



# *Ameriprise* Managed Accounts and Financial Planning Service

## 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, LLC and *Ameriprise*<sup>®</sup> Managed Accounts services and *Ameriprise* Financial Planning Services. If you have any questions about the contents of this Brochure, please contact us at 800.297.6663. 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. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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

March 2020

### Sponsor:

Ameriprise Financial Services, LLC  
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Minneapolis, MN 55474

[ameriprise.com](http://ameriprise.com)

## Material Changes

This Brochure dated March 2020 is filed as the annual update to the Form ADV Part 2A, Appendix 1 and includes material changes that have occurred since the last annual update of our brochure in March 2019. Following is a summary of the material changes:

- The **Form ADV: Brochure Supplement** for Gregory Carr is removed in its entirety and the Brochure Supplement for Michael Costley was added.
- **“The Ameriprise Custom Advisory Relationship”** section was added to reflect the introduction of the Custom Advisory Relationship (“Relationship”) for all Managed Account Programs.
- The **“Active Portfolios®”** and **“Select Separate Account”** sub-sections of the **“Programs and Services”** section were updated to reflect the migration of *Active Opportunity Portfolios®* investments to the Select Separate Account Program as Select ETF Portfolios.
- The **“Fees and Compensation”** section was updated to reflect the conversion of all Advisory Programs into updated, component-based pricing framework in which the sub-components of the Asset-based Fee are separately itemized as an Advisory Fee, a Platform Fee and a Manager Fee. The section was also updated to reflect changes in billing methodology.
- The **“Other financial industry activities and affiliations”** sub-section of the **“Additional Information”** section was updated to reflect the approval of Ameriprise Bank, FSB’s bank charter as a federal savings bank.

You may request at any time a current copy of this Disclosure Brochure, and if applicable, Part 2A of your Investment Manager’s Form ADV Brochure (as defined below in the Overview of Ameriprise Managed Accounts section of this Brochure) from your financial advisor. The current Brochure replaces any earlier version you receive.

You may also request copies of the Brochure(s) by writing to Ameriprise Financial Services, LLC at 2661 Ameriprise Financial Center, Minneapolis, MN 55474, or by calling 800.297.6663.

**Please retain a copy of this Brochure for your records.**

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# Ameriprise® Managed Accounts and Financial Planning Service Combined Disclosure Brochure

This Combined Disclosure Brochure covers important information that is divided into four key components outlining information about the:

- consolidated advisory fee service;
- Ameriprise® Managed Accounts (each an “Account” or “Managed Account”) offered by Ameriprise Financial Services, LLC;
- Ameriprise® Financial Planning Service; and
- important information about Ameriprise Financial Services, LLC.

Each section of this Combined Disclosure Brochure offers important information about engaging in a consolidated advisory fee service that allows you to have both Managed Account and financial planning services for a single asset-based fee (“Asset-based Fee”). The Asset-based Fee is a wrap fee.

## Ameriprise consolidated advisory fee service

Clients of Ameriprise Financial Services, LLC (“Ameriprise Financial Services”, “Sponsor,” or “we”) may elect to pay for the *Ameriprise®* Financial Planning Service (“AFPS”) and a Managed Account service either separately or through a consolidated advisory fee service. Ameriprise Financial Services, LLC sponsors a wrap fee program offering a variety of investment advisory accounts (collectively, “Advisory Solutions”). Within Advisory Solutions, Ameriprise Financial Services offers a number of investment advisory programs (each a “Program”) that have different features and services, supporting a wide array of investment strategies. When you decide upon a Program, you may open a Managed Account.

A consolidated advisory fee service charges an Asset-based Fee, which combines the fees you pay for advisory services you receive for an AFPS and at least one Managed Account, both of which are described more fully in this Combined Disclosure Brochure. For these two services you will pay a single, Asset-based Fee as described in the **“Fees and Compensation”** sub-section of the **“Ameriprise® Managed Accounts services, fees and compensation”** section.

## Appropriateness of a consolidated advisory fee service for you

Before selecting a consolidated advisory fee service, you should consider, among other things, the costs and potential benefits of a combined advisory service and your investment objectives. See the **“Overview of Ameriprise® Managed Accounts”** charts and the **“Ameriprise® Financial Planning Service”** sections for more information about the services that are eligible for a consolidated advisory fee.

- A consolidated advisory fee service may be appropriate for you if you recognize and accept the fees you pay for Managed Account(s) and AFPS may be more or less than if you were to purchase Managed Account(s) and AFPS separately and you understand and accept that these fees, including your AFPS fees, will be an agreed upon percentage of the total value of the assets in your Managed Account and as a result, the total amount you pay for a consolidated advisory fee service will increase if the asset value of your Account increases, and vice versa.
- A consolidated advisory fee service may be appropriate for you if you wish to receive AFPS and pay for the service through one or more eligible Managed Accounts.

## Establishing and maintaining a consolidated advisory fee service

To establish the consolidated advisory fee service, you will be asked to:

- Review this Combined Disclosure Brochure, the applicable client agreements and documents that you sign to establish your consolidated advisory fee service; and ask your financial advisor any questions;
- Provide accurate and complete information to your Ameriprise financial advisor (“financial advisor”) to complete the relevant consolidated advisory fee service documents;
- Establish and maintain at least one Managed Account as part of the consolidated advisory fee service; and
- Select a sweep option as described in the and **“Sweep Option and Expenses”** section.

## Asset-based Fee for your consolidated advisory fee service

The portion of the annual Asset-based Fee you pay for your consolidated advisory fee service (referred to as the "Advisory Fee") is negotiated with your financial advisor and you and is deducted from the sweep option related to the Managed Account(s) that you select. For a consolidated advisory fee service, your Advisory Fee includes investment advisory services provided (i) to your Managed Account(s); and (ii) your AFPS, each as further described in this Combined Disclosure Brochure.

The maximum total annual Advisory Fee you will pay for a consolidated advisory fee relationship is 2.0%. The Advisory Fee is based upon the level of assets in your associated Managed Account(s) and includes the AFPS Fee. When establishing a consolidated advisory fee service, you and your financial advisor will agree to the portion of the Advisory Fee that is allocated to AFPS. This allocation will be in five basis point increments.

When you pay for AFPS fees separately, you are paying a flat fee that you negotiate and agree upon with your financial advisor. When you pay for AFPS as part of a consolidated advisory fee service, you agree to allocate a portion of the Advisory Fee to cover your AFPS expenses. This portion will rise and fall with your Managed Account balance, which is impacted by the markets, deposits and withdrawals. As such, you may pay more or less for AFPS than you would if you did not elect to pay for both AFPS and Managed Accounts with a single, asset-based fee.

In addition, you may pay more or less for AFPS in the consolidated advisory fee service than other AFPS clients with a comparable level of complexity.

You may not pay general financial planning fees from your IRA or other qualified account; therefore, the entire Asset-based Fee for IRA accounts must be paid from an alternate non-qualified brokerage account or a non-qualified Managed Account.

## Renegotiating Advisory Fees

Your financial advisor may change the allocation of your Advisory Fee between AFPS and the Managed Account for your consolidated advisory fee service. We or your financial advisor may reduce the Advisory Fee. We will provide you with written notice of the reallocation or reduction of the Advisory Fee, subject to the Managed Account's minimum fee. Your Advisory Fee will not be increased unless the increase is in accordance with your *Ameriprise*® Custom Advisory Relationship Agreement or you sign the appropriate documents to increase the Advisory Fee, as applicable. Any new Advisory Fee will become effective at the start of the next billing period following the period in which the request is received and accepted by Ameriprise Financial Services.

## Terminating your consolidated advisory fee service

You may terminate your entire consolidated advisory fee service at any time either by telephone or in writing. In addition, you may elect to terminate the AFPS component of the services comprising the consolidated advisory fee service by providing appropriate notice. If you do so, your Managed Account will remain active. If the Managed Account is terminated, the AFPS component of the services will be terminated as well. If the AFPS component is also attached to other Managed Accounts, AFPS will continue under those Accounts and your financial advisor may discuss Advisory Fee changes in those Accounts with you. Termination fees, as described elsewhere in this Combined Disclosure Brochure, will apply.

# Ameriprise® Managed Accounts services, fees and compensation

## Appropriateness of a Managed Account for you

Ameriprise Financial Services, LLC (“Ameriprise Financial Services”, “Sponsor,” or “we”) sponsors a wrap fee program offering a variety of investment advisory accounts (collectively, “Advisory Solutions”). Within Advisory Solutions, Ameriprise Financial Services offers a number of investment advisory programs (each a “Program”) that have different features and services, supporting a wide array of investment strategies. When you decide upon a Program, you may open an advisory account, (“Account” or “Managed Account”) which is an investment advisory account for which you pay an ongoing asset-based fee (“Asset-based Fee”). The Asset-based Fee is a wrap fee. Prior to establishing an Ameriprise® Managed Account you should carefully review this Wrap Fee Program Brochure (“Disclosure Brochure” or “Brochure”). If there is any conflict in the description of the investment advisory services or the details regarding fee information between the applicable Managed Account client agreement(s), related documents (as defined in the applicable client agreement(s)), and this Disclosure Brochure, the Disclosure Brochure supersedes the agreements and related documents. The applicable Managed Account client agreement will include the specific terms under which you will receive investment advisory services. Common terms used throughout this Brochure are defined in the “Glossary” section.

Ameriprise Financial Services offers the following Programs:

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

Ameriprise Financial Services also offers Ameriprise brokerage accounts. Selecting the account type(s) that best meet your needs is an important decision. There are circumstances where you may benefit from both a Managed Account and a brokerage account for different portions of your investment portfolio. When

evaluating the differences between an Ameriprise brokerage account and an Advisory Solution, you should consider the following key differences:

- Advisory Solutions allow you to receive ongoing investment advice and feature an asset-based fee structure. The annual Asset-based Fee you pay for your Account is a percentage of the total value of the assets in your Account and as a result, the total amount you pay will increase if the asset value of your Account increases, and vice versa. The Asset-based Fee is assessed monthly and deducted from your account in advance. This allows you to implement your investment strategy, generally without paying individual trading costs for each trade placed within the Account. Many of our Advisory Solutions feature professional portfolio management including asset allocation, risk management, investment selection, tax-harvesting and dynamic Account rebalancing. Your financial advisor will provide you with ongoing advice to develop and maintain your Account(s) investment portfolio, which will be designed to help you meet your financial goals and investment objectives.
- Ameriprise brokerage accounts feature a commission-based fee structure where investors typically pay commissions, sales charges and/or other fees on products purchased and sold in your brokerage account. Brokerage accounts enable you to invest in many different types of investments including mutual funds, stocks, bonds, exchange traded products, unit investment trusts, annuities and alternative investments. Your financial advisor may provide you point-in-time recommendations related to your investment portfolio but does not have an ongoing obligation to update those recommendations.

More detail about the differences between Advisory Solutions and brokerage accounts may be viewed online by visiting <https://www.ameriprise.com/customer-service/account-forms/client-agreements-and-product-disclosures> and clicking on “Evaluating differences between brokerage and managed accounts”.

The Asset-based Fee that you pay for a Managed Account may be more or less than if you were to purchase the investment products and investment advisory services separately or in a transaction-fee based brokerage account paying commissions and



sales-loads. Depending on your individual situation and the frequency and volume of trading, a Managed Account may cost more than a brokerage account, but the reverse could be true as well. Generally, Ameriprise Financial Services, our affiliates, and your financial advisor will receive more revenue from a Managed Account that generates an ongoing revenue stream than a transaction-fee based brokerage account. At the time of Account opening and throughout your relationship we seek to address this conflict of interest through a combination of disclosure and through our policies, procedures and supervision related to the review and determination that an Account is appropriate for you based on your financial and risk profile information and investment objectives (“Client Information”) in accordance with all applicable regulatory requirements.

You will receive ongoing investment advice in a Managed Account but will not receive ongoing investment advice on any positions you hold within an Ameriprise brokerage account. The same or similar services provided to you under the Asset-based Fee may be available to you at a lower fee from another service provider.

Before selecting a Managed Account, you should consider, among other things, the costs and expenses, your investment objectives, and the types of investments you hold and intend to purchase. Discuss with your financial advisor accounts you may hold elsewhere.

The total cost to you of a Managed Account will include (1) the Asset-based Fee, a portion of which you negotiate with your financial advisor, and which includes any investment management fees charged by Advisory Service Providers for SMA strategies; (2) for SPS Advisor Accounts, the Investments and Infrastructure Support Fee; (3) Investment Costs; and (4) Additional Fees and Expenses which are any additional transaction related fees that may be incurred in connection with your Account based on the nature of your investments. These costs are summarized below and are discussed in more detail and in the “**Fees and Compensation**” section.

Before opening a Managed Account or investing in any Program or investment product, it is your responsibility to understand and consider all fees, expenses and other charges. Specific information concerning the fees and other charges of each investment product in which your Account invests is available in the product’s prospectus or other offering document, the application and related client agreement for the applicable Ameriprise Managed Account Program, the Ameriprise Brokerage Client Agreement, the Other Important Disclosures Document and any other related applications, all of which are available from your

financial advisor. Please review all applicable information carefully before you make an investment decision and contact your financial advisor if you have any questions about the types of fees and expenses that may be associated with your Managed Account.

The costs associated with a Managed Account that you should consider include:

- The **Asset-based Fee** is the ongoing wrap fee you pay for (i) investment advisory services provided by Ameriprise Financial Services and your financial advisor; and (ii) investment management fees charged by the Advisory Service Provider providing advisory services to SMA strategies held in your Account, if applicable. The components of the Asset-based Fee are separately itemized as an Advisory Fee, a Platform Fee and a Manager Fee as further described in the “**Fees and Compensation**” section. Based on the Program you select, the components of your Asset-based Fee will vary.
- **Investments and Infrastructure Support Fee and Credit for SPS Advisor Accounts.** In addition to your Asset-based Fee, for SPS Advisor Accounts, Ameriprise Financial Services assesses a quarterly asset-based fee of 0.03% of the total advisory assets in your Account. Our affiliate AEIS credits to clients all sub-transfer agency fees and networking fees AEIS receives for SPS Advisor Accounts from mutual fund firms, as further described in the “**Fees and Compensation**” section. This Investments and Infrastructure Support Credit may be more or less than the Investments and Infrastructure Support Fee.
- **Investment Costs.** These are the underlying fees related to investment products you purchase within your Managed Account. These may include investment management fees and distribution fees charged by mutual fund firms and other fees that are disclosed in the fund prospectus or other offering document. These costs are in addition to the Asset-based Fee that you pay directly from your Account. They are paid indirectly by you, for example, as a shareholder in a mutual fund, through the product. They are not a direct fee deducted from your Account. Investment Costs reduce the value of your investment in the product and reduce the investment performance of your Account.

Investment Costs apply whether the investment product is sponsored or managed by an unaffiliated third party or by an affiliate of Ameriprise Financial Services, such as Columbia Management Investment Advisers, LLC (“CMIA”), a wholly-owned subsidiary of Ameriprise Financial, Inc., Ameriprise

Financial Services' parent company. When you invest in investment products managed by CMIA, CMIA or its affiliates will receive compensation for managing those investments and for other services they provide based on the amount you invest, just as they would if you invested in CMIA investment products through another service provider. Investment Costs received by CMIA are not direct compensation to Ameriprise Financial Services, however, Ameriprise Financial Services, CMIA and their affiliates receive more revenue, in aggregate, from the purchase of proprietary investment products offered by CMIA than from the purchase of investment products offered by firms that are not affiliated with Ameriprise Financial, Inc. and therefore it is more profitable for Ameriprise Financial Services' parent company when you purchase or own a CMIA investment product in your Account.

- o **Third Party Payments.** A portion of Investment Costs that you pay indirectly to third parties are subsequently received by our affiliated clearing agent, American Enterprise Investment Services Inc. ("AEIS"), from those third parties as certain cost reimbursement payments and other servicing and account maintenance fees (e.g. sub-transfer agent or networking fees) related to your Managed Account. AEIS also receives revenue sharing, marketing support and distribution support payments. For qualified SPS Advisor Accounts and trustee-directed retirement plans in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts, AEIS either does not collect Third Party Payments or credits them back to client Accounts as described in the **"Fees and Compensation"** section. Third Party Payments and cost reimbursement services and payments are further described in the **"Mutual Fund Share Classes in Managed Accounts"**, **"Fees and Compensation"**, and **"Cost Reimbursement Services and Third Party Payments"** sections. These payments are generally funded directly, or indirectly, from Investment Costs.
- You should consider this total compensation received by Ameriprise Financial Services and AEIS when evaluating the reasonableness of our fees.
- **Additional Fees and Expenses** are any additional transaction related fees that may be incurred in connection with your Account based on the nature of your investments; for example, for Select Separate Account and Managed Accounts offered with Envestnet, if the Investment Manager for the investment strategy you select engages in "step-out trades" you will be assessed any Third Party

Execution Fees for these trades as defined and described in the **"Brokerage Practices"** section; these fees will be in addition to the Asset-Based Fee that you pay to Ameriprise Financial Services and are not compensation to Ameriprise Financial Services or AEIS.

In determining whether a Managed Account is appropriate for you at the time of Account opening and throughout your relationship with Ameriprise Financial Services, you should also consider:

- Impact of the total costs of a Managed Account described above, on the overall value and net performance of your Account;
- Total cost of purchasing and holding any underlying securities, products and services outside of a Managed Account or at another firm, including the anticipated amount of trading;
- That you will typically not recover any front-end loads previously paid on mutual funds that are transferred into a Managed Account and you may be subject to contingent-deferred sales charges on mutual funds that charge such a fee if sold or exchanged after they are transferred into a Managed Account. The cost basis on any front-end loads paid will carry over to any mutual fund positions converted in a tax-free exchange and will be included in the tax calculation of gains and losses for positions held in non-qualified Managed Accounts;
- Whether you desire a long-term buy-and-hold investment strategy, or otherwise purchase mutual funds and other securities infrequently. If so, a Managed Account may not be appropriate for you;
- Your desired level of involvement in individual investment decisions and comfort with granting discretion over your investments to your financial advisor or other investment managers;
- Custodial services provided;
- Size of your Account;
- Your ability to independently select and retain professional asset management services;
- Terms and conditions of the applicable client agreement, including the Custom Advisory Relationship Agreement ("Client Agreement");
- The type of investment products (including mutual fund share classes) that are available in each Managed Account Service; and
- How much of your assets you expect to be allocated to cash. Because cash is included in the Asset-based Fee for your Managed Account, it will cost you more and Ameriprise Financial



Services and our financial advisors will receive more revenue when you hold cash in a Managed Account rather than an Ameriprise brokerage account. It is not recommended to hold large amounts of cash in a Managed Account for extended periods of time. Prior to establishing a Managed Account or as you consider remaining in a Managed Account, and particularly for the SPS *Advantage* and SPS Advisor Programs, consider whether you have a short-term investment horizon, or whether you are holding cash for asset safety purposes (such as during periods of volatile or uncertain market conditions). In those cases, you should consider and discuss with your financial advisor other investment products that may offer capital preservation with a higher rate of return for the cash component of your asset allocation. These investment products include Ameriprise Certificates, brokered certificates of deposit, treasuries and positional money market mutual funds and are a more appropriate choice for investing cash than maintaining a significant cash balance in your Managed Account for an extended period. Your financial advisor can provide you with information about the cash management products available to you. We offer tools on our client website that permit you to transfer cash between your Managed Account and certain other accounts you maintain at Ameriprise. This may help you avoid the ongoing Asset-based Fee.

- You should also review the available money settlement option available to you in your Managed Account. A money settlement option is a feature offered by Ameriprise Financial Services that is primarily intended to hold cash (i) pending investment into your Managed Account; (ii) to cover your Asset-based Fee and if applicable, SPS Advisor Investments and Infrastructure Support Fee; (iii) to cover systematic cash withdrawals you have established for your Account(s); (iv) for checking or debit card activity and to make bill payments (cash management activities); and (v) for settling transactions in your Managed Account. Available money settlement options include either a free credit balance held in your Account covered by SIPC, or a program that provides for the automatic movement or “sweep” of uninvested cash balances in your Managed Account into the money settlement program (each, a “Sweep Program”). A Sweep Program is not an investment strategy and is not intended as an investment option for you to maintain a significant cash balance for an extended period of time. As noted above, Ameriprise Financial Services offers investment products that offer capital preservation that generally have a higher rate of return for the cash component of your asset allocation than a

Sweep Program. The terms of our cash sweep programs can be found in the "Other Important Brokerage Disclosures" document you received when you set up your Account or Relationship, as applicable. For a copy of this document, visit our website at [ameriprise.com/disclosures](http://ameriprise.com/disclosures) or call our service line at 800.862.7919.

- In addition, it is important that you review any applicable mutual fund or ETF prospectus and/or other product offering documents prior to investing in order to learn about fund expenses, investment minimums, availability of sales charge breakpoints or rights of accumulation and other benefits and costs when purchased outside of a Managed Account. You should consider whether you will be eligible for the sales charge breakpoints, rights of accumulation and other benefits before purchasing or transferring mutual funds into a Managed Account. You should also review the terms of our cash sweep programs which can be found in the "Other Important Brokerage Disclosures" you received when you set up your Account or established your Custom Advisory Relationship (as described below).

## Overview of Ameriprise Managed Accounts

All managed account services offered by Ameriprise Financial Services are collectively referred to as or “Programs” and singly as “Program” in this Brochure. Ameriprise Financial Services is the sponsor and introducing broker for these Programs. All Programs, except SPS *Advantage*, are discretionary investment advisory Programs. Advisory Service Providers with investment selection discretion and SPS Discretionary Advisors (“Discretionary Managers”) have discretionary authority granted by you to (i) select investments for your Account; and (ii) purchase or sell securities or make other investments for your Account without your prior authorization.

For the SPS Advisor Program, you authorize your financial advisor to exercise discretion regarding investments and the asset allocation selected in your SPS Advisor Account as an SPS Discretionary Advisor. For all other discretionary Programs, specifically *Active Portfolios*® investments, Select Separate Account, Vista Separate Account, Investor Unified Account and Access Account Programs use the discretionary investment advisory services of Advisory Service Providers, as defined below, which may or may not be affiliated with Ameriprise Financial Services depending upon the Service offered and selected. Collectively we refer to these Programs as the Manager Directed Programs throughout this Brochure. Certain Programs also have discretionary trading authority, or

brokerage discretion, to place trades for your Account under the terms of the applicable Managed Account Client Agreement, as more fully described in the **“Brokerage Practices”** section.

- Ameriprise Financial Services will determine whether an Account is suitable for you upon Account opening based on information you provide and thereafter as described in this Brochure. Ameriprise Financial Services also reserves the right to limit or close any Managed Account that is used for excessive securities trading. At both Account opening and on an ongoing basis, Ameriprise Financial Services conducts additional monitoring and supervision to ensure the Managed Account is appropriate for you, including the internal transfer of securities from an existing Ameriprise brokerage account into the Account. Your financial advisor will conduct an annual review of Account appropriateness and document at least annually why each Managed Account continues to be appropriate, or if it is determined that the Program is no longer suitable for you, your Account may be closed and/or transferred into an Ameriprise brokerage account with thirty (30) days prior notice. See the **“Terminating a Managed Account Client Agreement”** section for more detail and for information regarding your right to terminate your Managed Account(s).
- You will pay Asset-based Fees and certain other fees, and incur expenses and costs when you select a Service, as summarized above. These fees, expenses and costs are further detailed and described in the Managed Accounts charts later in this section and in the **“Fees and Compensation”** and the **“Brokerage Practices”** sections. Ameriprise Financial Services and its affiliates receive revenue as described in the **“How We Get Paid”** section. Your Ameriprise financial advisor (“financial advisor”) receives compensation for investment advisory services provided to you. Importantly, the compensation we pay your financial advisor does **not** vary depending upon the investment(s) recommended to you within a Managed Account. The sources of financial advisor compensation are described in the **“How our financial advisors get paid”** section.

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

- You may impose reasonable stock or sector restrictions (“Reasonable Restrictions”) on any discretionary Account(s) that you select by completing and signing the appropriate documents.
- You are responsible for promptly notifying Ameriprise Financial Services in writing of any changes to these reasonable restrictions.

Ameriprise Financial Services will inform the Discretionary Manager, as defined below, as applicable. Changes to your reasonable restrictions will not be binding on the Account(s) or a Discretionary Manager until they are received and accepted by Ameriprise Financial Services and the Discretionary Manager.

- Clients may not impose restrictions which apply to underlying securities held in any mutual fund, exchange traded fund (“ETF”), closed end fund (“CEF”), unit investment trust (“UIT”) or other pooled investment products.
- You are responsible for providing Ameriprise Financial Services with accurate Client Information when you establish a Custom Advisory Relationship (as described below) and open any Managed Account.
- Periodically, you will be notified in writing to contact Ameriprise Financial Services if there have been any changes in your Client Information and/or reasonable restrictions. It is your responsibility to promptly notify Ameriprise Financial Services, in writing or by contacting your financial advisor, of any changes. Failure to do so could affect the services provided to you.
- Review this Disclosure Brochure and if applicable, the Advisory Service Provider’s, as defined below, disclosure document (Part 2A of Form ADV) and the investment strategy/portfolio fact sheets prior to investing.
- Review available information about the trading practices of the Investment Manager including the average cost of step-out trades for the investment strategy as defined and discussed in the **“Brokerage Practices”** section.
- In SPS *Advantage* Accounts, review any applicable mutual fund or ETF prospectus, as well as any other offering or disclosure document prior to investing.

#### **Overview of Services and Fees**

Ameriprise Financial Services is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”) and a broker-dealer under the Securities Exchange Act of 1934 (“Exchange Act”). Investment advisory services are provided by Ameriprise Financial Services as an investment adviser and brokerage services are provided by Ameriprise Financial Services as an introducing broker. Ameriprise Financial Services and/or its affiliates provide the following services:

- Training to and supervision of the Ameriprise financial advisor authorized to use discretion in SPS Advisor (“SPS Discretionary Advisor”);

- Research and/or due diligence regarding the Advisory Service Providers (as defined below) you select to provide discretionary investment advisory services in Manager Directed Programs;
- Due diligence of investment products or investment strategies available through the Programs including initial and ongoing analysis based on a quantitative and qualitative process through Ameriprise Financial Services or its affiliates;
- The execution of brokerage transactions on an agency or, in limited circumstances, principal basis through Ameriprise Financial Services' clearing agent, AEIS;
- Custodial services; custody of the securities and other assets you hold within a Managed Account and consolidated account reporting regarding those assets;
- Regular reports to clients; and
- Year-end tax information.

Your financial advisor performs certain services on behalf of Ameriprise Financial Services in connection with your Managed Account. 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;
- Providing advice in consideration of an asset allocation strategy for Accounts invested in SPS *Advantage* and SPS Advisor;
- Potentially serving as a liaison between you and any Advisory Service Provider via Ameriprise Financial Services;
- Annually, reviewing your Client Information, investment objectives and any applicable reasonable restrictions with you to determine if, based on information you provided, they are still accurate, reviewing with you whether your Managed Account(s) and the investment strategy are still suitable for you, and reviewing with you whether the Asset-based Fee is still appropriate based on the services provided. In the event an Account has more than one owner, this review may occur with one or more of the owners. If applicable your Attorney-in-Fact may also participate in this review.
- Periodically reviewing and assessing your Account(s) to answer any questions that you may have.
- Where requested and as part of your services, providing guidance relating to both your Managed Account and your additional retirement

plan assets not included in the Managed Account and that are held outside of Ameriprise Financial Services in a participant-directed defined contribution plan (e.g., 401(k) plans) ("Outside Workplace Retirement Plan"). Any guidance provided to you is based on information provided by you about your Outside Workplace Retirement Plan and is limited to investments offered through the core line up of funds established by your retirement plan sponsor. Your Outside Workplace Retirement Plan may include investment options not available in our Programs or for which your financial advisor may not have access to detailed information. Neither Ameriprise Financial Services nor your financial advisor is responsible for the selection of the available investment options in your Outside Workplace Retirement Plan. Your financial advisor may not make recommendations related to employer stock that may be available within your Outside Workplace Retirement Plan or with respect to any current portfolio holdings or investment options available through a self-directed brokerage account associated with your Outside Workplace Retirement Plan. You are responsible for placing any transactions recommended by your financial advisor. If you desire ongoing guidance on your Outside Workplace Retirement Plan, it is important that you provide your financial advisor with updated information, including statements and a list of funds available in your Outside Workplace Retirement Plan, on a regular basis. Your investment objectives and risk tolerance for your Outside Workplace Retirement Plan may differ from those of your Managed Account, however any guidance provided for your Outside Workplace Retirement Plan is provided in consideration of the investment objectives and risk tolerance of any Managed Accounts you hold.

Your financial advisor is instructed to inform Ameriprise Financial Services if your personal and/or financial information have changed.

The performance of your Account(s) will not be monitored on a day-to-day basis. Past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect.

#### **Mutual Fund Share Classes in Managed Accounts**

None of the mutual funds currently offered in Ameriprise Managed Accounts Programs impose a front-end sales charge. For most mutual funds, a share class that does not have a sales-load and does not assess 12b-1 fees (collectively "Advisory Shares") is offered in all Ameriprise Managed



Account Programs as the only mutual fund share class, where available to us through a selling agreement. If not available to us through a selling agreement or if the mutual fund does not offer an Advisory Share class, we offer Class A shares that may pay a 12b-1 fee or a no-load share class that does not have a sales-load but that may pay a 12b-1 fee. 12b-1 fees are paid by a mutual fund out of fund assets to cover distribution expenses and sometimes shareholder service expenses. The share class offered by Ameriprise Financial Services for a particular mutual fund is the only share class we allow for additional purchase within your Account. As discussed below, any 12b-1 fees received by Ameriprise Financial Services will be promptly rebated to your Managed Account. The share class offered by Ameriprise Financial Services for each applicable fund is listed in our Mutual Fund Screener Tool available at <https://www.ameriprise.com/research-market-insights/fund-screeners/> on the "Availability" tab.

Ameriprise Financial Services seeks to make available to client's mutual funds, and share classes of those mutual funds, that Ameriprise Financial Services believes are suitable for investment. We take mutual fund expenses into account in determining which mutual funds to offer in our Programs, as further discussed in the **"Due Diligence Services"** section. Advisory Shares are less expensive than share classes that charge investors a 12b-1 fee or assess a sales charge, but they are not always the cheapest share class made available by the mutual fund.

Many mutual funds offer institutional shares or other types of shares for a mutual fund that are less expensive than the Advisory Share or other share class we offer for that particular fund in our Managed Accounts Programs. All share classes of a particular mutual fund represent the same underlying investments and you may be eligible to purchase a less expensive share class of that mutual fund outside of Ameriprise Financial Services. Because Ameriprise Financial Services chooses to offer only one share class per mutual fund in our Managed Accounts Programs, we limit the availability of other share classes of those mutual funds that you may otherwise be eligible to purchase at a lower cost.

When determining which share class to offer as the only share class available for a particular mutual fund, if a mutual fund offers multiple share classes that do not have a sales-load and do not charge a 12b-1 fee, Ameriprise Financial Services will choose to utilize the share class that permits, pursuant to the fund's prospectus, the payment of Third Party Payments such as cost reimbursement and other servicing and account maintenance fees, even though our clients are currently eligible for a less expensive share class or may become eligible in the future, including when a

mutual fund introduces a lower-cost share class into an existing mutual fund. Specifically, we prefer to offer a share class that makes Third Party Payments that will (i) reimburse our affiliate AEIS for certain services it provides for the benefit of clients such as record keeping, administration, shareholder servicing, and client telephonic and other servicing; and (ii) help increase profitability for the firm. As a result, our affiliate earns higher revenues from the share class chosen for use in Ameriprise Managed Account Programs than from lower-cost share classes made available by the same mutual fund.

Our determination of which share class to offer as the only share class available for a particular mutual fund presents a conflict of interest for Ameriprise Financial Services due to a financial incentive to place you in the higher-cost share class that pays AEIS for cost reimbursement services as described in the **"Cost Reimbursement Services and Third Party Payments"** section. Ameriprise Financial Services addresses this conflict of interest through a combination of disclosure and policies, procedures and related controls designed to ensure that the fees we charge to clients are fair and reasonable. Another way we address this conflict is by not sharing Third Party Payments with your financial advisor in connection with the investment products recommended for your Account which eliminates any personal financial incentive for your financial advisor to make recommendations based on whether Third Party Payments are received. Your financial advisor may receive compensation based on the profitability of the firm, as further described in the **"Economic benefits of affiliates' products and services"** section. Before selecting a Managed Account Program, you should consider, among other things, that the total compensation received by Ameriprise Financial Services and our affiliate in the aggregate includes Third Party Payments received for cost reimbursement services as discussed in the **"Appropriateness of a Managed Account for you"** section.

Our decision to utilize a particular share class that may not be the lowest-cost share class and a financial advisor's recommendation that you participate in a Managed Account Program will cause you to pay higher internal expenses for certain mutual funds than you would otherwise pay (i) if participating in another provider's managed account service which uses a lower-cost share class; or (ii) by buying the mutual funds directly from the distributor outside of a managed account service, if possible. This difference in internal expenses between share classes of a particular mutual fund will also affect the investment performance of your Account by reducing returns over time. Your participation in a Managed Account Program that does not offer the cheapest share class may still be an appropriate choice depending on the facts and circumstances of your individual situation and in light of

the features and benefits of the particular Managed Account Program. For a listing of all share classes that may be available in the marketplace for a given mutual fund, please refer to the mutual fund's prospectus or statement of additional information.

Please contact your financial advisor for information about any limitations on share classes available through a Managed Account. For more information on fund families and mutual funds offered in our Managed Account Programs including the applicable Advisory Share class or other share class utilized, please refer to our Mutual Fund Screener Tool available at <https://www.ameriprise.com/research-market-insights/fund-screener/> and select the "Availability" tab. Please refer to the mutual fund's prospectus(es) or website to determine whether your investment would qualify for an institutional or other share class outside a managed account service, with corresponding lower expenses and fees.

Share classes that do not match the Advisory Share class or other share class offered by Ameriprise Financial Services for a particular mutual fund ("Non-Matching Shares") are processed as follows:

- Where Class A share and Class C share positions, as well as other Non-Matching Share classes that pay a 12b-1 fee, are held in or transferred into your Managed Account, we will convert such shares to an Advisory Share class where one is available to us through a selling agreement provided the mutual fund company allows the conversion to be processed on a tax-free exchange basis for non-qualified account holdings. We will not assess transaction fees or other charges in connection with conversions to Advisory Shares. For Vista Separate Account mutual fund or ETF Accounts, Investor Unified Accounts or Access Accounts the conversion to the Advisory Share class of the same mutual fund may occur on a non-exchange basis. Such transactions generally result in tax consequences in non-qualified Accounts. You authorize Ameriprise Financial Services to convert applicable Non-Matching Shares to an Advisory Share class of the same mutual fund by executing the appropriate client application and related documents or by continuing to accept the services in the Program after we notify you of an upcoming conversion.
- Class A share and Class C share positions, as well as other Non-Matching Share classes that pay a 12b-1 fee in SPS *Advantage* Accounts and SPS Advisor Accounts will not be converted to the corresponding Advisory Share if Ameriprise Financial Services is not able to complete the exchange (e.g., the mutual fund company does not allow it), the exchange cannot be processed on a tax-free basis, or if Ameriprise Financial Services determines they are subject to a short-term redemption fee or deferred sales charge. Instead, to the extent identified by Ameriprise Financial Services, those Non-Matching Shares will generally be transferred to an Ameriprise brokerage account in accordance with your applicable Managed Account Client Agreement. Similarly, Class C share positions that Ameriprise Financial Services is unable to convert to Advisory Shares for any reason will be transferred to an Ameriprise brokerage account. Any such positions pending transfer to an Ameriprise brokerage account will be subject to the Asset-based Fee.
- For SPS *Advantage* Accounts and SPS Advisor Accounts, to the extent identified by Ameriprise Financial Services, any Non-Matching Share class that is less expensive than the Advisory Share class or other share class offered for a particular mutual fund will be transferred promptly to an Ameriprise brokerage account in accordance with your applicable Managed Account Client Agreement. The transfer will apply to such Non-Matching Share classes currently held in or transferred into your active Managed Account in the future. No Asset-based Fee will be assessed on the position prior to its transfer to an Ameriprise brokerage account.
- As with full Account transfers to an Ameriprise brokerage account, if you do not have an Ameriprise brokerage account with the same account registration, beneficiaries and other account level attributes as your Managed Account, a new brokerage account will be opened for you with the same attributes. The Ameriprise brokerage agreement, Other Important Brokerage and Schedule of Account & Service Fees Documents (collectively referred to as the "Brokerage Agreement") will govern your Ameriprise brokerage account relationship including fees charged in connection with maintaining a brokerage account, transaction fees and applicable terms and conditions such as mandatory predispute arbitration. Advisory Shares and certain other share classes used as the only share class available for a particular mutual fund are not available for purchase in an Ameriprise brokerage account. We will convert mutual fund shares back to Non-Matching Shares upon request by the mutual fund company if you close your Managed Account.

