

Additionally, like mutual funds (described above), variable annuities offer professional portfolio management over the investment options you chose, as well as diversification.

**Material Fees and Costs** - Most variable annuities have the following fees and costs.

**Surrender Charges:** These charges are only incurred if you surrender all or a portion of your variable annuity within a certain time period (called a "Surrender Period"), and often decline gradually over a period of several years. For example, a 7% charge might apply in the first year after a purchase payment, 6% in the second year, 5% in the third year, and so on. Typically, after six to eight years (but sometimes longer), the surrender charge no longer applies. Often, contracts will allow you to withdraw a portion of your account value (typically about 10%) each year without paying a surrender charge.

Example: A variable annuity contract is purchased with \$100,000. The annuity has a 7% surrender charge in the first year, declining each year thereafter by 1%. In addition, 10% of the annuity value can be withdrawn each year free of surrender charges. In the fourth year, the owner withdraws \$50,000. The owner can withdraw \$10,000 (10% of contract value, assuming it has not changed due to investment performance) free of surrender charges. A surrender charge of 4%, or \$1,600, will be assessed on the other \$40,000 withdrawn.

**Mortality and Expense Fees:** These fees are charged by the insurance company issuing the variable annuity to provide the insurance benefits of the contract, such as a death benefit, some of which are described earlier in this document. They are commonly referred to as "M&E fees." They typically range from between 0.5% to 1.5% of the variable annuity's value.

Example A: A variable annuity has an M&E charge at an annual rate of 1%. If the average account value of the variable annuity during the year is \$100,000, the annuity will incur \$1,000 in M&E charges that year.

Certain share classes, commonly referred to as "L Share" variable annuities, have shorter surrender periods. However, they also have M&E fees that are higher than other share class options. These higher fees will lower your returns each year but will give you access to the value of your annuity, without surrender charges, sooner.

Example B: A variable annuity, an "L Share," has an M&E charge at an annual rate of 1.65%. If the average account value of the variable annuity during the fourth year of the contract is \$100,000, the annuity will incur \$1,650 in M&E charges that year. However, if the surrender charge lasts for three years, if you withdraw \$50,000 in year four, you can withdraw the entire \$50,000 without incurring a surrender charge.

**Administrative Fees:** Some variable annuities also have administrative fees, which can be a flat fee of \$25 to \$30, or sometimes an asset-based fee ranging from 0.1% to 0.3%, to cover the administrative costs associated with your investment, such as recordkeeping and mailings.

Example: A variable annuity charges administrative fees at an annual rate of 0.1% of account value. The average account value during the year is \$100,000. \$100 in administrative fees will be assessed against the annuity.

**Subaccount Expenses:** As discussed above, variable annuity owners allocate their investments into "subaccounts," which are separately managed investment pools similar to mutual funds. The manager of the subaccount charges fees, including 12b-1 fees, management fees, administrative fees, operating costs, and other asset-based costs. These are typically expressed as an "expense ratio," and generally subaccount expense ratios vary greatly depending upon the type of subaccount selected. A typical expense ratio for a subaccount that invests significantly in equities might be 0.75%.

Example: A variable annuity has a subaccount option, the XYZ Equity Allocation (“XYZ”) that has a .75% expense ratio. The value of the annuity during the year is \$100,000, but the average account value of XYZ was only \$25,000 (the remaining \$75,000 is invested in other subaccounts). 0.75% of XYZ’s value, or \$187.50, will be deducted from that subaccount. The other subaccounts likely have different expense ratios (and similar fees will be deducted from them, as well).

Other fees may also apply. These may include initial sales loads/charges or fees for transferring part of your account from one investment option to another.

**Optional Riders:** Variable annuities are often sold with riders, or optional features that can be added to the contract, typically for an additional fee. Below are typical examples of riders.

