

**VALIC Financial Advisors, Inc.**

**FIRM BROCHURE  
Part 2A of Form ADV**

**Financial Planning & Consulting Services**

**2929 Allen Parkway, L7-20, Houston, Texas 77019**

**Telephone: (866) 544-4968**

**March 29, 2024**

**This brochure provides information about the qualifications and business practices of VALIC Financial Advisors, Inc. (“VFA” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 866-544-4968. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**VFA is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about VFA is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our brochure may be requested by contacting VFA at 866-544-4968 or it is also available free of charge on our website at <https://www.corebridgefinancial.com/rs/prospectus-and-reports/vfa-form-adv-materials>.**

## **Item 2 — Material Changes**

Since its annual filing on March 31, 2023, the Firm has made the following material updates to this Form ADV Part 2A Financial Planning & Consulting Services Program Brochure ("Brochure"):

- For Item 14 the Firm updated Other Compensation; Client Referrals to note in its disclosure that investment advisor representatives ("IARs") may qualify for certain travel incentives or membership in the President's Circle by achieving certain sales goals and/or plan enrollments. More information is provided in Item 14 of this Brochure.

We will provide you with a summary of any material changes to this and subsequent Brochures within 120 days of VFA's fiscal year end, which is December 31st, or sooner if required by law. You may obtain copies of the Brochure by calling 866-544-4968 or accessing our website at <https://www.corebridgefinancial.com/rs/prospectus-and-reports/vfa-form-adv-materials>.

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## **Item 4 - Advisory Business**

### **The Firm**

The Firm is registered with the SEC as an investment adviser. This Brochure describes the services, fees, and other necessary information you should consider prior to enrolling in the financial planning services and/or engaging the services of an IAR for consulting services. The Firm's IARs offer financial planning and consulting services on either a one-time or a subscription basis. The Firm also offers four wrap fee programs: the Managed Investment Program ("MIP"), the MIP Unified Management Account Program ("MIP UMA"), the Guided Portfolio Services Program ("GPS"), and the Guided Portfolio Advantage Program ("GPA"). You can obtain a wrap fee program brochure for MIP, MIP UMA, the GPS Program, and/or the GPA Program free of charge at <https://www.corebridgefinancial.com/rs/prospectus-and-reports/vfa-form-adv-materials> or by contacting us at 866-544-4968.

As an investment adviser, VFA provides to its clients the investment advisory products and services described in this Brochure, and certain other advisory products and programs described in other Firm brochures. The Firm offers its investment advisory services through its IARs located throughout the United States. The Firm is also registered with the SEC as a broker-dealer and is a member firm of FINRA. As a broker-dealer, the Firm separately makes available securities such as stocks and bonds, mutual funds, exchange-traded funds ("ETFs"), variable annuity and variable life insurance products, and municipal securities. All IARs are also engaged in the Firm's brokerage business and are registered with the Firm as FINRA-licensed registered representatives. Broker-dealer services are not covered by this Brochure, are not part of our advisory relationship with you, and are not subject to regulation under the Investment Advisers Act of 1940.

VFA was incorporated in Texas in 1996 and is headquartered in Houston, Texas with additional branches throughout the United States. VFA is a wholly owned subsidiary of The Variable Annuity Life Insurance Company ("VALIC") doing business under the Corebridge Financial brand name, and an indirect subsidiary of Corebridge Financial, Inc. ("Corebridge Financial"). Corebridge Financial is a publicly-traded company and one of the largest providers of retirement solutions and insurance products in the United States. As of the date of this Brochure, American International Group, Inc. ("AIG") continues to hold a controlling ownership of Corebridge Financial.

As of December 31, 2023, VFA managed approximately \$25.2 billion on a discretionary basis.

### **Financial Planning Services**

VFA IARs provide personal financial planning services that include education, advice and the preparation and delivery of a Comprehensive Financial Plan ("the Plan") or Professional Consulting Services ("Consulting Service"). The Plan or Consulting Service will include general recommendations, information, and education intended to help you achieve your personal financial goals.

Financial planning services typically involve the following steps:

- *Reviewing Needs, Goals and Objectives* – establishing our relationship by understanding what matters to you and focusing on your objectives.
- *Gathering Data and Identifying Financial Goals* – gathering information about your financial situation including assets, liabilities, income, and expenses.
- *Analyzing and Evaluating Financial Status* – preparing an analysis of your financial situation.
- *Developing and Presenting Recommendations* – financial planning analysis includes strategies and recommendations designed to help you meet your goals.