#### **12b-1 fee rebates**

Advisory Shares typically do not pay 12b-1 fees. As described above, where Ameriprise Financial Services does not offer an Advisory Share class for a particular mutual fund, we offer either a Class A share or a no-load share class that may pay a 12b-1 fee. To the extent that Ameriprise receives 12b-1 fees for share classes held in



any Managed Accounts, they will be rebated to clients. Rebates are generally deposited into the applicable client Accounts within a week after we receive the 12b-1 fees.

In circumstances where the aggregate value of these rebates exceeds the Asset-based Fees paid from your non-qualified account, the excess will be considered miscellaneous income for tax reporting purposes. For Accounts with alternative fee billing arrangements, the entire 12b-1 fee rebate will be considered miscellaneous income if the originating Account is a non-qualified Account. Account holders receiving aggregate miscellaneous income of \$600 or more annually will receive an IRS Form 1099-MISC, Miscellaneous Income, from AEIS. Account holders receiving miscellaneous income amounts under \$600 annually will not receive an IRS Form 1099-MISC from AEIS, but will be responsible for reporting the income to the IRS. Holders of IRAs and qualified retirement plan Accounts will not experience a taxable event as a result of a rebate and will instead be taxed only on amounts when they are distributed from the Account. SPS *Advantage* and SPS Advisor Accounts are more likely to hold Class A shares or a no-load share class mutual fund positions.

#### **Investment Product Due Diligence Services.**

Prior to initially offering any mutual fund, exchange traded fund ("ETF"), exchange traded note ("ETN"), closed end fund ("CEF") or unit investment trust ("UIT") in the Programs and on at least an annual basis thereafter the Ameriprise Investment Research Group ("IRG") conducts research and quantitative analysis, and may also include qualitative analysis, of investment products.

This process, depending on the type of investment, may include evaluation of the historical performance or tracking difference, amount of assets with Ameriprise Financial Services, expenses, premium, offering documents, financial statements, portfolio holdings and other information requested from the product manufacturer.

Investment products that meet Ameriprise Financial Services' due diligence standards are offered in SPS *Advantage* Accounts, SPS Advisor Accounts, Vista Separate Accounts and Investor Unified Accounts. Investment products that do not meet these standards or are otherwise ineligible ("Ineligible Investments") may not be held in these Accounts. Ineligible Investments include investment products and mutual fund share classes for which Ameriprise Financial Services does not have a selling or distribution agreement in place.

You may not transfer Ineligible Investments from an Ameriprise brokerage account into your Managed Account. Any Ineligible Investments that are either transferred into your Account from non-Ameriprise accounts or reclassified as an Ineligible Investment

must be either sold or transferred to an Ameriprise brokerage account. If no action is taken with respect to Ineligible Investments held in your Accounts after 90 days after transfer, or the last date that you may make additional purchases into the reclassified position, the position(s) will be automatically transferred into an Ameriprise brokerage account in accordance with the applicable Managed Account Client Agreement. This process may be delayed for certain position(s) where Ameriprise Financial Services requires coordination with the applicable mutual fund firm for the orderly processing of the transfer to an Ameriprise brokerage account.

Your financial advisor may recommend that you reposition any Ineligible Investments within your Managed Account into positions that meet Ameriprise Financial Services' due diligence standards or, where appropriate, may recommend that an Ineligible Investment that does not meet our due diligence standards be transferred into an Ameriprise brokerage account be sold and the proceeds utilized to purchase an eligible investment in your Managed Account. Such transactions generally result in tax consequences in non-qualified Accounts. While such recommendation must be suitable and appropriate for your Account, your financial advisor will generally receive more revenue from a Managed Account that generates ongoing revenue streams than in an Ameriprise brokerage account, therefore your financial advisor has a financial incentive to reposition any Ineligible Investments within your Managed Account into positions that meet Ameriprise Financial Services' due diligence standards. Ameriprise Financial Services seeks to address the conflict of interest through its policies, procedures and supervision of the suitability of recommendations related to your Managed Account based on your Client Information and in accordance with all applicable regulatory requirements.

Ameriprise Financial Services conducts initial and ongoing reviews of the Advisory Service Providers and their applicable investment strategies and investment advisory services available or utilized in the Programs as further described in the "**Advisory Service Provider Due Diligence Services**" section.

Investment Managers that construct investment strategies utilizing mutual funds and ETFs may utilize any mutual fund or ETF available for sale in the applicable Manager Directed Program provided the fund selected meets operational and other requirements designed to facilitate transaction execution and ensure timely order processing as further described in the "**Mutual Funds & ETFs Available to Investment Managers**" section.

### **Non-advisory assets, proprietary securities and Ineligible Investment transfers for certain Managed Accounts**

Non-advisory assets such as non-traded securities (e.g. non-traded real estate investment trusts (“non-traded REITs”), non-traded business development companies (“non-traded BDCs”) and non-traded exchange funds), certain mutual fund share classes (e.g., share classes with a contingent deferred sales charge or any Non-Matching Share class that is less expensive than the Advisory Share class or other share class offered by Ameriprise Financial Services for a particular mutual fund), leveraged and inverse ETFs and mutual funds, and other illiquid securities are not allowed to be held in SPS *Advantage* and SPS Advisor Accounts. Trustee-directed retirement plans are not allowed to hold proprietary mutual funds and investment products, including third party securities for which Ameriprise Financial Services, CMIA or their affiliates serve as sub-adviser, in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts. Similarly, these proprietary securities are not allowed to be held in qualified SPS Advisor Accounts and TSCAs invested in SPS Advisor.

Any non-advisory asset, proprietary securities or any other Ineligible Investment that is transferred into your SPS *Advantage* Account or SPS Advisor Account or is subsequently reclassified such that it is no longer allowed to be held in your Account will be transferred into an Ameriprise brokerage account in accordance with your applicable Managed Account client agreement. Within Vista Separate Accounts and Investor Unified Accounts, individual investment products such as mutual funds or ETFs that have been recommended by your financial advisor or selected by you will be subject to the same rules as SPS *Advantage* Accounts and SPS Advisor Accounts.

For all transfers of non-advisory, proprietary securities and Ineligible Investments, as with full Account transfers to an Ameriprise brokerage account, if you do not have an Ameriprise brokerage account with the same account registration, beneficiaries and other account level attributes as your Managed Account, a new brokerage account will be opened for you with the same attributes. Solely the Brokerage Agreement will govern your Ameriprise brokerage account relationship including fees charged in connection with maintaining a brokerage account, transaction fees and applicable terms and conditions such as mandatory predispute arbitration.

### **Advisory Service Providers**

Ameriprise Financial Services uses the services of affiliated and third-party investment advisory firms (collectively, “Advisory Service Providers”) to provide discretionary and non-discretionary investment advisory services that include investment management, asset allocation and/or rebalancing, or providing investment models, as applicable, for the following Manager Directed Programs: *Active Portfolios*® investments, Select Separate Account, Vista Separate Account, Investor Unified Account and Access Account.

#### *Advisory Service Provider Trading Authority and Brokerage Discretion.*

For *Active Portfolios*® investments, Select Strategist UMAs and Model Providers in the Select Separate Program and Envestnet Managers that have entered into a Model Provider sub-management agreement with Envestnet, the Ameriprise Financial Services will execute brokerage transactions for your Account on an agency basis through our clearing agent, AEIS.

For Select Separate Account, Vista Separate Account and Investor Unified Account the Investment Manager or Envestnet Manager, as applicable, that you select has discretionary trading authority, or brokerage discretion, for your Account under the terms of the applicable Managed Account Client Agreement, as more fully described in the “**Brokerage Practices**” section.

#### *Managed Accounts Program Oversight Committee and Due Diligence Services.*

The Managed Accounts Program Oversight Committee (“Oversight Committee”) of Ameriprise Financial Services is responsible for the oversight of such Advisory Service Providers. The Oversight Committee provides oversight of the advisory services provided to the applicable Program(s) such as investment strategies, model portfolios and asset allocation models, as applicable.

The Oversight Committee, acting on behalf of Ameriprise Financial Services, is the Investment Manager of Select ETF Portfolios a variety of portfolios that invest in non-proprietary ETF investments in partnership with Portfolio Strategists or Asset Allocation Strategists.

Each of the Portfolio Strategists and Asset Allocation Strategists for Select ETF Portfolios, as applicable, develops asset allocation models, conducts qualitative and/or quantitative research on mutual funds and ETFs, and constructs model portfolio or asset allocation recommendations, as applicable. The Oversight Committee reviews and approves these recommendations as part of its ongoing oversight. The Oversight Committee may remove a Portfolio Strategist or an Asset Allocation Strategist from the Select ETF Portfolios Service and/or adjust an asset allocation or model portfolio as appropriate.

The IRG conducts initial and ongoing research and due diligence on Advisory Service Providers, their applicable investment strategies and the investment advisory services available or utilized in the Programs and provides recommendations to the Oversight Committee on matters including the addition or termination of an Advisory Service Provider, benchmark allocations, and security trading. The Oversight Committee determines which Advisory Service Providers are available within Programs. Review the brochure supplements for more information about the voting members of the Oversight Committee.

The IRG also conducts due diligence and provides ETF recommendations to the Oversight Committee for all Select ETF Portfolios investments where an Asset Allocation Strategist provides solely asset allocation services.

More detail on how Ameriprise Financial Services selects and reviews Advisory Service Providers for each Program are described in the “Managed Account Programs and services” sub-sections for Active Portfolios®, Select Separate Account and Managed Accounts Offered with Envestnet Asset Management, Inc.

#### *Types of Advisory Service Providers.*

The types of providers that may provide services to your Account include:

- **Investment Managers.** Investment Managers are Discretionary Managers with discretionary authority to purchase or sell securities or make other investments for your Account. Such transactions generally result in tax consequences in non-qualified accounts. Investment Managers include (i) the Oversight Committee acting on behalf of Ameriprise Financial Services, (ii) CMIA and (iii) non-affiliated third-party investment advisers. Certain *Active Portfolios®* and Select Separate Account strategies, including Separate Select UMAs, are managed by non-affiliated Investment Managers. Our affiliate CMIA is the Investment Manager of *Active Accumulation Portfolios®* (available only for non-qualified Accounts) and *Active Risk Portfolios®*. The Oversight Committee is the Investment Manager of Select ETF Portfolios
- **Portfolio Strategists.** Portfolio Strategists provide asset allocation and investment recommendations to the Oversight Committee as Investment Manager. The Portfolio Strategists do not have discretionary authority or control to purchase or sell securities or make other investments for individual investors.
- **Asset Allocation Strategists.** Asset Allocation Strategists solely provide asset allocation recommendations to the Oversight Committee as Investment Manager. The Asset Allocation

Strategists do not have discretionary authority or control to recommend, purchase or sell securities or make other investments for individual investors.

- **Model Providers.** Model Providers construct a model portfolio according to their specific investment strategy and, in that capacity, make investment selection decisions for the model portfolio strategy, which Ameriprise Financial Services implements, subject to any Reasonable Restrictions or other instructions provided by you.

The Model Provider does not have any brokerage discretion or trading authority to purchase or sell securities in your Account. Ameriprise Financial Services exercises investment discretion for Managed Accounts utilizing Model Providers and implements securities transactions in your Account(s) in accordance with the model portfolio provided by the Model Provider. Different Model Providers may arrive at different investment selection decisions regarding investments in a certain sector, market capitalization, or other category of investments, depending on the model portfolio's investment objective. Oversight of the Model Provider and the model portfolio's investment strategy is provided by the Oversight Committee, as described above.

- **Envestnet Platform.** Ameriprise Financial Services offers certain services that are available through a web-based platform offered by Envestnet Asset Management, Inc. (“Envestnet”). Envestnet is a non-affiliated registered investment adviser and seeks to offer a wide variety of SMAs and asset allocation strategies (each, an “Envestnet Strategy”) with a wide range of investment objectives and risk tolerances. Envestnet Strategies are available in the Vista Separate Account, Investor Unified Account and Access Account Programs. Envestnet services include:
  - Providing access to a variety SMA Investment Managers (“Envestnet Managers”). Certain Envestnet Managers have entered into a sub-management agreement with Envestnet to provide discretionary Investment Manager account management services. Envestnet is the discretionary Investment Manager where the Envestnet Manager has entered into a Model Provider sub-management agreement.
  - Providing administrative and/or trading services as directed by Envestnet and/or the Envestnet Manager.
  - Facilitating the asset allocation recommendations and helping to identify Envestnet Managers mutual funds and/or ETFs for the Account(s), considering factors

it deems relevant, including, but not limited to, your investment objective, risk tolerance and investment time horizon.

- o Rebalancing services to maintain to your Account's asset allocation.
- o Acting on any reasonable restrictions that you may impose on the management of your Account(s) including designation of particular securities or types of security that you do not want purchased for your Account(s). Investnet and/or the Investnet Manager must accept any reasonable restrictions before they will be binding on the Account(s).

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

#### *Due Diligence of Investnet Managers.*

The IRG conducts an annual review of the Investnet Strategies. This review is based on applicable information gathered from various sources, including information from Investnet, disclosure documents, historical performance and assets under management. As a result of these reviews, Ameriprise Financial Services may identify actual or potential concerns regarding Investnet and/or an Investnet Strategy and may request that Investnet and/or the Investnet Manager take corrective action to address such concerns. These reviews may result in the removal of an Investnet Strategy from the applicable Program. If an Investnet Strategy is removed from one or more of the Programs, you and your financial advisor will receive notice to change to a new investment. If no change is made, your Account will be closed and moved in-kind to a brokerage account.

#### *Review of Investnet Strategies by Investnet.*

Ameriprise Financial Services relies in part upon Investnet for analysis, information and the selection and monitoring of the various Investnet Strategies. All Investnet Managers receive and are directed to return a completed due diligence questionnaire each year. The Investnet Strategies are considered "Approved" or "Available," depending on the level of due diligence performed by Investnet. Investnet reviews the Investnet Strategies and performance of a wide range of Investnet Managers and in its sole discretion determines if an Investnet Strategy is considered "Approved" or "Available." Investnet personnel rely on investment professionals of the Investnet Managers and a variety of data available from one or more independent databases when determining if an Investnet Strategy is "Approved" or "Available".

Investnet makes available information received from industry databases, such as Morningstar, regarding the Investnet Strategies to your financial advisor.

This information may help your financial advisor to identify the strengths and weaknesses of each of the Investnet Strategies.

Your financial advisor will be responsible for determining whether he or she has sufficient information about the Investnet Strategies in order to recommend Investnet and one or more of the Investnet Strategies to you.

#### *Acceptance and authority of Investnet.*

Your Client Information along with a copy of your Statement of Investment Selection are provided to Investnet as Investment Manager for review. Investnet in its sole discretion may determine based upon the applicable information whether to accept or reject: i) a prospective client and related Managed Account for Vista Separate Account and Investor Unified Account Programs, or ii) the transition of your related account to Ameriprise Financial Services for Access Account Program. Once your Account is accepted by Investnet and/or the Investnet Manager, you will become an investment management client of Investnet and/or the Investnet Manager. Investnet and/or Investnet Manager will have full discretionary authority to act on behalf of your Account purchases, sales and other transactions in SMA(s), mutual funds and/or ETFs, without seeking your prior approval, except for selecting which mutual funds and/or ETFs are held in your Investor Unified Account. Investnet may delegate its discretionary authority for your entire Account or a portion of your Account, known as an investment sleeve, to an Investnet Manager. Neither Investnet nor the Investnet Manager will have the ability to withdraw, disburse or transfer funds or securities from your account without your prior authorization.

#### *Client Contact with Advisory Service Providers.*

Your financial advisor will be your primary source of support in addressing any questions or concerns relating to your Managed Account. Although Ameriprise Financial Services imposes no limitations on the ability of clients to consult with their Advisory Service Provider(s) directly, you are encouraged to first contact your financial advisor with any questions or concerns.

#### **Information relating to your household**

We use information concerning your primary household group's investment, insurance and annuity products to provide a consolidated statement. A primary household group may consist of an individual client, his or her spouse or domestic partner, and their unmarried children under age 21 who reside at the same address.



For certain products and services, the householding of your accounts may help you qualify for advantageous pricing or fees. See the “Householding of Account Assets and Minimum Asset-based Fee” sub-section of the **“Fees and Compensation”** section for more detail about householding’s impact on the Asset-based Fee. Please contact us at 800.862.7919 if you prefer to receive a statement covering only accounts that you own and not to participate in householding.

Householding also permits us to deliver a single copy of certain shareholder documents – such as prospectuses, supplements, annual reports, semiannual reports and proxies – to clients who own the security and who reside at the same address. To opt out of this service, call 866.273.7429 and reference the client ID located on your statement. Multiple mailings will resume within 30 days of opting out.

## The Ameriprise Custom Advisory Relationship

Ameriprise Financial Services offers all new Managed Accounts to clients through a single Custom Advisory Relationship (“Relationship”). As used throughout this document, the defined term Relationship refers solely to an investment advisory relationship opened through the *Ameriprise*® Custom Advisory Relationship Agreement (“Relationship Agreement”). You may already have or establish other types of relationships with us. By entering into a Relationship with us, you may establish Managed Accounts for the Advisory Programs described in this Brochure, in many cases, without signing additional documentation. When you establish a Relationship, your initial signature will serve as your agreement to the terms and conditions of all of the Managed Account Programs offered in this Brochure and you may generally establish Managed Accounts with us by contacting your financial advisor and providing verbal instructions. The Access Account Program is a hold and service Program and, unlike the other Programs, requires you to complete additional paperwork and authorize the establishment of an Access Account by signature.

When establishing a Relationship, you will establish a number of elections that will be applied to Managed Accounts opened in the future. You can change some of these elections at Account opening or any time thereafter by working with your financial advisor, although, changes to some elections, such as an increase in the Advisory Fee rate, require your written authorization. We may also ask you for written authorization to add certain features to an Account such as establishing margin or options trading, if available. You may make other changes verbally and we will send a confirmation reflecting those changes to you. The confirmation letter becomes part of your

Relationship Agreement unless you notify us that it is incorrect. Once you establish a Relationship, Ameriprise Financial Services will incorporate pre-existing Managed Accounts into the Relationship. Any pre-existing Client Agreement(s) within the household establishing a Relationship will terminate and the Relationship Agreement will replace the prior Client Agreement(s). If you do not wish to incorporate your pre-existing Managed Accounts into your Relationship, you may terminate the pre-existing Account. For Managed Accounts that have been incorporated into your Relationship, all references to any Client Agreement in this Brochure shall be references to the Relationship Agreement.

Ameriprise Financial Services will send a confirmation when a Managed Account has been opened and verify your Account elections to ensure accuracy. Review these confirmations and notify your financial advisor immediately if you believe any information should be updated. You will receive any additional materials necessary when opening new Managed Accounts or adding new features.

The Relationship Agreement and this Brochure, as amended, will apply to all the Managed Account Programs you are eligible to establish with us. Please retain these documents for future reference as they contain important information if you decide to add services or open new Managed Accounts with Ameriprise Financial Services.

## Managed Account Programs and Services

The chart below provides an overview of the following Programs: for SPS *Advantage*, SPS Advisor, *Active Portfolios*® investments and Select Separate Account, including offering terms. Not all investment options listed for SPS *Advantage* and SPS Advisor in the “Investment Products” row below may be available for new or additional purchases. Please refer to the **“Programs and Services”** section for a description of each Program and ask your financial advisor for more information about the investment products available to you. Fee information is included in the **“Fees and Compensation”** section following the description of the Programs.

The charts also identify the primary mutual fund share class offered in the Programs and each Program’s corresponding minimum investment requirements. Minimum withdrawal amounts and Account minimums that may apply to the Program you select and are noted in the charts.

All Managed Accounts have a required (i) initial investment minimum; and (ii) maintenance minimum that varies by Program. If an Account falls below the ongoing maintenance minimum, we will provide notice to you to add funds to the Account to bring it back to the initial investment minimum. If your Account does not



reach the initial investment minimum after 45 days, we will transfer the Account to an Ameriprise brokerage account in accordance with your applicable Managed Account Client Agreement.

When reviewing the charts, please consider, among other factors: 1) your ability to meet initial investment and maintenance minimums for each Program using assets held in custody at Ameriprise or assets held elsewhere which might be aggregated; 2) whether the

Program you select provides your financial advisor, the Oversight Committee or an Advisory Service Provider discretionary authority; 3) the impact of underlying investment product level fees on the overall performance of your portfolio; and 4) whether the rebate of any 12b-1 fees associated with your Account may be a taxable event for you.

## Programs

	<i>SPS Advantage</i>	<i>SPS Advisor</i>	<i>Active Portfolios®</i>	<i>Select Separate Account</i>
<b>Investment Advisory Account Structure</b>	Non-discretionary	Discretionary	Discretionary	Discretionary
<b>Asset Allocation</b>	Financial advisor recommends	Financial advisor determines	Investment Manager determines	Financial advisor recommends. For Select Strategist UMA Portfolios ("UMA"), the Asset Allocation and investment selection is determined by the Investment Manager.
<b>Investment Selection</b>	Financial advisor recommends	Financial advisor determines	Financial advisor recommends portfolios	Financial advisor recommends portfolio/model
<b>Investment Products</b>	Includes, but not limited to: mutual funds <sup>1</sup> ; (which could include fund of funds); exchange traded funds ("ETFs"); stocks; bonds; publicly traded real estate investment trusts ("REITs"); options on indices and equities; hedge fund offerings; managed futures funds	Includes, but not limited to: mutual funds <sup>1</sup> ; (which could include fund of funds); ETFs; stocks; bonds; publicly traded REITs; options on indices and equities	Mutual Funds and/or ETFs	Equity, ETF, balanced and fixed income separately managed account strategies ("SMA"). Some SMA managers may also invest in ETFs and certain mutual funds. UMA Portfolios invest in SMAs, ETFs and mutual funds.
<b>Primary Share Class Offered</b>	Advisory Shares	Advisory Shares	Advisory Shares	SMA strategies generally do not offer mutual funds. Where mutual funds are offered, Advisory Shares are offered
<b>Investment and Maintenance Minimums</b>	<p>\$25,000 (for all accounts within a Household)</p> <p>Initial investment minimum \$2,000, maintenance minimum \$1,000.</p> <p>Ameriprise Financial Services may suspend or waive these amounts.</p>	<p>\$100,000 (for all accounts within a Household)</p> <p>Ameriprise Financial Services Initial investment minimum \$2,000, maintenance minimum \$1,000.</p> <p>Ameriprise Financial Services may suspend or waive these amounts.</p>	<p>Initial investment minimum \$25,000, maintenance minimum \$20,000.</p>	<p>Initial investment minimum \$100,000 – \$500,000 (depending on the SMA investment strategy or UMA portfolio). Ongoing minimums vary depending on the SMA investment strategy or UMA portfolio. Select ETF Portfolios have an initial investment minimum of \$25,000 and a \$20,000 maintenance minimum.</p>
<b>Margin Trading</b>	Must be approved by Ameriprise Financial Services	N/A	N/A	N/A
<b>Cost Basis<sup>2</sup></b>	<p>Mutual Funds: Average Cost, unless you select another option.</p> <p>Equities: FIFO, unless you select another option.</p>	<p>Mutual Funds: Average Cost<sup>3</sup>, unless you select another option.</p> <p>Equities: Loss/Gain Utilization<sup>3</sup> or FIFO, unless you select another option.</p>	<p>Mutual Funds: Average Cost, unless you select another option.</p> <p>ETFs: HIFO<sup>4</sup>, unless you select another option.</p>	<p>Mutual Funds: Non Average Cost (HIFO)<sup>4</sup>, unless you select another option.</p> <p>Equities: HIFO<sup>4</sup>, unless you select another option.</p>

<sup>1</sup> Please contact your financial advisor or refer to our Mutual Fund Screener Tool available at <https://www.ameriprise.com/research-market-insights/fund-screener>, for a current list of mutual funds offered in any of these accounts.

<sup>2</sup> Below are the cost basis options available. You may elect to sell specific shares outside of the cost basis option you have selected. If you elect to change from average cost to another method after disposing of any mutual fund shares (i.e. sale, journal, transfer, etc.), the method change will apply only to covered shares acquired after the date of the most recent disposition. If you hold bonds in your account, you have the option to make tax elections which may affect the income on your bonds and the character of your bond income. These elections can be made by filing form 402459. Revoking certain bond elections may require IRS consent.

**Cost Basis for Equities** (If specific identification of shares sold is desired, that must be done at the time of sale):

- **First In, First Out (FIFO):** The first tax lots purchased are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost and holding period.
- **Highest In, First Out (HIFO):** The tax lots with the highest cost basis are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost and holding period.
- **Last In, First Out (LIFO):** The last tax lots purchased are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost.
- **Loss/Gain Utilization (SPS Advisor Accounts only):** Evaluates losses and gains and strategically selects shares to deplete based on the loss/gain in conjunction with the holding period. The loss/gain utilization method depletes shares with losses before shares with gains, consistent with the objective of minimizing taxes. For share lots that yield a loss, short-term share lots will be redeemed ahead of long-term share lots. For gains, long-term share lots will be redeemed ahead of short-term share lots.

**Cost Basis for Mutual Funds** (If shares have been sold using average cost, specific identification may be prospectively applied):

- **Average Cost Basis:** The mutual funds cost basis is the total amount invested averaged over the shares purchased, giving each share the same basis. As new tax lots are purchased, or other adjustments are made, the average cost of the shares is recalculated. For holding period purposes, the first tax lots purchased are the first tax lots sold. Average cost is calculated separately for covered and non-covered shares.
- **Non Average Cost:** The lot relief method for the mutual fund account will be the same lot relief method elected for equities on this account, even if there are no equities in the account. For SPS Advisor Accounts, the Loss/Gain Utilization method (as described above) is used when Non Average Cost is selected.

**Cost Basis for Equities Dividend Reinvestment Plans (DRP), as available:**

- **Non Average Cost:** The lot relief method for the account will be the same lot relief method elected for equities on this account, even if there are no equities in the account.
- **Average Cost Basis:** The cost basis for the affected assets is the total amount invested averaged over the shares purchased, giving each share the same basis. As new tax lots are purchased, or other adjustments are made, the average cost of the shares is recalculated. For holding period purposes, the first tax lots purchased are the first tax lots sold. Average cost is calculated for covered shares only.

<sup>3</sup> For SPS Advisor accounts, mutual funds generally use average cost, but may use the Loss/Gain Utilization Method (defined below) and equities will generally use the Loss/Gain Utilization Method. Note, that your financial advisor has the discretion to override these methods and use another cost basis method or specific identification.

<sup>4</sup> For discretionary Programs (other than SPS Advisor), if you indicate a preference, trades generally use that Cost Basis method; if you don't indicate a preference, the cost basis selected by Sponsor and listed above will generally be used for the Program. Further, for Select Separate Accounts, the Advisory Service Provider with investment discretion may elect to sell specific investment products for tax-harvesting purposes regardless of the cost basis option you have selected.

### Programs offered with Envestnet Asset Management, Inc.

The chart below provides an overview of the following Programs: Vista Separate Account, Investor Unified Account and Access Account, including offering terms. Please refer to the “**Programs and Services**” section for a description of each Program and ask your financial advisor for more information about the investment products available to you. Fee information is included in the “**Fees and Compensation**” section following the description of the Programs.

The charts also identify the primary mutual fund share class offered in the Programs and each Program's corresponding minimum investment requirements. Minimum withdrawal amounts and Account maintenance minimums may apply to the Program you select and are available from your financial advisor. When reviewing the charts, please consider, among other factors: 1) your ability to meet investment minimums for each Program using assets held in custody at Ameriprise or assets held elsewhere which might be aggregated; 2) whether the Program you select provides your financial advisor, the Oversight Committee or an Advisory Service Provider discretionary authority; 3) the impact of underlying investment product level fees, on the overall performance of your portfolio; and 4) whether the rebate of any 12b-1 fees associated with your Account may be a taxable event for you.

	Vista Separate Account	Investor Unified Account	Access Account <sup>2</sup>
<b>Investment Advisory Account Structure</b>	Discretionary	Discretionary	Discretionary
<b>Asset Allocation</b>	Financial advisor recommends	Financial advisor recommends	Portfolio Strategist and/or Investment Manager determines
<b>Investment Selection</b>	Financial advisor recommends portfolio/model	Financial advisor recommends portfolio/model	Financial advisor recommends portfolio/model
<b>Investment Products</b>	SMA strategies, mutual funds and ETFs in multiple Accounts	SMA strategies, mutual funds and ETFs within in a single account	Mutual funds and/or ETF portfolios in one or more Accounts
<b>Primary Share Class Offered</b>	Advisory Shares	Advisory Shares	Advisory Shares
<b>Investment and Maintenance Minimums</b>	Program minimum - \$100,000 Each SMA strategy has its own initial minimum and maintenance minimum. Client must invest in at least one SMA	Program minimum – \$250,000 Each SMA strategy has its own initial minimum and maintenance minimum. Client must invest in more than one investment product (e.g., one or more SMA, mutual fund or ETF, or combination thereof).	Program minimum – Generally \$25,000 to \$50,000 depending on portfolio. Each Access portfolio has its own initial minimum and maintenance minimum.
<b>Margin</b>	N/A	N/A	N/A
<b>Cost Basis<sup>3</sup></b>	Mutual funds: Average Cost, unless you select another option.  Equities: HIFO <sup>4</sup> , unless you select another option.	Mutual funds: Average Cost, unless you select another option.  Equities: HIFO <sup>4</sup> , unless you select another option.	Mutual funds: Average Cost, unless you select another option.  Equities: HIFO <sup>4</sup> , unless you select another option.

<sup>1</sup> In certain circumstances, your financial advisor may have discretion to select the asset allocation and investments for inclusion in your Account.

<sup>2</sup> This program is accommodation only.

<sup>3</sup> Below are the cost basis options available. If you hold bonds in your account, you have the option to make tax elections which may affect the income on your bonds and the character of your bond income. These elections can be made by filing form 402459. Revoking certain bond elections may require IRS consent.

## Programs offered with Envestnet Asset Management, Inc. (continued)

**Cost Basis for Equities** (If specific identification of shares sold is desired, that must be done at the time of sale):

- **First In, First Out (FIFO):** The first tax lots purchased are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost and holding period.
- **Highest In, First Out (HIFO):** The tax lots with the highest cost basis are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost.
- **Last In, First Out (LIFO):** The last tax lots purchased are the first tax lots sold. The tax lots remaining each maintain their individual tax lot cost and holding period.

**Cost Basis for Mutual Funds** (If shares have been sold using average cost, specific identification may be prospectively applied):

- **Average Cost Basis:** The mutual funds cost basis is the total amount invested averaged over the shares purchased, giving each share the same basis. As new tax lots are purchased, or other adjustments are made, the average cost of the shares is recalculated. For holding period purposes, the first tax lots purchased are the first tax lots sold. Average cost is calculated separately for covered and non-covered shares.
- **Non Average Cost:** The lot relief method for the mutual fund account will be the same lot relief method elected for equities on this account, even if there are no equities in the account

**Cost Basis for Equities Dividend Reinvestment Plans (DRP), as available:**

- **Non Average Cost:** The lot relief method for the account will be the same lot relief method elected for equities on this account, even if there are no equities in the account.
- **Average Cost Basis:** The cost basis for the affected assets is the total amount invested averaged over the shares purchased, giving each share the same basis. As new tax lots are purchased, or other adjustments are made, the average cost of the shares is recalculated. For holding period purposes, the first tax lots purchased are the first tax lots sold. Average cost is calculated for covered shares only.

<sup>4</sup> For discretionary Programs (other than SPS Advisor), if you indicate a preference, trades generally use that Cost Basis method; if you don't indicate a preference, the cost basis selected by Ameriprise Financial Services and listed above will generally be used for the Program. Further, the Advisory Service Provider with investment discretion may elect to sell specific investment products for tax-harvesting purposes regardless of the cost basis option you have selected.

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## SPS Advantage

SPS *Advantage* is a non-discretionary Service which enables your financial advisor to provide investment advice relating to securities held in a brokerage account, with access to a wide spectrum of investment choices. Advisory Shares are the primary share class for mutual funds offered in SPS *Advantage* Accounts. SPS *Advantage* may be appropriate for clients who seek and act on the investment advice of their financial advisor. Your financial advisor makes regular investment recommendations in consideration of an asset allocation for you to review and approve. SPS *Advantage* is appropriate if you primarily choose transactions your financial advisor recommends to you (solicited). You may also choose transactions on your own (unsolicited). However, an SPS *Advantage* Account is not appropriate as a self-directed account or for day trading, highly active traders, or other excessive trading activity (solicited or unsolicited), including trading mutual funds based on market timing or if you plan to hold only a few mutual fund or securities holdings in your Account.

Ameriprise Financial Services will determine whether an SPS *Advantage* Account is suitable upon account opening and thereafter. Ameriprise Financial Services, 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 for more detail and for information regarding your right to terminate your SPS *Advantage* Account(s).

As a courtesy, annuities and life insurance policies may be displayed on your Account statement. Such annuities and life insurance policies are not held in your Account and any values provided by third-parties are not validated by us. You will not receive recommendations or investment advice related to such annuities and life insurance policies as part of the SPS *Advantage* Program and the dollar value of any such annuity or life insurance policy is excluded from any portion of the Asset-based Fee calculation.

Included among the available mutual funds for a SPS *Advantage* Account, except for trustee-directed retirement plans, are proprietary mutual funds which are affiliated with Ameriprise Financial Services and are managed by CMIA. For more information on fund families and mutual funds offered in our Managed Account services including the applicable Advisory Share class or other share class utilized, please contact your financial advisor or refer to our Mutual Fund Screener Tool available at <https://www.ameriprise.com/research-market-insights/fund-screeners/>. See the **"Revenue Sources for Ameriprise Financial Services LLC"** section regarding compensation for the sale of mutual funds.



Dividends and distributions received on your investments held in your SPS *Advantage* Account may be reinvested, where allowed, if selected by you. Where reinvestment is not allowed or selected, your dividends and distributions will be deposited in your ("Sweep Program"), which is a vehicle for uninvested cash.