- Guaranteed lifetime income riders. These riders typically guarantee the payment of a certain level of income for the remainder of the owner’s life, regardless of the value of the annuity. Typical charges for such a rider are between 0.4% and 2.2%.
- Living benefit riders. These riders typically provide cash benefits to you prior to your death if you qualify based on a medical condition, such as a terminal illness. Typical charges for such a rider are between 0.65% and 1.5%.
- Guaranteed Minimum Withdrawal Benefit (GMWB) riders are commonly available for variable annuities.
- The contract owners can withdraw a maximum percentage of their annuity’s benefit base for the lifetime of the annuitant. Annual maximum percentages available for withdrawal vary with contracts and are generally based on the age of the annuitant but are usually between 4% and 7% of the benefit base. Typically, fees for this rider are between 0.9% and 1.3%.

Additional riders exist and vary from sponsor to sponsor. Not all riders are available on all contracts, and certain eligibility criteria may apply. You should review the prospectus of the variable annuity you are considering when reviewing all of your options.

**Market Value Adjustments (MVA).** A Market Value Adjustment (MVA) can be attached to a deferred variable annuity that features fixed interest rate guarantees. An MVA is an interest rate adjustment factor that can cause the actual crediting rates to increase or decrease in response to market conditions. Generally, the MVA will only apply to the amount withdrawn in excess of the free withdrawal provision stated in the contract during the surrender charge period (most annuities will allow free withdrawals of 10% of the accumulation value or the interest earned in the contract). It will only be applied to withdrawals from fixed interest or declared rate accounts. If interest rates are higher at the time of withdrawal than when the contract was purchased, a negative MVA will apply which will decrease the value of your withdrawal. If interest rates are lower at the time of withdrawal than when the contract was purchased, a positive MVA will apply and increase the value of your withdrawal.

**Representative Compensation:** Variable annuities have several different share classes. The most common share class sold are “B Shares.” A different share class, “L Shares,” typically have a shorter Surrender Period as compared to a “B Share,” however, they typically have higher Mortality and Expense fees and Administrative Fees. When selling either share class, the representative has different options with respect to how they receive their compensation, generally trading up- front compensation for increased ongoing compensation. For example, the charts below shows typical compensation structures for different share classes.

“B Share” Variable Annuities- Example of Potential Compensation

Compensation Options	Age of Owner	Upfront Compensation	Trailing Compensation
Option A	0-80	7%	0%
Option B	0-80	5%	1% per year (after 3 years)
Option C	0-80	2%	1% per year (after 1 year)

“L Share” Variable Annuities- Example of Potential Compensation

Compensation Options	Age of Owner	Upfront Compensation	Trailing Compensation
Option A	0-80	5.5%	0% during Surrender Period(1% per year thereafter)
Option B	0-80	4%	1% per year (after 3 years)

The fees and costs described above are typical but may differ for the particular variable annuity you are purchasing.

Additionally, a variable annuity may have numerous different share classes with characteristics that may or may not resemble the descriptions above to varying degrees. You should review the prospectus delivered to you for specific information regarding your investment.

As with mutual funds, most variable annuities may be purchased directly through the sponsor without going through GIS or AAS, in which case you may be able to avoid some of the fees and expenses associated with the purchase.

**VII. Variable Universal Life Insurance**

GIS makes available, and sometimes recommends to retail investors, variable universal life insurance. A variable universal life insurance policy is a contract between you and an insurance company. It is intended to meet certain insurance needs, investment goals, and tax planning objectives. It isa policy that pays a specified amount to your family or others (your beneficiaries) upon your death. It also has a cash value that varies according to the amount of premiums you pay, the policy's fees and expenses, and the performance of a variety of investment options offered under the policy.

GIS believes that variable universal life insurance has features that make it an attractive option for some retail investors. These include:

- Variable life insurance maintains a guaranteed minimum death benefit as long as the contract remains in force.
- Earnings on the growth in the subaccounts is tax-deferred until withdrawn.
- Variable universal life insurance policies accumulate cash value, subject to the premiums paid and the performance of the underlying securities in the subaccount.
- Premiums can be flexible for investors who do not want to make fixed payments.

The primary reason to purchase variable universal life insurance is due to the need for life insurance, and it is not appropriate as a vehicle for short term savings.

