

## Ameriprise<sup>®</sup> Managed Accounts

### Client Disclosure Brochure (Wrap Fee Program) (Part 2A Appendix 1 of Form ADV)

This wrap fee program brochure provides clients with information about the qualifications and business practices of Ameriprise Financial Services, Inc. and Ameriprise<sup>®</sup> Managed Accounts Services. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Ameriprise Financial Services, Inc. is available on the SEC website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**March 31, 2012 – March 31, 2013**

**Sponsor:**

Ameriprise Financial Services, Inc.  
70400 Ameriprise Financial Center  
Minneapolis, MN 55474

[ameriprise.com](http://ameriprise.com)  
1 (800) 297-6663

## Material Changes

*Updated March 2012*

This Brochure has been updated with the following material changes that have occurred since the last annual update of our brochure in March 2011.

With respect to the SPS *Advantage* Program, Sponsor will also charge a \$25 maintenance fee for accounts that held only cash (i.e. Sweep Account, Personal Savings Account or uninvested cash) for the entire calendar quarter. Sponsor reserves the right to waive the fee in certain circumstances (eg. death of account holder).

Please see the charts provided under the section titled "Overview of Services and Fees," beginning on page 3 of this brochure, for additional information on this fee, and our fee structure generally. The maintenance fee is effective April 1, 2012 and will be assessed beginning in July 2012 for both new and existing clients.

Please Retain a Copy of this Brochure for Your Records.

# Table of Contents

<i>Ameriprise</i> Managed Accounts services, fees and compensation	1
Appropriateness of a Managed Account for you	1
Overview of <i>Ameriprise</i> ® Managed Accounts	1–7
Services	8
• SPS <i>Advantage</i>	8–10
• SPS Advisor	10–11
• <i>Active Portfolios</i>	11–14
• Select Separate Account	14–18
• Managed Accounts offered with Envestnet Asset Management, Inc.	18–19
• Vista Separate Account	19
• Investor Unified Account	20
• Access Account	20
• Supplementary Managed Accounts information	20–22
Fees and Compensation	22
• Wrap Fees	22–24
• Sweep Account and other fees	24–26
Account requirements and types of clients	26
• Establishing and maintaining Accounts	26
• Terminating a Managed Accounts Client Agreement	26–27
Investment Manager selection and evaluation	27
• Client Information provided to Investment Managers	27
• Client contact with Investment Managers	27
Additional information	27
• Disciplinary information	27–30
• Legal proceedings	30
• Other financial industry activities and affiliations	30–32
• Code of ethics	32
• Participation or interest in client transactions	32–34
• Personal trading rules and procedures	34
• Insider trading policy	34
• Review of Accounts	34–35
Client referrals and other compensation	35
• Referral arrangements and other economic benefits	35
• Review of issuers of financial products	35
• Other compensation	36
• Revenue sources for Columbia Management Investment Advisers	36
• Revenue sources for other <i>Ameriprise</i> Financial, Inc. companies	36–37
How we get paid	37
• Revenue sources for <i>Ameriprise</i> Financial Services, Inc.	37–40
• Columbia and other affiliated mutual funds	40–42
How our financial advisors get paid	42–45
Financial information	45
Form ADV: Brochure Supplements	46–58

# Ameriprise Managed Accounts services, fees and compensation

## Appropriateness of a Managed Account for you

Prior to establishing an Ameriprise® Managed Account you should carefully review this Wrap Fee Program Brochure (Appendix 1 of Form ADV Part 2A) (“Disclosure Brochure” or “Brochure”). As you read through this Brochure, note the following:

A Managed Account is an investment advisory account, and the types of managed accounts that Ameriprise Financial Services, Inc. (“Ameriprise Financial Services” or “we”) offers include the following:

- **Ameriprise® Strategic Portfolio Service (SPS) Advantage**
- **Ameriprise® Strategic Portfolio Service (SPS) Advisor**
- **Ameriprise® Active Portfolios**
- **Ameriprise® Select Separate Account**
- **Ameriprise® Investor Unified Account**
- **Ameriprise® Vista Separate Account**
- **Ameriprise® Access Account**

Before selecting a Managed Account (“Account”), you should consider, among other things, the costs and potential benefits of a Managed Account, your investment objectives, and the types of investments you hold and intend to purchase.

Each Managed Account is an asset-based relationship, which means that the annual asset-based fee (“Wrap Fee”) you pay for your Account is based on the value of your Account and as such will increase if the asset value of your Account increases, and vice versa. The Wrap Fee is assessed monthly or quarterly and is in lieu of commissions, such as transaction-based charges or mutual fund sales charges.

The Wrap Fee that you pay for a Managed Account may be more or less than if you were to purchase the investment advisory services and the investment products separately. The costs and expenses associated with an investment product, among other things should be considered when determining whether a Managed Account is appropriate for you. Consider, among other things, the:

- Amount you will pay in Wrap Fees;
- Total cost of purchasing any underlying securities, products and services outside of a Managed Account;

- Amount of trading activity anticipated in your non-discretionary Account;
- Custodial services provided;
- Size of your Account;
- Your ability to independently select and retain professional asset management services;
- Value of the periodic Account reviews; and
- Terms and conditions of the client agreement (“Client Agreement”).

Review any applicable mutual fund prospectus prior to investing in order to learn about availability of rights of accumulation and other benefits and costs and discuss with your financial advisor accounts you may hold elsewhere. You should consider whether you will be eligible for the benefits of rights of accumulation before purchasing or transferring mutual funds into a Managed Account.

## Overview of Ameriprise Managed Accounts

All managed account services offered by Ameriprise Financial Services, Inc. are collectively referred to as “Services” and singly as “Service” in this Brochure. Ameriprise Financial Services is the sponsor (“Sponsor”) and introducing broker for these Services. Each Service has its own Client Agreement. All Services, except SPS *Advantage* Account (described below), use a discretionary investment manager. Some products and services described in this Brochure may not be available in all jurisdictions or to all clients.

- Sponsor will determine whether an Account is suitable upon Account opening and thereafter. If it is determined that a Managed Account Service is not suitable for you, Sponsor may transfer the account to another Ameriprise Financial Services account as described in “**Terminating a Managed Accounts Client Agreement**” in this Disclosure Brochure.
- You will pay investment advisory fees and certain other fees when you select a Service. These fees are described in the Managed Accounts charts below and in the “**Sweep Account and other fees**” section of this Disclosure Brochure.

- We work hard to provide you with quality service to help you reach your financial goals. If you are not satisfied with this Service, you may terminate your Managed Account Client Agreement as outlined for you in the **“Terminating a Managed Account Client Agreement”** section of this Disclosure Brochure.
- Ameriprise Financial Services and its affiliates receive revenue in addition to the investment advisory fees you pay. The sources of this revenue, including marketing support payments we receive are described in the **“How We Get Paid”** section of this Brochure.
- Your Ameriprise financial advisor (“financial advisor”) receives compensation for investment advisory services provided to you. The amount of this compensation may be more than what the financial advisor would receive if you maintained in a transaction-based brokerage account. Therefore, certain incentives may exist if you purchase certain products or services recommended by your financial advisor in an Account versus a brokerage account.

If any material changes occur to this Brochure, you will receive a summary at least annually. You may request a current copy of this Disclosure Brochure, and if applicable, Part 2A of your Investment Manager’s (as defined below) Form ADV brochure which replaces any earlier version you received. You should consider requesting copies of the Brochure(s) by writing to Ameriprise Financial Services, Inc. at 2661 Ameriprise Financial Center, Minneapolis, MN 55474, or by calling 1 (800) 297-6663.

#### **Client Rights and Responsibilities**

You may impose reasonable restrictions on the discretionary Account(s) that you select. You are responsible for promptly notifying Sponsor in writing of any changes to these reasonable restrictions. Sponsor will inform the Discretionary Manager (as defined in this section), as applicable. Changes to your reasonable restrictions will not be binding on an Account or a Discretionary Manager until they are received and accepted by Sponsor and the Discretionary Manager. Periodically, you will be notified in writing to contact Sponsor if there have been any changes in your financial and risk profile information and investment objectives (“Client Information”) and/or reasonable restrictions. It is your responsibility to promptly notify Sponsor, in writing (which may be done by contacting your financial advisor), of any changes. Failure to do so could affect the services provided to you.

Managed Accounts are subject to the Investment Advisers Act of 1940 (the “Advisers Act”) and offer you a wide range of investment options and related client services, including custody of the securities and other assets you hold within a Managed Account and consolidated account reporting regarding those assets. Sponsor may rely on affiliated or unaffiliated investment advisory firms to provide discretionary investment advisory services that include discretionary management, asset allocation and/ or rebalancing, or providing investment models (“Investment Manager”).

Review the Investment Manager’s disclosure document (Part 2A of Form ADV), this Disclosure Brochure and if applicable, the strategy/portfolios fact sheets prior to investing.

Sponsor is a registered investment adviser under the Advisers Act and a broker-dealer under the Securities Exchange Act of 1934 (“Exchange Act”). Sponsor and/or its affiliates provide the following services:

- Research and/or due diligence regarding the Investment Manager(s) you select to provide discretionary investment advisory services in *Active Portfolios* account, *Select Separate Account*, *Vista Separate Account*, *Investor Unified Account*, and *Access Accounts*; and research and/or due diligence regarding the discretionary financial advisor in *SPS Advantage Pilot Program* and *SPS Advisor* (“SPS Discretionary Advisor”)(Investment Manager and SPS Discretionary Advisor are referred to collectively as “Discretionary Managers” in this Brochure));
- The execution of brokerage transactions on an agency or principal basis through Sponsor’s clearing agent, American Enterprise Investment Services, Inc. (“AEIS”);
- Custodial services;
- Regular reports to clients; and
- Year-end tax information.

Certain services in connection with a Managed Account are performed on behalf of Sponsor by your financial advisor. A financial advisor will be assigned to each Account and will provide services including:

- Assisting you by defining the parameters that will form the basis for the management of your Account(s), including your Client Information;
- Potentially serving as a liaison between you and any Investment Manager;

- At least annually, reviewing your Client Information with you to determine if, based on information you provided, it is still accurate, reviewing if your Managed Account(s) is still suitable for you, analyzing and assessing your Account(s) to answer any questions that you may have, as well as reviewing of the performance and compatibility of any Investment Manager you select.

Your financial advisor is instructed to inform Sponsor if your personal and financial information have changed.

The performance of your Account(s) will not be monitored on a day-to-day basis.

### Overview of Services and Fees

The charts below provide an overview of the Managed Accounts Services for SPS *Advantage*, SPS Advisor, *Active Portfolios* account and Select Separate Account, including investment minimum and Wrap Fees. When used below, Household is generally defined as an individual, his or her spouse or domestic partner, and the unmarried children under age 21 who reside at the same address.

### Managed Accounts

	<b>SPS <i>Advantage</i></b>	<b>SPS Advisor</b>	<b><i>Active Portfolios</i></b>	<b>Select Separate Account</b>
<b>Investment Advisory Account Structure</b>	<b>Non-discretionary</b>	<b>Discretionary</b>	<b>Discretionary</b>	<b>Discretionary</b>
<b>Asset Allocation</b>	Financial advisor recommends	Financial advisor	Investment Manager based on recommendations from the portfolio strategists	Financial advisor recommends
<b>Investment Selection</b>	Financial advisor recommends	Financial advisor	Investment Manager based on recommendations from the portfolio strategists	Affiliated or Third-party Investment Manager
<b>Investment Vehicles</b>	Includes, but not limited to: mutual funds <sup>1</sup> ; fund of funds; exchange traded funds ("ETFs"); stocks; bonds; certain real estate investment trusts ("REITs"); options on indices and equities; syndicate offerings of closed end funds	Includes, but not limited to: mutual funds <sup>1</sup> ; fund of funds; ETFs; stocks; bonds; certain REITs; options on indices and equities	Mutual Funds and/or ETF portfolios	Equity, balanced and fixed income separately managed account strategies ("SMA")
<b>Investment Minimum<sup>3</sup></b>	\$25,000 (for all accounts within a Household) Sponsor may suspend or waive this amount, if the Household maintains a minimum account balance of \$1,000.	\$25,000 (for all accounts within a Household) Sponsor may suspend or waive this amount, if the Household maintains a minimum account balance of \$1,000.	\$25,000 – <i>Active Diversified Funds Portfolios</i> and <i>Active Accumulation Portfolios</i> \$50,000 – <i>Active Diversified Alternatives, Active Income, Active Diversified Yield</i> and <i>Active Opportunity ETF Portfolios</i>	\$100,000 – \$250,000 (depending on the SMA investment strategy)

## Managed Accounts (continued)

	SPS Advantage <sup>8</sup>	SPS Advisor	Active Portfolios	Select Separate Account		
Maximum Annual Wrap Fee (of the total assets in your account)	3.00% (gross)	3.00% (gross)	3.00% (gross) 2.00% (net) for all <i>Active Portfolios</i> accounts except <i>Active Opportunity ETF Portfolios</i> accounts which is 2.50% (net)	Household Assets	Equity Balanced Max. Annual Fee	Fixed Income Max. Annual Fee
	2.00% (net)	2.00% (net)		<\$99,999	3.00%	2.25%
				\$100,000 – \$499,999	3.00%	2.25%
				\$500,000–\$999,999	2.75%	2.00%
				\$1,000,000 – \$1,999,999	2.50%	2.00%
				\$ 2,000,000 – \$4,999,999	2.25%	2.00%
				\$ 5,000,000 – \$9,999,999	1.50%	1.30%
				· \$10,000,000	1.40%	1.10%
Minimum Annual Wrap Fee	\$100 per Household <sup>2</sup> . If the Household <sup>2</sup> value is less than \$5,000, the minimum fee may exceed 2% net (3% gross).	\$200 per account. If the account value is less than \$10,000, the minimum fee may exceed 2% net (3% gross).	\$200 for all <i>Active Portfolios</i> accounts except <i>Active Opportunity ETF Portfolios</i> accounts which is \$700.	Households may be assessed a minimum annual Wrap Fee of \$1,025.		
Margin Trading	Must be approved by Sponsor	N/A	N/A	N/A		
Billing Methodology	Wrap Fee is deducted at the end of the selected billing period (quarterly or monthly <sup>6</sup> ); default is monthly. Wrap Fee is based on the average daily balance of certain securities in your Account. <sup>4, 5</sup>	Wrap Fee is deducted at the end of the selected billing period (quarterly or monthly <sup>6</sup> ); default is monthly. Wrap Fee is based on the average daily balance of certain securities in your Account. <sup>5</sup>	Wrap Fee is deducted at the beginning of the selected billing period (quarterly or monthly <sup>6</sup> ); default is monthly. The initial Wrap Fee is based on the market value of the assets in the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial billing period. Thereafter, billing will be calculated based on the market value of the assets in the Account as of the last business day of the preceding billing period.	Wrap Fee is deducted at the beginning of the selected billing period <sup>7</sup> (quarterly or monthly <sup>6</sup> ); default is monthly. The initial Wrap Fee is based on the market value of the assets in the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial billing period. Thereafter, billing will be calculated based on the market value of the assets in the Account as of the last business day of the preceding billing period.		



## Managed Accounts (continued)

	<b>SPS Advantage</b>	<b>SPS Advisor</b>	<b>Active Portfolios</b>	<b>Select Separate Account</b>
<b>Cost Basis</b>	<p>Mutual Funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>Equities: FIFO (cost basis is calculated on a first in/ first out basis) unless you make a different election (for that sale or ongoing for the account).</p>	<p>Mutual Funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>Equities: FIFO (cost basis is calculated on a first in/ first out basis) unless you make a different election (for that sale or ongoing for the account).</p>	<p>Mutual Funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>ETFs: HIFO (cost basis is calculated on a Highest Cost/ first out basis) unless you make a different election (for the account).</p>	<p>Equities: HIFO (cost basis is calculated on a Highest Cost/ first out basis) unless you make a different election (for the account).</p>

<sup>1</sup> Please contact your financial advisor or see our website (ameriprise.com), for a current list of mutual funds offered in any of these accounts.

<sup>2</sup> If the billing frequency differs among accounts in the Household on the Online Brokerage platform, the \$100 minimum fee applies separately for each billing cycle.

<sup>3</sup> If your Managed Account balance falls below the required minimum balance, the impacted Managed Account may be subject to termination and/or converted to a traditional brokerage account (or where applicable in SPS Advisor, a non-discretionary SPS Advantage Account).

<sup>4</sup> Excluding money in the Sweep Account, money market funds and Personal Savings Account assets.

<sup>5</sup> Excluding certain other type of securities, such as certain mutual fund share classes, fund of funds with additional internal fees, non-traded securities, leveraged and inverse ETFs or illiquid securities. The absolute value of short positions, if applicable, is included in the average daily balance. Syndicate offerings purchased in a SPS Advantage Account are excluded from the Wrap Fee calculation for 18 months after the initial purchase. Thereafter, these assets will be included in your Wrap Fee calculation.

<sup>6</sup> All accounts in a billing Household on the new brokerage platform must use the same billing frequency. If the frequency chosen is not the same as the other accounts in the Household, billing will occur at the current frequency until the next quarter. The new billing frequency will then be applied to all accounts in the Household.

<sup>7</sup> Your fee may be higher or lower, depending on the billing cycle you choose because the market value of the assets in the account may fluctuate and vary widely.

<sup>8</sup> With respect to the SPS Advantage Program, Sponsor may also charge a \$25 maintenance fee for accounts that held only cash (i.e. Sweep Account, Personal Savings Account or uninvested cash) for the three consecutive months during the prior calendar quarter. Sponsor reserves the right to waive the fee in certain circumstances (eg. death of account holder). The maintenance fee will be deducted from the originating SPS Advantage Account and is not available as part of an alternate fee billing arrangement.



## Managed Accounts offered with Envestnet Asset Management, Inc.

	Vista Separate Account	Investor Unified Account	Access Account <sup>1</sup>																																																																						
Investment Advisory Account Structure	Discretionary	Discretionary	Discretionary																																																																						
Asset Allocation	Envestnet Asset Management	Envestnet Asset Management	Investment Manager																																																																						
Investment Selection	Financial advisor recommends	Financial advisor recommends	Investment Manager																																																																						
Investment Vehicles	Provides access to a variety of SMA strategies, mutual funds and ETFs	Provides access to a variety of SMA strategies, mutual funds and ETFs to be held in a single account.	Mutual funds and/or ETF portfolios																																																																						
Investment Minimum <sup>3</sup>	Program minimum - \$100,000  Each SMA strategy has its own investment minimum  Client must invest in at least one SMA	Program minimum – \$250,000  Client must invest in at least one SMA	\$50,000																																																																						
Maximum Annual Wrap Fee (of the total assets in your account)	<table><tr><th>Household Assets</th><th>Equity/ Balanced SMA Max. Annual Fee</th><th>Fixed Income SMA Max. Annual Fee</th><th>Mutual Fund or ETF Max. Annual Fee</th></tr><tr><td>&lt;\$100,000</td><td></td><td></td><td></td></tr><tr><td>\$100,000 – \$249,999</td><td>3.00%</td><td>2.25%</td><td>2.00%</td></tr><tr><td>\$250,000 – \$499,999</td><td>3.00%</td><td>2.25%</td><td>1.90%</td></tr><tr><td>\$500,000–\$999,999</td><td>2.75%</td><td>2.00%</td><td>1.80%</td></tr><tr><td>\$1,000,000 – \$1,999,999</td><td>2.50%</td><td>2.00%</td><td>1.60%</td></tr><tr><td>\$ 2,000,000 – \$4,999,999</td><td>2.25%</td><td>1.60%</td><td>1.50%</td></tr><tr><td>\$ 5,000,000 – \$9,999,999</td><td>2.00%</td><td>1.40%</td><td>1.30%</td></tr><tr><td>\$10,000,000+</td><td>1.60%</td><td>1.30%</td><td>1.10%</td></tr></table>	Household Assets	Equity/ Balanced SMA Max. Annual Fee	Fixed Income SMA Max. Annual Fee	Mutual Fund or ETF Max. Annual Fee	<\$100,000				\$100,000 – \$249,999	3.00%	2.25%	2.00%	\$250,000 – \$499,999	3.00%	2.25%	1.90%	\$500,000–\$999,999	2.75%	2.00%	1.80%	\$1,000,000 – \$1,999,999	2.50%	2.00%	1.60%	\$ 2,000,000 – \$4,999,999	2.25%	1.60%	1.50%	\$ 5,000,000 – \$9,999,999	2.00%	1.40%	1.30%	\$10,000,000+	1.60%	1.30%	1.10%	<table><tr><th>Household Assets</th><th>Max. Annual Fee</th></tr><tr><td>&lt;\$100,000</td><td>2.35%</td></tr><tr><td>\$100,000</td><td>2.35%</td></tr><tr><td>\$500,000 – \$999,000</td><td>2.30%</td></tr><tr><td>\$1,000,000 – \$1,999,999</td><td>2.10%</td></tr><tr><td>\$ 2,000,000 – \$4,999,999</td><td>1.90%</td></tr><tr><td>\$ 5,000,000 – \$9,999,999</td><td>1.70%</td></tr><tr><td>\$10,000,000+</td><td>1.50%</td></tr></table>	Household Assets	Max. Annual Fee	<\$100,000	2.35%	\$100,000	2.35%	\$500,000 – \$999,000	2.30%	\$1,000,000 – \$1,999,999	2.10%	\$ 2,000,000 – \$4,999,999	1.90%	\$ 5,000,000 – \$9,999,999	1.70%	\$10,000,000+	1.50%	<table><tr><th>Client Assets</th><th>Max. Annual Fee</th></tr><tr><td>&lt;\$50,000</td><td>2.25%</td></tr><tr><td>\$50,000 - \$249,000</td><td>2.25%</td></tr><tr><td>\$250,000 – \$499,000</td><td>2.05%</td></tr><tr><td>\$500,000 – \$999,000</td><td>1.90%</td></tr><tr><td>\$1,000,000 – \$1,999,999</td><td>1.70%</td></tr><tr><td>\$ 2,000,000 – \$4,999,999</td><td>1.60%</td></tr><tr><td>\$ 5,000,000 – \$9,999,999</td><td>1.50%</td></tr><tr><td>\$10,000,000+</td><td>1.40%</td></tr></table>	Client Assets	Max. Annual Fee	<\$50,000	2.25%	\$50,000 - \$249,000	2.25%	\$250,000 – \$499,000	2.05%	\$500,000 – \$999,000	1.90%	\$1,000,000 – \$1,999,999	1.70%	\$ 2,000,000 – \$4,999,999	1.60%	\$ 5,000,000 – \$9,999,999	1.50%	\$10,000,000+	1.40%
Household Assets	Equity/ Balanced SMA Max. Annual Fee	Fixed Income SMA Max. Annual Fee	Mutual Fund or ETF Max. Annual Fee																																																																						
<\$100,000																																																																									
\$100,000 – \$249,999	3.00%	2.25%	2.00%																																																																						
\$250,000 – \$499,999	3.00%	2.25%	1.90%																																																																						
\$500,000–\$999,999	2.75%	2.00%	1.80%																																																																						
\$1,000,000 – \$1,999,999	2.50%	2.00%	1.60%																																																																						
\$ 2,000,000 – \$4,999,999	2.25%	1.60%	1.50%																																																																						
\$ 5,000,000 – \$9,999,999	2.00%	1.40%	1.30%																																																																						
\$10,000,000+	1.60%	1.30%	1.10%																																																																						
Household Assets	Max. Annual Fee																																																																								
<\$100,000	2.35%																																																																								
\$100,000	2.35%																																																																								
\$500,000 – \$999,000	2.30%																																																																								
\$1,000,000 – \$1,999,999	2.10%																																																																								
\$ 2,000,000 – \$4,999,999	1.90%																																																																								
\$ 5,000,000 – \$9,999,999	1.70%																																																																								
\$10,000,000+	1.50%																																																																								
Client Assets	Max. Annual Fee																																																																								
<\$50,000	2.25%																																																																								
\$50,000 - \$249,000	2.25%																																																																								
\$250,000 – \$499,000	2.05%																																																																								
\$500,000 – \$999,000	1.90%																																																																								
\$1,000,000 – \$1,999,999	1.70%																																																																								
\$ 2,000,000 – \$4,999,999	1.60%																																																																								
\$ 5,000,000 – \$9,999,999	1.50%																																																																								
\$10,000,000+	1.40%																																																																								
Minimum Annual Wrap Fee (of the total assets in your account)	Equity and balanced SMAs: \$1,000  Fixed Income SMAs: \$800  Mutual Fund or ETF account: \$700	\$2,000	\$600																																																																						
Margin	N/A	N/A	N/A																																																																						
Billing Methodology	Wrap Fee is deducted at the beginning of the quarter.  The initial Wrap Fee is based on the market value of the assets in the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial billing period. Thereafter, billing will be calculated based on the market value of the assets in the Account as of the last business day of the preceding billing period.	Wrap Fee is deducted at the beginning of the quarter.  The initial Wrap Fee is based on the market value of the assets in the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial billing period. Thereafter, billing will be calculated based on the market value of the assets in the Account as of the last business day of the preceding billing period.	Wrap Fee is deducted at the beginning of the quarter.  The initial Wrap Fee is based on the market value of the assets in the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial billing period. Thereafter, billing will be calculated based on the market value of the assets in the Account as of the last business day of the preceding billing period.																																																																						