Investment minimums may also apply to mutual funds you purchase through SPS *Advantage*. 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 as well as other assumptions you provide, as well as historical yield analysis, to provide you with investment recommendations. Investment recommendations will generally be made in consideration of an asset allocation strategy. Asset allocation 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 mitigating portfolio risk. 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 will not guarantee a profit or protect against a loss. Any estimated returns, estimated asset values, and historical performance 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 appropriate 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.

While financial advisors do not pay transaction charges for trades they enter online, franchisee financial advisors are generally assessed a transaction charge for orders entered by phone. For employee financial advisors, this transaction charge is assessed to the employee's branch. Payment of phone-in transaction charges in SPS *Advantage* accounts may be a disincentive for a financial advisor to recommend an SPS *Advantage* account or to recommend such trades in the Account(s).

### **Optional automatic rebalancing feature**

SPS *Advantage* has an optional feature that allows you to enable automatic rebalancing (the "Feature"). You

may enroll in the Feature by completing the *Ameriprise* SPS *Advantage* Automatic Rebalancing Agreement. Once completed, signed, submitted to your financial advisor, and accepted by Ameriprise, the *Ameriprise* SPS *Advantage* Automatic Rebalancing Feature Agreement supplements your SPS *Advantage* Client Agreement or Custom Advisory Relationship Agreement, as applicable, and enrolls you in the Feature at no additional cost. Whether or not you enroll in the feature you can direct your financial advisor to rebalance at any time.

After enrolling in the Feature, you can work with your financial advisor to establish a pre-determined allocation and frequency for Ameriprise Financial Services to rebalance your assets to your pre-determined allocation in accordance with your instructions ("Security Target"). No transactions will take place pursuant to the Feature unless and until you have activated a Security Target. By enrolling in the Feature and activating a Security Target, you authorize us to effect scheduled securities transactions on an ongoing basis without making any additional contact with you. Your instructions will continue in effect until you change or cancel them, your Security Target is inactivated, modified, or your Account is terminated. Not all securities in your Account need to be included in the Security Target ("Non-Target Securities"). Non-Target Securities are not subject to automatic rebalancing.

You will be responsible for designating the securities in your allocation, as well as setting the Security Target percentage for each position. As part of activating a Security Target, you will select a rebalancing frequency interval (a "Frequency Interval"). The Frequency Intervals are quarterly (91 days), semi-annually (182 days), and annually (370 days). When you select a rebalancing Frequency Interval, the next rebalancing date (the "Rebalancing Date") will be on or about the day following the end of the Frequency Interval you have chosen in your most recent Security Target or the actual day that we were able to effect the automatic rebalancing in your account, whichever is later. The only permissible reason for a delay is an operational delay as described below. If you want to add to, delete, or otherwise modify your Security Target, you will confirm the change with your financial advisor. All Security Target modifications or activations will not be implemented until a minimum of a calendar quarter has elapsed. You will receive a confirmation letter setting forth your newly activated, modified, or inactivated Security Target. Notify your financial advisor immediately if the instructions confirmed to you are incorrect.

**Eligible Assets and Eligible Securities.** Only certain types of assets and securities are eligible for the Feature. The security types eligible for the Feature include mutual funds, exchange-traded funds, closed-end funds, and individual equities. Assets held on

margin are ineligible for the Feature. Only securities already owned in your Account may be a part of your Security Target.

**The Rebalancing Process.** Automatic rebalancing will be accomplished by buying and selling eligible securities. Overweighted securities will be sold and underweighted securities will be purchased, provided that and the transactions required to rebalance the Account meet the minimum trade requirement of \$100. When rebalancing, the Feature will calculate whether the eligible securities included in the Security Target are over or underweight their target percentage relative to each other when calculating the automatic rebalancing; it will not take the value of Non-Target Securities into account and Non-Target Securities will not be rebalanced as a part of the Feature. Also, when you choose a security to be included in your Security Target, any purchases or transfers into your Account of that same security will be included in and subject to your Security Target and rebalanced on the next Rebalancing Date, if applicable.

Automatic rebalancing will generally occur on or about the day after the last day of the Frequency Interval from the date your last Security Target instruction was accepted or the last automatic Rebalancing Date, whichever was later. The only permissible reason for a delay is an operational delay as described below. Such transactions generally result in tax consequences in non-qualified SPS *Advantage* Accounts.

We may only delay processing your instructions under circumstances related to operational issues associated with the Security Target, and the delay may only persist to the extent that these operational issues impede our ability to process your instructions, including but not limited to: a Rebalancing Date falling on a day other than a business day, the Rebalancing Date falling on a day your Asset-based Fee is being deducted, the account is subject to a trade correction, technology failures, operational failures, high trading volumes, corporate reorganizations, unusual market conditions, or any other condition which impedes our ability to process your instructions accurately. If automatic rebalancing has been delayed, generally it will take place in the next market session, however, we will attempt to rebalance your account on successive days for up to five (5) business days. If we have tried to rebalance your account five successive times and each rebalance has failed, your Security Target will be inactivated. Additionally, we will automatically inactivate your Security Target if we receive notice of death, divorce, or in the case where we receive returned/undeliverable mail. In each case, you will receive notice of your Security Target becoming inactivated. We will report any trades executed in connection with the Feature to you in your monthly account statement for the month in which the transaction took place.

A rebalancing will fail if: the account has a pending or unprocessed trade correction, Security Target the Security Target includes a security that is not held in the account, the account becomes restricted from trading, a position is held on margin, the Security Target includes a mutual fund position that is not eligible for trading, or the account becomes ineligible to purchase additional shares of a mutual fund included in the Security Target. You can deposit cash, transfer in securities, or make additional purchases at any time while enrolled in the Feature. Additional cash deposited into your account may be invested at any time as you instruct. Cash in your Account that exceeds the Security Target percentage will be automatically invested in accordance with your Security Target the next time your account rebalances.

### Margin

Investing on margin involves the extension of credit to you and your financial exposure could exceed the value of your securities. Ameriprise Financial Services, in its sole discretion, may approve your Account for margin trading. Margin lending has specific risks outlined in the Margin Risk Disclosure document; review that document before opening a margin account. Considerations include:

- 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 AEIS to maintain your position and/or to maintain sufficient assets in the Sweep Program to meet fee requirements. If you do not provide the required additional funds or securities within the prescribed time, we will determine which securities to liquidate to address any margin call and can 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.
- 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.
- Only one account per ownership registration (e.g., individual, joint) is allowed to establish margin at Ameriprise. For example, if you have already established margin borrowing in an Ameriprise brokerage account in an individual ownership, an SPS *Advantage* Account in the

same individual ownership will not be approved for margin unless margin trading is removed from the Ameriprise brokerage account.

- If you acquire/hold securities positions on margin, any margin account balance in SPS *Advantage* will be included in the calculation of your Asset-based Fee for that period. Therefore, if you engage in margin activity your Asset-based Fee will be higher and Sweep Program 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 your Asset-based Fee based on total assets under management. A portion of any fees received by Ameriprise Financial Services and its affiliates may be paid to other affiliated employees. These fees may include a portion of the Asset-based Fee assessed and a portion of interest charges received for the extension of credit in the margin account. Your Asset-based Fee will increase as the value of your account increases and the compensation earned by your financial advisor will similarly increase. In situations where you engage in margin activity in your SPS *Advantage* Account, the incremental fees paid to Ameriprise Financial Services 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 us or another broker-dealer. The following is a hypothetical illustration of the impact on the compensation received by Ameriprise Financial Services and its affiliates. It compares 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.

	Without buying on Margin	With buying on Margin
Account value	\$100,000	\$100,000
Revised Account value including assets purchased on margin	n/a	\$130,000
Annual Asset-based Fee received by Ameriprise Financial Services (based on 2.0% Asset-based Fee)	\$2,600	\$2,600
Margin interest received by Ameriprise Financial Services	n/a	\$1,800*
Total Asset-based Fee and margin interest received by Ameriprise Financial Services 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 Ameriprise Financial Services on the mutual fund portion of the SPS *Advantage* Account(s). If these fees were included, total fees received by Ameriprise Financial Services would be higher.

Ameriprise Financial Services also may allow you to pledge certain Managed Account(s) assets as collateral to a third-party financial institution, as further described in the **“Supplementary Managed Accounts Information”** section. Ameriprise Financial Services may receive compensation from these lenders based on the amount of credit extended and the interest rate of the loan. Margin is credit extended directly by Ameriprise Financial Services and its affiliates. We earn higher revenues from the use of margin and it is therefore more profitable to us when clients utilize margin than when a pledge loan is utilized. Your financial advisor generally does not receive compensation when you utilize a pledge loan however, your financial advisor will be compensated for margin activity included in your Asset-based, as described above. This creates a financial incentive for Ameriprise Financial Services and your financial advisor to recommend the use of margin over a pledge loan. Ameriprise Financial Services seeks to address this conflict of interest by not typically offering both margin and pledge loan features for the same Managed Account Program.

#### SPS Advisor

SPS Advisor is a discretionary Service that enables your SPS Discretionary Advisor to direct the purchase or sale of eligible securities and/or investment products within a single account on your behalf. Advisory Shares are the primary share class for mutual funds offered in SPS Advisor Accounts. Your primary, or servicing financial advisor, will recommend the Managed Account or AFPS, negotiate the Advisory Fee with you, and oversee the analysis and advice prepared for you. Your servicing financial advisor may or may not be your SPS Discretionary Advisor. In the instance that your servicing financial advisor is not your SPS Discretionary Advisor, your SPS Discretionary Advisor will oversee the analysis and investment advice prepared for you. Only the SPS Discretionary Advisor will purchase and sell securities in your Account.

Your SPS Discretionary Advisor will purchase and sell securities in your Account that are suitable for you and consistent with your investment objectives, time horizon, financial situation, risk tolerance and in consideration of each Account’s asset allocation. You must promptly notify your financial advisor if these factors change.

Discretionary authority means that your SPS Discretionary Advisor can purchase or sell securities within your SPS Advisor Account without seeking your



prior approval. Such transactions generally result in tax consequences in non-qualified accounts. SPS Advisor Accounts are not appropriate for day trading, highly active traders, or other excessive trading activity, including trading mutual funds based on market timing. 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. You may impose reasonable restrictions on your SPS Advisor Account(s) by working with your financial advisor to complete and sign appropriate documents to reflect your restriction request(s). Although your SPS Discretionary Advisor will exercise discretion in your Account, the performance of your Account(s) will not be monitored on a day-to-day basis.

Ameriprise Financial Services will determine whether an SPS Advisor Account is suitable upon account opening and thereafter. Ameriprise Financial Services, with thirty (30) days prior notice, also reserves the right to limit or close any Account if it is determined that the Program is no longer suitable for you. See the **“Terminating a Managed Account Client Agreement”** section for more detail and for information regarding your right to terminate your SPS Advisor Account(s). Ameriprise Financial Services also reserves the right, with thirty (30) days prior notice, to transfer your SPS Advisor Account into an SPS *Advantage* Account. If this occurs, your continued participation in the program will constitute your consent to the terms and conditions contained in the *Ameriprise SPS Advantage Client Agreement*, or, if you have established a Custom Advisory Relationship, the Custom Advisory Relationship Agreement, which are available from your financial advisor and online at <https://www.ameriprise.com/customer-service/account-forms/client-agreements-and-product-disclosures/>

As a courtesy, annuities and life insurance policies may be displayed on your Account statement. Such annuities and life insurance policies are not held in your Account and any values provided by third-parties are not validated by us. You will not receive recommendations or investment advice related to such annuities and life insurance policies as part of the SPS Advisor Service and the dollar value of any such annuity or life insurance policy is excluded from any portion of the Asset-based Fee calculation.

Dividends and distributions received on your investments held in your SPS Advisor Account may be reinvested, where allowed, if selected by you or your SPS Discretionary Advisor. Where reinvestment is not allowed or selected, your dividends and distributions will be deposited in your Sweep Program.

Included among the available mutual funds for a non-qualified SPS Advisor Account are mutual funds

which are affiliated with Ameriprise Financial Services and are managed by CMIA. For more information on fund families and mutual funds offered in our Managed Account Services including the applicable Advisory Share class or other share class utilized, please contact your financial advisor or refer to our Mutual Fund Screener Tool available at <https://www.ameriprise.com/research-market-insights/fund-screeners/>. See the **“Revenue Sources for Ameriprise Financial Services, LLC”** section regarding compensation for the sale of mutual funds.

#### Methods of analysis

Your financial advisor will review your financial and investment needs, objectives and risk tolerance. Your SPS Discretionary Advisor may use asset value, current yield, yield projections, historical yield analysis, as well as other assumptions you provide, to make investment decisions. Investment decisions will generally be made in consideration of an asset allocation strategy. Asset allocation 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 will not guarantee a profit or protect against a loss. Any estimated returns, estimated asset values, and historical performance 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 SPS Discretionary Advisor will choose investments that are comprised of an appropriate portfolio mix, based on a variety of factors such as 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.

While financial advisors do not pay transaction charges for trades they enter online, franchisee financial advisors are assessed a transaction charge if entering an order by phone. For employee financial advisors, this transaction charge is assessed to the employee’s branch. Payment of phone-in transaction charges in SPS Advisor accounts may be a disincentive for a financial advisor to recommend an SPS Advisor account or to place such trades in the Account(s).

Financial advisors can choose whether or not to participate in the SPS Advisor Program. In order to become certified to offer SPS Advisor Accounts, Ameriprise Financial Services requires financial advisors to meet certain requirements and participate in additional training. These additional requirements may be a disincentive for a financial advisor to participate in the SPS Advisor Program and offer 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. Advisory Shares are the primary share class for mutual funds offered in *Active Portfolios®* Accounts. These portfolios are managed by professional Investment Managers with discretionary authority to purchase or sell securities or make other investments for your account. Ameriprise Financial Services offers a variety of *Active Portfolios®* investments that are designed to help meet your investment growth and/or income needs. TSCA Accounts are only eligible to invest in *Active Diversified Portfolios®* investments.

CMIA, an affiliate of Ameriprise Financial Services, is the Investment Manager of the following *Active Portfolios®* investments *Active Accumulation Portfolios®* (only available for non-qualified Accounts) and *Active Risk Portfolios®*. Non-qualified *Active Accumulation Portfolios®*, and *Active Risk Portfolios®* are designed to primarily invest in, and therefore favor, Columbia mutual funds managed by CMIA. The Columbia Management Asset Allocation Team (the “Team”) determines the asset allocation at the portfolio level and selects the investments to be included in the portfolios. Ameriprise Financial Services and our affiliates receive greater revenue when you select a portfolio managed by CMIA than if you select another *Active Portfolios®* investment. All other *Active Portfolios®* investments are managed by non-affiliated Investment Managers.

Investment Managers for *Active Portfolios®* investments may select mutual funds and/or ETFs. In general, the selected mutual funds are among the fund families that fully participate in the Ameriprise Financial Services mutual fund program. Program participants pay cost reimbursement payments to AEIS, as described in the **“Cost Reimbursement Services and Third Party Payments”** section.

You may impose reasonable restrictions on your *Active Portfolios®* account(s). To impose reasonable restrictions on your account(s), you and your financial advisor will complete and sign the appropriate document reflecting your restriction request. Ameriprise Financial Services and the applicable Investment

Manager(s) must accept any reasonable restrictions before they will be binding on the Account(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 of dividends is not allowed, dividends, interest and distributions will be deposited into your Sweep Program.

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

The following summarizes Ameriprise Financial Services’ research, due diligence and contractual efforts in connection with the inclusion of Advisory Service Providers in the *Active Portfolios®* Program.

#### **Review of Advisory Service Providers**

Ameriprise Financial Services conducts initial and ongoing reviews of the Investment Managers and their applicable investment strategies and investment advisory services available or utilized in *Active Portfolios®* investments as further described in the **“Advisory Service Providers”** section.

From time to time, the IRG personnel will conduct searches to identify new Advisory Service Providers for *Active Portfolios®*. These recommendations are presented to the Oversight Committee for inclusion in *Active Portfolios®*.

In addition, IRG conducts quarterly reviews of the Advisory Service Providers. These reviews are based on applicable information gathered from various sources including disclosure documents, quarterly questionnaires, portfolio performance, assets under management, personnel changes, portfolio turnover and other factors as Ameriprise Financial Services deems appropriate. Ameriprise Financial Services periodically provides information from these reviews to financial advisors servicing *Active Portfolios®* investments.

From time to time, these reviews may also result in Ameriprise Financial Services removing an Advisory Service Provider.

#### **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. Ameriprise Financial Services’ due diligence 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.

#### **Ameriprise Financial Services' contractual relationship with Advisory Service Provider**

Each Advisory Service Provider has entered into a master investment advisory agreement with Ameriprise Financial Services, which governs the relationship and responsibilities of the respective parties.

#### **Your *Active Portfolios*® Selection**

Your financial advisor will assist you in selecting one or more *Active Portfolios*® investments. Your financial advisor will discuss your financial objectives and other factors such as your risk tolerance, investment objectives, and 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 investment philosophy and style information, portfolio characteristics and composite performance. Past performance is not an indication of future results.

Composite performance information included in the *Active Portfolios*® investment Fact Sheet is calculated by Ameriprise Financial Services. This composite performance information is shown both gross and net of the highest annual Asset-based Fees. These composites are created quarterly on an asset and time-weighted basis using month-end net asset values and returns.

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

Ameriprise Financial Services, 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. Once your Account is accepted, you will become an investment management client of the Investment Manager. Your Investment Manager will have full discretionary 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, without seeking your approval. Such transactions generally result in tax consequences in non-qualified accounts. Your Investment Manager will not have the ability to withdraw, disburse or transfer funds or securities from your account without your prior authorization.

For *Active Portfolios*® managed by CMIA or an unaffiliated Investment Manager, review the applicable Advisory Brochure (Part 2A of the Form ADV) for additional information about the Investment Manager's advisory services and methods of analysis.

#### **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.

#### **Select Separate Account**

Select Separate Account is a discretionary Service in which you may own a portfolio of individual securities, SMAs, ETFs, and/or mutual funds managed by a professional Advisory Service Provider in accordance with a single investment strategy or a combination of complementary strategies. Select Separate SMA strategies generally do not offer mutual funds. Where mutual funds are offered, Advisory Shares will be offered. TSCA Accounts are not eligible to invest in Select Separate Accounts.

The Oversight Committee, acting on behalf of Ameriprise Financial Services, is the Investment Manager of Select ETF Portfolios a variety of portfolios that invest in non-proprietary ETF investments in partnership with Portfolio Strategists or Asset Allocation Strategists.

Ameriprise Financial Services also offers a series of portfolios consisting of SMAs, mutual funds and ETFs in a single account called Select Strategist UMA. These portfolios are managed by a non-affiliated Investment Manager with discretionary authority to purchase or sell securities or make other investments for your account.

Each of the Portfolio Strategists and Asset Allocation Strategists for Select ETF Portfolios, as applicable, develops asset allocation models, conducts qualitative and/or quantitative research on mutual funds and ETFs, and constructs model portfolio recommendations, as applicable, to the Oversight Committee. The Oversight Committee reviews and approves these recommendations. The Oversight Committee may remove an Advisory Service Provider from the Select ETF Portfolios Service and/or adjust an asset allocation or model portfolio as appropriate.

With the aid of your financial advisor, you select the appropriate Advisory Service Provider(s) in accordance with the Client Information you provide to your financial advisor. The Advisory Service Provider, not your financial advisor, will provide you with investment management services according to the investment strategy you select and the related investment

objectives. Advisory Service Providers in the service will either serve as a discretionary Investment Manager over the assets in your Account(s) or as a Model Provider.

The Investment Manager will independently determine whether to accept your Account application, in which case you will become an investment management client of the Investment Manager. The Investment Manager will not have the ability to withdraw, disburse or transfer funds or securities from your account without your prior authorization.

A Model Provider will construct a model portfolio according to a specific investment strategy. The Model Provider will be independently responsible for the investment decisions it makes for the model portfolio strategy. The Oversight Committee will have discretionary trading authority over the assets in your Account(s) to implement the Model Provider's trading instructions for the model portfolio.

You may impose reasonable restrictions on your Account(s) by working with your financial advisor to complete and sign appropriate documents to reflect your restriction request(s). Ameriprise Financial Services and the applicable Investment Manager(s) must accept any reasonable restrictions before they will be binding on the Account(s).

#### **Inclusion and Management of Advisory Service Providers**

The following summarizes Ameriprise Financial Services' research, due diligence and contractual efforts in connection with the inclusion of Advisory Service Providers in the Select Separate Program.

#### **Screening and evaluation of Advisory Service Providers**

Ameriprise Financial Services seeks to identify a range of professional Advisory Service Providers 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 Advisory Service Provider candidates from published materials, questionnaires and interviews. Screening factors are both quantitative and qualitative and include (but are not limited to): (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 Ameriprise Financial Services, which pass the evaluation process are subject to a structured due diligence review by IRG.

#### **Review of Advisory Service Providers**

Ameriprise Financial Services conducts initial and ongoing reviews of the Investment Managers, Portfolio Strategists and Asset Allocation Strategists and their applicable investment strategies and investment advisory services available or utilized in the Select Separate Program as further described in the **"Advisory Service Providers"** section. This review is based on applicable information gathered from various sources, including disclosure documents, annual and quarterly questionnaires and other data and reports received from Advisory Service Providers. The information provided to Ameriprise Financial Services includes composite performance, assets under management, personnel changes, portfolio turnover, trading practices and placement of client trade orders. Ameriprise Financial Services may identify actual or potential concerns regarding a particular Advisory Service Provider as a result of the review and may request that the Advisory Service Provider take corrective action to address such concerns. These reviews may also result in the removal of an Advisory Service Provider from the Service.

#### **Education and business standards**

The investment advisory personnel employed by Advisory Service Providers 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 certifications such as the CFA, FINRA Series 7, 63, 65 and 66 licenses, or comparable education or work experience. Ameriprise Financial Services' research personnel seek to identify, and encourage participation by, Advisory Service Providers 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.

#### **Ameriprise Financial Services' contractual relationship with Advisory Service Providers**

Each Advisory Service Provider has entered into a master investment advisory agreement with Ameriprise Financial Services through which the Advisory Service Provider receives the Manager Fee component of the Asset-based Fees paid by clients.

Certain Advisory Service Providers 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 Advisory Service Provider, including adherence to the master advisory agreement with Ameriprise Financial Services, and any reasonable restrictions imposed by clients. In delegating responsibilities to a subadviser, an Advisory Service Provider 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.

From time to time, an Advisory Service Provider's investment strategy that is currently available through Envestnet in the Vista Separate Account Program may become available in our Select Separate Account Program. In this instance, Ameriprise Financial Services will (i) close any duplicative investment strategies in the Vista Separate Account Program to new clients prior to offering such investment strategies in the Select Separate Account Program; and (ii) subsequently migrate such Vista Separate Account strategies into the same investment strategy in the Select Separate Account Program.

#### **Your selection of an Advisory Service Provider**

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

To assist you in making your decision regarding the selection of an Advisory Service Provider, you will be provided with a copy of the Advisory Service Provider's disclosure document (Part 2A of Form ADV), which includes important information regarding the Advisory Service Provider. Your financial advisor will also provide you with the Strategy Fact Sheet for the Advisory Service Provider indicating whether it serves as Investment Manager or Model Provider, and which also includes biographical information, investment philosophy and style, portfolio characteristics, composite performance and may include information, if applicable, about the Portfolio Strategist or Asset Allocation Strategist. Please note that past performance is not an indication of future results. Depending on the strategy, composite performance information included on the Strategy Fact Sheet may be calculated by the Ameriprise Financial Services or

the Advisory Service Provider. 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 Strategy Fact Sheet for specific composite performance information regarding each investment strategy available.

Ameriprise Financial Services requires each Advisory Service Provider to meet Ameriprise Financial Services' performance validation standards, however Ameriprise Financial Services does not review the appropriateness of the methodologies used by Advisory Service Providers to calculate the underlying historical performance information presented in the Strategy Fact Sheet, nor does Ameriprise Financial Services audit the mathematical accuracy of the Advisory Service Provider's performance information. Ameriprise Financial Services does restate the performance after deducting the highest annual Asset-based Fee when presenting the performance on a net basis.

Review the Advisory Service Provider's disclosure document (Part 2A of Form ADV), this Disclosure Brochure and the Strategy Fact Sheet prior to selecting an Advisory Service Provider.

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

Except as may be provided in connection with the Sweep Program, in general, participating Investment Managers may not directly invest your assets in 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; however these types of securities may be included in the underlying holdings of the mutual funds and ETFs utilized by the Investment Manager. These types of assets are also generally not accepted for deposit in connection with establishing a new Account.

Some participating Investment Managers may use ETFs and mutual funds as a part of their investment strategy that incur a separate and additional Investment Cost for its management fee which is assessed by the fund or ETF directly and is in addition to the Asset-based Fee charged by Ameriprise Financial Services. Due to Investment Costs, the use of ETFs and mutual funds by an Investment Manager may result in clients paying more than clients utilizing an Investment Manager that does not invest in ETFs or mutual funds.

#### **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.

#### **Review and Update of Client Information**

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. Your financial advisor will then inform Ameriprise Financial Services 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.

Where Investment Manager has discretionary authority over the assets in your Account, Ameriprise Financial Services provides Investment Managers ongoing updates of Account information, including holdings and transaction information, as well as other relevant information to help them monitor these discretionary Account(s).

#### **Transferred Accounts**

You may wish to transfer a separately managed account ("SMA") that you hold at another investment advisory firm to Ameriprise Financial Services. This SMA strategy may not be available in the Ameriprise Select Separate Account Service. Contact your financial advisor to discuss other appropriate alternatives.

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

#### **Vista Separate Account**

The Vista Separate Account is a discretionary investment advisory Service offered on the Envestnet platform that gives you access to a selection of SMAs, mutual funds and ETFs in a multi-account investment portfolio. Advisory Shares are the primary share class

for mutual funds offered in Vista Separate Accounts. 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 Service. You will directly own individual securities when investing in an SMA. Envestnet and/or the Envestnet Manager will rebalance and reallocate the individual securities within each SMA. Your Vista Separate Account investment portfolio will (all Accounts within your Vista Statement of Investment Selection) be rebalanced when you make deposits or withdrawals. Deposits and withdrawals will be allocated across all Vista Accounts within your multi-account portfolio to rebalance your Vista multi-account asset allocation. You may also request a rebalance of your Vista multi-account portfolio at any time. Such transactions generally result in tax consequences in non-qualified accounts.

From time to time, an Advisory Service Provider's investment strategy that is currently available through Envestnet in the Vista Separate Account Program may become available in our Select Separate Account Program. In this instance, Ameriprise Financial Services will (i) close any duplicative investment strategies in the Vista Separate Account Program to new clients prior to offering such investment strategies in the Select Separate Account Program; and (ii) subsequently migrate such Vista Separate Account strategies into the same investment strategy in the Select Separate Account Program.

#### **Investor Unified Account**

The Investor Unified Account is a discretionary investment advisory service that offers clients the ability to purchase SMAs, mutual funds and ETFs in an asset allocation within a single Account managed by Envestnet. Advisory Shares are the primary share class for mutual funds offered in Investor Unified Accounts. Your financial advisor will help you to select from a broad range of SMAs, eligible mutual funds and ETFs in order to customize a portfolio for you.

Envestnet and Ameriprise Financial Services have defined various risk-based asset allocation models available in the Investor Unified Account service. With the assistance of your financial advisor you will determine your investment objective, risk tolerance, the appropriate asset allocation and then select the specific underlying investment vehicles for the asset allocation to meet your needs. You will receive an asset allocation and a personalized proposal based on your Client Information.



Envestnet provides overlay management services for Investor Unified Accounts and you directly own the underlying securities in the portfolio. Your Account will generally only rebalance when you make deposits into or withdrawals from the Account, on the Account's anniversary date, or when requested. However, if you make a change to your investment vehicle selections or asset allocation model, your Account will be rebalanced to align with the appropriate asset allocation model in effect for your investment objective and risk tolerance. Such rebalancing transactions generally result in tax consequences in non-qualified accounts. Your annual rebalance date will reset each time your Account rebalances. 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.

### **Access Account**

Access Account is a discretionary hold and service account that allows a client who currently holds a third party strategist portfolio to transition that portfolio to Ameriprise Financial Services. The Access Account Program accommodates a variety of actively managed portfolios that, depending on the portfolio, contain mutual funds and/or ETFs that are transferred to Ameriprise Financial Services from another firm. These portfolios are managed by Envestnet and the Envestnet Manager and offered on the Envestnet platform. If you currently hold an Access Account portfolio, you may add new contributions to your existing account(s). Clients in the Program are not permitted to open additional accounts.

Some or all of your portfolio may temporarily move to a cash position in certain circumstances such as if there is no selling agreement in place at the time of transition to Ameriprise Financial Services. Such transactions generally result in tax consequences in non-qualified accounts.

### **Supplementary Managed Accounts information**

#### **Brokerage Practices**

Ameriprise Financial Services will act in the best interest of its clients, including, but not limited to, seeking best execution on all client transactions in Managed Accounts Programs. Both AEIS and Ameriprise Financial Services have implemented various policies and procedures to address any potential conflict 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.

Brokerage services are made available through Ameriprise Financial Services. 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 clearing, custody and settlement 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 record keeping, custody, and all clearing functions for accounts introduced by Ameriprise Financial Services.

Generally, Ameriprise Financial Services, your financial advisor and AEIS act as an agent when executing transactions in your Account. When permissible by applicable law, and after complying with regulatory requirements, we will execute some transactions as principal trades. For example, in some cases, fractional shares will be sold on a principal basis to AEIS at the same price as whole shares of the same issuer are sold to a third party. AEIS will also execute transactions on a principal basis when processing error corrections. 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.

Under certain circumstances, when Ameriprise Financial Services or your financial advisor deems a transaction to be in the best interests of you and other clients, and to the extent permitted by applicable law and regulation, Ameriprise Financial Services will instruct AEIS to aggregate multiple client orders to obtain what Ameriprise Financial Services believes will be the most favorable price and/or lower execution costs at the time of execution, as further described below.

#### ***SPS Advantage Program***

For fixed income securities in *SPS Advantage* Accounts, when you provide your financial advisor with your consent to take time and price discretion for a given trading session, your trade order will be combined with orders for multiple clients of that financial advisor in order to buy and sell the same securities in an aggregated trade order for best execution purposes. Ameriprise Financial Services will instruct AEIS to aggregate the trade orders for the applicable securities and to buy or sell the securities in one or more aggregated trade orders. Your financial advisor will then allocate the executed trades to each individual client Account in a manner that is fair and equitable through a trade rotation or random selection methodology, including for any partially filled trade orders. When fixed income securities are aggregated for execution in SPS

*Advantage* Accounts, you receive the average price for the aggregated trade order, meaning you may receive a higher or lower price for the applicable fixed income securities than may otherwise have been obtained.

Client trade orders submitted for Accounts enrolled in the optional automatic rebalancing feature do not include fixed income securities and are not aggregated for execution.

### ***SPS Advisor Program***

For SPS Advisor Accounts, financial advisors generally aggregate orders of the same security for multiple clients of that financial advisor in one aggregated trade order to seek best execution. When securities are aggregated for execution, each client will receive the average share price for the aggregated trade order. As a result, the average share price you receive may be higher or lower than the price you would have received had the transaction been executed independently from the aggregated transaction. Your financial advisor will then allocate the executed trades to each individual client Account in a manner that is fair and equitable through a trade rotation or random selection methodology, including for any partially filled trade orders. Adjustments may also be made to avoid a nominal allocation to client accounts.

Financial advisors may choose not to aggregate transactions in certain circumstances, for example, client directed trading activity such as contributions, withdrawals, asset allocation changes, or investment strategy changes. Adjustments to trade aggregation and allocations may also be made by your financial advisor to take into consideration account specific investment restrictions, undesirable position size, account portfolio weightings, client tax status, client cash positions and client preferences.

### ***Manager Directed Programs***

Discretionary trading in Manager Directed Programs generally requires aggregation of client trade orders for the purchase or sale of securities within a Program and clients receive the average share price for the trade order, which includes transaction costs when AEIS executes transactions in your Managed Account.

In connection the Manager Directed Programs, you will grant discretionary trading authority to place trades for securities bought or sold for your Account, or brokerage discretion, to an Investment Manager (including an Envestnet Manager, for relevant Accounts) or to Ameriprise Financial Services under the terms of your Client Agreement. In such cases, the Investment Manager or Ameriprise Financial Services is subject to an obligation to seek best execution, which is a duty to place trades with the broker-dealer or stock exchange (collectively referred to herein as the "Executing Party") that the manager reasonably believes is capable of

providing the best qualitative execution of client trade orders under the circumstances considering all relevant factors, such as execution capabilities, efficiency and responsiveness of the Executing Party, transaction costs for the trade, familiarity with the type of security to be traded, the value of any research or other services provided by the Executing Party and other relevant factors.

The Asset-based Fee associated with each Account covers transaction costs when trades are executed by the Ameriprise Financial Services on an agency basis through AEIS; therefore, it is common for participating Investment Managers to direct transactions for your Account to Ameriprise Financial Services for execution in this manner. However, for Select Separate Account and Managed Accounts offered with Envestnet, a manager may allocate a purchase or sale transaction for the Account to an Executing Party other than AEIS, provided the allocation is consistent with the manager's obligation to seek best execution on the particular transaction.

When an Investment Manager directs transactions for execution with or through Executing Parties other than AEIS, these trades are referred to as "step-out trades" and the practice is referred to as "trading away." Any additional trading costs ("Third Party Execution Fees") incurred will be passed along to you, are included in the purchase or sale price of the transacted security and are in addition to the Asset-based Fee. Any Third Party Execution Fees incurred may impact and reduce the investment performance of your Account. However, an Investment Manager's election to place step-out trades may allow the Investment Manager to execute client trade orders at a better purchase or sale price for the transacted security than would otherwise be obtained through AEIS and any such price improvement may contribute to the investment performance of your Account.

Ameriprise Financial Services does not restrict an Investment Manager's ability to trade away in SMA strategies for your Account, as the Investment Manager has brokerage discretion over its client trade orders and must meet its best execution obligations with respect to transactions placed on behalf of your Account. This may cause certain Investment Managers to direct most, if not all, of their trades to an Executing Party other than AEIS. Ameriprise Financial Services is not a party to step-out trades, does not participate in Executing Party selection for step-out trades and is not in a position to negotiate the price or transaction related cost(s) with the Executing Party selected by the Investment Manager in these situations. Ameriprise Financial Services has procedures in place to monitor the services, including trading practices and placement of client trade orders, provided by Investment Managers. Ameriprise

Financial Services requires that Investment Managers place client trade orders in accordance with the Investment Manager's best execution and fair trading policies and procedures as well as any trade aggregation or trade allocation policies and procedures utilized by the Investment Manager with respect to your Account.

In determining whether to place client trade orders with AEIS or another Executing Party an Investment Manager may consider not only the factors listed above but also the fact that transaction costs related to trades effected by Ameriprise Financial Services through AEIS are included in the Asset-based Fee. The Investment Manager may manage institutional or other client accounts that are not a part of Ameriprise Financial Services' program. In the event the Investment Manager purchases or sells a security for all of its client accounts using a particular strategy offered by the Investment Manager, the Investment Manager may determine that it will receive more favorable execution, including better pricing and enhanced investment opportunities, if it aggregates all such client transactions into a block trade that is executed through one Executing Party. Alternatively, the Investment Manager may utilize a trade rotation process where one group of its client accounts may have a transaction executed before or after another group of the Investment Manager's client accounts.