The Plan or Consulting Services are customized to your unique circumstances and address one or more of the following topics, depending on the type of services that you decide upon:

- *Net Worth and Cash Flow Management* – analysis of your current cash position, cash flows, and balance sheet to assess current financial position and resources available for achieving goals.
- *Risk Management* – assessment of your current life, disability, and long-term care insurance coverages and identification of any coverage gaps or insufficient coverages.
- *Education Savings* – analysis of strategies to fund expected future or current education expenses.
- *Investment Planning* – assistance with understanding your risk tolerance and asset allocation strategies that may be appropriate for you.
- *Retirement Planning* – development of strategies aimed toward funding your current or future retirement.
- *Evaluation of Tax Considerations* – general review of tax considerations relating to different types of investment accounts, financial products, account registrations, and the potential effect of taxes on your Plan, all of which can be discussed with your tax advisor.

- *Estate and Legacy Planning* – development of strategies in cooperation with your legal and tax advisors to pass wealth to your beneficiaries in an efficient manner.
- *Estate Settlement Planning* – applying strategies in cooperation with your legal and tax advisors to help an estate or testamentary trust meet its obligations, such as distribution of assets and payment of estate taxes.
- *Philanthropic Planning* – assistance with giving strategies both now and in the future.
- *Business Financial Planning* – assistance with your financial planning needs as a business owner, including analyses of business cash flows, estimates of business value, aspects of business transition or succession planning, and assistance with your company-sponsored retirement plan needs, which may include assisting with requests for proposals, participant education, and plan benchmarking services.

You will enter into a planning engagement with VFA by signing the Financial Planning & Consulting Services Agreement (“Planning Agreement”). VFA offers both fee and non-fee financial planning programs. Descriptions of agreed upon service options are contained in the Planning Agreement. Please read the Planning Agreement carefully before engaging in the Plan or Consulting Services.

The Plan is offered as either a one-time or an ongoing subscription engagement providing periodic point-in-time updates. Periodic updates will be delivered annually or, as needed, upon the needs of the client (e.g., certain life events) which are communicated by the client to the Firm. Subscription engagements do not include ongoing monitoring of accounts by VFA, its affiliates or its IARs. Enrollment in the subscription engagement renews annually and entitles you to benefits such as ongoing updates to the Plan. Additional updated plans may be provided based on your needs during the year. For example, if you experience a material life event after a Plan is delivered, you can request that an updated Plan be created for you. The monitoring of accounts and assets is not an activity that occurs as part of the one-time comprehensive, subscription or consulting engagements. Accordingly, when enrolled in subscription engagements, you should let your IAR know if there are any material life events that occur, such as marriage, divorce, or birth of a child, or other life events that would impact your Plan so it can be updated accordingly.

Typically, the Firm delivers the Plan or Consulting Service to you within 90 days of entering into the Planning Agreement. For the purposes of this provision, the Planning Agreement is considered entered into when all parties to the contract have signed the contract and the Firm has received your payment within thirty (30) days of the execution of the contract.

### **Financial Planning Tools**

VFA IARs use software packages and web-based programs that have been reviewed and approved (“Approved Software”) by the Firm to deliver the Plan and Consulting Services. The projections and recommendations generated by the Approved Software typically contain different types of quantitative analyses, which may include asset allocation analysis, Monte Carlo simulations, and other related financial calculations.

Asset allocation tools are utilized in determining whether you have the appropriate mix of investments, based on your personal financial situation. Monte Carlo simulations are used to approximate your overall probability of an outcome occurring. The projections and recommendations generated by the Approved Software are not guarantees of future performance.