## Managed Accounts offered on the Envestnet Platform

	Vista Separate Account	Investor Unified Account	Access Account <sup>1</sup>
Cost Basis	<p>Mutual funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>Equities: HIFO (cost basis is calculated on a Highest Cost/first out basis) unless you make a different election (for the account).</p>	<p>Mutual funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>Equities: HIFO (cost basis is calculated on a Highest Cost/first out basis) unless you make a different election (for the account).</p>	<p>Mutual funds: Average Cost (Generally, average cost basis is calculated by dividing the amount invested by the number of shares owned. Average cost is calculated separately for covered and non-covered shares. As new tax lots are purchased, or other adjustments are made, average cost is recalculated to reflect the additional investment. For holding period purposes, the first tax lots purchased are the first tax lots sold. If you elect not to use average cost, the lot relief method for the mutual fund account will be the same lot relief method elected for equities on the account).</p> <p>Equities: FIFO (cost basis is calculated on a first in/first out basis) unless you make a different election (for that sale or ongoing for the account).</p>

<sup>1</sup> This program is closed to new investors.

## Services

### SPS Advantage

SPS Advantage is a non-discretionary Service which enables your financial advisor to provide investment advice through a brokerage account, with access to a wide spectrum of investment choices to help achieve portfolio diversification all for a single Wrap Fee. Your financial advisor makes regular investment recommendations that you review and approve. You may choose transactions your advisor recommends to you (solicited) as well as those transactions you choose on your own (unsolicited) that fall within the overall investment strategy that you and your advisor have discussed.

SPS Advantage is not intended for day trading or highly active traders or other excessive equity, mutual fund or other security trading activity, such as market timing, as determined by Sponsor in its sole discretion. Sponsor will determine whether an SPS Advantage Account is suitable upon account opening and thereafter, Sponsor, with thirty (30) days prior notice, also reserves the right, to limit or close any Account that is used for excessive securities trading, or if it is determined that the program is no longer suitable for you. See the **“Terminating a Managed Account Client Agreement”** section of this Brochure regarding your right to terminate your SPS Advantage Account(s).

Included among the available mutual funds are mutual funds which are affiliated with Sponsor and are managed by Columbia Management Investment Adviser, LLC, a wholly-owned subsidiary of Ameriprise Financial, Inc., Sponsor's parent company. Mutual funds offered in SPS Advantage are generally load-waived A share class or no-load funds. Other share classes may be available outside of these services that have a lower expense ratio. Please refer to the mutual fund's prospectus(es) or website to determine whether your investment would qualify for such a share class and, if you do, purchasing the shares through these Services may result in you paying higher expenses and fees. A limited number of SPS Advantage accountholders hold shares that pre-date the availability of a comparable load-waived A share, such as Fidelity Class T shares. Persons holding Fidelity Class T shares should consult with their financial advisor regarding whether Class T shares are the most appropriate investment given all relevant factors. Contact your financial advisor or see our website (ameriprise.com), for a current list of mutual funds offered in these Services. See the **“Revenue Sources for Ameriprise Financial Services, Inc.”** section of this Brochure regarding compensation for the sale of mutual funds.

Dividends, interest and distributions received on your investments held in your SPS Advantage account may be reinvested if allowed or in certain instances, directed by you. Where reinvestment is not allowed or selected, your dividends, interest and distributions will be deposited in your a vehicle for uninvested cash (“Sweep Account”). Investment minimums may also apply to mutual funds you purchase through SPS Advantage. Review each applicable mutual fund's prospectus for further details.

If you execute a written revocable consent allowing AEIS to engage in principal transactions in your non-qualified Account(s), and for syndicate transactions a written trade by trade election, your financial advisor may do so on your behalf in your SPS Advantage account.

Effecting a principal transaction may create a potential conflict of interest whereby AEIS may benefit from the transaction by receiving, in addition to the account fees payable to Ameriprise Financial Services, a markup or markdown, an underwriting fee or selling concession or other benefits to AEIS. As such, Ameriprise Financial Services may have an incentive to recommend or execute transactions through AEIS as a principal transaction. Notwithstanding this potential conflict of interest, Ameriprise Financial Services will act in the best interest of its clients, including, but not limited to, seeking best execution on all client transactions. Both AEIS and Ameriprise Financial Services have implemented various procedures to address any potential conflicts of interest, including, but not limited to, procedures regarding the suitability, supervision and best execution of securities recommended to, or purchased to or from, Ameriprise Financial Services client accounts.

Sponsor offers a limited discretionary service that is a pilot program through SPS Advantage (“Pilot Program”). The Pilot Program is available only through a limited number of financial advisors and to clients who meet certain suitability and eligibility standards and who are individual investors, corporate entities and/or tax-qualified accounts. Pilot Accounts will not have the ability to purchase certain securities as outlined in the Limited Discretionary Trading Agreement.

The Pilot Program is appropriate for and available only to investors who are clients of participating financial advisors and who either (1) have an individual net worth, or a joint net worth with their spouse, greater than \$1 million; or (2) have had an individual income greater than \$200,000 in each of the two most recent years or a joint income with their spouse in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income

level in the current year. Not everyone who satisfies these standards will be permitted to participate in the Pilot Program. Additional eligibility standards may apply.

### **Methods of analysis**

Your financial advisor will review your financial and investment needs, objectives and risk tolerance. He or she may use asset value, current yield, yield projections and other assumptions you provide, as well as historical yield analysis, to provide you with additional information. Long-term investment strategies may be derived using asset allocation which is a strategy for diversifying investment assets among various types of investments or asset classes with the potential to move you toward your financial goals while managing your risk tolerance. Diversification helps you spread risk throughout your investment portfolio. Different asset classes have different risk and potential return profiles, and they perform differently in different market conditions. Diversification alone will not guarantee a profit or protect against a loss. The estimated returns and estimated asset values are based on historical performance and should not be used to project the performance of specific assets you currently own or may purchase. As with all strategies, past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect.

You should choose investments that are comprised of an optimal portfolio mix, based on a variety of factors including your age, risk tolerance, objectives, time horizon and historical performance of different asset classes. Keep in mind, however, that asset allocation analysis does not provide a comprehensive financial analysis of your ability to reach your goals, nor does it guarantee against losses in your portfolio.

Payment of transaction charges in SPS *Advantage* accounts may be a disincentive for a financial advisor to recommend an SPS *Advantage* account or to recommend trades in the account(s).

### **Additions and withdrawals**

Sponsor will deposit all cash into your Sweep Account, if received and approved by 3 p.m. Central. You can make additional mutual fund or Sweep Account investments in your SPS *Advantage* Account at any time in amounts of \$500 or more, or \$100 or more if you establish a systematic investment arrangement. You may deposit any amount into your Sweep Account. You may make partial withdrawals from your Sweep Account on a systematic basis in an amount of not less than \$100 upon notice to Sponsor. For partial withdrawals or terminations, you may request that Sponsor distribute

assets from your Account in the form of cash or securities. However, no partial withdrawals should reduce the market value of your Account(s) below \$1,000.

You, either directly or through your financial advisor, may make partial withdrawal requests in writing, by telephone, or online. You, either directly or through your financial advisor, may make termination requests in writing or by telephone. Sponsor may record and monitor telephone conversations for accuracy and quality assurance, and may maintain and monitor any electronic communication. Sponsor will generally distribute cash by check within two (2) weeks following receipt of your request. For distributions of securities, Sponsor will request that the transfer agent forward the securities according to your instructions within thirty (30) days, but the amount of time may vary. Any final Wrap Fee will apply to all terminations of SPS *Advantage* Accounts. In SPS *Advantage*, if an IRA account is dormant for a period of 24 or fewer months due to conversion of the assets to a Roth account, the SPS *Advantage* account will be reactivated at the Wrap Fee rate in effect when the account became dormant. By reactivating the account, you agree to that fee as well as all current SPS *Advantage* provisions. You are encouraged to request the most recent Brochure and Client Agreement from your advisor to review the provisions. Sponsor is not responsible for any delay, damages or out-of-pocket costs that you may suffer during the time it takes to complete a securities transfer.

### **Margin**

Investing on margin involves the extension of credit to you and your financial exposure could exceed the value of your securities. If Sponsor has approved your Account for margin trading, a decline in the value of securities that are purchased on margin or are in a margin account may require you to provide additional funds to Sponsor to maintain your position and/or to maintain sufficient assets in the Sweep Account to meet fee requirements. If you do not provide the required additional funds or securities within the prescribed time, Sponsor may liquidate all or a portion of your holdings. You will be liable for any resulting deficit in your Account. You can lose more funds than you deposit in the margin account. Margin trading can work against you as well as for you, leading to, for example, larger losses as well as the potential for larger gains. Maintaining a margin account balance will also increase your Wrap Fee to the extent of the margin exposure. Margin may be approved only for non-qualified SPS *Advantage* Accounts. Tax-qualified SPS *Advantage* accounts, such as accounts established under the Employee Retirement Income

Security Act of 1974 (“ERISA”), IRAs and Tax-Sheltered Custodial Accounts (“TSCAs”) are not available for margin accounts. Margin trading is also not permitted in Pilot Program accounts.

### Margin account considerations

If you acquire securities positions on margin, any margin account balance in SPS *Advantage* during a billing period will be included in the calculation of average daily balance for purposes of calculating your Wrap Fee for that period. Therefore, if you engage in margin activity your Wrap Fee and Sweep Account maintenance requirements will be impacted to the extent of the margin exposure.

### Compensation associated with margin activity

If you purchase securities using margin you will be subject to interest charges for the extension of credit in the margin account in addition to a quarterly Wrap Fee based on total assets under management. A portion of any fees received by Sponsor and its affiliates may be paid to your financial advisor and other affiliated employees. These fees may include a portion of the Wrap Fee assessed and a portion of interest charges received for the extension of credit in the margin account. Your Wrap fee will increase as the value of your account increases. As a result, your financial advisor may have a financial incentive to recommend that you acquire securities positions on margin. In situations where you engage in margin activity in your SPS *Advantage* Account, the incremental fees paid to Sponsor and its affiliates may be significantly higher than in the absence of margin or than might otherwise be paid pursuant to a standard margin arrangement with another broker-dealer. The following is a hypothetical illustration of the impact on the compensation received by Sponsor and its affiliates comparing an SPS *Advantage* Account that does not engage in margin activity to an Account with a margin arrangement with respect to 30% of the SPS *Advantage* Account assets.

Client type	No margin activity	Margin activity
Account value	\$130,000	\$100,000
Revised Account value including assets purchased on margin	n/a	\$130,000
Annual Wrap Fee received by Sponsor (based on 2.0% net Wrap Fee)	\$2,600	\$2,600
Margin interest received by Sponsor	n/a	\$1,800*
Total Wrap Fee and margin interest received by Sponsor and affiliates**	\$2,600	\$4,400

\* Assumes average daily outstanding margin loan balance of \$30,000 over one-year period and 6% interest rate. For current interest rates consult your financial advisor.

\*\* This example does not include any product-level fees that may be received by Sponsor on the mutual fund portion of the SPS *Advantage* Account(s). If these fees were included, total fees received by Sponsor would be higher.

### SPS Advisor

SPS Advisor is a discretionary Service that enables your financial advisor to purchase certain eligible securities and/or investment products within a single account on your behalf. Your Ameriprise financial advisor will purchase and sell securities in your Account that are suitable for you and consistent with your investment objectives, time horizon, financial situation and risk tolerance. Accordingly, you must promptly notify your financial advisor if your investment objectives, time horizon, financial situation and risk tolerance change.

After you have provided written authorization and Sponsor accepts your SPS Advisor Account, your SPS Discretionary Advisor will analyze your risk tolerance and investment objectives and use asset allocation models to develop and construct an investment portfolio for you. Your grant of discretionary authority means that your financial advisor can purchase or sell securities within your SPS Advisor account without necessarily seeking your prior approval. Your SPS Discretionary Advisor will not have the ability to withdraw, disburse or transfer funds or securities from your SPS Advisor account without your prior authorization.

Included among the available mutual funds are mutual funds which are affiliated with Sponsor and are managed by Columbia Management Investment Adviser, LLC, a wholly-owned subsidiary of Ameriprise Financial, Inc., Sponsor's parent company. Mutual funds offered in SPS Advisor are generally load-waived A share class or no-load funds. Other share classes may be available outside of these Services that have a lower expense ratio. Please refer to the mutual fund's prospectus(es) or website to determine whether your investment would qualify for such a share class and, if you do, purchasing the shares through these Services may result in you paying higher expenses and fees. Contact your financial advisor or see our website (ameriprise.com), for a current list of mutual funds offered in these Services. See the “**Revenue Sources for Ameriprise Financial Services, Inc.**” section of this Brochure regarding compensation for the sale of mutual funds.

Dividends, interest and distributions received on your investments held in your SPS Advisor account may be reinvested if allowed or in certain instances, directed by you or your financial advisor in the case of a SPS



Advisor Account. Where reinvestment is not allowed or selected, your dividends, interest and distributions will be deposited in your Sweep Account. Investment minimums may also apply to mutual funds you purchase through SPS Advisor. Review each applicable mutual fund's prospectus for further details.

#### **Methods of analysis**

Your financial advisor will review your financial and investment needs, objectives and risk tolerance. He or she may use asset value, current yield, yield projections and other assumptions you provide, as well as historical yield analysis, to provide you with additional information. Long-term investment strategies may be derived using asset allocation which is a strategy for diversifying investment assets among various types of investments or asset classes with the potential to move you toward your financial goals while managing your risk tolerance. Diversification helps you spread risk throughout your investment portfolio. Different asset classes have different risk and potential return profiles, and they perform differently in different market conditions. Diversification alone will not guarantee a profit or protect against a loss. The estimated returns and estimated asset values are based on historical performance and should not be used to project the performance of specific assets you currently own or may purchase. As with all strategies, past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect.

In addition, your financial advisor will use Sponsor-approved asset allocation tools and other information listed in **"Sources of Information"** section to assist him or her in positioning the investment assets in your Account. Asset allocation will be based on your risk tolerance, investment objectives, time horizon, tax bracket and historical performance of different asset classes. Using Sponsor-approved asset allocation tools, the asset mixes are derived using available historical information and projected performance for each asset class, based on the selected performance index for that class. They illustrate the relative experience between asset classes and portfolios. Other asset classes and indices may have characteristics similar or superior to those analyzed using Sponsor-approved tools. Your financial advisor may periodically rebalance your SPS Advisor account and reallocate the asset classes within the Account.

Payment of transaction charges in SPS Advisor accounts may be a disincentive for a financial advisor to

recommend an SPS Advisor account or to recommend trades in the account(s).

#### **Additions and withdrawals**

Sponsor will deposit all cash into your Sweep Account, if received and approved by 3 p.m. Central. You can make additional mutual fund or Sweep Account investments in your SPS Advisor Account at any time in amounts of \$500 or more, or \$100 or more if you establish a systematic investment arrangement. You may deposit any amount into your Sweep Account. You may make partial withdrawals from your Sweep Account on a systematic basis in an amount of not less than \$100 upon notice to Sponsor. For partial withdrawals or terminations, you may request that Sponsor distribute assets from your Account in the form of cash or securities. However, no partial withdrawals should reduce the market value of your Account(s) below \$1,000.

You, either directly or through your financial advisor, may make partial withdrawal requests in writing, by telephone, or online. Additionally, you, either directly or through your financial advisor, may make termination requests in writing or by telephone. Sponsor may record and monitor telephone conversations for accuracy and quality assurance, and may maintain and monitor any electronic communication. Sponsor will generally distribute cash by check within two (2) weeks following receipt of your request. For distributions of securities, Sponsor will request that the transfer agent forward the securities according to your instructions within thirty (30) days, but the amount of time may vary. You are encouraged to request the most recent Brochure and Client Agreement from your advisor to review the provisions. Sponsor is not responsible for any delay, damages or out-of-pocket costs that you may suffer during the time it takes to complete a securities transfer. Any final Wrap Fee will apply to all terminations of SPS Advisor Accounts.

#### **Active Portfolios**

*Active Portfolios* account is a discretionary Service that enables you to invest in actively managed portfolios comprised of mutual funds and/ or ETFs that are managed by a professional investment manager. You can choose from a variety of *Active Portfolios* investments that are designed to address your investment growth and/or income needs.

Columbia Management Investment Advisers, LLC, an affiliate of Sponsor, is the Investment Manager for *Active Accumulation Portfolios*® and *Active Income Portfolios*®. Columbia Management Investment Advisers, LLC manages and monitors these portfolios

and the underlying mutual funds through a disciplined, repeatable and systematic process. *Active Accumulation Portfolios*® are designed to pursue risk-adjusted growth. *Active Income Portfolios*® are designed to provide sustainable inflation-adjusted income for a set period of time. Sponsor may receive greater revenue when you select an *Active Accumulation Portfolios* and or an *Active Income Portfolios* investment than if you select another *Active Portfolios* investment.

The Columbia Management Asset Allocation Team (the “Team”) determines the asset allocation at the portfolio level and manages the underlying equity mutual funds in the portfolios. The Team utilizes a proprietary quantitative process based on historical market data to help provide results that are repeatable and designed to manage investment risk.

Ameriprise Financial Services is the Investment Manager for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® investments and has engaged both affiliated and non-affiliated portfolio strategists to construct and recommend investment strategies, and develop asset allocation models for these portfolios. None of the portfolio strategists have investment discretionary authority or control to purchase or sell securities or make other investments for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® individual investors.

In general, the portfolio strategist for *Active Diversified Portfolios*® recommends mutual funds from among the fund families that fully participate in the Ameriprise Financial Services mutual fund program (“Program”). Program participants pay marketing and sales support payments to Ameriprise Financial Services, as described in the “**How We Get Paid**” section of this Disclosure Brochure.

You may impose reasonable restrictions on your *Active Portfolios* account(s). For *Active Diversified Portfolios* accounts, you may impose reasonable restrictions by customizing your account(s) by replacing a recommended mutual fund with the available alternative mutual fund. To impose reasonable restrictions on your account(s), you and your financial advisor will complete and sign appropriate document to reflect your restriction request(s).

The Investment Manager will determine whether to reinvest dividends, interest and distributions received on the investments held in your *Active Portfolios* Account; where reinvestment is not allowed, dividends, interest and distributions will be deposited in your Sweep Account.

### **Inclusion and management of *Active Portfolios* Investment Managers**

The following summarizes Sponsor's research, due diligence and contractual efforts in connection with the inclusion of Investment Managers and portfolio strategists in the *Active Portfolios* account Service.

### **Review of Investment Managers/Portfolio Strategists**

Sponsor's research personnel conduct a semiannual review of the Investment Managers and portfolio strategist(s). This review is based on applicable information gathered from various sources including disclosure documents, quarterly questionnaires, composite *Active Portfolios* investments performance, assets under management, personnel changes, portfolio turnover and other factors as Sponsor deems appropriate. On a periodic basis, Sponsor will make information from these reviews available to financial advisors servicing *Active Portfolios* investments.

As a result of these reviews, Sponsor may identify actual or potential concerns regarding the Investment Manager and/or portfolio strategist(s). In these situations, Sponsor may request that the Investment Manager take corrective action to address such concerns. From time to time, these reviews may also result in the removal of an Investment Manager and/or portfolio strategist.

### **Education and business standards**

The investment advisory personnel employed by the Investment Manager must meet certain educational, business and personnel requirements. The minimum educational requirement for an individual providing investment advice is a college degree and completion of further financial service industry certification, such as Chartered Financial Analyst® (“CFA®”), Financial Industry Regulatory Authority (“FINRA”) Series 7, 63, 65 and 66 licenses, or comparable education or work experience. Sponsor's research personnel seek to identify, and encourage participation by, Investment Managers whose personnel have additional professional qualifications, including graduate degrees or a CFA designation. In addition, suitable work experience in the financial services industry is considered as part of an individual's overall qualifications.

### **Sponsor's contractual relationship with Investment Manager**

The Investment Manager for *Active Accumulation Portfolios* and *Active Income Portfolios* has entered into a master investment advisory agreement with Sponsor that governs the relationship and respective responsibilities of each. Sponsor has also entered into



an investment advisory agreement with each portfolio strategist for *Active Diversified Portfolios* and *Active Opportunity ETF Portfolios* which governs the relationship and responsibilities of the respective parties.