The Investment Manager's trade rotation practices may result in transactions placed on behalf of your Account receiving a more or less favorable net price for the transaction as compared to the Investment Manager's other client accounts. Before selecting an Investment Manager for your Account, you should carefully review all material related to the Investment Manager and the SMA strategy you select, including information in the Investment Manager's disclosure document (Part 2A of Form ADV) regarding the Investment Manager's best execution, trade aggregation and trade allocation practices, if any, as well as whether the Investment Manager may select Executing Parties that provide the Investment Manager credit toward the acquisition of research or other transaction related products and services.

When an Investment Manager places a step-out trade, the transaction is generally traded from broker to broker and may be executed without any Third Party Execution Fees. However, for many step-out trades, the Executing Party will assess a commission or transaction cost. These costs may be in excess of what other Executing Parties may have charged, including AEIS. Investment Managers that specialize in certain SMA strategies, such as those investing in fixed income, preferred, convertible or small-cap

securities, will be more likely to place step-out trades due to factors the Investment Manager considers relevant in meeting its best execution obligations. Some Investment Managers step-out most, if not all, of their client trades for certain or all of their SMA strategies. Additionally, due to operational and other considerations specific to the Envestnet platform,

Envestnet Managers may be more likely to place step-out trades for Accounts than Investment Managers for Select Separate Accounts. SMA strategies of Investment Managers that elect to place step-out trades may, in certain circumstances, be more costly to clients than SMA strategies of Investment Managers that elect to trade exclusively or primarily through AEIS. As discussed above, the Investment Manager's decision to place step-out trades may reduce or may contribute to the investment performance of your Account. Please ask your financial advisor for more information about the trading practices of each Investment Manager, including the average Third Party Execution Fees for step-out trades placed by the Investment Manager, and consider the impact of those costs before selecting an Investment Strategy for your Select Separate Account or your Managed Account offered with Envestnet.

Ameriprise Financial Services does not receive research products or services in exchange for commissions generated by transactions in client Accounts, also known as "soft dollars" or client commission practices. Ameriprise Financial Services receives and distributes research authored by its affiliate AEIS; however, this research is not provided in exchange for any type of compensation to AEIS. Nor do we or our affiliates receive client referrals from broker-dealers or third parties that are considered in selecting or recommending broker-dealers.

**See the "Broker-dealer" subsection in the "Other Financial Industry Activities and Affiliations" section of this Disclosure Brochure for more information about the brokerage business of Ameriprise Financial Services and its affiliates.**

#### **Investment and market risk**

You should understand that:

- All investments involve risk of loss and you should be prepared to bear such a loss (the amount of which may vary significantly),
- Investment performance in any products referenced in this Brochure can never be predicted or guaranteed,
- The market value of a Managed Account will fluctuate due to market conditions and other factors such as liquidity and volatility,

- 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.
- The risks of investing in the Programs include but are not limited to the following:
  - **Market Risk.** Market risk refers to the possibility that the market values of securities or other investments will fall, sometimes rapidly or unpredictably, or fail to rise, because of a variety of actual or perceived factors affecting issuer, industry or sector in which it operates or the market as a whole.
  - **Interest Rate Risk.** The interest rate risk is the risk that investment value is sensitive to changes in interest rates. In general, a rise in interest rates may result in a price decline of fixed-income instruments. This risk may be heightened for longer maturity and duration instruments.
  - **Inflation Risk.** Inflation risk is the uncertainty over the future value of an investment due to inflation. Investments may not keep pace with inflation, which may result in losses.
  - **Credit Risk.** Credit risk is the risk that the issuer, guarantor or borrower becomes unable or unwilling, or is perceived to be unable or unwilling, to honor its financial obligations or otherwise defaults.
  - **Reinvestment Risk.** This is the risk of having to reinvest future proceeds from investments, whether scheduled or unscheduled, at potentially lower prevailing rates.
  - **Liquidity Risk.** Liquidity risk is the risk associated with any event, circumstance, or characteristic of an investment or market that negatively impacts the ability to sell, or realize the proceeds from the sale of, an investment at a desirable time or price.
  - **Foreign Investments and Currency Risk.** Investments in or exposure to foreign investments involve certain risks not associated with US investments. Foreign investments are subject to the risks including, but not limited to, political, economic, market, regulatory and others within a particular country or region, as well as currency fluctuations and less stringent financial and accounting standards. Risks are enhanced for emerging market.
  - **Tax Risk.** This is the risk that the tax treatment of certain investments and of the income and gain therefrom is uncertain and can vary over time.
- **Legal and Regulatory Risk.** This is the risk that new or revised laws or regulations may adversely affect investments and programs.
- **Operational Risk.** Operational risks can include risks of loss arising from operational failures including but not limited to failures in internal processes, people, or systems, or from external events, including those resulting from the mistakes of third parties.
- **Business Disruption Risk.** This is the risk of business disruption of varying severity and scope occurring. The types of disruption may include, but not be limited to, firm-only disruption, disruption that affects a single building, a disruption that affects the entire city or business district, and disruption that affects the entire region. Please read more in Ameriprise Financials' Business Continuity Plan Disclosure and Ameriprise Financial Client Relationship Guide.
- **Cybersecurity Risk.** With the use of technologies such as internet to conduct business, businesses are susceptible to cybersecurity breaches, please read more at <https://www.ameriprise.com/privacy-security-fraud>.
- **Technology Risk.** Businesses must rely in part on digital and network technologies to conduct business, provide services and maintain business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond control. Technology failures, whether deliberate or not, could have a material adverse effect and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to conduct business.
- **Business Risk.** This risk is associated with a particular industry or a particular company within an industry.
- **Management Risk.** The risk refers to the risk of the situation in which the company and shareholders would have been better off without the choices made by management.
- **Concentration Risk.** This risk refers to undiversified or concentrated investments. When assets are invested in a small number of issuers, specific asset type or overly exposed to particular sectors, industries or geographic regions that may create more vulnerability to unfavorable developments in these issuers, asset type, sectors, industries or geographic regions and greater risk of loss than those that are invested more broadly.
- **Margin Risk.** Margin borrowing has specific risks outlined in the Margin Risk Disclosure document, review that document for more information.



- **Pledging Assets Risk.** Pledging assets to secure loan involves additional risks, please read more in the Pledging Assets Section of Disclosure Brochure.
- **Leverage Risk.** Leverage occurs when assets available for investment are increased by using borrowings, short sales, derivatives, or similar instruments or techniques. The use of leverage allows for investment exposure in excess of net assets, thereby magnifying volatility of returns and risk of loss.

The risks described above should not be considered to be an exhaustive list of all the risks which clients should consider. For further information about various risks, please refer to the applicable prospectus or other investment product offering documents, as well as the Advisory Service Provider's disclosure document (Part 2A of Form ADV) and the Strategy Fact Sheet, the Ameriprise Financial Client Relationship Guide, and any applicable risk acknowledgement forms.

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. Clients investing in high-risk strategies should be prepared to bear this loss. It is strongly recommended that you diversify your investments and do not place all of your investments in high-risk investment strategies.

Any firm, whether Ameriprise Financial Services and its affiliates or a non-affiliated Advisory Service Provider, that has discretionary authority over client assets may be limited in its investment activities due to ownership restrictions imposed by an issuer (i.e., a legal entity that sells common stock shares to the general public) or a regulatory agency. These ownership restrictions are based upon the level of beneficial ownership in a security. For purposes of determining whether a particular ownership limit has been reached, a firm may be required to aggregate holdings across an entire group of affiliated companies, meaning that all shares held on a discretionary basis for the account of the firm and its affiliates or for the benefit of their respective clients are taken into account for purposes of determining the maximum amount that may be held under the ownership restrictions.

Ameriprise Financial Services and its affiliates, including CMIA, are subject to the limitations referenced above. As a result, you may be limited

or prevented from acquiring securities of an issuer that Ameriprise Financial Services, CMIA or your financial advisor may otherwise prefer to purchase in your account if Ameriprise Financial Services or your financial advisor has discretionary authority. These limitations apply to certain *Active Portfolios*® investments, Select ETF Portfolios and SPS Advisor Accounts.

It is possible that these ownership limitations could cause performance dispersion among Accounts of clients who have chosen the same investment strategy. For example, if purchases in an issuer are restricted due to ownership limits, Ameriprise Financial Services or a financial advisor would not be able to purchase that security for client accounts even though an Advisory Service Provider may hold that security in its investment strategy or model portfolio, as applicable, and recommend it for purchase. Similarly, certain Accounts may hold fewer shares of a certain security than other Accounts following the same investment strategy depending on when purchases of that security were restricted.

In addition, purchases of certain securities may be restricted from purchase by client Accounts of Ameriprise Financial Services and its affiliates for risk management reasons.

#### 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 Ameriprise Financial Services or affiliates); and
- market commentary (some of which may be provided by Ameriprise Financial Services' affiliates).

In addition, your financial advisor may also utilize research produced by Ameriprise Financial Services or its affiliates, such as material prepared by the IRG, or from third-party research providers that have been approved by Ameriprise Financial Services when providing investment advice within a Managed Account. Although the information and data is believed to be accurate, Ameriprise Financial Services and its financial advisors do not independently verify third-party information. Neither Ameriprise Financial Services 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.

#### **Third-party research provider materials not approved for use with clients**

From time to time, financial advisors may access research, models, investment tools or other material from third-party research providers that are not approved for use with clients for the purposes of the financial advisor's general education, staying current on industry trends or developing potential investment ideas. Financial advisors may provide clients with general market commentary or non-security information once the individual pieces have been approved for use by Ameriprise Financial Services.

#### **Pledging assets**

To the extent that a client intends to pledge certain non-qualified 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 Ameriprise Financial Services' form of collateralization agreement. All collateralization agreements renew automatically. Ameriprise Financial Services reserves the right to decline client requests to pledge his or her Managed Accounts assets. The interest rates a third-party financial institution charges you for loans secured by pledged assets may vary between Ameriprise Financial Services clients. Ameriprise Financial Services may receive compensation from these lenders based on the amount of credit extended and the interest rate of the loan to our clients. Retirement account clients are precluded from pledging Managed Account(s) assets (see "Special considerations for retirement accounts").

By submitting a pledge loan application, you agree that assets in your Managed Account(s) will be pledged to the third-party financial institution as security for that loan. Once your Account(s) are pledged, the securities and cash will serve as collateral for the loan. If the market value of the securities in your pledged Account(s) drops below certain levels, you may be required by the lender to pay down the loan, sell

securities in the Account(s), and/or pledge additional securities.

**It is important that you understand the actions the lender has the right to take against any Managed Account(s) that you pledge as security for a pledge loan.** If the lender feels that the security for its loan to you is at risk, it may take actions regarding your pledged Managed Account(s) that may be disruptive to your investment objectives for your Managed Account(s) or to the existing target asset allocation; trading or reinvestment in the account may be restricted while instructions from the lender are processed; and the lender may impose conditions that require Ameriprise Financial Services to terminate your existing Managed Account(s) or to transfer your Managed Account(s) to an Ameriprise brokerage account in accordance with your applicable Managed Account Client Agreement. You may need to work with your financial advisor to take other steps to maintain your loan.

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

When the Ameriprise Financial Services receives notice that the account holder of an individual Account has died, Ameriprise Financial Services will freeze the Account(s), prorate the Asset-based Fee based on the period of time during the billing period the Account was open and rebate any unused portion of the Asset-based Fee, and will await instructions from the executor or designated administrator of the deceased's estate. Ameriprise Financial Services is not responsible for taking any action with respect to such Accounts prior to its receipt of appropriate instructions, which means that Ameriprise Financial Services will not take action in response to market fluctuations or other factors that may adversely impact the market value of any Account.

Upon receipt of appropriate instructions, an Account will be created to hold each beneficiary's portion. If the beneficiary wants to maintain an active Account, Ameriprise Financial Services must receive the necessary Account opening documents, including a newly executed Custom Advisory Relationship Agreement and related documentation.

In the event that Ameriprise Financial Services 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, including rebalancing, in your non-qualified Managed Account, such as capital gains or losses. These transactions are generally reflected on your

account statements and include activities such as you selling or redeeming securities 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 portion of the securities. There may be other taxable income, for example, dividends. Mutual funds may make capital gain distributions. Capital gain distributions are made based on the long-term gains on securities in the fund and may not relate to the period for which you owned shares. Purchasing fund shares shortly before a distribution of net realized capital gains and certain net investment income, also known as "buying a dividend," can cost you money in taxes, and should generally be avoided in non-qualified accounts. For IRAs and other tax-qualified retirement accounts, transactions that occur within the account generally do not generate taxable income although the purchase, sale or holding of certain investments such as master limited partnerships can. See "Your Guide to IRAs" (available on Ameriprise.com or from your financial advisor) for possible tax consequence of IRA distributions.

You should also be aware that you may need to make estimated tax payments periodically during the year due to income generated in the non-qualified account, including net capital gains from securities sales. There is also the potential for "wash sales." A wash sale occurs when you sell or trade a stock or security at a loss, and within 30 days before or after the sale, you: (i) buy substantially identical stock or securities, (ii) acquire substantially identical stock or securities in a fully taxable exchange, or (iii) acquire a contract or option to buy substantially identical stock or securities. The wash sale rule applies even when the sale is in a non-qualified Managed Account and the purchase is a qualified Managed Account. Gain/loss information may be available on your account statements and/or by accessing your account through ameriprise.com. Only your tax advisor can determine the appropriate tax treatment.

For certain non-covered securities, you are encouraged to provide your Ameriprise financial advisor with the correct cost basis information for any assets that are transferred into your Account. Please contact your financial advisor to determine whether you hold any non-covered securities. You should discuss with your financial advisor whether you want to initiate any tax-related transactions, such as tax loss harvesting.

Payment of an Asset-based 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 some, or all of the investment is in tax-exempt municipal bonds or bond funds.

We will provide you with certain legally required tax reports in connection with your Account. You may also receive other tax related information from time to time. You should understand that neither Ameriprise Financial Services, your financial advisor nor any Discretionary Manager provides tax advice. 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**

Your financial advisor may discuss, present or offer ideas for you to consider related to the allocation of retirement assets among one or more Managed Accounts. Such communications are offered as education, marketing and examples of the potential uses of these Managed Accounts for purposes of discussion and for your independent consideration, and should not be viewed, construed or relied upon, as investment or fiduciary recommendations or advice under ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Additionally, if in connection with discussing, presenting or offering particular Managed Accounts to you, we provide you with a sample or proposed asset allocation, including one that identifies specific securities or other investments, such asset allocation is merely an example of, or proposal for, the fiduciary advice and recommendations that may potentially be made available through the Managed Account once you decide to establish a Managed Account, and should not be relied upon as investment or fiduciary advice or a recommendation under ERISA or the Internal Revenue Code. Ameriprise Financial Services and its financial advisors 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).

Covered family members of Ameriprise financial advisors are able to purchase investment products in their Ameriprise brokerage retirement accounts at a lower commission rate and receive a rebate of the applicable 12b-1 fees, as well as a waiver of any transaction charges paid by your financial advisor. Ameriprise financial advisors who provide advisory services to covered family members will not receive any portion of the Advisory Fees paid on these Managed Account retirement accounts, unless the Asset-based Fee is paid from a nonqualified account via an alternative fee billing arrangement. Please contact your

financial advisor if you have questions as to whether you're a covered family member of an Ameriprise financial advisor.

## Fees and Compensation

The total cost to you of a Managed Account will include (1) the Asset-based Fee, which includes any investment management fees charged by Advisory Service Providers for SMA strategies; (2) for SPS Advisor Accounts, the Investments and Infrastructure Support Fee; (3) Investment Costs; and (4) Additional Fees and Expenses which are any additional transaction related fees that may be incurred in connection with your Account based on the nature of your investments. Any fees you pay reduce the overall value of and net performance of your Account.

### ***Fee Information for Managed Account Programs***

The Asset-based Fee is comprised of the total of (1) a negotiable Advisory Fee of up to a maximum annual rate of 2.0%; (2) any applicable Platform Fee rate of up to 0.17%; and (3) any applicable Manager Fee.

The Advisory Fee applies to each Managed Account Program and each of the Platform Fee and Manager Fee applies to the Select Separate Account Program, Vista Separate Account Program, Investor Unified Account Program, and the Access Account Program.

In addition to your Asset-based Fee, for SPS Advisor Accounts, Ameriprise Financial Services assesses a quarterly asset-based Investments and Infrastructure Support Fee of 0.03% of the total advisory assets in your Account. Our affiliate AEIS credits to clients all sub-transfer agency fees and networking fees AEIS receives for SPS Advisor Accounts from mutual fund firms. This Investments and Infrastructure Support Credit may be more or less than the Investments and Infrastructure Support Fee.

Fee Component	Fee Rate	Applicable Program(s)
Maximum Advisory Fee	2.0%	All Managed Accounts Programs
Platform Fee	0.17%	Select Separate Account, Vista Separate Account, Investor Unified Account, and Access Account Programs

Manager Fee	Generally ranges from 0.10% to 0.80%	Select Separate Account, Vista Separate Account, Investor Unified Account, and Access Account Programs
Investments and Infrastructure Support Fee and Investments and Infrastructure Support Credit	0.03% AEIS credits to clients all sub-transfer agency fees and networking fees it receives for SPS Advisor Accounts from mutual fund firms.	SPS Advisor Program

If you are engaged in the consolidated advisory fee service, your Advisory Fee also includes an Ameriprise Financial Planning Service ("AFPS") Fee, the sum of which cannot exceed 2%.

Based on the Program you select, the components of your Asset-based Fee will vary. The fee components will be displayed to you when you make changes to your investment strategy or open a new Managed Account. Each possible component that may apply to you is further described below.

**Advisory Fee.** The Advisory Fee rate is an ongoing asset-based fee negotiated between you and your financial advisor and covers services such as asset allocation, portfolio construction, creation of model portfolios, advisory service provider due diligence and oversight, investment recommendations and selection including applicable investment product due diligence, execution of transactions through our affiliated clearing agent, AEIS, custody of securities, and tax and account reporting including trade confirmations and client statements and services provided by your financial advisor for your account. The Advisory Fee is shared with your financial advisor. The Advisory Fee is based in part on the total value of the assets in your Managed Accounts at Ameriprise ("Advisory Tiers"). There are minimum Advisory Fee rates that vary based on this value.

- o **Ameriprise Financial Planning Service Fee.** The AFPS Fee rate is negotiated between you and your financial advisor and represents the portion of your total Asset-based Fee that is



allocated to cover your Ameriprise Financial Planning Service. If you are engaged in the consolidated advisory fee service, the Advisory Fee and AFPS Fee are separate fee components for separate services, however, the sum of the AFPS Fee and the Advisory Fee cannot exceed 2%.

The level of the Advisory Fee you negotiate with your financial advisor will depend upon a number of factors including:

- total assets in your Account
- the service level of your Account
- type of strategy employed

Because the Advisory Fee component of the Asset-based Fee is negotiable, client Asset-based Fees may vary. Accordingly, you may pay a higher or lower Asset-based Fee than a similarly situated client due to factors such as account value, types of investment products, investment strategy, trading activity and the range of services received. For example, you may pay more or less than another client invested in the same particular investment strategy with a higher or lower account value than your Account. This means you may pay more than a similarly-situated client with a lower account balance who is receiving the same services.

- **Platform Fee.** The Platform Fee covers additional costs associated with the Programs for services provided by Ameriprise Financial Services such as investment selection including investment strategy and investment product due diligence, overlay management, additional trading costs, enhanced trading tools, reporting (e.g. manager and portfolio reports), advisory training and expert support, platform management (e.g. ongoing product development and administration) and additional operational and support related functions.
- **Manager Fee.** The Manager Fee represents investment management fees charged by Advisory Service Providers for a specific SMA investment strategy. The Manager Fee rate is variable by Advisory Service Provider and specific investment strategy and is charged to you as a component of your Asset-based Fee. Manager Fee rates are subject to change.

The Asset-based Fees for Programs that offer SMA strategies range higher than Programs that do not offer SMA strategies in order to cover the fees paid to Advisory Service Provider(s) for services provided to your Account. As of the date of this Brochure, the fee rates for SMA strategies generally range from 0.10% to 0.80% per annum of the market value of the assets

invested in each SMA strategy. More information regarding the investment management fees charged by a particular Advisory Service Provider for its SMA strategies is contained in its disclosure document (Part 2A of Form ADV).

For Select Strategist UMA Accounts and Investor Unified Accounts, each SMA held within your Account charges a different Manager Fee rate. The Manager Fee rate for these Accounts is based on the allocation to each underlying SMA (the “Blended Fee Rate”). The Blended Fee Rate is calculated using the full billable value of the Account, while applying a 0% Manager Fee rate to non-separately managed account assets (e.g. mutual funds, ETFs, uninvested cash, and securities not yet traded to match the SMA positions) and the applicable Manager Fee rate as allocated to the SMA assets.

For Select Strategist UMA Accounts, the initial Blended Fee Rate will be calculated based on the percentage of the Account targeted to each SMA on the date your Account is accepted. Thereafter, the Blended Fee Rate will be calculated on the net asset value of the actual allocation within each SMA on the last business day of each month. Investor Unified Accounts calculate the Blended Fee Rate using the net asset value of the allocation within each SMA.

Because each SMA may be subject to different fees, your Blended Fee Rate will change depending on a variety of factors, including the value of the assets in each sub-account, market movements, your contributions and withdrawals, any changes to your allocation or the selection of a new SMA strategy. As a result, the Blended Fee Rate may be more or less than the Blended Fee Rate originally shown in the confirmation of your new Account.

#### **Investments and Infrastructure Fee for SPS Advisor Accounts.**

For SPS Advisor Accounts, Ameriprise Financial Services assesses an annual asset-based Investments and Infrastructure Support Fee of 0.03% of the total advisory assets in your Account. The Investments and Infrastructure Support Fee is assessed quarterly and calculated based on the closing market value of your Account as of the last business day of the calendar quarter. If you do not have an SPS Advisor Account balance as of the last business day of the calendar quarter, you will not be assessed the Investments and Infrastructure Support Fee. You will be charged an Investments and Infrastructure Support Fee for the entire calendar quarter if you have an SPS Advisor Account balance on the last business day of the calendar quarter (i.e., no proration). The Investments and Infrastructure Support Fee is in addition to your Asset-based Fee and helps support the cost of maintaining and servicing the SPS Advisor Program.

For SPS Advisor Accounts, Ameriprise Financial Services causes its affiliate, AEIS, to credit to clients all sub-transfer agency fees and networking fees AEIS receives from mutual funds firms. This Investments and Infrastructure Support Credit is calculated on a proportionate basis based on the revenues earned over the course of the applicable calendar quarter, divided by SPS Advisor Account assets as of the closing market value of each client's SPS Advisor Account(s) as of the last business day of the calendar quarter. Clients who do not have an Account balance as of the last business day of the calendar quarter will not be eligible to receive the Investments and Infrastructure Support Credit. Clients who open an Account during the calendar quarter will receive a full credit (i.e., no proration) if they have an SPS Advisor Account balance on the last business day of the calendar quarter. The Investments and Infrastructure Support Credit will be allocated without regard to the value of mutual fund positions held in any particular client's SPS Advisor Account. Although Ameriprise Financial Services intends to credit these sub-transfer agency fees and networking fees back to clients, AEIS reserves the right, in its discretion, to cease to collect these sub-transfer agency fees and networking fees at any time and, accordingly, cease crediting client Accounts.

The Investments and Infrastructure Support Fee and Investments and Infrastructure Support Credit apply at the same rate for each SPS Advisor Account regardless of how many mutual fund positions, if any, are held in the Account. Ameriprise Financial Services intends to fund, in whole or in part, the Investments and Infrastructure Support Credit from sub-transfer agency fees and networking fees its affiliate collects from mutual fund companies for the mutual fund accounting, recordkeeping, tax reporting and other shareholder services related to the mutual funds held in all SPS Advisor Accounts. As a result, the Investments and Infrastructure Support Credit will generally offset the cost of the Investments and Infrastructure Support Fee. However, changing circumstances, such as a shift at the Program level away from investments in mutual funds into individual securities, ETFs or other investment products, could cause the credit to be less than the Investments and Infrastructure Support Fee and may impact the costs associated with your SPS Advisor Account. The Investments and Infrastructure Support Credit may also be more than the Investments and Infrastructure Support Fee.

Each quarterly fee and credit is displayed on your statement for the following month. For example, December's fee and credit will appear on your January statement. In circumstances where the Investments and Infrastructure Support Credit exceeds the Investments and Infrastructure Support Fees paid from your nonqualified account, the excess will be considered

miscellaneous income for tax reporting purposes. For Accounts with alternative fee billing arrangements, the entire Investments and Infrastructure Support Credit will be considered miscellaneous income if the originating Account is a non-qualified Account. Account holders receiving aggregate miscellaneous income of \$600 or more annually will receive an IRS Form 1099-MISC, Miscellaneous Income, from AEIS. Account holders receiving miscellaneous income amounts under \$600 annually will not receive an IRS Form 1099-MISC from AEIS, but will be responsible for reporting the income to the IRS. Holders of IRAs and qualified retirement plan Accounts will not experience a taxable event as a result of a rebate and will instead be taxed only on amounts when they are distributed from the Account.

***Householding of Account Assets and Minimum Asset-based Fee.*** The Asset-based Fee provides householding benefits across all Programs and Managed Accounts ("Advisory Fee Householding"). By default, a primary household will consist of a client, their spouse or domestic partner, unmarried children under the age of 21, and accounts owned by these people, which are displayed under one Group ID on your client statement. If you have more than one Group ID, you may be able to link the Group ID associated with your primary household group to the Group ID associated with an additional household group with which you have an eligible affiliation, such as the grantor of an irrevocable trust or owner of a corporation.

Household minimums are assessed across all Managed Accounts within a household and the minimum Asset-based Fee for a household is \$300. Households charged the minimum annual Asset-based Fee amount may exceed the maximum Asset-based Fee percentage otherwise applicable to your Account(s). Households with less than a \$10,000 balance will be charged an effective Asset-based Fee in excess of 3%. If your effective Asset-based Fee exceeds 3%, Managed Accounts may not be the most cost-effective investment vehicle for you; similar products and services may be available at a lower overall fee through another investment program. A pro-rata portion of this minimum fee is assessed each billing period.

Where eligible, Advisory Fee Householding allows you to combine Managed Account assets across multiple household groups, which may help you qualify for a lower minimum Advisory Fee rate, or, if applicable, to qualify for the \$300 household minimum Asset-based Fee across all Managed Accounts in the linked households. Generally, pension and group retirement plans are not eligible to be linked for Advisory Fee Householding. In addition to your client statement, you can also find your Group ID online if you're registered on the secure site at [ameriprise.com](http://ameriprise.com). Contact your financial advisor to review whether your Group IDs are eligible to be linked for

Advisory Fee Householding benefits. You may also call 800.862.7919 to review your Group IDs and householding eligibility.

### **Billing Methodology**

Your Asset-based Fee is deducted directly from your Account and paid from cash available in from your Sweep Program, unless your Asset-based Fee is paid via an alternate fee billing arrangement.

The initial Asset-based Fee is based on the market value of the Account on the opening date, adjusted proportionately to reflect the number of days remaining in the initial monthly 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 monthly billing period and deducted on the 14<sup>th</sup> of each month, or if the 14<sup>th</sup> is a weekend or holiday, the fee deducts the following business day. In the event a Managed Account is terminated, Ameriprise Financial Services will prorate the Asset-based Fee based on the period of time during the billing period the Account was open and rebate any unused portion of the Asset-based Fee.

### **Changes to Fee Components**

Fee components are subject to change in the circumstances set forth below. Any change to an underlying fee component will change your total Asset-based Fee. We will provide prior notice of any such changes to you, except in certain instances where a fee component decreases. You authorize Ameriprise Financial Services to apply future changes to the fee components by continuing to accept the Service.

The Advisory Fee that you negotiate with your financial advisor will increase if either (i) you consent in writing to the increase; or (ii) your total advisory assets fall below the minimum for your Advisory Tier and remain as such through any applicable grace period (this second case is referred to as a "Passive Advisory Fee Change"). If you have a Passive Advisory Fee Change, we will provide you with prior notice that your Advisory Fee rate will be increased unless you take some action. If you do not take any action, we will confirm the new Advisory Fee rate once it is effective. Passive Advisory Fee Changes do not require your signature. The maximum change from one Advisory Tier to another is 0.25%. If a Passive Advisory Fee Change causes the sum of the new Advisory Fee rate and the AFPS Fee rate to exceed 2%, we will reduce your AFPS Fee rate until the sum of the Advisory Fee rate and AFPS Fee rate totals 2%.

Manager Fee rates are subject to change. The Manager Fee may change if (i) your Account changes Advisory Service Providers, (ii) you make changes to your investment strategy, (iii) one of your current Advisory Service Providers change their fee, or

(iv) your investment strategy moves to another Program as a part of a Program reorganization. Any increase or decrease in the Manager Fee is passed along to you. For UMA accounts, the Blended Fee Rate will generally change as the allocation between the underlying SMAs changes. Changes to the Manager Fee, including the Blended Fee Rate, do not require your signature.

Platform Fee rates are subject to change. The Platform Fee may increase or decrease. Platform Fee rate changes do not require your signature.

***Grandfathered Advisory Fee Rates.*** Ameriprise Financial Services implemented the component based Asset-based Fee over the course of 2019. As part of this conversion, certain clients were allowed to retain an Advisory Fee rate that is lower than the minimum fee rate allowed for the applicable Advisory Tier (the "Grandfathered Advisory Fee rate"). Clients with a Grandfathered Advisory Fee rate retain that fee rate until they re-negotiate the Advisory Fee rate with their financial advisor, move to another Program, add the consolidated advisory fee service to that Account, or when processing certain ownership changes. Clients with a Grandfathered Advisory Fee will not be subject to a Passive Advisory Fee Change. Ask your financial advisor whether you have a Grandfathered Advisory Fee rate and consider this rate before re-negotiating your Advisory Fee rate or moving to another strategy.

### **Allocation of Asset-based Fees**

The Asset-based Fee paid in connection with each Managed Account you establish will be allocated to Ameriprise Financial Services, your financial advisor and if applicable, the Advisory Service Providers as follows.

- The Advisory Fee compensates Ameriprise Financial Services. A portion of the Advisory Fee and, if applicable, the AFPS Fee, is shared with your financial advisor.
- The Platform Fee compensates Ameriprise Financial Services and is not shared with your financial advisor.
- The Manager Fee compensates the Advisory Service Provider and is not shared with Ameriprise Financial Services or your financial advisor. As of the date of this Brochure, Manager Fee rates generally range from 0.10% to 0.80% per annum of the market value of the assets invested in each SMA strategy. More information regarding the investment management fees charged by a particular Advisory Service Provider for its SMA strategies is contained in its disclosure document (Part 2A of Form ADV).



- The SPS Advisor Investments and Infrastructure Support Fee compensates Ameriprise Financial Services and is not shared with your financial advisor.

**Ameriprise Financial Services.** Ameriprise Financial Services retains the portion of the Advisory Fee not allocated to your financial advisor. Our portion of the Advisory Fee may be higher or lower than the portion of the Advisory Fee allocated to your financial advisor.

**Financial Advisors.** Both franchisee financial advisors and employee financial advisors receive a portion of the Advisory Fee and, if applicable, a portion of the AFPS Fee as compensation for your participation in a Program. Franchisee financial advisors, however, receive a higher portion, or payout rate. Importantly, financial advisor compensation does **not** vary depending upon the investment(s) recommended to you within a Managed Account. However, 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 Program over a transaction-based brokerage account. Ameriprise Financial Services seeks to address this conflict of interest through a combination of disclosures and through our policies, procedures and supervision, related to the review and determination that a Managed Account is appropriate for you based on your financial and risk profile information and investment objectives (“Client Information”) in accordance with all applicable regulatory requirements.

The portion of the Advisory Fee allocated to your financial advisor is impacted by factors including:

- The level of affiliation that the financial advisor has with Ameriprise Financial Services;
- 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;
- The total assets his or her clients (or clients within an advisor team) have invested in Managed Accounts, as well as the total level of Managed Account assets within a client’s household; and
- For employee financial advisors, which Managed Account Program his or her clients are invested in. Employee financial advisors receive a greater portion of the Advisory Fee in the Select Separate Account, Vista Separate Account, Investor Unified Account, and Access Account programs.

Depending on these factors, your financial advisor may retain a larger portion of the Advisory Fee and, in those instances, may earn more than Ameriprise Financial Services’ portion, however your financial advisor must make recommendations based on your best interests

and without regard to how much compensation will be received.

**Advisory Service Providers.** Important considerations for the Manager Fee paid to Advisory Service Provider(s) you select include:

- Manager Fee rates are negotiated separately with each Advisory Service Provider.
- Participating Advisory Service Providers may reimburse AEIS and AEIS may subsequently reimburse financial advisors for the costs arising from, or make payments to AEIS for participation in, client meetings or educational and training meetings held with financial advisors and other personnel.

In addition to the fees described above, Ameriprise Financial Services and its affiliates retain the revenues each receives related to the investment products held in your Managed Account such as (i) Third Party Payments; and (ii) any management fees, distribution fees or compensation earned related to administrative or transfer agency fees related to proprietary mutual funds held in your Managed Account that are included in the Investment Costs paid indirectly by you and are received by our affiliates, such as CMIA.

#### **Additional Costs Associated with a Managed Account**

The underlying fees related to investment products you purchase within your Managed Account are referred to as Investment Costs and are more fully described below. These costs are in addition to the Asset-based Fee that you pay directly from your Account and may include Third Party Payments that are compensation to AEIS, as discussed above. They are paid by you indirectly as part of the cost of the investment and they reduce the value of your investment in the product. They are not a direct fee deducted from your Account.

**Investment Costs** apply whether the investment product is sponsored or managed by a third party or an affiliate of Ameriprise Financial Services, such as Columbia Management Investment Advisers, LLC (“CMIA”), a wholly-owned subsidiary of Ameriprise Financial, Inc., Ameriprise Financial Services’ parent company. When you invest in investment products managed by CMIA, CMIA or its affiliates will receive compensation for managing those investments and for other services they provide based on the amount you invest, just as they would if you invested in CMIA investment products through another service provider. Investment Costs received by CMIA are not compensation to Ameriprise Financial Services, however, Ameriprise Financial Services, CMIA and their affiliates receive more revenue, in aggregate, from the purchase of proprietary investment products offered by CMIA than from the purchase of investment products offered by firms that are not affiliated with Ameriprise Financial, Inc.



In addition to your Asset-based Fee and Investment Costs, you may pay Third Party Execution Fees associated with “step-out trades” placed by an Investment Manager in an investment strategy you select in Select Separate Account or a Managed Account offered with Envestnet, as described in the “**Brokerage Practices**” section; and you may pay any additional fees and expenses to the extent incurred in connection with your Account. You may also pay additional fees and expenses associated with your specific Sweep Program. This section discusses each of these costs.

