

AMERITAS INVESTMENT PARTNERS, INC.

FORM ADV
PART 2A APPENDIX 1

MERCURY WRAP FEE PROGRAM BROCHURE MARCH 31, 2015

This brochure provides information about the qualifications and business practices of Ameritas Investment Partners, Inc. If you have any questions about the content of this brochure, please contact us at:

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The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Ameritas Investment Partners is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information by which you may determine to hire or retain an Adviser.

Additional information about Ameritas Investment Partners also is available on our Firm website at www.ameritas.com or at the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

There have been no material changes from the last update of Form ADV Part 2A Appendix 1, the Wrap Fee Program Brochure for the **Mercury** program which was filed on March 20, 2014.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Upon request, we will further provide you with such amended Brochure, at any time, without charge.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

Services

The Ameritas Investment Partners **Mercury** Wrap Fee Program is a proprietary investment program that is jointly sponsored by Ameritas Investment Corp. (AIC) and Ameritas Investment Partners, Inc. (AIP) that offers investors the opportunity to obtain professional investment services and brokerage services for one all-inclusive fee based upon the assets under management. Under the Ameritas Investment Partners **Mercury** program, AIC provides all brokerage services and AIP provides, on a discretionary basis, investment advisory services to develop customized portfolios extensively using exchange-traded funds (ETFs), mutual funds and other pooled investments.

Fees

Clients of the Ameritas Investment Partners **Mercury** program pay a fee quarterly at the beginning of each quarter for services to be provided in that quarter, based on the market value of account assets, including accrued investment income, as of the last business day of the previous quarter and generally are deducted from client assets. The standard fee schedule appears below. The minimum size for a Ameritas Investment Partners **Mercury** account is generally \$100,000.

<u>Account Balance</u>	<u>Maximum Annual Fee</u>
\$100,000 to \$5,000,000	1.50%
Over \$5,000,000	negotiable

AIP is paid 0.45% for investment management. A portion of the fee may be paid to AIC on accounts sold by an AIC Introducing Investment Advisor Representative (IAR). In certain cases, that portion of the fee payable to AIC may be decreased and, as a result, a lower fee may be charged to the account holder than might otherwise be the case. In addition, an existing client in another advisory program sponsored by AIP may be allowed to become a Ameritas Investment Partners **Mercury** client and maintain their current fee schedule. As a result, existing clients could have a lower minimum account size and pay lower fees than a new client. The program fee is charged at inception on a prorated basis to reflect the number of days remaining in the initial calendar quarter. In the event that an Ameritas Investment Partners **Mercury** account is terminated during a quarter, fees will be prorated and a refund issued to the client; such accounts may be terminated by the account holder at any time on written notice. There are no sales loads, termination or surrender fees associated with the Ameritas Investment Partners **Mercury** account.

The total costs associated with an Ameritas Investment Partners **Mercury** account may be more or less than purchasing brokerage and advisory services separately. The factors that bear upon the relative costs of any program include the number of and timing of transactions, finder's fees, portfolio management aspects, custody charges, regulatory compliance, administrative charges, research costs, and promotional material costs. These and other factors may affect the cost of obtaining these services separately.

Other Fees and Expenses

No other fees are assessed in addition to the program fee. Transaction based assessments or taxes imposed by governments, self-regulatory organizations, exchanges, etc. are not included in the program fee and will be passed through to the account holder. Also, certain indirect costs may be associated with securities purchased or held in an account. Examples of such indirect costs include expenses associated with investments in ETFs, mutual funds, or other pooled investments. AIC and its registered representatives may receive compensation related to 12b-1 distribution fees collected from mutual funds held in clients' portfolios managed by AIP. These or similar fees or costs could be associated with any products for which AIC acts as underwriter. While the client may be indirectly charged these fees, the client is not assessed a separate fee for these and simply pays the fee under the contract.

AIP has arranged for Chicago Clearing Corporation (CCC) to provide class action litigation monitoring and securities claim filing administration for client accounts that chose to participate in this service. For this service, CCC charges a contingency fee of 20% of the amount of each claim settlement award, which is deducted from the client's award at the time of payment. There are no minimum fees or other fees deducted from an account related to this service.