**Material Fees and Costs** - Most variable universal life policies come with the following fees and costs.

**Mortality and Expense fees.** A mortality and expense risk charge is a fee imposed on investors in variable universal life. The fee compensates the insurer for any losses that it might suffer as a result of unexpected events, including the premature death of the insured.

**Premium Taxes.** Insurance companies incur many taxes related to variable universal life policies, including federal and state taxes, premium taxes, distribution expenses, expenses related to the sale and issuance of the policy (commonly referred to as acquisition expenses), funding the insurance company's reserve account in amounts associated with the policy, and to provide profit to the insurance company. The amount of this fee will vary over time, based on certain characteristics of the policy holder, such as age, sex, rate class, rate type, rate class multiple, as well as any elected riders. Commonly, Premium Taxes will not exceed 10% of premium but is often lower.

**Service Fees.** Insurance companies often charge fees to cover the administrative costs of processing policyholder requests. Often, they are fixed dollar amounts of approximately \$25 per request, which are sometimes waived.

**Partial Surrender Fees.** Insurance companies often deduct fees from the surrender amount requested. For example, an insurance company may charge the lesser of \$25 or 5% of the amount surrendered.

**Asset Charge.** The asset charge is deducted monthly and is assessed against the policy's accumulated value. This charge is related to the various investment options that are made available under the Policy. The charge generally is 0.20% - 0.40%.

**Surrender Charge.** These are charged if a policy is surrendered or if it lapses. These charges are intended to compensate the insurance company, primarily for underwriting expenses and sales expenses, for policies that remain in force for a relatively short period of time. Generally, these will decline over 15 years and then no longer apply.

**Cost of Insurance.** Insurance companies charge this fee to provide expected mortality benefits to be paid under the policy. The cost of insurance will vary based on underwriting factors, such as the insured's sex, issue age, underwriting class, the length of time the policy has been in force, among other factors. The rates are based upon the insurance company's expectations as to future mortality, investment earnings, persistency, and taxes.

**Optional Riders.** Variable universal life contracts are also often sold with riders, or optional features that can be added to the contract, typically for an additional fee. Below are typical examples of riders.

- Long term care riders. Based upon meeting certain eligibility requirements related to declining health, these riders pay the owner a monthly benefit while the owner is still alive. These payments will reduce the cash value of the policy. The fee for the Long-Term Care rider is based on the insured's age and risk class. The actual cost is also based on the net amount at risk, which is the difference between the death benefit and the cash value.
- Spousal riders. These riders typically pay a death benefit to a designated beneficiary upon the death of a named spouse on the policy. The fee for the spousal death benefit riders is based on the insured's age and risk class. The actual cost is also based on the net amount at risk, which is the difference between the death benefit and the cash value.
- Accelerated death benefits. These riders typically allow access to the policy's death benefit prior to death if the insured is diagnosed with a terminal illness. Generally, there is no annual fee for the accelerated death benefit rider. In some cases, there is an exercise fee when the rider is elected. That fee will also vary but could range from 1-8% of the accumulated value.

Additional riders exist, and are offered on some contracts, depending on the product sponsor. You should review the prospectus of the variable annuity when you are reviewing all of your options. Commissions paid to your representative can vary greatly. In many cases, approximately 75% of first year premium will be paid to GIS as a commission, who will then retain a portion and then pay the remainder to your representative. However, there is a wide range of possible compensation, ranging generally from between 50% to in excess of 100% of first year premium. You should consult the prospectus for the policy you are purchasing for more specific information about the commissions for your product.

Unlike mutual funds and variable annuities, these products typically require a licensed insurance agent that is also affiliated with a broker-dealer or investment adviser to purchase.

### VIII. Fixed Indexed Annuities

Fixed Indexed Annuities ("FIAs") are not securities. While these products are not offered or supervised by our firm, we want to provide you with the material information about the product itself. For additional information, including compensation to discuss with your representative/agent.

FIAs typically offer a guaranteed interest rate, as well as the offer of interest crediting methods that are based on the performance of one or more securities indices. FIAs often let the purchaser choose one method or the other, or some combination of both.