**Investment Costs of Mutual Funds.** There are underlying mutual fund expenses charged to all mutual fund shareholders. Some mutual fund companies and their service providers pay AEIS a portion of the fees it receives for underlying mutual fund expenses in the form of Third Party Payments. Any mutual fund fees or expenses you pay reduce the overall value of and net performance of your Account. Important considerations:

- These fees and expenses include management fees, distribution and other expenses. A mutual fund may also charge shareholder service (“12b-1”) fees. These fees and expenses could increase the total cost of your investment in the fund by 1.00% to 2.00% or more. For example, if the Asset-based 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%. As noted above, all Managed Accounts offer Advisory Shares that typically do not assess 12b-1 fees as the primary share class. To the extent that Ameriprise Financial Services receives 12b-1 fees from mutual fund companies for applicable mutual fund classes utilized in any Managed Accounts, it rebates these fees to clients. Rebates are generally deposited into the applicable client Accounts within a week after we receive the 12b-1 shareholder servicing fees.
- Charges imposed by the underlying mutual funds held in your Managed Account may include short-term redemption fees and small position fees.
- Ameriprise Financial Services 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, Ameriprise Financial Services and/or its affiliates will receive payments for such services that may vary depending on the assets invested in such mutual fund.
- Other mutual funds, such as fund of funds, also have additional management, advisory and other internal fees and expenses which are assessed by the fund directly, and are in addition to the Asset-based Fee.

It is your responsibility to understand all fees and charges prior to making investment decisions. Review each applicable mutual fund prospectus for details on all fund fees.

**Third Party Payments.** A portion of Investment Costs are paid to AEIS by third parties who manage, Ameriprise Financial Services or distribute investment products held in your Managed Account. This compensation helps fund the cost of providing service, maintaining accounts and offering an investment platform for our clients. These payments are generally funded directly, or indirectly, from Investment Costs, as more fully discussed above.

AEIS will receive the following types of Third Party Payments with respect to the investments we recommend and you select for the investment of your Managed Account assets. For qualified SPS Advisor Accounts and trustee-directed retirement plans in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts, AEIS either does not collect Third Party Payments or credits them back to client Accounts.

- Mutual funds – AEIS will receive cost-reimbursement payments (e.g., reimbursement for marketing support) from non-affiliated mutual fund firms for investments you make as a result of our recommendations.
- Certain other investment products - AEIS will receive cost-reimbursement payments from third parties’ investment product Ameriprise Financial Services whose products we recommend.
- Other servicing and account maintenance fees - AEIS will also receive sub-transfer agency fees or networking fees with respect to investments you make in mutual funds except for trustee-directed retirement plans in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts, as noted above. As further described above, for SPS Advisor Accounts, Ameriprise Financial Services will rebate to clients all sub-transfer agency fees or networking fees and other servicing and account maintenance fees its affiliate, AEIS, receives from mutual funds firms. For trustee-directed retirement plans in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts, AEIS does not collect sub-transfer agency fees, networking fees and other servicing and account maintenance fees.
- AEIS also receives revenues that exceed the costs of the cost reimbursement services provided. These revenues include revenue sharing, marketing support and distribution support payments and such payments increase the gross revenues and net earnings of AEIS.

- AEIS is responsible for delivering to clients all shareholder materials (e.g. annual reports and proxies) received from the issuers of securities. It does this through a vendor. The vendor charges each issuer based on rates determined by the New York Stock Exchange. AEIS earns rebates from its vendor based on the difference between the rate charged to the issuer and the cost to the vendor to deliver the shareholder materials. The rebates are generally higher for customers who consent to utilizing electronic delivery.

Cost Reimbursement Services and Third Party Payments related to your Account are further described in the **“Cost Reimbursement Services and Third Party Payments”** section, including marketing and sales support payments are received from certain mutual fund firms that participate in the Full Participation Program Ameriprise Financial Services offers.

Third Party Payments do not include any management fees, distribution fees or compensation earned related to administrative or transfer agency fees related to proprietary mutual funds held in your Account and managed by one of our affiliates, such as CMIA. These fees are included in the Investment Costs paid indirectly by you and are received by our affiliates but are not compensation to Ameriprise Financial Services or AEIS, however they are an economic benefit to Ameriprise Financial Services and its affiliates as further discussed in the **“Economic benefits of affiliates’ products and services”** section.

**Additional Fees and Sources of Compensation.** Under certain circumstances, you may be assessed transaction related fees or charges depending on the nature of the investment products held in your Managed Account. You may also be charged fees for transactions initiated by you such as costs associated with pledge loans and interest charges when investing on margin. Any such fees and charges incurred in connection with your Account are in addition to the Asset-based Fee charged to your Account(s). Any additional fees you pay reduce the overall value of and net performance of your Account.

Examples of the types of additional fees and charges that you would pay, 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 Depositary 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;
- Fees related to the sale of Initial Public Offerings; and
- Other costs or charges imposed by third parties, including American Depositary Receipts issuance fees and annual depository fees, voluntary reorganization fees, odd-lot differentials, transfer fees 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 Investment Costs and additional fees are subject to change. Contact your financial advisor if you have any questions about the types of additional fees and expenses that may be associated with your Account.

### **Sweep Program and Expenses**

Your Managed Account(s) will from time to time receive and disburse cash. Cash received can be in the form of deposits you make to your Account, the proceeds from investments you sell, and the receipt of dividend and interest payments from investments you own. Cash is disbursed from your Account to pay for new investment products you buy, to cover debit card, ACH or bill pay activity, and to pay the Asset-based Fee and other fees you may incur. Any portion of your Account balance that is held in cash will be included in the Asset-based Fee calculation. On a daily basis, Ameriprise Financial Services will move all uninvested cash into the Sweep Program applied to your Account(s). The Sweep Programs may pay interest or dividends. By authorizing Ameriprise Financial Services to open a Managed Account, you expressly authorize Ameriprise Financial Services to move such cash balances.

Regardless of the Sweep Program made available to you, you can also buy and sell positional money market mutual funds, brokered certificates of deposit, treasury bills, and other similar cash-equivalent products to manage cash in your non-discretionary Managed Accounts and Ameriprise brokerage accounts, and such investment products may be available for you buy and sell in certain discretionary Managed Accounts. These options for the investment of cash balances are generally expected to offer higher returns than the Sweep Program we make available for your Account. Some types of investment products may not be available to you under the terms of your specific Account.

More detail regarding Sweep Programs offered by Ameriprise Financial Services is available in the Other Important Brokerage Disclosures document and the Money Settlement Options section of the Ameriprise

Brokerage Client Agreement. For a copy of the Other Important Brokerage Disclosures or the Ameriprise Brokerage Client Agreement, visit our website at [ameriprise.com/disclosures](http://ameriprise.com/disclosures) or call our service line at 800.862.7919.

The Sweep Programs offered in Managed Accounts are:

- *Ameriprise* Insured Money Market Account ("AIMMA") is the Sweep Program offered for SPS *Advantage* Accounts, except for trustee-directed 401(a) Accounts; and for non-qualified Accounts in the following Advisory Programs: SPS Advisor Accounts, *Active Portfolios*® Accounts, Select Separate Accounts, Vista Separate Accounts, Investor Unified Accounts, and Access Accounts.
- Ameriprise Bank Insured Sweep Account ("ABISA") is the Sweep Program offered for SPS *Advantage* trustee-directed 401(a) Accounts and qualified Accounts in the following Advisory Programs: SPS Advisor Accounts, *Active Portfolios*® Accounts, Select Separate Accounts, Vista Separate Accounts, Investor Unified Accounts, and Access Accounts.
- Either Dreyfus General Government Cash Management – Institutional Shares or the Dreyfus General Government Securities Money Market Fund – Dreyfus Class are the Sweep Program offered for TSCA and 403(b) Managed Accounts and personal trust services Managed Accounts opened by Ameriprise Bank, FSB, as trustee and certain other non-qualified Managed Accounts that are ineligible for an insured deposit Sweep Program. An investment in a money market fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency.

Rates and yields vary across the different Sweep Programs and maybe be higher or lower depending on the particular money market fund or interest-bearing bank deposit product, and on the cash balance you maintain in your Managed Account.

If you decline the Sweep Program offered for your Managed Account(s), or if you subsequently revoke your acceptance, you may at any time direct Ameriprise Financial Services to (i) hold your Sweep Program balance as a free credit balance in your Account(s); (ii) return the proceeds to your Account(s) for investment in a cash equivalent investment product; or (iii) have us remit the cash to you. Cash held as a free credit balance is eligible for coverage by SIPC, up to \$250,000 per capacity as determined by SIPC. Cash held as a free credit balance is not eligible for FDIC coverage. For qualified Managed Accounts that hold a free credit balance, you do not receive, and we do not earn, any interest or Third Party Payments on the balance. For non-qualified Managed Accounts, we may earn interest or other

revenue on the balance, but are not obligated to pay interest on cash held as a credit balance in your Account(s).

### **AIMMA**

AIMMA is an FDIC insured, interest-bearing multi-bank deposit product made available by Ameriprise Financial and held in an omnibus account(s) at one or more FDIC member banks (collectively, the "Program Banks"). Our affiliate, Ameriprise Bank, FSB ("Ameriprise Bank") is a Program Bank and participates in AIMMA. The Program Banks may serve individually as custodians for all or a portion of the cash balance held within your Managed Account that are swept to AIMMA, as described in the Other Important Brokerage Disclosures document. Multi-bank deposit products are FDIC insured up to \$250,000 per depositor (\$500,000 for joint ownerships) per Program Bank, including deposits held at Ameriprise Bank, FSB, and, under ordinary business conditions, up to \$2.5 million per depositor (\$5 million for joint ownerships) across all Program Banks combined, per FDIC rules. For any amount above the applicable limit that is deposited in a single Program Bank, including any other FDIC insured product you may own through that Program Bank, the amount above the limit will not be eligible for FDIC deposit insurance. Deposit products are not covered by the SIPC.

If your Managed Account uses AIMMA as its Sweep Program, you agree to accept the proprietary algorithm applied by Promontory Interfinancial Network, LLC ("PIN"), which determines the Program Banks into which your deposits are placed. You also understand and agree that PIN will periodically change the order of the Program Banks to optimize the amount of FDIC insurance available in the AIMMA Sweep Program. Under ordinary business conditions, changes to the Program Bank List will be published at least five business days prior to the effective date, and current interest rates for each interest rate tier will be published three to five business days prior to their effective date. The Program Banks are identified on the Program Bank List and interest rate information is available at [Ameriprise.com/cashrates](http://Ameriprise.com/cashrates).

Any cash in your Managed Account(s) that is swept to AIMMA is aggregated with cash held by other Ameriprise clients that utilize AIMMA and is held in an omnibus account at one or more Program Banks. Omnibus accounts, by virtue of their ability to raise significant balances for the Program Banks, are generally able to earn higher interest rates than those you would be able to earn if you deposited cash individually at a bank. The Program Banks participating in AIMMA earn income by lending or investing the deposits they receive and charging a higher interest rate to borrowers, or earning a higher yield, than the Program Banks pay on the deposits held through AIMMA. This



difference is known as the "spread." Like the unaffiliated Program Banks participating in AIMMA, Ameriprise Bank earns spread revenue when it participates in AIMMA as a Program Bank.

AEIS receives and retains compensation from Program Banks for its services related to AIMMA for the Managed Account Programs, based on the cash deposits held at each Program Bank. This compensation is either negotiated between each Program Bank and AEIS, or between the Program Bank and our vendor, PIN, and is either a fixed rate or is based on a benchmark interest rate, such as the Federal Funds Rate, plus or minus a spread. For example, if the Program Bank holding your cash has agreed to pay AEIS the Federal Funds Rate plus 0.25%, and the Federal Funds Rate is 1.55%, AEIS would receive 1.80% on your cash balance. If you are credited with interest of 0.10% on the cash balance in your Account, AEIS would retain 1.70% as compensation for its services, from which it would pay its vendors and the internal costs of operating AIMMA. As of January 10, 2020, the rates paid by unaffiliated Program Banks participating in AIMMA were within a range of 1.50% to 2.50%, but, depending on movement of interest rates, this range could be up to 3.50%.

Ameriprise Bank does not compensate AEIS for its sweep services provided or for the cash deposits held at Ameriprise Bank, but reimburses AEIS for its direct out of pocket expenses related to AIMMA. Your financial advisor does not receive any of (i) the compensation paid by the Program Banks; or (ii) the reimbursements paid by Ameriprise Bank to AEIS.

### **ABISA**

ABISA is an FDIC insured, interest-bearing single bank deposit product made available by Ameriprise Financial Services. Deposits into ABISA are held in an omnibus account(s) at Ameriprise Bank, Member FDIC, an affiliate of Ameriprise Financial. Ameriprise Bank serves as custodian for the cash balances held within Managed Accounts that are swept to ABISA, as described in the Other Important Brokerage Disclosures. Single bank deposit products are FDIC insured up to \$250,000 per depositor (\$500,000 for joint accounts), per FDIC rules. For any amount above the applicable limit, the amount above the limit will not be eligible for FDIC deposit insurance. Deposit products are not covered by SIPC. If your Managed Account uses ABISA as its Sweep Program, Ameriprise Bank earns spread revenue, the difference between what it pays in interest and what it earns on its investments. Ameriprise Bank does not compensate AEIS for its sweep services provided or for the cash deposits held at Ameriprise Bank, but reimburses AEIS for its direct out of pocket expenses related to ABISA. Your financial advisor does not receive any of (i) the compensation earned by

Ameriprise Bank; or (ii) the reimbursements paid by Ameriprise Bank to AEIS.

### **Money Market Fund**

If your Account's Sweep Program uses a money market mutual fund, our affiliate AEIS may receive marketing support payments of up to 0.42% of the amount held in that money market mutual fund Sweep Program. Please refer to the applicable prospectus or the **"Cost Reimbursement Services and Third Party Payments"** sub-section for further specific details regarding mutual fund marketing and sales support payments received by AEIS. An investment in a money market fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency.

### **Affiliate Compensation**

Sweep Programs made available in Managed Accounts are offered by Ameriprise Financial Services in its capacity as a broker-dealer, and services are provided by our affiliate AEIS as part of the overall brokerage services provided to your Account(s) pursuant to the "Money Settlement Options" section of the Ameriprise Brokerage Client Agreement. Your financial advisor does not recommend the Sweep Program offered to you for any particular Account(s) and revenues received by our affiliates related to the Sweep Programs are not shared with financial advisors.

Generally, the combined revenue earned by our affiliates AEIS and Ameriprise Bank is excepted to be (i) the highest when your Account sweeps cash into ABISA or AIMMA where Ameriprise Bank is utilized as a Program Bank; (ii) the second highest when your Account sweeps cash into AIMMA where unaffiliated Program Banks are utilized; and (iii) the lowest when your Account sweeps cash into an eligible money market mutual fund.

Our affiliates AEIS and Ameriprise Bank use this revenue to defray the cost of operating our Sweep Programs and the expense of providing other services to our clients, as well as for general operating expenses and to provide net earnings to AEIS and Ameriprise Bank. In the absence of this revenue Ameriprise Financial Services would likely charge higher fees or other charges to clients for the services AEIS and Ameriprise Bank provide to clients.

Ameriprise Financial Services addresses this conflict of interest through a combination of disclosures and policies and procedures regarding Sweep Program availability and the free-credit balance, as well as supervision and surveillance of cash balances held in Managed Accounts.



### ***Sweep Program Balance Requirements***

Managed Account clients are required to maintain sufficient cash balances in the Sweep Program or as a free credit balance in your Account(s) to meet the applicable Asset-based Fee and, if applicable, SPS Advisor Investments and Infrastructure Support Fee deductions. If there is not sufficient cash in your Account(s) Sweep Program to cover these and other applicable fees, Ameriprise Financial Services reserves the right to, or may instruct the custodian to, sell securities held in your Account Sweep Program to cover these fees. Ameriprise Financial Services reserves the right to determine which mutual funds or other securities will be sold. For the SPS *Advantage* and SPS Advisor Programs, we reserve the right to sell an amount equal to your annual Asset-based Fees and, if applicable, SPS Advisor Investments and Infrastructure Support Fee to ensure you have enough to cover fees for the annual period. Because of mutual fund redemption minimums and other applicable minimums, Ameriprise Financial Services may be required to sell more shares than is necessary to cover this amount. The proceeds of such sales will be held in your applicable Sweep Program pending deduction of the applicable fee(s). As noted above, our affiliate AEIS is compensated based on the balance held in your Sweep Program.

### **Brokerage accounts**

Retail brokerage services are also available through Ameriprise Financial Services. If you choose to open an Ameriprise 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 Ameriprise Financial Services 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 any unaffiliated broker-dealer or other third party for client securities transactions. Ameriprise Financial Services receives and distributes research authored by its affiliate AEIS however this research is not provided for client securities transactions or for any other compensation. Nor do we or our affiliates receive client referrals from broker-dealers or third parties that are considered in selecting or recommending broker-dealers.

### **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.

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 Ameriprise Financial Services' 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.

Your financial advisor may also offer Managed Accounts Services and ongoing financial planning services for a single fee. The consolidated advisory fee service is a combined investment advisory service 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 Disclosure Brochure for details about the services.

Additionally, your financial advisor may service Client assets in connection with the Ameriprise® Lockwood Accommodation Program, a hold and service program that accommodates certain Clients who own an existing portfolio or strategy through Lockwood Advisors, Inc., which is not available at Ameriprise. Refer to Ameriprise Financial Services' Form ADV, Part 2A, Ameriprise® Lockwood Accommodation Program Client Disclosure Brochure for details about this program.

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

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

Certain SPS *Advantage* Accounts have access to a broad range of consumer banking products previously offered through Ameriprise Bank, FSB through third-party providers, including checking, bill pay and ATM/debit card features of the *Ameriprise ONE®* Financial Account.

Other products, services and features may be included or made available in connection such as a credit card, with a Managed Account.

These products, services and features may have their own terms, conditions, disclosure documents, fees and expenses. Review applicable materials, and consider fees related to a particular product, service or feature prior to deciding to participate or invest in, or as you consider remaining in, that product, service or feature. Talk to your financial advisor about the applicability of any product, service or feature of a Managed Account.

# 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 Advisory Service Provider 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 Custom Advisory Relationship Agreement;
- Read and sign the Brokerage Agreement and read the Other Important Brokerage Disclosures Document to establish and maintain a brokerage account as part of a Managed Account; and
- Select a Sweep Program as described in the Brokerage Agreement and the Other Important Brokerage Disclosures Document.

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). Ameriprise Financial Services, 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*, SPS Advisor, *Active Diversified Portfolios*® investments and Access Separate Accounts, but may not invest in other Managed Accounts. Trustee-directed retirement plans may not invest in the *Active Portfolios*®, SPS Advisor, certain Select Separate Account investment strategies, Vista Separate Account, Investor Unified Account or Access Account Programs. Programs and Managed Accounts are made available based on the ownership type associated with your Relationship, and not all Programs may be available to you.

## Terminating a Managed Accounts Client Agreement

The applicable Client Agreement may be terminated by you or Ameriprise Financial Services by providing appropriate notice. If Ameriprise Financial Services decides to terminate your Account(s), the Ameriprise Financial Services 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 Ameriprise Financial Services decides to terminate your Account(s), Ameriprise Financial Services may transfer the Account assets to an Ameriprise brokerage account and the Brokerage Agreement will govern your relationship with Ameriprise Financial Services. If Ameriprise Financial Services terminates your SPS Advisor account, Ameriprise Financial Services may transfer the Account assets to a brokerage account as outlined above or to an SPS *Advantage* Account and the SPS *Advantage* Client Agreement or Custom Advisory Relationship Agreement, as applicable, will govern your relationship with Ameriprise Financial Services.

In the event a Managed Account is terminated, Ameriprise Financial Services will prorate the Asset-based Fee and rebate any unused portion. You have the right to request that your assets be distributed in the form of cash or securities. This transaction may have tax implications. Because you will be responsible for any associated tax liabilities, you should discuss the potential implications with your tax advisor. Additional fees may apply to distributions in the form of securities as outlined in the **“Sweep Program and Expenses”** 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.

## Termination of Advisory Service Providers

Ameriprise Financial Services may, in its sole discretion and at any time, terminate an Advisory Service Provider’s (including an Envestnet Manager’s) participation in a Managed Account, or discontinue the Advisory Service Provider’s services with respect to a particular investment strategy in accordance with your Managed Account client agreement and with thirty (30) days prior written notice to you. As a result, Ameriprise Financial Services may transfer the Account assets to an Ameriprise brokerage account and the Brokerage Agreement and the Other Important Brokerage Disclosures Document will govern any assets transferred including fees charged in connection with maintaining an Ameriprise brokerage account and transaction fees.

If you terminate your Advisory Service Provider, or if Ameriprise Financial Services or Advisory Service Provider terminates or discontinues the service provided to you, you may reinvest with another Advisory Service Provider. Reinvesting with another Advisory Service Provider may result in portfolio turnover and tax implications (for non-qualified accounts) based on the holdings of the successor Advisory Service Provider's portfolio. Because you will be responsible for any associated tax liabilities, you should discuss the potential implications for non-qualified accounts with your tax professional.

## Client Information provided to Advisory Service Providers

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

- **"Acceptance of your *Active Portfolios*® Account"** in the *Active Portfolios*® section
- **"Select Separate Account"** subsection in the Overview of Ameriprise Managed Accounts Services section
- **"Acceptance and Authority of Envestnet"** in the Advisory Service Providers section

## Ameriprise Financial Planning Service

### Advisory Business

*Ameriprise*® Financial Planning Service ("AFPS") is designed as a long-term, collaborative, ongoing financial planning service to help you achieve at least one financial goal or need. You and your financial advisor will work together to define your goal or need, develop a plan to help you get there and then track your progress along the way, making changes when needed. AFPS is a six-step financial planning process. As participants in this process, you and your financial advisor will:

- **Identify/prioritize objectives.** Discuss your goals and needs to develop a clear vision of your financial future.
- **Gather information.** Review important documents such as your bank and brokerage statements, tax returns, insurance policies and retirement plans.
- **Analyze information.** Understand the big picture of your financial situation, based on information you provide, and analyze how the different elements of financial planning may impact each other.

- **Propose recommendations.** Develop written financial planning recommendations that align with your goals.
- **Take action.** Act on your recommendations after developing proposed financial solutions to help reach your goals.
- **Track your progress.** Your needs and goals evolve over time. Tracking your progress will enable you to make adjustments in light of personal, legislative or regulatory and economic changes.

If you are a client of the Ameriprise Advisor Center, you may receive advice and support in the financial planning process from a dedicated team of financial advisors and professionals whose members may use titles such as Client Support Associate, Client Relationship Manager, or Financial Consultant.

The advice you receive from your financial advisor is intended for your use only. If you choose to share your analysis and recommendations with a third party, neither your financial advisor nor Ameriprise Financial Services (nor any of its affiliates) is responsible for the outcome.

Ameriprise Financial Services and our financial advisors owe you a fiduciary duty, as applied under the Investment Advisers Act of 1940, as amended, when you enter a financial planning service with Ameriprise Financial Services. This duty generally requires that Ameriprise Financial Services and your financial advisor make investment recommendations that are not only suitable for you, but that place your best interests ahead of our interests and the interests of your financial advisor. This is accomplished by:

- Explaining and providing to you written disclosures that outline key, relevant factors about the investment advice and recommendations you receive; and
- Providing you with written disclosures that describe material conflicts of interest that your financial advisor and/or Ameriprise Financial Services have as part of AFPS. (You will find these written disclosures throughout this Brochure, and in particular in the "Other Financial Industry Activities and Affiliations" section.)

Your financial advisor can provide you with guidance to help you meet a wide variety of your financial needs, including asset allocation services. Your financial advisor may discuss, present or offer ideas for you to consider related to the allocation of retirement assets among one or more Managed Accounts. Such communications are offered solely as education, marketing and examples of the potential uses of these Managed Accounts for purposes of discussion and for your independent consideration, and should not be viewed, construed or relied upon, as investment

or fiduciary recommendations or advice under the Employee Retirement Income Security Act of 1974 (“ERISA”) or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). Additionally, if in connection with discussing, presenting, or offering particular Managed Accounts to you, we provide you with a sample or proposed asset allocation, including one that identifies specific securities or other investments, such asset allocation is merely an example of, or proposal for, the fiduciary advice and recommendations that may potentially be made available through the Managed Account once you decide to establish a Managed Account, and should not be relied upon as investment or fiduciary advice or a recommendation under ERISA or the Internal Revenue Code. Also, to the extent an asset allocation service identifies any specific investment alternative in a retirement plan, please note that other investment alternatives with similar risk and return characteristics may be available to you. Such investment alternatives may be more or less costly than those available at or recommended by Ameriprise Financial Services. Your Plan sponsor (for government plans or those that fall under ERISA) or your financial advisor can assist you in obtaining information about other potential investment alternatives.

AFPS tailors advisory services to the individual needs of clients as discussed in the next several sections.

### **AFPS planning goals**

Your financial advisor will review your data and other information to make recommendations that can help you meet your goals.

### **Financial Fundamentals**

**Basic financial position.** At a minimum, this will include a high-level compilation of your net worth, income (inflows) and expenses (outflows). It may also include action step(s) and/or an acknowledgement by your financial advisor that figures are based on estimates if you are not able to provide precise data.

**Protection needs.** At a minimum, this will include an inventory of your insurance policies, including life, disability (if you are not retired) and long-term care (if you have reached a certain age). You may also receive an analysis of your needs and your family's needs in the event of death, disability and long-term care, as applicable. This may include an overview of other protection needs (e.g., property and casualty). Your financial advisor may also provide action steps in the form of recommendations; observations about the adequacy of your coverage; and/or other statements acknowledging your insurance situation, protection planning preferences, and/or whether any of the data or analysis is based on estimates if you are not able to provide precise data.

**Basic estate needs.** This may include an inventory of basic estate documents that are essential for the proper disposition of your assets upon your death and to provide for appropriate care in the event of your incapacity. It may also include a review of asset and policy ownership and beneficiary designations, as well as action steps or comments on how to work with legal advisors to improve your basic estate situation.

Your financial advisor will review the financial fundamentals in the first year of your financial planning service and thereafter as needed, for example, if your personal financial circumstances or financial goals change. The review of fundamentals is not provided in advisory services with entity clients, such as trusts or businesses. The review of fundamentals is not provided as part of estate settlement or divorce planning.

### **Additional financial planning areas**

Your analysis and written recommendations may address one or more of the following goals:

**Financial position planning** — applying cash flow management strategies to help you optimize resources available to help you reach your goals. This may include debt management techniques, major purchase financing decisions, cash reserve strategies and family budgeting.

**Future purchase planning** — applying strategies to help you plan to fund a future purchase or accumulate funds for a particular goal.

**Education planning** — applying strategies to help you fund the education of children, grandchildren or others. This may also include financial aid analysis.

**Retirement planning** — applying strategies to help you fund retirement, transition to retirement or ensure adequate retirement income.

**Investment planning** — applying strategies to help optimize portfolio performance to reach future financial goals. AFPS does not include current market analysis or other ongoing investment-related advice.

**Income tax related planning** — addressing general tax considerations for financial services products, transactions and registrations (ownerships).

**Employee benefits planning** — helping you make decisions related to your employer-sponsored benefit plans.

**Estate, legacy or multigenerational planning** — helping you prepare to pass wealth to your beneficiaries in an efficient manner.

**Estate settlement** — applying strategies to help an estate or testamentary trust meet its obligations, such as distribution of assets and payment of income and estate taxes.



**Business financial planning** — addressing your financial planning needs as a business owner, which may include an analysis of business cash flow, business valuation, business tax planning, business benefits planning and business transition.

**Divorce financial analysis** — proposing strategies to arrange personal finances during a divorce. Divorce financial analysis does not recommend a preferred divorce settlement option or include recommendations regarding ownership or division of assets and liabilities. Any documents, analyses and other work products, and any other statements made by a financial advisor in providing the divorce financial analysis service are not protected by privilege and may be discoverable by another party to the proceeding. You should consult with your attorney regarding such issues. Your attorney, not your financial advisor, is your advocate during divorce proceedings.

This service may also include expert witness service in which your financial advisor may testify regarding the process used to prepare a divorce financial analysis and its contents. Fees for preparation for, attendance at and participation in a divorce proceeding are in addition to any divorce analysis fee.

Financial advisors are required to complete specialized training to provide divorce financial analysis and planning for some types of trusts. If your financial advisor has not met these requirements, another qualified financial advisor may provide these services.

**Ameriprise Financial Services and your financial advisor do not provide legal or tax advice.**

### Initial recommendations

In the first year following the effective date (described below) of your AFPS Agreement, your financial advisor will make best efforts to perform an analysis and deliver within 180 days initial written recommendation(s). This timeframe does not apply to estate settlement planning or divorce financial analysis.

The analysis and written recommendations will address the fundamentals of your financial situation as well as the priority goal(s) you have discussed with your financial advisor. The remainder of the first year may focus on tracking your progress to goals, addressing other financial planning goals and/or beginning to take action on written recommendations as appropriate.

Shortly after you sign the AFPS Agreement, you will receive a confirmation of services that reflects:

- the total quoted AFPS fee;
- the date your initial engagement began; and
- the latest date on which you can expect to receive your initial written recommendations.

You will also receive a confirmation of services annually, in the form of a notice on your consolidated

statement or other written notice to you, each time your AFPS Agreement renews. Please contact Ameriprise Financial Services at 800.862.7919 if you do not receive a confirmation of services within 120 days of your renewal date. If your personal financial circumstances or need for financial planning services changes, you and your financial advisor should discuss whether your fee needs to change.

### Ongoing service

As your financial planning service continues, you will work with your financial advisor following the financial planning process described above. For example, you and your financial advisor will:

- Confirm your working service and the associated fee, annually
- Track progress over time toward identified goals
- Identify key changes to your situation and revisit your financial goals
- Propose new financial planning recommendations as appropriate

Your AFPS Agreement is effective the day that Ameriprise Financial Services processes the AFPS Agreement (“Effective Date”), which may be different than the date(s) signed by you and your financial advisor. Your initial engagement begins on the Effective Date and ends the day prior to the anniversary date of your Effective Date. Each twelve-month period thereafter will be a new engagement period (“Engagement Period”).

Your AFPS Agreement will automatically renew each year. If you do not receive your written financial planning recommendation(s) within the Engagement Period, you are entitled to a refund of your AFPS Fee.

### Changing your planning goals

You may change the financial planning goals on which you are requesting financial advice by discussing any desired changes with your financial advisor. In addition, after looking at all of your financial data, your financial advisor may decide to recommend further assessment in a specific area that has not already been identified.

Changes to your financial planning goals are confirmed to you by the delivery of recommendations consistent with your new goals.

Read and understand those recommendations to determine if you received advice on the goals you specified. If you did not, please contact your financial advisor or call 800-862-7919.

You and your financial advisor should also discuss whether your AFPS Fee needs to change in light of the changes to your planning goals.

## **Implementation of your financial planning recommendations**

You may decide to implement the recommendations you receive through Ameriprise Financial Services, its affiliates or unaffiliated financial services providers. Before implementing any recommendations, consider carefully the ramifications of purchasing products or services. You may want to seek further advice from your lawyer and/or accountant, particularly for estate planning, taxes, or business financial planning issues.

When you choose to purchase products and services through Ameriprise Financial Services, you have the option of investing through a commission-based brokerage account, a fee-based Managed Account, or both.

**Brokerage Account.** You pay commissions and other charges (such as sales loads on mutual funds) at the time of each individual securities transaction. As a result, this type of account may be more suitable than a Managed Account if you do not expect to trade on a regular basis and do not want ongoing investment advice on assets held in your Managed Account.

**Managed Account.** You pay an annual Asset-based Fee based on the assets held within your Managed Account (rather than a commission on each individual transaction) for ongoing advisory services which may include investment selection, asset allocation, execution of transactions, custody of securities and account reporting services. The Asset-based Fee is assessed monthly. As a result, a Managed Account, may be more suitable than a brokerage account if you want ongoing investment advice and expect to trade more frequently.

Ameriprise Financial Services is the sponsor and introducing broker for a variety of investment advisory accounts (“Advisory Solutions”). Within its Advisory Solutions, Ameriprise Financial Services offers a number of investment advisory programs (“Programs”) that have a wide array of investment strategies. When you decide upon a Program, you may open an advisory account (“Managed Account”).

Your financial advisor may not offer all Programs available from Ameriprise Financial Services.

Depending on how long you choose to be a financial planning client and the number and types of products that you purchase from Ameriprise Financial Services, you may pay more or less to purchase products and services through Ameriprise Financial Services and its affiliates than if you were to purchase products and services from other financial services providers. Other financial services providers may offer less expensive share classes of products offered by Ameriprise Financial Services.

For more information on the appropriateness of a managed account, please review the *Ameriprise®* **Managed Accounts services, fees and compensation** section of this Combined Brochure.

## **How to make the most of your financial planning service**

At Ameriprise Financial Services, we believe that financial planning is the best way to help you achieve your goals. The financial planning service begins with you. As an AFPS client, you will need to:

**Establish clear and measurable financial goals.** Talk with your financial advisor about your goals so he or she may be part of the financial planning process. For example, if your goal is a “comfortable” retirement, think about what that means to you. The more specific you are about the lifestyle you envision, the better equipped your financial advisor will be to make recommendations to help you get there.

**Provide complete and timely information to your financial advisor.** Your financial advisor will base your financial planning analysis and written recommendations on the information that you provide.

You must provide the requested information in a timely manner to receive your recommendations in a timely manner. When you become an AFPS client, you represent that all financial and other data that you and/or your representatives or agents furnish to your financial advisor relating to your assets, liabilities, policies, present and future income, and obligations are true and correct and may be relied upon by your financial advisor and Ameriprise Financial Services for the purposes of providing AFPS. Your financial advisor will be better able to make recommendations to help you achieve your goals if you provide complete and thoughtful information to your financial advisor about your current financial and economic situation, the financial goals on which you want advice, your investment objectives, and any investment restrictions you may have. Promptly inform your financial advisor if you experience significant life events, or material changes in your financial situation, risk tolerance or financial objectives.

**Review the written recommendations you receive.** Based on the information you provided, your financial advisor will perform financial planning analysis and give you written recommendations on the financial goals you have identified. Your financial advisor is obligated to provide recommendation(s) within a particular timeframe, which is discussed in detail in the “*Ameriprise®* Financial Planning Service” section of this Brochure. If your financial advisor’s assumptions, methods, conclusions or recommendations do not meet your expectations, contact your financial advisor right away to resolve your concerns.

Your financial advisor may provide asset allocation strategies that include advice on allocations into certain classes of investments. Except where we are providing you guidance related to your Outside Workplace Retirement Plan as described below, your financial advisor cannot provide specific buy, sell or hold recommendations or initiate transactions concerning individual securities in your investment accounts held in custody elsewhere, unless held by one of our broker-dealer affiliates. See the “Other Financial Industry Activities and Affiliations” section for more information about these affiliates.

Where requested and as part of your AFPS, your financial advisor may provide guidance on your retirement plan assets that are held outside of Ameriprise Financial Services in a participant-directed defined contribution plan (e.g., 401(k) plan) (“Outside Workplace Retirement Plan”). Any guidance provided to you is based on information provided by you about your Outside Workplace Retirement Plan and is limited to investments offered through the core line up of funds established by your retirement plan sponsor. Your Outside Workplace Retirement Plan may include investment options not available in an Ameriprise Managed Account or for which your financial advisor may not have access to detailed information. Neither Ameriprise Financial Services nor your financial advisor is responsible for the selection of the available investment options in your Outside Workplace Retirement Plan. Your financial advisor may not make recommendations related to employer stock that may be available within your Outside Workplace Retirement Plan or with respect to any current portfolio holdings or investment options available through a self-directed brokerage account associated with your Outside Workplace Retirement Plan. You are responsible for placing any transactions recommended by your financial advisor. If you desire ongoing guidance on your Outside Workplace Retirement Plan it is important that you provide your financial advisor with updated information, including statements and a list of funds available in your Outside Workplace Retirement Plan, on a regular basis. Your investment objectives and risk tolerance for your Outside Workplace Retirement Plan may differ from those of your Ameriprise managed account(s), if any. However, any guidance provided for your Outside Workplace Retirement Plan is provided in consideration of the investment objectives and risk tolerance of any Ameriprise Managed Account(s) you hold.