Compensation

As described above, AIC and its IARs receive a portion of the fee for referring the account to AIC and AIP and also for advising on the selection of the advisor. Accordingly, the person recommending the program to you receives compensation as a result of your participation in the program. The amount of this compensation may be more than would be received if you participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services. Therefore the person that recommends the program to you may have a financial incentive to recommend this investment program over other programs or services.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Opening a Mercury Account

The minimum size for a Ameritas Investment Partners **Mercury** account is generally \$100,000. Participation in the program generally is initiated by submitting the following completed documents to an AIC IAR:

- This Program Brochure,
- Investment Advisory Agreement,
- Account Application, indicating account options, internet access, proxy voting, participation in class action administration services, delivery of electronic confirmations and statements, various disclosures, acknowledgements and authorizations; and
- Investment Questionnaire and Asset Allocation Worksheet (Worksheet).

Based on these completed documents, the IAR makes the initial determination as to the particular client's suitability for the Ameritas Investment Partners **Mercury** program. AIP also makes an independent assessment of whether to establish an account for a particular client. The Worksheet will also assist AIC and AIP in determining an appropriate risk tolerance and asset allocation strategy for the client. **The client agrees to provide updates to the Worksheet to AIC or AIP as to any changes necessary.** In addition, the IAR is expected to meet annually with each client, and AIP conducts an annual survey of accounts for changes.

The custodian for the account primarily will be **National Financial Services, LLC** (NFS), 82 Devonshire Street, Boston, MA. NFS (Custodian) shall execute and clear all purchase and sale orders directed to it by AIC. On occasion, an alternate qualified custodian may be employed at the client's request and expense, and in these cases, NFS will remain the clearing broker. The Custodian shall maintain custody of the account assets and provide other custodial functions, including crediting of interest and dividends on account assets and crediting of principal on called or matured securities and other customary custodial functions.

The Custodian also shall forward a confirmation of each purchase and sale directly to the client and AIC. Additionally, the Custodian will forward a monthly account statement directly to clients and AIC for each month in which account activity occurs and at least quarterly regardless of account activity. The Custodian will also act as general administrator of program accounts, which shall include charging and collecting account fees and processing, pursuant to AIC's instructions, of deposits to and withdrawals from program accounts

Types of Wrap Fee Account Clients

AIP provides investment advisory services through a **Mercury** account to:

- Individuals,
- High net worth individuals,
- Profit sharing plans,
- Trusts,
- Charitable organizations,
- State and local government entities, and
- Small businesses and others.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

Selection and Review of Portfolio Managers

The Ameritas Investment Partners **Mercury** program is a proprietary investment program jointly sponsored by AIC and AIP. All new participants must enter into an investment advisory agreement with AIP. AIP's initial selection and on-going continuation as portfolio manager are based on its ability to manage accounts and deliver total return performance that meets clients' expectations. The benchmarks for account performance are based on each client's responses to the Worksheet which is completed and updated in consultation with your AIC Investment Adviser Representative. Using these responses, the portfolio manager designs an appropriate investment strategy and develops an appropriate diversified portfolio using this strategy. AIP, in its investment advisory role, maintains current client profiles and adjusts portfolios accordingly.

Clients receive customized written performance evaluation reports each quarter. These reports currently are prepared by AIP. Portfolio performance is calculated using a time-weighted methodology that is programmed into the independent portfolio administration system used by AIP (currently Envestnet's Tamarac Advisor View). Portfolio performance evaluation reports are reviewed for accuracy by the AIP portfolio manager prior to delivery to clients. The reports are intended to inform clients about their investment performance over the current period and over the longer term since the account's inception, both on an absolute basis and as compared to a customized benchmark (a calculated weighted average of the performance of leading investment indices that correspond with your portfolio's objectives) and its components.

Types of Advisory Services Offered

AIP provides investment supervisory services and manages investment portfolios tailored to achieve its clients' objectives and risk tolerance by managing various asset classes with in-house personnel that have education, training and experience with these assets. The **Mercury** program extensively utilizes ETFs, mutual funds and other pooled investments to efficiently invest in a broad range of asset classes.

AIP's Investment Securities departments primarily provide management in a **Mercury** program account using asset allocation and fund selection of ETFs, mutual funds and other pooled investments.