### **Your Active Portfolios Selection**

You may select one or more *Active Portfolios* investment. To assist you in selecting an *Active Portfolios* investment, your financial advisor will discuss your financial objectives and other factors such as your investment objectives and risk tolerance, which includes important information regarding the Investment Manager. Your financial advisor will also provide you with the applicable *Active Portfolios* investment fact sheet ("*Active Portfolios* investment Fact Sheet"). The *Active Portfolios* investment Fact Sheet includes biographical information about the Investment Manager and/or portfolio strategist, investment philosophy and style information, portfolio characteristics and composite performance. Please note that past performance is not an indication of future results.

Composite performance information included in the *Active Portfolios* investment Fact Sheet is calculated by the Investment Manager. This composite performance information is shown both gross and net of fees. Sponsor deducts the highest annual Wrap Fee. These composites are created quarterly on an asset and time-weighted basis using month-end net asset values and returns.

Sponsor does not review the appropriateness of the methodologies used by Columbia Management Investment Advisers, LLC to calculate the underlying historical performance information presented on all *Active Portfolios* investment Fact Sheet, nor does Sponsor audit the mathematical accuracy of the performance information. Sponsor does restate the performance after deducting the highest annual Wrap Fee when presenting the performance on a net basis. Each *Active Portfolios* investment Fact Sheet is reviewed before being made available to clients.

### **Acceptance of your Active Portfolios Account**

Sponsor in its sole discretion will determine, on behalf of the Investment Manager, whether to accept or reject a prospective client and related account based upon the Client Information. Upon acceptance of your Account, you will become an investment management client of the Investment Manager. Your Investment Manager will have full power and authority to act on your behalf for purchases, sales and other transactions in your *Active Portfolios* Account, including sales with respect to securities transferred in-kind to the account.

### **Methods of analysis**

Columbia Management Investment Advisers, LLC uses quantitative models to manage *Active Accumulation Portfolios*® and *Active Income Portfolios*® investments. Review Columbia Management Investment Advisers, LLC Investment Adviser Disclosure Brochure (Part 2A of the Form ADV) for additional information about its quantitative models and methods of analysis. Each of the portfolio strategists for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® develops asset allocation models, conducts qualitative and quantitative research on the mutual fund and ETF managers, and constructs and recommends model portfolios to Sponsor. Sponsor reviews and approves these recommendations. Sponsor may remove a mutual fund or ETF strategist from the *Active Portfolios* Service and/or adjust a model portfolio as appropriate.

### **Investment Manager review of Active Portfolios**

Ongoing updates of *Active Portfolios* account information, including holdings and transaction information, as well as other relevant information are made available to the Investment Manager to help monitor the *Active Portfolios* investments.

### **Additions and withdrawals from Active Portfolios**

You may make additional investments in your *Active Portfolios* Account at any time in amounts of \$100 or more. Sponsor will deposit all cash into your Sweep Account if received and approved by 3 p.m. Central time. The additional investments will be invested into the portfolio at the discretion of the Investment Manager, no later than the next rebalancing of your Account. If you make an additional investment of less than \$5,000, the funds will remain in your Sweep Account until your Account is rebalanced. If you make an additional investment of \$5,000 or more, generally the funds will be invested in your Account at the discretion of the Investment Manager. If you make a deposit of additional assets into your *Active Portfolios* Account in excess of \$10,000 during a Wrap Fee period, you will pay an additional Wrap Fee on the market value of the additional assets, prorated for the number of days remaining in the Wrap Fee period. The additional Wrap Fee will be due on the date you deposit the additional assets into your Account. You may make partial withdrawals from your Sweep Account on a systematic basis in amounts of not less than \$100 upon notice to Sponsor. With respect to partial withdrawals or terminations, you may request that Sponsor distribute assets from your Account in cash or securities. You, either directly or through your financial advisor, may make partial withdrawal requests

in writing, by telephone or online. You, either directly or through your financial advisor, may make termination requests in writing or by telephone. Sponsor may record and monitor telephone calls for accuracy and quality assurance and may maintain and monitor any electronic communications. Due to expenses associated with administering them, Sponsor will not make pro rata adjustments to or refund prepaid Wrap Fees for partial withdrawals of less than \$10,000 from your Account during any Wrap Fee period. If you make a withdrawal of \$10,000 or more during a Wrap Fee period, you will receive a pro rata adjustment or refund of any prepaid Wrap Fee. If a withdrawal causes your *Active Portfolios* account to fall below the required minimum as determined solely by the Sponsor, Sponsor will notify you of the deficiency and the amount thereof and provide you with the option of depositing additional funds to raise your account or transfer the assets to a brokerage account. Ameriprise Financial Services reserves the right to adjust or suspend application of required minimums based on market conditions or other factors. If you do not take action to implement one of these options within 90 days of receiving such notice, Sponsor will terminate your Account and transfer your Assets to a brokerage account.

#### **Termination of *Active Portfolios* Investment Manager Services**

(You should read the following in conjunction with the section titled “**Terminating a Managed Accounts Client Agreement.**”)

Sponsor may terminate or discontinue the services performed by the Investment Manager and/or portfolio strategist by providing the Investment Manager and/or portfolio strategist with thirty (30) days prior written notice. Similarly, the Investment Manager may terminate its participation or its provision of services to one or more clients by providing Sponsor with at least thirty (30) days prior written notice. You may also terminate your Investment Manager for any reason at any time by providing notice to Sponsor as outlined in the “**Additions and withdrawals from *Active Portfolios***” section above. Upon receipt of your termination notice, Sponsor will, as soon as practicable, provide notice to the Investment Manager, and termination will take effect following the Investment Manager’s receipt of such notice.

If the Investment Manager is removed by Sponsor or its services discontinued, a successor Investment Manager may be named by Sponsor. In this circumstance, Sponsor will notify you and your financial advisor of the successor Investment Manager it has selected. If you choose to select an Investment Manager other than

the successor Investment Manager, you must make a written designation within thirty (30) days of your receipt of notice of the selection of the successor Investment Manager. If you do not designate an alternative Investment Manager or investment strategy from the options available in your Account(s), you understand, agree and authorize Sponsor to transfer your assets to the successor Investment Manager. If a successor is not named, Sponsor will transfer your *Active Portfolios* assets in-kind to a transaction-based brokerage account over which neither Sponsor nor the terminated Investment Manager have investment discretion. In these circumstances, you and your Account will be subject to the applicable terms, conditions and fees outlined in the Brokerage Agreement.

You should keep in mind that reinvesting with another Investment Manager may result in portfolio turnover and tax implications based on the holdings of the successor Investment Manager’s portfolio. Since you will be responsible for any associated tax liabilities, you should discuss the potential implications with your tax professional.

#### **Select Separate Account**

Select Separate Account is a discretionary Service in which you own a portfolio of individual securities, managed by a professional Investment Manager in accordance with a single investment strategy or a combination of complementary strategies. With the aid of your financial advisor, you select the appropriate Investment Manager(s) in accordance with the Client Information you provide to your financial advisor. The Investment Manager, not your financial advisor, will exercise discretion in your Account, which means the Investment Manager will determine which securities to purchase or sell within your Select Separate Account.

#### **Inclusion and Management of Investment Managers**

The following summarizes Sponsor’s research, due diligence and contractual efforts in connection with the inclusion of Investment Managers in the Select Separate Account Service.

#### **Screening and evaluation of Investment Managers**

Sponsor seeks to identify a range of professional Investment Managers to participate in the Select Separate Account Service in order to provide clients with a choice of investment styles and corresponding risk levels. The evaluation process consists of gathering information on the Investment Manager candidates from published materials, questionnaires and interviews. Screening factors are both quantitative and qualitative and include: (i) management style and total assets

under management; (ii) assets managed in a particular investment style; (iii) number of years the firm has managed assets; and (iv) the number and qualifications of investment professionals employed. Each evaluation factor may have a different weighting in the decision-making process. Generally, no one factor determines the outcome of any selection.

Firms, including affiliates of Sponsor, that pass the evaluation process are subject to a structured due diligence review by Sponsor's investment committee personnel.

### **Review of Investment Managers**

Sponsor's research personnel conduct quarterly reviews of the Investment Managers. This review is based on applicable information gathered from various sources, including disclosure documents, quarterly questionnaires, composite performance, assets under management, personnel changes and portfolio turnover. On a periodic basis, Sponsor will make information from these reviews available to financial advisors servicing the Managed Accounts. Sponsor may identify actual or potential concerns regarding a particular Investment Manager as a result of the review. In these situations, Sponsor may request that the Investment Manager take corrective action to address such concerns. These reviews may also result in the removal of an Investment Manager from the Select Separate Account Service.

### **Education and business standards**

The investment advisory personnel employed by Investment Managers participating in the Select Separate Account Service must meet certain educational, business and personnel requirements. The minimum educational requirement for an individual providing investment advice is a college degree and completion of further financial service industry certification, such as the CFA, FINRA Series 7, 63, 65 and 66 licenses, or comparable education or work experience. Sponsor's research personnel seek to identify, and encourage participation by, Investment Managers whose personnel have additional professional qualifications, including graduate degrees or a CFA designation. In addition, suitable work experience in the financial services industry is considered as part of an individual's overall qualifications.

### **Sponsor's contractual relationship with Investment Managers**

Each Investment Manager has entered into a master investment advisory agreement with Sponsor through which the Investment Manager receives a portion of the Wrap Fees paid by clients.

Certain Investment Managers may employ one or more affiliates as subadvisers for one or more investment strategies. In these situations, the subadviser is subject to the same duties and obligations as the Investment Manager, including adherence to the master advisory agreement with Sponsor, and any reasonable restrictions imposed by clients. In delegating responsibilities to a subadviser, an Investment Manager would not be relieved of any of its duties or obligations and remains responsible for the acts and omissions of the subadviser as if such acts and omissions were its own.

### **Your selection of an Investment Manager**

You may select one or more Investment Managers from the list of participating professional asset managers. Included in the participating Investment Managers is Columbia Management Capital Advisers, an operating division of Columbia Management Investment Advisers, LLC. Sponsor may also act as an Investment Manager within the Select Separate Account Service. If you select Columbia Management Investment Advisers, LLC as an Investment Manager, Ameriprise Financial Services may receive greater revenues than if you select an unaffiliated Investment Manager. Contact your financial advisor for a current list of Investment Managers participating in the Select Separate Account Service.

To assist you in making your decision regarding the selection of an Investment Manager, you will be provided with a copy of the Investment Manager's disclosure document (Part 2A of Form ADV), which includes important information regarding the Investment Manager. Your financial advisor will also provide you Strategy Fact Sheet for the Investment Manager which includes biographical information, investment philosophy and style, portfolio characteristics and composite performance. Please note that past performance is not an indication of future results.

Depending on the strategy, composite performance information included in the Investment Manager's Strategy Fact Sheet may be calculated by the Sponsor or the Investment Manager. In nearly all cases, these composites are created quarterly on an asset and time-weighted basis using month-end market values and returns. Your financial advisor can provide you with the Investment Manager's Strategy Fact Sheet for specific composite performance information regarding the Investment Manager.

Sponsor does not review the appropriateness of the methodologies used by Investment Managers to calculate the underlying historical performance information presented in the Strategy Fact Sheet, nor

does Sponsor audit the mathematical accuracy of the Investment Manager's performance information. Sponsor does restate the performance after deducting the highest annual Wrap Fee when presenting the performance on a net basis.

Each Strategy Fact Sheet is reviewed and approved before it is made available to prospective clients. You are urged to review an Investment Manager's disclosure document (Part 2A of Form ADV), this Disclosure Brochure and the Strategy Fact Sheet prior to selecting an Investment Manager.

#### **Acceptance by Investment Manager and Authority of Investment Manager**

Your Client Information along with the Select Separate Account application is provided to the selected Investment Manager(s) for their review. Each Investment Manager in its sole discretion may accept or reject a prospective client and related Account. Upon acceptance of your Account by an Investment Manager, you will become an investment management client of the Investment Manager. Your Investment Manager will have full power and authority to act on behalf of your Account to purchase, sell and conduct other transactions in any and all securities and instruments.

#### **Limitations on security type**

Except as may be provided in connection with the Sweep Account, participating Investment Managers may not invest your assets in collective investment vehicles that have their own underlying expense structures, except ETFs (other than actively managed leveraged or inverse ETFs); cash equivalent securities or instruments such as money market securities, certificates of deposit, time deposits, banker's acceptances or repurchase agreements; or options, futures or other derivative instruments. These types of assets are also generally not accepted for deposit in connection with establishing a new Account. Clients should understand that ETFs incur a separate and additional management fee which is assessed by the fund directly and is in addition to the Wrap Fee charged by Sponsor. The use of ETFs by an Investment Manager will generally result in clients paying more than clients utilizing an Investment Manager that does not invest in ETFs.

#### **Methods of analysis**

The following information applies generally to Investment Managers participating in the Select Separate Account Service. For additional information on Investment Managers, please refer to Part 2A of the applicable Investment Manager's Form ADV.

Investment Managers utilize different techniques for buying and selling securities, which are often unique to the strategies they manage. Fundamental analysis is the most common method used and typically involves the development of a thorough understanding of fundamental features of a business through analysis and interpretation of company and industry data, such as revenue, expenses, assets, liabilities, management, industry position and other factors, in order to evaluate a security. Certain Investment Managers and third-party providers of model portfolios may also use quantitative methods of analysis, which is computer based and uses mathematical and statistical modeling to value securities, markets or investment opportunities. Technical analysis may also be used, involving the analysis of market data. Investment Managers may employ one or more methods of analysis, with varying degrees of focus on certain attributes and techniques.

#### **Investment Manager brokerage discretion**

The Investment Manager you select has discretionary trading authority for your Account under the terms of the Select Separate Account Client Agreement. Because the Wrap Fee associated with each Account covers transaction charges when transactions are effected by Sponsor on an agency basis through AEIS, it is common for participating Investment Managers to direct transactions to Sponsor for execution on an agency basis through AEIS. However, in the absence of your written instructions to the contrary, if the Investment Manager believes a certain allocation is consistent with the Investment Manager's obligation to seek best execution on a particular transaction, the Investment Manager may allocate a purchase or sale transaction for the Account to a broker or dealer other than AEIS. In making determinations regarding brokerage allocations, an Investment Manager may consider not only available prices and commission rates, but also other relevant factors such as execution capabilities, research and other services provided by the broker or dealer. To the extent your Investment Manager directs transactions for execution with or through broker-dealers other than AEIS, you may incur additional transaction costs. Investment Managers may also choose to delegate their best execution responsibility to Sponsor where purchases and sale transactions are made through AEIS. In these situations, Sponsor will be responsible for determining whether to allocate a transaction to AEIS or to another broker-dealer. From time to time, your Investment Manager may attempt to group orders among clients (which may include Managed Accounts clients or other clients of the Investment Manager)



where consistent with the Investment Manager's obligation to seek best execution on the particular transaction.

#### **Investment Manager review of Investment Managers**

Ongoing updates of Account information, including holdings and transaction information, as well as other relevant information, are made available to Investment Managers to help them monitor the Account(s) for which they provide discretionary investment management services.

#### **Financial advisor review of Investment Managers**

Your financial advisor will contact you at least annually to determine whether there have been any changes to your information in the Client Information and whether you wish to make any changes to your Client Information. In connection with this process, your financial advisor reviews the Investment Manager's performance and compatibility with respect to your Select Separate Account and may also provide research and analysis regarding the Investment Manager to you. As applicable, your financial advisor will then inform Sponsor if any information contained in the Client Information has changed or if you wish to make any other changes with respect to the Investment Manager(s) servicing.

#### **Additions and withdrawals from Select Separate Accounts**

You may make additional investments in your Account at any time. If you make a deposit of additional assets into your Account in excess of \$10,000 during a Wrap Fee period, you will pay an additional Wrap Fee on the market value of the additional assets, prorated for the number of days remaining in the Wrap Fee period. The additional Wrap Fee will be due on the date you deposit the additional assets into your Account.

You may make partial withdrawals from your Account. Partial withdrawals from your Account should be in amounts not less than \$5,000 and may not reduce your Account value below the Investment Manager's strategy minimum. With respect to partial withdrawals from or termination of your Account, you may request that Sponsor distribute the assets in the form of cash or securities. You, either directly or through your financial advisor, may make partial withdrawal and termination requests in writing or by telephone. Due to expenses associated with administering them, Sponsor will not make pro rata adjustments to or refund prepaid Wrap Fees with respect to partial withdrawals of less than \$10,000 from your Account during any Wrap Fee period.

However, if you make a withdrawal from your Account exceeding this amount during a Wrap Fee period, you will receive a pro rata adjustment or refund of your prepaid Wrap Fees. In connection with any withdrawal, Sponsor reserves the right to retain amounts sufficient to complete any transactions open at the time of the withdrawal and to satisfy any amounts owed to it. In addition, reasonable processing time may be required in connection with any withdrawal request. Accounts that have partial withdrawals that cause the market value of an Account to fall below the stated minimum balance requirement may be subject to termination. Any final Wrap Fee will apply to all terminated Accounts.

#### **Transferred Accounts**

Sponsor may from time to time recruit and hire financial advisors who were previously employed by another investment adviser or broker-dealer. Clients of those financial advisors who wish to transfer their Accounts to Sponsor may be invested in separately managed account strategies managed by Investment Managers who are not available in the Select Separate Account Service. You should contact your financial advisor to learn whether the Vista Separate Account Service, discussed below, is an appropriate alternative.

#### **Termination of Select Separate Account Investment Manager Services**

(You should read the following in conjunction with the section titled **"Terminating a Managed Accounts Client Agreement."**)

Sponsor may terminate or discontinue the services being performed by an Investment Manager by providing the Investment Manager with thirty (30) days prior written notice. Similarly, an Investment Manager may terminate its participation or its provision of services to one or more clients by providing Sponsor with at least thirty (30) days prior written notice. You may also terminate your Investment Manager for any reason at any time by providing written notice to Sponsor through your financial advisor. Upon receipt of written notice, Sponsor will, as soon as practicable, provide written notice to the Investment Manager, and termination shall take effect following the Investment Manager's receipt of written notice.

If an Investment Manager is removed by Sponsor or its services discontinued, a successor Investment Manager providing a similar investment strategy may be named by Sponsor. Under these circumstances, Sponsor will notify you of the successor Investment Manager it has selected. If you choose to select an Investment Manager and investment strategy other than

the successor Investment Manager, you must make a written designation within thirty (30) days of your receipt of notice of the selection of the successor Investment Manager. If you do not designate an alternative Investment Manager or investment strategy from the options available, you understand, agree and authorize Sponsor to transfer your assets to the successor Investment Manager. If a successor is not named, Sponsor will transfer your Account assets in-kind to a transaction-based brokerage account over which neither Sponsor, nor the terminated Investment Manager, has investment discretion. In these circumstances, you and your account will be subject to the applicable terms, conditions and fees outlined in the Brokerage Agreement.

You should keep in mind that reinvesting with another Investment Manager may result in portfolio turnover and tax implications based on the holdings of the successor Investment Manager's portfolio. Since you will be responsible for any associated tax liabilities, you should discuss the potential implications with your tax professional.

### **Managed Accounts offered with Envestnet Asset Management, Inc.**

Sponsor offers certain Services that are made available with Envestnet Asset Management, Inc. ("Envestnet"), a non-affiliated investment adviser registered under the Advisers Act, through its web-based platform. These Services include the Vista Separate Account, Investor Unified Account and Access Account and are described below. As the manager of the web-based platform, Envestnet has entered into a sub-management agreement with investment advisers ("Envestnet Managers") to manage various types of portfolios offered through the platform and to develop model portfolios and research that may be made available to Sponsor, Ameriprise financial advisors and Sponsor's clients.

Envestnet may also provide administrative and/or trading services at the direction of an Envestnet Manager as a Model Provider ("Model Provider"). Envestnet receives a portion of the Wrap Fee paid by clients. The portion of the Wrap Fee paid to Envestnet includes any applicable fees for the Envestnet Manager(s).

Envestnet will recommend an appropriate asset allocation for the Account and recommend Envestnet Managers, investment vehicles such as mutual funds and/or ETFs for the Account(s), and will consider factors it deems relevant, including, but not limited to, your investment goals and objectives, and any reasonable

restrictions that you impose on management of your Account(s) including designation of particular securities or types of securities that should not be purchased for the Account(s), or that should be sold if held in the Account(s). Envestnet may also rebalance an Account, in some cases without prior notice to you.

### **Inclusion and Management of Envestnet Managers by Envestnet**

Sponsor relies upon Envestnet for analysis and information, asset allocation strategies, and the identification, selection and monitoring of Envestnet Managers. Envestnet is responsible for the selection of the Envestnet Managers offered with these Services. Envestnet seeks Envestnet Managers with a variety of investment strategies in an effort to make a wide range of investment strategies available. Some strategies may be high-risk strategies and usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should know that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that you diversify your investments and do not place all of your investments in high-risk investment strategies. Envestnet reviews the investment strategies and performance of a wide range of Envestnet Managers.

Review Envestnet's Form ADV, Part 2A Appendix 1 for more information about its investment advisory business.

### **Review of Envestnet Managers and Envestnet**

Envestnet Managers may be considered "approved" or "available", depending on the level of due diligence performed. Envestnet employs a variety of approaches to researching and selecting Envestnet Managers that are offered ("Approved Envestnet Managers"). Approved Envestnet Managers are evaluated using a variety of data and information from one or more, which may include independent databases. Envestnet also reviews the Envestnet Manager's responses to its annual due diligence questionnaire.

The investment professionals at the Envestnet Manager firms are a primary source of information to Envestnet, providing quantitative and qualitative information. In addition, Envestnet utilizes publicly available databases from independent sources such as Morningstar. These databases are used to review the Approved Envestnet Managers.

Envestnet also makes available certain Envestnet Managers (“Available Envestnet Managers”). Envestnet conducts a limited due diligence review of the Available Envestnet Managers when they become available on the Platform. Envestnet also requests each Available Envestnet Manager to complete an annual due diligence questionnaire. Envestnet will not make recommendations for Available Envestnet Managers. Your financial advisor will be responsible for determining whether he or she has sufficient information about an Available Envestnet Manager in order to recommend an Available Envestnet Manager to provide services for his or her clients.

#### **Due Diligence of Investment Managers**

Sponsor’s research personnel conduct annual reviews of Envestnet and Envestnet Managers. This review is based on applicable information gathered from various sources, including disclosure documents, quarterly questionnaires, performance, assets under management, personnel changes and portfolio turnover. As a result of these reviews, Sponsor may identify actual or potential concerns regarding Envestnet and/or Envestnet Manager. In these situations, Sponsor may request that Envestnet and/or Envestnet Manager take corrective action to address such concerns. These reviews may result in the removal of Envestnet and/or Envestnet Manager from the applicable Service.