**Form reasonable expectations.** Understand the benefits of and limits to the financial planning process and be reasonable in your expectations of the results you can achieve with your financial plan and investments, given your risk tolerance and objectives. Financial planning is an ongoing process; it will not

change your situation overnight. Furthermore, events beyond your financial advisor’s control, such as changes in economic conditions, will affect your financial planning results. Share with your financial advisor your expectations about the financial planning process and what you want to achieve. If your expectations are not met, let your financial advisor know so that he or she can make adjustments to meet your needs.

**Take action.** After reviewing your financial planning recommendations with your financial advisor, the next step is to act on the advice you have received. You decide whether or not to implement any of the recommendations. You are not obligated to purchase products or services through Ameriprise Financial Services.

If you would like to work with a different financial advisor, please call us at 800.862.7919 and we will help you find another financial advisor. If for some reason your financial advisor is unable to fulfill the terms of the service agreement, another Ameriprise financial advisor may be assigned to you to provide the written financial planning recommendations and complete the terms of your Agreement.

**Understand that your financial planning service will continue until you terminate it.** You will receive written recommendation(s) and pay an AFPS fee during each Engagement Period. The service will automatically renew on an annual basis until you decide to terminate the AFPS Agreement or stop paying the fee. In addition, Ameriprise Financial Services will notify you when there are material changes to this Brochure and offer you the opportunity to receive a copy of the revised Brochure. You should carefully consider accepting this offer, as that revised Brochure replaces any previous version you have received.

You may request and receive copies of a current Brochure at any time by writing to Ameriprise Financial Services at the following address or by contacting us at 800.862.7919 between 7 a.m. and 6 p.m. Central time.

Ameriprise Financial Services, LLC  
476 Ameriprise Financial Center  
Minneapolis, MN 55474

**Take an active role in the process.** Understand the process, your role and your financial advisor’s role. Provide information. Ask questions about the recommendations you receive. If at any time there are additional goals you would like to cover, let your financial advisor know. Take an active role in making decisions about your financial future, and you will position yourself to get the most out of your financial planning service.



## Other advisory services

Ameriprise Financial Services offers a suite of Advisory Solutions, which features several types of investment advisory programs ("Programs"), including Strategic Portfolio Service ("SPS") *Advantage*, SPS Advisor, *Active Portfolios*® investments, Select Separate Account, *Ameriprise Vista* Separate Account, *Ameriprise Investor* Unified Account, and *Ameriprise Access* Account. Not all Managed Account Programs are available to all clients; contact your financial advisor for more information.

As of December 31, 2019, Ameriprise Financial Services managed \$172,259,560,122 in non-discretionary assets and \$141,022,843,200 in discretionary assets.

## Fees and Compensation

Ameriprise financial advisors receive compensation for financial advice in the form of commissions and fees. Ameriprise Advisor Center financial advisors can receive compensation for financial advice in the form of bonuses.

The Advisory Fee is based upon the level of assets in your associated Managed Account(s) and includes the AFPS Fee. When establishing a consolidated advisory fee service, you and your financial advisor will agree to the portion of the Advisory Fee that is allocated to AFPS. AFPS Fees are negotiable and there is no assurance that similarly situated clients will be assessed comparable fees. Your financial advisor will explain the AFPS Fee and the factors considered in calculating the AFPS Fee before asking you to sign the AFPS Agreement.

A state may impose a sales tax on your AFPS Fee, which we will collect and remit to the applicable state.

AFPS Fees vary based on (1) your financial advisor's fee schedule, which is based on your financial advisor's years of financial planning experience, professional credentials, and other factors, such as local market considerations; (2) the overall complexity of your advice needs; and (3) the portion of your Advisory Fee allocated to AFPS as described in the **"Advisory Fees for your consolidated advisory fee service"** section.

Your financial advisor will assign an overall complexity factor of "low," "medium" or "high" to your advice needs based on your personal financial circumstances and financial planning needs; current estate and tax documents that you provide; the timeframe to address the planning areas; and the frequency with which your financial advisor meets with you and/or other professionals or family members.

Ask questions about the AFPS fee so that you understand the factors considered in arriving at your AFPS Fee and what you can expect for this fee.

The AFPS Fee that you pay in the first year of service may differ from the AFPS Fee you pay for services in ongoing years, as described in the "Ongoing service" subsection of the *"Ameriprise® Financial Planning Service"* section of this Brochure.

A portion of the Advisory Fee is will be allocated 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 portion of the Advisory Fee allocated to your financial advisor is impacted by factors including the level of affiliation that the financial advisor has with Ameriprise Financial Services 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.

The remaining portion of the fee goes to Ameriprise Financial Services for the supervisory, technical, administrative and other support provided to all financial advisors.

A portion of each Advisory Fee will be for services to be provided during the current engagement period and may be paid before AFPS is provided. See the "Termination of AFPS" and "Termination procedure" sections below for information regarding refunds if you or Ameriprise Financial Services terminates the AFPS Agreement before the end of an Engagement Period.

Ameriprise Financial Services is dedicated to providing quality client service. We work hard to ensure your satisfaction with the AFPS services that you receive, and seek to meet or exceed your expectations. We will work with you to address any of your concerns, including helping you work with a different financial advisor or terminating the AFPS Agreement.

Our affiliate American Enterprise Investment Services Inc. ("AEIS") receives revenue from several different sources on the products and services you purchase through Ameriprise. These sources include arrangements we have in place with product companies, and investment and interest income. See the "Cost Reimbursement Services and Third Party Payments" subsection of the "How we get paid" section later in this Disclosure Brochure for more information on conflicts of interest regarding revenue sources for Ameriprise Financial Services and its affiliates, as well as the subsection "Revenue sources for RiverSource Life Insurance Company and, in New York only, RiverSource Life Insurance Co. of New York (collectively, "RiverSource Life")" for more information about the fees and commissions you pay



when you implement your financial advisor's recommendations through Ameriprise Financial Services and its affiliates.

The revenue generated or received supports the development of new products, maintenance of our infrastructure, and retention of employees and financial advisors.

Your financial advisor may recommend mutual funds offered by mutual fund firms that make Third Party Payments to our affiliate, AEIS, as described in the "Payments from product companies" subsection later in this Disclosure Brochure. Within its investment advisory business, compensation for the sale of investment products recommended by financial advisors is not Ameriprise Financial Services' primary source of revenue from its advisory clients.

Your AFPS Fee does not include markups or brokerage commissions by Ameriprise Financial Services or your financial advisor. If you implement your financial plan in whole or in part through Ameriprise Financial Services or its affiliates, Wrap Fees, product fees, markups or markdowns and brokerage commissions will apply as applicable. Both time of sale and ongoing fees, if applicable, will apply for products and services purchased in a transaction-based brokerage account.

### **Client programs and promotions**

Ameriprise Financial Services may provide a fee reduction to corporate, institutional or membership organizations and their employees, partners, independent contractors or members. Ameriprise Financial Services may, from time to time, offer reduced fees on AFPS to individuals in a particular market segment or geographic area. Your financial advisor can tell you whether there is a promotion available to you. Ameriprise Financial Services, in its sole discretion, determines when to offer, modify and/or discontinue these promotions and programs. These promotions and programs are not available to financial advisors from the Ameriprise Advisor Center.

### **Pro bono financial planning**

Ameriprise Financial advisors may seek approval from Ameriprise Financial Services to offer, on a limited basis, pro bono financial planning to persons who otherwise cannot afford to pay for financial planning services. These promotions and programs are not available to financial advisors from the Ameriprise Advisor Center.

### **Institutional services**

Ameriprise Financial Services may enter into written agreements with corporate, institutional or membership organizations to provide AFPS to their employees, partners, independent contractors or members. The fees for institutional services may be based on a

workplace-specific tiered pricing schedule and vary by agreement. These agreements may include other services and fees that are lower than the AFPS Fees paid by other AFPS clients. These promotions and programs are not available to financial advisors from the Ameriprise Advisor Center.

### **Termination of AFPS**

For information on terminating AFPS and refund of fees, see "Termination of AFPS" and "Termination procedure" in the "Terms and Conditions of your AFPS Agreement" section in this Disclosure Brochure.

## **Performance-Based Fees and Side-by-Side Management**

Neither Ameriprise Financial Services nor any of its supervised persons accepts performance-based fees for its investment advisory services.

## **Types of Clients**

AFPS is generally appropriate for individuals who seek an ongoing fee-based financial planning service and who have financial goals and sufficient assets and income to begin addressing those goals. AFPS is intended for individuals; married couples; domestic partners; and entities with financial planning needs, such as trusts, estates, nonprofit organizations and businesses.

**Married person as AFPS individual client:** If you are married and participating in an AFPS engagement as an individual, your spouse is not a party to the Agreement. Pursuant to the Agreement's Privacy Policy, neither Ameriprise Financial Services nor its representatives will collect personally identifiable data about your spouse in connection with AFPS due to existing privacy and contract laws. Your analysis and recommendations will be based on information that you provide regarding your financial goals, needs, and priorities since your spouse's data and information are not collected.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of financial analysis**

When developing recommendations for you, your financial advisor compares your financial goals with your investment risk tolerance and the risk and potential of a specific product. Your financial advisor may use asset value, current and projected return, and other assumptions you provide, as well as historical return analysis prepared by Ameriprise Financial Services or an affiliate. Your financial plan may be prepared through the use of one or more computer software packages that take a needs-based approach

to analyze your goals using one or more methods of analysis, including deterministic and probability modeling. The analysis and projections generated by the tools or other analysis described in this section of the Brochure include information regarding the likelihood of various potential investment outcomes. They are hypothetical in nature, vary depending on which tool of analysis is used and with each use and over time, do not reflect actual investment results, and are not guarantees of future results. Investing in securities involves the risk of loss and you should be prepared to bear this loss. The probability of success also varies based on differing assumptions, on different tools and from one Engagement Period to the next based on changing circumstances and market information. Results may reflect one point in time only and are only one factor you should consider as you determine how best to plan for your future.

Your financial plan also may include an asset allocation analysis designed to assist you in positioning your investment assets. If your financial plan includes such analysis, the recommended portfolio allocation will be determined based on a variety of factors, including your personal financial information and the historical and anticipated performance of different asset classes.

The analysis is meant only to illustrate the relative experience among asset classes and portfolios. Periodic rebalancing of your portfolio and reallocation among the asset classes is recommended in most circumstances, and rebalancing and reallocation may not be part of AFPS. Rebalancing your non-qualified portfolio to meet asset allocation objectives may result in taxable gains or losses. Unless included in a particular Ameriprise Managed Account Program, Ameriprise Financial Services does not rebalance your portfolio or reallocate your target asset allocations on a continuous basis. If you have a substantial percentage of your net worth concentrated in a given asset or asset class, the illustrations may prompt your financial advisor to recommend that you sell or exchange a significant portion of such position to reduce risk by reducing the concentrated positions within your portfolio. This is particularly true if the asset in question is stock of your employer, given that both your income and investment could be tied to the profitability of your employer.

**Before you actually sell any such assets, consult with your legal and tax professionals regarding the tax and other implications of any such sales.**

The asset allocation analysis does not provide a comprehensive financial analysis of your ability to reach your other financial planning goals, and it does not identify the impact of your investment strategy on your tax and estate planning situations. Asset allocation does not guarantee a profit or protect against a loss.

## Sources of information

The principal source of information used by your financial advisor is the data provided by you, such as your personal data, assets and liabilities, income expectations, assumed overall rates of interest and inflation, short-term and long-term financial goals, tax information, risk tolerance associated with goals, and other relevant information. When developing product recommendations, your financial advisor may also use training and marketing materials and prospectuses and annual reports for a particular investment product. In addition, your financial advisor may also utilize approved third-party research providers or Ameriprise sources, such as materials prepared by the Ameriprise Investment Research Group (“IRG”) when providing investment advice. Although the information and data is believed to be accurate, Ameriprise Financial Services and its financial advisors do not independently verify third-party information. Neither Ameriprise Financial Services nor its financial advisors guarantee the accuracy, completeness or timeliness of any such information nor do they imply any warranty of any kind regarding the information provided.

For your accounts held at Ameriprise Financial, market value (i.e., account value) is provided from the source of record and is generally captured at a point in time. This date and market value displayed in analysis or written recommendations you receive may or may not correspond with the date and market value of your official Ameriprise Financial consolidated statement.

The information provided to you in your analysis and written recommendations is not intended to be a substitute for the valuation and other information contained in your official Ameriprise Financial consolidated statement.

For your accounts and assets not held at Ameriprise Financial (“Non-Held Assets”) all asset and net worth information used in connection with your AFPS was provided by you or your designated agents and is not a substitute for the information contained in the official account statements provided to you by custodians or other financial services providers for such Non-Held Assets. The current asset data and values contained in those account statements should be used to update the asset information included in your analysis and written recommendations, as necessary. Ameriprise Financial and your financial advisor take reasonable steps to reproduce information obtained from you or your designated agents regarding Non-Held Assets.

Neither Ameriprise Financial nor your financial advisor produced the information regarding any Non-Held Assets and any information related to such assets and their valuation is unverified by us.

### **Third-party research provider materials not approved for use with clients**

From time to time, financial advisors may access research, models, investment tools or other material from third-party research providers that are not approved for use with clients for the purposes of the financial advisor's general education, staying current on industry trends or developing potential investment ideas. Financial advisors may provide clients with general market commentary or non-security information once the individual pieces have been approved for use by Ameriprise Financial Services.

### **Investment strategies**

Your financial advisor may recommend long-term strategies for your financial plan, such as dollar-cost averaging, reinvestment of dividends or other proceeds on investments, and asset allocation. Recommendations may also be made to help you realize capital gains or losses on securities or investment products that you own. Such transactions may have tax consequences for non-qualified accounts. See the "Implementation of your financial planning recommendations" subsection of the "Advisory Business" and the "Broker-dealer" subsection of the "Other Financial Industry Activities and Affiliations" section for further information on investment products and services offered by Ameriprise Financial Services.

We cannot guarantee future financial results or the achievement of your financial goals through implementation of your financial plan and any advice or recommendations provided to you. Ameriprise Financial Services does not monitor the day-to-day performance of your specific investments. Before implementing your financial plan, you should consider carefully the ramifications of purchasing products or services, and you may want to seek further advice from your lawyer and/or accountant, particularly in connection with estate planning, taxes or small business owner planning issues. The benefits and advantages of cash value life insurance generally increase as the policy matures and are most fully realized with the death of the insured. A client with immediate liquidity needs may consider whether to sell the policy to a third party at a discounted value (commonly referred to as a life settlement).

## **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"):

### **Regulatory proceedings**

Ameriprise Financial Services entered into each of the regulatory settlements listed below without admitting or denying the allegations.

### **Securities and Exchange Commission ("SEC") and FINRA (fka NASD) Actions**

In August 2018, Ameriprise Financial Services reached a settlement with the SEC regarding allegations that from 2011 through 2014 the firm failed to adopt and implement policies and procedures reasonably designed to safeguard retail investor assets against misappropriation and failed to reasonably supervise five representatives with a view to preventing and detecting violations of certain federal securities laws by these representatives. The firm agreed to pay a civil penalty amount of \$4.5 million. The firm further reimbursed all impacted clients for the losses they incurred due to the misconduct. The firm also took steps to enhance policies, procedures and controls related to the safeguarding of client assets against theft or misappropriation by its associated persons and voluntarily retained a compliance consultant to assess and confirm the reasonableness of these policies, procedures and controls.

In December 2017, Ameriprise Financial Services reached a settlement with the SEC regarding allegations that from December 2010 through October 2013, the firm negligently relied on misrepresentations made by F-Squared Investments, Inc. regarding certain of its ETF portfolios and, as a result, the firm made false statements about the portfolios in certain advertisements. The SEC also alleged that the firm had failed to adopt and implement written compliance policies and procedures reasonably designed to prevent the alleged violations. The firm agreed to pay a disgorgement amount of \$6.3 million plus prejudgment interest of \$700,000 and a civil penalty amount of \$1.75 million.

In September 2016, Ameriprise Financial Services reached a settlement with FINRA regarding allegations that between October 2011 and September 2013 the firm failed to detect and prevent the conversion, via wire transfers, of more than \$370,000 from five of its customers by one of its registered representatives. The customers were family members of the registered representatives. FINRA also alleged this went undetected because the firm failed to establish, maintain, and enforce a supervisory system that was reasonably designed to review and monitor the transmittal of funds from accounts of customers to third parties, including those controlled by registered representatives of the firm. The firm paid restitution a fine of \$850,000.

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.

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

Ameriprise Financial Services is a subsidiary of **Ameriprise Financial, Inc.** and conducts its activities directly and 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. The 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, LLC** is a registered investment adviser and broker-dealer with the SEC and is authorized to engage in the securities business in all 50 states as well as the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Ameriprise Financial Services is also a member of FINRA and the Securities Investor Protection Corporation ("SIPC").

In its capacity as a broker-dealer, Ameriprise Financial Services distributes or receives compensation from selling various products including but not limited to equities and fixed income products including corporate bonds and municipal securities, mutual fund shares, ETFs, 529 plans, face-amount certificates, closed-end funds, preferred securities, UITs, non-traded REITs, non-traded BDCs, non-traded closed end funds, hedge fund offerings, structured products, real estate private placement offerings, exchange funds, private equity offerings, fixed and variable annuities, and fixed and variable life insurance. Ameriprise Financial Services also sells managed futures funds that engage in trading commodity interests, including futures. Ameriprise Financial Services is registered with the Commodity Futures Trading Commission ("CFTC") as a commodity trading advisor, and has obtained membership with the National Futures Association in connection with such CFTC registration.

In addition, Ameriprise Financial Services is the 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, which has an agreement with **American Enterprise Investment Services Inc.** ("AEIS"), a registered broker-dealer and an affiliate of Ameriprise Financial Services. Ameriprise Financial Services requires clients to agree in their client agreements that their account(s) are introduced by Ameriprise Financial Services to AEIS on a fully-disclosed basis, and that securities purchase and sale transactions in their account(s) shall be directed through AEIS, except when an Investment Manager places "step-out trades" as described in the "**Brokerage Practices**" sub-section. You should consider that not all investment advisory firms require clients to direct execution of transactions through a specific broker-dealer. Brokerage accounts are carried by, and brokerage transactions are cleared and settled through, AEIS, subject to AEIS policies to assure that the resultant price to the client is as favorable as possible under the prevailing market conditions. See the "**Economic benefits of affiliates' products and services**" subsection in the "**Other Financial Industry Activities and Affiliations**" section of this Disclosure Brochure for more information about potential conflicts of interest relating to brokerage transactions.

For purposes of Form ADV Part 2, certain Ameriprise Financial Services management persons are registered representatives of Ameriprise Financial Services in its capacity as a broker-dealer, registered representatives of American Enterprise Investment Services Inc., and are associated persons of Ameriprise Financial Services in its capacity as a commodity trading advisor.

Ameriprise Financial Services approves and opens accounts and accepts securities order instructions with respect to the accounts. AEIS serves as Ameriprise Financial Services' clearing agent in providing clearing and settlement services for transactions that are executed for customers of Ameriprise Financial Services. In exchange for a fee paid by Ameriprise Financial Services, AEIS provides clearing, custody, record keeping and all clearing functions for certain advice-based accounts.

Investment products are not federally insured or insured by the Federal Deposit Insurance Corporation ("FDIC"), are not deposits of or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value. Cash held in the AIMMA and ABISA cash sweep programs, brokered CDs, and certain structured CD products held in a brokerage account are insured by FDIC up to applicable limits.

In addition, AEIS may act as an agent in effecting securities transactions for certain Ameriprise Bank trust accounts.



**AMPF Holding Corporation**, an indirect wholly-owned subsidiary of Ameriprise Financial, Inc., 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 registered open-end investment companies and other funds advised by affiliated companies Columbia Management Investment Advisers, LLC (“CMIA”) and Columbia Wanger Asset Management, LLC, (“Columbia Wanger Asset Management”) (collectively, “Columbia Management” or “Columbia”). These investment companies are collectively referred to as the “Columbia 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”) (collectively, “RiverSource”). Ameriprise Financial Services has selling arrangements with RiverSource and RiverSource Distributors to distribute these products.

#### **Investment company**

Ameriprise Financial Services has arrangements with Ameriprise Certificate Company to distribute and sell its face-amount certificates and selling arrangements with Columbia Management Investment Distributors to distribute the Columbia Funds.

#### **Investment advisory firm**

**Columbia Management Investment Advisers** is registered as an investment adviser with the SEC. CMIA provides investment management services to:

- Columbia Funds, as well as the Columbia ETFs, closed-end funds and private funds
- Ameriprise Certificate Company
- RiverSource, as well as the Columbia Funds underlying certain variable contracts issued by RiverSource
- Various Wrap Program Ameriprise Financial Services, 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 Wanger Asset Management, and Lionstone Partners, LLC. These subsidiaries are registered as investment

advisers and may provide advice to domestic and foreign institutional clients, the Columbia Funds, Columbia ETFs, Columbia closed-end funds, private funds and other fiduciary clients. These entities provide services independent from Ameriprise Financial Services. Columbia Management and its affiliates Threadneedle Asset Management Ltd, (U.K. based), Threadneedle Investments Singapore (Pte.) Limited (Singapore based), Columbia Threadneedle Malaysia SDN, BHD (Malaysia based), and Columbia Threadneedle Investments (ME) Limited (Dubai based) operate under a combined global asset management brand, Columbia Threadneedle Investments.

#### **Banking institution**

**Ameriprise Bank, FSB** (“Ameriprise Bank”), an Ameriprise Financial, Inc. company and an affiliate of Ameriprise Financial Services, has received regulatory approval for its federal savings bank charter. Ameriprise Bank currently provides personal trust services to clients, including trustee and investment management services for asset trusts and irrevocable life insurance trusts. In addition, Ameriprise Bank provides investment management and custodial agency services for individual, individual trustee, association and non-profit organization accounts. Ameriprise Bank will provide access to deposit and lending products and services in addition to personal trust services.

Ameriprise Financial Services establishes custodial accounts and accepts securities order instructions for trust accounts at Ameriprise Bank. In addition, Ameriprise Financial Services may provide investment advice and research support to Ameriprise Bank and its clients for these trust accounts. Ameriprise Bank has partnered with Elan Financial Services to make available Ameriprise co-branded credit cards. Ameriprise Bank offers an Ameriprise Rewards Program associated with the use of the credit cards.

#### **Trust company**

**Ameriprise Trust Company** (“ATC”), a Minnesota-chartered trust company, provides 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 retirement plans qualified under section 401(a) of the Internal Revenue Code of 1986. ATC is not a deposit bank or a member of FDIC.

#### **Insurance company**

Insurance products sold by Ameriprise Financial Services and its financial advisors are issued primarily 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, issued by **RiverSource Life Insurance Co. of New York**, a stock life insurance company that is 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, structured fixed (RiverSource Life only) and variable life insurance, disability income insurance and life insurance with long-term care benefits. Insurance products are also offered by other third parties through an arrangement with Ameriprise Financial Services and through Diversified Business Services and Crump Insurance Services, Inc., which act as co-general agents.

**Ameriprise Financial Institutions Group** (“AFIG”) is a marketing group within Ameriprise Financial Services that specialize in delivering investment programs to clients on the premises of financial institutions, such as banks and credit unions. Ameriprise Financial Services enters into a networking arrangement with each financial institution whereby AFIG financial advisors provide investment advisory services, brokerage services and/or insurance products to clients of the financial institution and other persons or entities otherwise that may be introduced or referred to us by the financial institution. The financial institution provides office space in the building where the financial institution conducts its business for Ameriprise Financial Services for AFIG financial advisors to provide investment advisory and other services on our behalf. As a part of the contractual arrangement with the financial institution, Ameriprise Financial Services shares with the financial institution a portion of up to 91% of fees and commissions, including Asset-based Fees charged for investment advisory services, generated by financial advisors and which are attributable to our operations on the premises. A portion of these fees are paid, in some instances to financial institution employee financial advisors, as described below.

All AFIG financial advisors are licensed and registered through Ameriprise Financial Services. Ameriprise Financial Services has exclusive control over the activities conducted on our behalf on the premises of the financial institution and is responsible for the supervision of the activities of AFIG financial advisors. AFIG financial advisors are affiliated with Ameriprise Financial Services in one of three ways: independent contractors, Ameriprise employee financial advisors and financial institution employee financial advisors. Bank employee financial advisors are compensated by the financial institution from the portion of fees and commissions it receives from Ameriprise Financial Services. In this instance the financial institution serves as paying agent on our behalf for such compensation in accordance with applicable law. The level of compensation received by financial institution

employee financial advisors is based on their employment agreement with the financial institution.

Ameriprise Financial Services does not pay any other compensation to any non-registered employee or agent of the financial institution for referrals. Any referral fees are paid by the financial institution to its employees or agents as a one-time, per-customer fee of a nominal, fixed dollar amount that is unrelated to the products and services you purchase.

AFIG financial advisors who provide services at a financial institution that does not have an existing Trust Department can offer trust services through other providers, including our affiliate, Ameriprise National Trust Bank. In certain instances, Ameriprise Financial Services and the AFIG financial advisor may serve in the capacity of a finder in regard to trust accounts and business referred to unaffiliated trust providers and may receive a referral fee.

**Ameriprise Financial Services is not a bank or credit union. Any services or products you purchase through an AFIG financial advisor are not guaranteed or insured by Ameriprise Financial Services or the financial institution. The financial institution is not a party to your Client Agreement with us. Ameriprise Financial Services and each financial institution have entered into a networking agreement under which we have agreed to share fees and commissions with the financial institution, including Asset-based Fees charged for investment advisory services.**

## 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 Brochure you will find information on how our financial advisors are paid.

### **Cost Reimbursement Services and Third Party Payments**

#### **Payments from product companies**

AEIS will receive the following types of payments with respect to the investment products we recommend

and you select for the investment of your applicable Managed Account assets. This compensation is used in part to fund the cost of providing the services, maintaining Managed Accounts and offering an investment platform for our clients as well as providing revenue and net earnings to AEIS. For qualified SPS Advisor Accounts and trustee-directed retirement plans in qualified SPS *Advantage* Accounts and eligible qualified Select Separate Accounts, AEIS either does not collect Third Party Payments or credits them back to client Accounts as described in the **“Fees and Compensation”** section.

AEIS performs certain services for the benefit of Ameriprise Financial Services, its financial advisors and clients, including but not limited to record keeping, administration and shareholder servicing support, applicable platform level eligibility and investment product due diligence, investment research, training and education, client telephonic and other servicing, and other support related functions such as trading systems, asset allocation and performance reporting tools, websites and mobile applications (collectively “cost reimbursement services”). Any cost reimbursement payments received by AEIS that are paid by product sponsors out of assets of the investment, such as a mutual fund or unit investment trust, reduce the investor return on their investment.

AEIS also receives revenues that exceed the costs of the cost reimbursement services provided. These revenues include revenue sharing and marketing support payments (as described below under the heading “Education, training, seminar reimbursement and noncash compensation”) and such payments increase the gross revenues and net earnings of AEIS.

Ameriprise Financial Services has a financial incentive for its affiliate to continue to maintain these arrangements with Full Participation Firms and for AEIS to continue to receive revenue. Because not all investments provide for cost reimbursement payments, Ameriprise Financial Services has an incentive to recommend or select investment products that make such payments within the Managed Accounts Programs. Ameriprise Financial Services addresses this conflict of interest by applying objective due diligence standards and requiring all mutual funds, ETFs, ETNs, CEFs, UITs and alternative investments such as hedge funds and private placements offered in the Programs to meet these standards.

AEIS receives a variety of payments for cost reimbursement services from proprietary products sponsored or managed by affiliated investment advisers (e.g., Columbia Management) and by nonproprietary investment product companies which reimburse the costs of beneficial client services

provided by Ameriprise Financial Services and AEIS. The most significant of these payments are reimbursement for marketing support received from the product companies. AEIS receives cost reimbursement payments from product companies for the following products: mutual funds, 529 plans, UITs, non-traded REITs, real estate private placements, tax-deferred real estate exchanges, non-traded BDCs, fixed annuities, variable annuities, structured products, managed futures funds, private equity offerings, non-traded closed end funds and hedge fund offerings. Ameriprise Financial Services receives cost reimbursement payments on our affiliated and unaffiliated annuity and insurance products which are not eligible investments for Managed Accounts. These payments are discussed in the remaining paragraphs of this section.

If AEIS and its affiliates did not receive this compensation, Ameriprise Financial Services would likely charge higher fees or other charges to clients for the services provided. When evaluating the reasonableness of the fees and expenses incurred in a Managed Account, you should consider not just the Asset-based Fee, but also the fund-level fees and other compensation that Ameriprise Financial Services and its affiliates receive including payments for cost reimbursement services described in this section and other cost reimbursement and marketing support payments received by us and our other affiliates, as described in the **“How we get paid”** and the **“Revenue Sources for other Ameriprise Financial, Inc. companies”** sections of this Brochure as applicable.

#### **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. These payments form a structure referred to here as the Ameriprise Financial Mutual Fund Program (“Mutual Fund Program”) within the nearly 300 mutual fund families Ameriprise Financial Services offers.

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

- Product breadth and strong-performing funds
- Financial strength of the fund firm
- Marketing and sales support payments paid to our affiliate AEIS to support cost reimbursement services
- Ability to provide product support and training to our financial advisors
- Tax benefits offered by individual states
- Overall quality of the 529 plan (specific to 529 plans)



Ameriprise financial advisors may offer, and clients are free to choose, mutual funds from nearly 300 firms available. However, certain aspects of the Mutual Fund Program 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 Mutual Fund Program versus mutual funds offered by nonparticipating firms. As further described below, these conflicts and incentives arise from the cost reimbursement related to Education, Training, Seminar Reimbursement and noncash compensation, provided to our financial advisors by, as well as the payments AEIS receives from, firms participating in the Mutual Fund Program and with other relationships with firms, including Columbia Management; see the section titled **“Columbia Funds”** below.

To be included in the Mutual Fund Program, firms have agreed to pay AEIS a portion of the revenue generated from the sale and/or management of mutual fund shares. Full Participation Firms make cost reimbursement payments at a higher level than do firms that have arrangements discussed in the **“Other financial relationships”** section. For each year a client holds shares of a particular mutual fund, the mutual fund’s advisor or distributor may pay to AEIS an amount based on the value of the collective mutual fund shares held in clients’ accounts (asset-based payment). AEIS receives an asset-based payment (up to 0.20% per year for mutual funds and 0.185% per year for 529 plans) on some or all of Ameriprise Financial Services clients’ assets managed by the participating firms.

Certain Full Participation Firms pay our affiliate AEIS more marketing support for certain types of mutual funds. In general, Full Participation Firms offer actively managed mutual funds that permit for cost reimbursement payments to be included in the Investment Costs charged by the mutual fund. The Investment Costs of actively managed mutual funds are generally higher than those of ETFs which do not currently make cost reimbursement payments. Ameriprise Financial Services has a financial incentive to offer actively managed mutual funds that make cost reimbursement payments to our affiliate. As a result, Ameriprise financial advisors may have an indirect incentive to sell such mutual funds. We address this incentive by offering a full range of investment product options, including actively managed mutual funds and both actively and passively managed ETFs. Ameriprise further addresses this conflict of interest by calculating the compensation paid to our financial advisors for all assets without regard to the amount of cost reimbursement payments we or our affiliates receive in connection with client investments in mutual funds and other investment products. Additionally, Ameriprise Financial Services does not share with

our financial advisors the cost reimbursement payments we or our affiliates receive.

If your Account’s Sweep Program uses a money market mutual fund, AEIS receives cost reimbursement payments of up to 0.42% of the amount held in that money market fund Sweep Program. The amount that AEIS 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 make cost reimbursement payments, AEIS would likely cease the distribution relationship with the mutual fund firm).

**Full Participation.** Twenty-nine firms fully participate in the Mutual Fund Program. These fund firms include Columbia Management, Allianz Global Investors, American Century, BlackRock, BNY Mellon (formerly Dreyfus) Delaware Investments, DWS Investments (formerly Deutsche Asset & Wealth Management), Eaton Vance, Federated, Fidelity, First Eagle, Goldman Sachs, Invesco, Ivy, Janus Henderson Investors (formerly Janus), John Hancock, JP Morgan, Legg Mason, Lord Abbett, MainStay, MFS, Natixis, Neuberger Berman Management LLC, Nuveen, Principal, PGIM Investments (formerly Prudential), Putnam, Virtus and Wells Fargo. These firms are referred to as “Full Participation Firms.”

We offer 529 plans from 22 firms. Of those firms, 14 are Full Participation Firms. These fund firms include Allianz Global Investors, American Century, BlackRock, Columbia Management, Fidelity, Ivy, Invesco, John Hancock, J.P. Morgan, Legg Mason, MFS, Nuveen, Principal and Putnam. Each of these firms is referred to as a “Full Participation Firm.”

The most current Mutual Fund Program information, as well as the previous calendar year’s totals of marketing support payments received from Full 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 “An Investor’s Guide to Purchasing Mutual Funds and 529 Plans at Ameriprise Financial”.

**Education, Training, Seminar Reimbursement and noncash compensation.** Full Participation Firms provide to Ameriprise financial advisors and, in some cases, to their clients, education, training, and support services relating to the investment products they offer. These firms may reimburse Ameriprise Financial Services, and Ameriprise Financial Services may subsequently reimburse 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 and its financial advisors may also receive nominal noncash benefits from time



to time. As a result, Ameriprise financial advisors may have a greater familiarity with and an incentive to sell investment products of Full Participation Firms.

#### **Other financial relationships**

**Distribution Support Relationships.** AEIS also has cost reimbursement arrangements with firms for distribution support services. These firms make cost reimbursement payments to AEIS of up to and 0.10% on assets 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. In addition, certain mutual funds' distributors pay a fee to AEIS of up to 0.10% for cost reimbursement services provided for the mutual fund shares purchased during a given period (sales-based payment). These mutual fund firms do not provide marketing and sales support such as those provided by Full Participation Firms to Ameriprise financial advisors, thus they do not have the same access to financial advisors as Full Participation Firms.

Ameriprise Financial Services sells 529 plans from eight firms that do not make cost reimbursement payments to AEIS. Moreover, 529 plans offered by these firms are available for sale to in-state residents only. Those firms are: Allianz Global Investors, American Funds, Ascensus, First National Bank of Omaha, Invesco, NorthStar Financial, Principal and Union Bank & Trust. In addition, Connecticut and Iowa restrict the sale of their state plans, offered by Hartford and Voya, respectively, to in-state residents only. Certain 529 plans may pay AEIS a fee of up to 1% of assets for NAV rollovers.

The mutual fund's distributor or affiliate may also make payments to AEIS for networking and/or omnibus support and other client services and account maintenance activities. AEIS will also receive sub-transfer agency fees with respect to investments you make in affiliated and non-affiliated mutual funds. These fees vary depending on the mutual fund family and on whether the mutual fund keeps a separate record for each account (i.e., networked accounts) or relies on AEIS's recordkeeping (i.e., omnibus accounts). Compensation for sub-transfer agency services generally ranges from \$6 to \$12 per position annually for networked accounts, and from \$16 to \$19 per position annually for omnibus accounts or, if paid on an asset basis, from 0.10% to 0.15% annually of any amounts you have invested in such mutual funds. In the case of no-load fund families for which AEIS has a direct relationship, the compensation for sub-accounting, administrative and distribution support services are bundled into one asset-based fee, generally of up to 0.35% (which may include up to a 0.25% service fee) annually of the value of such shares held in an Account.