FIAs typically have a "floor" and will protect purchasers from any loss of their principal (subject to surrender charges, discussed below). However, if an index crediting method is chosen for interest calculation, crediting is typically subject to a "participation rate" and a "cap."

**Participation Rate Example:** An FIA is purchased with \$100,000. An interest crediting method tied to market index is chosen, and it has a “participation rate” of 75%. If the relevant market increases 10% over a year, then 7.5% of the contract's value, or \$7,500, will be credited to the FIA. That is because 75% of 10% is 7.5%. However, before interest is credited, a calculation to determine if the cap has been exceeded must be performed.

**Cap Example:** The same example as above, but the FIA also has a “Cap” of 4%, which is the maximum amount of interest that can be credited, even if the relevant market index exceeds that amount. Although the contract's participation rate results in a potential credit of \$7,500, it exceeds \$4,000, which is 4% of the FIAs cash value. Accordingly, the contract would be credited with \$4,000.

**Material Fees and Costs** -The following fees and costs are typical of most FIAs.

**Surrender Charges:** These charges are only incurred if you surrender all or a portion of your FIA within a certain time period (called a “Surrender Period”), and often decline gradually over a period of several years. For example, a 7% charge might apply in the first year after a purchase payment, 6% in the second year, 5% in the third year, and so on. Typically, after six to eight years (but sometimes longer), the surrender charge no longer applies. Often, contracts will allow you to withdraw a portion of your account value (typically about 10%) each year without paying a surrender charge.

Example: A FIA is purchased with \$100,000. The annuity has a 7% surrender charge in the first year, declining each year thereafter by 1%. In addition, 10% of the annuity value can be withdrawn each year free of surrender charges. In the fourth year, the owner withdraws \$50,000. The owner can withdraw \$10,000 (10% of contract value, assuming it has not changed due to investment performance) free of surrender charges. A surrender charge of 4%, or \$1,600, will be assessed on the other \$40,000 withdrawn.

**Optional Riders:** FIAs are often sold with optional riders, or optional features that can be added to the contract, typically for an additional fee. A common rider is a guaranteed lifetime income rider. This rider typically guarantees the payment of a certain level of income for the remainder of the owner's life, regardless of the value of the annuity. Typical charges for such a rider are between .90% and 1.3%

Additional riders exist and vary from product to product. Not all riders are available on all contracts, and certain eligibility criteria may apply. You should review the contract of the FIA you are considering to understand your options and their fees.

**Other Fees.** FIAs do not have other fees commonly associated with most annuities, such as Mortality and Expense Fees, Administrative Fees, or Subaccount Expenses (for a description of these fees, see the section on Variable Annuities, above). However, insurance companies typically make their money on “Interest Rate Spread.” Specifically, this is the difference between what an insurance company makes as investment profit on the premiums you pay, and the amount of interest credited to your FIA.

Withdrawals or partial withdrawals could be subject to market value adjustments, or “MVA.” A Market Value Adjustment (MVA) can be attached to a deferred annuity that features fixed interest rate guarantees combined with an interest rate adjustment factor that can cause the actual crediting rates to increase or decrease in response to market conditions. Generally, the MVA will only apply to the amount withdrawn in excess of the free withdrawal provision stated in the contract during the surrender charge period (most annuities will allow free withdrawals of 10% of the accumulation value or the interest earned in the contract). If interest rates are higher at the time of withdrawal than when the contract was purchased, a negative MVA will apply which will decrease the value of your withdrawal. If interest rates are lower at the time of withdrawal than when the contract was purchased, a positive MVA will apply and increase the value of your withdrawal.

## IX. UNDERSTANDING INVESTMENT RISKS

All investing involves risk, including the potential to lose the entire value of your investment. Most securities have a disclosure document referred to as a prospectus. It is important that you read these documents in their entirety prior to making

investment decisions. Generally, as the potential rate of return increases so does the risk to you and your investment. Since your representative relies on the information that you give them about your investment objectives, risk tolerance, liquidity needs and other important factors, it is important that you discuss and confirm all of these factors with your representative.