Sponsor periodically receives information from Envestnet regarding the Envestnet Managers including, but not limited to, information regarding the performance of the Envestnet Managers. Envestnet also provides information regarding the available Envestnet Manager’s. This information may help you and your financial advisor to identify the strengths and weaknesses of each investment with your asset allocation and provide you an opportunity to make any desired changes in your investment selection. Such changes may include replacement of an Envestnet Manager or other investment vehicle.

You authorize Sponsor to instruct Envestnet and the custodian of your Accounts to pay any and all fees and expenses (including the Wrap Fee), when due, directly from the assets held in your Sweep Account upon receipt of a statement for such fees and expenses from Sponsor.

#### **Vista Separate Account**

The Vista Separate Account is a discretionary investment advisory Service offered on the Envestnet platform that gives you access to a broad selection of SMAs (both Available and Approved Envestnet

Managers), eligible no-load or load-waived mutual funds and eligible ETFs in a multi-account investment portfolio. Please contact your financial advisor for a current list of available SMAs, mutual funds and ETFs offered in a Vista Separate Account. Your financial advisor will help you customize a portfolio that includes multiple investment styles, such as domestic and international offerings.

You must select at least one SMA in order to participate in this program. You will directly own individual securities and have access to customized strategies when investing in an SMA. The Envestnet or Envestnet Manager will rebalance and reallocate the individual securities within each SMA. Your Vista Separate Account investment portfolio will be rebalanced when you make deposits or withdrawals. However, you may also request a rebalance of your investment portfolio at any time.

#### **Additions and withdrawals from Vista Separate Account**

If you make a deposit of additional assets of \$10,000 or more into your Account(s) during a Wrap Fee period, you will pay an additional Wrap Fee on the market value of the additional assets, pro-rated for the number of days remaining in the Wrap Fee period. The additional Wrap Fee will be due on the date you deposit the additional assets into your Account. Due to expenses associated with administering Wrap Fees, Sponsor will not make pro-rata adjustments to or refund prepaid Wrap Fees with respect to partial withdrawals of less than \$10,000 from your Account during any Wrap Fee period. If you make a withdrawal of \$10,000 or more during a Wrap Fee period, you will receive a pro-rata adjustment or refund of any prepaid Wrap Fee.

#### **Acceptance by Sponsor; Authority of Envestnet**

Your Client Information along with the Vista Separate Account application and Statement of Investment Selection are provided to Envestnet as Investment Manager for review. Envestnet in its sole discretion may determine whether to accept or reject a prospective client and related Account based upon this information. Upon acceptance of your Vista Separate Account by Envestnet, you will become an investment management client of Envestnet. Envestnet will have full power and authority to act on behalf of your Vista Separate Account purchases, sales and other transactions in SMA(s), mutual funds and/or ETFs. Envestnet may delegate its discretionary authority for your Account to an Envestnet Manager.

For more information on methods of analysis and Strategist review of Accounts, see **“Managed Accounts Offered with Envestnet Asset Management, Inc.”**.



## Investor Unified Account

The Investor Unified Account is a discretionary investment advisory service that offers clients the ability to purchase SMAs, mutual funds and/or ETFs in an asset allocation within a single brokerage account managed by Envestnet. Your financial advisor will help you to select from a broad range of separately managed accounts, eligible mutual funds and/or ETFs in order to customize a portfolio for you.

Envestnet defines the asset allocation models for the Investor Unified Account; however, with the assistance of your financial advisor you will select the specific, underlying investment vehicles in the appropriate asset allocation to meet your needs. You will receive an asset allocation and a personalized proposal based on your Client Information outlined in your investment plan. Envestnet provides overlay management services for Investor Unified Accounts and you directly own the underlying securities in the portfolio. Your Account will be rebalanced when you make deposits into or withdrawals from the Account. Envestnet will rebalance and reallocate your Account and each SMA that you select within the Account. Under Envestnet's Appendix 1 of Form ADV Part 2A, the Investor Unified Account is referred to as the Unified Managed Account.

### Inclusion and Management of Investor Unified Investment Managers

Only Approved Envestnet Managers are available in the Investor Unified Account Service, **See "Inclusion and Management of Envestnet Managers by Envestnet"** above for more information about Approved Envestnet Managers.

### Acceptance by Sponsor; Authority of Envestnet

Your Client Information along with the Investor Unified Account application and Statement of Investment Selection are provided to Envestnet as Investment Manager for review. Envestnet in its sole discretion may determine whether to accept or reject a prospective client and related Account based upon this information. Upon acceptance of your Investor Unified Account by Sponsor, you will become an investment management client of Envestnet. Envestnet will have full power and authority to act on behalf of your Investor Unified Account purchases, sales and other transactions in SMA(s) and mutual funds and/or ETFs. Envestnet may delegate its discretionary authority for your Account to an Envestnet Manager.

For more information on methods of analysis and Strategist review of Accounts, see **"Managed Accounts Offered with Envestnet Asset Management, Inc."** section of this Disclosure Brochure.

## Access Account

Access Account is a discretionary Service that allows a client who currently holds a third party strategist ("Strategist") portfolio to transition that portfolio to Ameriprise Financial Services. The Access Account Program accommodates a variety of actively managed portfolios that contain mutual funds and/or ETFs that are transferred to Ameriprise Financial Services from another firm. These portfolios are managed by Strategists and offered on the Envestnet platform. If you currently hold an Access Account portfolio, you may add new contributions to your existing account(s). **New Accounts are not permitted for existing investors, nor is the program available to new investors.**

### Acceptance by Third Party Strategist; Authority of Strategist

Your Client Information along with the Access Account application is provided to Envestnet. Envestnet in its sole discretion may determine whether to accept or reject the transition of your related account to Ameriprise Financial Services based upon this information. Upon acceptance of your Access Account, you will become an investment management client of Envestnet. Envestnet will have full power and authority to act on behalf of your Access Account purchases, sales and other transactions in mutual funds and/or ETFs. Envestnet may delegate its discretionary authority for your Account to a Strategist.

For more information on methods of analysis and Strategist review of Accounts, see **"Managed Accounts Offered with Envestnet Asset Management, Inc."** section of this Disclosure Brochure.

### Additions and withdrawals from Accounts

If you make a deposit of additional assets into your Account in excess of \$10,000 during a Wrap Fee period, you will pay an additional Wrap Fee on the market value of the additional assets, prorated from the number of days remaining in the Wrap Fee period. The additional Wrap Fee will be due on the date you deposit the additional assets into your Account.

## Supplementary Managed Accounts information

### Investment and market risk

You should understand that all investments involve risk (the amount of which may vary significantly), that investment performance in any products referenced in this Brochure can never be predicted or guaranteed, that the market value of a Managed Account will fluctuate due to market conditions and other factors such as liquidity and volatility, and that there is no guarantee that a mutual fund or Managed Account will meet its

objective. Past performance does not predict future performance with respect to any Managed Account described in this Disclosure Brochure. All trading in your Account will be at your risk.

### **Sources of information**

In general, Discretionary Managers conduct securities analysis using the services of research analysts. Among the various sources of information utilized by these research analysts and other investment management personnel may include:

- information prepared by companies;
- meetings with outside analysts;
- informational interviews at corporations;
- corporate rating services;
- financial and industry trade publications;
- research materials prepared by a wide variety of financial services sources; and
- economic reports and government services. In addition, for mutual funds, mutual fund analysts may also use the following sources of information:
  - conferences with mutual fund advisors,
  - mutual fund rating and performance services.
- asset allocation tools;
- training and marketing materials
- prospectuses and annual reports for the investment;
- product materials (some of which are created by Sponsor or affiliates); and
- market commentary (some of which may be provided by Sponsor's affiliates).

### **Third-party sources of information**

From time to time, Sponsor or financial advisors may provide clients with information or data from third parties, including performance services, financial publications and others. Among other things, this information may include performance information or market data relating to securities and securities markets. Although the information and data is believed to be accurate, Sponsor and its financial advisors do not independently verify third-party information, and performance information may not be calculated on a uniform and consistent basis. Neither Sponsor nor its financial advisors guarantees the accuracy, completeness or timeliness of any such information nor do they imply any warranty of any kind regarding the information provided.

### **Transaction execution**

In establishing an Account, you establish and maintain a brokerage account with Sponsor. Neither Sponsor, nor any Discretionary Manager will act as custodian for the Account or take possession of any assets in the Account. AEIS provides custody and safekeeping services for Account assets and will ordinarily act as the custodian for all assets held in an Account. Ameriprise Trust Company ("ATC") may also act as custodian of assets held in an Account. Because AEIS and ATC maintain custody of our clients' assets, we are required by SEC rule to obtain from AEIS and ATC at least annually a written internal control report (the "ICR") by a qualified independent public accountant and AEIS is required to undergo an independent verification of the assets under its control. The ICR that we receive from AEIS and ATC is intended to show that our affiliates have established appropriate custodial controls with respect to clients' assets under custody.

Additionally, under certain circumstances, Envestnet Managers may execute transactions through brokers, dealers and banks, other than AEIS, that have certain arrangements with Envestnet Managers pursuant to which Envestnet Managers receive credit (toward acquisition of research products and services) for brokerage transactions placed with such firms. When Sponsor, Investment Manager and/or Envestnet Manager deem a transaction to be in the best interests of you and other clients to the extent permitted by applicable law and regulation, Sponsor, Investment Manager and/or Envestnet Manager are permitted to aggregate multiple client orders to obtain what Sponsor, Investment Manager and/or Envestnet Manager believes will be the most favorable price and/or lower execution costs at the time of execution.

### **Pledging assets**

To the extent that a client intends to pledge certain Managed Account(s) assets as collateral to a third-party financial institution, the client will be required to execute, and arrange for the completion and execution of, certain required documentation. Among other things, this will result in the financial institution being required to complete Sponsor's form of collateralization agreement. The collateralization agreements renew automatically. Sponsor reserves the right to decline client requests to pledge his or her Managed Accounts assets. Retirement account clients are precluded from pledging Managed Account(s) assets (see "**Special considerations for retirement accounts**" below).

### **Proxy voting and corporate actions**

Sponsor and your financial advisor do not take action or give advice regarding the voting of proxies solicited by or with respect to the issuers of securities in which assets of your Managed Account(s) may be invested. Sponsor will forward to clients all proxy solicitations and materials related to other corporate actions that are received by Sponsor with respect to assets in your Managed Account(s). Each client shall be responsible for voting proxies and effectuating other corporate actions relating to the securities held in their respective Managed Accounts. In addition, Sponsor, your financial advisor and any Discretionary Manager are not responsible for any other corporate actions relating to the assets in your account(s) including administrative filings such as proofs of claims related to bankruptcy or claims in class actions.

### **Death of a Managed Account holder**

When the Sponsor receives notice that the account holder of an individual Account has died, Sponsor will freeze the Account(s), no longer charge a Wrap Fee, and will await instructions from the executor or designated administrator. Sponsor is not responsible for taking any action with respect to such Accounts prior to its receipt of appropriate instructions, which means that Sponsor will not take action in response to market fluctuations or other factors that may adversely impact the market value of any Account. The Accounts can be reactivated upon Sponsor's receipt of the necessary Account documents, including a newly executed Agreement and related documentation.

In the event that Sponsor receives notice that an account holder of an Account held in some form of joint ownership has died, additional conditions will apply to continue the enrollment and any related management of the Account.

### **Tax consequences**

There may be tax consequences associated with transactions in your non-retirement Managed Account, such as capital gains or losses. These transactions include activities such as you selling or redeeming securities or other assets for the purpose of establishing a Managed Account, or your Discretionary Manager exercising investment discretion within your discretionary Managed Account to sell all or a substantial portion of the securities or other assets. There may be other taxable income, for example, dividends.

Payment of a Wrap Fee may produce accounting, bookkeeping and/or income tax results that are

different from those resulting from the payment of securities transaction-based commissions or other charges on a transaction-by transaction basis. The tax treatment of the fee may differ if the investment is in tax-exempt municipal bonds.

Although you may be provided with certain tax related information from time to time in connection with your Account, you should understand that neither Sponsor, your financial advisor nor any Discretionary Manager provides tax advice or any tax preparation services. Clients seeking tax advice are urged to seek the advice of a professional tax advisor. You will be responsible for any tax liabilities associated with your Account.

### **Special considerations for retirement accounts**

You acknowledge and agree that neither Sponsor nor your financial advisor has any authority, duty or responsibility with respect to any retirement account, securities, funds or other assets that are not part of your Account, and that Sponsor will not take any such assets, or the manner in which such assets are invested, into account in providing services to your Account.

Sponsor and its financial advisor may be subject to limitations with respect to the revenue they receive in connection with Accounts of retirement or other tax-favored savings plans.

Retirement account clients are not permitted to open or maintain a margin account with AEIS or any other broker or dealer for the purposes of effecting Managed Account transactions on margin. Retirement account clients are also precluded from pledging assets held in a Managed Account. For additional information regarding special considerations that may apply to retirement accounts, please refer to the applicable Managed Account Client Agreement(s).

## **Fees and Compensation**

### **Wrap Fees**

*Ameriprise* Managed Accounts are investment advisory accounts for which you will pay Wrap Fee for investment advisory services and, among other things, the execution of transactions in a brokerage account.

The Wrap Fee you pay for a Managed Account is negotiated between you and your financial advisor and is deducted from your Sweep Account. Because the fee is negotiable, client Wrap Fees may vary. Any Wrap Fees you pay reduce the overall value and net performance of your Account.

If your Wrap Fee is renegotiated, you and your financial advisor will complete, and you will be required to sign, the appropriate documents reflecting the new Wrap Fee. The new Wrap Fee will become effective at the start of the next billing period following the period in which the written instruction is received and accepted by Sponsor. Sponsor may reduce your Wrap Fee with written notice to you of the change, subject to the minimum fee.

Your financial advisor will receive compensation for your participation in a Managed Account Service. The amount of this compensation may be more or less than what your financial advisor would receive if you paid separately for investment advice, brokerage and other transaction-based services. Therefore, your financial advisor may have a financial incentive to recommend a Managed Account Service over a transaction-based brokerage account.

If you do not have sufficient cash or cash equivalents to cover fees and expenses due, Sponsor may direct the liquidation of Account assets to pay them.

For SPS *Advantage*, SPS *Advantage* Pilot Program, SPS Advisor, *Active Portfolios*, and Vista Separate Accounts (mutual fund and ETF accounts only), Sponsor will apply a 0.75% credit to the Wrap Fee to reflect mutual fund investment management fees and other mutual fund fees received by affiliated entities including Columbia Management Investment Advisers, LLC, marketing support payments (including, without limitation, any payments held out to be revenue sharing payments, any payments to support marketing, training or educational initiatives or programs, or any distribution or marketing payments intended or designed to supplement distribution fees paid from investor or mutual fund assets excluding 12b-1 fees paid to your financial advisor), ("Marketing Support Payments") and other operating expenses (including, without limitation, sales charges, other servicing and account maintenance fees, and expense reimbursements, but excluding 12b-1 fees paid to your financial advisor) that Sponsor or its affiliates may receive or retain the underlying mutual funds held in your Managed Account. Sponsor will also apply a 0.25% credit to the Wrap Fee to reflect 12b-1 fees that your financial advisor may receive from the underlying mutual funds or certain other securities held in your Managed Account. If these payments exceed 0.75% and 0.25%, respectively, the mutual fund investment management and 12b-1 fees and Marketing Support Payments that represent the difference will be credited to your Managed Account. This paragraph also applies to Access Account and Investor Unified Account, except Sponsor will apply a credit for marketing support payments of .50% and .40%, respectively.

See the **"Allocation of Wrap Fees"** section for more information about Wrap Fees. In addition to your Wrap Fee, you may pay additional fees for your Managed Account. Review the **"Sweep Account and other fees"** section for information about other fees associated with your Account(s) including Sweep Account fees, termination fees, and fees associated with the particular products or services you select. Sponsor may impose a limit on your Ameriprise financial advisor's ability to negotiate below a certain point within each Household asset range reflected in the charts which can be found under the **"Snapshot of Services and Fees"** section of this brochure.

#### **Allocation of Wrap Fees**

A portion of the Wrap Fee paid in connection with each Managed Account you establish will be allocated to Sponsor and your financial advisor. The portion of the Wrap Fee that is allocated to your financial advisor will be impacted by the level of affiliation that the financial advisor has with Sponsor and whether the financial advisor was assisted by another person (which may be a financial advisor or other individual who makes a referral) in providing services to you. Additionally, the portion of the Wrap Fee allocated to your financial advisor may also be impacted by the total assets his or her clients (or clients within an advisor team; See **"Compensation paid to others"** subsection in the **"How our financial advisors get paid"** section of this Brochure) who have invested in Managed Accounts. Accordingly, your financial advisor may retain a larger portion of the Wrap Fee and, in those instances, will earn more if you select a Managed Account. Consider this information when evaluating whether a Managed Account is appropriate for you.

A portion of the Wrap Fee you pay will be allocated to Investment Manager(s) you selected. The portion of the Wrap Fee allocated to the Investment Manager will be based upon the percentage fee rate contained in the Master Advisory Agreement between the Investment Manager and Sponsor. Fee rates are negotiated separately with each Investment Manager. The fee rates for Select Separate Account range from 0.11% to 0.50% per annum of the market value of the assets invested in each strategy with the Investment Manager. From time to time, participating Investment Managers may reimburse Sponsor for the costs arising from, or make payments to Sponsor for participation in, client meetings or educational and training meetings held with financial advisors and other personnel. Sponsor expects that the fee the Sponsor and/or its affiliates pay any affiliated providers of model portfolios will also fall within this range.



Over time, your *Active Portfolios* Account(s) and Select Separate Account(s) may grow and your Wrap Fee may be greater than the maximum fee for your asset level. If this occurs, Sponsor will reduce your Wrap Fee to the maximum fee of the next asset level for the next billing cycle.

**Active Portfolios.** The portion of the Wrap Fee allocated to Sponsor may be higher or lower than the portion of the Wrap Fee allocated to your financial advisor, which is based on a number of factors including the size of *Active Portfolios* Account and the level of the Wrap Fee established for the *Active Portfolios* Account. You and your financial advisor will negotiate the Wrap Fee based on the assets in your *Active Portfolios* Account(s) and other factors related to the servicing of your Account, according to the *Active Portfolios* accounts Wrap Fee schedule.

**Select Separate Account.** The portion of the Wrap Fee allocated to Sponsor may be higher or lower than the portion of the Wrap Fee allocated to your financial advisor, which is based on a number of factors including the size of your Account, the type of SMA strategy selected and the level of the Wrap Fee established for your Account. You and your financial advisor will negotiate the Wrap Fee based on the assets in your Select Separate Account(s), the SMA strategy(ies) selected as well as other factors related to the servicing of your Account, according to the Select Separate Account Wrap Fee Schedule. The Wrap Fee you pay on each Account you establish is negotiated between you and your financial advisor. The level of your Wrap Fee will depend upon the assets in your Account and other factors related to the servicing of your Account.

**Vista Separate Account, and Investor Unified Account and Access Account.** A portion of the Wrap Fee paid will be allocated to Envestnet. The portion allocated to Envestnet will include the Investment Manager fee for any SMA strategy or portfolio strategist selected. Fee rates negotiated with Envestnet Managers (as described in Managed Accounts Offered with Envestnet Asset Management, Inc.) may be different than fee rates for other Investment Managers.

## **Sweep Account and other fees**

### **Sweep Account fees**

You will be required to establish a Sweep Account for sweeping uninvested cash for each of your Account(s). You will either select or agree to the Sweep Account in the associated application. You understand that Sponsor may deposit all uninvested cash, on a daily basis, into the Sweep Account vehicle indicated, which

may include Ameriprise Bank, FSB. These funds will bear a reasonable rate of interest. Client expressly authorizes Sponsor to make such deposits. The Sweep Account used in connection with your Account(s) will have its own fees and expenses. These fees and expenses will increase the total cost of participating in a Managed Account. The banks that participate in the insured money market account will compensate our affiliated clearing firm, AEIS, for deposits placed at the bank(s). Please refer to the applicable prospectus or other disclosure document for a description of the fees and expenses associated with the underlying money market fund or revenue associated with the insured money market account used as your Sweep Account.

### **Sweep Account maintenance requirements**

Managed Accounts clients are required to maintain sufficient assets in the Sweep Account to meet the applicable billing cycle Wrap Fee deductions. If there is not sufficient cash in the Sweep Account to meet the Wrap Fee requirements, the Sponsor reserves the right to or may instruct the custodian to sell shares of mutual funds or securities held in the client's account and to transfer the proceeds into the Sweep Account to cover these requirements. Sponsor reserves the right to determine which mutual funds or securities will be sold. Because of mutual fund redemption minimums and other applicable minimums, Sponsor may be required to sell more shares than is necessary to cover the deficiency.

### **Additional Fees and Sources of Compensation**

The Wrap Fee you pay in connection with each Account is primarily for investment advisory services, the execution of transactions and related Managed Account services, such as custody of securities and account reporting. Under certain circumstances, you may be assessed fees in addition to the Wrap Fee charged to your Managed Account(s). Examples of the types of fees and charges that you would pay, in addition to the Wrap Fee, to the extent they are incurred in connection with your Account include:

- Brokerage commissions resulting from transactions effected through or with a broker-dealer other than AEIS;
- Transaction fees relating to any foreign securities other than American Depository Receipts;
- The entire public offering price, including underwriting commissions or discounts, on securities purchased from an underwriter or dealer involved in a distribution of securities;

- The fees and expenses associated with the underlying money market instrument used as your Sweep Account;
- Maintenance fees relating to a SPS *Advantage* Account;
- Fees related to the sale of Initial Public Offerings; and
- Other costs or charges imposed by third parties, including American Depository Receipts issuance fees and annual depository fees, odd-lot differentials, transfer taxes, exchange fees, and other fees or taxes required by law.

Review the applicable Managed Account Client Agreement and Ameriprise brokerage materials for a summary of the service fees that may be charged in connection with your Account(s). You should also refer to the disclosure document(s) for a description of the fees and expenses associated with any product or service that is made available in connection with the Managed Account. It is your responsibility to understand all fees, expenses and other charges prior to investing or participating in any product or service. All fees are subject to change. Contact your financial advisor if you have any questions about the types of incremental fees and expenses that may be associated with your Account.

#### **Brokerage accounts**

Retail brokerage services are also made available through Sponsor outside of your Managed Account. If you choose to open a brokerage account separate from your Managed Account to purchase and sell securities, you will incur a sales commission or pay a mark-up or mark-down in connection with each transaction in that account. These transaction charges are paid to compensate Sponsor and your financial advisor for the assistance they provide in helping to execute those transactions. You may also incur a variety of other fees in connection with maintaining an Ameriprise brokerage account, including fees and margin loan interest. Review the account opening documents provided in connection with establishing a brokerage account for additional information.

Ameriprise Financial Services does not receive research or other products or services other than execution from a broker-dealer or a third party for client securities transactions. Nor do we or our affiliates receive client referrals from broker-dealers or third parties.