AIP is committed to maintaining diversified client portfolios. Account managers are inclined to emphasize conservation of principal and, at the same time, seek optimum returns within the framework of each client's investment objectives and specific level of risk tolerance.

AIP professional managers strive to adhere to the following strategies:

- Utilize a proprietary asset allocation process designed to align client needs, expectations and constraints with investment market opportunities to deliver client-specific custom diversified investment portfolios.
- Develop recommendations based on each client's financial situation, including issues of cash flow expectations, capacity for loss, income tax exposure, concentrated holdings, complimentary investment exposure and other factors.
- Select investments in asset allocation that have both attractive expected returns and complimentary characteristics when held within a diversified investment portfolio.
- Extensively utilize ETFs, mutual funds and other pooled investments when allocating exposure to asset classes and for liquidity.
- Utilize AIP's investment professionals to manage other security positions when appropriate for a client's specific situation.

How Advisory Services are Tailored to Individual Client Needs

AIP manages portfolios in a manner that is consistent with each advisory contract and Worksheet. These documents will indicate the ranges of each asset class or classes to be included in the portfolio, and may include restrictions or limitations on certain securities or types of securities. These restrictions often are based on the client's investment objectives, goals and risk profile. These parameters often are driven by the nature of the operations of institutional clients (pension plans, charitable organizations, etc.) and by the investment goals and risk profile of individual clients (retirement, college, or general savings, etc.). Once these conditions are known, the portfolio manager can design an appropriate investment strategy to manage the account.

Differences Between Management of Wrap Fee Accounts and Other Accounts

AIP acts as an investment advisor, and AIC provides brokerage and certain advisory services, to clients other than wrap fee program accounts. Due to differences in the investment objectives and financial situations of the various clients AIP and AIC serve, investment advice and related services provided to various clients may differ. In addition, actions taken on behalf of various clients may differ with respect to the nature of the advice or the timing of transactions. AIP and AIC have no obligation to purchase or sell, or to recommend the purchase or sale, of any security that AIP, AIC or any affiliate of either, purchases or sells for itself or themselves or for any other client.

Investment opportunities for Ameritas Investment Partners **Mercury** accounts may differ from those for AIP's institutional accounts (many of which are affiliates of AIP), due to (1) different brokerage arrangements for institutional accounts, (2) time constraints of processing offerings and (3) the extensive use of ETFs, mutual funds and other pooled investments in the construction of portfolios.

AIP normally manages Wrap Fee investment accounts on a fully discretionary basis, including a review of each investment prior to executing a transaction. In a limited number of circumstances, clients have directed AIP not to exercise discretion with regard to certain investment positions in their portfolios. When this occurs, AIP does not manage the position(s) and generally does not charge an advisory fee for such investments.

Orders for **Mercury** and other program accounts may be aggregated with other wrap fee program accounts and orders for institutional accounts may be aggregated with other institutional accounts. Because institutional and wrap fee account trades use separate electronic trading systems and networks of brokers, it is not possible to aggregate trades between various classes of customers. As such, trades in the same security may be executed on the same day in an institutional account and wrap fee accounts at different prices. For sales of investments, an allocation process includes program accounts and institutional accounts separately, taking into consideration any tax and other matters relative to specific program accounts. Allowing for differences in client profiles and the types of brokerage arrangements, as well as time constraints for certain investments, AIP investment allocation procedures are established in an effort to ensure fair allocation of investment opportunities for all accounts.

Performance-Based Fees and Side-By-Side Management

AIP does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Methods of Analysis, Investment Strategies and Risk of Loss

AIP employs various methods of investment analysis. Our primary approach is to prepare fundamental and technical analysis of data, but we also may consider charts and cyclical data or other trend and statistical analysis. The main sources of information include: research materials prepared by brokers or others, rating agency reports, securities filings (such as, annual and quarterly reports, prospectuses, and other filings), press releases and financial newspaper and other periodical articles. In addition to such traditional research sources, AIP may use a variety of electronic databases (e.g. Value Line, Dorsey Wright and Bloomberg, etc.), telephone and personal communications with management of companies of securities under consideration.