Below are some, not necessarily all, of the risks that you should consider when making any investment:

**Market Risk** - Market risk is the risk of any investments losing value from any situation that presents itself in the market. There are three main types of market risks:

1. **Equity risk** – investing in stocks brings on the risk of volatility. Stocks are quite volatile, meaning the price of the stock or company fluctuates in the market. Price changes upward or downward are normal, but the sudden drop in share price is the most equated to losing value.
2. **Interest Rate risk** – interest rate risk is felt most keenly in debt securities or bonds. Interest rates are strongly correlated to bonds; when interest rates rise, the prices of bonds fall. And when interest rates fall, then the prices of bonds rises.
3. **Currency risk** – if you invest in foreign markets, then the risk of fluctuations in those currencies' value affects your investments value. If the business you invest in also has a large portion of its interest outside of your home country, then you are exposed to this risk. Aflac is a great example of this; it generates almost 75% of its business from Japan, even though it based in the U.S.

**Liquidity Risk** - Liquidity risk is the risk of not being able to sell your investments when you wish. If the other side of the trade is not there, then selling an investment when the price falls is at risk. This means that an investor might have to sell their investment for less of a price than they wish. If you sell it for less than you purchased, then you risk losing money on the investment.

**Concentration Risk** - The concentration risk centers around focusing your investments on a small group of investments, a single investment, and the possibility of that investment failing. If you put all of your eggs in one basket, say an investment in one company, then you lose all of your eggs if that company fails.

**Credit Risk** - Credit risk focuses on the bond market; if the underlying company struggles financially, it might not pay its interest payments or may declare bankruptcy. In that case, then the bondholder loses their investment. That is one reason why paying attention to the company's credit rating that is issuing the bond is so important. In this case, using a credit rating agency such as Moody's can help you track the risk of default.

**Reinvestment Risk** - The risk of losing out on greater returns when the investment you have matures and the reinvestment choices for that capital are less than the past investment.

For example: you have a long-dated CD that matures and was paying a rate of 10% and when you look for options to reinvest, your rates are much less than the original investment.

**Inflation Risk** – Inflation is a decline in the purchasing power of money over time, and failure to anticipate a change in inflation presents a risk that the realized return on an investment or the future value of an asset will be less than the expected value. Any asset or income stream that is denominated in money is potentially vulnerable to inflationary risk because it will lose value in direct proportion to the decline in the purchasing power of money.

You can see inflation risk in the investments in savings accounts from brick-and-mortar banks. Most U.S. banks pay an interest rate of 0.01%, which is well below inflation, even at 1%. This means that if you put your money in savings account for a long period, you risk that dollar being worth less in the future than when you invested that dollar.

**Horizon Risk** - Horizon risk is anything that shortens your investment horizon. One of the proven methods of wealth creation is investing for a long time, and if you buy a house, lose your job, or get married, those life changes can alter your

time horizon. If you lose your job, you lose out on the compounding effect during the time it takes until you find another job. Same with the purchase of a home, that outlay of money takes away from investments that can compound.

**Longevity Risk** - Longevity risk is the risk of outliving our investments or having enough money to last our lifetime. With the creation of social security as a safety net, as long as it stays solvent, it allows for at least a minimum of money. Longevity risk refers to the chance that life expectancies and actual survival rates exceed expectations or pricing assumptions, resulting in greater-than-anticipated cash flow needs on the part individuals, providers of life insurance products and pensions funds

But setting your investments to allow you to earn income until the end of your life is one of the details that we need to incorporate into your plan.

## **X. EMPLOYER SPONSORED RETIREMENT SAVINGS PLANS, IRA ROLLOVERS AND OUR FIDUCIARY STATUS**

When we provide investment advice about your retirement plan account or individual retirement account (“IRA”) including whether to maintain investments and/or proceeds in the retirement plan account roll over such investments from the retirement plan account to an IRA or make a distribution from the retirement plan account, we acknowledge that the firm is a “fiduciary” within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code as applicable. The way that the firm makes money creates conflicts with your interests, so the firm operates under a special rule that requires the firm to act in your best interest and not put our interests ahead of yours.