### **Implementation of Recommendations**

The Plan or Consulting Services usually include general recommendations for a course of activity or actions to be taken by you. For example, recommendations may be made for you to begin or revise investment programs, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. After delivery of the Plan or Consulting Services under either the one-time or subscription model, our services to you covered under this Brochure end and you are free to implement on your own. You always have the discretion to choose whether to implement the IAR’s recommendations with VFA or with a third-party broker. If you choose to implement outside recommendations on your own, your non-VFA external account(s) can be included within an updated Plan. For example, if your IAR recommends a VFA brokerage IRA that contains mutual funds, but you choose to purchase a different service provider’s IRA instead, the assets from that third-party IRA can be included as part of the analysis of your future updated Plan(s). Alternatively, your IAR, who is also a registered representative of the Firm, could recommend the purchase or sale of securities, insurance products or advisory programs in his or her capacity as a registered representative, licensed insurance agent of an affiliate of the Firm, or as an IAR of one of the Firm’s other advisory program offerings. There is no obligation for you to engage with your IAR or the Firm for purchasing these products or services. However, the products that your IAR could offer are limited to those approved by the Firm.

Once the Plan or Consulting Service has been provided to you, as a one-time engagement, there are no continuing obligations with respect to the information or conclusions presented and the services covered under this Brochure end. For all Plans provided, one-time or subscription based, and for all Consulting Services provided, there are no recommendations to buy, hold or sell securities included in the Plan. Your IAR, who is also a registered representative of the Firm, may recommend the purchase or sale of securities, insurance products or advisory programs following the delivery of your Plan. If you purchase a product or enroll in a service based on those recommendations,

the Firm will receive compensation in the form of a commission or ongoing fee including but not limited to mutual fund 12b-1 fees or related sales compensation, payments from a revenue-sharing arrangement, or fees in the form of paid insurance premiums. The Firm pays to your IAR a portion of the fees you pay for the products and/or services you purchased based on your IAR's recommendation(s).

You are under no obligation to act on the results provided in the Plan or Consulting Service delivered. You are solely responsible for deciding whether to take any action pursuant to the Plan or Consulting Service. If you take any action after delivery of the Plan or Consulting Service, you acknowledge there is no obligation to affect the transactions through the Firm, its affiliates, or its IARs.

**You should carefully review all sales charges, front-end or deferred, and ongoing fees and loads charged in all products or service programs before taking any action pursuant to the Plan or Consulting Service.**

**The value of financial investments rises and falls, and no financial plan can guarantee results. Accordingly, the Firm cannot guarantee future financial results or the achievement of your financial goals through implementation of the recommendations, information, and education contained within the Plan, or any recommendations provided to you as part of the Consulting Service. All such recommendations are based on the information provided by you to your IAR about your financial situation. We assume the accuracy of such information when developing the Plan or Consulting Services' recommendations. The Firm does not, as part of the Financial Planning Services, monitor the day-to-day performance of your specific investments. As with any investment program, you can lose some or all of your money by investing through the Firm's investment advisory programs or other products and services it offers.**

**Any analysis of tax or accounting issues relating to your situation is for discussion purposes only and not intended to be tax or legal advice. Please consult with your tax professional or attorney for tax or legal advice related matters.**

It should also be noted that IARs may refer clients to an accountant, attorney, or other specialist, as necessary for non-advisory related services. Although IARs are not compensated for such non-advisory related referrals through the Firm, IARs may refer clients to businesses providing these services they own or work for outside of their association with the Firm and clients may separately pay for those non-VFA related services. **The Firm does not approve, endorse, or supervise any outside professionals referred to you.** The financial strategies presented in the Plan or Consulting Service are intended only as a guide, and implementation of the recommendations will be at your discretion. When your IAR delivers a Plan, and unless you elect a subscription engagement, you will not receive updates and your IAR does not have an obligation to update the Plan with respect to the information or conclusions presented.

### **Termination of the Planning Agreement**

Either party may terminate the services at any time upon written notice to the other party. You may terminate by providing written notice to VFA or your IAR. Termination by VFA will be effective upon written notice as set forth in the Planning Agreement unless a later date is stated in the notice. At the time of termination, you will receive a full refund provided the Plan or Consulting Service has not been delivered. You will not receive a refund if the Plan or Consulting Service has been delivered prior to termination.

The Planning Agreement will automatically terminate if the Plan or Consulting Service has not been delivered within 90 days of entering into the agreement. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract and the Firm has received payment within thirty (30) days of the execution of the contract. Client will receive a full refund if the Planning Agreement terminates due to non-delivery of the Plan or Consulting Service.

The Planning Agreement will not terminate in the event that the IAR establishing the Planning Agreement is no longer associated with the Firm or is otherwise removed from the Planning Agreement. The Firm reserves the right to replace the IAR providing services under the agreement and will provide written notice to you of such change in your IAR.