AIP seeks to identify investments that will achieve clients' investment objectives within the parameters of established investment policies, restrictions and limitations.

For asset allocation and fund selection accounts investing in ETFs, mutual funds and other pooled investment securities, AIP utilizes a proprietary asset allocation process designed to align client needs, expectations and constraints with investment market opportunities to deliver client-specific custom diversified investment portfolios. Portfolio managers develop recommendations based on the client's Worksheet, financial situation, cash flow expectations, risk tolerance, income tax exposure, complimentary investment exposure and other factors. Investments are selected that have both attractive expected returns and complimentary characteristics when held within a diversified investment portfolio. Periodically and when appropriate, asset allocation models are evaluated and updated, and such accounts will reallocate investment values or update recommendations accordingly.

Investing in securities involves risk of loss that clients should be prepared to bear.

Voting Client Securities

AIP has engaged Broadridge Investor Communication Solutions, Inc. to vote and administer actively-managed equity accounts' proxies based on our duty to act on behalf of our client's best interests and to comply with SEC rules. Clients may decide to vote proxies themselves and should contact AIP to communicate their intentions to opt out of this service. Clients also may request a report on how their securities were voted by contacting AIP. Passively-managed accounts are voted in accordance with management's recommendations, except for portfolios where AIP is engaged as the sub-adviser for Calvert Funds, where CIM exercises all voting authority with respect to Calvert Funds' securities. AIP has adopted the Glass Lewis & Co. U.S. Proxy Voting Guidelines as its proxy voting policy – clients may obtain a copy of such guidelines upon request or download a copy from our website at www.ameritas.com. Generally, AIP votes proxies for affiliated and unaffiliated institutional accounts and Wrap Fee Account clients applying the aforementioned proxy voting policy. Any material conflicts between the interests of AIP and those of clients will be resolved to protect the clients' interest. AIP personnel have been instructed to report potential material conflicts are to be reported to the CCO or AIP officers as AIP personnel become aware of them. If the Portfolio Manager does not agree with a particular position Glass Lewis & Co. has taken on a proposal, they will over-ride that position and document their reasoning accordingly.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As your investment manager and account administrator, AIP requires access to very sensitive and personal information about you to effectively manage your investments and comply with Federal and State Securities laws. When requesting any personal information about you, our goal is to collect only the information that is required or that will provide us with valuable insight that can be used to better manage your account.

We maintain physical and electronic safeguards for the protection of your personal information. We restrict access of your information to our employees and agents who need it to perform their jobs. Our employees and agents understand the importance of these safeguards. We have trained them in the proper handling of your personal information.

AIP has adopted the enterprise-wide Privacy Policy of its affiliates, and annually each client is sent a Privacy Notice that summarizes the policy. If you would like a copy of the Privacy Notice, please contact us or download a copy from our website, www.ameritas.com.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

AIP does not place any restrictions on clients' ability to contact and consult with their portfolio manager or their investment adviser representative. The following associates are responsible for day-to-day contact with clients in this program and can arrange meetings with appropriate managers and advisors. They can be reached toll free at 877-731-3336 or at 402-467-6980.

Cathy Zehr	Manager Operations – Wealth Management
Christa Ballenger	Senior Operations Specialist

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AIP or the integrity of AIP's management. AIP has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