Ameriprise Financial Services also provides clients with access to mutual funds offered by other firms through the relationship AEIS has with Charles Schwab & Co., Inc. ("Schwab"), and Schwab's mutual fund program. AEIS receives an asset based fee of up to 0.40% per year on some or all of Ameriprise Financial Services clients' assets managed by participating mutual fund firms.

AEIS 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 CMIA, CMIA acting as a sub-adviser to a third party 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 CMIA to manage an underlying investment option in products offered through the Mutual Fund Program.

AEIS has a marketing support agreement with BlackRock Advisors, LLC with respect to mutual fund positions held by Ameriprise Financial Services customers. BlackRock, Inc. owns more than 5% of the outstanding shares of Ameriprise Financial, Inc. stock.

Our affiliate CMIA has a marketing support agreement with Vanguard Group, Inc. with respect to the distribution of its investment products. Vanguard Group, Inc. owns more than 5% of the outstanding shares of Ameriprise Financial, Inc. stock.

**Columbia Funds.** AEIS and other affiliates of Ameriprise Financial Services provide certain administrative and transfer agent services to the Columbia Funds owned by Ameriprise Financial Services clients. 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.

**American Funds.** For both affiliated and unaffiliated mutual funds we offer, AEIS receives cost reimbursement payments from mutual fund firms of up to 0.20% of assets invested in those funds. With most mutual fund firms, these payments are paid on an ongoing basis and determined solely based on total assets invested in the funds of a particular fund family held in clients' accounts. Rather than determining the amount of the payment solely on an asset-based basis, American Funds pays AEIS an annual negotiated platform fee based on a number of factors, including prior year assets, in accordance with their prospectus governing each mutual fund. This platform fee will not exceed 0.20% of assets and will also not exceed the

limits set forth in the prospectus governing each fund. You can find the total dollar amounts we receive annually from American Funds, as of the previous calendar year, by visiting [www.ameriprise.com/funds](http://www.ameriprise.com/funds) and clicking on “An Investor’s Guide to Purchasing Mutual Funds and 529 Plans at Ameriprise Financial.” American funds are generally no longer available for new purchases in Ameriprise brokerage accounts (other than add-on purchases into existing positions, which may continue), and thus new investments of American Funds can generally only be executed in our Managed Account Programs.

#### **Payments from other nonproprietary product companies**

**Payments from private fund and private placement offering sponsors.** AEIS, in consideration for its cost reimbursement services, may receive ongoing investor service and support fee payments from product sponsors of private fund and private placement offerings including hedge funds, managed futures funds, private equity, master limited and limited partnerships and qualified opportunity zone funds available in Ameriprise brokerage accounts. Depending on the product sponsor, AEIS will receive payments ranging from 0% to 0.25% of the amount you invest in this product.

**Payments from UIT sponsors.** Certain UIT sponsors with which AEIS has agreements may pay AEIS cost reimbursement payments to help promote and support the offer, sale and servicing of UITs. These UIT sponsors are granted full access to Ameriprise Financial Services and our financial advisors to provide direct financial advisor education or sales support to promote their products. UIT sponsors without such agreements do not provide direct financial advisor education or sales support, thus they do not have the same access to financial advisors as full access firms. Such marketing and sales support may create a conflict of interest if Ameriprise Financial Services promotes, or Ameriprise financial advisors recommend, the UITs from UIT sponsors that have been granted full access versus UITs offered by nonparticipating firms. These conflicts may arise from the marketing and sales support provided to our financial advisors by, as well as the payments AEIS receives from, firms that have entered into such agreements.

AEIS will receive compensation from UIT sponsors whose products we recommend, in the form of volume concessions that range from 0.035% to 0.175% of total UIT sales (in either a calendar quarter or over a trailing 12-month period), and payments that range from 0.058% up to 0.084% annually based on projected UIT sales assuming growth rate each year over the three-year life of the contract.

**Payments from insurance companies.** Cost reimbursement payments are received by Ameriprise Financial Services and/or its affiliate, AEIS, from affiliated and unaffiliated insurance companies. Ameriprise Financial Services sells annuity and insurance products to its clients manufactured by its affiliate, RiverSource, as well as from select unaffiliated insurance companies. Commissions payable to your financial advisor for new annuity contract sales are equivalent among RiverSource and the unaffiliated insurance companies for comparable annuity products. Commissions payable on insurance products vary by manufacturer and product.

RiverSource and potentially other unaffiliated insurance companies may be permitted to reimburse Ameriprise Financial Services or AEIS and these entities may subsequently reimburse Ameriprise financial advisors for client/ prospect educational events and financial advisor sales meetings, seminars and training events consistent with Ameriprise Financial Services and AEIS policies, as applicable. These companies may also provide support to an Ameriprise Financial Services internal sales desk, which in turn provides support to financial advisors. As a result, Ameriprise financial advisors may have a greater familiarity with RiverSource insurance and annuity products and the unaffiliated insurance companies who provide added educational support.

Unaffiliated insurance companies that issue annuities do not provide direct client or financial advisor education or sales support, other than product training materials, product sales literature and addressing client service issues. As a result, Ameriprise financial advisors may have a greater familiarity with RiverSource products.

From unaffiliated long-term care insurance product manufacturers, AEIS receives payments up to 27.5% of the commissionable premium. AEIS receives varying payments from unaffiliated life, disability and other insurance product manufacturers.

**Payments from structured products sponsors.** AEIS receives cost reimbursement for the sale of structured products. Depending on the structured product, AEIS will receive payments between 0.25% and 0.60% of the amount you invest, multiplied by the product’s term. For example, a structured note with a three-year term and a 0.40% payout could have an upfront payment of 1.2% (three years x 0.40%).

**Ameriprise Financial Services Payments from non-traded closed end fund sponsors.** AEIS receives cost reimbursement payments of up to 2.5% of assets in non-traded closed end funds.

**Payments from non-traded REIT, real estate private placement, tax-deferred real estate exchange and**

**non-traded BDC sponsors.** AEIS receives cost reimbursement payments of up to 2.50% of assets in non-traded REITs, real estate private placements, tax-deferred real estate exchange and non-traded BDCs.

### **Mutual Funds & ETFs Available to Investment Managers**

Investment Managers that construct investment strategies utilizing mutual funds and ETFs may utilize any mutual fund or ETF available for sale in our Programs provided the fund selected meets operational and other requirements designed to facilitate transaction execution and ensure timely order processing. Ameriprise Financial Services does not require Investment Managers to limit the mutual funds and ETFs utilized to only those that a financial advisor may recommend to a client in an SPS *Advantage* or SPS Advisor account or for a nondiscretionary mutual fund or ETF transaction in an Investor Unified Account or Vista Separate Account. Mutual funds and ETFs available for financial advisor recommendations are subject to initial and ongoing due diligence by the IRG based on a quantitative and qualitative process. Investment Managers are responsible for conducting their own independent due diligence and research on the mutual funds and ETFs utilized in constructing an SMA investment strategy or model portfolio available through the Programs. This may result in an Investment Manager reaching a different opinion for a particular mutual fund or ETF than the opinion of the IRG on that same investment. The IRG conducts initial and ongoing due diligence on Investment Managers available through the Programs and provides recommendations to the Oversight Committee on matters including due diligence findings that could result in a recommendation for termination. Mutual funds meeting the operational and other requirements noted above primarily consist of mutual funds from “Full Participation Firms.” AEIS receives cost reimbursement payments from the fund family when Investment Managers select mutual funds from “Full Participation Firms” for an investment strategy. The amount of any cost reimbursement payments AEIS receives from mutual fund firms is not considered in determining which funds are available to Investment Managers. Investment Managers do not have access to specific information on which mutual funds are offered by “Full Participation Firms” or the rate of reimbursement a “Full Participation Firm” pays AEIS for cost reimbursement services.

**Mutual Fund & ETF Recommended list (“Starting Point List”)** Ameriprise financial advisors may make mutual fund recommendations based on a group of funds that appear on the Starting Point List. Financial advisors are not required to use the Starting Point List as their source for mutual fund and ETF recommendations, and mutual funds contained on

the Starting Point List may not be equally available across both Managed Accounts and Ameriprise brokerage accounts. All ETFs available for sale at Ameriprise and all mutual funds offered by Full Participation Firms or Available for Sale Firms, as further discussed below, must meet Ameriprise Financial Services’ due diligence standards to be eligible for inclusion on the Starting Point List. In developing the Starting Point List, the IRG applies a quantitative and qualitative evaluation process that includes an analysis of a fund’s returns, risk and expenses; the tenure and quality of the investment team; the soundness of the process and consistent implementation; and the overarching health of the organization. Certain mutual funds and ETFs that would have otherwise been included on Starting Point were excluded due to their high investment minimums. Client suitability must be considered when trading mutual funds and ETFs, including breakpoint discount eligibility and NAV transfer ability. The funds on the Starting Point List are subject to change periodically, however changes to the Starting Point List should not be the sole reason to prompt trading.

The Starting Point List is developed by the IRG based on eligibility criteria established by Ameriprise Financial Services. Approximately 2,200 mutual funds are eligible for inclusion on the Starting Point List. The universe of ETFs includes funds available for sale at Ameriprise. The universe of mutual funds includes only mutual funds sponsored or managed by Full Participation Firms in the Mutual Fund Program. If a suitable mutual fund recommendation for a particular asset class cannot be found within the Full Participation Firms’ offerings, the IRG will proceed to look for mutual fund options sponsored or managed by “Available for Sale Firms”.

While the Starting Point List is developed by evaluating the performance characteristics of each fund’s Class A shares, the analysis is ultimately intended to apply at the mutual fund level. Mutual funds included on the Starting Point List may or may not offer an Advisory Share class or other share class that is available in our Managed Accounts Programs. As a result, Managed Account clients may be unable to purchase a fund on the Starting Point List. Similarly, Ameriprise brokerage account clients may be unable to purchase a mutual fund on the Starting Point List if that fund does not offer a share class available in Ameriprise brokerage accounts. In addition, some mutual funds included on the Starting Point List may offer lower-cost share classes than the Advisory Share class or other share class available in Managed Account Programs. You should consider whether you may be eligible to purchase these lower-cost share classes outside the Programs.



These eligibility criteria are designed by Ameriprise Financial Services to primarily include, and therefore favor, mutual funds from Full Participation Firms. To be included in the Program and be eligible for inclusion on the Starting Point List, each Full Participation Firm must meet a number of criteria that consider product breadth and strong-performing funds, financial strength of the firm and the ability to provide education and training to Ameriprise financial advisors, including marketing and sales support services relating to the funds they offer. Full Participation Firms have also agreed to pay our affiliate, AEIS, a portion of the revenue generated from the sale and/or management of fund shares as further described above.

Available for Sale Firms make payments to AEIS for distribution support but do not provide marketing and sales support, such as those provided by Full Participation Firms, and make payments at a lower percentage rate than Full Participation Firms. They do not have the same wholesaling access to financial advisors as Full Participation Firms. As a result, Ameriprise financial advisors may have a greater familiarity with and an incentive to sell funds of Full Participation Firms. The payments made to AEIS by Full Participation Firms and Available for Sale Firms reimburse the costs of client beneficial services provided by Ameriprise Financial Services and AEIS to financial advisors and clients, including but not limited to distribution, marketing, administration and shareholder servicing support, due diligence, training and education, and other support related functions (e.g., Cost Reimbursement Services) and increase the revenues and profitability of AEIS. The most significant of these payments are reimbursement for marketing support received from Full Participation Firms and other product companies. Full Participation Firms make Cost Reimbursement Payments at a higher percentage rate than do Available for Sale Firms. This presents a conflict of interest as Full Participation Firms pay AEIS more revenue than Available for Sale Firms, and thus AEIS earns more revenue from the purchase of mutual funds offered by Full Participation Firms than from the purchase of mutual funds offered by Available for Sale Firms. Clients may choose to follow the recommendations provided by their Ameriprise financial advisor or they may select from any of the other funds offered through Ameriprise Financial Services regardless of whether that fund appears on the Starting Point List. More information on the Full Participation Firms that participate in the Program, specific arrangements we have with them, and conflicts of interest or incentives that exist for Ameriprise Financial Services to promote (and for Ameriprise financial advisors to recommend) one fund over another fund is provided on our website at [ameriprise.com/funds](http://ameriprise.com/funds) and click "Purchasing Mutual Funds Through Ameriprise."

## **Revenue sources for Ameriprise Financial Services, LLC**

### **Financial planning and advisory service fees.**

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

**Ameriprise brokerage account sales charges.** Sales charges, commissions and/or selling concessions are paid when you buy or sell equities or fixed income products including corporate bonds and municipal securities, mutual funds, 529 plans, closed-end funds, preferred securities, UITs, non-traded REITs, non-traded BDCs, non-traded closed-end funds, hedge fund offerings, exchange funds, private equity offerings, managed futures funds, real estate private placement offerings and structured products. In addition, you may pay a markup or markdown in bond transactions executed in a principal capacity with AEIS. These charges vary by product and product type. For example, with respect to mutual funds, the sales charge for a stock mutual fund is typically greater than that for a bond mutual fund. For other product types such as non-traded REITs, the sales charge you pay may also include a portion of the distribution, organization and offering fees and expenses.

**Periodic Fees.** Periodic fees include IRA custodial fees, brokerage fees (i.e., account maintenance and order handling fees), and a portion of the fees associated with certain banking products and services (i.e., 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 available for Ameriprise brokerage clients, Ameriprise financial advisors may receive funds from Ameriprise Financial Services based on the financial advisor's prior-year compensation, and are permitted to use the funds to reimburse client brokerage accounts for periodic fees. Not all financial advisors participate in the latter program, and it is possible that not all fees you incur may be reimbursed.

Sales charges, trading commissions, markups, markdowns and financial planning and advisory services fees are not eligible for reimbursement or offered at a discount.

**Periodic expenses.** Periodic expenses are paid from product assets, such as 12b-1 shareholder servicing fees paid from mutual fund assets (including 12b-1 fees paid on certain funds that serve as underlying investment options for 529 plan



assets) and distribution fees paid from *Ameriprise* Certificate Company assets. 12b-1 shareholder servicing fees assessed in Ameriprise brokerage accounts may be used to pay for marketing, distribution and shareholder service expenses. Any 12b-1 shareholder servicing fees received for the share class utilized in Managed Accounts will be rebated to clients.

**Interest.** If you request a margin account, AEIS charges you interest on your margin balance.

Ameriprise Financial Services may refer clients to certain third-party lenders for extension of credit secured by assets held in their Ameriprise Financial Services accounts. We will receive compensation from these lenders based on the amount of credit extended and the interest rate of the loan to our clients.

**Payments from managed futures fund sponsors.**

Ameriprise Financial Services receives selling commissions for the sale of managed futures funds.

**Payments from exchange fund sponsors.** Ameriprise Financial Services may receive a fee of up to 1% of the value of the exchange fund shares purchased.

**Payments from non-traded closed-end fund sponsors.**

Ameriprise Financial Services receives selling commissions for the sale of non-traded closed-end funds. Ameriprise Financial Services may receive fees of up to 6.0% of the amount invested.

**Payments for referrals to structured settlements**

**agents.** Ameriprise Financial Services receives a fee, shared with financial advisors, for referrals to non-affiliated structured settlement professionals for both client and non-client referrals. The amount and basis for the referral fee varies by relationship multiplied by the notional 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 of each offering.

**Transaction charges.** Ameriprise Financial Services does not assess online transactions charges in Managed Accounts to financial advisors. Franchisee financial advisors are assessed a transaction charge if entering an order by phone for *SPS Advantage* or *SPS Advisor* accounts. For employee financial advisors, this transaction charge is assessed to the employee's branch, and not paid by the advisor. Direct payment by the financial advisor of phone-in transaction charges may be a disincentive for a franchisee financial advisor

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

For Managed Accounts, Ameriprise financial advisors pay the same mutual fund transaction rate for orders entered by phone for all mutual fund firms. Not all mutual fund families 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.

**Distribution Access Fees**

As described above, Ameriprise Financial Services directs securities purchase and sale transactions through our affiliate, AEIS, on a fully disclosed basis. In exchange, Ameriprise Financial Services receives reimbursements from AEIS for our non-distribution related expenses.

**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 Threadneedle Investments and RiverSource brands, than for the sale of other products and services.

Generally, Ameriprise Financial Services 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 Threadneedle Investments and RiverSource branded products and services.

Any 12b-1 fees received by Ameriprise Financial Services for mutual funds held in any Managed Accounts will be rebated to clients, and financial advisors do not receive compensation from 12b-1 fees assessed on mutual funds held in Managed Accounts. For brokerage accounts, both Ameriprise Financial Services and individual financial advisors are compensated when clients buy mutual funds through Ameriprise Financial Services. Generally, financial advisors receive a portion of the sales charge and 12b-1 fees paid to the firm in connection with mutual fund purchases for as long as clients own the mutual fund shares. Sales charges and 12b-1 fees vary from mutual fund to mutual fund and from share class to

share 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 or 12b-1 fee. Therefore, for brokerage accounts there is an incentive for our financial advisors to sell a fund that pays a load or a fund that pays a 12b-1 fee over funds that do 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. Financial advisors receive compensation only from 12b-1 fees for mutual funds held in brokerage accounts. Ameriprise Financial Services and financial advisors receive more compensation for sales of certain types of products, such as insurance, rather than others.

### **Economic benefits of affiliates' products and services**

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, among other things, Ameriprise Financial Services and our affiliates will receive:

- More revenue, in aggregate, from the purchase of products sponsored or managed by Ameriprise, Columbia Management and RiverSource ("proprietary products") than from the purchase of products sponsored or managed by 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 product support and training events.
- More revenue from the purchase of products and services than from Asset-based Fees.
- More revenue as the size of any margin account balance increases.
- 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 than from firms with other distribution support relationships, as described in the **"Cost Reimbursement Services and Third Party Payments"** section of this Brochure.
- More revenue when you purchase investment products for which we receive cost reimbursement payments or have similar financial arrangements, as described in the **"Cost Reimbursement Services and Third Party Payments"** and **"Revenue sources for Ameriprise Financial Services, LLC"** sections 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 or into a product managed by Columbia Management or another affiliate.

Generally, among other things, your financial advisor may earn:

- More depending on how your financial advisor is affiliated with Ameriprise Financial Services, as described in the **"How our financial advisors get paid"** section of this Brochure.
- More on the sale of certain fixed life and disability insurance products because of special compensation programs that provide increasing levels of compensation the more a financial advisor sells of these products from each individual insurance company. 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 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 from certain sales incentive programs to increase overall assets under management.
- Less on individual purchases within a transaction-based brokerage account because of 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 like or similar products from the same company, unless you have held the existing product for a certain period of time.
- More revenue if you purchase securities on margin that you could not otherwise purchase in a cash account.
- Nominal additional compensation on the value of the assets rolled into an IRA brokerage account from a retirement account with Columbia Funds.
- A 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 when you move accounts (including retirement plan accounts) from another institution to Ameriprise Financial Services, CMIA or RiverSource.
- If your financial advisor is a shareholder of Ameriprise Financial through our deferred compensation program, more compensation the more profitable the firm is.
- Compensation for servicing trust accounts held with the Bank.
- No compensation for the renewal of *Ameriprise* Certificates.

Financial advisors are required to take training on complex products developed by Ameriprise Financial Services and its affiliates and non-affiliated product manufacturers, prior to soliciting, including certain RiverSource insurance and annuity products and a targeted subset of nonproprietary products. Additional general product training is available and specific product training is required for a number of complex products, including Columbia Threadneedle Investments and RiverSource branded products. It is likely that a product recommendation from your financial advisor will be drawn from the universe of products on which they were trained. 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. As part of those alliances, Ameriprise financial advisors may receive gifts or non-cash compensation from the other companies, which are subject to SEC and FINRA regulations as well as Ameriprise Financial Services' internal compliance policies.

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

Most Ameriprise financial advisors are also appointed agents of RiverSource Life Insurance Company and, in New York only, RiverSource Life Insurance Co. of New York, affiliates of Ameriprise Financial Services.

Ameriprise Financial Services grants RiverSource limited access to Ameriprise financial advisors and provides RiverSource with limited information related to Ameriprise clients to promote sales of RiverSource products and to assist financial advisors in understanding the features and benefits of those products. Ameriprise Financial Services does not grant this access to other non-affiliated companies offering similar products, thus they do not have the same access to financial advisors as RiverSource.

Additionally, it is possible that Bank would send an order on behalf of a trust account to AEIS and at the same time AEIS would execute the opposite order for a brokerage client. Investments may be made for Bank's trust 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 Bank's trust accounts. AEIS, an affiliate of Ameriprise Financial Services, may buy or sell for its own account securities that Ameriprise Financial Services may recommend for the Bank's trust accounts. Ameriprise Financial Services does not anticipate that conflicts of interest will arise because we have adopted policies and procedures prohibiting Ameriprise Financial Services and our related persons from engaging in trading activity that creates a conflict of interest with our clients, as discussed in the **"Code of Ethics, Participation or Interest in Transactions and Personal Trading"** section.

## How our financial advisors get paid

An Ameriprise financial advisor is assigned to every investment advisory service. 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 carrier appointments, and, where required, a state investment adviser representative registration.

Many financial advisors hold advanced academic degrees and/or professional designations, including Certified Financial Planner™ (CFP®) designation. In addition, 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 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 that there are four ways Ameriprise financial advisors can be affiliated with us.

- **Independent contractor franchisees and independent contractors.** 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 and they do not receive a salary or other compensation from Ameriprise Financial Services.
- **Financial institution employee financial advisors.** These financial advisors are employed by the financial institution where they provide services and are compensated by the financial institution from the portion of fees and commissions it receives from Ameriprise Financial Services. The financial institution serves as paying agent for such compensation on our behalf in accordance with applicable law. Bank employee financial advisors' compensation is based on their employment agreement with the financial institution.

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 with Ameriprise Financial Services over time.

### Salary

In addition to the fees described below, employee financial advisors may receive a salary or wage from Ameriprise Financial Services. Associate financial advisors may receive either a salary or a flat fee from the independent contractor franchisee for whom they work, at the discretion of the employing or contracting independent contractor franchisee.

Financial advisors may also have the potential to receive bonus compensation.

### Asset-based Fees and Compensation

The components of the Asset-based Fee you pay is shared between Ameriprise Financial Services and your financial advisor as further described below.

- A portion of the Advisory Fee, including the AFPS Fee, if applicable, 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 Advisory Fee goes to Ameriprise Financial Services for the supervisory, technical, administrative and other support that is provided to all financial advisors, as further discussed in the **"Fees and Compensation"** section.
- The Manager Fee sub-component of the Asset-based Fee is separately itemized, compensates the Advisory Service Provider and does not raise or lower the portion of the Advisory Fee retained by Ameriprise Financial Services or your financial advisor.
- The Platform Fee sub-component of the Asset-based Fee goes to Ameriprise Financial Services.

From time to time, an Advisory Service Provider's investment strategy that is currently available through Envestnet in the Vista Separate Account Program may become available in our Select Separate Account Program.

For Select Separate Accounts, each Advisory Service Provider enters into a master investment advisory agreement with Ameriprise Financial Services and we pay the Advisory Service Provider the Manager Fee for its investment management services. For Vista Separate Accounts that are available through Envestnet, each Advisory Service Provider enters into a sub-management agreement with Envestnet, and Envestnet pays the Advisory Service Provider directly for their investment management services. As a result, the same Advisory Service Provider may earn more or less in investment management fees from Envestnet than from Ameriprise Financial Services for the same investment strategy available in the Select Separate Account Program. Ameriprise Financial Services has managed this conflict by migrating all applicable existing client assets from the Vista Separate Account Program into the Select Separate Account Program and mitigates this potential conflict of interest in the future by disallowing any duplicative investment strategies in the Vista Separate Account Program and the Select Separate Account Program. Specifically, we will (i) close any duplicative investment strategies in the Vista Separate Account Program to new clients prior to offering such investment strategies in the Select



Separate Account Program; and (ii) subsequently migrate such Vista Separate Account strategies into the same investment strategy in the Select Separate Account Program.

The actual portion of the Advisory Fee paid to your financial advisor depends on the payout rate for which your financial advisor qualifies and the amount of Advisory Fees you pay. Only the Advisory Fee is shared with your financial advisor.

- Independent contractor franchisees and independent contractors generally receive 72% to 91%, and employee financial advisors generally receive 0% to 50%, of the Advisory Fee (the “advisor payout rate”).

In addition, the financial advisor may qualify for a bonus which could increase the effective advisor payout rate up to 96% for independent contractor franchisees and 57% for employee financial advisors, respectively.

- Financial institution employee financial advisors generally receive 0% to 91% of the Advisory Fee based on their employment agreement with the financial institution.
- If you are a client of the Ameriprise Advisor Center, your financial advisor does not receive a portion of the Advisory Fee but may receive compensation in the form of a bonus based in part on revenue generated through your Advisory Fee.
- In general, fees generated by an associate financial advisor are paid to the employing or contracting independent contractor franchisee. At the discretion of the employing or contracting independent contractor franchisee, the associate financial advisor may receive financial advisory or referral fees or 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.

Ameriprise Financial Services offers a vast range of investment solutions to clients. Some products and services may be offered only by certain Ameriprise financial advisors. Discuss with your financial advisor the products he or she offers and the compensation your financial advisor receives, as some investment product companies and issuers, including RiverSource, may pay higher compensation than others.

Our financial advisors primarily offer life, disability, and long-term care insurance and annuity products from RiverSource and certain pre-approved, but unaffiliated,

insurance companies. However, in some situations where the client's needs may be met more effectively by another company's product, and RiverSource and other pre-approved providers do not offer such a product, Ameriprise financial advisors may offer insurance products issued by unaffiliated insurance companies.

If an unaffiliated insurance product is offered, the financial advisor is an appointed agent of the insurer and receives, directly or indirectly, compensation from the unaffiliated insurer for the sale and service of that product. The compensation for these nonproprietary products and RiverSource products is separate from, and in addition to, any fee you pay for investment advisory 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 size of the insurance policy or annuity contract increases, or 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. Compensation may also increase as the financial advisor sells increasing amounts of life insurance 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.

Your financial advisor receives compensation for the marketing of and your opening of a credit card account with affiliated and non-affiliated financial institutions when you activate the card and make sufficient purchases.

Your financial advisor receives referral fees when you purchase and maintain Ameriprise Auto and Home insurance products under a long-term distribution agreement between Ameriprise Financial Services, American Family Insurance Group and Ameriprise Auto & Home. Ameriprise Auto and Home is not affiliated with Ameriprise Financial Services and is owned by the American Family Insurance Group however Ameriprise Auto & Home Insurance and the associated logo, are

being used by American Family Insurance Group under a temporary license from Ameriprise Financial.

If Ameriprise Bank accepts a trust based upon a referral from your financial advisor, Ameriprise Financial Services will receive a referral fee from Ameriprise Bank. A portion of this referral fee is shared with your financial advisor. The referral fee is paid by Ameriprise Bank from the fees earned for its services and is not an additional cost to the trust account. Your financial advisor also receives a referral fee for referrals to non-affiliated structured settlement professionals for both client and non-client referrals.

#### **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 or due diligence meetings; and may reimburse expenses for prospecting events such as seminars for employees, financial advisors, clients and prospective clients. 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 or incentive programs to individual financial advisors or groups of financial advisors in particular areas. These contests and programs are limited to such targets as new client acquisition, financial plan count, net flows, total assets under management and financial advisor recruiting. Single product or product categories are not eligible for sales contests or incentive programs with the exception of fixed life insurance. 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 Ameriprise Financial Services' internal compliance policies.

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 enter into arrangements with financial advisors for the payment of compensation and/or loans based upon the value of eligible assets or accumulated production of the recruited financial advisor at a pre-determined measurement date. The funds may be payable immediately, over time, as a bonus, or as a loan. These arrangements may be structured to include a provision

requiring that payment of transition compensation and/or loans is be dependent upon the advisor meeting certain agreed-upon production and/or asset level benchmarks. The financial incentives associated with these transition arrangements could influence the type and amount of product and/or service recommended by your financial advisor. Ameriprise Financial Services manages this conflict of interest by supervising the suitability of recommendations made by its financial advisors in accordance with all applicable regulatory requirements. Please review your financial advisor's Form ADV brochure supplement or ask your advisor if you have questions about whether these transition arrangements apply to them.

From time to time, Ameriprise Financial Services also provides compensation to financial advisors in connection with the sale of all or a portion of their client base to an Ameriprise financial advisor. Some of this compensation may be dependent on a certain percentage of the client base remaining as clients of Ameriprise Financial Services for a certain period of time. It is also determined based on valuations of the financial advisor's practice, or book of business. The practice valuation formula results in higher compensation for revenues received from Managed Accounts versus Ameriprise brokerage accounts. As a result, your financial advisor has an incentive to recommend the opening of new Managed Accounts or the investment of additional assets into existing Managed Accounts or, conversely, an incentive to recommend that you not open an Ameriprise brokerage account or invest additional assets into a brokerage account. In addition, if your financial advisor is selling all or a portion of their practice to another Ameriprise financial advisor, this program could incent your financial advisor to recommend you remain a client of the acquiring financial advisor and/or Ameriprise Financial Services.

#### **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 equity compensation programs for them. Employee financial advisors and independent contractor franchisees may be eligible to receive an annual stock bonus. In addition, independent contractor franchisees may be eligible to defer a certain percentage of their compensation each year. They may choose to invest all or portion of this deferral into a notional account that tracks the performance of Ameriprise Financial, Inc. stock.

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**

Clients may have access to information about lending products and services (e.g. mortgages, home equity loans, home equity lines of credit) through marketing relationships with third-party financial institutions. Financial advisors do not earn compensation related to the origination or referral of lending products (e.g., mortgages, home equity loans, home equity lines of credit) offered and originated by third-party providers that have a marketing relationship with Ameriprise Financial Services. With the exception of margin lending, neither your Ameriprise financial advisor nor Ameriprise Financial Services may arrange, promote, suggest or knowingly permit you to use loan proceeds to purchase securities or other investment products.

**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.

**Shared compensation**

Financial advisors may also choose to work together as a team that shares fees and commissions generated 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. Your financial advisor may be allowed to share a portion of the Advisory Fee he or she receives with one or more other Ameriprise financial advisor(s), including financial advisors who have not completed the Ameriprise Financial Services-required training to sell the investment advisory service, franchise consultants or registered principals, as described below.

In cases where two or more financial advisors are assisting you, both financial advisors may share in the Advisory Fee. Your servicing financial advisor will present the Managed Account or AFPS, set the Advisory Fee, and oversee the analysis and advice prepared for you. Your servicing advisor may or may not be the financial advisor authorized to use discretion to purchase and sell securities in your account, e.g., your SPS Discretionary Advisor. In the instance that your servicing advisor is not authorized to use discretion, the financial advisor authorized to use discretion will oversee the analysis and advice prepared for you. Only the financial advisor authorized to use discretion will purchase and sell securities in our Account.

Your servicing advisor may or may not be the financial advisor who has completed the required training. A financial advisor who has not completed the required

training may refer a client to a financial advisor who has completed the required training for the service or product. The financial advisor who has completed the required training may pay a fee to the financial advisor who has not completed the required training for that referral. The financial advisor who has not completed the required training may provide investment advisory services for services and products that do not require training, however, only the financial advisor who has completed the required training required for a particular service or product will provide the analysis and advice prepared for you with respect to a service or product that requires the training. The financial advisor who has not completed the required training may receive a share of the commission from any services or products sold to you by your financial advisor who has completed the required training.

Your financial advisor may work with a franchise consultant. In those situations, the franchise consultant, who is registered with Ameriprise Financial Services, may receive compensation based on services and products that you purchase, and for the training and leadership of your financial advisor. The cost of the product or service you purchase is not affected.

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 or recommend bonuses for their non-registered support staff.

Employee financial advisors and selling leaders may receive continuing commissions and fees for the sale of certain products and services for up to five years after leaving the securities industry.

Ameriprise offers a Business Development Account (BDA) Program. Eligible employee financial advisors may create a voluntary BDA in a predetermined amount and use this account for business-related expenses above and beyond what the company provides.

**Managed Accounts without a financial advisor**

In the event that you request Ameriprise Financial Services to remove your current financial advisor from your Account or your financial advisor resigns from Ameriprise Financial Services or your account, is



terminated, or, for the SPS Advisor Program, your financial advisor is no longer able to act as your SPS Discretionary Advisor for any reason, the applicable Managed Account(s) will no longer have a financial advisor assigned to the Accounts. Generally, investment products in Managed Accounts can only be purchased through an Ameriprise financial advisor.

Ameriprise Financial Services may reassign your Managed Account to another financial advisor and notify you of the change. If your Managed Account is reassigned to another financial advisor prior to its termination, your Account(s) will continue to be billed but the Asset-based Fee rate may change based on the Advisory Fee rate you negotiate with your new assigned financial advisor.

We will attempt to notify you if your Account is no longer assigned to a financial advisor. If you would like to retain your Account, contact us within the timeframe set out in the notification to have a financial advisor assigned. If the Account remains unassigned after the designated period of time, it will transfer to an Ameriprise brokerage account in accordance with the applicable Managed Account Client Agreement.

If your Account does not have a financial advisor assigned to it and certain client directed trades are permitted, you may contact our Service Center at 1.800.862.7919 for assistance with a transaction.

We will continue to collect and retain the full amount of any Asset-based Fees paid to us in connection with your Managed Account, less any Manager Fees paid to an applicable Advisory Service Provider, until the Account is designated for potential transfer to an Ameriprise brokerage account or terminated. This includes the portion of the Advisory Fee that would have been paid to a financial advisor if one was assigned to your Managed Account(s). The fees retained are used in part to pay other employees and for the technology that supports the services Ameriprise Financial Services provides to 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 investment products of certain providers, particularly affiliates, are purchased. Management, sales leaders and other employees spend more of their time and resources promoting Ameriprise, Columbia Threadneedle Investments, and RiverSource branded 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 leaders 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.

## **Code of Ethics, Participation or Interest in Transactions and Personal Trading**

### **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 conflict of interest which may arise in connection with the business of Ameriprise Financial Services as a broker-dealer. Ameriprise Financial Services has adopted various procedures to guard against insider trading.

### **Participation or interest in client transactions**

From time to time Ameriprise Financial Services and/or its affiliates and related persons may invest in the same or related securities that Ameriprise Financial Services and/or its affiliates recommend to clients. Such transactions may occur at or about the same time that such securities are bought or sold for client accounts. Ameriprise Financial Services has adopted policies and procedures imposing certain conditions and restrictions on transactions in these securities, such as trading blackout periods and preclearance requirements.

See the **"Financial interest in products"** subsection in the **"Revenue Sources for Ameriprise Financial Services, LLC"** section in this Disclosure Brochure for more information about our financial interest in the sale of certain products and services.

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

Ameriprise Financial Services has adopted personal trading rules and procedures within the Ameriprise Financial Code of Ethics and Personal Trading Policy. These rules are designed to list 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. You may request a copy of the Ameriprise Financial Code of Ethics and Personal Trading Policy from your financial advisor or by contacting us at 800.290.6663.

The standards of business conduct include compliance with applicable laws and regulations and with policies



and procedures such as those contained in the Ameriprise Global Code of Conduct. Under the personal trading rules, 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 Personal Trading Policy 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 most personal trades through one of three designated broker-dealers unless an exception has been granted, and report any changes in their selected broker-dealer.

#### **Insider trading policy**

Ameriprise Financial Services and its related persons may, from time to time, come into possession of material nonpublic information that, 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 that establishes procedures to prevent the misuse of material nonpublic information by Ameriprise Financial Services and its associated persons.