### ***Subscription Engagement***

As noted above, you may select a one-time planning engagement or a subscription whereby the Plan will be updated annually. When you select the subscription option, the engagement renews on or about each one-year anniversary of the start date of the original agreement. The subscription engagement will automatically terminate if payment for the subsequent year(s) is not made within 30 days of the renewal date. Termination of the subscription engagement will be communicated to the client in a timely manner.

**The Planning Agreement that you are required to review and execute prior to the preparation and delivery of any type of services contains additional disclosures. Please review it carefully prior to signing the Planning Agreement.**

### **Item 5 – Fees and Compensation**

VFA offers both fee and non-fee financial planning programs. The fee is negotiable between the client and IAR. A portion of the professional consulting services fee is paid by the Firm to the IAR.

The financial planning fees depend upon a variety of factors, including but not limited to:

- The complexity of personal financial circumstances and stated objectives;
- The number of goal-based topics covered;
- The anticipated time needed to complete the Plan;
- Net worth, investable assets, household income, liabilities and sources of income, and/or;
- The geographic location of client and/or IAR.

Fees charged by an IAR for Financial Planning Services vary between clients (this is possible even for clients who have the same level of complexity) and from one IAR to another for various reasons. As a result, you may pay more for Financial Planning Services than what other clients pay for comparable services. Financial planning fees are negotiable and must be agreed upon by you and IAR.

The fees you pay for the Financial Planning Services provided through the Approved Software depend on the type of account you have with the Firm as described below. The maximum annual fee one-time for the Plan, either one-time or subscription, is \$5,000 annually; this maximum may be revised upon advance written notice to you and, where applicable, your consent to such change.

Consulting Services are offered by IARs on a per project basis. Total project costs for Consulting Services will not exceed \$7,500 annually.

The total combined fee for the Plan and Consulting Services will not exceed \$10,000 annually.

Fees are subject to change and the Firm may offer certain clients discounted fees or other promotional pricing. You will be notified of fee changes.

### **The Financial Planning Service Delivered Through your Retirement Plan's Relationship with VALIC**

If you receive the Financial Planning Service in connection with your retirement plan's relationship with VALIC's recordkeeping services, the Firm can receive a fee for the Financial Planning Service in several ways. Fees are negotiable on a plan sponsor-by-plan sponsor basis.

- Your retirement plan sponsor may pay VFA a fee from the plan sponsor's own corporate assets, in which case you will pay no separate fee to use the Financial Planning Service; or
- A retirement plan's fiduciaries may choose to offer the Financial Planning Service as part of the bundle of recordkeeping services that VALIC provides to the plan, in which case you will pay no separate fee to use the Financial Planning Service; or
- Your employer and/or the retirement plan's fiduciaries may offer you access to the Financial Planning Service if you pay the fee for the Financial Planning Service yourself. This fee may be a one-time fee, or an ongoing fee based on a subscription model.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

The Firm 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).

### **Item 7 – Types of Clients**

The Firm advises a wide range of clients, including individuals, corporations and other businesses, trusts, estates, and charitable organizations.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

IARs create Plans based on information you provide. Consulting Services engagements that include "Net Worth and Cash Flow Management", "Risk Management", "Education Savings", "Evaluation of Tax Considerations", "Retirement Planning", "Philanthropic Planning", "Estate and Legacy Planning", "Investment Planning" and/or "Business Financial Planning" will result in the delivery of a Plan. A Plan may also be delivered for "Other" consulting services which include a topic not listed here; please consult with your IAR for more information. The information provided is entered into Approved Software to make linear and/or stochastic (i.e., randomly determined based on a probability distribution or pattern that may be analyzed on a statistical basis) projections to simulate possible outcomes in an effort to provide scenarios that reflect likely outcomes. As with all projections and forward-looking projections, accuracy cannot be guaranteed as Plans are hypothetical. All assumptions utilized are fully disclosed within the specific Plan.

Past performance is no guarantee of future results. Plans will, when applicable, contain high-level asset allocation scenarios based upon historical returns. These allocation scenarios will vary based upon specific client situations and will be limited to allocations between equities and fixed income exposure. The Plan will not include recommendations of specific securities.



## Risk of Loss

Investing in securities involves risk of loss that investors should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds can be less than the purchasing power of the original investment.