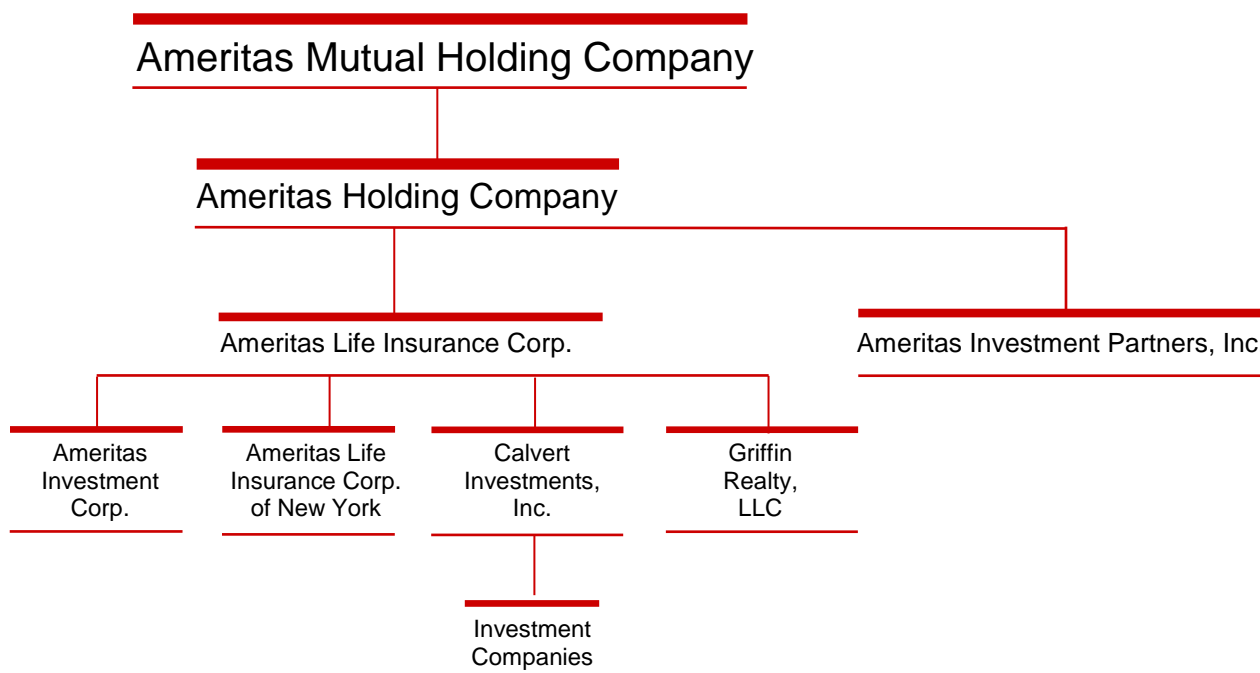
AIP is part of the Ameritas Mutual Holding Company family of companies (Ameritas or Ameritas Companies). AIP is wholly owned by Ameritas Holding Company (AHC), which also has direct 100% ownership of Ameritas Life Insurance Corp. (ALIC or Ameritas Life) which in turn has direct 100% ownership of Ameritas Life Insurance Corp. of New York (Ameritas Life of NY), Ameritas Investment Corp. (AIC), Calvert Investments, Inc., and Griffin Realty, LLC. AIP is adviser to the affiliated insurance companies for general account investments, unregistered Separate Accounts, pension plan assets and for construction of fund specific model portfolios available in certain variable insurance products.

Calvert Investments, Inc. is the parent of Calvert Investment Management, Inc. (CIM), an investment advisor registered under the Investment Advisers Act of 1940 and Calvert Investment Distributors, Inc. (CID) a registered broker/dealer. Mutual Fund shares in the Calvert Group family of funds (Calvert Funds) are distributed by CID and managed by CIM. AIP sub-advises nine Calvert mutual funds that are distributed through affiliated and unaffiliated insurance companies' variable insurance products. CID is the underwriter and distributor for the Calvert Variable Products, Inc. and Calvert Variable Series, Inc. (certain Portfolios of which are available in the Ameritas Life of NY and ALIC variable insurance products and included in fund specific model portfolios).

AIC is a dual registered broker/dealer and investment adviser and a member of FINRA (Financial Industry Regulatory Authority) and SIPC (Securities Investor Protection Corp.). AIC is the principal underwriter and distributor for ALIC and Ameritas Life of NY's registered variable insurance products. AIC also underwrites and markets public bonds for municipalities, school and utility districts, etc. in Nebraska and neighboring states. Most of AIC's registered representatives and investment advisor representatives are appointed insurance agents for ALIC and Ameritas Life of NY. Eleven AIP associates are registered representatives of AIP, and five of them would be considered Management Persons of AIP.

AIC provides brokerage services, and executes securities transactions which are cleared through National Financial Services, LLC and AIP provides investment advisory services to clients who establish jointly-sponsored wrap fee program accounts. AIP and AIC share the fees generated by these Wrap Fee Program accounts sold through AIC. AIC also provides brokerage services to other accounts unrelated to these Wrap Fee Accounts. AIC maintains an agreement with AIP under which AIP provides certain investment advisory services to the AIC sponsored **Constellation** wrap fee program. AIC also sponsors the Galaxy investment program for which AIC's IARs are solely responsible for investment management.