Under this special rule’s provisions, the firm must act as a fiduciary to a retirement plan account or IRA under ERISA/the Internal Revenue Code by:

- Meeting a professional standard of care when making investment recommendations (i.e., give prudent advice);
- Never putting the interests of the firm ahead of you when making recommendations (i.e., give loyal advice);
- Avoiding misleading statements about conflicts of interest, fees, and investments;
- Following policies and procedures designed to ensure that the firm gives advice that is in your best interest;
- Charging no more than is reasonable for the services of the firm; and
- Giving you basic information about any conflicts of interest.

To the extent that we recommend that you roll over your account to an account managed by the firm, please know that the firm, its investment advisor representatives, and/or registered representatives have an inherent conflict of interest. Increased investment advisory fees may be earned by recommending that you roll over your account to an account managed by the firm. We will earn fewer investment advisory fees if you do not roll over the funds to an account managed by the firm. Thus, our investment advisor representatives and/or registered representatives have an economic incentive to recommend a rollover of funds to an account managed by the firm which is a conflict of interest. Our recommendation that you open an account to be managed by the firm can be based on our economic incentive and not based exclusively on whether or not moving the funds is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives and registered representatives will (1) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (2) not recommend investments which result in the firm receiving unreasonable compensation related to the rollover of funds, and (3) fully disclose compensation received by the firm and our supervised persons and any material conflicts of interest related to recommending the rollover of funds and refrain from making any materially misleading statements regarding such rollover.



When providing advice to you regarding a rollover, our investment advisor representatives and registered representatives will act with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use.

This advice shall be based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of the firm or our affiliated personnel.

Many employers maintain tax-qualified retirement savings plans for their employees. These include 401(k), 403(b), and 457 plans, among others. When changing jobs or retiring, one of the most important decisions you may face is how to handle the money you have accumulated in your retirement plan. You may also consider a transfer of funds from an existing individual retirement account (IRA) to another.

You generally have several options to consider when electing to rollover an IRA. Each has advantages and disadvantages and the one that is best for you depends on your individual circumstances. Investment expenses for an IRA will almost always be higher than those in your employer's retirement plan and depend largely on the investment choices that you make within the IRA. These expenses include sales charges or commissions, management or other expenses charged by sponsors of investment products, such as mutual funds or annuities, account maintenance fees, investment advisory fees, and others. It is important that you share information about your current retirement savings plans with your representative since they will need complete and accurate information to help with their recommendation to you.

**Here is a list of supplemental disclosure and informational documents:**

- FINRA's Broker Check site: [brokercheck.finra.org](http://brokercheck.finra.org)
- FINRA's Mutual Fund Analyzer: [https://tools.finra.org/fund\\_analyzer/](https://tools.finra.org/fund_analyzer/)
- FINRA – Mutual Funds: <https://www.finra.org/investors/learn-to-invest/types-investments/investment-funds/mutual-fund>
- GLP Investment Services Form CRS: [www.glpfinancialgroup.com/regulatoryinformation](http://www.glpfinancialgroup.com/regulatoryinformation)
- Financial Navigating in the Current Economy: Ten Things to Consider Before You Make Investing Decisions [SEC.gov/investor/pubs/tenthingstoconsider.htm](http://SEC.gov/investor/pubs/tenthingstoconsider.htm)
- Asset Allocation Strategies LLC form ADV: [www.adviserinfo.sec.gov/firm/summary/152339](http://www.adviserinfo.sec.gov/firm/summary/152339)
- Information about Rollovers and the considerations that come into play when making your decisions: SEC: [investor.gov/introduction-investing](http://investor.gov/introduction-investing) and FINRA: [finra.org/investors/alerts/ira-rollover-10-tips-making-sound-decision](http://finra.org/investors/alerts/ira-rollover-10-tips-making-sound-decision)

## PRODUCT BASED COMPENSATION – GLP INVESTMENT SERVICES LLC

In the following compensation grids, the Commission percentage listed is the maximum compensation received by GLP Investment Services. Representatives associated with GLP Investment Services receive less compensation than the percentage listed as the commissions are paid to your representative through a commission grid.