**Equity Securities Risk.** Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s) – such as large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies can involve greater risk and price volatility than investments in larger, more mature companies.

**Fixed-Income Securities Risk.** Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed income securities could default on its payment obligations.

**Cybersecurity.** The Firm's business is highly dependent upon information and computer systems, including those of third parties and their service providers. Those computer systems have been, and will likely in the future be, subject to or targets of unauthorized or fraudulent access, including physical or electronic break-ins or unauthorized tampering, as well as attempted cyber and other security threats and other computer-related penetrations. Like other financial services companies, the Firm, its service providers, and business partners are and will continue to be subject to cybersecurity and technology risks, such as malware and computer virus attacks, ransomware, unauthorized access, business e-mail compromise, misuse, denial-of-service attacks, system failures and disruptions. In addition, the Firm routinely transmits, receives and stores personal, confidential, and proprietary information by electronic means. Although the Firm employs various measures designed to keep such information and its computer systems confidential and secure, there is no guarantee that such measures will be fully effective, and the Firm may be unable to effectively protect such information or computer systems so in all events.

Cyber-attacks, other cyber-related risks, and technology outages could adversely impact the Firm's business or the Firm's ability to effectively provide its services, potentially resulting in financial losses to the Firm's clients. Those events could also result in a loss of confidential information, including personal information, give rise to remediation or other expenses, expose the Firm to liability under U.S. federal and/or state laws and regulations, or subject the Firm to litigation, investigations, sanctions and regulatory and law enforcement action, and result in reputational harm and loss of business, which could have a material adverse effect on the Firm's business operations. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by the Firm and those other entities in order to prevent any cybersecurity breaches in the future. The Firm is also subject to a variety of evolving privacy and information security laws and regulations that expose the Firm to heightened regulatory scrutiny and require the Firm to incur significant technical, legal and other expenses in an effort to ensure and maintain compliance. If the Firm is found not to be in compliance with these laws and regulations, the Firm could be subjected to significant civil and criminal liability and exposed to reputational harm.

## Item 9 – Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to our clients or our prospective client's evaluation of our investment advisory business or the integrity of our management. The following are disciplinary events relating to the Firm and/or our management personnel.

On November 28, 2016, without admitting or denying FINRA findings, the Firm submitted a letter of acceptance waiver or consent for the purpose of settling alleged NASD and FINRA rule violations that it failed to: (1) have a reasonable system or process/procedures designed to address, analyze or review the conflicts of interest in its compensation program or to ensure that balanced disclosures was provided to the investors regarding such compensation program, (2) to maintain adequate systems and procedures to supervise the sale of variable annuities to retail brokerage customers, (3) maintain supervisory procedures and training materials that provide registered representatives and principals guidance or suitability considerations for sales of different variable annuity share classes, including L-share variable annuities, (4) enforce supervisory procedures requiring that certain emails flagged by its email surveillance system be reviewed by designated Firm supervisors, (5) establish a reasonable system and procedures to supervise its complaint reporting responsibilities, and (6) failed to issue account notices at account opening and then on 36-month intervals for certain brokerage customers. The Firm was censured and fined \$1,750,000.

In April 2017, VALIC entered into a consent judgment with the State of Indiana wherein VALIC was fined \$75,000 in connection with a privacy breach that was disclosed in 2013 and 2014 to regulators and impacted customers.



In November 2017, VALIC entered into a settlement agreement with the Minnesota Department of Commerce wherein VALIC was fined approximately \$177,000 in connection with unclaimed property procedures.

On June 3, 2019, without admitting or denying any findings of fact or conclusions of law, the Firm settled a matter with the Securities Enforcement Branch ("SEB") of the Hawaii Department of Commerce and Consumer Affairs. As part of the settlement, the Firm entered into a consent order with the SEB (the "Consent Order"), which states that the Firm failed to supervise a registered representative who had submitted a transaction without proper customer authorization. Pursuant to the Consent Order, the Firm paid a fine of \$10,000.

On July 28, 2020, the SEC issued an order regarding certain VFA mutual fund and mutual fund share class selection practices. Specifically, the SEC found that the Firm had not appropriately disclosed certain conflicts of interest due to its receipt of revenue sharing, avoidance of transaction fees, and receipt of 12b-1 fees, in violation of Section 206(2) of the Advisers Act. The SEC also found that VFA did not adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices, in violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. VFA neither admitted nor denied the SEC's findings.