ALIC, Ameritas Life of New York, AIP, AIC, and other affiliated companies have entered into a general administrative services agreement which permits AIP to have access to and utilize shared administrative services and equipment in the performance of advisory services to clients.



About AIP

AIP is an investment adviser registered under the Investment Advisers Act of 1940 and was formed as a Nebraska corporation in 1984. AIP has offices in Lincoln, Nebraska and Cincinnati, Ohio and employs 46 associates as of December 31, 2014. There are 25 associates involved in advisory operations and support in the Investment Securities management departments and 15 in Commercial Mortgage & Real Estate management and servicing departments. Eleven associates are Registered Securities Representatives of AIC and seven are Investment Advisor Representatives.

AIP's primary business activity is providing investment advisory services. As noted above, eleven of AIP's professional staff also are registered representatives, and in some instances are securities principals, associated with AIC. Certain officers and directors of AIC and AIP are also officers and directors of affiliates. Also, certain officers and directors of affiliates are clients of AIP and AIC.

AIP provides investment supervisory services and manages investment portfolios for affiliated and unaffiliated separate accounts, three wrap fee programs that it jointly sponsors with AIC (including **Mercury**), an AIC sponsored wrap fee program, and nine sub-advised Calvert mutual funds. Each client's services are tailored to achieve stated objectives and risk tolerances by managing various asset classes with in-house personnel that have education, training and experience with these investments.

AIP's Investment Securities departments primarily provide management in the following areas:

- actively managed fixed income securities, including United States Government and Agency securities, municipal securities, investment grade and high yield public and privately-placed corporate securities,
- mortgage and asset-backed securities,
- passively managed equity and fixed income securities,
- actively managed equity securities,
- asset allocation and fund selection portfolios, and
- derivative securities (options, futures contracts, swaps, etc.) used to hedge securities portfolios, insurance reserves and other risks.

AIP's Commercial Mortgage and Real Estate Management and Servicing departments originate and manage portfolios of commercial mortgage loans and real estate for AIP's affiliated companies. For affiliated insurance companies, this department also manages and oversees the portfolios of residential mortgage loans primarily located in the Washington D.C. Metro area.

These residential mortgage loans previously were owned by an affiliated federally chartered savings association which was sold to an unaffiliated party in October 2013. There are no current plans to originate new residential mortgages for any client.

AIP also serves as a non-discretionary investment advisor for an unaffiliated company to research and introduce opportunities to participate in real estate joint ventures and provide certain related administrative services (the "Real Estate Program").

Code of Ethics

AIP's Code of Ethics outlines the standards of business conduct that shall govern Supervised Persons, including placing the interest of Clients first at all times, requiring that all personal securities transactions be conducted consistent with the Code, prohibiting Supervised Persons from taking inappropriate advantage of their positions and requiring compliance with applicable federal securities laws. The Code further defines prohibited Business Conduct for Access Persons (any director, officer or associate of AIP or a Supervised Person that has access to non-public information or is involved in making securities recommendations to clients), including engaging in any business transaction or arrangement for personal profit based on confidential information, communicating non-public information about Clients' securities transactions, accepting a gift, favor or service of significant value from a Client or Vendor, buying or selling securities or any other property from or to Clients. Prohibited purchases and sales, short-term trading restrictions, exempted transactions, pre-clearance requirements and initial, quarterly and annual reporting requirements are also detailed in the Code. All supervised persons at AIP must acknowledge the terms of the Code of Ethics annually, or as amended. AIP will provide a copy of the Code of Ethics to any client or prospective client upon request, or you can download a copy at our website, www.ameritas.com.