#### **Mutual fund fees and expenses**

The mutual funds in which you invest your Managed Account(s) assets have their own fees and expenses,

which are charged in addition to the Wrap Fee. These fees and expenses, which include management fees, distribution and shareholder service (12b-1) fees, and other expenses, could increase the total costs by 1.00% to 2.00% or more. For example, if the Wrap Fee for your Account is 1.00%, and the mutual funds in which you invest have average fees of 1.50%, the total fees will be 2.50%. In addition, although you are not charged commissions or transaction fees for mutual fund or securities transactions within the Managed Account, charges imposed by the underlying mutual funds held in your Managed Account may include short-term redemption fees and small position fees. It is your responsibility to understand all fees and charges prior to making investment decisions. Please review each applicable mutual fund prospectus for details on all fund fees. For certain funds, Sponsor and/or one or more of its affiliates may serve as the fund's distributor, transfer agent, shareholder servicing agent, custodian and/or investment adviser. In these situations, Sponsor and/or its affiliates will receive payments for such services that may vary depending on the assets invested in such mutual fund.

#### **Other investment advisory services**

Your financial advisor may offer ongoing financial planning or other services that are not included in a Managed Account for additional fees. A Managed Account is not a financial planning service and clients investing in a Managed Account may not receive all material elements of the financial planning process. You will pay an ongoing investment advisory fee for advice and related services concerning the assets held in a Managed Account. The Managed Account fees will be separate from and in addition to any ongoing financial planning fee under any Ameriprise Financial Planning Service ("AFPS") agreement. Refer to Sponsor's Form ADV, Part 2A, Ameriprise® Financial Planning Service Client Disclosure Brochure, for a description of the financial planning process, and the fees, compensation and other policies associated with it.

Additionally, your financial advisor may offer Managed Accounts Services and ongoing financial planning services for a single fee. A consolidated advisory fee relationship is a combined investment advisory fee for which you will receive AFPS and at least one Managed Account Service. The fee is based on the assets in the Managed Account(s) with a portion of the fee calculated for AFPS. Review the Ameriprise Managed Accounts and Financial Planning Service Combined Disclosure Brochure for details about the consolidated advisory fee relationship and services. In considering other

investment advisory services and products you may purchase, you should consider the aggregate costs and expenses of all such services and products as a whole. Your financial advisor may not offer all investment advisory services or accounts.

#### **Other products, services and features**

Ameriprise Bank, FSB, Member FDIC, an Ameriprise Financial, Inc. company, provides certain banking products and services to SPS *Advantage* that have Ameriprise ONE® Financial Account features and also makes available a credit card, if you request that these features be added. Certain fees may apply depending upon the particular services or products in which you participate or invest. Other products, services and features may be included or made available in connection with a Managed Account from time to time.

These products, services and features may have their own terms, conditions, disclosure documents, fees and expenses. You should review any applicable materials, and consider any fees related to a particular product, service or feature prior to deciding to participate or invest in that product, service or feature. If you have questions regarding the applicability of any product, service or feature of a managed account, please contact your financial advisor.

## **Account requirements and types of clients**

#### **Establishing and maintaining Accounts**

To establish an Account in one or more of the Services, you will be asked to:

- review this Disclosure Brochure; and other applicable Investment Manager Form ADV Part 2A
- Provide accurate and complete information to your financial advisor in order to complete the Client Information and the applicable Managed Accounts Application;
- Read and sign the application which includes the applicable client agreement;
- Read the Ameriprise Brokerage Agreement (“Brokerage Agreement”) to establish and maintain a brokerage account as part of a Managed Account; *and*
- Select a sweep vehicle Sweep Account as described in the Brokerage Agreement.

Coverdell Savings Accounts and 529 plan accounts are not available in a Managed Account.

Managed Accounts are available for individual investors, corporate entities and tax-qualified accounts. The types of tax-qualified accounts that may be available include traditional IRAs, Roth IRAs, Simplified Employee Pension (“SEP”) IRAs, Savings Incentive Match Plan for Employees (“SIMPLE”) and defined contribution plans as defined in Section 401(a) of the Internal Revenue Code (e.g., Profit-Sharing, Money Purchase). Sponsor, in its own discretion, may offer certain account types to certain clients. Tax-Sheltered Custodial Account (“TSCA”) may be available for TSCA participants to invest in SPS *Advantage* and certain *Active Portfolios* accounts, but may not invest in other Managed Accounts.

#### **Terminating a Managed Accounts Client Agreement**

Each Managed Account Service has its own Client Agreement. You may terminate your Managed Accounts Client Agreement(s) within five business days of Sponsor’s acceptance of the applicable agreement and receive a full refund of any prepaid fees. The agreement may otherwise be terminated by you or Sponsor by providing appropriate notice. If Sponsor decides to terminate your Account(s), the Sponsor will provide you no less than 30 days prior notice. This notice will advise you of options, if any, that may be available to you. If Sponsor decides to terminate your Account(s), Sponsor may transfer the Account assets to an Ameriprise Financial Services brokerage account and the Brokerage Agreement will govern your relationship with Ameriprise Financial Services. If Sponsor terminates your SPS Advisor account, Sponsor may transfer the Account assets to a brokerage account as outlined above or to SPS *Advantage* Account and the SPS *Advantage* Client Agreement will govern your relationship with Ameriprise Financial Services. In the event of termination, Sponsor will refund any prepaid Wrap Fee, prorated from the date of termination through the end of the quarter for which fees were prepaid, subject to certain conditions described in the individual Managed Accounts sections above. SPS *Advantage* and SPS Advisor will charge a final Wrap Fee as described in the SPS *Advantage* and SPS Advisor section above. Other than the five (5) business day period described in the paragraph above, if you maintain no other account relationships with Ameriprise Financial Services, you will be assessed a \$100 termination fee on each Managed Account to cover certain expenses related to the closure of your Account. In addition, Sponsor has the right to waive this termination fee in special situations such as death of



the account holder and other limited circumstances, as solely determined by Sponsor. You have the right to request that your assets be distributed in the form of cash or securities. Additional fees may apply to distributions in the form of securities as outlined in the “Sweep Account and other fees” section. In these situations, the anticipated timing of distributions would be the same as outlined for each Managed Account Service description in the “Services, Fees and Compensation” section.

## Investment Manager selection and evaluation

A description of how Ameriprise Financial Services selects and reviews investment managers is included in the following sub-sections of this Brochure:

- “Method of Analysis” and “Review of Investment Managers” in the *Active Portfolios* section
- “Method of Analysis” and “Review of Investment Managers” in the Select Separate Account” section
- “Inclusion and Management of Vista Separate Account Investment Managers” in the Vista Separate Account section
- “Inclusion and Management of Investor Unified Investment Managers” in the Investor Unified Account section
- “Method of Analysis” and “Review of Third Party Strategists” in the Access Account section

## Client Information provided to Investment Managers

A description of the Client Information shared with an Investment Manager for your Account is included in the following sub-sections in this Brochure:

- “Acceptance of your *Active Portfolios* Account” in the *Active Portfolios* section
- “Acceptance by Investment Manager; Authority of Investment Manager” in the Select Separate Account” section
- “Acceptance of Sponsor; Authority of Envestnet” in the Vista Separate Account section
- “Acceptance of Sponsor; Authority of Envestnet” in the Investor Unified Account section

- “Acceptance of Third Party Strategist; Authority of Strategist” in the Access Account section

## Client contact with Investment Managers

Your financial advisor will be your primary source of support in addressing any questions or concerns relating to your Managed Account. Although Sponsor imposes no limitations on the ability of clients to consult with their Investment Manager(s) and/or Portfolio Strategist(s) directly, you are encouraged to first contact your financial advisor with any questions or concerns.

## Additional information

### Disciplinary information

Below is notice of certain regulatory and legal settlements entered into by Ameriprise Financial Services or its predecessor, American Express Financial Advisors Inc. (“AEFA”):

### SEC and FINRA (fka NASD) Actions

In March 2011, Ameriprise Financial Services reached a settlement with FINRA regarding allegations related to the timeliness of the firm’s investigation of a financial advisor who forged signatures on a number of client documents from January 2003 through October 2007. FINRA alleged that Ameriprise first became aware of the potential forgeries in December 2005 but did not complete its investigation until April 2008. Ameriprise agreed to a fine of \$50,000.

In July 2009, Ameriprise Financial Services, Inc. reached a settlement with the Securities and Exchange Commission relating to allegations concerning undisclosed real estate investment trusts (“REITs”) revenue sharing arrangements and selling a REIT prior to the effectiveness of its registration. Ameriprise Financial Services agreed to pay a disgorgement amount of \$8,650,000 and a penalty amount of \$8,650,000.

In December 2007, Ameriprise Financial Services settled with FINRA concerning allegations of inappropriate non-cash compensation arrangements and failure to meet its record-retention obligations. The firm paid a fine of \$145,000.

In December 2005, the SEC, NASD and State of Minnesota announced settlements with Ameriprise Financial Services regarding allegations related to revenue sharing and directed brokerage and its parent company, Ameriprise Financial, Inc., regarding market

timing. Pursuant to these settlements, the Ameriprise Financial entities agreed to pay a total of \$59.3 million in fines and restitution. Regulators found that between January 1, 2002, and August 31, 2002, American Express Financial Corporation ("AEFC") allowed certain identified market timers to continue to market time contrary to the prospectus language of the American Express Funds. From May 2002 to October 2003, AEFC also allowed one identified market timer to market time insurance and variable annuity products contrary to the products' prospectus disclosures. From January 1, 2002, to September 30, 2003, AEFC failed to prevent a number of AEFC and related company employees from market timing various portfolios of American Express Funds through their 401(k) retirement plan contrary to prospectus disclosures. Regulators concluded that between January 2001 and August 2004, AEFA's client disclosures with respect to revenue sharing were insufficient, and that our directed brokerage procedures violated an NASD rule.

In November 2005, AEFA settled with the NASD concerning allegations of inappropriate revenue sharing between certain mutual fund complexes and the firm, allegedly resulting in preferential treatment of those fund complexes. The firm consented to a censure by the NASD and paid a fine of \$12,300,000.

In October 2005, AEFA settled with the NASD concerning alleged failures to establish and maintain supervisory systems and procedures reasonably designed to comply with suitability obligations relating to sales of 529 plans. The firm paid a civil penalty of \$500,000 and approximately \$750,000 in remediation to affected customers. The firm also developed systems and procedures designed to comply with the laws, regulations and rules governing sales of 529 plans.

In September 2005, Ameriprise Financial Services reached a settlement with the NASD regarding allegations relating to the sale of 529 education saving plans. Under the terms of the settlement, Ameriprise Financial Services paid a fine of \$500,000 and offered restitution of \$749,790 to specified clients. FINRA found that AEFA did not have satisfactory policies and procedures in place to monitor the suitability obligations of 529 Plan sales made from May 2001 through December 2004.

In May 2005, AEFA settled with the NASD concerning alleged failures to monitor the performance of certain supervisory procedures and to monitor certain transactions. The firm paid a \$25,000 fine and implemented corrective procedures.

In March 2005, Ameriprise Financial Services reached a settlement with the NASD regarding allegations related to a number of instances during the period January 1, 2002 to July 31, 2003, where mutual fund Class B shares may have been sold by AEFA to some clients when Class A shares might have been less costly. AEFA agreed to a fine of \$13 million. AEFA also agreed to generally offer eligible clients who purchased \$50,000 or more of Class B shares in any fund family between January 1, 2002, and March 22, 2005, the opportunity to convert these mutual fund positions to Class A shares.

In December 2004, AEFA settled with the NASD concerning alleged failures to adequately supervise one of its financial advisors with respect to mutual fund transactions. The firm paid a \$20,000 fine. The firm also submitted a Corrective Action Statement and a Statement of Mitigation to the NASD detailing improvements made to the firm's supervisory systems.

In December 2004, AEFA settled with the NASD concerning alleged failures to timely file changes to disclosure documents on certain financial advisors and to reasonably supervise compliance with the firm's reporting obligations. The firm paid a \$700,000 penalty to the NASD. The firm also certified to the NASD that it had improved its reporting systems and procedures to meet its reporting requirements.

In October 2004, AEFA settled with the NASD concerning alleged failures to timely file certain pieces of sales literature, to obtain NASD approval of certain pieces of sales literature before public use of those pieces, and to establish, maintain, and enforce supervisory systems and procedures to protect against misuse of sales literature. The firm paid a \$400,000 penalty to the NASD.

In February 2004, AEFA reached a settlement with the NASD for allegedly failing to provide available breakpoint discounts to its customers who purchased Class A mutual fund shares. AEFA agreed to a fine of \$1,853,347. In addition, AEFA agreed to, among other things, provide written notification to each customer who purchased front-end load mutual funds through AEFA from January 1, 1999, through November 3, 2003, that AEFA experienced a problem delivering breakpoint discounts and that, as a result, the customer was entitled to a refund. AEFA also agreed to settle a parallel administrative proceeding instituted by the SEC, in which the SEC found that AEFA violated Section 17(a) (2) of the Securities Act of 1933 and Rule 10b-10 of the Securities Exchange Act of 1934. AEFA agreed to a

censure, cease-and-desist order, a civil money penalty of \$1,853,347 and pay disgorgement and prejudgment interest through the refund program set forth in the NASD order.

In November 2002, AEFA reached a settlement with the NASD in connection with the offer and sale of variable annuities and variable life insurance. NASD alleged that through selling variable annuities into tax-qualified retirement accounts, AEFA, through certain of its financial advisors, (1) provided inadequate disclosures to clients, (2) certain financial advisors made recommendations involving sales of annuities in qualified plans without having a reasonable basis for believing that the recommendations were suitable based on customer needs, (3) AEFA had inadequate supervisory policies and procedures regarding the sale of variable annuities and variable life insurance and (4) failed to take corrective action in a timely manner. AEFA agreed to a fine of \$350,000.

#### **State Securities Actions**

In October 2009, Ameriprise Financial Services settled with the State of Kentucky concerning alleged failures to adequately supervise two agents with respect to margin account abuses, document forgery, discretionary trading and other sales practice abuses. The firm agreed to offer restitution to impacted clients and pay an administrative assessment and the State's investigative costs, as well as a contribution to the State's investor protection fund.

In April 2009, Ameriprise Financial Services, Inc. reached a settlement with the States of Alabama and Georgia regarding the alleged failure of Ameriprise Financial Services to close financial plans according to its policy requirement. As a result of the settlement, Ameriprise Financial Service was ordered to pay the states' administrative assessments, investigative costs and into their respective investor protection funds. Ameriprise Financial Services also voluntarily paid refunds to impacted clients.

In January, 2009, Ameriprise Financial Services reached a settlement with the Commonwealth of Pennsylvania, without admitting or denying the allegations, regarding alleged failures to reasonably supervise certain of its agents and alleged dishonest or unethical practices relating to internal policies requiring the verification of financial plan delivery. As a result of the settlement, Ameriprise Financial Services was ordered to pay investigative and legal costs, as well as pay an administrative assessment of \$1,600,000.

In July 2008, Ameriprise Financial Services reached a settlement with the Commonwealth of Virginia on matters relating to allegations that AEFA, through certain of its financial advisers, provided inadequate disclosures to clients relating to the conflicts associated with proprietary mutual funds and made recommendations regarding proprietary mutual funds without having a reasonable basis for believing that the recommendations were suitable based on client needs. AEFA agreed to settle the matter by paying a fine and offering certain financial planning clients who are Virginia residents the opportunity to file a claim for a partial refund of the financial planning fee.

In June 2008, Ameriprise Financial Services reached a settlement with the State of Illinois on matters relating to allegations that AEFA failed to disclose certain conflicts of interest related to the (i) sale of its proprietary mutual funds and (ii) limited transferability of its proprietary mutual funds. AEFA agreed to settle both matters by paying \$1.5 million and developing and implementing a process so that certain Illinois customers of AEFA would not be responsible for charges associated with the transference of proprietary mutual fund shares to another broker-dealer if it did not have a shareholder services agreement in place with AEFA.

In April 2008, Ameriprise Financial Services, Inc. and the State of New Hampshire reached a settlement relating to allegations that Ameriprise Financial Services, among other things: (i) failed to timely report to the New Hampshire occurrences of advisor forgeries, and failures to deliver previously purchased financial plans, as required by the terms of a 2005 settlement agreement with the New Hampshire (see below), and (ii) failed to supervise the advisors who allegedly committed such improprieties. Pursuant to the settlement, Ameriprise Financial Services agreed to pay a total of \$3.5 million in fines and costs and submit a written report to New Hampshire by Dec. 31, 2008.

In January 2008, Ameriprise Financial Services settled with the State of Illinois concerning alleged failures to reasonably supervise one of its agents who misappropriated customer funds. The firm agreed to offer restitution of \$1.4 million to impacted clients and reimburse the State's investigative costs. Ameriprise also agreed to a series of remedial actions regarding its supervision.

In October 2007, Ameriprise Financial Services settled with the State of Georgia concerning alleged failures to adequately supervise certain of its financial advisors, allegedly resulting in fraudulent sales practices in customers' accounts. The firm paid a civil assessment

of \$40,000, investigative and administrative costs incurred by the State of Georgia, and a \$10,000 contribution to Georgia's Investor Protection Trust. The firm also agreed to monitor its compliance with its enhanced supervisory systems and the Georgia Securities Act for 24 months.

In January 2007, Ameriprise Financial Services settled with the State of Mississippi concerning alleged failures to adequately supervise one of its financial advisors with respect to that financial advisor's outside business activities. The firm paid an administrative assessment of \$150,000.

In September 2006, Ameriprise Financial Services settled with the State of Arizona concerning alleged failures to adequately supervise one of its financial advisors, allegedly resulting in forgery and misappropriation of client funds. The firm paid an administrative assessment of \$1,250,000 and implemented an enhanced surveillance process and improved supervisory and compliance procedures.

In December 2005, Ameriprise Financial Services settled with the State of Arizona concerning alleged failures to reasonably supervise one of its agents who misappropriated customer funds. The firm paid an administrative penalty of \$1 million and agreed to a series of remedial actions regarding its supervision.

In July 2005, AEFA and the State of New Hampshire reached a settlement relating to AEFA's alleged failure to disclose potential conflicts of interest in the client-advisor relationship regarding proprietary sales of mutual funds and model portfolios. AEFA paid a fine of \$5 million and \$375,000 for investigative costs. AEFA also agreed to an independent consultant to improve practices and determine a plan of restitution for clients in New Hampshire up to \$2 million.

In June 2005, AEFA and the State of New Jersey reached a settlement concerning failures to reasonably supervise an advisor who misappropriated customer funds. AEFA agreed to settle the matters by paying a fine of \$5 million to the state of New Jersey and employing an independent consultant to review its advice supervisory practices.

In October 2004, AEFA settled with the State of Florida concerning alleged failures to adequately disclose to clients its policy of penalizing financial advisors for moving proprietary mutual funds to fee-based accounts, which may have caused a conflict of interest for those financial advisors. The firm paid a \$32,000 administrative fine to the State of Florida and reimbursed affected financial advisors.

In March 2004, AEFA settled with the State of Connecticut concerning alleged failures to adequately disclose to clients its policy of penalizing financial advisors for moving proprietary mutual funds to fee-based accounts, which may have caused a conflict of interest for those financial advisors. The firm paid a \$100,000 administrative fine and \$10,000 to reimburse Connecticut for the cost of the investigation. The firm also reimbursed the affected financial advisors and sent each financial advisor a letter explaining the reimbursement.

In May of 2002, AEFA settled with the State of Missouri concerning alleged failures to adequately supervise one of its financial advisors, who misappropriated \$794,600 from seven Missouri investors. The firm agreed to pay \$20,000 to reimburse Missouri for the cost of the investigation and \$65,000 to the Missouri Secretary of State's Investor Fund. In a related order from the NASD, the firm agreed to a series of remedial actions regarding its supervision.

## **Legal proceedings**

### **Settlement of class action lawsuit**

In October 2005, Ameriprise Financial Services announced a comprehensive settlement regarding the consolidated securities class action lawsuit filed against the company, its former parent and affiliates. This suit relates to the sale of mutual funds that were part of a revenue-sharing program, the sale of proprietary mutual funds, and the sale of financial plans and product recommendations contained in financial plans from March 10, 1999, to the settlement date. The settlement included a one-time payment of \$100 million to the class members and was subject to court approval.

## **Other financial industry activities and affiliations**

Ameriprise Financial Services is a subsidiary of **Ameriprise Financial, Inc.** Ameriprise Financial Services conducts activities through its affiliates. These activities may be material to its investment advisory business or its investment advisory clients. These affiliates include companies under common control with Ameriprise Financial Services by virtue of their status as direct or indirect subsidiaries of Ameriprise Financial, Inc. As you read further, for this section only, "we", "our" and "us" refer to Ameriprise Financial, Inc. and its affiliates. The following information below provides you an overview of the Ameriprise Financial, Inc. companies. These companies work together to offer you financial products and services designed to help you reach your financial goals.



### Broker-dealer

**Ameriprise Financial Services, Inc.** is a registered investment adviser and broker dealer with the Securities and Exchange Commission (“SEC”), and in all 50 states as well as the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Review the **“Services, Fees and Compensation”** section and the subsection **“Other investment advisory services”** in the Disclosure Brochure for detailed information about investment advisory services offered by Ameriprise Financial Services, Inc.

In its capacity as a broker-dealer, Ameriprise Financial Services distributes or receives compensation from selling mutual fund shares, 529 Plans, face-amount certificates, unit investment trusts, real estate investment trusts (“REITs”), funds of hedge funds, fixed and variable annuities, and fixed and variable life insurance. Ameriprise Financial Services also sells managed futures limited partnerships that engage in trading commodity interests, including futures. These products are regulated by the Commodity Futures Trading Commission and the National Futures Association. Through a limited group of registered representatives, Ameriprise Financial Services introduces nonproprietary hedge funds to certain qualified investors. Many of the investment products that Ameriprise Financial Services distributes are products of affiliates, but some mutual funds, unit investment trusts, REITs and limited partnership interests are issued or underwritten by unaffiliated companies.

In addition, Ameriprise Financial Services is the principal underwriter and distributor of the publicly offered face-amount certificates issued by Ameriprise Certificate Company. Ameriprise Financial Services also may serve as an underwriter or member of a selling group for securities offerings, including those issued by affiliates.

Retail brokerage services are made available through Ameriprise Financial Services. Brokerage transactions for accounts introduced by Ameriprise Financial Services are executed and cleared through **American Enterprise Investment Services, Inc.** (“AEIS”), a registered broker-dealer and a member of the SIPC. Ameriprise Financial Services and AEIS have an agreement in which Ameriprise Financial Services introduces customer accounts to AEIS on a fully disclosed basis. AEIS serves as Ameriprise Financial Services’ clearing agent in providing execution and clearing services for transactions that are executed for

customers of Ameriprise Financial Services. Ameriprise Financial Services approves and opens accounts and accepts securities order instructions with respect to the accounts. In exchange for a fee paid by Ameriprise Financial Services, AEIS provides execution, record keeping and all clearing functions for accounts. In addition, AEIS may act as an agent in effecting securities transactions for Ameriprise Personal Trust Services accounts.