Solely for the purpose of settling this proceeding, VFA consented to a cease-and-desist order, a censure, to pay to affected investors disgorgement of \$13,232,681 and prejudgment interest of \$2,211,072, and to pay a \$4.5 million civil monetary penalty. VFA also agreed to review and correct as necessary all relevant disclosure documents concerning mutual fund share class selection, revenue sharing, transaction fees, and 12b-1 fees, and to comply with certain other related undertakings as well.

On July 28, 2020, the SEC issued an order finding that the Firm failed to disclose to certain Florida teachers that the Firm's parent company, VALIC, provided cash and other financial benefits to a for-profit company owned by Florida K-12 teachers' unions in exchange for referring teachers to products and services offered by VALIC and the Firm, in violation of Sections 206(2) and 206(4) of the Advisers Act and Advisers Act Rule 206(4)-3 thereunder. The SEC also found that VFA did not adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder, in violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. VFA neither admitted nor denied the SEC's findings.

Solely for the purpose of settling the proceeding, VFA consented to a cease-and-desist order, a censure, and to pay a civil monetary penalty of \$20 million. VFA also agreed to cap the management fee for the GPS Program for participants currently enrolled in this program in 403(b) and 457(b) plans offered by Florida K-12 schools, and to also offer this rate to any 403(b) and 457(b) participants offered by Florida K-12 schools who enroll in the GPS Program through the Portfolio Director annuity within the next five years. This capped rate will remain in effect for such participants for the duration of enrollment in the GPS Program. VFA also agreed to comply with certain other related undertakings as well.

On January 8, 2021, the Firm completed an AWC with FINRA for the purpose of settling alleged FINRA rule violations that it failed to (i) establish a reasonably designed system and written supervisory procedures to monitor rates of variable annuity exchanges and implement corrective action in the case of inappropriate exchanges, violating FINRA Rules 2330(d), 3110, and 2010; (ii) reasonably supervise recommendations involving the investment of additional funds in an existing variable annuity, violating FINRA Rules 3110 and 2010, and (iii) timely report statistical and summary information for certain customer complaints during a specified period, violating FINRA rules 4530(d) and 2010. VFA neither admitted nor denied FINRA's findings. Solely for the purpose of settling the proceeding, VFA consented to a censure and a fine of \$350,000.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

VFA is a wholly owned subsidiary of VALIC, which is a Texas-domiciled insurance company and is an SEC-registered investment adviser. VALIC is primarily engaged in the offering and issuance of fixed and variable annuity contracts and combinations thereof and is licensed to issue annuities in 50 states and the District of Columbia. VALIC is an indirect, majority owned subsidiary of AIG. VFA is also a registered broker-dealer with the SEC and a member of FINRA. VFA is regulated by the Municipal Securities Rulemaking Board, and state securities and insurance regulatory bodies. VFA is also a member of the Securities Investor Protection Corporation established under the Securities Investor Protection Act of 1970. In this capacity, VFA may transact in various types of securities, including, but not limited to, stocks, bonds, variable investment products and mutual funds. VFA, as well as our financial advisors, receive separate compensation for securities transactions effected through the Firm.

- Corebridge Capital Services, Inc ("CCS") is an indirect, majority owned subsidiary of AIG and an affiliate of the Firm. In its capacity as a registered broker-dealer, CCS acts as principal underwriter for the offer, sales and distribution of the variable annuity contracts issued by VALIC and its affiliates and as distributor of registered investment companies advised by VALIC and SAAMCo.
- SAAMCo is an indirect, majority owned subsidiary of AIG and an affiliate of the Firm. SAAMCo serves as an administrator and investment sub-adviser to certain registered investment companies advised by VALIC.

- VALIC Trust Company Inc. (f/k/a AIG Federal Savings Bank), an affiliate of the Firm, acts as custodian/trustee for employer-sponsored retirement plans for which the Firm provides enrollment, education and offers the GPS Program.
- VRSCO is a wholly owned subsidiary of VALIC and an SEC-registered transfer agent for registered investment companies advised by VALIC and SAAMCo. VRSCO is also a record keeper and service provider to certain retirement plans for which the Firm provides enrollment, education and advisory services.
- VALIC Company I (the "VALIC Funds") are registered investment companies advised by VALIC and, with respect to certain funds, sub-advised by SAAMCo. The VALIC Funds are offered as underlying investment options within VALIC-issued variable annuity contracts and as mutual funds in employer-sponsored retirement plans for which VFA offers the GPS Program. For these funds, SAAMCo is the administrator and, for certain funds, an investment sub-adviser, CCS is the distributor, and VRSCO is the transfer agent.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Firm has adopted a Code of Ethics ("Code") for which it periodically reviews and updates. VFA will provide a copy of its current Code to clients and prospective clients upon request by contacting us 866-544-4968.