AIP anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which AIP has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which AIP, its affiliates and/or clients, directly or indirectly, have a position of interest. AIP's employees and persons associated with AIP are required to follow AIP's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of AIP and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for AIP's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of AIP will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of AIP's clients. In addition, the Code requires pre-clearance of most securities transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, and to reasonably prevent conflicts of interest between AIP and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with AIP's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. AIP will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Participation or Interest in Client Transactions and Other Conflicts of Interest

AIC or AIP personnel may act in multiple capacities with respect to clients who establish Ameritas Investment Partners **Mercury** accounts, and these may create conflicts between the interests of our clients and the interests of AIC, AIP, our affiliated companies and associates, including those listed below. We endeavor to always place the interests of our clients ahead of all other interests.

Principal and Agency Cross Transactions

AIP will not execute any principal or agency cross securities transactions for client accounts unless the client is informed of such transaction in writing before the completion of the transaction, consents to such transaction and the transaction is in accordance with all applicable securities laws and regulations. Principal transactions generally are defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer (i.e. AIC), buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated account and a client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the

transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. AIC has adopted procedures that permit it to act as principal in other securities transactions with its advisory clients, provided that the consent of the client is obtained in advance of the transaction.

Affiliated Variable Annuity Contracts in Client Accounts

AIP clients may be advised by AIP's affiliates to purchase variable insurance products issued by ALIC and underwritten by AIC. Such purchases would, if approved by the client, be cleared through the broker-dealer, which would be compensated in connection with that transaction. Under these or similar circumstances, AIP clients would be advised that AIP and/or its affiliates are acting in dual capacities in connection with such recommendation.

These annuities may contain a Guaranteed Lifetime Withdrawal Benefit "GLWB" rider which, if acquired before May 1, 2013, requires participation in either (i) any one of the three available Asset Allocation Program models for which AIP may recommend specific funds, including Calvert Funds where AIP may or may not act as a sub-advisor (see below), or (ii) one of three available Non-Program models, each of which consists of a single investment option that is a volatility managed fund managed by CIM and sub-advised by AIP as to selecting exchange-traded funds in which the Portfolios invest. For these annuities with GLWB dated on or after May 1, 2013, participation in only the Non-Program models is required. Although AIC/AIP recommends only investments that it believes are in the best interests of its clients, its affiliation with ALIC presents a conflict of interest for AIC/AIP when recommending investments in no-load annuities. Under these circumstances, AIC/AIP clients would be advised that AIC/AIP and/or its affiliates are acting in dual capacities in connection with such recommendation and that a conflict exists.

Additionally, the subaccounts listed in the no load annuities may be invested in affiliated mutual funds of AIP and AIC. As such, CIM would earn advisory and administrative fees on assets included in Calvert Funds investment options in such portfolios and AIP would earn sub-advisory fees on assets included in Calvert Funds sub-advised by AIP. As such, a conflict exists.

Investors should always read the variable annuity prospectus carefully before sending money.

Asset Allocation and Fund Selection Recommendations

AIP has been engaged by ALIC and Ameritas Life of NY to recommend specific mutual funds from those offered in variable insurance products for model portfolios. These model portfolios are available or in some cases are required in certain variable insurance products. The funds recommended for these models may include affiliated Calvert Funds, including funds that are managed by CIM or sub-advised by AIP. Additionally as described above, certain variable annuity contracts with GLWB riders may require or include the selection of volatility managed portfolios managed by CIM and partially sub-advised by AIP. As such, CIM would earn advisory and administrative fees on assets included in these Calvert Funds investment options and AIP would earn sub-advisory fees on assets included in Calvert Funds sub-advised by AIP. As such, a conflict of interest exists. AIP has been engaged by affiliated sponsors of certain pension plans and employee benefit associations to: 1) support and assist in establishing and maintaining investment policies; 2) analyze and recommend mutual fund selections; and 3) monitor and report on performance. Funds recommended for these accounts may include Calvert Funds, including funds that may or may not be sub-advised by AIP. As such, CIM and AIP would earn advisory, sub-advisory and administrative fees on assets included in model portfolios. As such, a conflict of interest exists.

Other Conflicts of Interest

AIP's associates may, from time to time, make recommendations to its advisory clients relating to securities in which such associates have a personal investment. Although such recommendations are not specifically reported, AIP associates are required to obtain pre-transaction approval for personal securities transactions, initial public offerings and private placement securities.