### MUTUAL FUNDS:

Your Financial Professional (FP) receives a percentage of the following sales and trail commissions when you purchase an A or C share class mutual fund.

A sales commission is a sales charge paid by you based on the mutual fund investment you purchase. A trail commission (trail or 12b-1 trail) is an ongoing fee paid by the mutual fund sponsor for each year that you hold the mutual fund investment. Please refer to the mutual fund's prospectus for the fees that apply to your specific investment.

### SALES COMMISSION\*:

MUTUAL FUND A-SHARE PURCHASE AMOUNT	COMMISSION PERCENTAGE
LESS THAN \$25,000	5.0%
\$25,000 TO \$49,999	4.5%
\$50,000 TO \$99,999	4.0%
\$100,000 TO \$249,999	3.5%
\$250,000 TO \$499,999	2.5%
\$500,000 TO \$749,999	2.0%
\$750,000 TO \$999,999	1.5%
\$1 MILLION AND ABOVE	1.0%

MUTUAL FUND C-SHARE PURCHASE AMOUNT	COMMISSION PERCENTAGE
ALL PURCHASE AMOUNTS	1.0%

### TRAIL COMMISSION\*:

MUTUAL FUND A AND C-SHARE ASSETS	COMMISSION PERCENTAGE
EQUITY MUTUAL FUND A SHARES	0.25%
FIXED INCOME MUTUAL FUND A SHARES	0.25%
C SHARES	1.0%

\*these are sample schedules. Please refer to your specific fund's prospectus for the fee information applicable to your investment.

**VARIABLE ANNUITIES:**

Your representative receives a percentage of the following sales and trail commissions when you purchase a B share class annuity. Your representative will be able to select from different commission options and the commissions vary based on your age, but your expense ratio in the annuity contract will be the same no matter what commission option your representative chooses.

A sales commission is a sales charge paid by you based on the annuity contract you purchase. A trail commission (trail) is an ongoing fee paid by the annuity sponsor (insurance carrier) for each year that you hold the annuity contract.

“B Share” Variable Annuities- Example of Potential Compensation

Compensation Options	Age of Owner	Upfront Compensation	Trailing Compensation
Option A	0-80	7%	0%
Option B	0-80	5%	1% per year (after 3 years)
Option C	0-80	2%	1% per year (after 1 year)

“L Share” Variable Annuities- Example of Potential Compensation

Compensation Options	Age of Owner	Upfront Compensation	Trailing Compensation
Option A	0-80	5.5%	0% during Surrender Period(1% per year thereafter)
Option B	0-80	4%	1% per year (after 3 years)

The fees and costs described above are typical but may differ for the particular variable annuity you are purchasing.

**VARIABLE LIFE INSURANCE:**

When you buy variable life insurance, the level of representative’s sales commission is based on the target premium of the contract, and they will receive a percentage of that commission. Your representative cannot go over 100% of the target premium when determining the commission.

## CUSTODIAL FEES AND EXPENSES THAT MAY APPLY TO YOUR BROKER-DEALER ACCOUNTS

If your account is placed with one of the custodians/recordkeepers used by GIS, the following fees may apply. Please also refer to the full IPX Participant Account Agreement for full details.

- **IPX Transaction fees** for 403(b) and 457 accounts: \$75 Loan fee, \$50 Distribution fees
- **IPX Annual based fees:** \$25 Account fee and 0.20% Custodial fee of account value will apply to the Account based on selected investment provider product(s).
  
- **Aspire Transaction fees** for 403(b) and 457 accounts: \$100 Loan fee, \$75 Distribution fees
- **Aspire Recurring/Systematic Distribution fee:** \$10.00 each (after the \$75.00 initial Distribution Fee)
- **Aspire Transfer Out fees:** \$75.00
- **Aspire Annual Based fees:** \$25 Annual Maintenance fee and 0.15% Annual Custodial and Administrative fee (as a % of the account value will apply to the Account based on selected investment provider product(s).