VFA, as an investment adviser, has a fiduciary duty to act in the best interests of its advisory clients. The Code requires honest and ethical conduct by all our supervised persons, compliance with applicable laws and governmental rules and regulations, the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code, and accountability for adherence to the Code. The Code is designed to protect the organization and its clients from damage that could arise from a situation involving a real or apparent conflict of interest. While it is not possible to identify all possible situations in which conflicts might arise, this Code is designed to set forth our policy regarding the conduct of our supervised persons in those situations in which conflicts are most likely to develop.

Supervised persons are expected to adhere to the Code and are also expected to follow procedures for the reporting any violations of the Code.

For access persons, VFA requires that certain securities transactions be disclosed and/or reported. Access persons are any of VFA's supervised persons who have access to non-public information regarding any investment advisory client's purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund (as defined in the Code) or any person who is involved in making certain types of securities recommendations to investment advisory clients, or who has access to such recommendations that are non-public.

In our capacity as a broker-dealer, we provide to our clients a variety of products and services for which we are compensated. If an advisory client chooses to utilize our services as a broker-dealer, VFA and registered representatives, who are also IARs, may earn compensation in the form of brokerage commissions in addition to advisory fees. Our registered representatives may recommend to you the purchase or sale of investment products in which we or a related entity may have some financial interest, including, but not limited to, the receipt of compensation.

### **Item 12 – Brokerage Practices**

Financial Planning Services and Consulting Services will result in the delivery of a written Plan, which do not recommend any individual securities or the use of any broker-dealer. Subsequent to the delivery of a Plan your IAR could work with you to recommend products or services offered by the Firm and/or its affiliates, including MIP, MIP UMA, the GPS Program and/or the GPA Program. See the Firm's Brochures that describe those programs for more information available at: <https://www.corebridgefinancial.com/rs/prospectus-and-reports/vfa-form-adv-materials>.

### **Item 13 - Review of Accounts**

The Financial Planning service generally includes the delivery of a one-time written Plan and, for the subscription-based service, periodic updates to the Plan, and does not include ongoing monitoring of accounts by VFA, its affiliates or its IARs. Our financial planning services covered under this Brochure end when we deliver a particular Plan and/or Consulting Services to you. No additional monitoring or reports are provided unless the client requests a revision to the plan within a specified time period following delivery.

### **Item 14 - Other Compensation; Client Referrals**

**Other Compensation.** VFA maintains a program under which its representatives are eligible to attend an annual conference and/or other incentive trips sponsored by Corebridge Financial, AIG and/or VALIC which are based on their achievement of certain sales goals and plan enrollments. Certain of the Firm's top-earning IARs are designated as President's Circle members and receive additional compensation and benefits. Qualification for the annual conference and/or incentive trips as well as membership in the President's Circle is based on total compensation and plan enrollments as described in this Item 14 and is not based on any specific product or category of products. However, because eligibility is based on the IAR's total compensation, IARs are incentivized to have clients purchase additional

products and services, enroll individuals in plan-sponsored programs, and add assets to existing products and services, and to transfer assets to products and services that generate higher levels of compensation for the IAR.

With respect to each of the Firm's advisory programs, a portion of the advisory or other fees you pay to the Firm is paid to the IAR. Generally, the percentage of fees that the Firm pays to your IAR from the GPS Program, the GPA Program, MIP, and/or MIP UMA increases based on a rolling 12-month period as the IAR's aggregate compensation from both the sale of securities/insurance products and the receipt of advisory fees reaches certain thresholds during that rolling time period. With respect to the sale of Plans, the compensation your IAR receives from the Firm increases based on the number of Plans your IAR sells, which increases on a cumulative basis as your IAR sells more Plans. This increase in compensation to the IAR from the sale of advisory programs and/or Plans will not increase the fees you pay to the Firm but does trigger the compensation conflict described in this section.