**AMPF Holding Corporation** is a holding company for Ameriprise Financial Services and AEIS.

**Columbia Management Investment Distributors, Inc.** (“Columbia Management Investment Distributors”), an indirect wholly-owned subsidiary of Ameriprise Financial, Inc., is a registered broker-dealer, serving as principal underwriter and distributor of Columbia Funds and Columbia Acorn Funds. Ameriprise Financial Services has selling arrangements with Columbia Management Investment Distributors to distribute these mutual funds.

**RiverSource Distributors, Inc.** (“RiverSource Distributors”), a wholly-owned subsidiary of Ameriprise Financial, Inc., is a registered broker-dealer, serving as principal underwriter and distributor of RiverSource variable life insurance and annuities on behalf of RiverSource Life Insurance Company (“RiverSource Life”), and RiverSource Life’s wholly-owned subsidiary, RiverSource Life Insurance Co. of New York (“RiverSource Life of NY”). Ameriprise Financial Services has selling arrangements with RiverSource Distributors to distribute these products.

### Investment company

Ameriprise Financial Services has arrangements with **Ameriprise Certificate Company** to distribute and sell face-amount certificates and selling arrangements with Columbia Management Investment Distributors, to distribute Columbia branded products, as well as those bearing the Seligman or Threadneedle name.

### Investment advisory firm

**Columbia Management Investment Advisers, LLC** is registered as an investment adviser with the SEC. Columbia Management Investment Advisers, LLC provides investment advice to:

- Columbia Funds
- Ameriprise Certificate Company
- RiverSource Life, as well as the open-end management investment companies underlying certain variable contracts issued by RiverSource Life and, in New York only, by RiverSource Life of NY

- Various Wrap Program Sponsors, including Ameriprise Financial Services
- Other affiliated and unaffiliated clients

Ameriprise Financial, Inc. has other subsidiaries that are registered as investment advisers with the SEC, including **Threadneedle International Limited Columbia** and **Wanger Asset Management LLC**. These subsidiaries are registered as investment advisers and may provide advice to domestic and foreign institutional clients and other fiduciary clients. The Threadneedle group of companies constitutes the international investment platform for Ameriprise Financial, Inc. The group consists of wholly-owned subsidiaries of Ameriprise Financial, Inc., and provides services independent from Ameriprise Financial Services.

### Banking institution

Some Ameriprise Financial Services programs and accounts provide access to bank deposit products and services (e.g., checking, savings, CDs, money markets), lending products and services (e.g., mortgages, home equity loans, lines of credit) and personal trust services (e.g., irrevocable life insurance trusts). These banking products and services are provided by **Ameriprise Bank, FSB**, Equal Housing Lender, Member FDIC, and subsidiary of Ameriprise Financial, Inc. Ameriprise Bank, FSB deposit products are FDIC-insured up to \$250,000 per depositor, per ownership category.

Personal trust services are offered by Ameriprise Financial Services and through **Ameriprise Personal Trust Services (“APTS”)**, a division of Ameriprise Bank, FSB. APTS receives investment advice and research support from Ameriprise Financial Services. AEIS may act as an agent in clearing securities transactions for APTS accounts.

Investment products are not federally or FDIC insured, are not deposits or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

### Trust company

**Ameriprise Trust Company (“ATC”)**, a Minnesota chartered company, provides trustee, custodial, investment management, and collective trust fund services for employer sponsored retirement plans, including pension, profit sharing, 401(k) and other qualified and nonqualified employee retirement plans. ATC also serves as custodian for IRAs, 403(b)s and some small retirement plans qualified under section 401(a) of the Internal Revenue Code of 1986. ATC is not a deposit bank nor a member Federal Deposit Insurance Corporation (“FDIC”).

### Insurance company

Insurance products sold by Ameriprise Financial Services and its financial advisors are issued generally by **RiverSource Life Insurance Company**, a stock life insurance company that is qualified to do business as an insurance company in the District of Columbia, American Samoa and all states except New York, and in New York only, through **RiverSource Life Insurance Co. of New York**, qualified to do business as an insurance company in New York. The products of RiverSource Life and RiverSource Life of NY include fixed and variable annuities, life insurance and disability insurance.

**Ameriprise Auto & Home Insurance** issues auto, home and umbrella insurance in various states. The insurance is underwritten by IDS Property Casualty Insurance Company and/or Ameriprise Insurance Company, both in DePere, WI. These products are offered primarily by direct marketing and referrals from financial advisors.

**Ameriprise Auto & Home Insurance Agency, Inc.**, an affiliated insurance agency, may place business for third-party carriers.

### Code of ethics

As part of an overall internal compliance program, Ameriprise Financial Services has adopted policies and procedures imposing certain conditions and restrictions on transactions for the account of Ameriprise Financial Services and the accounts of our employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist with respect to a customer or client. In addition, from time to time, restrictions are imposed to address the potential for self-dealing and conflicts of interest which may arise in connection with Ameriprise Financial Services business as a broker-dealer. Ameriprise Financial Services has adopted various procedures to guard against insider trading.

### Participation or interest in client transactions

As with all financial services firms, a portion of our revenue and compensation can generate a profit for the firm. The revenue and compensation we receive helps us cover our expenses in providing and servicing these products and services. Employee and financial advisor compensation and operating goals at all levels of Ameriprise Financial, Inc. are tied to the success of its businesses. As a result, certain incentives and conflicts of interest may exist for Ameriprise Financial Services, our affiliates and our financial advisors if you purchase certain products or services recommended by your financial advisor.

Generally, Ameriprise Financial Services and our affiliates will receive:

- More revenue, in aggregate, from the purchase of Ameriprise, Columbia and RiverSource products (“proprietary products”) than from the purchase of products from firms that aren’t affiliated with Ameriprise Financial, Inc. (“nonproprietary products”). Ameriprise Financial Services actively promotes the products of our affiliates through advertising, direct mail, and training and wholesaling events. In addition, Ameriprise Financial Services may collect data regarding mutual funds recommended by individual advisors. RiverSource and Columbia Management wholesalers and others may use this information to encourage sales of RiverSource and Columbia Management products. This information is not generally available to nonproprietary mutual fund families.
- More revenue from the purchase of products and services than from financial advisory fees.
- More revenue when you purchase certain types of products, such as insurance and annuity products and direct investments
- More revenue from products and services that generate ongoing revenue streams, such as mutual funds that pay ongoing 12b-1 fees, an investment advisory account service, and life insurance and annuity products with mortality and expense charges
- More revenue when you purchase shares of mutual funds or 529 Plans from Full Participation Firms or Limited Participation Firms, or other products for which we have similar financial arrangements, as described in the **“Payment from product companies”** section of this Brochure
- Less revenue when a sales charge or commission is reduced or waived completely, or where there is no sales charge
- More revenue when you move assets (including retirement plan accounts) from another institution to Ameriprise Financial Services or RiverSource Life or into a product managed by, Columbia Management Investment Advisers or another affiliate.

Generally, your financial advisor may earn:

- More depending on how your financial advisor is affiliated with Ameriprise Financial Services, as described under **“How our financial advisors get paid”** section of this brochure.

- More on the sale of certain RiverSource insurance products because RiverSource pays increasing levels of compensation the more a financial advisor sells.
- More on the purchase of annuity and insurance products and direct investments, because they are more complex than are other products and take more time to service
- More from certain incentive programs
- Less on individual purchases within a transaction-based brokerage account due to the higher transaction charges your financial advisor pays on these accounts compared to a fee-based investment advisory account
- Less when a sales charge or commission is reduced or waived completely, or where there is no sales charge
- Typically less when you exchange an existing annuity contract, mutual fund or insurance policy for certain other like or similar products from the same company, unless you have held the existing product for a certain period of time
- More as the size of any outstanding margin account balance increases
- Nominal additional compensation on the value of the assets rolled into an IRA brokerage account from a retirement account with Columbia mutual funds
- Higher payout rate based on the level of product sales, on the number of financial plans sold and on higher face/ death benefit amount for certain insurance products
- More as increasing amounts of RiverSource Life and disability insurance are sold
- More when you move accounts (including retirement plan accounts) from another institution to Ameriprise Financial Services, Columbia Management or RiverSource
- Compensation for selling bank CDs and for certain savings and trust products
- No compensation for the renewal of Ameriprise certificates

Financial advisors who are employees of Ameriprise Financial Services receive concentrated training on Ameriprise, Columbia Management and RiverSource products, including RiverSource insurance and RiverSource annuity products, Columbia funds, and a targeted subset of nonproprietary products. As a result, if your financial advisor is an employee of Ameriprise Financial Services, the product recommendations you



will receive will likely be drawn from this universe of products.

Ameriprise Financial Services may enter into strategic alliances with companies that offer products or services that Ameriprise Financial Services and its financial advisors do not sell. In some of those alliances, Ameriprise financial advisors may receive gifts and offers from the other companies.

Some, but not all, of the financial planning software tools available for use by your financial advisor were developed by Ameriprise Financial Services or unaffiliated third parties and may make it more convenient for your financial advisor to select proprietary products.

Most Ameriprise financial advisors are also the appointed agents of RiverSource Life Insurance Company and, in New York only, RiverSource Life Insurance Co. of New York, affiliates of Ameriprise Financial Services. When acting as an agent for these affiliates, your financial advisor's interest may not be the same as your interest.

Additionally, it is possible that APTS would send an order on behalf of an APTS account to AEIS and at the same time AEIS would execute the opposite order for one of its brokerage clients. Investments may be made for APTS accounts in which Ameriprise Financial Services or its related persons have a position or interest. Although Ameriprise Financial Services and its related persons may own securities suitable for or held by clients, in no case will holdings of Ameriprise Financial, Inc., its subsidiaries or their employees or directors be directly sold to or purchased from APTS accounts. Ameriprise Financial Services or an affiliate may buy or sell for its own account securities that Ameriprise Financial Services will buy for the APTS accounts. Ameriprise Financial Services does not anticipate that conflicts of interest will arise because the policy of Ameriprise Financial Services is to effect transactions for APTS and other third-party clients before orders for Ameriprise Financial Services or other proprietary accounts.

### **Personal trading rules and procedures**

Ameriprise Financial Services has adopted personal trading rules and procedures within the Ameriprise Financial Code of Conduct ("Code of Conduct"). These rules are designed to state standards of business conduct and to mitigate potential conflicts of interest for all persons of Ameriprise Financial Services when they engage in personal securities transactions.

The standards of business conduct include compliance with applicable laws and regulations and with policies and procedures such as those contained in the Code

of Conduct. Under the personal trading rules within the Code of Conduct, persons are required to report their personal securities holdings and transactions, including transactions in certain mutual funds, must pre-clear certain investments, are restricted with respect to the timing of certain investments, and are prohibited from making certain investments. In addition, the Code of Conduct requires (i) Ameriprise employee financial advisors and their employees, (ii) its independent contractor franchisee financial advisors and their employees, and (iii) its affiliated investment advisers to conduct all personal trades through one of three designated broker-dealers unless an exception has been granted, and report any changes in their selected broker-dealer. Ameriprise Financial Services will provide a copy of our Code of Conduct to you upon request. You may obtain a copy by writing to: Ameriprise Financial Services, Inc., 1098 Ameriprise Financial Center Minneapolis, MN 55474

### **Insider trading policy**

Ameriprise Financial Services and its related persons may, from time to time, come into possession of material nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security.

Under applicable law, Ameriprise Financial Services and its related persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client. Accordingly, should Ameriprise Financial Services or its related persons come into possession of material nonpublic information with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, their respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, their clients when following policies and procedures designed to comply with law. Ameriprise Financial Services and its affiliates have adopted an "Insider Trading Policy" in accordance with Section 204A of the Advisers Act which establishes procedures to prevent the misuse of material nonpublic information by Ameriprise Financial Services and its associated persons.

### **Review of Accounts**

In addition to the following, review the bullet points outlined at the beginning of the "**Services, Fees and Compensation**" section above. Clients who hold a Managed Account will receive a consolidated statement at least quarterly reflecting all transactions in cash and

securities, deposits and withdrawals of principal and income, fees and expenses charged at the Account level, securities in custody held in an Account, and a record of cost-basis and unrealized/ realized gains and losses information for those securities. In making valuation determinations, Sponsor may rely on the services of a third party pricing service for, among other things, such valuation. Sponsor will provide you with confirmations of transactions in your Account. You may choose to waive receipt of these transaction confirmations in lieu of periodic statements in your Managed Account(s), except *SPS Advantage*. If you make this election, Sponsor will generally send confirmations only to your Investment Manager, or your financial advisor in the case of *SPS Advisor*, and you will be able to view transactions in these Accounts on your consolidated statement. If you have previously elected not to receive transaction confirmations, you may later choose to receive, at no additional cost, transaction confirmations for any prior transactions effected during any period in which you previously elected not to receive trade confirmations. Your decision to make this election is not a condition to participate in a Managed Account Service, and you will not pay a different Wrap Fee based on this decision. Certain Managed Account performance information is distributed to Investment Managers, and Sponsor's research personnel utilize the performance information in connection with their periodic reviews of Investment Managers as described above.

## Client referrals and other compensation

### **Referral arrangements and other economic benefits**

Ameriprise Financial Services makes formal and informal arrangements with individual professionals; professional firms; and select corporate, institutional or membership organizations, wherein compensation is paid to those professionals and entities for referral of clients or members to Ameriprise Financial Services for financial advisory services. The compensation to be paid in connection with these agreements is subject to negotiation between Ameriprise Financial Services and the applicable individual professional; professional firm; corporate, institutional or membership organization. Compensation may include one-time or ongoing payments based on sales of products and/or services offered by or through Ameriprise Financial Services and its affiliates to those referral clients or members.

Ameriprise Financial Services may also make informal arrangements with individual clients wherein compensation is paid to those clients for referral of

other individuals to Ameriprise Financial Services for financial advisory services.

Ameriprise Financial Services may form alliances and networking and referral arrangements with financial institutions such as community banks, credit unions, credit union service organizations and Farm Credit Services ("Third Party Financial Institutions") to allow its financial advisors to offer financial planning services and certain other non-deposit investment and insurance products and services, described elsewhere in this brochure, to retail customers/members of the Third Party Financial Institutions. As a result of these alliances or networking arrangements, financial advisors may not be able to offer to retail customers/members of the Third Party Financial Institutions certain products available through Ameriprise Financial Services or its affiliates. Also as a result of these alliances or networking arrangements, Third Party Financial Institutions may receive, in the form of a networking payment, a portion of advisory fees and securities and insurance commissions paid to financial advisors for sales to retail customers/members of the Third Party Financial Institutions.

### **Review of issuers of financial products**

Ameriprise Financial, Inc., and its affiliates have policies and procedures in place to review the issuers of financial products such as REITs, structured notes, and annuity and life insurance products that Ameriprise Financial Services permits its financial advisors to offer to some or all of its clients. This review includes publicly available information and reports issued by third-party rating agencies and may in some cases include certain nonpublic information provided by the issuer. Ameriprise Financial Services periodically reassesses, but does not continuously monitor, the creditworthiness or financial solvency of third-party issuers. These policies and procedures are reasonably designed to mitigate our clients' exposure to credit and default risks resulting from an inability of the issuer to repay the principal on a note or fulfill an insurance obligation. However, you should be advised that credit markets can be volatile and the creditworthiness of an issuer may change rapidly. Ameriprise Financial Services, as a seller of these products, is prohibited by regulation from guaranteeing or providing any assurance that an issuer of financial products will be able to fulfill the issuer's obligation to any purchaser of such a product through Ameriprise Financial Services.

## **Other compensation**

**Revenue Sources for RiverSource Life Insurance Company and, in New York only, RiverSource Life Insurance Co. of New York (collectively “RiverSource Life”).**

**Sales charges.** You pay sales charges under RiverSource fixed and variable annuity contracts and life insurance policies.

**Periodic fees and expenses.** You pay certain fees and expenses under RiverSource variable annuity contracts and life insurance policies, including (depending on the type of contract or policy) mortality and expense, administrative, policy, contract, and cost of insurance fees or charges, in addition to costs associated with certain riders that may be available for both fixed and variable contracts and policies.

**Investment and interest income.** Investment and interest income from insurance company general account assets derived, in part, from the amounts you pay for insurance and annuity benefits.

**Variable annuity and variable life insurance financial arrangements.** RiverSource Life selects the funds available within your variable annuity contract or variable life insurance policy. In doing so, RiverSource Life may consider various objective and subjective factors. These factors include compensation RiverSource Life may receive from fund assets (for those funds with 12b-1 plans); assets of the fund's adviser, subadviser or an affiliate of either; and assets of the fund's distributor or an affiliate. This compensation benefits RiverSource Life.

The amount of this revenue varies by fund, may be significant and may create potential conflicts of interest for RiverSource Life, and persons selling the contracts. The greatest amount and percentage of revenue that RiverSource Life receive comes from assets allocated to subaccounts investing in funds managed by its affiliates, Columbia Management Investment Advisers, LLC and Columbia Wanger Asset Management, LLC. In general, the compensation directly related to assets under management that RiverSource Life receives currently ranges up to 0.64% of the average daily net assets invested in the fund through the variable annuity or variable life insurance contracts RiverSource Life issues. The compensation is in addition to revenues RiverSource Life receives from the charges you pay when buying, owning and surrendering your variable annuity contract or variable life insurance policy. In accordance with applicable laws, regulations and the terms of the agreements under which such

compensation is paid, RiverSource Life may receive this compensation for various purposes including financial advisor training and compensation, marketing and distribution, customer servicing, transaction processing, record keeping and other administrative services.

## **Revenue sources for Columbia Management Investment Advisers**

**Periodic fees and expenses.** Columbia Management Investment Advisers, LLC receives mutual fund management fees and certificate advisory and services fees. These revenues are received by Columbia Management Advisers from Columbia and from other Affiliated Columbia Funds, Ameriprise certificates, and from other affiliated and nonaffiliated advisory clients of Columbia Management Advisers. Columbia Management Advisers also receives fees from Ameriprise Financial Services for investment management services for *Active Income Portfolios* and *Active Accumulation Portfolios*.

## **Revenue sources for other Ameriprise Financial, Inc. companies**

There are a number of other Ameriprise Financial, Inc. companies that will receive revenue from the charges and fees you pay, including the following:

- **Ameriprise Certificate Company** receives investment spread income earned on, and any early withdrawal penalty related to, Ameriprise certificates.
- **Columbia Management Investment Services Corporation** receives reimbursement of certain fees and expenses paid from Columbia and other Affiliated Columbia Funds and Ameriprise certificates in exchange for the transfer within your variable annuity contract or variable life insurance agent services it provides.
- **American Enterprise Investment Services, Inc.**, is compensated for its services through the brokerage commission charged for each brokerage transaction, including transactions made in an APTS account or the brokerage commission is included in the overall asset-based fee, depending on the option you select. Additionally, AEIS receives compensation in the form of fees paid to it by the participating banks in the bank sweep program, interest charged on your margin account balance, and order handling fees. AEIS may also engage in principal trading of certain types of fixed income securities – that is, it may buy and sell these securities for its own account with the objective of making a profit. In certain circumstances, AEIS may buy these securities from you or sell these securities

to you on a principal basis, in which case you will pay a mark-up or mark-down on the transaction. The capacity in which AEIS acts in any particular transaction is disclosed on each transaction confirmation you receive.

- **Ameriprise Financial, Inc.**, receives fees paid from Columbia and other Affiliated Columbia Funds and Ameriprise certificates in exchange for the administrative services it provides.
- **Columbia Management Investment Distributors, Inc.**, receives fees paid from Columbia and other Affiliated Columbia Funds in exchange for the distribution services it provides. Ameriprise Financial Services has a financial interest in the sale of Columbia and other Affiliated Columbia Funds, Ameriprise certificate and RiverSource Life products and certain other mutual funds.

**Ameriprise Financial Services** sells annuity and life insurance products manufactured by its RiverSource Life affiliate, as well as products from nonproprietary providers. RiverSource Life is permitted to reimburse Ameriprise Financial Services, or Ameriprise financial advisors, for client/prospect education events and advisor sales meetings, seminars, and training events pertaining to annuity and life insurance products, consistent with Ameriprise Financial Services policies; Ameriprise Financial Services may also receive nominal non-cash benefits from time to time. Non-proprietary annuity and life insurance providers may not provide some services, or the same level of services, to Ameriprise financial advisors. As a result, Ameriprise financial advisors may have a greater familiarity with RiverSource annuity and life insurance products.

**Ameriprise Bank, FSB** receives investment income earned on its investment portfolio backing deposit accounts, product fees (such as monthly fees), interest charges on lending and credit products, and any early withdrawal penalties on certificates of deposit. To the extent that Ameriprise Bank receives deposits through its participation in the Ameriprise Insured Money Market Account ("AIMMA") offered by its affiliate Ameriprise Financial Services, Ameriprise Bank uses such deposits to fund current and new loans and investments. Ameriprise Bank generates investment income based on the difference between the interest it receives on loans and the amount it pays for the deposits. Favorable pricing between affiliates may contribute to higher revenue, which may result in greater profitability to Ameriprise Financial, Inc.

## How we get paid

**This section should be read in connection with the "Services, Fees and Compensation" and/or the "Client Referrals and Other Compensation" sections in this Brochure.**

Ameriprise Financial Services and its affiliates receive revenue from several different sources on the products and services you purchase. These sources include the fees and charges you pay, other arrangements we have in place with product companies, and investment and interest income. The revenue generated or received supports, in part, the development of new products, maintenance of our infrastructure, and retention of employees and financial advisors. Further on in this section you will find information on how our financial advisors are paid.

### Revenue Sources for Ameriprise Financial Services, Inc.

#### Payments from Clients:

**Financial planning and advisory service fees.** These are fees you pay for financial planning and fee-based investment advisory account services, respectively.

**Sales Charges.** Sales charges, commissions and/or selling concessions are paid when you buy or sell mutual funds, 529 plans, stocks and bonds, closed-end funds, REITs, and structured products. These charges vary by product and product type. For example, the sales charge for a stock mutual fund is typically greater than that for a bond mutual fund. When you buy REITs, the charge you pay may also include a portion of the distribution, organization and offering fees and expenses.

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

Ameriprise Financial Services offers programs that may result in reimbursement to client accounts for certain periodic fees. These programs do not apply to Managed Accounts. In our client loyalty program, *Ameriprise Achiever Circle*, participants are eligible for reimbursement of certain fees. In another program, Ameriprise financial advisors may receive funding from Ameriprise Financial Services that is based on a financial advisor's prior-year compensation and use the funds to reimburse client accounts for periodic fees. Not all financial advisors participate in the latter program, and it is possible that not all fees may be reimbursed.