#### **Review of Accounts**

Certain supervisory functions are performed by Ameriprise Financial Services corporate office personnel. Corporate registered principals review a sampling of each financial advisor's financial planning relationships, including written financial planning recommendations periodically based on certain key factors. At the time your Managed Account(s) are opened, our corporate registered principals will review your account(s) to confirm it is appropriate for your investment goals, time horizon, risk tolerance, and investment objectives. When appropriate, our

corporate registered principals may also decide to call you directly to discuss your understanding of the Account(s), including the fees and expenses you will be paying. Our Compliance department also conducts routine surveillance of financial advisor activities. Clients receive written reports relating to their financial planning relationships from their financial advisor on at least an annual basis.

An important part of a Managed Account relationship involves providing you with the opportunity to engage in periodic reviews with your financial advisor or a designated member of the team servicing your Account. In these reviews, you and your financial advisor should discuss any changes to your financial situations, investment objectives and/or risk tolerance, and whether you would like to impose any reasonable restrictions on your Account(s).

Our supervision and monitoring does not substitute for your continued review and monitoring of your Account(s). You should review your account statements, trade confirmations, and other information we send to you. If you have any questions, please discuss them with your financial advisor.

## **Client Referrals and Other Compensation**

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

Ameriprise Financial Services maintains formal and informal arrangements, the terms of which are disclosed to the client, with individual professionals, professional firms, and select corporate, institutional or membership organizations ("Solicitors"), wherein compensation is paid to those Solicitors for referral of clients or members to Ameriprise Financial Services for its financial advisory services. The compensation to be paid in connection with these agreements is subject to negotiation between Ameriprise Financial Services and the applicable Solicitor. The compensation is (i) disclosed to the client at the time of the solicitation or referral; and (ii) will be paid out of the total Asset-based Fees collected from you. You will not be charged an additional fee as a result of any referral arrangements. Compensation may include a one-time payment or ongoing payments based on a negotiated percentage of the monthly Asset-based Fees paid by you for the duration of the investment advisory relationship.

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 arrangements with financial institutions

such as community banks, credit unions, credit union service organizations, Farm Credit Services and trust service providers (“Third Party Financial Institutions”) to allow its financial advisors to offer investment advisory services, financial planning services and certain other nondeposit 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 Asset-based 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 Services and its affiliates have policies and procedures in place to review the issuers of financial products such as non-traded REITs, non-traded BDCs, non-traded closed-end funds, 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 parties 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.

### **Revenue sources for RiverSource**

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

**Sales charges.** You pay sales and other charges under RiverSource fixed, structured and variable annuity contracts and life insurance policies. For RiverSource fixed, structured and variable annuity contracts, you

may pay a contingent deferred sales charge, or surrender charge, if you withdraw funds during the applicable period.

**Periodic fees and expenses.** You pay certain fees and expenses under RiverSource 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 products.

Periodic expenses are also 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). 12b-1 fees may be used to pay for marketing, distribution and shareholder service expenses.

**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 selects the funds available within your variable annuity contract or variable life insurance policy. In doing so, RiverSource may consider various objective and subjective factors. These factors include compensation RiverSource 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.

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

**Periodic fees and expenses.** Columbia Management and Threadneedle International Limited receive management fees and certificate advisory and services fees for services, including investment management services for *Active Portfolios*® investments. These revenues may be received from the Columbia Funds, Columbia ETFs, Columbia closed-end funds, *Ameriprise* certificates and from other affiliated and nonaffiliated advisory clients of Columbia Management and Threadneedle International Limited.

## 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 Corp. receives certain fees and expenses paid from the Columbia Funds and *Ameriprise* certificates in exchange for the transfer agent services it provides.
- American Enterprise Investment Services Inc. is compensated for its services through the brokerage commission and other fees charged for each brokerage transaction, which may include transactions made in an Ameriprise Bank trust account, or through the brokerage commission which is included in the overall asset-based fee, depending on the account option you select.
- If the Sweep Program for your Account is AIMMA, AEIS receives compensation from the Program Banks based on the cash balance in the AIMMA program. If your Account sweeps uninvested cash to ABISA or to Ameriprise Bank as a Program Bank in the AIMMA program, Ameriprise Bank does not compensate AEIS, but reimburses AEIS for its direct out of pocket expenses related to the sweep services provided.
- AEIS receives compensation in the form interest charged on your margin account balance, as well as from order handling fees. In transaction-based brokerage accounts, AEIS may also engage in principal trading of certain types of fixed income securities for brokerage accounts—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 markup or markdown on the transaction.
- AEIS performs, for the benefit of Ameriprise Financial Services, its financial advisors and clients, cost reimbursement and marketing support services as described in the “**Cost Reimbursement and Marketing Support**” section. In recognition of the above, product sponsors will compensate AEIS for such services that are performed by AEIS.
- The capacity in which AEIS acts in any particular transaction is disclosed on each transaction confirmation you receive. AEIS is also compensated for the shareholder services it provides for certain mutual fund companies. These services include but are not limited to delivering shareholder communications such as updated prospectuses and statements of additional information, transaction confirmations and annual tax reporting, and monitoring compliance with share class, discounted sales charge, market timing and other mutual fund company policies.
- Ameriprise Financial, Inc. receives fees paid from Columbia and the Columbia Funds and *Ameriprise* certificates in exchange for the administrative services it provides.
- Columbia Management Investment Distributors receives fees paid from the Columbia Funds in exchange for the distribution services it provides. Ameriprise Financial Services has a financial interest in the sale of the Columbia Funds, *Ameriprise* certificates and RiverSource products and certain other mutual funds.
- Ameriprise Financial Services sells annuity and insurance products manufactured by its RiverSource affiliates, as well as products from unaffiliated providers. RiverSource is permitted to reimburse Ameriprise Financial Services for client/prospect education events and advisor sales meetings, seminars, and training events pertaining to annuity and insurance products, consistent with Ameriprise Financial Services policies and industry regulation; Ameriprise Financial Services may also receive nominal noncash benefits from time to time. Unaffiliated 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 insurance products.
- Ameriprise Bank charges fees, depending on the terms of trust documentation and applicable state laws governing trust administration, through either the traditional investment model or advisor-based investment model. In the traditional investment model, Ameriprise Bank provides investment

management and assumes administrative responsibility, therefore earning a fee. Ameriprise Bank earns a fee and pays a portion of the fee it collects to Ameriprise Financial Services. In the advisor-based investment model, Ameriprise Bank fees for administrative services are separate from investment management fees charged by financial advisors and are not shared with Ameriprise Financial Services.

- When Ameriprise Bank is a Program Bank in the AIMMA program or ABISA is the Sweep Program, Ameriprise Bank earns income by lending or investing the deposits it receives and charging a higher interest rate to borrowers, or earning a higher yield, than it pays on the deposits held through these sweep programs. The difference is known as the "spread."

### **Custody**

In establishing an Account, you establish and maintain a brokerage account with Ameriprise Financial Services. Neither Ameriprise Financial Services, nor any Advisory Service Provider will act as custodian for the Account or take possession of any assets in the Account. AEIS, one of our broker-dealer affiliates, provides custody and safekeeping services for Account assets and will ordinarily act as the custodian for all assets held in an Account. Because our affiliate maintains custody of our clients' assets, we are required by SEC rules and regulations to obtain from AEIS at least annually a written internal control report (the "ICR") prepared 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 is intended to show that our affiliate has established appropriate custodial controls with respect to client assets under custody.

For Retirement Accounts where ATC acts as custodian or trustee, AEIS shall act as an agent or sub custodian of ATC with respect to custody of assets.

### **Investment Discretion**

Your Ameriprise financial advisor does not manage your securities or other investments on your behalf as part of AFPS. However, your financial advisor may offer a discretionary investment advisory service separately as part of our SPS Advisor Program.

### **Voting Client Securities**

For SPS *Advantage*, SPS Advisor and *Active Portfolios*<sup>®</sup>, Ameriprise Financial Services and your financial advisor are not required to take any action or give any 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. Ameriprise Financial will promptly send you proxy ballots and related shareholder communications that we receive. If you have questions about your proxy materials, please contact your financial advisor or contact us at 800.290.6663.

For Select Separate Account, including Select Strategist UMA, Vista Separate Account, Investor Unified Account and Access Account, you have the right to vote proxies on the securities in which your account assets may be invested from time to time, or you may delegate the authority to vote these proxies to the applicable Investment Manager where Ameriprise Financial Services has trading discretion over the assets in your Account. You may delegate the authority to vote proxies on your behalf to another person. Except for certain Select Separate Accounts where you delegate proxy voting authority to Ameriprise Financial Services and the Investment Manager allows Ameriprise Financial Services to vote proxies for the Account(s), Ameriprise Financial Services and your financial advisor do not take any 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. Ameriprise Financial Services will forward to you all proxy solicitations and materials related to other corporate actions that are received by Ameriprise Financial Services with respect to assets in your managed account(s). You are responsible for voting proxies and effectuating other corporate actions relating to the securities held in your respective managed account(s).

Neither Ameriprise Financial Services, your financial advisor nor any Advisory Service Provider are responsible for any other corporate actions relating to the assets in your managed account(s) including administrative filings such as proofs of claims related to bankruptcy or claims in class actions.

### **Ameriprise Financial Services' Proxy Voting Policies and Procedures**

When Ameriprise Financial Services has proxy voting authority, Ameriprise Financial Services will apply the following general principles to meet its proxy voting responsibilities:

- Seek to ensure that proxies are voted in the best economic interest of clients;
- Address material conflicts of interest that may arise; and
- Comply with disclosure and other requirements as required by law.

Ameriprise Financial Services intends to vote all proxies of which it becomes aware prior to the vote deadline.



However, in certain limited circumstances, Ameriprise Financial Services may determine to refrain from voting.

Ameriprise Financial Services will use an independent third party proxy service for its fundamental research on proxy questions and subsequent recommendations, and has adopted the third party provider's proxy voting guidelines covering certain types of proposals. The guidelines indicate whether to vote for, against or abstain from a particular proposal. In circumstances where proposals are not covered by the guidelines or a voting determination must be made on a case-by-case basis, the Oversight Committee will make the voting determination. The Oversight Committee may consider the voting recommendations of analysts, Investment Managers and information obtained from outside resources. The Oversight Committee reserves the right to consider each proxy vote, whether covered by the guidelines or a third-party recommendation, based on the facts and circumstances of the proposal presented, and submit a vote that it believes is in the best economic interest of its clients.

Ameriprise Financial Services has implemented policies reasonably designed to identify potential material conflicts of interest to help us vote proxies without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. These policies include:

- Employing predetermined voting guidelines;
- Causing proxies to be voted in accordance with recommendations of an independent third party;
- Causing the proxies to be delegated to an Independent third party, which may include Ameriprise Financial Services' proxy voting service provider; or

- In unusual cases, with the client's consent and upon ample notice, forwarding the proxies to Ameriprise Financial Services' clients so that they may vote the proxies directly. Each Investment Manager to which you delegate voting authority will vote proxies according to its own applicable voting policies and procedures. Where you own both a Select Separate Account and another discretionary Managed Account and both Accounts invest in the same SMA strategy managed by the same Investment Manager, this may result in different voting determinations by Ameriprise Financial Services and the Investment Manager for the same particular proposal.

We maintain proxy voting records to meet our obligations under applicable law. You may obtain a copy of our proxy voting policy, and other information regarding how your proxies were voted, upon request by writing to us at the address set forth on the first page of this brochure or calling the phone number that appears on that page.

#### **Financial Information**

We are not required to include a balance sheet in this Brochure because we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

We do not have any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients.

Ameriprise Financial Services has not been the subject of a bankruptcy petition during the past 10 years.

## Form ADV: Brochure Supplement

March 2020

This brochure supplement provides information about Michael Costley, who is a member of the Managed Accounts Program Oversight Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC, 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.

Michael Costley

Ameriprise Financial Services, LLC  
655 Ameriprise Financial Center  
Minneapolis, MN 55474  
1.800.834.8959

Company Address

Ameriprise Financial Services, LLC  
707 South 2nd Avenue  
Minneapolis, MN 55474  
1.800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1972

**High school graduate:** Yes

**Level of post secondary education:** B.B.A - Finance, University of Minnesota, Duluth

## Business Experience:

- Vice President – Wealth Management Solutions, Equity, Option and Advisory Trading
- In addition to his participation on the Ameriprise Financial Services, LLC. Managed Accounts Program Oversight Committee, Mr. Costley is Vice President of Equity, Option and Advisory Trading. His responsibilities include strategic direction, leadership, regulatory risk, trading oversight of equities, options, exchange traded products and the advisory platform. Immediately prior to this position, Mr. Costley was Vice President of Equity & Option trading. Mr. Costley has been with the firm since 2000.

## Disciplinary Action

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

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, LLC 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, LLC internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the “Committee”), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 2018

This brochure supplement provides information about Frank A. McCarthy, who is a member of the Managed Accounts Program Oversight Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC, 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, LLC.

369 Ameriprise Financial Center

Minneapolis, MN 55474

800.834.8959

Company Address

Ameriprise Financial Services, LLC.

707 South 2nd Avenue

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:

- Senior Vice President and General Manager – Wealth Management Solutions, External Products
- In addition to his participation on the Ameriprise Financial Services, LLC. Managed Accounts Program Oversight 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 for this individual.

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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the "Committee"), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 2018

This brochure supplement provides information about Paul Mumma, who is a member of the Managed Accounts Program Oversight Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC, 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.

Paul Mumma

Ameriprise Financial Services, LLC.  
369 Ameriprise Financial Center  
Minneapolis, MN 55474  
800.834.8959

Company Address

Ameriprise Financial Services, LLC.  
707 South 2nd Avenue  
Minneapolis, MN 55474  
800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1969

**High school graduate:** Yes

**Level of post-secondary education:** BA, Truman State University, 1992; MBA – Finance, University of St. Thomas, 2000



## Business Experience:

- Vice President – Wealth Management Solutions, Alternative Investments
- In addition to his participation on the Ameriprise Financial Services, LLC. Managed Accounts Program Oversight Committee, Mr. Mumma is Vice President of Product Management – Alternative Investments. His responsibilities include product selection, due diligence and ongoing relationship management of alternative investments offered by Ameriprise. Immediately prior to this position, Mr. Mumma was Vice President of Product Management at Columbia Management with responsibility for alternative investments and asset allocation strategies. Mr. Mumma has been with the firm since 2003, and including previous service from 1993 to 1998, has a total of 17 years of experience with the company.

## Disciplinary Action

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

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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the “Committee”), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 2019

This brochure supplement provides information about Paramita Sarkar, who is a member of the Investment Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account.

Please contact Ameriprise Financial Services, LLC, 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.

Paramita Sarkar

Ameriprise Financial Services, LLC.

376 Ameriprise Financial Center

Minneapolis, MN 55474

1.800.834.8959

Company Address

Ameriprise Financial Services, LLC.

707 South 2nd Avenue Street

Minneapolis, MN 55474

1.800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1978

**High school graduate:** Yes

**Level of post secondary education:** Bachelor of Chemical Engineering, Jadavpur University, India 2001; MBA, Ross School of Business at the University of Michigan, 2008

## Business Experience:

- Vice President, Product Management – Wealth Management Solutions
- In addition to her participation on the Ameriprise Financial Services, LLC. Investment Committee, Ms. Sarkar is Vice President of Product Management. Her responsibilities include setting strategic direction, managing profit and loss, performance reporting, business development, product development and management for brokerage and advisory products and services. Prior to this position, Ms. Sarkar was Senior Director in the Strategy and Business Development Team at Ameriprise, where her responsibilities included developing and implementing corporate and business unit growth strategies. Ms. Sarkar has been with the firm since 2008.

## 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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the "Committee"), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 2019

This brochure supplement provides information about Nicole Bjugan, who is a member of the Investment Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC., 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.

Nicole Bjugan

Ameriprise Financial Services, LLC.  
355 Ameriprise Financial Center  
Minneapolis, MN 55474  
1.800.834.8959

Company Address

Ameriprise Financial Services, LLC.  
707 South 2nd Avenue Street  
Minneapolis, MN 55474  
1.800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1974

**High school graduate:** Yes

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

### Business Experience:

- Vice President – Wealth Management Solutions, Advisory Platform Management
- In addition to her participation on the Ameriprise Financial Services, LLC. Investment Committee, Mrs. Bjugan is Vice President of Advisory Platform Management. Her responsibilities include model management, advisor and client support, vendor/relationship management, fee and compensation management, escalations, audits and reporting across all advisory platforms. Immediately prior to this position, Mrs. Bjugan was Sr. Director – Brokerage Product Management & Business Analytics, where her responsibilities included product management of the Ameriprise cash management account, Brokerage account fees and business reporting and analytics. Mrs. Bjugan has been with the firm since 1996.

## 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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the "Committee"), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 2018

This brochure supplement provides information about Thad Ingersoll, who is a member of the Managed Accounts Program Oversight Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC., 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.

Thad Ingersoll

Ameriprise Financial Services, LLC.

420 Ameriprise Financial Center

Minneapolis, MN 55474

1.800.834.8959

Company Address

Ameriprise Financial Services, LLC.

707 South 2nd Avenue

Minneapolis, MN 55474

1.800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1970

**High school graduate:** Yes

**Level of post secondary education:** BA, Ohio Wesleyan University, 1993; MBA, University of St. Thomas, 2007

## Business Experience:

- Vice President – Wealth Management Solutions
- In addition to his participation on the Ameriprise Financial Services, LLC. Managed Accounts Program Oversight Committee, Mr. Ingersoll is Vice President of Risk, Compliance & Controls where his responsibilities include development and management of risk strategies for the Wealth Management Solutions division. Immediately prior to this position, Mr. Ingersoll was Assistant Vice President & Compliance Director at Allianz Life where his responsibilities included various compliance-related roles including chief compliance officer for wholly owned subsidiary FINRA member broker-dealer and SEC registered investment adviser. Mr. Ingersoll has been with the firm since 2017.



## Disciplinary Action

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

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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the "Committee"), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March, 2018

This brochure supplement provides information about Amy Diesen, who is a member of the Investment Committee for Ameriprise Financial Services, LLC. This information supplements the Ameriprise Financial Services, LLC. Managed Accounts Client Disclosure Brochure and the Managed Accounts and Financial Planning Service Disclosure Brochure. You received a copy of the applicable Disclosure Brochure when you opened your managed account. Please contact Ameriprise Financial Services, LLC, at 800.862.7919 if you would like another copy of the applicable Disclosure Brochure or if you have any questions about the contents of this supplement.

### Amy Diesen

Ameriprise Financial Services, LLC.  
10475 Ameriprise Financial Center  
Minneapolis, MN 55474  
800.834.8959

### Company Address

Ameriprise Financial Services, LLC.  
707 South 2nd Avenue  
Minneapolis, MN 55474  
800.862.7919

## Educational, Background and Business Experience

**Year of birth:** 1973

**High school graduate:** Yes

**Level of post secondary education:** BA, Concordia University St Paul MN, 2003

## Business Experience:

- Officer & Vice President – Wealth Management Solutions
- In addition to her participation on the Ameriprise Financial Services, LLC. Investment Committee, Ms. Diesen is Officer and Vice President of Retirement Plans where her responsibilities include product strategy, development and management for all qualified plans including IRAs, 401(k)s and 403(b)s. Immediately prior to this position, Ms. Diesen served as Vice President of Retirement Plans and Director of Retirement Plans, respectively. Ms. Diesen has been with the firm since 2008.

## Disciplinary Action

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

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, LLC. 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, LLC. internal compliance policies.

## Supervision

Ameriprise Financial Services, LLC, through its Managed Accounts Program Oversight Committee (the “Committee”), serves as the Investment Manager for Select ETF Portfolios. The Committee engages non-affiliated portfolio strategists to construct and recommend investment strategies and develop asset allocation models for these portfolios. The advisory activities of the Committee are supervised by Greg Nordmeyer, Executive Vice President, Wealth Management Products & Solutions for Ameriprise Financial Services, LLC.

**Supervisor:** Greg Nordmeyer

**Title:** Executive Vice President, Wealth Management Products & Solutions

**Phone Number:** 800.834.8959

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## Form ADV: Brochure Supplement

March 30, 2015

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 certain *Ameriprise Active Portfolios*<sup>®</sup> investments. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, LLC, 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  
LLC 225 Franklin Street  
Boston, MA 02110  
800.225.2365

Company Address

Columbia Management Investment Advisers,  
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 for this individual.

## 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. Colin Moore, the Global Chief Investment Officer, is responsible for managing Columbia Management Investment Advisers' investment teams.

**Supervisor:** Colin Moore

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

**Phone Number:** 800.225.2365

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## Form ADV: Brochure Supplement

October 9, 2015

This brochure supplement provides information about Joshua B. Kutin, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for certain *Ameriprise Active Portfolios®* investments. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, LLC, 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.

### Joshua B. Kutin

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:** 1976

**High school graduate:** Yes

**Level of post secondary education:** B.S., Massachusetts Institute of Technology; M.S. Financial, Princeton

## Business Experience:

- Senior Portfolio Manager, Global Asset Allocation with the Asset Allocation team at Columbia Management Investment Advisers, LLC.
- Mr. Kutin is responsible for research across solutions, with a particular focus on global asset allocation and alternatives. Prior to joining Columbia Threadneedle Investments in 2015, Mr. Kutin worked at Putnam Investments as a portfolio manager on the global asset allocation team. He has been a member of the investment community since 1998. Mr. Kutin received a B.S. in economics and a B.S. in mathematics with computer science from MIT, as well as a masters in finance from Princeton University. 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 for this individual.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Joshua Kutin 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, 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 Global Chief Investment Officer, is responsible for managing Columbia Management Investment Advisers' investment teams.

**Supervisor:** Colin Moore

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

**Phone Number:** 800.225.2365

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## Form ADV: Brochure Supplement

March 2018

This brochure supplement provides information about Daniel L. Boncarosky, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for certain *Ameriprise Active Portfolios*<sup>®</sup> investments. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, LLC, 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.

Daniel L. Boncarosky

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:** 1976

**High school graduate:** Yes

**Level of post secondary education:** B.S., New York University Stern School of Business

## Business Experience:

- Associate Portfolio Manager, Global Asset Allocation with the Asset Allocation team at Columbia Management Investment Advisers, LLC.
- Mr. Boncarosky is responsible for research across solutions, with a particular focus on global asset allocation and alternatives. Mr. Boncarosky joined one of the Columbia Threadneedle Investments legacy firms in 2008. Prior to becoming an associate portfolio manager in 2014, Mr. Boncarosky worked as a research analyst on the global bond team from 2008 to 2010 and on the asset allocation team from 2010 to 2014. Mr. Boncarosky received a B.S. in finance and statistics from the New York University Stern School of Business and 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 for this individual.

## Other Business Activities

There are no outside business activities to report.

## Additional Compensation

Daniel Boncarosky 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, 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 Global Chief Investment Officer, is responsible for managing Columbia Management Investment Advisers' investment teams.

**Supervisor:** Colin Moore

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

**Phone Number:** 800.225.2365

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## Form ADV: Brochure Supplement

July 2018

This brochure supplement provides information about Alexander Wilkinson, who is a member of the asset allocation team for Columbia Management Investment Advisers, LLC, which is the investment manager for certain *Ameriprise Active Portfolios*® investments. This information supplements the Ameriprise Financial Services, LLC. client disclosure brochure. You received a copy of that brochure when you opened your account or financial plan. Please contact Ameriprise Financial Services, LLC, 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.

Alexander Wilkinson

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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:** 1975

**High school graduate:** Yes

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

### Business Experience:

- Portfolio Manager for the Global Asset Allocation Team at Columbia Threadneedle Investments.
- Mr. Wilkinson joined one of the Columbia Threadneedle Investments firms in 2006 and has been a member of the investment community since then. Prior to joining the Global Asset Allocation Team, he held positions as a senior analyst on the Performance Measurement Team, and as an intermediate analyst with the Quantitative Strategies Group. Mr. Wilkinson received a B.A. in economics from the University of Massachusetts at Amherst. In addition, he holds the Chartered Financial Analyst® and Chartered Alternative Investment Analyst designations.

### Disciplinary Action

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

### Other Business Activities

There are no outside business activities to report.

### Additional Compensation

Alexander Wilkinson 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 Global Chief Investment Officer. Colin Moore, the Global Chief Investment Officer, is responsible for managing Columbia Management Investment Advisers' investment teams.

**Supervisor:** Colin Moore

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

**Phone Number:** 800.225.2365

# Glossary

- **“ABISA”** means Ameriprise Bank Insured Sweep Account.
- **“Access Account”** means Ameriprise® Access Account.
- **“Account”** or **“Managed Account”** means an Ameriprise investment advisory account for which you pay an ongoing asset-based fee.
- **“Active Portfolios”** means Ameriprise® Active Portfolios® .
- **“Active Portfolios® investment Fact Sheet”** means the applicable Active Portfolios® investment fact sheet that includes biographical information about the Investment Manager and/or portfolio strategist, investment philosophy and style information, portfolio characteristics and composite performance.
- **“Additional Fees and Expenses”** are any additional transaction related fees that may be incurred in connection with your Account based on the nature of your investments.
- **“Advisers Act”** means the Investment Advisers Act of 1940, as amended.
- **“Advisory Service Providers”** refers, collectively, to affiliated and third-party investment advisory firms whose services Ameriprise Financial Services uses to provide discretionary and non-discretionary advisory services that include investment management, asset allocation and/or rebalancing, or providing investment models, as applicable, for certain Manager Directed Programs.
- **“Advisory Shares”** means advisory, institutional or other share classes that do not have a sales-load, do not have a sales-load and do not assess 12b-1 shareholder servicing fees.
- **“AEFA”** means American Express Financial Advisors, Inc.
- **“AEIS”** means American Enterprise Investment Services Inc.
- **“AFIG”** means Ameriprise Financial Institutions Group.
- **“AFPS”** means Ameriprise Financial Planning Service.
- **“AFPS Agreement”** means the applicable financial planning service agreement, as it may be amended from time to time, that includes the specific terms under which the client will receive those services.
- **“AIMMA”** means Ameriprise Insured Money Market Account, an FDIC insured interest-bearing multi-bank deposit product.
- **“Ameriprise”** means Ameriprise Financial, Inc.
- **“Ameriprise Bank”** means Ameriprise Bank, FSB.
- **“Ameriprise Financial Services”, “Ameriprise Financial”, “AFS”, “Sponsor” or “we”:** means Ameriprise Financial Services, LLC.
- **“Asset Allocation Strategist”** means strategist who solely provides asset allocation recommendations to the Investment Manager.
- **“Asset-based Fee”** means our component-based pricing framework in which the sub-components of the Asset-based Fee (referred to as “fee components”) are separately itemized.
- **“ATC”** means Ameriprise Trust Company.
- **“Available for Sale Firms”** are firms that sponsor or manage mutual fund options to whom IRG will proceed to look for if a suitable mutual fund recommendation for a particular asset class cannot be found within the Full Participation Firms’ offerings.
- **“BDA”** means Business Development Account.
- **“BDC”** means a business development company.
- **“Brochure”** or **“Disclosure Brochure”** means Ameriprise Managed Accounts Client Disclosure Brochure.
- **“Brokerage Agreement”** means, collectively, the Ameriprise Brokerage Client Agreement, as it may be amended from time to time, along with the Other Important Brokerage Disclosures Document and Schedule of Account & Service Fees.
- **“CD”** means a certificate of deposit.



- **“CEF”** means a close-end fund.
- **“CFA”** means Chartered Financial Analyst.
- **“CFP®”** means Certified Financial Planner™.
- **“CFTC”** means the Commodity Futures Trading Commission.
- **“Client Agreement”** means the investment advisory agreement made between Ameriprise Financial Services and the client for the applicable Program, as it may be amended from time to time.
- **“Client Information”** means client’s financial and risk profile information and investment objectives.
- **“CMG”** means Columbia Management Group, LLC.
- **“CMIA” or “Columbia Management Investment Advisers”** means Columbia Management Investment Advisers, LLC.
- **“Columbia” or “Columbia Management”** refers, collectively, to Columbia Management Investment Advisers, LLC and Columbia Wanger Asset Management, LLC.
- **“Columbia Funds”** means investment companies and other funds advised by affiliated companies, Columbia Management Investment Advisers, LLC and Columbia Wanger Asset Management, LLC.
- **“Columbia Management Investment Distributors”** means Columbia Management Investment Distributors, Inc.
- **“Columbia Wanger Asset Management”** means Columbia Wanger Asset Management, LLC.
- **“Committee” or “Oversight Committee”** means Ameriprise Financial Services, LLC’s Managed Accounts Program Oversight Committee.
- **“Discretionary Managers”** refers, collectively, to Advisory Service Providers with investment selection discretion and SPS Discretionary Advisors.
- **“DRP”** means a dividend reinvestment plan.
- **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
- **“ETF”** means an exchange-trade fund.
- **“ETN”** means an exchange-traded note.
- **“Investnet”** means Investnet Asset Management, Inc.
- **“Investnet Manager”** means an SMA Investment Manager who entered into a sub-management agreement with Investnet to provide discretionary Investment Manager or Model Provider investment management services.
- **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- **“Executing Party”** refers, collectively, to the broker-dealer or stock exchange.
- **“FDIC”** means the Federal Deposit Insurance Corporation.
- **“Feature”** means the SPS *Advantage* automatic rebalancing feature.
- **“FIFO”** means first in first out.
- **“FINRA”** means the Financial Industry Regulatory Authority.
- **“Frequency Interval”** means the rebalancing frequency interval.
- **“Full Participation Firms”** are mutual fund firms that fully participate in the Mutual Fund Program.
- **“HIFO”** means highest in first out.
- **“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 and is applied separately by each Program.
- **“ICR”** means an internal control report.
- **“Ineligible Investments”** are investment products that do not meet Ameriprise Financial Services’ due diligence standards or are otherwise ineligible to be held in Managed Accounts.
- **“Internal Revenue Code”** means the Internal Revenue Code of 1986, as amended.
- **“IPO”** means an initial public offering.
- **“IRA”** means an individual retirement account.
- **“IRG”** means Ameriprise Investment Research Group.

- **“Investments and Infrastructure Support Credit”** is a credit to SPS Advisor Account clients for all sub-transfer agency fees and networking fees that AEIS receives from mutual funds firms.
- **“Investments and Infrastructure Support Fee”** is a fee to support the cost of maintaining and serving the SPS Advisor Program.
- **“Investment Costs”** are the underlying fees related to investment products client purchases within their Managed Account.
- **“Investment Manager”** is a manager with discretionary authority to purchase or sell securities or make other investments for client’s Account.
- **“Investor Unified Account”** means Ameriprise® Investor Unified Account.
- **“LIFO”** means last in first out.
- **“Manager Directed Program”** refers to the discretionary Programs, specifically *Active Portfolios*® investments, Select Separate Account, Vista Separate Account, Investor Unified Account and Access Account Programs that use the discretionary investment advisory services of Advisory Service Providers. Collectively we refer to these Programs as the Manager Directed Programs throughout this Brochure.
- **“Model Provider”** is a Model Provider who constructs a model portfolio according to the specific investment strategy.
- **“Mutual Fund Program”** means Ameriprise Financial Mutual Fund Program, the structure formed by the payment of the mutual fund and 529 plan marketing and sales support payments that are received from certain mutual fund firms.
- **“NASD”** means the National Association of Securities Dealers, a predecessor of FINRA.
- **“Non-Matching Shares”** refer to mutual fund share classes that do not match the Advisory Share class or other share class offered by Ameriprise Financial Services as the only share class available for a particular mutual fund.
- **“Non-Target Securities”** means securities that are purchased or transferred into the SPS *Advantage* Account that are not a part of your Target Allocation.
- **“NYSE”** means the New York Stock Exchange LLC.
- **“NYSE: AMP”** means Ameriprise Financial, Inc. stock symbol on the NYSE.
- **“Outside Workplace Retirement Plan”** means additional retirement plan assets not included in the Managed Account and that are held outside of Ameriprise Financial Services in a participant-directed defined contribution plan.
- **“PIN”** means Promontory Interfinancial Network, LLC.
- **“Portfolio Strategist”** means Portfolio Strategist who provides asset allocation and investment recommendations to the Investment Manager.
- **“Program”** means each investment advisory program offered by Ameriprise Financial Services.
- **“Program Banks”** means FDIC member banks that participate in AIMMA.
- **“Program Bank List”** means the list that identifies the Program Banks participating in AIMMA.
- **“Reasonable Restrictions”** are client imposed reasonable stock or sector restrictions on the management of his/her discretionary Account(s).
- **“Rebalancing Date”** means the next rebalancing date for rebalancing your eligible assets to the targeted allocation.
- **“Relationship”** means an Ameriprise® Custom Advisory Relationship.
- **“Relationship Agreement”** is an investment advisory relationship opened through the Ameriprise® Custom Advisory Relationship Agreement.
- **“REIT”** means a real estate investment trust.
- **“RiverSource”** refers, collectively, to RiverSource Life Insurance Company and RiverSource Life Insurance Co. of New York.
- **“RiverSource Distributors”** means RiverSource Distributors, Inc.
- **“RiverSource Life”** means RiverSource Life Insurance Company.

- **“RiverSource Life of NY”** means RiverSource Life Insurance Co. of New York.
- **“Schwab”** means Charles Schwab & Co., Inc.
- **“SEC”** means the United States Securities and Exchange Commission.
- **“Select Separate Account”** means Ameriprise® Select Separate Account.
- **“SEP”** means a Simplified Employee Pension.
- **“SIMPLE”** means a Savings Incentive Match Plan for Employees.
- **“SIPC”** means the Securities Investor Protection Corporation.
- **“SMA”** means a separately managed account.
- **“Solicitor”** means individual professional, professional firm, and select corporate, institutional or membership organization to whom compensation is paid for referral of clients or members to Ameriprise Financial Services for its financial advisory services.
- **“SPS Advantage”** means Ameriprise® Strategic Portfolio Service *Advantage*.
- **“SPS Advisor”** means Ameriprise® SPS Advisor.
- **“SPS Discretionary Advisor”** means Ameriprise financial advisor authorized to use discretion in SPS Advisor.
- **“Ameriprise Financial Services”** refers to Ameriprise Financial Services as Ameriprise Financial Services of the wrap fee program described in this Brochure.
- **“Starting Point List”** means mutual funds and ETF recommended list developed by IRG.
- **“Sweep Program”** means money settlement feature offered by Ameriprise Financial Services that is intended to hold cash.
- **“Target Allocation”** means your predetermined allocation in accordance with your instruction for Ameriprise Financial Services to rebalance your eligible assets.
- **“Third Party Execution Fees”** means additional costs incurred when an Investment Manager directs transactions for execution with or through Executing Parties other than AEIS.
- **“Third Party Financial Institutions”** means third-party financial institutions such as community banks, credit unions, credit union service organizations, Farm Credit Services and trust service providers with whom Ameriprise Financial Services may form alliances and networking arrangements with to allow its financial advisors to offer investment advisory services, financial planning services and certain other non-deposit investment and insurance products and services, to retail customers/members of the Third Party Financial Institutions.
- **“Third Party Payments”** means the portion of Investment Costs paid to AEIS by third parties who manage, sponsor or distribute investment products held in your Managed Account.
- **“TSCA”** means Tax-Sheltered Custodial Account.
- **“UIT”** means a unit investment trust.
- **“UMA”** means a managed account that enables you to own SMAs, mutual funds and/or eligible ETFs in a multi-account investment portfolio.
- **“Vista Separate Accounts”** means Ameriprise® Vista Separate Account.



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