The compensation that your IAR receives from substantially all compensation sources counts towards your IAR's qualification for non-cash awards, trips and other non-cash benefits offered by the Firm. The Firm may implement programs under which IARs may be eligible to win non-cash awards, trips and other non-cash benefits offered by the Firm for certain sales efforts relating to enrollment in employer-sponsored retirement plan accounts, among other factors. Similar to other sales-based programs, such non-cash awards are not based on the sale of any specific product or category of products. These programs will not change the fees that you pay for advisory services.

The Firm and/or one or more of its affiliates will receive payments from third parties, including fund sponsors, product partners, and service providers that choose to participate in, and that are designed to defray the costs associated with, Firm-sponsored or VALIC-sponsored conferences, seminars, training or other educational events where these funds, products, or other related services are discussed and that are attended by our employees or employees of our affiliates and/or plan sponsors and plan consultants. These payments are not a condition of the availability to you of the products, mutual funds, and/or ETFs.

The Firm does not pay related or non-related persons for referring potential Financial Planning Services and/or Consulting Services advisory clients.

**Sponsorship Activities of the Firm and its Affiliates.** The Firm and its Affiliates from time to time enter into agreements with, and pay compensation to, various organizations and associations, including trade associations, unions, and other industry groups, that provide various services to retirement plan sponsors and/or plan participants. These organizations may sponsor and invite the Firm and/or its Affiliates to participate in educational conferences and seminars for retirement plan participants who, through their retirement plan, have access to the advisory programs offered by the Firm. In some instances, these organizations may endorse and/or promote the Firm and/or its Affiliates' products and/or services, and otherwise provide the Firm and/or its Affiliates with marketing opportunities. Our sponsorship payments to these organizations for marketing and advertising opportunities provide an incentive for the organizations to promote the Firm's and/or the Affiliates' advisory services and products and may result in additional annuity sales to plan participants. Certain of these arrangements may be considered payments for endorsements which will be disclosed in accordance with regulatory requirements.

**Charitable Donations.** VALIC, VFA, its Affiliates and/or its Supervised Persons from time to time make cash or non-cash donations to charitable organizations or societies organized as 501(c)(3) charities, including charitable organizations associated with potential and/or actual clients of VFA and/or VALIC. These charitable donations are provided in support of non-profit causes identified by that organization, and disbursements of such donations are done under the direction of the charitable organization, and not VFA or VALIC. VFA and VALIC have procedures to identify, address and mitigate potential conflicts.

**Referrals to Third Parties.** IARs may refer clients to an accountant, attorney, or other specialists, as necessary for non-advisory related services. Although IARs are not compensated for such non-advisory related referrals through the Firm, IARs may refer clients to businesses providing these services they own or work for outside of their association with the Firm and clients may separately pay for those non-VFA related services. VFA does not endorse or supervise professionals referred to clients in this way.

For certain plan sponsor clients of VALIC, VFA has authorized its representatives to endorse, refer, and market the services of third-party registered investment advisors ("Third-Party Advisors") to the plan sponsors' participants in accordance with Rule 206(4)-1 under the Advisers Act, as amended. VFA and VFA's representatives receive referral fees from the Third-Party Advisors based on these endorsements and marketing activities. The compensation is paid as an ongoing cash payment calculated as a percentage of the advisory fees charged by the Third-Party Advisors for the participants' enrollment in the advisory program offered by the Third-Party Advisors. Because VFA is engaged by and paid by these Third-Party Advisors for the referrals, any referrals regarding such Third-Party Advisors presents a conflict of interest. VFA provides referral clients regarding the role of VFA and its representatives as a referral agent, the conflict of interest, which includes the compensation to VFA, and other terms of the relationship between VFA and the Third-Party Advisors, which discloses this conflict. VFA reserves the right to enter into similar arrangements with other third-party advisors.

**Item 15 – Custody**

The Firm does not have “custody” of client assets as defined in the Advisers Act Rule 206(4)-2 because it does not deduct advisory fees from a client’s account. Fees for Financial Planning Services and Consulting Services are paid directly by the client.

**Item 16 – Investment Discretion**

No investment discretion is granted to, or exercised by, the Firm or your IAR in connection with the Financial Planning Services and Consulting Services.

**Item 17 – Financial Information**

The Firm has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy petition.