Sales charges, trading commissions, and financial planning and advisory services fees are not eligible for reimbursement.

Ameriprise Financial Services may provide a fee reduction to its employees and affiliates for certain products and services.

**Periodic Expenses.** Periodic expenses are paid from product assets, such as 12b-1 fees paid from mutual fund assets (including 12b-1 fees paid on certain funds that serve as underlying investment options for variable annuities, variable life insurance and 529 plan assets) and distribution fees paid from Ameriprise Certificate assets. 12b-1 fees may be used to pay for marketing, distribution and shareholder service expenses.

**Interest.** If you request a margin account, interest is charged on your margin balance. A portion of the revenue from margin interest you pay may be shared with your Ameriprise financial advisor. You may also pay interest through the use of the Overdraft Protection feature of your brokerage account.

**Payment from Product Companies.** Ameriprise Financial Services receives a variety of payments for selling the products of proprietary (e.g. Columbia Management) and nonproprietary product companies. These payments include payments for marketing support, recordkeeping and other client account services, startup costs, technology and related expenses, conferences, and client events. The most significant payments are marketing support payments.

**Mutual fund and 529 Plan Marketing and Sales Support Payments.** Mutual fund and 529 plan marketing and sales support payments are received from certain mutual fund firms (described below as “Full Participation Firms” and “Limited Participation Firms”). These payments form a structure referred to here as “the Program” within the more than 250 mutual fund families (“firms”) Ameriprise Financial Services offers.

The goal at Ameriprise Financial Services is to offer a wide range of mutual funds using the following criteria:

- Marketing payments to support the cost of distribution
- Financial strength of the firm
- Product breadth and strong-performing funds
- Ability to provide wholesaling and training to our financial advisors
- Tax benefits offered by individual states (specific to 529 Plans)
- Overall quality of the 529 plan (specific to 529 Plans)

Ameriprise financial advisors may offer, and clients are free to choose, mutual funds from the more than 250 firms offered. However, certain aspects of the Program may create a conflict of interest or incentive if Ameriprise Financial Services promotes, or Ameriprise financial advisors recommend, the mutual funds offered by a firm participating in the Program versus mutual funds offered by nonparticipating firms. In addition, among firms participating in the Program, financial advisors generally have a greater incentive to offer mutual funds from Full Participation Firms than mutual funds from Limited Participation Firms. As further described below, these conflicts and incentives may arise from the marketing and sales support provided to our financial advisors by, as well as the payments Ameriprise Financial Services receives from, firms participating in the Program and with other relationships with firms, including our affiliation with Columbia Management Investment Advisers and the Columbia-branded mutual funds, in addition to other fund brands (the “Affiliated Columbia Funds”) – see the section titled “Columbia and other affiliated mutual funds” below.

**Marketing and Sales Support.** The firms in the Program that are Full Participation Firms provide education, training, marketing and sales support to Ameriprise financial advisors. These firms may reimburse Ameriprise Financial Services or Ameriprise financial advisors for client/prospect education events and financial advisor sales meetings, seminars and training events consistent with Ameriprise Financial Services policies. Ameriprise Financial Services may also receive nominal noncash benefits from time to time. Limited Participation Firms pay marketing support at a lower level than do Full Participation Firms; therefore, Limited Participation Firms may not provide some services, or the same level of services, to Ameriprise financial advisors. As a result, Ameriprise financial advisors may have a greater familiarity with and an incentive to sell funds and 529 Plans of Full Participation Firms.

**Marketing and Sales Support Payments.** To be included in the Program, firms have agreed to pay Ameriprise Financial Services a portion of the revenue generated from the sale and/or management of mutual fund shares. Full Participation Firms pay marketing support at a higher level than do Limited Participation Firms. Each year a client holds shares of a particular mutual fund, the mutual fund’s advisor or distributor may pay to Ameriprise Financial Services an amount based on the value of the mutual fund shares held in clients’ accounts (asset-based payment). In addition, a mutual fund’s advisor or distributor may pay a fee to Ameriprise Financial Services for the mutual fund

shares purchased during a given period (sales-based payment). As of December 2011, Ameriprise Financial Services received an asset-based payment (up to 0.22% per year for mutual funds and 0.16% per year for 529 Plans) on some or all of Ameriprise Financial Services clients' assets managed by the participating firms and a sales-based payment (up to 0.22% for mutual funds and up to 20% for 529 Plans) on some or all of the participating firms' gross sales made through Ameriprise Financial Services.

Limited Participation Firms generally limit by prospectus the amount of marketing support their affiliates may pay on mutual funds.

Ameriprise Financial Services receives up to 0.62% of money fund deposits for its money market fund sweep program. The amount that Ameriprise Financial Services receives may be reduced based on fee waivers that are imposed by the money market fund firm.

These arrangements vary between firms and may be subject to change or renegotiation at any time. If a firm ceases to pay marketing support or other fees, Ameriprise Financial Services may remove the firm from the Program and may cease to offer mutual fund shares and or the 529 Plan(s).

**Full Participation.** Twenty-four firms fully participate in the Program. These firms include Columbia mutual funds (and the Affiliated Columbia Funds), American Century, BlackRock, Calvert, Credit Suisse, Dreyfus, DWS Investments, Eaton Vance, Federated, Fidelity, Goldman Sachs, Invesco, Ivy, Janus, John Hancock, JP Morgan, Legg Mason, MFS, Nuveen, Oppenheimer, Prudential, Putnam, Virtus and Wells Fargo. These firms are referred to as "Full Participation Firms."

We offer 529 Plans from 20 firms. Of those firms, 13 are Full Participation Firms. These fund firms include American Century, BlackRock, Calvert, Columbia, DWS Investments, Fidelity, Ivy, John Hancock, Legg Mason, MFS, Oppenheimer, Putnam and Wells Fargo. Each of these firms is referred to as a "Full Participation Firm."

**Limited Participation.** Four firms participate in the Program at a limited level. These firms include AllianceBernstein, Allianz Global Investors, PIMCO and Franklin Templeton. These firms are referred to as "Limited Participation Firms." 529 Plan "Limited Participation Firms" include AllianceBernstein, Allianz Global Investors, Franklin Templeton, Hartford and Uprmise.

**Distribution Support Relationships.** Ameriprise Financial Services also has arrangements with firms

for distribution support services. These firms make payments of up to 0.18% on sales and 0.10% on assets to Ameriprise Financial Services for these services, which support the distribution of the fund's shares and 529 Plans by making them available on one or more of Ameriprise Financial Services platforms, commonly known as "shelf space." These mutual fund firms do not provide marketing and sales support to Ameriprise financial advisors and do not participate in the mutual fund list (as described in the next section).

Ameriprise Financial Services sells 529 Plans from three firms that neither have wholesaling access to Ameriprise financial advisors nor pay marketing or distribution support. Moreover, the plans are available for sale to in-state residents only. Those firms are: American Funds, First National Bank of Omaha and Union Bank & Trust.

The most current program information, as well as the previous calendar year's totals of marketing support received from Full and Limited Participation firms, in addition to distribution support amounts, may be viewed online by visiting [www.ameriprise.com/funds](http://www.ameriprise.com/funds) and clicking on "Purchasing mutual funds through Ameriprise".

**Mutual fund list.** Ameriprise financial advisors may make mutual fund recommendations based on a group of funds that appear on an Ameriprise Financial Services mutual fund list (the "List"). The List is developed by the Ameriprise Financial Investment Research Group. Approximately 1,400 mutual funds are eligible for inclusion on the List, which includes only mutual funds deemed "Full Participation Firms" in the Ameriprise Financial Services Mutual Fund Program described above.

In developing the List, the Ameriprise Financial Investment Research Group applies a quantitative and qualitative evaluation process that includes an analysis of a fund's returns, risk and expenses; the tenure of its portfolio managers; and the consistency of its performance and style. Certain mutual funds that would have otherwise been included on the List were excluded due to their high investment minimums. Client suitability must be considered when trading mutual funds, including breakpoint discount eligibility and NAV transfer availability. The funds on the List are subject to change periodically; however, changes to the List should not be the sole reason to prompt trading.

This List is developed by evaluating the characteristics of each fund's A share class. As a result, clients for whom another share class may be more advantageous

may be unable to purchase a fund on the List if that fund does not offer that particular share class. In addition, the List was developed using those funds currently available through SPS *Advantage*, SPS Advisor or Ameriprise brokerage. As a result, clients may not be able to purchase a fund on the List if that fund is not available through the service in which the client invests.

Ameriprise Financial Services receives payments for the services we provide to the Full Participation Firms (including our affiliate, Columbia Management Investment Advisers) and to other funds available for sale at Ameriprise Financial Services. The amount of fees Ameriprise Financial Services receives from funds eligible for inclusion on the List is not considered in the selection process for inclusion on the List, and no fund pays Ameriprise Financial Services to be on the List. Clients may choose to follow the recommendations provided by the Ameriprise financial advisor or may select from any of the other funds offered through Ameriprise Financial Services, regardless of whether that fund appears on the List.

**Other financial relationships.** In addition to sales charges, 12b-1 fees and marketing support payments Ameriprise Financial Services receives, the mutual fund's adviser, distributor or affiliate may also make other payments to Ameriprise Financial Services for client services and other account maintenance activities provided. Information about these charges and fees may be viewed at [ameriprise.com/funds](http://ameriprise.com/funds) in the documents titled "An Investor's Guide to Purchasing Mutual Funds Through Ameriprise Financial" or by clicking on the link "Purchasing mutual funds through Ameriprise" or in the mutual fund prospectus. Ameriprise Financial Services receives up to 0.40% per year on some or all of its Ameriprise Financial Services clients' assets managed by participating mutual fund firms.

Ameriprise Financial Services provides clients with access to other firms through its relationship with Charles Schwab & Co., Inc. ("Schwab"), and Schwab's mutual fund program. Schwab passes to Ameriprise Financial Services certain payments it receives from firms accessed through its program. AEIS receives payments from some firms for client and other account services. AEIS shares a portion of that fee with Ameriprise Financial Services for providing distribution support services, which is sometimes referred to as shareholder support services.

Ameriprise Financial Services and its affiliates may have other relationships with firms whose mutual funds Ameriprise Financial Services offers. These

relationships may include affiliates of firms acting as a sub-adviser to Columbia Management Investment Advisers, Columbia Management Investment Advisers' acting as a sub-adviser to a firm, or affiliates of a firm managing an investment portfolio within another Ameriprise Financial Services or affiliated product, such as a RiverSource variable annuity. Firms may use Columbia Management Investment Advisers as an underlying investment option in products offered through the Program.

Ameriprise Financial Services has a marketing support agreement with BlackRock Advisors, LLC with respect to BlackRock Funds positions held by Ameriprise Financial Services customers. BlackRock, Inc. is part of Barclays Global Investors which owns more than 5% of the outstanding shares of Ameriprise Financial, Inc. stock.

### **Columbia and other affiliated mutual funds**

The following funds are now affiliated with Ameriprise Financial, Inc.: Columbia, Wanger, Columbia Acorn, RiverSource, Seligman, and Threadneedle. The affiliates of Ameriprise Financial Services provide certain administrative, and transfer agent services to these mutual funds. Ameriprise Financial Services and its affiliates generally receive more revenue from sales of affiliated mutual funds than from sales of other mutual funds. Employee compensation and operating goals at all levels of the company are tied to the company's success. Certain employees may receive higher compensation and other benefits based, in part, on assets invested in affiliated mutual funds.

### **Payments from other nonproprietary product providers** **Payments from hedge fund offering sponsors.**

Ameriprise Financial Services, in consideration for its marketing and other services, may receive ongoing investor service fee payments up to 1% of assets from hedge fund offering sponsors.

**Payments from nonproprietary annuity and insurance companies.** Nonproprietary annuity and insurance marketing, sales support and commission payments are received from unaffiliated insurance companies directly or through intermediaries.

Ameriprise Financial Services sells annuity and life insurance products manufactured by its RiverSource Life affiliate, as well as products from three nonproprietary variable annuity companies to its clients. Compensation payable to the selling adviser is equal among RiverSource Life and the three nonproprietary variable annuity companies for comparable products; however, compensation payable to Ameriprise Financial Services may vary among the four companies.

RiverSource Life is permitted to reimburse Ameriprise Financial Services or Ameriprise financial advisors for client/ prospect education events and financial advisor sales meetings, seminars and training events. The nonproprietary variable annuity companies pay distribution support payments to Ameriprise Financial Services up to 0.69% on sales and up to 0.15% on assets under management for “shelf space” and to help cover the costs of product training, business reporting, advertising and other activities. These companies also provide support to an Ameriprise Financial Services internal sales desk, which in turn provides support to financial advisors. These nonproprietary variable annuity companies do not provide direct client or financial advisor education or sales support, other than addressing client service issues. As a result, Ameriprise financial advisors may have a greater familiarity with RiverSource annuity products and may be more likely to sell those products.

Ameriprise Financial Services receives from the nonproprietary long-term care insurers payments up to 30% of the commissionable premium and varying payments from nonproprietary life, disability and other insurance carriers.

**Payments from direct investment sponsors.** Ameriprise Financial Services has agreements with the sponsors of direct investments including non-traded REITs. In exchange for certain services, such as distribution, marketing, and customer support and related services, these sponsors pay Ameriprise Financial Services a portion of the proceeds generated from the sale of direct investment shares. For selling direct investments, Ameriprise Financial Services may receive a fee of up to 8.50% of the price of each share sold. A portion of this fee is paid to the financial advisor. This fee is composed of varying levels of selling commissions, marketing support payments and selected dealer fees.

**Payments from structured products sponsors.** Ameriprise Financial Services receives a fee comprising selling commissions, selected dealer fees and/ or marketing support fees for the sale of structured products. The marketing support fees are up to 60 basis points multiplied by the term of the product multiplied by the notational sales amount of the product.

Ameriprise Financial Services has a marketing support agreement with Barclays Bank, PLC, and Barclays Capital, Inc., with respect to the firms’ structured products sold at Ameriprise Financial Services. Barclays Bank, PLC retains ownership of a portion of Barclays Global Investors, which owns more than 5% of the outstanding shares of Ameriprise Financial, Inc. stock.

**Payments for referrals to structured settlements agents.** Ameriprise Financial Services receives a fee, shared with financial advisors, for referrals to structured settlement professionals for both clients and non-client referrals. The amount and basis for the referral fee varies by relationship multiplied by the notational sales amount of the product.

**Underwriters’ compensation.** Ameriprise Financial Services receives a fee comprised of a selling concession, management fee, underwriting fee, and, in some cases, a structuring fee for the sale of initial public offerings (“IPOs”) such as closed-end funds and preferred securities. The specific amounts vary by individual offering, and are disclosed in the prospectus.

**Transaction charges.** Ameriprise financial advisors pay charges on certain mutual fund and general securities transactions, including structured products and IPOs of closed-end funds and preferred securities. Transaction charges are determined using a variety of factors, such as the type of transaction; processing methodology (e.g., online, telephone, systematic arrangements); account type (fee-based SPS *Advantage* account/ transaction-based brokerage account); and, in one case, the firm. Ameriprise financial advisors pay the same mutual fund transaction rate for all mutual fund firms except American Funds. Not all mutual fund families, including American Funds, are available for purchase in a Managed Account. For more information about payments and potential conflicts of interest, please see the applicable prospectus, term sheet, application or other client disclosure forms.

#### **Financial Interest in Products**

Ameriprise Financial Services has a financial interest in the sales of proprietary products that are manufactured by its affiliates. Ameriprise Financial Services and its affiliates receive more revenue from the sale of some financial products and services, particularly those products and services sold under the Ameriprise, Columbia Management Investment Advisers, LLC and RiverSource brands, than for the sale of other products and services.

Ameriprise Financial Services generally also receives more revenue for securities or products sold in a fee-based account than for those sold with only a sales charge or commission. Higher revenue generally results in greater profitability for Ameriprise Financial Services. Employee compensation (including management and field leader compensation) and operating goals at all levels of the company are tied to the company’s success. Management, sales leaders and other employees



generally spend more of their time and resources promoting Ameriprise, Columbia Management Investment Advisers, LLC and RiverSource products and services.

Both Ameriprise Financial Services and your individual financial advisor are compensated when you buy mutual funds through Ameriprise Financial Services. Generally, your financial advisor receives a substantial portion of the sales charge and 12b-1 fees paid to the firm in connection with your purchase for as long as you own your fund shares. Sales charges and 12b-1 fees vary from mutual fund to mutual fund and from class to class. Ameriprise Financial Services and the financial advisor receive more compensation on fund or share classes that pay higher fees.

Ameriprise Financial Services and the financial advisor generally receive less compensation when the sales charge and/or 12b-1 fee is reduced, waived completely, or where there is no sales charge. Therefore, there is an incentive for our advisors to sell a fund from a load fund family or a fund that pays a 12b-1 fee over one that does not.

Ameriprise Financial Services and Ameriprise financial advisors are paid in different ways for helping you choose mutual funds, depending on the type of fund, amount invested, and share class purchased. Ameriprise Financial Services and Ameriprise financial advisors generally receive reduced compensation when a sales charge or 12b-1 fee is reduced or eliminated or where there is no sales charge or 12b-1 fee, which may influence your advisor to recommend certain funds or classes over others. Employee financial advisors receive compensation on 12b-1 fees for brokerage transactions only.

Ameriprise Financial Services and financial advisors receive more compensation for sales of certain types of products, such as insurance rather than others.

## How our financial advisors get paid

An Ameriprise financial advisor is assigned to every Managed Account. Ameriprise financial advisors have a wide range of business and educational backgrounds. They are required to have appropriate licenses and registrations to transact business, including Financial Industry Regulatory Authority ("FINRA") registration, required state securities and insurance licenses, and where required, a state investment adviser registration.

Many financial advisors hold advanced academic degrees and/or professional designations, including Certified Financial Planner™ (CFP®) designation. In addition, a comprehensive training program and ongoing

training is available to financial advisors. **For additional important information about an advisor check FINRA BrokerCheck at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or call 1.800.289.9999.**

Your financial advisor earns a living by providing you with financial advice and product recommendations to suit your goals. To understand how your financial advisor gets paid, you should first know there are three ways Ameriprise financial advisors can be affiliated with us.

- **Independent contractor franchisees** – These financial advisors are not employed by Ameriprise Financial Services and they do not receive a salary from us.
- **Employee financial advisors** – These financial advisors are employed by Ameriprise Financial Services.
- **Associate financial advisors** – These financial advisors are employed by or contract with the independent contractor franchisees.

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

Additionally, some of our financial advisors may be under different compensation systems than others, depending on, among other factors, the financial advisor's industry experience and tenure with Ameriprise Financial, Inc. and whether the advisor was formerly associated with a firm acquired by Ameriprise Financial, Inc.

**Salary.** Employee financial advisors and associate financial advisors receive a salary or flat fee, in addition to the fees described below, from Ameriprise Financial Services or the independent contractor franchisee advisor, respectively. The independent contractor associate financial advisor does not receive a salary from the independent contractor franchisee, but may receive a flat fee. Employee financial advisors also have the potential to receive bonus compensation.

**Commissions and referral fees.** A portion of the financial planning service and advisory service fees is paid to your financial advisor for introducing you to the service, gathering the information necessary to prepare your service, helping you establish needs and goals, preparing and presenting your service, and/or providing financial advice on behalf of Ameriprise Financial Services. The remaining portion of the fees goes to Ameriprise Financial Services for the supervisory, technical, administrative and other support

that is provided to all financial advisors. Additionally, sales charges you pay on the products and services you purchase, as well as a portion of the fees you pay for personal trust services, are paid to your financial advisor in the form of commissions. The amount paid to your financial advisor depends on the payout rate your financial advisor qualifies for and the amount of fees you pay.

- Independent contractor franchisees generally receive 72% to 95% and employee financial advisors generally receive 0% to 55% of the advisory service fees and product commissions we receive (the “advisor payout rate”).
- In general, commission and referral fees generated by an associate financial advisor are paid to the employing or contracting financial advisor. At the discretion of the employing or contracting financial advisor, the associate advisor may receive a bonus.

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

Some products and services, including certain variable annuities and life insurance products issued by third parties, may be offered only by certain Ameriprise financial advisors. Discuss with your financial advisor the differences in the products and compensation to your financial advisor as some issuers, including RiverSource Life, may pay higher compensation than others.

Your financial advisor may receive compensation, both monetary and/or in the form of Ameriprise Reward points, a rewards program that enables recipients to redeem points for goods, services, travel or cash through affiliates of Ameriprise Financial Services, for the solicitation of certain banking products and services. Your financial advisor may also receive referral fees or client management fees and Ameriprise Reward points when you purchase and maintain *Ameriprise Auto and Home*® insurance products.

Our financial advisors primarily offer life insurance and fixed-annuity products from RiverSource Life. However, in some situations where the client’s needs may be met more effectively by another company’s product, where RiverSource Life does not offer a product (such as long-term care coverage) or in the offering of variable annuity products where a wider variety of investment choices

may be available. In these situations, Ameriprise financial advisors may offer insurance products issued by unaffiliated insurance companies.

If a nonproprietary insurance product is offered, the financial advisor is an appointed agent of the insurer and receives compensation from the insurer for the sale and service of that product. The compensation for these nonproprietary products and RiverSource life insurance and annuity products is separate from, and in addition to, any fee you pay for financial advisory or planning services and may vary depending on the type and size of the life insurance or annuity product that you purchase, the insurer that issues the product, the total number of life insurance and annuity products sold by the financial advisor for that insurer, and other factors. This compensation typically will increase as the amount of the payments that you make on the life insurance or annuity product increases. Generally speaking, the compensation that the financial advisor will receive is calculated by a formula. This compensation may also increase as the financial advisor sells increasing amounts of life insurance or annuity products issued by that insurer.

In instances where a customer already owns a financial product sold by Ameriprise Financial Services, the amount of a financial advisor’s compensation may vary in connection with the sale of an additional or replacement product, due to formulas relating to the cancellation of a product that is already owned. As a result, the financial advisor in such a transaction may have an incentive to recommend the purchase of additional or replacement insurance or annuity products or, conversely, an incentive to recommend that you not purchase additional or replacement insurance or annuity products, depending on the relevant compensation formula. Financial advisors may receive additional compensation based on non-traded REIT sales.

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

Ameriprise Financial Services or sales leaders may, from time to time, offer contests, incentive programs, premiums or promotions to individual financial advisors or groups of financial advisors in particular areas. These programs may provide cash and/or noncash compensation to financial advisors for sales of particular products or services. In addition, Ameriprise Financial Services or sales leaders may also, from time to time, sponsor promotions and sales contests, or otherwise pay incentive compensation to financial advisors and wholesalers based on the aggregate number of agreements entered into by the financial advisor. These programs and incentives and the receipt of other cash/noncash compensation could affect your financial advisor's recommendations of products and/or services to you.