Certain directors and officers of AIP are also directors or officers of AHC, AIC, ALIC, Ameritas Life of New York and Griffin Realty, LLC. and Calvert Investments, Inc. Also, certain associates (including officers and directors of affiliates) are clients of affiliated Wrap Fee Programs.

AIP's IARs and associates or AIC associates may purchase or own variable insurance products issued by ALIC or Ameritas Life of NY. Securities underwritten by AIC may also be recommended to AIP clients.

As co-sponsor of the Private Clients, Gemini and Mercury Programs, AIC provides all brokerage services for these accounts and AIP provides all investment advisory services. In choosing to open one of these Wrap Fee Program accounts, the client

also has chosen AIC as their broker and AIP as their investment adviser. AIP offers other asset management services for larger accounts who are not interested in a Wrap Fee Program. These arrangements would be structured more like those described in the Institutional Account sections where AIC generally is not used as a broker. In recommending participation in a Wrap Fee Program, AIC is recommending itself as broker. If a client chooses to implement securities transactions through one of these Programs, a conflict of interest exists due to the fact that AIC and its associates might receive commissions or other compensation. A client is under no obligation to open a Wrap Fee Program account and use AIC as their broker. If a client chooses another arrangement, they may pay more or less for implementation and on-going operations of the account.

As a full-service broker-dealer and registered investment adviser, AIC may handle accounts for, and may render investment advice and other investment management and broker-dealer services (including investment banking services) to other investors and institutions with respect to, and it may for its own account hold, purchase, sell or otherwise trade in and deal with, securities which are the same or similar to those recommended to other clients. Similarly, AIP may handle accounts, render investment advice and other management investment services for other investors and institutions with respect to services which are the same or similar to those recommended to other clients. AIP and AIC reserve the ability to offer investment advisory services in other programs on other terms and either may offer other programs whereby clients acquire investment advisory, brokerage, and administrative services for an all-inclusive wrap fee. Therefore AIC and/or AIP may from time to time have a conflict regarding clients of its other services as well as its clients to whom it provides investment advisory services.

AIC may execute transactions as broker or agent for both Ameritas Investment Partners **Mercury** accounts and other clients. AIC and its registered representatives may receive compensation related to 12b-1 distribution fees collected from mutual funds held in clients' portfolios managed by AIP. AIC representatives may also recommend to its clients and sell shares of Calvert Funds for a commission.

AIC and/or its affiliated companies may, from time to time, participate as an investor in partnerships that invest in various securities. AIC clients may be advised to purchase interests in such partnerships.

In addition, and as noted above, AIP is part of a family of companies engaged in the financial services and insurance industries. These companies, some of which may be regarded as "related persons" of AIP, may have direct or indirect interests in securities about which AIP and/or AIP advisory representatives may provide investment advice.

AIP also may purchase Calvert Funds in certain affiliated accounts to hedge exposures in deferred compensation plans where a participant has selected a Calvert Fund as an investment option. CIM would earn advisory and administrative fees on these assets and AIP would earn sub-advisory fees on assets included in Calvert Funds sub-advised by AIP. AIP has excluded Calvert Funds from unaffiliated Wrap accounts.

AIP will disclose all material conflicts of interest so that existing and prospective clients may evaluate their impact on any relationship.

Review of Accounts

Transactions placed through AIC accounts are reviewed on a daily basis by AIC associates processing such transactions, and AIP reviews each account on an ongoing basis to ensure that the account is managed in accordance with stated objectives. AIP uses the Envestnet | Tamarac system's Advisor View Portfolio Management and Advisor Rebalancing modules that continuously monitor compliance with and alert the manager to possible violations of or drift from clients' investment strategies that have been programmed into the system. Annually AIC's IARs are expected to meet with each of their clients and AIP will survey accounts for any changes in the Investment Questionnaire and Asset Allocation Worksheet. AIP reviews these updates to determine whether changes may have an effect on the on-going suitability of investments in clients' portfolios or would cause a revision to investment strategies.

Client Referrals and Other Compensation

A portion of the Ameritas Investment Partners **Mercury** account wrap fee is paid to AIC's IAR for referring the client to a **Mercury** account. AIP currently does not pay any other referral fees or compensation. However in the future it may enter into other arrangements whereby it makes other payments for client referrals.

Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about AIP's financial condition. AIP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.