These programs and incentives and other cash and/or noncash compensation are subject to SEC and FINRA regulations as well as the Ameriprise Financial Services internal compliance policies.

Consistent with industry practice, Ameriprise Financial Services from time to time recruits financial advisors from other firms to join Ameriprise Financial Services. In connection with these recruiting efforts, Ameriprise Financial Services may compensate financial advisors or loan advisors money to facilitate their transition to Ameriprise Financial Services. These funds may be payable immediately, over time or as a loan, and the funds or loans may be dependent on the financial advisor meeting agreed-upon production levels.

**Ameriprise Financial, Inc. Equity Programs.** We encourage our financial advisors to take an ownership stake in our future by holding stock in our parent company, Ameriprise Financial, Inc. (NYSE: AMP). To make this possible for financial advisors, we have created three equity compensation programs for them. Employee financial advisors and independent contractor franchisees may be eligible to receive an annual stock bonus and may be eligible to defer a certain percentage of their compensation each year in exchange for a future interest in Ameriprise Financial, Inc. stock, determined by product sales.

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

**Loan Programs.** Ameriprise Bank, FSB originates mortgage loans through its *Ameriprise Home Lending Program*, supported by back-office functionalities (including loan processing and servicing) provided by

certain third-party service providers. In September 2011, the *Ameriprise Home Lending Program's* back-office functionalities were supported by PHH Mortgage Corporation ("PHH"). Prior thereto, the *Ameriprise Home Lending Program* was supported by EverBank, FSB, a federal savings bank. Neither PHH nor EverBank is affiliated with Ameriprise Financial Services. Ameriprise Financial Services is not the loan originator or the provider of any such loan services. Your financial advisor may be authorized to provide certain loan origination services pursuant to the *Ameriprise Home Lending Program* and receive compensation for their services in connection with such loan activities. With limited exceptions, neither your Ameriprise financial advisor nor Ameriprise Financial Services may arrange for, promote, suggest or knowingly permit you to use loan proceeds to purchase securities or other investment products (the "Loan Prohibition"). Ameriprise Bank, FSB will provide information to Ameriprise Financial Services about you and/or other Ameriprise Financial Services clients that secure such loans, including information about these loans. This information will be used by Ameriprise Financial Services to monitor investment account(s) in a manner that is designed to maintain compliance with the Loan Prohibition.

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

**Compensation Paid to Others.** Your financial advisor may be authorized to share his or her portion of the investment advisory fee he or she receives with one or more other Ameriprise financial advisor(s), nonauthorized advisor, franchise consultants, or registered principals, as described below.

In cases where two financial advisors are assisting you, both financial advisors share in the investment advisory fee. Your primary, or servicing financial advisor, will always present the Managed Account or Ameriprise Financial Planning Service ("AFPS"), set the investment advisory fee, and oversee the analysis and advice prepared for you. Financial advisors may also choose to work together as a team that shares fees and commissions from products and services you purchase. The cost of the product or service you purchase is not affected by the fact that your financial advisor is a member of a team or by the fact that the fee or commission may be split.

If an authorized financial advisor works with a nonauthorized financial advisor, no part of your investment advisory fee is for the service of the non-authorized advisor, and none of the services performed by the non-authorized advisor are part of a Managed Account Service or AFPS.

Some authorized financial advisors may pay a fee to a non-authorized financial advisor who refers a client to the authorized advisor for the performance of a Managed Account or AFPS. A non-authorized financial advisor may receive a share of the commission from any products sold to you by your authorized financial advisor.

Your financial advisor may work with a franchise consultant. In those situations, the franchise consultant may receive compensation based on services and products that you purchase, and for the training and leadership of your financial advisor.

Your financial advisor may employ staff or work with other Ameriprise Financial Services staff to assist with creating your financial planning recommendations. This may include leveraging services in geographic locations outside of your financial advisor's location, including international locations.

Services provided may include entering data into financial planning software, proving initial calculation and assistance in creating solutions. Your financial advisor will provide final recommendations to you. For these services your financial advisor may pay a fee or salary to employed staff.

Financial advisors and field leaders may share compensation with their registered support assistants.

**Compensation for Bank Products.** Ameriprise Financial Services offers retail banking products through its affiliate Ameriprise Bank, FSB. Financial advisors may earn compensation for offering bank products, including loans and deposit, credit card, and personal trust services. Financial advisors may also be employed by Ameriprise Bank to offer mortgage products. These banking duties are separate from their duties as financial advisors. While acting in their capacity as mortgage originators, financial advisors are not acting on behalf of Ameriprise Financial Services.

**For Clients Without a Financial Advisor.** Certain products can be purchased through the Ameriprise Financial Services online brokerage site without the aid of a financial advisor. If you do not work with a financial advisor, Ameriprise Financial Services keeps the full amount of any fees paid to us in connection with your

transaction. These fees are used in part to pay other employees and to pay for the technology that supports the services we provide you.

### **Management Compensation and Bonus Programs.**

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

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

## **Financial information**

Registered Investment Advisors are required to provide you with certain financial information or disclosures regarding their financial condition. Ameriprise Financial Inc. currently has no known financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceedings.

The Brochure Supplements following this paragraph provide information about persons who are principally responsible for managing and overseeing the Managed Accounts. Additionally, a brochure supplement has also been included for key members of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments.



## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Frank A. McCarthy, who is a member of the Investment Committee for Ameriprise Financial Services, Inc. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Frank A. McCarthy

AMERIPRISE FINANCIAL SERVICES  
369 Ameriprise Financial Center  
MINNEAPOLIS, MN 55474  
(800) 834-8959

Company Address

Ameriprise Financial Services, Inc  
707 South 2nd Avenue Street  
Minneapolis, MN 55474  
(800) 862-7919

## Educational, Background and Business Experience

**Year of birth:** 1953

**High school graduate:** Yes

**Level of post secondary education:** BS, St. Cloud State University, 1975; JD, William Mitchell College of Law, 1980

## Business Experience:

- Vice President & General Manager – External Products
- In addition to his participation on the Ameriprise Financial Services, Inc. Investment Committee, Mr. McCarthy is General Manager of External Products where his responsibilities include strategic planning, profit and loss, product development and management. Mr. McCarthy has been with the firm since 2004. Prior to joining Ameriprise Financial, Mr. McCarthy was President of TCF Bank's affiliated broker-dealer, TCF Investments, Inc. and then as Chief Operating Officer of TCF Investments & Insurance Group.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

Additional information about this person is available at [brokercheck.finra.org](http://brokercheck.finra.org).

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Product companies (including our affiliates) with which we have agreements work with Ameriprise Financial Services, Inc. and our financial advisors to provide education and other support to help distribute their products. These companies may pay for training and education events, seminars or other similar events for employees, financial advisors, clients and prospective clients. They may also reimburse expenses for due diligence meetings or occasionally provide business or recreational entertainment. Some companies also may compensate the financial advisor a service fee. These service fees, as well as incentive programs and cash and/or noncash compensation, all are strictly regulated by the SEC and Financial Industry Regulatory Authority, as well as Ameriprise Financial Services, Inc. internal compliance policies.

## Supervision

Ameriprise Financial Services, Inc., through its Investment Committee, serves as the Investment Manager for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® investments. The Investment Committee engages both affiliated and non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. Mr. McCarthy's activities are supervised by Joseph E. Sweeney, President, Advice & Wealth Management Products and Services for Ameriprise Financial Services, Inc.

**Supervisor:** Joseph E. Sweeney

**Title:** President, Advice & Wealth Management Products and Services

**Phone Number:** (800) 834-8959

---

## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Greg Nordmeyer, who is a member of the Investment Committee for Ameriprise Financial Services, Inc. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Greg Nordmeyer

AMERIPRISE FINANCIAL SERVICES

420 Ameriprise Financial Center

MINNEAPOLIS, MN 55474

(800) 834-8959

Company Address

Ameriprise Financial Services, Inc

707 South 2nd Avenue Street

Minneapolis, MN 55474

(800) 862-7919

## Educational, Background and Business Experience

**Year of birth:** 1961

**High school graduate:** Yes

**Level of post secondary education:** BME, University of Northern Iowa, 1983

## Business Experience:

- Vice President & General Manager, Managed Accounts, Retirement Plans & Investment Research
- In addition to his participation on the Ameriprise Financial Services, Inc. Investment Committee, Mr. Nordmeyer is General Manager of Managed Accounts, Retirement Plans & Investment Research where his responsibilities include strategic planning, profit and loss, product development and management for these product and services. Immediately prior to this position, Mr. Nordmeyer was Vice President & General Manager of Brokered Products and Personal Trust Services where responsibilities also included investment management of Personal Trust accounts. Mr. Nordmeyer has been with the firm since 1989.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

Additional information about this person is available at [brokercheck.finra.org](http://brokercheck.finra.org).

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Product companies (including our affiliates) with which we have agreements work with Ameriprise Financial Services, Inc. and our financial advisors to provide education and other support to help distribute their products. These companies may pay for training and education events, seminars or other similar events for employees, financial advisors, clients and prospective clients. They may also reimburse expenses for due diligence meetings or occasionally provide business or recreational entertainment. Some companies also may compensate the financial advisor a service fee. These service fees, as well as incentive programs and cash and/or noncash compensation, all are strictly regulated by the SEC and Financial Industry Regulatory Authority, as well as Ameriprise Financial Services, Inc. internal compliance policies.

## Supervision

Ameriprise Financial Services, Inc., through its Investment Committee, serves as the Investment Manager for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® investments. The Investment Committee engages both affiliated and non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. Mr. Nordmeyer's activities are supervised by Susan Wilson-Perez, Executive Vice President, Brokerage and Managed Products for Ameriprise Financial Services, Inc.

**Supervisor:** Joseph E. Sweeney

**Title:** President, Advice & Wealth Management Products and Services

**Phone Number:** (800) 834-8959

---

## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Eric Paluck, who is a member of the Investment Committee for Ameriprise Financial Services, Inc. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Eric Paluck

AMERIPRISE FINANCIAL SERVICES  
355 Ameriprise Financial Center  
MINNEAPOLIS, MN 55474  
(800) 834-8959

Company Address

Ameriprise Financial Services, Inc  
707 South 2nd Avenue Street  
Minneapolis, MN 55474  
(800) 862-7919

## Educational, Background and Business Experience

**Year of birth:** 1962

**High school graduate:** Yes

**Level of post secondary education:** BS, University of Minnesota, 1989

## Business Experience:

- Vice President – Strategic Portfolio Services (SPS) Advantage & SPS Advisor
- In addition to his participation on the Ameriprise Financial Services, Inc. Investment Committee, Mr. Paluck is Vice President of SPS Advantage & SPS Advisor where his responsibilities include product development and management for these products and services. Immediately prior to this position, Mr. Paluck was Vice President of External Products where his responsibilities included relationship management and product development and management for third party mutual fund firms and 529 plans. Mr. Paluck has been with the firm since 1991.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

Additional information about this person is available at [brokercheck.finra.org](http://brokercheck.finra.org).

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Product companies (including our affiliates) with which we have agreements work with Ameriprise Financial Services, Inc. and our financial advisors to provide education and other support to help distribute their products. These companies may pay for training and education events, seminars or other similar events for employees, financial advisors, clients and prospective clients. They may also reimburse expenses for due diligence meetings or occasionally provide business or recreational entertainment. Some companies also may compensate the financial advisor a service fee. These service fees, as well as incentive programs and cash and/or noncash compensation, all are strictly regulated by the SEC and Financial Industry Regulatory Authority, as well as Ameriprise Financial Services, Inc. internal compliance policies.

## Supervision

Ameriprise Financial Services, Inc., through its Investment Committee, serves as the Investment Manager for *Active Diversified Portfolios*® and *Active Opportunity ETF Portfolios*® investments. The Investment Committee engages both affiliated and non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. Mr. Paluck's activities are supervised by Greg Nordmeyer, Vice-President & General Manager of Managed Accounts, Retirement Plans and Investment Research for Ameriprise Financial Services, Inc.

**Supervisor:** Greg Nordmeyer

**Title:** Vice President & General Manager of Managed Accounts, Retirement Plans and Investment Research

**Phone Number:** (800) 834-8959

---



## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Marie M. Schofield, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Marie M. Schofield

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1953

**High school graduate:** Yes

**Level of post secondary education:** B.S., College of Saint Rose

## Business Experience:

- Managing Director and Senior Portfolio Manager, Global Asset Allocation with the Asset Allocation team at Columbia Management Investment Advisers, LLC.
- Ms. Schofield is a member of the firm's investment strategy committee, focusing on the development of macro strategy. Prior to her current role, she served as head of the core fixed-income team in Boston from 2001 through 2006 and as senior strategist for the fixed-income strategy group from 2006 through 2008. Ms. Schofield joined the firm in 2010 as part of its acquisition of the long-term asset management business of Columbia Management Group, LLC ("CMG") from Bank of America where she was a portfolio manager since 1990. She began her career at CMG in 1990 and has been a member of the investment community since 1975. Prior to joining CMG, Ms. Schofield was a portfolio manager at Trustco Bancorp NY, Chittenden Bank and BayBanks Investment Management. Ms. Schofield earned a B.S. from the College of Saint Rose and is a member of the CFA Institute, the Boston Security Analysts Society, the Fixed Income Management Society of Boston and the Boston Economic Club. In addition, she holds the Chartered Financial Analyst designation.

The CFA program, administered by the CFA Institute, is a three-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in three separate exams, and typically requires multiple years and prior qualifying experience to complete.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Marie M. Schofield receives compensation solely from Columbia Management Investment Advisers, LLC in connection with the provision of advisory services and from no other source.

## Supervision

Columbia Management Investment Advisers, LLC has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers, LLC monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer. Colin Moore, the Chief Investment Officer, is responsible for managing Columbia Management Investment Advisers' investment teams.

**Supervisor:** Colin Moore

**Title:** Chief Investment Officer, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---

## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Anwiti Bahuguna, Ph.D., who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Anwiti Bahuguna

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1970

**High school graduate:** Yes

**Level of post secondary education:** B.S., St. Stephen's College, Delhi University; Ph.D., Northeastern University

## Business Experience:

- Senior Portfolio Manager, with the Global Asset Allocation team at Columbia Management Investment Advisers, LLC.
- Dr. Bahuguna is also responsible for asset allocation research and portfolio management of the firm's asset allocation funds and separately managed accounts. Dr. Bahuguna joined the firm as part of its acquisition of the long-term asset management business of Columbia Management Group, LLC ("CMG") from Bank of America in 2010. She began her career at CMG in 2002 as a Project Manager, was promoted to Portfolio Manager in 2006 and has been a member of the investment community since 1998. Prior to joining CMG, Dr. Bahuguna worked at Fleet, a predecessor firm of Columbia Management Group, in its corporate strategy and development group, where she provided investment banking analysis on transactions such as mergers and acquisitions in all types of financial services companies. Prior roles have also involved strategic planning for restructuring and positioning the corporation and its components for growth and expansion. Dr. Bahuguna earned a B.S. in economics and mathematics from St. Stephen's College, Delhi University and a Ph.D. in economics from Northeastern University.

A Ph.D. is an advanced degree that is usually based on at least three years of graduate study and a dissertation. The doctorate degree is the highest degree awarded for graduate study.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Anwiti Bahuguna receives compensation solely from Columbia Management Investment Advisers, LLC in connection with the provision of advisory services and from no other source.

## Supervision

Columbia Management Investment Advisers, LLC has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers, LLC monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer.

**Supervisor:** Colin Moore

**Title:** Chief Investment Officer, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---

# Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Fred Copper, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

## Fred Cooper

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

## Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1968

**High school graduate:** Yes

**Level of post secondary education:** B.S., Boston College; M.B.A., University of Chicago

## Business Experience:

- Managing Director and Head of International Quantitative Strategies for Columbia Management Investment Advisers, LLC.
- Mr. Copper joined the firm as part of its acquisition of the long-term asset management business of Columbia Management Group, LLC ("CMG") from Bank of America. Mr. Copper joined CMG in 2005 as Head of International Equities and has been a member of the investment community since 1990. Prior to joining CMG, Mr. Copper was a senior vice president with Putnam Investments where he co-managed \$1.5 billion in international and global value portfolios, as well as serving as a lead manager for a small-cap value portfolio and as a member of the global value portfolio management team. Previously, he was an assistant vice president with Wellington Management Company.
- In addition, he holds the Chartered Financial Analyst designation. The CFA program, administered by the CFA Institute, is a three-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in three separate exams, and typically requires multiple years and prior qualifying experience to complete.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Fred Copper receives compensation solely from Columbia Management Investment Advisers in connection with the provision of advisory services and from no other source.



## Supervision

Columbia Management Investment Advisers has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer.

**Supervisor:** Colin Moore

**Title:** Chief Investment Officer, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---

## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Melda Mergen, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Melda Mergen

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1974

**High school graduate:** Yes

**Level of post secondary education:** B.A., Bogazici University; M.B.A., University of Massachusetts at Amherst

## Business Experience:

- Vice President and Head of Investment Oversight for Columbia Management Investment Advisers, LLC.
- Ms. Mergen has led the 5P process since 2004. The 5P process is designed to ensure the integrity of the firm's (not limited to equity, includes all asset classes) investment strategies and covers philosophy, people, process, performance and product. She joined Columbia Management Group ("CMG") in 1999 and transitioned to Columbia Management Investment Advisers, LLC as part of its acquisition of the long-term asset management business of CMG from Bank of America. She has been a member of the investment community since 1999. Prior to her current role, Ms. Mergen was a senior equity quantitative research analyst.

- She is a member of the Boston Security Analysts Society and the CFA Institute. In addition, she holds the Chartered Financial Analyst and Chartered Alternative Investment Analyst designations.

The CFA program, administered by the CFA Institute, is a three-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in three separate exams, and typically requires multiple years and prior qualifying experience to complete.

The CAIA (Chartered Alternative Investment Analyst) designation, issued by the Chartered Alternative Investment Analysts Association, establishes educational requirements and standards for those specializing in areas of alternative investments such as venture capital, hedge funds, and real estate investments. Individuals must have at least one year of professional experience combined with a bachelor's degree and are required to pass two levels of curriculum on topics ranging from trading theories of alternative investments to qualitative analysis in order to receive the designation.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Melda Mergen receives compensation solely from Columbia Management Investment Advisers in connection with the provision of advisory services and from no other source.

## Supervision

Columbia Management Investment Advisers has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer.

**Supervisor:** Colin Moore

**Title:** Chief Investment Officer, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---

# Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Colin Moore, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

## Colin Moore

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

## Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1958

**High school graduate:** Yes

**Level of post secondary education:** Investment Management Program, London Business School

## Business Experience:

- Chief Investment Officer with Columbia Management Investment Advisers, LLC.
- Mr. Moore joined Columbia Management Investment Advisers, LLC as part of its acquisition of the long-term asset management business of Columbia Management Group, LLC (“CMG”) from Bank of America in 2010. His responsibilities include ensuring that a disciplined investment process is in place across all asset classes, including equity, fixed income and cash. Mr. Moore joined CMG in 2002 and was appointed Chief Investment Officer in October 2007. He was Head of Fundamental and Quantitative Equity Investments from 2002 to January 2008. He was Head of Fixed Income and Liquidity Strategies from 2009 to 2010. He has been a member of the investment community since 1983. Prior to joining CMG, Mr. Moore was chief investment officer of global and international value equities and associate director of research at Putnam Investments. Previously, Mr. Moore was director of research and chief investment officer for Rockefeller & Co. in New York and London. Throughout his career in the investment industry, he has held portfolio management positions with three London-based asset management firms, as well as a role in product development. Mr. Moore attended the London Business School where he completed its Investment Management Program and he is an associate by examination of the Institute of Investment Management and Research (IIMR).

The associate examination and related ASIP designation is a broad equivalent in content and rigor to the CFA qualification and is a recognized qualification of the CFA Institute. The associate examination was phased out following the merger of the Institute of Investment Management and Research (IIMR) with the London Society of Investment Professionals (LSIP) in August 2000. The LSIP had been founded several years earlier as the member society for CFA Institute members in the UK. The merged IIMR and LSIP society was initially named the UK Society of Investment Professionals and renamed the CFA Society of the UK in November 2007.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Colin Moore receives compensation solely from Columbia Management Investment Advisers, LLC in connection with the provision of advisory services and from no other source.

## Supervision

Columbia Management Investment Advisers, LLC has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers, LLC monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer.

**Supervisor:** William F. Truscott

**Title:** Chairman of the Board, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---

## Form ADV: *Brochure Supplement*

March 9, 2012

This brochure supplement provides information about Beth M. Vanney, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for the Ameriprise *Active Portfolios Income*® and *Active Portfolios Accumulation*® investments. This information supplements the Ameriprise Financial Services, Inc. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, Inc., at (800) 862-7919 if you would like another copy of the client disclosure brochure or if you have any questions about the contents of this supplement.

Colin Moore

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC  
225 Franklin Street  
BOSTON, MA 02110  
(800) 225-2365

Company Address

Columbia Management Investment Advisers, LLC  
225 Franklin Street  
Boston, MA 02110  
(800) 225-2365

## Educational, Background and Business Experience

**Year of birth:** 1966

**High school graduate:** Yes

**Level of post secondary education:** B.S., University of Minnesota



## Business Experience:

- Portfolio Manager with the Asset Allocation team at Columbia Management Investment Advisers, LLC.
- Ms. Vanney has responsibility for historical market analysis and input into the creation of strategic benchmarks as well as tactical allocations. Previously, she was a senior quantitative analyst from 2006 to 2011. Ms. Vanney joined the Ameriprise group of companies in 1999 and has been a member of the investment community since 1990.
- She is a member of the Boston Security Analysts Society and the CFA Institute. In addition, she holds the Chartered Financial Analyst designation.

The CFA program, administered by the CFA Institute, is a three-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in three separate exams, and typically requires multiple years and prior qualifying experience to complete.

## Disciplinary Action

There are no legal and/or disciplinary events to report.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Beth M. Vanney receives compensation solely from Columbia Management Investment Advisers in connection with the provision of advisory services and from no other source.

## Supervision

Columbia Management Investment Advisers has extensive policies and procedures, software systems, and other controls that seek to ensure that its client accounts are managed in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee who manages a client account receives training on and certifies in writing as to his or her understanding of certain compliance policies. Columbia Management Investment Advisers monitors compliance with its policies and performs periodic review and testing of them. Every employee has the responsibility to know and follow the policies that apply to him or her, and is subject to supervision by management. Additionally, the business conducts formal, in depth reviews of each of the investment strategies that are designed to monitor many aspects of the investment management process, the results of which are presented to the Chief Investment Officer.

**Supervisor:** Colin Moore

**Title:** Chief Investment Officer, Columbia Management Investment Advisers, LLC

**Phone Number:** (800) 225-2365

---







**Financial Planning | Retirement | Investments | Insurance | Banking**